

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001 and 18/2003), the Privatization Agency (hereinafter: "the Agency") hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for sale of 82.00% of total capital in the company:

RTB Bor-Grupa d.o.o. Bor
IPM d.o.o. Majdanpek Šaška b.b.

Tender Code: **IPM05/05**

1. The total registered capital of **IPM Majdanpek d.o.o., Majdanpek** (hereinafter "Entity undergoing privatization"), consists of 60% socially owned capital and 40% capital-share of RTB Bor-Grupa d.o.o.

The Agency offers for sale 70% of socially owned capital and capital-share of RTB Bor-Grupa d.o.o., which is a total of **82%** of capital in the Entity undergoing privatization.

2. Details about the Entity undergoing privatization:
Address: Šaška b.b., 19250 Majdanpek, Serbia and Montenegro
Phone: +381 (030) 581691
Fax: +381 (030) 581421

Operating activity:

1. Production of gold and silver jewelry, gold and silver coins, liquid gold and platinum, decorative products, silver solds and anodes, refining of secondary precious raw materials and production of pure precious metals in **Factory Zlatara**.
2. Production of rondels for circulating coins, tokens, metal accessories, costume jewelry, jewelry cases, and injected plastic parts for electric industry in **Factory Megaplast**.
3. Production of dimmers for fluorescent, sodium and mercury haloed lamps, fluorescent haloed lamps, commutator low power electric motors for home appliances, async motors with eccentric rotor up to 30W, and home appliances in **Factory FEP**.

More details on the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_10587.pdf or
<http://www.seecap.com/php/download.php?catg=businessopportunities&item=majdanpek>

Detailed information about the Entity undergoing privatization, along with the Information Memorandum (hereinafter "the Tender Documents"), will be made available to all interested parties upon signing of the Confidentiality Agreement and purchasing the Tender Documents.

3. The Agency has appointed SEECAP d.o.o., to act as advisor in this privatization procedure (hereinafter: Advisor).
4. A bid may be submitted by:
 - A) Potential bidder that fulfils cumulatively the following requirements:

- it has purchased the Tender Documents in manner and within deadlines as stipulated under 5. below.

and

- it complies with at least of the following requirements pertaining to the operating activity:
 - a) It is engaged in production of precious metal objects (jewelry, coins, decorative objects)
or
 - b) It is engaged in production of rondels for metal coins in circulation, plastic packing, or metal accessories leather or textile industry.
or
 - c) It is engaged in production of haloed lamps for home or industrial use, dimmers for fluorescent, sodium and mercury haloed lamps
or
 - d) It is engaged in exploit of gold mines and/or silver mines and/or precious or semiprecious stone mines
or
 - e) It is a wholesale merchant of products or raw material for production of products listed under (a) and/or (b) and/or (c)

and that it has been engaged in this operating activity for the last three (3) years with continuity.

and

- it had a total turnover of not less than €5 million in 2004.

Parent Company and Subsidiary as the Bidder

If the interested bidder is a Parent company that does not meet the requirements from this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfils the requirements. The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If the interested bidder is a subsidiary that does not meet the requirements referred to by this clause of the Public Invitation, the Parent company has the right to submit a bid, if it fulfils the requirements. The Parent company may submit a bid if its Subsidiary has purchased the Tender Documents.

- B)** If an interested bidder is a Consortium, it is necessary that it fulfils cumulatively the following requirements:

1. All Consortium members have made the decision on organizing and entering the Consortium for the purpose of submitting the bid;
2. All Consortium members have concluded a written Consortium Agreement and notarized it at the Court;
3. Each member of the Consortium assumes an unlimited joint and several liability by provisions of the Consortium Agreement;
4. The Consortium Agreement specifies each member's percentage in the acquired capital of the Entity undergoing privatization;
5. All Consortium members have signed Notarized Power of Attorney for the representing member of the Consortium;
6. All Consortium members have signed a Confidentiality Agreement;

7. At least one of the Consortium members has purchased the Tender Documents;
 8. Consortium member with highest share in the Consortium fulfils the requirements stated under 4. A.
5. Tender Documents will be made available to the interested parties from May 9th 2005. 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 **May 31st 2005, at 5 p.m.**

The Tender Documents Fee is EUR 5.000,00 (Euro five thousand)

The request for purchasing the Tender Documents shall be submitted to the Advisor or the Agency 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 IPM05/05".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the authorized representative by the Privatization Agency by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

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.

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

6. The deadline for submission of binding bids for acquisition of the capital which is the subject of the sale is **June 30th, 2005, at 17:00** hours (CET).

The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary. As a prerequisite for bid submission, it is necessary to pay a deposit or to submit the Bid Bond in the amount of **EUR 50,000 (Euro fifty thousand)**.

7. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address below:

Advisor:

Zoran Mitić
SEECAP d.o.o.
Maršala Birjuzova 22
11000 Belgrade
Serbia and Montenegro
Phone: +381 11 328 3100
Fax: +381 11 328 3101
E-mail: office@seecap.com

Privatization Agency:

Jovan Iljić
Privatization Agency
Terazije 23
11000 Belgrade,
Serbia and Montenegro
Phone: 381 (011) 3020 847
Fax: +381 11 3020 816
E-mail: jiljic@priv.yu