

Pursuant to the Articles 28, 69, 70 and 72 of the Law on Privatization (Official Gazette of RS, no. 38/2001, 18/2003 and 45/2005), Article 9 of the Law on the Privatization Agency (Official Gazette RS, no. 38/2001 and 135/2004) and Articles 9 and 10 of the Law on the Share Fund (Official Gazette RS, no 38/2001 and 45/2005), the Privatization Agency (hereinafter: the «Agency») announces :

PUBLIC INVITATION
for participation in the Public Tender for sale of
89,323 shares with CFI code: ESVUFR; ISIN number: RSPOLPE97712
with nominal value of RSD 1,350 representing 39.61829% of the total registered capital of the
Company (hereinafter: the Block of Shares)

”POLIESTER”

POLIESTER INDUSTRY CORPORATION JSC PRIBOJ , PRIBOJSKE ČETE 44
(hereinafter: the Company)

Tender Code: POL 25/07

1. Total registered capital of the Company consists of 29.79300% of the capital held by the Share Fund of the Republic of Serbia, 9.82529% of the capital held by Pension and Disability Insurance Fund and 60.38171% of the capital held by individual shareholders.
2. The Agency is offering for sale the Block of Shares consisting of 89,323 shares, with CFI code: ESVUFR, ISIN number: RSPOLPE97712, with nominal value of 1,350 RSD, of which 67,171 shares are owned by of the Share Fund of the Republic of Serbia and 22,152 shares are in possession of Pension and Disability Insurance Fund, aggregately representing 39.61829% of total capital of the Company.
- 2a. The Bidder is obliged to offer the price per share for all shares of the Company, considering that upon the ranking of all received bids, the Share Fund shall invite individual shareholders to join their shares with the shares in the Share Fund portfolio (i.e. Block of Shares) with the aim to form the majority block of shares.
3. Information about the Company:

Registered seat: Pribojske čete, no. 44, 31330 Priboj, Republic of Serbia
Telephone: (+381 33) 55 288; +381 33 55 159; +381 33 55 112
Facsimile: (+381 33) 55 073

Core business activity: manufacturing boards, sheets, tubes and profiles made of plastic masses

More information about the Company available on Internet address:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_15881.pdf

More details about the Company as well as Instructions to Bidders (hereinafter: the Tender

documentation) shall be available to all interested Tender Participants upon signing Confidentiality Agreement and payment of the Tender Documents Fee.

Tender Documents Fee. Is EUR 6,000 (six thousand EUR)..

Privatization Agency has appointed Institute for Economics and Finance, Belgrade to act as the Advisor in the this process (hereinafter: the Advisor).

4. A bid may be submitted by:

A. Interested bidder that fulfills the following requirements:

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

Either

- a) It has been engaged in manufacturing of products made of unsaturated polyester and/or manufacturing of boards, sheets, tubes and profiles made of plastic masses in the last three business years and generated operating income of at least EUR 4,000,000 (four million EUR) in 2006;

or

- b) it is a financial investor (a legal entity whose core business is investment of money and investment management, existing for at least the last 3 business years, which includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 50,000,000 (Euro fifty million) in 2006;

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 that fulfills the above stated requirements also 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 that fulfills the above stated requirements also 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 Decision on forming and entering 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 private entities);
- 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 Company;
- 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;

- Consortium fulfills at least one of the following requirements:

Either

- a) At least one consortium member generated operating income of at least EUR 4,000,000 (four million EUR) in 2006; and at least one consortium member has been engaged in manufacturing of products made of unsaturated polyester and/or manufacturing of boards, sheets, tubes and profiles made of plastic masses in the last three business years

or

- b) At least one consortium member is a financial investor (a legal entity whose core business is investment of money and investment management, existing for at least the last 3 business years, which includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 50.000.000 (Euro fifty million) in 2006;

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Company by November 16, **2007 at 16.30** hours (Belgrade time).

The Tender Documents will be available to interested parties from October 15th 2007.

A written request for purchasing the Tender Documents shall be sent to the Advisor by mail, e-mail or facsimile to the address below, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: POL 25/07".

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 applicant's authorized representative by mail, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of authorization for the person that signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, upon expiry of the deadline set out in paragraph 2 of this Clause, the Advisor shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

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 the final binding offers for acquisition of shares of the Company as specified in Clause 2 and 2a hereof by interested bidders is **December 10, 2007, by 16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change any and all conditions, i.e. deadlines set out in 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. All questions relating to this Public Invitation should be directed to contact persons to the address below, in the Serbian or English.

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