

Pursuant to Article 28 of the Law on Privatization (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, and 45/2005),

**PRIVATIZATION AGENCY**

(hereinafter: the "Agency")

issues:

**Public Invitation**

for participation in a public tender

for the sale of 100% of the socially owned capital of:

**Građevinar d.o.o. in restructuring Niš**

(hereinafter: "Entity undergoing privatization")

**Tender Code: GRD 30/07**

1. Total registered capital of the Entity undergoing privatization consists of 95.424% of socially owned capital and 4.576% of share capital.

2. The Agency is offering for sale 100.00% of the socially owned capital, i.e. 95.424% of the total registered capital of the Entity undergoing privatization, a construction company specialized in building of residential, industrial, agricultural and other building constructions.

3. Basic Data about the Entity undergoing privatization:

Address: Prijezdina 2, Niš, Republic of Serbia

Phone: +381 (18) 241 077

Fax: +381 (18) 241 344

Core activity: Other construction and specialized works

Further information on the Entity undergoing privatization is available at:

[http://www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_9230.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_9230.pdf)

Detailed information on the Entity undergoing privatization, as well as the Instructions to Bidders (hereinafter: the "Tender Documents") shall be available to all interested tender participants upon signing the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000 (Euro eight thousand).

The Privatization Agency has appointed Consortium comprising of BPA London Limited, United Kingdom, Tomic and Partners Law Office, Belgrade, and MGI Revizija i racunovodstvo, Belgrade, to act as the advisor in this privatization process (hereinafter: the "Consultant").

4. A bid may be submitted by:

A. An interested bidder that fulfils the following requirements:

- it has purchased the Tender Documents, and
- It fulfils one of the following conditions:

a) it has been engaged in “other construction and specialized works” for at least the last 3 operating years in continuity, and generated operating income of at least EUR 5,000,000 (Euro five million) in 2006

or

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 40,000,000 (Euro forty million) in 2006,

or

c) It is an investor that generated operating income in excess of EUR 10,000,000 (Euro ten million) in 2006.

If a potential bidder is a parent company that does not fulfil 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 that fulfils the above stated requirements 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 fulfil 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 the right to submit a bid if its subsidiary has purchased the Tender Documents.

B. If a potential bidder is a Consortium it must cumulatively fulfil the following requirements:

- All consortium members made a Decision on forming and entering 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 natural persons);
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entities undergoing privatization;
- 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; and
- Consortium member with at least 30% share in the consortium fulfils one of the following requirements:

a) it has been engaged in “other construction and specialized works” for at least the last 3 operating years in continuity, and generated operating income of at least EUR 5,000,000 (Euro five million) in 2006

or

b) It is a Financial Investor (a legal entity whose core business is investment of money, which exists for at least the last 3 operating years, and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total operating assets in excess of EUR 40,000,000 (Euro forty million) in 2006,

or

c) It is an investor that generated operating income in excess of EUR 10,000,000 (Euro ten million) in 2006.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization, **by January 18, 2008.**

**The Tender Documents will be available to interested parties from December 10, 2007.**

A written request for purchasing the Tender Documents shall be sent to the Consultant by mail, e-mail or facsimile, with clearly displayed reference "Request for purchasing the Tender Documents – Tender Code: **GRD 30/07**".

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 applicant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the person signing the Confidentiality Agreement, and evidence of payment of the Tender Documents Fee, the Consultant shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative upon expiry of the deadline set out in paragraph 2 of this Clause.

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 of 100.00% of the socially owned capital of the Entity undergoing privatization by interested bidders is **February 8, 2008, by 16:30h (Belgrade time).**

If necessary, the Agency reserves the right to change terms and conditions 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).

7. All questions relating to this Public Invitation should be directed to contact persons below, in Serbian or English.

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