

Pursuant to the Restructuring Program of the Assembly of the Corporation “Car Factory Priboj” Joint Stock Company from Priboj - in restructuring (hereinafter referred to as: the “Company”) as of 06 October 2006, and accepted by the Decision of the Privatization Agency on Acceptance of the Restructuring Program as of 11 October 2006, as well as the Amendments no. 1 to the Restructuring Program adopted by the Decision of the Company’s General Assembly as of 06 February 2007, and accepted by the Privatization Agency’s Decision on Acceptance of the Restructuring Program Amendments as of 12 February 2007, and in line with the Article of the Law on Privatization (“Official Gazette of the RoS” nos. 38/2001, 18/2003, 45/2005, 123/07, 123/2007 - other law and 30/2010 - other law) and Article 9 of the Law on Privatization (“Official Gazette of the RoS” nos. 38/2001, 135/2004 and 30/2010), the Privatization Agency (hereinafter referred to as: the “Agency”) is issuing the following:

PUBLIC INVITATION

for participation in the Public Tender for
the sale of 86,49973% of the total registered capital
of the company:

Joint Stock Company “Corporation Car Factory Priboj” Priboj - in restructuring
(hereinafter referred to as: “Entity undergoing privatization”)

Tender Code: **FAP 01/12**

1. Total registered capital of the Entity undergoing privatization consists of 86,49973% of the socially-owned capital and 13,50027% of the share capital.
2. The Agency offers for sale 100% of the socially-owned capital of the Entity undergoing privatization.
3. Information about the Company:

Joint Stock Company “Corporation Car Factory Priboj” Priboj - in restructuring:
Address: No num. Radnička street, 31330 Priboj, Republic of Serbia
Telephone: + 381 33 55 240
Fax: + 381 33 55 240

Core business activity: Manufacture of motor vehicles
Activity code: 2910

More details about the Company are available at the website:

<http://www.priv.rs/Agencija+za+privatizaciju/90/FAP+KORPORACIJA+u+restrukturiranju.shtml/seo=/companyid=398>

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 8.000,00 (eight thousand EUR) in RSD equivalent at the median exchange rate of NBS on the date of invoicing.

The Company has appointed the Limited Liability Company BDO Business Advisory Belgrade as the Advisor in this privatization procedure (hereinafter: the “Advisor”)

4. A bid may be submitted by:
 - A. An Interested bidder fulfills at least one of the following requirements:

- It has purchased the Tender Documents
- It has signed the Confidentiality Agreement and
- It meets the following conditions:

a) It has been engaged in manufacture and/or sale of motor trucks, buses, trolleys, or other similar types of motor vehicles for the last 3 (three) completed business years in continuity, and that it has generated an operating income of at least EUR 20.000.000,00 (twenty million EUR) in 2010.

or

b) It is a financial investor (legal entity whose core business activity is money investment, which exists for at least 3 (three) completed business years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total business assets amounting not less than EUR 25.000.000,00 (twenty five million EUR) in 2010.

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.

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.

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 in the court, or other competent body (in case of foreign legal entities and private persons);
- Each consortium member assumes unlimited joint and several liability related to this tender, under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the Subject of sale of the Company, and that one of the members is appointed as the 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;
- The consortium Leader meets at least one of the following requirements:

a) It has been engaged in manufacture and/or sale of motor trucks, buses, trolleys, or other similar types of motor vehicles for the last 3 (three) completed business years in continuity, and that it has generated an operating income of at least EUR 20.000.000,00 (twenty million EUR) in 2010

or

b) It is a financial investor (legal entity whose core business activity is money investment, which exists for at least 3 (three) completed business years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total business assets amounting not less than EUR 25.000.000,00 (twenty five million EUR) in 2010.

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Subject of sale and to pay Tender Documents Fee by **29 February 2012 by 16.30h (Belgrade time)**.

The Tender Documents will be available to interested parties from February 13, 2012.

A written request for purchasing the Tender Documents shall be sent to the Privatization Agency by mail, e-mail or facsimile to the address stated below, with clearly displayed reference:

“Request for purchasing the Tender Documents - Tender Code: FAP 01/12”.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signing, will be delivered to the applicant’s authorized representative by mail, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed and mailed back to the Privatization Agency and the Advisor to the addresses 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 the purchase of 86,49973/% of the total registered capital by the interested bidders is **16 March 2012, by 16:30h** (Belgrade time).
7. As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of EUR 500.000,00 (five hundred thousand EUR).
8. 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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Project Manager

Privatization Center
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If necessary, the Agency reserves the right to amend dates, deadlines and/or conditions set out in this Public Invitation and it does not bare any liability for eventual costs or damages caused by those changes to Tender participants. In case of any potential changes of the Public Invitation, the Potential Bidders will be informed via website of the Privatization Agency and/or in the “Politika” daily newspaper.