

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:  
**IPM "ZMAJ" a.d. in Restructuring, Zemun-Belgrade**  
(Hereinafter "Entity undergoing privatization")

Tender Code: **ZMAJ 09 /05**

1. The total registered capital of the Entity undergoing privatization consists of 93,80% socially owned capital and 6,20% shareholders' capital (out of which 4,84% is state owned capital owned by the Development Fund of RS and 1,36% is remaining shareholders' 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:

Seat: Autoput 18 street, 11 080 Zemun-Belgrade, Serbia & Montenegro

Phone: +381 11 260 62 33

Fax: +381 11 605 697 or +381 11 676 867

Operating activity: production of agricultural mechanization, grain and corn harvesters (combines).

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

[http://www.priv.yu/pregled\\_preduzeca/zip/e-cp\\_409.zip](http://www.priv.yu/pregled_preduzeca/zip/e-cp_409.zip)

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

The Tender Documentation fee is EUR 5.000,00. (Euro Five thousand)

The Entity undergoing privatization has appointed CES Mecon d.o.o. to act as its Consultant in this privatization process (hereinafter the "Consultant").

4. A bid may be submitted by:

A. Potential bidder that fulfils the following requirements:

- It has purchased the Tender Documents, and
- It has been engaged in production of corn and/or grain harvesters for at least the last 3 operating years continually, **and**

- It achieved operating revenue of at least EUR 15.000.000,00 (Euro fifteen million) in 2004.

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 fulfill the following requirements:

- All consortium members have made a valid decision to form a and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the Court under the law applicable to such an agreement;
- Each consortium member assumes 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, whereas at least one Consortium member has no less than 51% share in the Consortium (hereinafter "The Consortium Leader");
- 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;
- The Consortium Leader fulfills the following requirements:

- a) It has been engaged in production of corn and/or grain combines for at least the last 3 operating years continually, and
- b) It achieved operating revenue of at least EUR 15.000.000,00 (Euro fifteen million) in 2004.

The interested bidder, which shall sign the Agreement on Sale and Purchase of the Capital of the Entity undergoing Privatization with the Privatization Agency, undertakes the contractual obligation to offer to purchase the shares of all remaining shareholders at the price that is at least equal (in EUR) with the price per share it has paid for the Capital described in the Clause 2 of this Public Invitation, no later than within 12 months from the SPA Closing Date

**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 **October 14<sup>th</sup> 2005**.

**The Tender Documents will be available to Tender Participants from September 16<sup>th</sup> 2005.**

A written request for purchasing the Tender Documents should be sent to Consultant by post, e-mail or facsimile with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: ZMAJ 09/05.

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

Upon receipt of the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, 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 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 sale of 100% of socially-owned capital of the Entity undergoing privatization by interested bidders is **November 11<sup>th</sup> 2005, 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 (Euro fifty thousand).

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

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