

Based on Articles 28, 69, Paragraph 3, 70 and 72 of the Law on Privatization ("Official Gazette RoS", No. 38/2001, 18/2003, and 45/2005, and 123/2007), Article 9 of the Law on the Privatization Agency ("Official Gazette RoS", No. 38/2001, and 135/2004), Articles 9 and 10 of the Law on the Share Fund ("Official Gazette RoS", No. 38/2001, and 45/2005), and the Conclusion of the Government of the Republic of Serbia No. 023-8503/2006 of September 14, 2006, the Privatization Agency (hereinafter: "Agency") issues this:

PUBLIC INVITATION
for participation in the public tender
for sale of 67,789 shares CFI-code: ESVUFR, ISIN-number: RSMVCAE65019 nominal value
RSD 3,000, amounting to a total of 51.05439% of the total capital (hereinafter "Block of
Shares")of the commercial enterprise:

"MAJEVICA HOLDING"
Joint Stock Company, Backa Palanka, Severni Salas bb
(hereinafter: "Enterprise")

Tender Code: **MAJ 09/08**

1. Total registered capital of the Enterprise consists of 21.15260% capital owned by the Republic of Serbia, 19.79545% capital owned by the Share Fund of the Republic of Serbia, 6.56886% capital owned by the PIO Fund, 3.53748% capital owned by the Development Fund of the Republic of Serbia, and 48.94561% capital owned by individual shareholders (legal entities and natural persons).

2. The Agency is offering for sale the Block of Shares consisting of 67.789 shares CFI-code: ESVUFR ISIN-No: RSMVCAE65019 nominal value 3,000 Dinars, of which the Share Fund of the Republic of Serbia owns 26,284 shares, the PIO Fund owns 8,722 shares, the Development Fund of the Republic of Serbia owns 4,697 shares, and 28,086 shares are owned by the Republic of Serbia, amounting to a total of 51.05439% total capital of the Enterprise.

2.a. The Bidder is obliged to offer the price per share for all shares of the Enterprise, considering that upon signing of the Agreement for Sale and Purchase of the Block of Shares, the Share Fund shall invite all remaining individual shareholders to join their shares with the shares in the portfolio of the Republic of Serbia, the Share Fund, the PIO Fund, and the Development Fund of the Republic of Serbia, i.e. the Block of Shares, for the purpose of sale.

3. Information about the Enterprise:

Seat: Severni Salas bb, 21400 Backa Palanka, Republic of Serbia
Phone: +381(21) 751-388
Fax: +381(21) 743-015
Predominant activity: Wholesale of other material for reproduction

More data about the Entity Undergoing Privatization can be found at the Internet address:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_10504.pdf

More detailed data about the Enterprise, as well as the Instruction to Bidders (hereinafter: "Tender Documents") shall be available to all interested tender participants after the signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

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

The Enterprise has engaged **Dil Inzenjering Konsalting d.o.o.**, Belgrade, as the consultant in this privatization procedure (hereinafter: “Consultant”).

4. A bid may be submitted by:

A. An interested bidder who fulfills the following conditions:

- that it has purchased the Tender Documents, and
- that it fulfills at least one of the following conditions:

either

a) that it has been engaged in production of machines for agriculture and forestry and/or casting of metal for at least the last 3 business years in continuity, and that it achieved operating revenue of no less than EUR 3,000,000 (Euro three million) in 2007;

or

b) is a financial investor (legal entity whose core activity is investing money, which exists at least the last 3 business years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50,000,000 (Euro fifty million) in 2007;

or

c) is an investor who achieved operating revenue in excess of EUR 5,000,000 (Euro five million) in 2007;

If the interested bidder is a parent company that does not fulfill conditions from this clause of the Public Invitation, its subsidiary has the right to submit the bid, if it fulfills these conditions. The subsidiary that fulfills above mentioned conditions also has the right to submit the bid if the parent company purchased the Tender Documents.

If the interested bidder is a subsidiary that does not fulfill the conditions from this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills these conditions. The parent company that fulfills above mentioned conditions also has the right to submit the bid if the subsidiary purchased the Tender Documents.

B. If the interested bidder is a Consortium, it must cumulatively fulfill the following conditions:

- All Consortium members have passed the Decision on organizing and entering the Consortium,
- All Consortium members have concluded a written Consortium Agreement and certified it with the court, i.e. other competent body (in the case of foreign legal entities and natural persons),
- Each Consortium member assumed unlimited joint and several liability by the provisions of the Consortium Agreement,
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Enterprise, provided that at least one Consortium Member has no less than 30% share in the Consortium
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium,
- All Consortium members have signed the Confidentiality Agreement,
- At least one member of the Consortium has purchased Tender Documents,
- That the Consortium Member that has no less than 30% share in the Consortium fulfills at least one of the following conditions:

either

a) that it has been engaged in production of machines for agriculture and forestry and/or casting of metal for at least the last 3 business years in continuity, and that it achieved operating revenue of no less than EUR 3,000,000 (Euro three million) in 2007;

or

b) is a financial investor (legal entity whose core activity is investing money, which exists at least the last 3 business years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 50,000,000 (Euro fifty million) in 2007;

or

c) is an investor who achieved operating revenue in excess of EUR 5,000,000 (Euro five 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 for the Enterprise, no later than by **May 30, 2008 at 4.30 pm** (Belgrade time).

Tender Documents will be available to interested parties from April 18, 2008.

Written requests for purchasing the Tender Documents shall be submitted to the Consultant by mail, e-mail, or fax, clearly marked "Request for Purchasing the Tender Documents – Tender Code: **MAJ 09/08**".

Upon receipt of this request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, shall be forwarded to the applicant's authorized representative by mail, e-mail, or fax. The signed Confidentiality Agreement must be immediately faxed and mailed back to the Consultant at the address below.

Upon receipt of the signed Confidentiality Agreement, the proof of authorization for the person who signed the Confidentiality Agreement, and the proof of payment of the Tender Documents Fee, the Consultant shall, after the lapse of the deadline from Paragraph 2 of this Clause, deliver the Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

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

6. The deadline for submitting final binding offers for purchase of the Block of Shares by interested bidders is **20 June 2008 at 4.30 p.m.** (Belgrade time).

If necessary, the Privatization Agency retains the right to change conditions and deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is required to pay deposit or to submit a Bid Bond in the amount of EUR 50,000 (Euro fifty thousand).

7. For any questions pertaining to this Public Invitation, interested parties may contact persons listed below, in Serbian or English language.

Dil Inzenjering Konsalting d.o.o.

Mirocka 1
11000 Belgrade
Republic of Serbia

Goran Lukovic, Director

Phone: +381 11 32 31 534
Fax: +381 11 32 31 534
E-mail: dil@eunet.yu

Privatization Agency of the Republic of Serbia

Terazije 23
11000 Belgrade
Republic of Serbia

Branko Lukovic, Project Manager

Corporate Restructuring and Public Tender Center
Phone: +381 11 30 20 855
Fax: +381 11 30 20 816
E-mail: blukovic@priv.yu