

Based on Article 28 of the Law on Privatization ("Official Gazette of the RoS", Nos. 38/2001, 18/2003 and 45/2005),

PRIVATIZATION AGENCY

(hereinafter: "Agency") issues this:

PUBLIC INVITATION

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

“Industrija mašina i traktora“ a.d. Beograd - in restructuring

(hereinafter: “Entity undergoing privatization”)

Tender Code: IMT:18/07

1. The total registered capital of the Entity undergoing privatization consists of: 94.5% of socially owned capital; and 5.5% of share capital.
2. The Agency is offering for sale 100% of the socially owned capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:

Address: Tošin bunar 268, Belgrade, Republic of Serbia

Tel: +381 11 2150 747

Fax: +381 11 153 576

Industry: Production of tractors for agriculture.

More details about the Entity undergoing privatization are available at

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_377.pdf

Detailed information on the Entity undergoing privatization along with the Instructions to Bidders (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 6,000 (Euro six thousand)

The Agency has appointed Raiffeisen Investment AG Austria to act as the advisor in this privatization procedure (hereinafter: the Advisor).

4. A bid may be submitted by:

A. A potential bidder 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 other agricultural machines for at least the last 3 years in continuity, and
- it achieved operating revenues in excess of EUR 20,000,000 (Euro twenty 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 fulfils the stated requirements. The parent company that fulfils the stated requirements has the right to submit the bid if the Tender Documents were purchased by the subsidiary.

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 fulfils the stated requirements. The subsidiary that fulfils the stated requirements has the right to submit the bid if the Tender Documents were purchased by the parent company.

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

- all Consortium members have made the decision on organizing and entering into the Consortium;
- all Consortium members have signed a written Consortium Agreement and duly notarized it at court or other competent authority (in case of foreign legal entity or natural person);
- Each Consortium member assumes unlimited joint and several liability by provisions of the Consortium Agreement;
- the Consortium Agreement specifies each member's percentage in the 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
- at least one Consortium member with a minimum 30 % share in the Consortium fulfils the following requirements:
 - it has been engaged in production and/or sale of tractors and/or other agricultural machines for at least the last 3 years in continuity, **and**
 - it achieved operating revenues in excess of EUR 20,000,000 (Euro twenty million) in 2006.

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 Entity undergoing privatization, by **September 07, 2007**.

The Tender Documents will be available to the interested parties starting from July 20, 2007.

A written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to the Advisor and the Agency, and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code IMT 18/07.

Upon receipt of the 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 mail, e-mail or fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor at the address below.

Upon receiving the signed Confidentiality Agreement, evidence of authorization for the person that signed the Confidentiality Agreement, and evidence of payment of the Tender Documents fee, the Advisor shall immediately forward the relevant Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

The Agency and the Advisor 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 100% of socially owned capital of the Entity undergoing privatization by interested bidders is **September 21, 2007, at 05:00 p.m. (Belgrade time)**.

If necessary, the Agency reserves the right to amend any and all elements (terms and conditions) of this Public Invitation.

As a prerequisite for submitting a bid, it is required 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 the persons listed below, in Serbian or English:

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