

Based on Articles 28, 69 paragraph 3 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, and 45/2005), Article 9 of the Law on the Privatization Agency (Official Gazette of the Republic of Serbia No. 38/2001 and 135/04) and Article 9 of the Law on Share Fund (Official Gazette of the Republic of Serbia No. 38/2001 and 45/2005),

PRIVATIZATION AGENCY
(hereinafter: "the Agency")
hereby issues:

PUBLIC INVITATION

for participation in the public tender for sale of 177,895 shares with CFI Code: ESVUFR, ISIN Number: RSVNCCE93395, with nominal value of RSD 1,000 (hereinafter: "Block of Shares"), owned by the Share Fund, which represents 70.0013% of the total capital of the Company:

Akcionarsko drustvo "Vencac", rudnici i industrija mermera i granita, Arandjelovac
(hereinafter: the "Company")

Tender Code: VEN 15/07

1. Total registered capital of the Company consists of 70.0013% of capital owned by the Share Fund of the Republic of Serbia, and 29.9987% of capital owned by individual shareholders.
2. Based on Article 9 of the Law on the Share Fund (Official Gazette of the Republic of Serbia No. 38/2001 and 45/2005), the Agency is offering for sale the Block of Shares representing 70.0013% of the total capital of the Company.
3. Basic Data about the Company:

Address: Venčački put bb, 34400 Aranđelovac, Republic of Serbia
Phone: +381(34) 727-622
Fax: +381(34) 727-359
Operating activity: extraction of stone for construction industry

Further information on the Company is available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_30.pdf

Detailed information on the Company, as well as the Instructions to Bidders (hereinafter: the "Tender Documents") shall be available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 6,000 (Euro six thousand).

The Privatization Agency has appointed **BDO BC Excel** Belgrade to act as the advisor in this privatization process (hereinafter: the "Consultant").

4. A bid may be submitted by:

A. An interested bidder that fulfils the following requirements:

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

either

a) its core activity is extraction of stone for construction industry, or manufacturing of concrete, cement or plaster products, or cutting, shaping and processing of stone, and it has been engaged in this activity for at least the last 3 operating years in continuity, and achieved operating revenues in excess of EUR 4,000,000 (Euro four million) in 2006.

or

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating 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 2006,

or

c) It is an investor that achieved operating revenues in excess of EUR 4,000,000 (Euro four million) in 2006.

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. In this case, the parent company also has the right to submit a bid if its 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. In this case, the subsidiary company also has the right to submit a bid if the parent company 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 natural persons);
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Company, where one of the consortium members must have at least 51% share in consortium (Consortium Leader);
- 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; and
- Consortium Leader fulfills at least one of the following requirements:

either

a) its core activity is extraction of stone for construction industry, or manufacturing of concrete, cement or plaster products, or cutting, shaping and processing of stone, and it has been engaged in this activity for at least the last 3 operating years in continuity, and achieved operating revenues in excess of EUR 4,000,000 (Euro four million) in 2006.

or

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating 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 2006,

or

c) It is an investor that achieved operating revenues in excess of EUR 4,000,000 (Euro four million) in 2006.

5. The Agency hereby invites all interested parties to submit a written request for purchasing the Tender Documents of the Company by **August 3, 2007**.

The Tender Documents will be available to interested parties from July 6, 2007.

A written request for purchasing the Tender Documents shall be sent to the Consultant by mail, e-mail or facsimile, with clearly displayed reference „Request for purchasing the Tender Documents – Tender Code: **VEN 15/07**“.

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 applicant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the person that signed the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Consultant shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail, or hand it to its authorized representative, upon expiry of the deadline set out in paragraph 2 of this Clause.

Consultant 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 the Block of Shares by interested bidders is **September 7, 2007 by 17:00h (Belgrade time)**.

If necessary, the Agency reserves the right to change all elements 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 50.000 (Euro fifty thousand).

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

BDO BC Excel

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