

Based on Articles 28, 69 paragraph 3 and 70 of the Law on Privatization ("Official Gazette of the RoS", Nos. 38/2001, 18/2003 and 45/2005), Article 9 of the Law on the Privatization Agency ("Official Gazette of the RoS", Nos. 38/2001 and 135/2004), and Articles 9 and 10 of the Law on the Share Fund ("Official Gazette of the RoS", Nos. 38/2001 and 45/2005), and based on authorizations given in Clause 6 of the Public Invitation published in daily paper "Politika" on January 16, 2007 (hereinafter: "Public Invitation"),

PRIVATIZATION AGENCY
(hereinafter: "Agency")
issues these:
AMENDMENTS No. 1 TO THE PUBLIC INVITATION

for participation in the public tender for sale of 179,254 shares with CFI code: ESVUFR, ISIN number: RSRDTRE71806, with nominal value of 3,000 dinars (hereinafter "Block of Shares"), representing 50.6215% of the total capital of the company:

**Akcionarsko drustvo za proizvodnju radijatora, kotlova i uslužnog liva
"RADIJATOR", ZRENJANIN
(hereinafter: "Company")**

Tender Code: **RZR 02/07**

1. Clause 4 of the Public Invitation is changed to read as follows:

"4. A bid may be submitted by:

- A. An interested bidder that:
- has purchased the Tender Documents, and
 - fulfills the following condition:

it has been engaged in production of boilers and radiators for central heating with hot water and/or iron casting for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 10,000,000 (Euro ten million) in 2006;

If the interested bidder is a subsidiary that does not fulfill the condition from this clause of the Public Invitation, its parent company has the right to submit the bid, if it fulfills the condition. In this case, the parent company has the right to submit the bid if the subsidiary purchased the Tender Documents.

If the interested bidder is a parent company that does not fulfill the condition from this clause of the Public Invitation, its subsidiary has the right to submit the bid, if it fulfills the condition. In this case, the subsidiary has the right to submit the bid if the parent company purchased the Tender Documents.

B. If the interested bidder is a Consortium, it must cumulatively fulfill the following conditions:

- All Consortium members have passed the Decision on organizing and entering the Consortium,
- All Consortium members have concluded a written Consortium Agreement and certified it with the Court, i.e. other competent body (in the case of foreign legal entities and natural persons),

- Each Consortium member assumed unlimited joint and several liability by the provisions of the Consortium Agreement,
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Company, provided that at least one Consortium Member has no less than 51% of share in the Consortium (hereinafter "Consortium Leader"),
- All Consortium members have signed a certified Power of Attorney for the member representing the Consortium,
- All Consortium members have signed the Confidentiality Agreement,
- At least one member of the Consortium has purchased Tender Documents,
- The Consortium Leader fulfills following condition:

it has been engaged in production of boilers and radiators for central heating with hot water and/or iron casting for at least the last 3 business years in continuity, and achieved operating revenues of at least EUR 10,000,000 (Euro ten million) in 2006;"

2. All other Clauses of the Public Invitation remain unchanged and are available at:
http://www.priv.yu/vesti/pdf/e-tender_11597_jp.pdf
3. For any questions pertaining to this Public Invitation or amendments thereto, interested parties may contact persons listed below, in the Serbian or the English language.

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