

Pursuant to Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, and 45/2005),

**PRIVATIZATION AGENCY**  
(hereinafter: the "Agency")  
issues this:

**Public Invitation**

for participation in a public tender  
for the sale of 100% of socially owned capital of the company:

**DP «ŠIK KUČEVO» Kučevo in restructuring**  
(hereinafter: the "Entity undergoing privatization")

**Tender Code: SK 20/06**

1. Total registered capital of the Entity undergoing privatization consists of 100 % of socially owned capital.
2. The Agency is offering for sale 100% of socially owned capital of the Entity undergoing privatization
3. Basic Data about the Entity undergoing privatization:

Address: **Bože Dimitrijević 4, 12 240 Kučevo, Republic of Serbia**

Phone: **+ 381 12 852 148**

Fax: **+ 381 12 852 246**

Core business activity: **Production of panels and plates from woods**

Further information on the Entity undergoing privatization can be found at:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_140.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_140.pdf)

A detailed information on the Entity undergoing privatization, as well as the Instructions to Bidders (hereinafter: the "Tender Documents") shall be available to all interested tender participants upon signing the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6,000 (six thousand euros), payable in dinars according to the mid exchange rate of the National Bank of Serbia on the date of invoicing.

The Privatization Agency has appointed Eucons Group d.o.o. Belgrade to act as the advisor in this privatization process (hereinafter: the "Consultant").

4. A bid may be submitted by:

A. An interested bidder that fulfils the following requirements:

- it has purchased the Tender Documents, and
- It fulfills at least one of the following conditions:

a) It has **either** been engaged in production and/or processing and/or trade of products from wood for at least the last 3 years continually, and it achieved operating revenues of at least EUR 1.000.000 (Euro one million) in 2005,

**or**

b) It is a Financial Investor (a legal entity whose core business is investment of money, existing for at least the last 3 years, and including investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets exceeding EUR 40.000.000 (Euro forty million) in 2005,

**or**

c) It is an investor that achieved in 2005 operating revenues of at least EUR 3.000.000 (Euro three million).

If a potential bidder is a parent company that does not fulfill the requirements of this Clause of the Public Invitation, its subsidiary has the right to submit a bid if it fulfills the stated requirements. The subsidiary has the right to submit a bid if the parent company has purchased the Tender Documents.

If a potential bidder is a subsidiary that does not fulfill the requirements of this Clause of the Public Invitation, its parent company has the right to submit a bid if it fulfills the stated requirements. The Parent company has the right to submit a bid if the subsidiary has purchased the Tender Documents.

B. If a potential bidder is a Consortium it must cumulatively fulfill the following requirements:

- All consortium members made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities and natural persons);
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity undergoing privatization;
- All consortium members have signed a 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; and
- At least one Consortium Member fulfills at least one of the following requirements:

a) It has **either** been engaged in production and/or processing and/or trade of products from wood for at least the last 3 years continually, and it achieved operating revenues of at least EUR 1.000.000 (Euro one million) in 2005,

**or**

b) It is a Financial Investor (a legal entity whose core business is investment of money, existing for at least the last 3 years, and including investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets exceeding EUR 40.000.000 (Euro forty million) in 2005,

**or**

c) It is an investor that achieved in 2005 operating revenues of at least EUR 3.000.000 (Euro three million)

5. The Agency hereby invites all parties interested for the participation in the tender to submit a written request for purchasing the Tender Documents of the Entity undergoing privatization, by **October 10<sup>th</sup> 2006**.

**The Tender Documents will be available to interested parties from September 15<sup>th</sup> 2006.**

A written request for purchasing the Tender Documents shall be sent to the Consultant by mail, e-mail or facsimile to the address below, with clearly displayed reference „Request for purchasing the Tender Documents – Tender Code: **SK 20/06**“.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the person signing the Confidentiality Agreement and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

Consultant 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 the final binding offers for acquisition 100% of socially owned capital of the Entity undergoing privatization by interested bidders is **October 27<sup>th</sup> 2006, by 17:00h (Belgrade time)**.

If necessary, the Agency reserves the right to change all or individual conditions from this Public Invitation.

As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of EUR 50.000 (Euro fifty thousand).

7. For all questions relating to this Public Invitation, all interested parties may contact the Consultant's representatives listed below, in Serbian or English.

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**Project Manager**

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**Predrag Petrović**

**Consultant**

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