

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003, and 45/2005),

PRIVATIZATION AGENCY
(hereinafter: "the Agency")
hereby announces:

PUBLIC INVITATION

For participation in the Public Tender for sale of 100% of the registered capital in the company:

Gradjevinsko preduzece "Partizanski put" a.d. Beograd u restrukturiranju
(hereinafter: Entity undergoing privatization)

Tender Code: **PPUT 13/06**

1. The total registered capital of the Entity undergoing privatization consists of 79.85% socially owned capital and 20.15% state owned share capital.
2. The Agency offers for sale 100% of the total registered capital in the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:
Address: Takovska 6, 11000 Belgrade, Republic of Serbia (State Union Serbia and Montenegro)
Phone: +381 (011) 32 36 402
Fax: +381 (011) 32 36 402
Activity: Construction of roads, runways, etc.

More details on the Entity undergoing privatization is available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_371.pdf

Detailed information about the Entity undergoing privatization, along with the Instructions to Bidders (hereinafter "the Tender Documents"), will be made available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6.000,00 (Euro six thousand).

The Agency has appointed BC Consulting, Belgrade, to act as advisor in this privatization procedure (hereinafter: Advisor).

4. A bid may be submitted by:

A) A potential bidder that fulfils the following requirements:

- it has purchased the Tender Documents and
- it fulfills at least one of the following requirements:
 - a) it has been engaged in construction business for at least the last 3 operating years in continuity, and achieved operating revenues of at least EUR 5.000.000 (Euro five million) in 2005;
 - b) **or** is a financial investor (whose core business is monetary investment, which exists for at least 3 years and includes investment companies, mutual funds, insurance companies, retirement funds,

and investment banks) with total operating assets exceeding EUR 40.000.000 (Euro forty million) in 2005;

- c) **or** is an investor that generated operating income in excess of EUR 10.000.000 (Euro ten million) in 2005.

If an interested bidder is a parent company that does not meet the requirements from this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfils the requirements. The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If an interested bidder is a subsidiary that does not meet the requirements referred to in this clause of the Public Invitation, the parent company has the right to submit a bid, if it fulfils the requirements. The parent company may submit a bid if its subsidiary has purchased the Tender Documents.

- B)** If an interested bidder is a Consortium, it is necessary that it fulfils cumulatively the following requirements:

- All Consortium members have made the decision on organizing and entering the Consortium;
 - All Consortium members have concluded a written Consortium Agreement and notarized it at the Court, or other competent body (in case of foreign legal entities and individuals).
 - Each Consortium member assumes unlimited joint and several liability under the Consortium Agreement;
 - The Consortium Agreement specifies each member's percentage in the acquisition of capital of the Entity 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;
 - At least one Consortium member fulfils at least one of the following requirements:
- a) it has been engaged in construction business for at least the last 3 operating years in continuity, and achieved operating revenues of at least EUR 5.000.000 (Euro five million) in 2005;
- b) **or** is financial investor (whose core business is monetary investment, which exists for at least 3 years and includes investment companies, mutual funds, insurance companies, retirement funds, and investment banks) with total operating assets exceeding EUR 40.000.000 (Euro forty million) in 2005;
- c) **or** is an investor that generated operating income in excess of 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 **July 14th 2006**.

Tender Documents will be made available to the interested parties from **June 15th 2006**.

A written request for purchasing the Tender Documents shall be submitted to the Advisor by mail, to the addresses stated below, or by e-mail or facsimile, clearly marked with "Request for purchasing the Tender Documents – Tender Code PPUT 13/06".

Upon receiving the request, an invoice for payment of the Tender Documents Fee and the Confidentiality Agreement for signature, shall be forwarded to the applicant's authorized

representative by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the person who signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Advisor shall send the relevant Tender Documents to the Tender Participant by mail/e-mail, or hand it to its authorized representative.

The 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 final binding offers for acquisition of 100% of the capital of the Entity undergoing privatization by the bidders is **August 11th 2006, at 17:00 hours (CET)**.

The Agency reserves the right to amend the elements of the Public Invitation, if necessary.

As a prerequisite for bid submission, it is necessary to pay a deposit or to submit the Bid Bond in the amount of **EUR 50.000 (Euro fifty thousand)**.

7. All inquiries relating to this Public Invitation should be directed to the Advisor at the address below, in Serbian or English:

Nikica Kolundzija
Direktor

BC Consulting d.o.o
Bulevar Kralja Aleksandra 24/V
11000 Belgrade
Serbia and Montenegro

Phone/Fax: + 381 11 32 35 612
Phone/Fax: + 381 11 32 35 616

E-mail: nikica.kolundzija@bcconsulting.co.yu

Jovan Ilijic
Project Manager

Privatization Agency
Terazije 23
11000 Belgrade
Serbia and Montenegro

Phone/Fax: + 381 11 3020 847
Phone/Fax: + 381 11 3020 816

E-mail: jilijic@priv.yu