

In accordance with Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia Nos. 38/2001 and 18/2003), the Privatization Agency of the Republic of Serbia (hereinafter "**the PA**") issued on February 17th 2005:

NOTICE ON AMENDMENTS AND EXTENSION OF THE DEADLINES IN THE PUBLIC INVITATION

For participation at a Public Tender for sale of 54,79% of the total capital in the company:

IMK "14. OKTOBAR" a.d. Krusevac

Tender Code: OKT/04

The amended Public Invitation is as follows:

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** (hereinafter: "the Agency") hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for sale of 54,79% of the total capital in the company:

IMK "14. OKTOBAR" a.d. Krusevac

Tender Code: OKT/04

1. The total registered capital of IMK "14. oktobar" a.d. Krusevac (hereinafter "Entity undergoing privatization"), consists of 38,36% share capital, 32,35% socially owned capital and 29,29% state owned capital.

The Agency offers for sale 54,79% of the total capital of the Entity undergoing privatization, a sole fully vertically integrated manufacturer of construction machines and components in Southeast Europe.

2. Details about the Company:

Address: 14. oktobar Street, No. 2, Kruševac, Serbia and Montenegro

Phone: +381 37 421 502

Fax: +381 37 29 653

Industry: production of construction, processing and special purpose equipment, components and machine overhaul

More details about the entity undergoing privatization are available at http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_402.pdf

Detailed information on the Entity undergoing privatization along with the Information Memorandum (hereinafter: "Tender Documents") will be made available to all interested parties after signing the Confidentiality Agreement and purchasing the Tender Documents.

The Tender Documents fee is EUR 5,000.00 (Euro five thousand).

The Agency has appointed Deloitte&Touche d.o.o. Belgrade to act as Consultant in this privatization process (hereinafter: "Deloitte")

3. Following parties may submit a bid:

- (i) A potential bidder that fulfills the following requirements:
- Has purchased the Tender Documents; and
 - That it:
 - a) has either been engaged in production of construction machines, special purpose machines, processing equipment and components for at least the last 3 years, and has achieved revenue in excess of EUR 25 million (Euro twenty five million) in 2003;
 - b) or is a Financial Investor (legal entity whose core business is investment of money, that exists at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with a minimum of EUR 50 million in total operating assets in 2003;
 - c) or is an Investor that has achieved revenue of more than EUR 50 million (Euro fifty million) in 2003.

If a potential bidder is a subsidiary that does not fulfill the requirements of this Clause of the Public Invitation, the right to submit a bid has its parent company if it fulfills the stated requirements. The parent company has the right to submit the bid if the 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, the right to submit a bid has its subsidiary if it fulfills the stated requirements. The subsidiary has the right to submit the bid if the parent company has purchased the Tender Documents.

(ii) If a potential bidder is a consortium it is necessary that it fulfills the following requirements:

- All consortium members have made the Decision on organizing and entering into the Consortium;
- All the consortium members have made a written Consortium Agreement and notarized it at the Court;
- Each member of the consortium assumes a several and joint unlimited liability by the 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;
 - At least one of the consortium members, with stake in Consortium of at least 51%, fulfills the following requirement:
 - a) it has either been engaged in production of construction machines, special purpose machines, processing equipment and components for at least the last 3 years, and achieved revenue in excess of EUR 25 million (Euro twenty five million) in 2003;
 - b) or is a Financial Investor (legal entity whose core business is investment of money, that exists at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with a minimum of EUR 50 million in total operating assets in 2003;
 - c) or is an Investor that achieved revenue of more than EUR 50 million (Euro fifty million) in 2003.
4. The Agency hereby invites all the interested parties to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, by **March 18th 2005**;
- The Tender Documents shall be available to the interested parties starting from December 17th 2004.**
- The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to Deloitte, and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code OKT/04.
- Upon receiving 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 post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Deloitte at the address below.
- Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Deloitte shall immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to its authorized Representative.
- Deloitte and the Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.
5. The deadline for submission of the final binding offers for acquisition of the capital is **April 15th 2005, at 05:00 p.m.** (Belgrade time). If necessary, the Agency reserves the right to amend the deadlines 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).
6. All the questions relating to this Public Invitation should be directed to Deloitte contact persons below:

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