

Based on the Articles 28 and 69, Paragraph 3, 70 and 72, of the Law on Privatization ("Official Gazette RoS", No. 38/2001, 18/2003, 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 Decision of the Government of the Republic of Serbia No. 023-10723/2003 dated December 21, 2006, the Privatization Agency (hereinafter: "Agency") issues this:

PUBLIC INVITATION
for participation in the public tender
for sale of 1,841,123 shares ESUVFR, ISIN-number: RSPTDRE43171 nominal value 500.000 dinars
(hereinafter "Block of Shares"), amounting to 65.52724% of total capital of commercial enterprise:

Concern "Petar Drapsin"
Joint Stock Company, Mladenovac, 34 Kralja Petra Prvog Street
(hereinafter: "The Company")

Tender Code: **PDM 18/08**

1. Total registered capital of the Company consists of 36.15528% capital owned by the Share Fund RoS, 7.84847% capital owned by the PIO Fund, 18.95230% capital owned by the Development Fund RoS, 2.57119% capital owned by the Republic of Serbia, and 34.47276% capital owned by individual shareholders.
2. The Agency is offering for sale a Block of Shares CFI-code: ESUVFR, ISIN-number: RSPTDRE43171, consisting of 1,841,123 shares with the nominal value of 500.00 dinars, of which 1,015,857 shares owned by the Share Fund, 220,519 shares owned by the PIO Fund, 532,504 shares owned by the Development Fund RoS, and 72,243 shares owned by the Republic of Serbia, representing 65.52724% of total capital of the Company.
- 2.a. The Bidder is obliged to offer the price per share for all shares of the Company, 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 to the shares in the portfolio of the Share Fund, i.e. the Block of Shares, for the purpose of sale.

3. Information about the Company:

Seat: 34 Kralja Petra Prvog St, 11400 Mladenovac, Republic of Serbia
Phone: +381(11) 8231-181
Fax: +381(11) 8231-899
Activity: Holding operations

More data about the Company can be found at the Internet address:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_15756.pdf

More detailed data about the Company, 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 8,000.00 (Euro eight thousand) in dinar countervalue, as per mean rate of the National Bank of Serbia on the day of invoicing

The Company has appointed **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 that cumulatively fulfills the following conditions:

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

either

a) that it has been engaged in production of parts and accessories for motor vehicles and/or casting of light metals for at least the last 3 business years in continuity, and that it achieved operating revenue of no less than EUR 5,000,000 (Euro five million) in 2007;

or

b) it is a financial investor (legal entity whose core activity is investing money, which has existed for 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 30,000,000 (Euro thirty million) in 2007;

or

c) it is an investor that achieved operating revenue in excess of EUR 10,000,000 (Euro ten 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 Company, provided that at least one Consortium Member has no less than 30% share in the Consortium (hereinafter "Consortium Leader")
- 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,
- The Consortium Leader fulfills at least one of the following conditions:

either

a) that it has been engaged in production of parts and accessories for motor vehicles and/or casting of light metals at least the last 3 business years in continuity, and that it achieved operating revenue of no less than EUR 5,000,000 (Euro five million) in 2007;

or

b) it is a financial investor (legal entity whose core activity is investing money, which has existed for 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 30,000,000 (Euro thirty million) in 2007;

or

c) it is an investor that achieved operating revenue in excess of EUR 10,000,000 (Euro ten 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 Company, no later than by **June 30, 2008 by 4.30 p.m.** (Belgrade time).**

Tender Documents will be available to interested parties as of May 30, 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: **PDM 18/08**".

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 65,52724% of the total capital of the Company is **July 21, 2008 at 4.30 p.m.** (Belgrade time).**

If necessary, the Privatization Agency reserves 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 100,000 (Euro one hundred thousand).

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

Caslav Obradovic, Project Manager
Public Tender Center
Phone: +381 11 30 20 855
Fax: +381 11 30 20 816
E-mail: cobradovic@priv.yu