

In accordance with the Articles 28 and 69 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003, 45/2005 and 123/07) and in accordance with the Articles 8 and 9 of the Law on Share Fund ("Official Gazette of the Republic of Serbia" nos. 38/2001 and 45/2005) the Privatization Agency of the Republic of Serbia (hereinafter: "the Agency") hereby announces:

PUBLIC INVITATION

for participation in a Public Tender
for the joint sale of capital of

Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik
and its subsidiaries:

Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik,
Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik,
Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar,
Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik,
Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd,
Preduzece za održavanje i remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik,
Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik,

and

Preduzece za proizvodnju hidraulickih servoupravljača "PPT – Servoupravljači" AD Trstenik,
Preduzece za proizvodnju kocne tehnike "Prva petoletka – Kocna tehnika" AD Trstenik,
Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik,
Preduzece za proizvodnju i promet armatura "PPT – Armature" AD Aleksandrovac,
Preduzece za proizvodnju uredjaja i delova "PPT – Fabrika uredjaja i delova" AD Brus,
Preduzece za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik,

(hereinafter jointly: "Entities undergoing privatization").

Tender Code: **PPT 22/08**

1. Total registered capital of the **Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik** (hereinafter: "the Holding Company") consists of 97.92% of socially owned capital, 1.94% of capital owned by the Development Fund of the Republic of Serbia and 0.14% of capital owned by individual shareholders (natural persons). The spin-off of Preduzece za proizvodnju namenskih proizvoda "PPT – Namenska" AD Trstenik (hereinafter: "PPT – Namenska") from the Holding is in process, which is to be realized by the transfer of shares in "PPT – Namenska" owned by the Holding to "PPT – Namenska", on the basis of socially owned capital of Holding, after which the total capital of Holding will consist of 97,66% of socially owned capital, 2,19% of capital owned by the Development Fund of the Republic of Serbia and 0,15% of capital owned by individual shareholders (natural persons). **The Agency is offering for sale 70% of socially owned capital of the Holding and 100% of the Holding's capital owned by the Development Fund of the Republic of Serbia, representing 70.55% of the total capital of the Holding.**

2. Total registered capital of the **Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik** (producing hydraulic components and systems), a subsidiary of the Holding Company, consists of 47.98% of socially owned capital, 51.00% of capital owned by the Holding Company and 1.02% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 33.59% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 84.59% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik** (producing hydraulic cylinders), a subsidiary of the Holding Company, consists of 48.46% of socially owned capital, 51.00% of capital owned by the Holding Company and 0.54% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 33.92% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 84.92% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar** (producing hydraulic system components), a subsidiary of the Holding Company, consists of 49.00% of socially owned capital and 51.00% of capital owned by the Holding Company. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 34.30% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 85.30% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik** (producing industrial pneumatics), a subsidiary of the Holding Company, consists of 45.50% of socially owned capital, 51.00% of capital owned by the Holding Company and 3.50% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 31.85% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 82.85% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd** (providing engineering consultancy services), a subsidiary of the Holding Company, consists of 45.99% of socially owned capital, 51.01% of capital owned by the Holding Company and 3.00% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 32.19% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 83.20% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za odrzavanje i remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik** (dealing in equipment maintenance, production and distribution of energy), a subsidiary of the Holding Company, consists of 18.93% of socially owned capital, 80.91% of capital owned by the Holding Company and 0.16% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization**, representing 13.25% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 94.16% of the total registered capital of the Entity undergoing privatization.

Total registered capital of the **Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik** (catering company), a subsidiary of the Holding Company, consists of 19.99% of socially owned capital, 80.00% of capital owned by the Holding Company and 0.01% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of this entity undergoing privatization**, representing 13.99% of the total registered capital of the Entity undergoing privatization, which jointly with the Holding Company's share represents 93.99% of the total registered capital of the Entity undergoing privatization.

3. Total registered capital of the Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik (producing hydraulic steering devices) consists of 97.19% of socially owned capital, 0.66% of capital owned by the Holding Company and 2.15% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization, representing 68.03% of the total registered capital of the Entity undergoing privatization.**

Total registered capital of the **Preduzece za proizvodnju kocne tehnike "Prva petoletka – Kocna tehnika" AD Trstenik** (producing braking systems) consists of 99.24% of socially owned capital, 0.60% of capital owned by the Holding Company and 0.16% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization, representing 69.47% of the total registered capital of the Entity undergoing privatization.**

Total registered capital of the **Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik** (producing rubber gaskets) consists of 99.20% of socially owned capital, 0.70% of capital owned by the Holding Company and 0.10% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization, representing 69.44% of the total registered capital of the Entity undergoing privatization.**

Total registered capital of the **Preduzece za proizvodnju i promet armatura "PPT – Armature" AD Aleksandrovac** (producing fittings) consists of 98.05% of socially owned capital, 0.60% of capital owned by the Holding Company and 1.35% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization, representing 68.64% of the total registered capital of the Entity undergoing privatization.**

Total registered capital of the **Preduzece za proizvodnju uredjaja i delova "PPT – Fabrika uredjaja i delova" AD Brus** (producing components and small electrical appliances) consists of 96.94% of socially owned capital, 0.55% of capital owned by the Holding Company and 2.51% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization, representing 67.86% of the total registered capital of the Entity undergoing privatization.**

Total registered capital of the **Preduzece za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik** (providing metal protection services) consists of 98.23% of socially owned capital, 0.93% of capital owned by the Holding Company and 0.84% of capital owned by natural persons. **The Agency is offering for sale 70% of socially owned capital of the entity undergoing privatization, representing 68.76% of the total registered capital of the Entity undergoing privatization.**

4. Details about the Entities undergoing privatization:

Name: **Holding preduzece Industrija hidraulike i pneumatike "Prva Petoletka" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 712 248
Fax: +381 37 712 248
Industry: Holding activity

Name: **Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 711 511
Fax: +381 37 714 573
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 713 325
Fax: +381 37 714 534
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar**
Address: Mihaila Pupina bb, 36300 Novi Pazar, Republic of Serbia
Phone: +381 20 318 361
Fax: +381 20 312 033
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 712 232
Fax: +381 37 713 870
Industry: Production of controlling and measuring professional equipment

Name: **Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd**
Address: Bulevar Vojvode Misica 37-39, 11 000 Beograd, Republic of Serbia
Phone: +381 11 3690 168
Fax: +381 11 3690 479
Industry: Engineering

Name: **Preduzece za održavanje i remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 711 492
Fax: +381 37 714 387
Industry: Overhaul services

Name: **Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 711 443
Fax: +381 37 714 693
Industry: Catering

Name: **Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 714 434
Fax: +381 37 714 668
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju kocne tehnike "Prva petoletka – Kocna tehnika" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 711 680
Fax: +381 37 714 587
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik**
Address: Cara Dusana 101, 37240 Trstenik, Republic of Serbia
Phone: +381 37 711 745
Fax: +381 37 714 637
Industry: Production of rubber products

Name: **Preduzece za proizvodnju i promet armatura "PPT – Armature" AD Aleksandrovac**
Address: Krusevacka 30, 37230 Aleksandrovac, Republic of Serbia
Phone: +381 37 552 350
Fax: +381 37 552 105
Industry: Production of vehicle parts and equipment

Name: **Preduzece za proizvodnju uredjaja i delova "PPT – Fabrika uredjaja i delova" AD Brus**
Address: 8 marta bb, 37220 Brus, Republic of Serbia
Phone: +381 37 825 160
Fax: +381 37 825 372
Industry: Production of vehicle parts and equipment

Name: **Preduzece za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik**
Address: Cara Dusana 10137240 Trstenik, Republic of Serbia
Phone: +381 37 712 368
Fax: +381 37 714 649
Industry: Metal processing and coating

More details about the Entities undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/zip/e-cp_11326.zip

Detailed information on the Entities undergoing privatization along with the Instructions to Bidders (hereinafter “the Tender Documents”) will be made available to all interested tender participants after signing of the Confidentiality Agreement and payment of the Tender Documents fee.

The Tender Documents fee is EUR 10,000.00 (Euro ten thousand) in dinar counter value at the middle exchange rate of the National Bank of Serbia on the date of invoice.

The Agency has appointed the consulting company FACTIS d.o.o. Beograd (hereinafter: "Consultant") to act as the Consultant in this privatization process.

5. A bid may be submitted by the following parties:

A. A potential bidder that fulfills the following requirements:

- has purchased the Tender Documents; and
- has been engaged in production and/or sale of trucks and special vehicles (busses and/or trolleybuses) and/or in production of parts and equipment for motor vehicles and/or in production of bodies for motor vehicles and/or in production of metallic products and/or in production of machines and devices and/or in trade of machines, devices and equipment at least for the last 3 business years continuously, and has generated total operating revenue in excess of EUR 40,000,000.00 (Euro forty million) in the last finished business year.

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 even though the 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 even though the parent company has purchased the Tender Documents.

B. If a potential bidder is a Consortium it is necessary that it cumulatively fulfills the following requirements:

- All Consortium members have made the decision on organizing and entering into the Consortium;
- All Consortium members have made a written Consortium Agreement and notarized it at the Court or any other competent authority (if the Consortium members are foreign legal entities or private individuals);
- Each member of the Consortium assumes 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 Entities undergoing privatization;
- All Consortium members have signed a Notarized Power of Attorney for the representing member of the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- One of the Consortium members has purchased the Tender Documents and
- One of the Consortium members with the share in the Consortium of not less than 25% fulfills the following requirement:

- has been engaged in production and/or sale of trucks and special vehicles (busses and/or trolleybuses) and/or in production of parts and equipment for motor vehicles and/or in production of bodies for motor vehicles and/or in production of metallic products and/or in production of machines and devices and/or in trade of machines, devices and equipment at least for the last 3 business years continuously, and has generated total operating revenue in excess of EUR 40,000,000.00 (Euro forty million) in the last finished business year.

6. The Agency hereby invites all the interested parties to submit a written request for the purchase of the Tender Documents for the Entities undergoing privatization, by **September 15, 2008**;

The Tender Documents shall be available to the interested parties starting from July 28, 2008.

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to the Consultant and shall clearly display the reference "Request for purchase of the Tender Documents – Tender Code: **PPT 22/08**".

Upon receipt of such request, an invoice for paying the Tender Documents Fee as well as the Confidentiality Agreement for signature shall be forwarded to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Consultant to the address given below.

Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, the Consultant shall, upon the expiry of the period from the paragraph 2 of this item, forward the relevant Tender Documents to the Tender Participant by post/e-mail or hand it to their authorized representative.

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

7. The deadline for submission of the final binding offers by the bidders is **October 15, 2008, at 04:30 p.m. (Belgrade time)**. If necessary, the Agency reserves the right to amend the deadlines 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 200,000.00 (Euro two hundred thousand).

8. All the questions relating to this Public Invitation should be directed in Serbian or English language to contact persons listed below:

<p>Zivana Olbina PhD or Nikola Zelic Ph.D FACTIS d.o.o. Beograd 54 Dzordza Vasingtona st. 11000 Belgrade Republic of Serbia Tel: + 381 11 323 10 55 Fax: + 381 11 323 46 77 E-mail: office@factis.rs</p>	<p>MSc Albina Kecman Susnjar Project Manager Privatization Agency of the Republic of Serbia Restructuring and Tender Center Terazije 23 11000 Belgrade, Republic of Serbia Tel: + 381 11 30 20 855 Fax: + 381 11 30 20 816 E-mail: akecman@priv.yu</p>
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