

Pursuant to Articles 28, 69, 70, and 72 of the Privatization Law (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, 45/2005 and 123/2007), Article 9 of the Privatization Agency Law and Articles 9 and 10 of the Share Fund Law (Official Gazette of the Republic of Serbia No. 38/2001 and 45/2005), the Privatization Agency (hereinafter: the “Agency”) issues this:

PUBLIC INVITATION

**for participation in the public tender for the sale of 2,473.371 shares bearing
CFI code: ESVUFR, ISIN number: RSPROGE21643, par value of RSD 600,00
representing 45.86475% of the total equity of the company (hereinafter: the “Block of Shares”):**

“PROGRES”

**Company for foreign trade and financial intermediation a.d.
Belgrade, Zmaj Jovina 8-10
(hereinafter: the “Company”)**

Tender Code: **PRO 06/08**

1. Total stated capital of the Company consists of 35.87207% stake held by the Share Fund, 9.99268% stake held by the PIO Fund and 54.13525% stake held by individual shareholders.

2. The Agency is offering to sell the Block of Shares consisting of 2,473.371 shares bearing CFI code: ESVUFR, ISIN Number: RSPROGE21643, par value of RSD 600,00, of which the Share Fund of the Republic of Serbia owns 1,934.491 shares and the PIO Fund owns 538,880 shares, altogether representing 45.86475% of the total stated capital of the Company.

3. The bidder at this public tender shall be required to offer a price per share for all outstanding shares of the Company, as the Share Fund, upon signing of the Agreement on the Sale of Block of Shares, shall invite the individual shareholders to join their shares to the shares from the Share Fund’s portfolio, i.e. to the Block of Shares, for the purpose of sale.

4. Basic Company Data:

Address: Zmaj Jovina 8-10, Belgrade

T: +381 11 2182 626

F: +381 11 2632 984

Core business activity: Wholesale of solid, liquid, and gas fuel and similar products.

Further information on the Company may be found at

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_14213.pdf

A detailed overview of the Company, rules of the tender procedure, as well as the Information Memorandum (hereinafter: the “Tender Documents”) shall be available to all interested parties upon signing the Confidentiality Agreement and purchasing the Tender Documents.

The Tender Documents fee is EUR 8,000 (Euro eightthousand), payable in dinars according to the median exchange rate of the National Bank of Serbia on the date of the corresponding invoice.

The Privatization Agency has appointed Altis Capital d.o.o. Belgrade to act as its advisor on the sale of the Block of Shares by public tender (hereinafter: the “Advisor”).

5. Participants eligible to submit the bid are as follows:

A. An interested bidder provided it:

- Purchased the Tender Documents, and
- Meets at least one of the following criteria:

either

a) It has engaged in the activities of wholesale of solid and/or liquid and/or gas fuel, at least for the last 3 operating years in continuity, and recorded not less than EUR 10 million (Euro tenmillion) of total operating revenues in 2007;

or

b) It is a financial investor (a legal entity with its core activity in the fields of investments and/or asset management, validly existing for at least 3 operating years, including investment companies, open-end and close-end investment funds, pension funds, insurance companies, and investment banks) with total assets of not less than EUR 50 million (Euro fiftymillion) in 2007;

or

c) It is an investor which recorded not less than EUR 20 million (Euro twentymillion) of operating revenues in 2007.

If the interested bidder is a subsidiary which does not comply with the eligibility criteria laid down in this section, the right to submit the bid shall be granted to its parent company, provided that such parent company complies with the criteria. Such right shall be extended to the parent company even if the subsidiary had purchased the Tender Documents.

If the interested bidder is a parent company which does not comply with the eligibility criteria laid down in this section, the right to submit the bid shall be granted to its subsidiary, provided that such subsidiary complies with the criteria. Such right shall be extended to the subsidiary even if the parent company had purchased the Tender Documents.

B. If the interested bidder is a consortium, such consortium shall cumulatively meet the following criteria:

- All the consortium members duly made the decision to form and accede to the consortium,
- All the consortium members entered into an agreement in writing, duly certified by the court or any other relevant institution (in the event of foreign legal entities and natural persons),
- Each consortium member assumed unlimited joint and several liability by the aforementioned consortium agreement,
- The Consortium Agreement specifies each member’s stake in the acquisition of the capital of the Company, whereas one member of the consortium has at least 51% of the total share in the consortium (hereinafter: Consortium Leader);

- All consortium members signed a certified Power of Attorney for the member representing the consortium;
- All consortium members signed a Confidentiality Agreement;
- At least one consortium member purchased Tender Documents; and
- The Consortium Leader meets at least one of the following criteria:

either

a) It has engaged in the activities of wholesale of solid and/or liquid and/or gas fuel, at least for the last 3 operating years in continuity, and recorded not less than EUR 10 million (Euro tenmillion) of total operating revenues in 2007,

or

b) It is a financial investor (a legal entity with its core activity in the fields of investments and/or asset management, validly existing for at least 3 operating years, including investment companies, open-end and close-end investment funds, pension funds, insurance companies, and investment banks) with total assets of not less than EUR 50 million (Euro fiftymillion) in 2007,

or

c) It is an investor which recorded not less than EUR 20 million (Euro twentymillion) of operating revenues in 2007.

6. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents no later than by **June 13, 2008**.

The Tender Documents shall be available to all interested parties as of **May 19, 2008**.

The request for the purchase of Tender Documents shall be submitted to the Advisor by mail, e-mail, or fax, clearly marked "Request for the purchase of Tender Documents – tender code PRO 06/08".

Upon receipt of such request, an invoice for payment of the Tender Documents fee, as well as the Confidentiality Agreement, 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 Advisor to the address below.

Upon receipt of the signed Confidentiality Agreement, and the evidence of payment of the Tender Documents fee, the Advisor shall deliver the Tender Documents to the public tender participant by mail, e-mail, or hand it to its authorized representative.

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

7. The deadline for submission of final binding bids for the acquisition of shares of the Company referred to in Sections 2 and 3 herein shall be **July 11, 2008, by 4.30 p.m.** (16h30) Belgrade time.

If need be, the Agency reserves the right to amend the time limits and dates set forth in this Public Invitation.

As a prerequisite for submission of a bid, it is required to deposit or provide a Bid Bond at the amount of EUR 200.000,00 (Euro twohundredthousand).

8. For all inquiries pertaining to this Public Invitation, all interested parties may contact the representatives of the Advisor and the Agency listed below, in Serbian and English:

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