

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 (hereinafter: “the Agency”) hereby announces a:

PUBLIC INVITATION

For participation at a Public Tender for divestment of 71.02% of total capital in:

GOŠA Fabrika opreme i mašina d.o.o., Smederevska Palanka

Tender Code: GFOM03/05

1. Total registered capital of the company GOŠA Fabrika opreme i mašina d.o.o., Smederevska Palanka (hereinafter “Entity undergoing privatization”) consists of 96.60% socially-owned capital and 3.40% capital owned by Development fund of Republic of Serbia.

The Agency offers for sale 70% of socially owned capital and capital owned by Development fund of Republic of Serbia in the Entity undergoing privatization, one of the major producers of machines, equipment and steel constructions of large dimensions in Serbia and Montenegro, according to clients’ specifications.

2. Details about the Entity undergoing privatization:

Address: Industrijska 70, 11420 Smederevska Palanka, Serbia and Montenegro

Phone: +381 26 321 945

Fax: +381 26 321 992

Industry: Production of machines, equipment and steel constructions of large dimensions.

More details about the entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_9570.pdf

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

3. The Agency has appointed Meinl Capital Advisors AG (“Consultant”) to act as Consultant in this privatization process.
4. Following parties may submit a bid:
 - A. A potential bidder that fulfills the following requirements:
 - Has purchased the Tender Documents; and
 - That it has been engaged in production of metallurgy equipment fore coke production and/or mining equipment for open cast coal exploitation for the last 5 (five) years in continuity.

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.

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.

B. If a potential bidder is a consortium it is necessary that it fulfills the following requirements on cumulative basis:

- 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, or other competent authority (in the case of foreign legal or natural entity).
- 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 share in the Consortium not lower than 51%, fulfills the following requirements:
 - a) his major field of engagement is production of metallurgical equipment for coke production and/or mining equipment for open cast coal exploitation for the last 5 (five) years in continuity;

or

- That several members of the Consortium with joint share in the Consortium not lower than 51%, each one separately, fulfill the following requirement:
 - a) Has been engaged in production of metallurgical equipment for coke production and/or mining equipment for open cast coal exploitation for the last 5 (five) years in continuity;

5. The Agency hereby invites all the interested parties to submit a written request for purchasing the Tender Documents for the Entity undergoing privatization by **May 16th 2005**.
The Tender Documents shall be available to the interested parties starting from April 18th 2005.

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

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to Consultant's Belgrade address and shall clearly display the reference "Request for purchasing the Tender Documents – Tender Code GFOM03/05.

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 Consultant's Belgrade address.

Upon receiving the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Consultant shall immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to their 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 of the capital is **June 15th 2005, at 05:00 p.m.** (Belgrade time). If necessary, the Agency reserves the right to amend terms and 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).
7. All the questions relating to this Public Invitation should be directed to Consultant's contact persons below:

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