

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:

**Public Invitation**

for participation in a public tender  
for sale of 68.13% of the total registered capital of:

**Društveno preduzeće za održavanje objekata niskogradnje  
"VALJEVO PUT" Valjevo**

(hereinafter: "Entity undergoing privatization")

**Tender Code: VPUT 29/06**

1. Total registered capital of the Entity undergoing privatization consists of 97.33% of the socially owned capital and 2.67% of the share capital.
2. The Agency is offering for sale 68.13% of the total registered capital of the Entity undergoing privatization, which represents 70% of the socially owned capital of the Entity undergoing privatization, a successful construction company specialized in building and maintenance of roads.
3. Basic Data about the Entity undergoing privatization:

Address: Bircaninova 128/V, Valjevo, Republic of Serbia  
Phone/Fax: +381(14) 220 614  
Core activity: Construction of roads, runways, etc.

Further information on the Entity undergoing privatization is available at:

[http://www.pa-serbia.co.yu/pregled\\_preduzeca/pdf/e-teaser\\_11471.pdf](http://www.pa-serbia.co.yu/pregled_preduzeca/pdf/e-teaser_11471.pdf)

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 (Euro six thousand).

The Privatization Agency has appointed the consortium comprising of BPA London Limited, Great Britain, Tomic and Partners Law Office, Belgrade, and MGI Revizija i racunovodstvo, 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 fulfils one of the following requirements:

a) it has been engaged in construction of roads for at least the last 3 operating years in continuity, and achieved operating revenues of not less than EUR 5.000.000 (Euro five million) in 2005;

**or**

b) it is a financial investor (whose core activity is investing money, which exists for at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total operating assets in excess of EUR 40.000.000 (Euro forty million) in 2005;

**or**

c) it is an investor that achieved operating revenues of not less than EUR 10.000.000 (Euro ten million) in 2005.

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 Entities 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 with at least 30% share in the consortium fulfills one of the following requirements:

a) it has been engaged in construction of roads for at least the last 3 operating years in continuity, and achieved operating revenues of not less than EUR 5.000.000 (Euro five million) in 2005;

**or**

b) it is a financial investor (whose core activity is investing money, which exists for at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total operating assets in excess of EUR 40.000.000 (Euro forty million) in 2005;

**or**

c) it is an investor that achieved operating revenues of not less than EUR 10.000.000 (Euro ten million) in 2005.

**5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, by February 2, 2007.**

**The Tender Documents will be available to interested parties from December 25, 2006.**

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: **VPUT 29/06**".

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 applicant's authorized representative by mail, 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.

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 of 68.13% of the total registered capital of the Entity undergoing privatization by interested bidders is **March 2, 2007, by 17:00h (Belgrade time)**.

If necessary, the Agency reserves the right to change all elements of 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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