

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003 and 45/2005),

The Privatization Agency
(hereinafter: "the Agency")
Hereby announces:

PUBLIC INVITATION

For participation in the Public Tender
for sale of 100% of socially owned capital of the company:

"Industrija mašina i traktora" a.d. Beograd u restrukturiranju
(Hereinafter "Entity undergoing privatization")

Tender Code: **IMT 12/05**

1. The total registered capital of the Entity undergoing privatization consists of 94.5% socially owned capital and 5.5% share capital.
2. The Agency offers for sale 100% of the socially owned capital of the Entity undergoing privatization.
3. Data about the Entity undergoing privatization:
Address: 268 Tošin bunar Street, Belgrade, Serbia and Montenegro
Phone: +381 11 2150 747
Fax: +381 11 153 576
Main operating activity: Production of tractors for agriculture

More details about the Entity undergoing privatization are available at the Internet address:
http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_377.pdf

Detailed information on the Entity undergoing privatization, along with the Information Memorandum (hereinafter "the Tender Documents") will be made 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 5.000,00 (five thousand Euros).

The Agency has appointed Consortium Raiffeisen Investment AG and Factis d.o.o. to act as the Consultant in this privatization process (hereinafter the "Consultant").

4. A bid may be submitted by:

- A. Interested bidder entity that fulfils the following requirements:
- It has purchased the Tender Documents, and
 - It has been engaged in production and/or sale of tractors and/or agricultural machinery for at least the last 3 business years continually, **and** it achieved operating revenue of at least EUR 30.000.000 (thirty million Euros) in 2004.

If an interested 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 has the right to submit a bid if the parent company has purchased the Tender Documents.

If an interested 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 has the right to submit a bid if the subsidiary has purchased the Tender Documents.

B. If an interested bidder is a Consortium it must fulfill cumulatively the following requirements:

- All consortium members have made a decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the Court, or with any other competent authority (in case of foreign natural persons and legal entities);
- 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 Entity 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;
- At least one of the Consortium members has purchased the Tender Documents; and
- The consortium member with the largest share in a Consortium ("Consortium leader") fulfills the following requirements:

a) It has been engaged in production and/or sale of tractors and/or agricultural machines for at least the last 3 business years continually, **and** it achieved operating revenue of at least EUR 30.000.000 (thirty million Euros) in 2004.

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization, by **15. 02. 2006**.

The Tender Documents will be available to interested parties from 04. 01. 2006.

A written request for purchasing the Tender Documents shall be sent to Consultant by post on its Belgrade address, by e-mail or facsimile with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: IMT 12/05.

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 the Tender Participant'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 authorization for the person that has signed the Confidentiality Agreement and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to its authorized representative.

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

6. The deadline for submission of the final binding bids for the purchase of 100% of the socially owned capital of the Entity undergoing privatization by interested bidders is 22. 03. 2006, by 17:00h (Belgrade time).

If necessary, the Agency reserves the right to amend or change the deadlines and conditions of this Public Invitation. As a prerequisite for submitting a bid, each bidder must pay a deposit or submit a Bid Bond in the amount of EUR 50.000,00 (fifty thousand Euros).

7. All enquiries relating to this Public Invitation should be directed to below stated persons, the Consultant's representatives, in Serbian or English.

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