



The Privatization Agency, Republic of Serbia ("the Agency") issues:

PUBLIC INVITATION
for SUBMISSION OF EXPRESSIONS OF INTEREST (EoI) and
REQUESTS for PARTICIPATION IN PRELIMINARY DATA ROOM VISITS by renowned
motor vehicle manufacturers and financial investors in respect of the privatization process
of Joint Stock Company "Korporacija Fabrika automobila Priboj" a.d. Priboj - in
restructuring

The objective of this Public Invitation is to attract strategic and financial investors which can provide management and production know-how, investments in technology and environment protection, and access to the local and export markets. "Korporacija Fabrika automobila Priboj" a.d. Priboj - in restructuring (the "Company") is the sole Serbian manufacturer of trucks and special vehicles. The Company was founded in 1952, as a factory whose primary activity was production of vehicles and spare parts for vehicles.

The Company owns 100% of the capital in four subsidiaries: FAP Lim d.o.o. Priboj, FAP Stan d.o.o. Priboj, FAP Transport d.o.o. Priboj and FAP Livnica sa nadgradnjom d.o.o. Prijepolje.

Total registered capital of the Company consists of 86.49973% of socially owned capital and 13.50027% of equity capital. Tender sale of 100% of the socially owned capital, which represents 86.49973% of total registered capital of the Company, is planned for the last quarter of 2008.

Code: FAP 23/08

1. The Agency is hereby inviting all interested investors ("Prospective Participants") to submit the EoI and Requests for participation in the preliminary Data Room visits by **September 15, 2008** at latest.
2. In order to facilitate collection of information about the Company, Prospective Participants are invited to have preliminary visit to Data Room(s), conduct site visits, and hold meetings with the Company management. Preliminary access to Data Room(s) shall be granted in the period between **August 1, 2008** and **September 30, 2008**, at the Company's location in Priboj.
3. In order to qualify for participation in the preliminary visit to Data Room, Prospective Participants must present evidence that one of the following criteria has been fulfilled:
 - a) it is a legal entity that has been engaged in production and/or sale of trucks, buses, trolleybuses or other similar types of motor vehicles for at least the last three fiscal years in continuity, and that it realized operating revenues of at least EUR 20,000,000 (twenty million Euros) in 2007, or
 - b) it is a financial investor (a legal entity with investment as its core activity that has been existing for at least three years, including investment companies, mutual

- funds, insurance companies, pension funds or investment banks) with total operating assets of at least EUR 50,000,000 (fifty million Euros) in 2007.
4. The Company has appointed BDO BC Excel d.o.o. as the advisor in this process of sale of capital (hereinafter "the Advisor").
 5. The EoI and Request for preliminary visit to Data Room(s) shall be submitted to the Advisor by mail, to the addresses stated below, or by e-mail or facsimile, and shall clearly display Code **FAP 23/08**.
 6. Upon receiving the EoI and Request for preliminary visit to Data Room(s), the Advisor will, subject to the terms of this Invitation, forward the information on acceptance of the Participant to the authorized representative of the Prospective Participant. Upon delivery of the said information, the Confidentiality Agreement shall be sent to duly authorized representative of the Prospective Participant for signature, by mail, e-mail, or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

Following receipt of the signed Confidentiality Agreement, the Advisor will deliver Preliminary Data to the Prospective Participant by mail, e-mail or hand it to its authorized representative.

7. The Agency, the Advisor and/or the Company shall not be held responsible for accuracy and correctness of any information contained in the Data Room(s) for preliminary visits, and for any loss or delay that may occur in the delivery of any document in relation to this Public Invitation.
8. The Agency reserves the right to amend the requirements and the deadlines from the Public Invitation, if necessary.
9. Participation in preliminary visits to Data Room(s) will not be in any way (except for the Confidentiality Agreement) binding for Prospective Participants. If a new Prospective Participant applies for participation in the final Data Room, which will be organized in the following period, such Prospective Participant will have the same rights as other Prospective Participants that participated in preliminary visits to Data Room (s).
10. All inquiries relating to this Public Invitation should be directed to the addresses stated below, in Serbian or English:

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