

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" number 38/2001, 18/2003 and 45/2005), the Privatization Agency, Republic of Serbia (hereinafter: "the Agency") hereby announces:

**PUBLIC INVITATION**

For participation at the Public Tender  
for sale of 70% of socially owned capital of the company:

**AD "Putevi" Čačak**

(Hereinafter "Entity undergoing privatization")

Tender Code: **Putevi Cacak 09/05**

1. The total registered capital of the Entity undergoing privatization consists of 98% socially owned capital and 2% share capital.
2. The Agency offers for sale 70% of the socially owned capital of the Entity undergoing privatization, a profitable road construction company.
3. Details about the Entity undergoing privatization:

Seat and HQ: 600 Street No. 2, Čačak, Serbia & Montenegro

Phone/fax: +381 (0)32-374-593

Business: Construction and roads maintenance

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

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_7992.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_7992.pdf)

Detailed information about the Entity undergoing privatization, along with the Information Memorandum (hereinafter "the Tender Documents"), shall 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 5.000 (Euro five thousand).

The Agency has appointed SEECAP 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;
    - It has been engaged in building and/or maintenance of roads for at least the last 3 years continually, and
    - It achieved operating revenues of at least € 8.000.000 (Euro eight million) in 2004, and generated net profit in the year 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 fulfils 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 fulfils the stated requirements. The parent company has 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 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 consortium 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;
- All consortium members have signed a notarized a power of attorney representing member of the consortium;
- All consortium members have signed the Confidentiality Agreement;
- At least one consortium member has purchased the Tender Documents, **and**
- **Either** one consortium member with the share in the Consortium of not less than 51% fulfils the following requirements:
  - a) Has been engaged in building and/or maintenance of roads for at least the last 3 years continually, and
  - b) Achieved operating revenues of at least EUR 8.000.000 (Euro eight million) in the year 2004 and generated net profit in 2004
- **Or** two Consortium members with aggregate share in the Consortium of not less than 51%, meet the following conditions:
  - a) One member has been engaged in building and/or maintenance of roads for at least the last 3 years continually, and
  - b) The other member has achieved from its operating activities operating revenues of at least EUR 8.000.000 (Euro eight million) in the year 2004, and generated net profit in 2004.

5. The Agency hereby invites all interested parties to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization by **21<sup>st</sup> October 2005**, at 17:00h (Belgrade time).

**The Tender Documents will be available to interested parties from 26<sup>th</sup> September 2005.**

A written request for purchasing the Tender Documents should be sent by post, e-mail or facsimile to Consultant at the addresses below, with clearly displayed reference "Request for purchasing the Tender Documents – **Tender Code: Putevi Cacak 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 forwarded to the Tender Participant's

authorized representative by post, email 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, the 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 binding offers for acquisition of 70% of socially-owned capital of the Entity undergoing privatization by interested bidders is **18<sup>th</sup> November 2005, at 17:00h (Belgrade time)**.

If necessary, the Agency reserves the right to amend the deadlines 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 the Consultant, in Serbian or English.

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