

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003, and 45/2005), the Privatization Agency (hereinafter: "the Agency") hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for sale of 100% of the capital in the company:

Socially-Owned Company "Industrija stakla Pancevo" in restructuring, Pancevo

Tender Code: **ISP10/05**

1. The total registered capital of socially owned company "Industrija stakla Pancevo" in restructuring, Pancevo (hereinafter "Entity undergoing privatization"), consists of 81.29% socially owned capital and 14.82% state owned capital and 3.89% capital owned by Development Fund Republic of Serbia.
2. The Agency offers for sale 100% of the registered capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:
Address: Prvomajska 10, Pancevo, Serbia and Montenegro
Web site: www.isp.co.yu
Phone: +381 13 352 636
Fax: +381 13 47 153
Activity: Flat glass manufacturing

More details on the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_132.pdf

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.

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

The Agency has appointed Economics Institute JSC, Belgrade, to act as advisor in this privatization procedure (hereinafter: Advisor).

4. A bid may be submitted by:
 - A) Potential bidder that fulfils the following requirements:
 - It has purchased the Tender Documents; and
 - (a) It operates in glass or glass products manufacturing and/or glass processing and/or wholesale or retail of glass at least for the past 3 operating years in continuity, and
 - (b) it achieved operating revenues of not less than EUR 10.000.000 (Euro ten million) in 2004

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 it's Subsidiary has purchased the Tender Documents.

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

- All Consortium members have made the decision on organizing and entering the Consortium;
- All Consortium members have concluded a written Consortium Agreement and notarized it in Court or other competent body (in case of foreign legal entities and individuals);
- Each member of the Consortium assumes an unlimited joint and several liability by provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquired capital of the Entity undergoing privatization, provided that one member has at least 51% share in the Consortium (hereinafter: "Consortium Leader");
- All Consortium members have signed Notarized 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;
- **That the Consortium Leader fulfils the following requirement:**
 - (a) It operates in glass or glass products manufacturing and/or glass processing and/or wholesale or retail of glass at least for the past 3 operating years in continuity, and
 - (b) it achieved operating revenues of not less than EUR 10.000.000 (Euro ten million) in 2004

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 **October 28th 2005, at 5 p.m.**

Tender Documents will be made available to the interested parties from October 20th 2005.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, e-mail or facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code ISP10/05".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the tender participant's authorized representative 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 or hand it to its authorized representative.

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 final binding bids for acquisition of the capital is **December 23rd 2005, at 17:00** hours (CET).

The Agency reserves the right to amend the requirements and deadlines 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 contact persons at the address bellow:

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