

PUBLIC ANNOUNCEMENT for participation in the public auction

Information about PUBLIC AUCTION:

The price for the auction documentation for each enterprise is **30.000** din, which should be paid after receiving invoice from the Privatization Agency. Purchase of auction documentation is obligatory for those wishing to participate in the auction. After presenting evidence of payment and signing a Confidentiality Agreement, the auction documentation can be collected on business days from 10:00 to 17:00 from 10.04.2003. until 14.05.2003 from: The Privatization Agency, Terazije 23/V, room number 511

Deadline for submitting of applications is 15.05.2003. till 17.00. Completed application forms for participation in the auction, which are included in the auction documentation, together with signed sale and purchase agreement and evidence of payment of the deposit are submitted in envelope clearly marked on the outside:

" APPLICATION FOR PARTICIPATION ON PUBLIC AUCTION 230503" Privatization Agency, Auction Center, Terazije 23/V, 11000 Beograd. APPLICATIONS THAT SHOW THE NAME OF THE COMPANY TO BE PRIVATIZED OR THE FULL AUCTION SALE CODE ON THE OUTSIDE OF THE ENVELOPE MAY BE REJECTED.

The auction will take place on **23.05.2003** at: Yugoslav Chamber of Commerce, Terazije 23/II, Beograd at 11:00 a.m. Registration of the participants will take place on **08.05.2003.** at the same address from 09.00 until 10.50 **Means of payment:** domestic currency, foreign convertible currency, bonds issued to individuals who are the citizens of the Republic of Serbia, against unpaid household foreign exchange savings with maturity not longer then capital sale day (23.05.2003). If a participant applies only for second auction payment can be made with bonds issued to individuals who are the citizens of the Republic of Serbia, against

unpaid household foreign exchange savings regardless of maturity date.

If participant applies only for second auction, deposit can be paid with bonds issued to individuals who are the citizens of the Republic of Serbia, against unpaid household foreign exchange savings with maturity not longer then capital sale day (23.05.2003.). Deposit for participation at the public auction will be returned 15 days after the auction.

The Agency holds the right to change the auction or deadline date for applications if need occurs and informs interested parties. Site visits may be arranged with the Privatization Agency after signing the Confidentiality Agreement (Phone number: + 381 (11) 3020-804; 011/3020-803 Fax: +381 (11) 3020-881. Visits may take place from 07.04.2003 until 14.05.2003.

* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 09.04.2003.

** Total operating revenues and expenditures for 2000. and 2001. and expressed in EURO have been calculated using the average real exchange rate for the two years respectively (2000. and 2001.).

Short description of the public auction procedure:

Sale of capital by Public Auction is performed by the Auctioneer under the supervision of the Commission that is chosen by the Privatization Agency. The Auctioneer will open the first auction at the time settled for its opening where means of payment can be cash and matured foreign exchange household saving bonds. If on the first auction more then one bidder participates, the auctioneer announces the

starting price and each following increase. If after invitations for acceptance of new announced price no bidder raise his/her hand, the auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and the winner will be the bidder who accepted it. If after the third announcement of the starting price no interest is shown, the auctioneer declares first auction unsuccessful with the hit of the hammer and starts second bidding where means of payment can be in foreign exchange household savings bonds of any maturity. Participants will be bidders applied for the second auction and from the previous auction if it was unsuccessful. If on the second auction more then one bidder participates, the auctioneer announces starting price and each following increase. If after third

announcement no interest is shown, auctioneer announces the end of the auction with the hit of the hammer. The sale price will be the highest offered price and winner will be the bidder who accepted it. If after the third announcement for acceptance of the new starting price there were no interested bidders, the auction is declared unsuccessful and participant forfeit their deposits. When on the second auction only one bidder participates, he is invited to accept starting price for three times. If he accepts starting price he is declared a buyer where starting price is sale price. If he refuses the starting price, the auction is declared unsuccessful and he forfeits his deposit.

1) Basic data on enterprise to be privatized: Socially owned enterprise for production of non metal mineral raw materials and constructing material «KOPOVI», UB

Auction sale code: 230503- 636

Core activity: Extracting of various ores and stones

Total estimated value of the capital sale : 61.472.000 Din or *966.397 EUR
That is 70 % of the total capital of the enterprise.
Deposit for participation in the auction is: 7.409.000 Din or 115.968 EUR
Starting auction price is: 14.818.000 Din
Minimum investment in enterprise to be privatized: 18.404.000 Din.

Most important assets of the enterprise:

A) Buildings – (m²):

1. Machinery workshop (528), 2. Administration building in Ub (185), 3. Administration building in Clucuge (184), 4. Administration building in Valjevo (50), 5. Accessory building Ub (240), 6. Water tower (500)

B) Equipment:

1) Plant for processing of zeolite (mechanics), 2) Crushing plant for processing of tuff (Trbovlje), 3) Quartz sand with silos, 3) Plumbing, water g premisse (KB50E/4), 5) Plateau for clat,

C) Land (m²): Land for development; (1350), Agricultural land: (1082266)

Financial information for year:

2000.

2001.

Shown in:	Din	**EURO	Din	**EURO
Total operating revenues	77.725.000	1.306.346	111.347.000	1.811.937
Total operating expenditures	79.091.000	1.329.305	108.174.000	1.760.303

D) Most important products/services: 1) Quartz glass sand, 2) Quartz cast sand, 3) Filtering sand, 4) Barren soil clay, 5) PKG clay, 6) Gravel sandy clay
Number of employees: 83; of which with University degree:14

2) Basic data on enterprise to be privatized: Socially owned mines and non metal industries enterprise «NEMETALI», VRANJSKA BANJA

Auction sale code: 230503- 637

Core activity: Extracting of various chemical minerals and fertilizers

Total estimated value of the capital sale : Din or *EUR
That is 70 % of the total capital of the enterprise.
Deposit for participation in the auction is: 6.350.000 Din or 99.388 EUR
Starting auction price is: 12.700.000 Din
Minimum investment in enterprise to be privatized: Din.

Most important assets of the enterprise:

A) Buildings – (m²):

1. Management building (157), 2. Warehouse of goods for sale (300), 3. Warehouse of finished products (120), 4. Workshop with hangar (446)

B) Equipment:

1) Plant for processing of zeolite (mechanics), 2) Crushing plant for processing of tuff (Trbovlje), 3) Freight vehicles (Kamaz), 4) Loading transporting machines (14. oktobar)

C) Land (m²): Land for development; (29476), Agricultural land: (336784)

Financial information for year:

2000.

2001.

Shown in:	Din	**EURO	Din	**EURO
Total operating revenues	44.511.000	748.109	48.269.000	785.476
Total operating expenditures	42.943.000	721.755	47.112.000	766.648

D) Most important products/services: 1) Vulcano tuff, 2) Zeolite, 3) Concrete clay, 4) Diatomatious ground
Number of employees: 89; of which with University degree: 7