

After comparison with the original text has been carried out, it has been established that an error has crept in the text of the Public invitation for participation in Public auctions, which was announced in the daily «Politika», on 27.07.2007, so it is now being announced:

## Correction of the Public Invitation for participation in Public auctions

### Basic data on Auction sale

Privatization Agency offers for sale, within the joint offer, 70,00% of the socially-owned capital of the entity undergoing privatization, which is 68,03% of the total capital and 100,00% of share of the Development Fund of the RS, BELGRADE, which is 2,81% of the total capital. Totally is offered 70,84% of capital of the privatization entity. The share of the Development Fund of the RS, BELGRADE, in the entity capital, is offered for sale based on the Power of Attorney assigned to the Privatization Agency.

Interested parties can purchase the auction documents at the price of: **RSD 40.000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory and on their receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St, from 09:00–17:00 on weekdays, in period from 01.08.2007 until 18.09.2007.

**DEADLINE FOR SUBMISSION OF APPLICATIONS is 19.09.2007, until 17:00.**

Filled application, which is a part of the auction documents, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope marked with: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 270907, Privatization Agency, Belgrade, 23 Terazije St".

IF THERE IS NAME OF THE ENTITY UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

#### THE AUCTION WILL BE HELD ON: 27.09.2007

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall**, at 11:00. Registration of the auction participants will be held at the same address on: **27.09.2007, from 09:00 – 10:50.**

**Means of payment for the part of the socially-owned capital to be sold within joint offer (68,03 %)** can be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (27.09.2007), issued to the individuals, who are citizens of the Republic of Serbia. If a participant applies only for the second bidding, the means of payment can be even the state bonds based on the unpaid foreign currency savings of citizens, which are not due until the date of the capital sale (27.09.2007), issued to the individuals, who are citizens of the Republic of Serbia.

**Means of payment for the share of the Development Fund of the RS, BELGRADE, (2,81 %) in the total capital of the entity to be privatized, can be SOLELY in local currency and in foreign convertible currency, whereat a part of the Sales–Purchase price (selling price achieved at the auction), in accordance with the share of the Development Fund of the RS in the entity to be privatized, is to be paid off AT ONCE, regardless of that, whether a participant has applied for the first or the second bidding.**

In case that the first class bank guarantee has been submitted as the means of deposit payment, it is to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned 15 days after the Public auction has been held.

Privatization Agency keeps the right to change the auction date, as well as the deadline for the application submission, if necessary, but also to inform the interested parties on such changes, if any, until the auction date at the latest.

The site visit shall be carried out after signing the Agreement on Confidentiality in period from 01.08.2007 until 18.09.2007, at the time previously established with the Privatization Agency, tel: 011/3020–804; 011/3020–803, or by fax: 011/3020–881.

\* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 25.07.2007.

\*\* The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.

### Brief description of the PUBLIC AUCTION procedure

Sale of capital by the Public auction is carried out by the Auction Commission, which is established by the Privatization Agency. The Commission supervises the capital sale by auction, registers auction participants, declares auction unsuccessful, signs the minutes and performs other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out are fulfilled, if at least one person has obtained the status of an auction participant and if it is presented personally or by an authorized representative. At the time ordered for the PUBLIC AUCTION opening, the auctioneer shall open the first bidding, when the means of payment can be in cash or due bonds. If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. In case that none of the interested buyers reacts after the third call for acceptance of the newly established price, the auctioneer

declares the auction finished by hammering. The selling price becomes the highest offered value, and the participant who has been the first to offer the highest price is declared a buyer. If there have not been interested parties after the announcement of the initial price, even after the third call, the auctioneer declares the first bidding unsuccessful by hammering and opens the second bidding immediately afterwards, when even undue state bonds can be the means of payment. Those who have applied for the second bidding can also participate, as well as the participants in the first bidding, in case it has been declared unsuccessful. If more than one person participates in the second bidding, the auctioneer announces the initial price, as well as each further increase. If none of the interested buyers reacts after the third call for acceptance of the newly established price, the auctioneer, by hammering, declares the auction closed. The selling price becomes the highest offered value, and

the participant who has been the first to offer the highest price, is declared a buyer. If after the announcement of the initial price there have not been any interested persons, even after the third call, the auction is declared unsuccessful, and the participants lose the right to be returned the deposit. If only one party who has obtained the auction participant status attends the second bidding, that party is invited three times to accept the initial price. If the party accepts the initial price, it is declared a buyer and the initial price becomes the selling price. If the participant does not accept the initial price, the auction is declared unsuccessful, and it loses the right to be returned the deposit.

**1) Basic information on the entity undergoing privatization: Limited liability company for production and sale of automobile spare parts ZASTAVA AUTO DELOVI, KNIĆ**

**Auction Sale Code:** 270907-1954p

Official ID number of the Subject: **07984898**

Field of work: **Production of spare parts and equipment for vehicles**

The entire estimated capital value to be privatized amounts to: **RSD 162.803.000** or **\*EUR 2.018.408**, which is **70,843 %** of the total entity capital.

**Deposit** for participation in the auction: **RSD 13.024.000** or **\*EUR 161.473**

**Initial price** at the auction sale: **RSD 26.049.000**

**Minimum obligatory investments** into the entity to be privatized amounts to: **RSD 14.272.000**

**Main assets of the entity to be privatized**

**A) Buildings – main facilities (m²):**

1. New hall (3885) 2. New administration building (1624) 3. Old plant building (2145)  
4. Spare parts warehouse (460) 5. Boiler room, compressor station and power substation (245)

**B) Main equipment:**

1) Transfer (02-9709) 2) Transfer (FMTR –16/M) 3) Transfer (FMTR-20) 4) Transfer (EMIR 20) 5) Machine (NAGEL) 6) Dye-house 7) Passenger vehicle (FLORIDA 1.3) 8) Friction press

**C) Land (m²):** *Entire land: (57348); Construction land: (39112) – state owned; Other land: (18236) – state owned;*

<b>Balance sheet per year:</b>		<b>2005</b>		<b>2006</b>	
Shown in:		RSD	<b>**EUR</b>	RSD	<b>**EUR</b>
Total business revenues		87.098.000	1.050.551	99.730.000	1.185.780
Total business expenses		99.229.000	1.196.871	115.728.000	1.375.994

**Main products/ services:** 1) Brake cylinders 2) Brake pipes 3) Agricultural equipment

**Total number of employees:** 130; **of which BS/ BA:** 7