

Based on Articles 28, 69, 70 and 72 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, and 45/2005), Article 9 of the Law on the Privatization Agency (Official Gazette of the Republic of Serbia No. 38/2001 and 135/2004), Articles 9 and 10 of the Law on Share Fund (Official Gazette of the Republic of Serbia No. 38/2001 and 45/2005), and Conclusion of the Government of the Republic of Serbia No. 023-62/2007 from January 11, 2007, the Privatization Agency (hereinafter: "the Agency") hereby issues:

**PUBLIC INVITATION  
for participation in the public tender  
for sale of 708,886 shares with CFI Code: ESVUFR ISIN Number: RSFADPE53357, with nominal  
value of RSD 100 representing 45.28899% of the total capital of the company  
(hereinafter: Block of Shares)**

**"FADIP-KONCERN"**

**Joint Stock Company, industry and trade, Bečej, Trg Oslobodjenja 3-4  
(hereinafter: the "Company")**

Tender Code: **FK 04/07**

1. Total registered capital of the Company consists of 26.61843% of capital owned by Share Fund of the Republic of Serbia, 10.00000% of the capital owned by Republic of Serbia, 8.67056% of capital owned by PIO Fund and 54.71101% of capital owned by individual shareholders (legal entities and natural persons).

2. The Agency is offering for sale the Block of Shares consisting of 708,886 shares with CFI code: ESVUFR ISIN number: RSFADPE53357 with nominal value of RSD 100, out of which 416,645 shares are owned by the Share Fund of the Republic of Serbia, 156,525 shares are owned by Republic of Serbia, and 135,716 shares are owned by PIO Fund, representing 45.28899% of the total capital of the Company.

**2a** The Bidder is obliged to offer the price per share for all Company shares, given that after the ranking of the submitted 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) in order to create majority share package.

**3. Basic Data about the Company:**

Address: Trg Oslobodjenja 3-4, 21120 Bečej, Republic of Serbia

Phone: +381 21 6913 126

Fax: +381 21 6915 971

Operating activity: Production of other rubber products

Further information on the Company is available at:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_16093.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_16093.pdf)

Detailed information on the Company, 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 (Euro six thousand).

The Company has appointed **Deloitte d.o.o.** Belgrade to act as the advisor in this equity sale procedure (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 fulfils at least one of the following conditions:

**Either**

a) It has been engaged in production of other rubber products for at least the last 3 operating years in continuity, and generated operating revenues of at least EUR 5,000,000 (Euro five million) in 2006,

**Or**

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating years, and 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,

**Or**

c) It is an investor which generated operating revenues of at least EUR 10,000,000 (Euro ten 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 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 has the right to submit a bid if its 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 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 Company, where at least one consortium member has at least 51% share in the Consortium (hereinafter: Consortium Leader);
- 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
- Consortium Leader fulfills at least one of the following requirements:

**Either**

a) It has been engaged in production of other rubber products for at least the last 3 operating years in continuity, and generated operating revenues of at least EUR 5,000,000 (Euro five million) in 2006,

**Or**

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating years, and 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,

**Or**

c) It is an investor which generated operating revenues of at least EUR 10,000,000 (Euro ten million) in 2006.

**5.** The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents of the Company **by March 16, 2007, 17:00 hours (CET, GMT + 1).**

**The Tender Documents will be available to interested parties from February 24, 2007.**

A written request for purchasing the Tender Documents shall be sent to the Consultant by mail, e-mail or facsimile, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **FK 04/07**".

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 applicant'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 shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative upon the expiry of the deadline set out in paragraph 2 of this Clause.

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 bindings offers for acquisition of the Company shares referred to in Clauses 2 and 2a by interested bidders is **April 13, 2007, by 17:00h (CET, GMT + 1)**.

If necessary, the Agency reserves the right to change terms and 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. All questions relating to this Public Invitation should be directed to contact persons below, in Serbian or English.

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