

Pursuant to Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, 45/2005 and 123/07) and Article 9 of the Law on Privatization Agency (Official Gazette of the Republic of Serbia No. 38/2001 and 135/04)

PRIVATIZATION AGENCY
(hereinafter: the "Agency")
issues:

PUBLIC INVITATION

for participation in a public tender
for sale of 70.00% of the registered socially owned capital of :

Društveno preduzeće „RAD“ holding kompanija Beograd

(hereinafter collectively: the "Entity undergoing privatization")

Tender Code: RAD 29/08

1. Total registered capital of Entity undergoing privatization consists of 100% of the socially owned capital.
2. The Agency is offering for sale 100% of the registered socially owned capital of the Entity undergoing privatization.
3. Basic Data about the Entities undergoing privatization:

Društveno preduzeće »Rad« holding kompanija Beograd
Address: Kosovska 31, 11000 Belgrade, Republic of Serbia
Phone: +381 11 3244 664
Fax: +381 11 2160 243
Core activity: Holding business

Further information on the Entity undergoing privatization is available at:

http://www.priv.rs/pregled_preduzeca/pdf/e-teaser_23220.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 of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000 (Euro eight thousand).

The Privatization Agency has appointed BDO BC Excel d.o.o. 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 fulfills at least one of the following conditions:

a) it is engaged in building construction during the last 3 operating years in continuity, **and** it generated operating revenues of at least EUR 10,000,000 (Euro ten million) in 2007.

or

b) it is a financial investor (a legal entity whose core business is investment of money that exists 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 15,000,000 (Euro fifteen million) in 2007;

or

c) it is an investor that generated operating revenues in excess of EUR 15,000,000 (Euro fifteen million) in 2007.

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.

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.

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 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; and
- At least one consortium member with at least 51% share in the consortium ("Leader") fulfills at least one of the following requirements:

- a) it is engaged in building construction during the last 3 operating years in continuity **and** it generated operating revenues of at least EUR 10,000,000 (Euro ten million) in 2007.

or

- b) it is a financial investor (a legal entity whose core business is investment of money that exists 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 15,000,000 (Euro fifteen million) in 2007;

or

- c) it is an investor that generated operating revenues in excess of EUR 15,000,000 (Euro fifteen million) in 2007.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents of the Entity undergoing privatization **by October 31, 2008.**

The Tender Documents will be available to interested parties from October 17, 2008.

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: **RAD 29/08**".

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 applicant's authorized representative by post, 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 that signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Consultant shall, upon expiration of the deadline stated in paragraph 2 of this Section, 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 70% of the registered socially owned capital of the Entity undergoing privatization by the bidders is **November 28, 2008, by 16:30h (Belgrade time).**

If necessary, the Agency reserves the right to change any and 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 100.000 (Euro hundred thousand).

7. All questions relating to this Public Invitation should be directed to contact persons below, in Serbian or English.

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