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Based on the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003 and 45/2005), and the authorization from Clause 7 of the Public Invitation published in daily newspaper "Politika" on March 13, 2007 (hereinafter: Public Invitation) **the Privatization Agency** (hereinafter: "the Agency") issues these:

AMENDMENTS No. 1 TO THE PUBLIC INVITATION

for participation in the Public Tender
for joint sale of the capital of:

HOLDING PREDUZECE INDUSTRIJA HIDRAULIKE I PNEUMATIKE "PRVA PETOLETKA" AD TRSTENIK

and its subsidiary companies:

Preduzece za proizvodnju hidraulickih uredjaja i sistema "PPT – Hidraulika" AD Trstenik;

Preduzece za proizvodnju hidraulickih cilindara "PPT – Cilindri" AD Trstenik;

Preduzece za proizvodnju delova za hidrauliku "PPT – Delovi" AD Novi Pazar;

Preduzece za proizvodnju namenskih proizvoda "PPT – Namenska" AD Trstenik;

Preduzece za proizvodnju industrijske pneumatike "PPT – Industrijska pneumatika" AD Trstenik;

Preduzece za projektovanje i inzenjering "PPT – Inzenjering" AD Beograd;

Preduzece za održavanje, remont, proizvodnju i distribuciju energije "PPT – Remont i energetika" AD Trstenik;

Preduzece za ugostiteljske usluge "PPT – Ishrana" AD Trstenik.

and

Preduzece za proizvodnju hidraulickih servoupravljacka "PPT – Servoupravljacki" AD Trstenik;

Preduzece za proizvodnju kocne tehnike "PPT – Kocna tehnika" AD Trstenik;

Preduzece za proizvodnju zaptivki "PPT – Zaptivke" AD Trstenik;

Preduzece za proizvodnju armatura "PPT – Armature" AD Aleksandrovac;

Preduzece za proizvodnju uredjaja i delova "PPT – FUD" AD Brus;

Preduzece za tehnolosko-metalursku obradu "PPT – TMO" AD Trstenik;

(hereinafter, collectively: Entities undergoing privatization)

Tender Code: **PPT 08/07**

1. Clause 5 of the Public Invitation is changed to read as follows:

A Bid may be submitted by:

(A.) A potential bidder that fulfills the following requirements:

- it has purchased the Tender Documents; and
- it fulfils at least one of the following conditions:

either

- a) it has been engaged in production of traffic vehicles or production of parts for traffic vehicles, or production of machines, or manufacturing of metal products for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 50 million (Euro fifty million) in 2006;

or

- b) is a financial investor (whose core business is investment of money, that exists for at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total

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operating assets in excess of EUR 100 million (Euro one hundred million) in 2006;

or

- c) is an investor that achieved operating revenues in excess of EUR 100 million (Euro one hundred million) in 2006.

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 these requirements.

The parent company that fulfils the above stated requirements has the right to submit the bid if its subsidiary has purchased the Tender Documents.

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 that fulfils the above stated requirements has the right to submit the bid if the parent company 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 executed a written Consortium Agreement and notarized it at the Court or other competent body (in case of foreign legal entities or individuals);
- Each member of the Consortium assumed unlimited several and joint liability by the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entities undergoing privatization;
- All Consortium members have signed a Notarized Power of Attorney for the member representing the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- One Consortium member has purchased the Tender Documents;
- At least one of the Consortium members fulfills one of the following requirements:

either

- a) it has been engaged in production of traffic vehicles or production of parts for traffic vehicles, or production of machines, or manufacturing of metal products for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 50 million (Euro fifty million) in 2006;

or

- b) is a financial investor (whose core business is investment of money, that exists for at least 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total operating assets in excess of EUR 100 million (Euro one hundred million) in 2006;

or

- c) is an investor that achieved operating revenues in excess of EUR 100 million (Euro one hundred million) in 2006.

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2. The deadline for submitting a written request for the purchase of the Tender Documents for the Entities undergoing privatization set out in Clause 6 of the Public Invitation is changed and extended by **May 11th 2007 at 17.00 hours Belgrade time;**

3. The deadline for submission of the final binding offers for the purchase of the capital of the Entities undergoing privatization set out in Clause 7 of the Public Invitation is changed and extended by **June 6th 2007, at 17.00 hours Belgrade time.**

4. All other information pertaining to the Public Invitation and the amendments thereto shall remain unchanged and are available at:

http://www.priv.yu/vesti/pdf/e-tender_11326_ip_izm_1.pdf

5. Any questions relating to the Public Invitation should be directed to contact persons listed below, in Serbian or English:

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