

Pursuant to the Article 28 of the Law on Privatization ("Official Gazette of RS" no. 38/2001, 18/2003, 45/2005 and 123/2007) and Article 9 of the Law on the Privatization Agency ("Official Gazette of RS" no. 38/2001 and 135/2004)

PRIVATIZATION AGENCY

(Hereinafter: the "Agency")
issues:

**PUBLIC INVITATION
for participation in the Public Tender
for sale of 70% of registered socially owned capital of:**

"DP ŽIT"

Socially owned company "Železnički integralni transport Beograd", Beograd,
Savski trg 2,
(Hereinafter: the "Entity undergoing privatization")

Tender Code: **ZIT 21/08**

1. Total registered capital of the Entity undergoing privatization consists of 92.5153% of socially owned capital and 7.4847% of capital held by the Serbian Railways.

2. The Agency is offering for sale 70.00% of the registered socially owned capital.

3. Information about the Entity undergoing privatization:

Registered seat: Savski trg no. 2, 11000 Belgrade, Republic of Serbia

Telephone: (+381 11) 361 83 04

Telefax: (+381 11) 361 68 47

Core business activity: Freight transportation by road.

More information about the Entity undergoing privatization available on Internet address:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_5575.pdf

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

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

Privatization Agency has appointed Societe Generale, Paris to act as the Advisor in this process (hereinafter: the Advisor).

4. A bid may be submitted by:

A. Interested bidder that, on the final binding offer submission date, fulfills the following requirements:

- It has purchased the Tender Documents and
- it fulfills one of the following requirements:

either

- a) it has been engaged in organization of transport and/or transport of goods by railway, and/or engaged in organization of transport by road and/or transport of goods by road, and/or warehousing and/or, overloading activities for at least the last 3 (three) completed business years continuously and generated operating income of at least EUR 8,000,000 (eight million Euros) in 2007

or

- b) it is a Financial investor (a legal entity whose core business is investment of money, which has existed for at least 3 years, and which includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total operating assets in excess of EUR 20,000,000 (twenty million Euros) in 2007

or

- c) it is an investor that achieved operating revenues in excess of EUR 10,000,000 (ten million Euros).

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 also 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 also has the right to submit a bid if the 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 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 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;
- One consortium member has at least 51% of the total share in Consortium (hereinafter: Consortium Leader) and fulfills at least one of the following requirements:

either

- a) it has been engaged in organization of transport and/or transport of goods by railway, and/or engaged in organization of transport by road and/or transport of goods by road, and/or warehousing and/or, overloading activities for at least the last 3 (three) completed business years continuously and generated operating income of at least EUR 8,000,000 (eight million Euros) in 2007

or

- b) it is a Financial investor (a legal entity whose core business is investment of money, which has existed for at least 3 years, and which includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total operating assets in excess of EUR 20,000,000 (twenty million Euros) in 2007

or

- c) it is an investor that achieved operating revenues in excess of EUR 10,000,000 (ten million Euros).

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization by **November 14, 2008 at 16.30** hours (Belgrade time).

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 Advisor by mail, e-mail or facsimile to the address below, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **ZIT 21/08**".

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, upon expiry of the deadline set out in paragraph 2 of this Clause, the Advisor shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

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 the final binding offers for acquisition of 70% of registered socially owned capital of the Entity undergoing privatization by interested bidders is **November 28, 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 200,000 (two hundred thousand Euros).

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

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