



In accordance with Article 28 of the Law on Privatization (as published in the Official Gazette of the Republic of Serbia Nos. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** hereby announces a:

PUBLIC INVITATION

For participation in a public tender process
for the acquisition of a controlling interest in:

TK "LJUBISA MIODRAGOVIC", Prijepolje

Tender Code: LJU08/03

1. Total registered capital of the Company is YUM 449,277,860.08 of which Socially owned capital is YUM 90,661,819.66 (20.18%) and the Government capital contribution is YUM 358,566,040.42 (79.82%)

The Agency is offering for sale 70% of Socially owned capital and 100% of the State capital of TK Ljubisa Miodragovic, Prijepolje (hereinafter: "Entity undergoing privatization").

2. Details about the Entity undergoing privatization:

Address:	Trg Dimitrija Tucovica 7, 31300 Prijepolje, Serbia and Montenegro
Phone Number:	+381 33 23 065
Fax Number:	+381 33 21 067
Industry:	Textile
Tender Code:	LJU08/03

Basic data about the Entity undergoing privatization is available at

http://www.priv.yu/pregled_preduzeca/pdf/teaser_367.pdf

Detailed information about the Entity undergoing privatization, along with the Information Memorandum and Instructions to Bidders (hereinafter "the Tender Documents"), will be made available to all buyers of the Tender Documents, upon payment of the Tender Documents Fee in the amount of USD 5.000 (US Dollars five thousand), plus USD 1.000 (US Dollars one thousand), for sales tax;

3. The PA has appointed **Meinl Capital Advisors & Interexport Ltd. ("MCA")** to act as the advisor in the privatization procedure (hereinafter: "Advisor").
4. A bid may be submitted by the potential Buyer that has purchased the Tender Documents;

If the potential Buyer is a Parent company that has not purchased the Tender Documents, its subsidiary has the right to submit a bid, if it has purchased the Tender Documents.

The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If the potential Buyer is a subsidiary that has not purchased the Tender Documents, its Parent company has the right to submit a bid, if it has purchased the Tender Documents.

The Parent company may submit a bid if its Subsidiary has purchased the Tender Documents.

If the potential Buyer is a consortium, the following requirements should be fulfilled:

- All Consortium members have made the decision on organizing and entering the Consortium;
 - Each member of the Consortium assumes an unlimited joint and several liability;
 - The Consortium Agreement specifies each member's percentage in the acquired company's capital;
 - All Consortium members have signed Notarised Power of Attorney for the representing member of the Consortium;
 - All Consortium members have signed a Confidentiality Agreement;
 - At least one of the Consortium members has purchased the Tender Documents;
5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **July 18th 2003**. Deadline for the purchase of the Tender Documents is July 28th 2003. Tender Documents will be available to interested parties from **July 14th 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, to the addresses stated below, or by e-mail or facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code LJU08/03".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded to the authorized representative by the Privatization Agency.

Upon the payment of the Tender Documents Fee, the Confidentiality Agreement shall be sent to duly authorized representative for signature, by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

6. Upon receipt of the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, The Advisor shall immediately send the relevant Tender Documents to the Tender Participant by mail, or hand it to the authorized representative.

The Advisor and the PA shall not be held liable for any loss or delay that may occur in the delivery of any document.

7. The deadline for submission of the bids for acquisition of the capital is **September 1st, 2003, at 17:00 hours (Belgrade time)**.
8. The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary.
9. The Bid bond for participating in the Public Tender will be **USD 50,000 (US Dollar fifty thousand)**.
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:



PRIVATIZATION
AGENCY

Republic of Serbia



MEINL CAPITAL ADVISORS AG

Mag. Danuta Frydzynski
Projects Controller
Meinl Capital Advisors AG
Jasomirgottstrasse 6
A-1010 Vienna, Austria
Tel. +43 1 53188 755
Fax: +43 1 53188 777
E-mail: frydzynski@meinbank.com

Mrs. Ljiljana Milosavljevic-Cook
Project Manager
Meinl Capital– Interexport Consortium
Bulevar Kralja Aleksandra 80
11000 Belgrade, Serbia & Montenegro
Tel.:+381 11 438 422
Fax:+381 11 444 8163 (244 81 63)
E-mail: office@mca.net.yu