

Based on the Decision of the Management Board of the KMG "Trudbenik" a.d. Beograd in restructuring (hereinafter: KMG Trudbenik), 79 Bulevar Kralja Aleksandra, no. 1524 dated 15 August 2006, the Decision of the Privatization Agency of the Republic of Serbia on approval of the Restructuring Program no. P-132/06 dated 27 June 2006, and the Agreement on Power of Attorney II/1, Cert. No. 1499/06, concluded on 23 August 2006, in Belgrade, between KMG Trudbenik, as Contracting entity, and Privatization Agency of the Republic of Serbia, as Agent, Privatization Agency is announcing

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
PURCHASE OF SHARES OF THE KMG «TRUDBENIK» IN THE GP
«TRUDBENIK GRADNJA» d.o.o., BELGRADE**

Sale Code: P-280906-028

1. Subject of sale

Subject of the sale is:

Share of the „KMG TRUDBENIK“a.d., to the amount of 100% of the founding capital, in the Građevinsko preduzeće «Trudbenik Gradnja» d.o.o., Belgrade, 56 Pančevački put, the capital value of which, registered with the Business Registers Agency, amounts to USD 5000,00 recorded in cash, as of 11 July 2003, USD 21.608.011,21 recorded in rights and USD 5.291.152,58 recorded in property, as of 01 July 2003.

2. Obligatory conditions of sale

- Initial price for share amounts to CSD 1.072.055.000,00 (In letters: one billion seventy two million fifty five thousand and 00/100 dinar);
- Deposit amounts to CSD 107.205.500,00 (In letters: one hundred and seven million two hundred fifty thousand five hundred dinar);
- A buyer shall accept, in their totality, rights and obligations, established by the final text of the Sales-Purchase Agreement of shares, set out in the Appendices to the Sales documents.

3. Participation requirements

A buyer of share and property cannot be: 1) domestic legal entity with the majority socially-owned capital; 2) legal entity and individual, which has, toward the Seller, due, but unpaid liabilities, and 3) related companies of the Seller. Such applications shall be rejected without taking into consideration.

As a participant may apply a legal entity, an individual and a consortium consisted of legal entities and/or individuals ("Consortium"). One of the Consortium members, i.e. a person authorized by the Consortium, has to be determined to represent the Consortium ("Authorized representative of the Consortium") and to act on behalf of and for the account of the Consortium.

4. Sales documents

Those who are interested may purchase documents for the Public Bidding, at the price of CSD 40.000,00, after delivering of invoice by the Privatization Agency. Purchase of the bidding documents is obligatory, and on their collection one is to sign the Agreement on Keeping the Confidential Information.

After the payment evidence has been submitted, the Public bidding documents may be collected at the address: Privatization Agency of the Republic of Serbia, Public Auction Center, 23 Terazije St., V floor, room 511, from 09:00-17:00, in period from 31 August 2006 until 21 September 2006.

After the bidding documents have been collected, those who are interested may carry out the site visit to the Enterprise, which is the subject of sale, at the address: Belgrade, 56 Pančevački put, contact person Relja Nedić, on working days from 31 August 2006 until 21 September 2006, from 09:00-13:00. Phone number: 011-27-12-814.

5. Submission of applications for participation in the Public Bidding

Deadline for the application submission expires on 21 September 2006, by 17:00.

Applications must contain data set out in the Instructions to Bidders, which are an integral part of the documents, deposit payment evidence and the account number for deposit return.

Filled application, which is a part of the Public bidding documents, with the signed Draft Sales-Purchase Agreement, initialed on each page and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription:

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING P-280906

Privatization Agency, 23 Terazije St, Belgrade

The Commission for sale of shares shall inform all applicants on approval of their applications, at the latest until one working day before the Public Bidding date.

Prior to submission of the Application for participation, a participant is obliged to pay in the deposit, or to submit the first-class bank guarantee, to the account and in favour of the Privatization Agency, to the amount of CSD 107.205.500,00 (in letters: onehundredandsevenmillion twohundredfivethousand fivehundred and 00/100) dinar.

6. Public Bidding performing:

Public Bidding shall be held on 28 September 2006, at 13:00, within premises of the Privatization Agency, 23 Terazije St, Belgrade, in the Large Hall on the 2nd floor.

Registration of bidders shall start one hour before and shall end 10 minutes before the beginning of the Public bidding, i.e. in period from 12:00 until 12:50.

The manner of performance of the Public Bidding and signing of the Sales-Purchase Agreement has been described into detail in the Instructions to Bidders, which are an integral part of the documents.

All the participants, who have not been declared buyers, are to be returned the deposit amount, within deadline, prescribed by the Instructions to Bidders, which are an integral part of the documents.

The participant to bid the highest offer and be declared a Buyer, the deposit amount is to be calculated into the Sales-Purchase price, and in the event of withdrawal, this amount is to be kept.

Privatization Agency of the Republic of Serbia

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