

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia", numbers 38/2001, 18/2003, 45/2005 and 123/2007)

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

PUBLIC INVITATION

For participation in the Public Tender
for sale of 70% of socially-owned capital of:

Limited liability company „Jugoterm Merosina“, Mramorsko Brdo
(hereinafter: Entity undergoing privatization)

Tender Code: **JTM 02/08**

1. The total registered capital of the Entity undergoing privatization consists of 100.00% socially-owned capital.
2. The Agency is offering for sale 70.00% of the registered socially owned capital of the Entity undergoing privatization, which represents 70.00% of the total registered capital.
3. Data about the Entity undergoing privatization:

Address: **Mramorsko brdo bb., 18251 Mramorsko Brdo, Republic of Serbia**

Phone: **+381 18 694 054**

Fax: **+381 18 694 552**

The main activities: **Production of boilers and radiators for heating with warm water.**

More details about the Entity undergoing privatization are available at Internet address:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_4072.pdf

Detailed information on the Entity undergoing privatization, along with the Instructions to Bidders (hereinafter: 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 8,000 (Euro Eight thousand).

The Agency has appointed BC Consulting d.o.o. Belgrade to act as its advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:
 - A. Potential bidder that fulfills the following requirements:
 - It has purchased the Tender Documents, and
 - It fulfills one of the following conditions:
 - a) It has been engaged in the activity of production and/or sale of standard metal products, except for machines and appliances, for at least the last 3 years continually, and it achieved operating revenues of at least EUR 4,000,000 (Euro four million) in 2007;

- b) or it is an investor that achieved operating revenues in excess of EUR 8,000,000 (Euro eight million) in 2007.

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. The subsidiary has the right to submit a bid if the parent company has purchased the Tender Documents.

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. The Parent company has the right to submit a bid if the subsidiary 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 valid 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 other competent body (in case of foreign legal entities and private entities);
- Each consortium member assumes joint and unlimited liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity undergoing privatization, provided that one consortium member must have at least 51.00% of total share in consortium (hereinafter : "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;
- Consortium Leader fulfills one of the following requirements:
 - a) It has **either** been engaged in the activity of production and/or sale of standard metal products, except for machines and appliances, for at least the last 3 years continually, and it achieved operating revenues of at least EUR 4,000,000 (Euro four million) in 2007;
 - b) **or** is an investor that achieved operating revenues in excess of EUR 8,000,000 (Euro eight million) in 2007.

5. The Agency is hereby inviting all parties interested in participating in the tender to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization, by **April 4th 2008**.

The Tender Documents will be available to interested parties from March 10th 2008.

A written request for purchasing the Tender Documents should be sent to Consultant by post, e-mail or facsimile to the address below, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **JTM 02/08**".

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 should be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of power of attorney for the person that 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/e-mail or hand it to its authorized representative.

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 70.00% of registered socially owned capital of the Entity undergoing privatization by interested bidders is **April 24th 2008**, at **16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change the deadlines and conditions of the 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. This public invitation is being announced in Serbian and English language. Both versions (in Serbian and English language) are authentic. In the case of discrepancies the version in Serbian language prevails.
8. All the questions relating to this Public Invitation should be directed to Consultant's representatives at the address below, in the Serbian and English.

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