

Pursuant to the Articles 28, 69, 70 and 72 of the Law on Privatization (Official Gazette of RS, no. 38/2001, 18/2003, 45/2005 and 123/2007), Article 9 of the Law on the Privatization Agency (Official Gazette RS, no. 38/2001 and 135/2004) Articles 9 and 10 of the Law on the Share Fund (Official Gazette RS, no. 38/2001 and 45/2005), and Government Resolution 05 No. 023-7009/2007 dated October 25, 2007, the Privatization Agency (hereinafter: the «Agency») announces :

PUBLIC INVITATION

for participation in the Public Tender

for sale of 164,937 shares with CFI code: ESVUFR; ISIN number: RSMOSTE99118 with individual accounting value of RSD 2,641.500747 (hereinafter: the Block of Shares) owned by the Republic of Serbia, Share Fund and the PIO Fund, representing 53.29368% of the total capital of the Company:

Gradjevinsko preduzece "MOSTOGRADNJA" AD Beograd (Hereinafter: the Company)

Tender Code: **MOST 24/08**

1. Total registered capital of the Company consists of 32.35677% of the capital owned by the Republic of Serbia, 15.55607% of the capital owned by the Share Fund, 5.38084% of the capital held by Pension and Disability Insurance Fund (PIO Fund), 16.95063% of the capital held by "Mostogradnja Konzorcijum" d.o.o. Beograd, and 29.75569% of the capital owned by other individual shareholders – natural persons.

2. The Agency is offering for sale the Block of Shares with CFI code: ESVUFR; ISIN number: RSMOSTE99118, consisting of 164,937 shares with individual accounting value of RSD 2,641.500747, of which 100,140 shares are owned by the Republic of Serbia, 48,144 shares are owned by the Share Fund, and 16,653 shares are held by PIO Fund, aggregately representing 53.29368% of the total capital of the Company.

3. The Bidder is obliged to offer the price per share for all shares of the Company, given that after signing of the Agreement on Sale and Purchase of the Block of Shares, the Share Fund shall invite remaining individual shareholders to join their shares with the shares in the portfolio of the Republic of Serbia, Share Fund and PIO Fund, i.e. to the Block of Shares, for the purpose of sale.

4. Information about the Company:

Registered seat: 19a Vljakoviceva Street, Belgrade, Republic of Serbia
Telephone: +381 11 3232 401
Facsimile: +381 11 3241 320
Core business activity: 45210 – Construction work and specific civil engineering work

More information about the Company available on Internet address:
http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_1397.pdf

More details about the Company as well as Instructions to Bidders (hereinafter: the Tender Documents) shall be available to all interested Tender Participants upon signing Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documentation Fee is EUR 10,000 (ten thousand Euros), to be paid in Serbian Dinars according to the middle exchange rate as registered by the National Banka of Serbia on the day of payment.

The Company appointed KBC Securities Corporate Finance d.o.o., Belgrade to act as the Advisor in this privatization process (hereinafter: the Advisor).

5. A bid may be submitted by:

A. Interested bidder that fulfills the following requirements:

- It has purchased the Tender Documents
- Fulfills one of the following requirements

It has been engaged in civil engineering (building of specific civil engineering structures - bridges, tunnels, viaducts, overpasses, and construction of communications - roads, railroads, etc.) for at least the last three consecutive business years, and generated operating income of at least EUR 350,000,000 (three hundred fifty million Euros) in the 2007, either individually or on consolidated level, or it has been engaged in bridge construction activities for at least the last three consecutive business years, and generated operating income of at least EUR 150,000,000 (one hundred fifty million Euros) in 2007, either individually or on a consolidated level.

If a potential Bidder is a Parent Company, it can evidence the experience in the specified activities and level of operating income from the specified activities in the previous business year (2007) through Subsidiaries under its control.

Subsidiary Company that fulfills the above stated requirements can submit a bid if its Parent Company has purchased the Tender Documents.

Parent Company that fulfills the above stated requirements can submit a bid if its Subsidiary 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 with the court, or other competent body (in case of foreign legal entities and private entities);
- 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 Company;
- 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;
- Consortium member with minimum 25% share in consortium (Consortium Leader) fulfils the following requirement:

It has been engaged in civil engineering (building of specific civil engineering structures - bridges, tunnels, viaducts, overpasses, and construction of communications - roads, railroads, etc.) for at least the last three consecutive business years, and generated operating income of at least EUR 350,000,000 (three hundred fifty million Euros) in the 2007, either individually or on consolidated level, or it has been engaged in the bridge constructions activities for at least the last three consecutive business years, and generated operating income of at least EUR 150,000,000 (one hundred fifty million Euros) in the 2007, either individually or on consolidated level.

If a Consortium Leader is a Parent Company, it can evidence the experience in the specified activities and level of operating income from the specified activities in the previous business year (2007) through Subsidiaries under its control.

6. The Agency hereby invites all parties interested in participating in the Tender to submit a written request and provide payment for the Tender Documents for the Company by **September 05, 2008**.

7. A written request for purchasing the Tender Documents shall be sent to the Advisor by mail, e-mail or facsimile to the address below, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: MOST 24/08".

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 the applicant's authorized representative by mail, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor at the address 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, the Advisor shall provide the relevant Tender Documents to the Tender Participant by mail/e-mail or physical delivery to its authorized representative.

The Tender Documents will be available to interested parties starting from **August 06, 2008**.

The Advisor and the Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.

8. The deadline for submission of the binding offers by interested bidders is **September 26, 2008, by 16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change any and all conditions, i.e. deadlines set out in 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 300,000 (three hundred thousand Euros).

9. All questions relating to this Public Invitation should be directed to the contact persons at the address provided below, in Serbian or English language.

<p>KBC Securities Corporate Finance d.o.o. Belgrade Vlajkovićeva 32 11000 Belgrade Serbia</p> <p>Nenad Mijailović Executive Director Tel: + 381 11 33 44 310 Fax: + 381 11 32 34 914 E-mail: nenad.mijailovic@kbcsecuritiescf.co.yu</p>	<p>Privatization Agency Terazije 23 11 000 Belgrade Serbia</p> <p>Ms. Albina Kecman Šušnjar Project Manager Corporate Restructuring and Public Tender Center Tel: + 381 11 30 20 855 Fax: + 381 11 30 20 816 E-mail: akecman@priv.yu</p>
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