

According to the decision on sale of the share of the Managing Board of Zastava Vehicles Group No. UO-1-3/05 dated 11.01.2005, the approval of the Privatization Agency No. 266-2801-zds/01 dated 28.01.2005, and the Representation Contract I/3 cert. No. 132/05 dated 16.02.2005, the Privatization Agency of the Republic of Serbia announces

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION FOR  
PURCHASE OF THE SHARE OF JOINT-STOCK COMPANY FOR HOLDING,  
CONSULTING AND MANAGEMENT ZASTAVA VEHICLES GROUP,  
KRAGUJEVAC – IN THE ENTERPRISE "ZASTAVA HIDROELEKTRANE"  
Ltd. KRAGUJEVAC  
Sale code : R-100305-015**

**1. Object of sale**

The object of sale is the share of joint-stock company for holding, consulting and management Zastava Vehicles Group, Kragujevac WHICH IS 100% OF THE CAPITAL IN THE ENTERPRISE "ZASTAVA HIDROELEKTRANE" Ltd. KRAGUJEVAC.

**2. Auction documentation**

Those who are interested can buy the public auction documentation at the price of **25.000 dinars**, after the invoice is received from the Privatization Agency. The purchase of the public auction documentation is obligatory, and on its receipt one is to sign the Agreement on Keeping the Confidential Information. After the payment evidence is submitted, the public auction documentation can be collected at the following address: The Privatization Agency, Auction Center, 23 Terazije St. (5th floor), 11000 Belgrade, 10:00 - 17:00 from 18.02.2005 to 07.03.2005.

**3. Initial price**

**Initial selling price** at the public auction ordered for the share in "Zastava Hidroelektrane" Ltd. Kragujevac is: **381.600,00 dinars** (three hundred and eighty-one thousand six hundred dinars).

**4. Conditions for buyers**

Declared buyer will have to meet the obligations in accordance with the Sales Contract which is integral part of the Auction Documentation.

Besides, the submission of registration by the participant means that he accepts all the conditions expressed in the Instructions for Participants which are integral part of the documentation that is purchased.

## **5. Conditions for participants**

All physical and legal persons have the right to participate in the sale process, with limitations stated in the Instructions for Participants, if they pay **deposit which is: 38.160,00 dinars** (thirty-eight thousand one hundred and sixty), that is 10% of the initial selling price, or submit first-class bank guarantee at the first call for the same sum in accordance with the Instructions for Participants.

In case that the first-class bank guarantee is submitted as the means of payment for the deposit, it has to be payable within the period of 48 hours after the declaration of a buyer at the public auction.

## **6. Due Dilligence procedure**

After the signing of the Agreement on Keeping the Confidential Information and the purchase of the auction documentation, a potential participant will be able to have insight into the assets of "Zastava Hidroelektrane" Ltd. Kragujevac, have meetings with persons in charge and have insight into financial, commercial and legal data. After that, if the potential participant decides to participate in the public auction, it is necessary to pay the deposit or submit first-class (irrevocable) bank guarantee and submit Registration, as it is shown in the model in the Instructions for Participants.

## **7. Submission of Registration**

Closing date for submission of registration is 07.03.2005 at 17:00. The registrations are to be submitted to the Privatization Agency in a sealed envelope, with auction sale code and the following inscription:

**REGISTRATION FOR PARTICIPATION IN PUBLIC AUCTION R-100305**  
**THE PRIVATIZATION AGENCY OF THE REPUBLIC OF SERBIA**  
**AUCTION CENTER**  
**23 TERAZIJE ST., 5TH FLOOR, 11000 BELGRADE**

If there is the name of subject of sale on the envelope, or full auction code, the registration can be rejected. A special form is to be filled in for the registration, which is integral part of the documentation to be purchased and has to comprise data stated in Instructions for Participants, deposit payment evidence and the number of account for returning the deposit. The registration is to be submitted by registered mail, via courier or personally at the following address:

**The Privatization Agency of the Republic of Serbia**

Auction Center  
23/V Terazije St.  
11000 Belgrade  
Serbia and Montenegro

Incomplete and late registrations will not be taken into consideration. The Commission for Implementation of Sale will inform all the applicants about the approval of their registration forms before the public auction is held.

**8. Organization of Public Auction**

Public Auction will take place on 10.03.2005, at 11:00 at the Privatization Agency, 23 Terazije St., Belgrade, Large Hall on the second floor. The registration of the participants in the public auction will take place at the same address on 10.03.2005, 09:00 - 10:50.

The way of public auction implementation and conclusion of the Sales Contract have been explained in detail in the Instructions for Participants which are integral part of the documentation.

The deposit is to be returned to all the participants who have not been declared buyers, in the period ordered in the Instructions for Participants.

The participant who is the first to make the highest offer and who is declared a buyer, will be able to have his deposited sum calculated into the sales price, whereas the declared buyer is to pay the margin between deposited sum and final auction sales price into the account of the Agency within the period of 8 days after the Sales Contract signing day. If one does not sign the Sales Contract, the deposit will be retained.

**Zastava Vehicles Group**

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**The Privatization Agency of the Republic of Serbia**

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