

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

PUBLIC INVITATION

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

**Društveno preduzeće za linijski i turistički saobraćaj "Litas", Požarevac
(hereinafter "Entity undergoing privatization")**

Tender Code: **LIT12/05**

1. The total registered capital of the Entity undergoing privatization consists of 100% socially owned capital.
2. The Agency is offering for sale 70% of socially owned capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:

Address: **Djure Djakovica 3, 12000 Požarevac, Republic of Serbia, Serbia & Montenegro**

Phone: **+381 12 221 947**

Fax: **+381 12 212 114**

Industry: **Passenger transportation in city traffic**

More details about the Entity undergoing privatization are available at

www.priv.yu/pregled_preduzeca/pdf/e-teaser_1230.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 upon signing of the Confidentiality Agreement and purchasing of the Tender Documents.

The Tender Documents Fee is EUR 5.000,00 (Euro five thousand).

The Agency has appointed Raiffeisen Investment AG ("Consultant") to act as a Consultant in this privatization process.

4. A bid may be submitted by the following parties:
 - A. A potential bidder that fulfils the following requirements:
 - Has purchased the Tender Documents, and
 - Fulfills one of the following requirements:
 - a) it has either been engaged in passenger transportation in road traffic for at least the last 3 years in continuity, and achieved operating revenues in excess of EUR 10.000.000 (Euro ten million) in 2004;
 - b) or is a financial investor (legal entity whose core activity is investment of money, which exists for at least the last 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total assets exceeding Euro 50.000.000 (Euro fifty million) in 2004;
 - c) or is an investor that achieved operating revenues exceeding EUR 40.000.000 (Euro forty 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 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, its parent company has the right to submit a bid, 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 cumulatively the following requirements:
 - All Consortium members have made the decision on organizing and entering into the Consortium;
 - All Consortium members have signed a written Consortium Agreement and duly notarized it at Court or other relevant authority (in case of foreign legal entities and individuals);

- Each member of the Consortium assumes an unlimited joint and several liability according to 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;
 - The Consortium member with the largest share in Consortium fulfills one of the following requirements:
 - (a) it has either been engaged in passenger transportation in road traffic for at least the last 3 years in continuity, and achieved operating revenues in excess of EUR 10.000.000 (Euro ten million) in 2004;
 - (b) or is a financial investor (legal entity whose core activity is investment of money, which exists for at least the last 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total assets exceeding Euro 50.000.000 (Euro fifty million) in 2004;
 - (c) or is an investor that achieved operating revenues exceeding EUR 40.000.000 (Euro forty million) in 2004.
5. The Agency hereby invites all interested parties to submit a written request for purchase of the Tender Documents for the Entity undergoing privatization, by **February 10, 2006 at 5 p.m. Belgrade time**;

The Tender Documents shall be available to the interested parties starting from December 26, 2005.

A written request for purchase of the Tender Documents shall be sent by post, e-mail or facsimile to Consultant at the address below, and shall clearly display the reference "Request for purchase of the Tender Documents – Tender Code **LIT 12/05**".

Upon receipt of 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 fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant to the address below.

Upon receiving the signed Confidentiality Agreement, evidence on authorization for the person signing the 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/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 the acquisition of 70% of socially owned capital of the Entity undergoing privatization by interested bidders is **March 17, 2006, at 5 p.m.** (Belgrade time).

The Agency reserves the right to amend the terms and deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is required 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 Consultant contact persons below:

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