24-JUL-2012 11:58 FROM EKONOMI BAK, SERBESI BULLS



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До Посолството на Турция

бул. "Вафил Левски" № 80 1087 - София

DEAR SIRS.

We would like to inform you that by Decision No.3258-P/06.07.2012 of the Privatisation and Post-Privatisation Control Agency (APSK), a procedure was declared for the sale, by a publicly announced single stage tender, of 118 000 000 shares, representing 100 % of the capital of Vazovski Mashinostrolotelni Zavodi EAD (Vazov Machine Buildigns Plants PLC), town of Sopot.

The decision was promulgated in the State Gazette, issue No.52 of 10.07.2012. The tender documentation, which does not contain the information memorandum of the company, may be purchased from 16.07.2012 until 09.08.2012.

The price of the tender documentation is 5 000 BGN or the equivalent amount in EUR and can be paid at the cash desk of APSK (only in BGN), before receiving the documentation, or by bank transfer to the bank account of APSK, indicated in the

Attached, we offer you a brief presentation of Vazovski Mashinostroitelni Zavodi EAD, towin of Sopot.

Further information on the privatisation procedure may be obtained from the website of the Privatisation and Post-Privatisation Control Agency: http://www.priv.government.bg/. On the indicated website you can find information about other projects of the Privatisation and Post-Privatisation Control Agency as well.

Additional information about the company and the privatisation procedure can also be received at phone 9701 640, and at the following e-mail address: nchureshka@priv.government.bg

We hope (or further successful cooperation.

Enclosure: According to the text.

Fig. 2 Are and a second Yours sincerely,

EMIL KANANIKOLOV

EXECUTIVE DIRECTOR

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FROM EKONOMI BAK. SEKBESI BULG 24-Jul-2012 11:58 FR HP LASERJET FAKS

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VAZOVSKI MASHINOSTROITELNI ZAVODI EAD (VAZOV MACHINE BUILDING PLANTS PLC)

Vazpvski Mashinostroitelni Zavodi EAD, town of Sopot (the Company) is the successor of one of the largest military enterprises, established in Bulgaria before the Second World War.

Vazovski Mashinostroitelni Zavodi BAD, Soput, is a trading company, and the sole owner of all shores of its capital is the Bulgarian state, where rights are exercised by the Minister of Economy, Energy, and Tourism.

In its current form, the Company has existed since 1994 as one of the largest companies of the military industrial complex in the Republic of Bulgaria. The registration of the Company took place on 01.04.1994 when it was entered in the Company Register.

The Company is based in the town of Sopot. The capital of the Company amounts to 118 000 000 BON, divided into 118 000 000 shares with a nominal value of I BGM each.

The company's system of governance is a single-lier one.

The activity of the company is the manufacture of defence and civilian production. It designs, manufactures, and maintains large artillery and jet propelled ammunitions, and unguided rocket systems, fuses, processing and nonstandard equipment, tooling, abrasive and diamond tools, nonstandard machines. The company successfully implements utilization of emmunitions.

The company owns licenses and patents, covering a range of weapons, ammunitions and unguided rockets, used by NATO member states and other countries.

The Interagency Council on Issues of the Military Industrial Complex and the Country's Mobilisation Proporedness to the Council of Ministers has issued a full license No.11.00 - 26 - 1 of 22.02.2012 to Vezovski Mathinostroitelni Zavodi 1:AD, town of Sopot.

The validity of the license is until 22.02.2015.

The Company owns two certificates of International Registration of Trademarks, 14 certificates of trademark registration by the Ratent Office of the Republic of Bulgaria, 3 petents for Inventions related to its main activity, & inventions with scores patents.

The company applies a certified system of quality management according to ISO 9001/2000.

The company employs highly qualified personnel, numbering approx.3300 people. Its main site is located in the town of Sopot. The company owns 15

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production sites, 5 warehouse finilities, and 22 sites with non-production purposes, on part of which numerous buildings have been built.

The most important production sites are located on the lands of village of Ivanevo, town of Sopot, village of Apavo, village of Kaloyanovo, Plovdiv province, and in the town of M. Tamovo.

In 2011, the National Assembly of the Republic of Bulgaria approved the Privatisation Strategy of VMZ EAD, Sopot, promulgated in the State Gazette, issue No.27 of 2011 (the Strategy).

in implementing the Stratogy, the Privatization and Post-privation Control Agency announced its decision for the sale, by a publicly announced single stage tender, of 118 000 000 shares, representing 100% of the capital of Vazovski Mashinostroitchi Zavodi EAD, Sopot, with the following requirements set to potential investors:

- 1. Only strategic investors will be allowed to participate in the essential phase of the competition i.e. a duly incorporated and validly existing legal entity under the laws of the State whose jurisdiction regulates its legal status, which cumulatively meets the following requirements:
- 1.1. To have as its main subject of activities the manufacture of defence production, and to carry out the manufacture of defence production.
- 1.2. To apply a certified system for quality management according to ISO 9001/2000 or AQAP.
- 13. To have the rights to perform independent activities related to import, expert and transfer of weapons.
- 1.4. Not to have any enforceable public obligations to the Republic of Bulgaria;
- 1.5 To have revenue from sales of at least 120 000 000 BGN totally for the last 3 (three) fiscal years, for which the applicants have propared audited annual figureial statements.
- 1.6 To have received a permission for access to information with classification level "Secret", and / or a certificate of security or a confirmation in accordance with Chapter V and VI of the Law on the Protection of Classified Information, and Chapters VI and VII of the Regulations on the implementation of the Law on the Protection of Classified Information.

The interested persons, meeting the preliminary qualification requirements under clause 1, and having purchased the company's information memorandum are entitled to obtain a certificate of registration.

Of shore companies, consortiums (in the form of commercial or civil companies, seconding to the Bulgarian legislation, specifically established for the purpose of participation in the Competition), persons who are in

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liquidation, persons declared bankrupt, or being under proceedings for declaring them bankrupt, and persons convicted for bankruptcy are not allowed to participate in the competition.

The deposit for the participation in the competition is a cash contribution of \$3 000 000 or the equivalent amount in BGN.

In case of interest on the part of an investor, the tender documentation, which does not contain the information memorandum of the company, may be purchased from 16.07.2012 until 09.08.2012 inclusive at the building of the purchased from 16.07.2012 until 09.08.2012 inclusive at the building of the Privatlastion and Post-Privatlastion Control Agency, city of Solia, 29, the Privatlastion and Post-Privatlastion Control Agency, city of Solia, 29, Akadeov St., Office 412, The cost of the tender documentation is 5000 BON (including VAT) or the equivalent amount in cuto.