

Based upon the Decision on the sale of shares brought by the Management Board of Zastava Vozila Group no. UO-22-1/05 of October 03, 2005, the approval of the Privatization Agency no. 266-2110ZDS/01 of 21.10.2005, as well as the Agency Agreement of October 25, 2005, the Privatization Agency of RS announces:

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING FOR  
PURCHASE OF SHARES OF JOINT STOCK COMPANY FOR HOLDING,  
CONSULTING AND MANAGEMENT OPERATIONS ZASTAVA VOZILA  
GRUPA, KRAGUJEVAC - IN DRUSTVO(COMPANY) "ZASTAVA RD" d.o.o.  
KRAGUJEVAC**

**Sale Code: R-171105-024**

**1. Subject of the sale**

Subject of the sale is share of the Akcionarsko Drustvo za Holding, Konsalting i Menadzment poslove Grupa Zastava Vozila, Kragujevac, WHICH REPRESENTS 100% CAPITAL IN DRUSTVO "ZASTAVA RD" d.o.o. KRAGUJEVAC.

**2. Bidding Documents**

Those who are interested can purchase bidding documentation at the price of: CSD 25.000,00 after the receipt of invoice by the Privatization Agency. The purchase of the bidding documentation is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, bidding documentation can be collected at the following address: Privatization Agency, Auction Unit, Terazije 23 (5th floor), Belgrade 11000, 10.00 – 17.00, in period from 26.10.2005 until 14.11.2005.

**3. Initial price**

**Initial public bidding price**, determined for share in "Zastava RD" d.o.o. Kragujevac amounts to: **CSD 426.181.000** (fourhundredtwentysixmilliononehundredeightyonethousand).

**4. Conditions set to seller**

The one to be declared a buyer shall be obliged to overtake the liabilities in accordance with the Sales-purchase Agreement, which is the consisting part of the bidding documentation.

Moreover, the participant to submit the application is accordingly agreed to accept full terms and conditions stated in the Instruction for participants, which is the consisting part of the documentation to be purchased.

## **5. Terms and conditions for participants**

The right to participate in the sales process has any natural person and legal entity, with the limits stated in the Instruction for Participants, if she/ he effects the deposit payment in the amount of: **CSD 42.618.100** (fortytwomilionsixhundredeighteenthousand), i.e., 10 % of the initial selling price, or submits the first-class bank guarantee at the same amount in accordance with the Instruction for the participants.

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 from the declaration a buyer at the public bidding.

## **6. Due Dilligence procedure**

After the Confidentiality Agreement has been signed and the bidding documentation has been purchased, a potential bidder shall be enabled to make a review over the property of "Zastava RD" d.o.o. Kragujevac, hold the meetings with the persons in charge and make a survey of financial, commercial and legal data. If afterwards the potential bidder makes the decision on participation in public bidding, it is necessary to pay the deposit or to submit the first-class (irrevocable) bank guarantee and to submit the Application for Participation, as shown in the model in the Instruction for participants.

## **7. Application submission**

Closing date for application submission is 14.11.2005, at 17:00. The applications are to be submitted to the Privatization Agency in a closed envelope with the inscription:

APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING R-171105,  
PRIVATIZATION AGENCY OF RS – AUCTION DEPARTMENT, TERAZIJE 23,  
5TH FLOOR, 11000 BELGRADE

If there is name of the subject to be privatized or full sales code on the envelope, the application can be rejected. The participation application is to be filled in in a particular form, being a part of the documentation to be purchased and must contain the data stated in the Instruction for participants, deposit payment evidence and account number for deposit return. Incomplete and inprompt applications shall not be taken into consider. Sales Committee shall inform all applicants, at the latest one working day before the public bidding holding, on approval of their applications.

## **8. Public bidding holding**

The public bidding shall be held on **17.11.2005**, at 11:00, within the premises of the Privatization Agency, Terazije 23, Belgrade, Big Hall, 2<sup>nd</sup> floor. Registration of the participants in the public bidding shall be held on the same address on November 17, 2005, from 09:00 until 10:50.

The manner of public bidding implementation and closing the SPA is explained into detail in the Instruction for participants.

To all participants not to be declared a buyer, the deposit is to be brought back within the time frame-work determined in the Instruction for participants.

The participant to be the first to give the highest offer and to be declared a buyer, the amount of the deposit is calculated into the sales-purchase price. On this occasion, the party to be declared a buyer is to effect the payment of the difference between the deposit and the finally bid sales-purchase price in CSD, on the account of the Privatization Agency, in accordance with the provisions of the SPA. In case that the party desists from the SPA, the deposit is not to be brought back.

**Grupa Zastava Vozila a.d.**

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