

Based on Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001, 18/2003 and 45/2005), and based on the authorization given in Clause 6 of the Public Invitation published in "Politika" daily newspaper on May 26, 2006 (hereinafter: Public Invitation) and Amendments No. 1 to the Public Invitation published in "Politika" daily newspaper on July 3, 2006 (hereinafter: Amendments No. 1 to the Public Invitation), the Privatization Agency (hereinafter: "the Agency") hereby announces:

AMENDMENTS No. 2 TO THE PUBLIC INVITATION

For participation in the Public Tender
for sale of 76.9% of total registered capital of:

Socially Owned Company for Manufacturing Rubber and Chemical Products
"TRAYAL KORPORACIJA" Krusevac
(hereinafter: Entity undergoing privatization)

Tender Code: **TRAYAL 09/06**

The Agency informs all interested parties on the amendments of the terms and conditions of the Public Invitation and Amendments No. 1 to the Public Invitation for participation in the Public Tender for sale of 76.9% of total registered capital of the Entity undergoing privatization, as follows:

1. Clause 4 of the Public Invitation and Clause 1 of the Amendments No. 1 to the Public Invitation are changed to read as follows:

"A bid may be submitted by:

A. Potential bidder that fulfils the following requirements:

- An interested bidder or its Parent or Subsidiary Company has purchased the Tender Documents, and
- it fulfils at least one of the following requirements:

Either

a) It has been engaged in production and/or trade of car tires for the last 3 operating years continually, and it achieved total revenues of at least EUR 25,000,000 (Euro twenty five million) in 2005;

Or

b) Is a Financial Investor (a legal entity whose core business is investment of money that exists 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 100,000,000 (Euro one hundred million) in 2005;

Or

c) Is an investor that achieved operating revenues in excess of EUR 50,000,000 (Euro fifty million) in 2005;

A bid may also be submitted by a Subsidiary that is fully owned (100%) by the Parent Company that fulfils the requirements set out in this Clause of the Public Invitation.

B. If a potential bidder is a Consortium it must fulfill the following requirements:

- All consortium members have made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the Court or other competent body in accordance with the laws applicable to such Consortium Agreement;
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in 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, and
- At least one of the Consortium members with minimum 25% share in the Consortium fulfills at least one of the following requirements:

Either

- a) It has been engaged in production and/or trade of car tires for the last 3 operating years continually, and it achieved total revenues of at least EUR 25,000,000 (Euro twenty five million) in 2005;

Or

- b) Is a Financial Investor (a legal entity whose core business is investment of money that exists 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 100,000,000 (Euro one hundred million) in 2005;

Or

- c) is an investor that achieved operating revenues in excess of EUR 50,000,000 (Euro fifty million) in 2005

A bid may also be submitted by a Subsidiary that is fully owned (100%) by the Consortium that fulfils the requirements set out in this Clause of the Public Invitation, and whose ownership structure is identical to the structure of each consortium member's contribution in the acquisition of the capital of the Entity undergoing privatization, defined in the Consortium Agreement."

2. The Deadline for submitting a written request for purchasing the Tender Documents for the Entity undergoing privatization set out in the Clause 5 of the Public Invitation is changed and extended to **August 4, 2006 by 5 p.m. Belgrade time.**
3. The deadline for submitting final binding offers for acquisition of 76.9% of the total registered capital of the Entity undergoing privatization set out in Clause 6 of the Public Invitation, is changed and extended to **August 30, 2006 by 5 p.m. Belgrade time.**
4. All other details of the Public Invitation and the amendments thereto shall remain unchanged and are available at: http://www.priv.yu/vesti/pdf/e-tender_393_ip.pdf
5. All questions relating to the Public Invitation and the amendments thereto should be directed to the Consultant at the address below, in Serbian or English.

CES Mecon d.o.o

Danijelova 12-16
11 000 Belgrade
Serbia and Montenegro

Mr. Dusan Nikezic, Director

E-mail: dusan.nikezic@cesmecon.com

Phone: +381 11 3090 800

Fax: +381 11 3090 876

Privatization Agency, Republic of Serbia

Terazije 23
11 000 Belgrade
Serbia and Montenegro

Mr. Caslav Obradovic, Project Manager

Public Tender Center

E-mail: cobradovic@priv.yu

Phone: +381 11 30 20 855

Fax: +381 11 30 200 816