

## PUBLIC ANNOUNCEMENT for participation in the public auction

The Privatization agency is offering as joint offer 70% of socially owned capital of the entity undergoing privatization, which is 25,56 of the total capital and 100% participation of JSC MIN Holding Co, Nis in capital of MIN - SKRETNICE with full liability, Nis, which is 63,48% of the total capital. Total capital offered for sale is 89,04%. Participation of JSC MIN Holding Co, Nis in the capital of the entity offered for sale is being sold based on the authorization granted to the Privatization Agency.

### 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 23.06.2003. until 15.07. 2003 from: The Privatization Agency, Terazije 23/V, room number 511

**Deadline for submitting of applications is 16.07.2003. 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 240703"**  
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 **24.07.2003** at: Yugoslav Chamber of Commerce, Terazije 23/II, Beograd at 11:00 a.m. Registration of the participants will take place on **24.07.2003.** at the same address from 09.00 until 10.50 **Means of payment:** the part of socially owner capital in joint offer (25,56%) can be paid with: 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 (24.07.2003). 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. Means of payment for the percentage of participation of JSC MIN Holding Co, Nis (63,48%) in total capital of the enterprise undergoing privatization can be paid **ONLY** in domestic or foreign convertible currency and the part of the sale and purchase price (price achieved at the public auction) proportional to participation of the holding in the entity undergoing privatization is paid at once no matter if participant applied for first or second bidding. 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 23.06 until 16.07.2003.

\* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 20.06.2003.

\*\* 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 Auction Commission that is chosen by the Privatization Agency. Supervision of the Auction, registration of the participants, declaring of the unsuccessful auction, signing of the auction minutes is done by the Commission which is also involved in other activities concerning the auction in accordance with the law. Conditions for starting of public auction are fulfilled if at least one person has acquired the status of participant and if this person or his/hers duly authorized representative are present.

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 on the second auction only one bidder participates, he is invited to the starting price, the auction is declared unsuccessful and he new starting price there were no interested bidders, the auction is accept starting price for three times. If he accepts starting price he forfeits his deposit. declared unsuccessful and participant forfeit their deposits. When is declared a buyer where starting price is sale price. If he refuses

**1) Basic data on enterprise to be privatized: MIN HOLDING KO Joint stock company for manufacture and assembling of railroad switches with full liability - «SKRETNICE», NIS**

**Auction sale code: 240703-0749**

ID number: 07402384

Core activity: Manufacture of other metal products

Total estimated value of the capital sale : **43.923.000 Din** or **\*649.777 EUR**

That is **89.04 %** of the total capital of the enterprise.

**Deposit** for participation in the auction is: **4.392.500 Din** or **67.181 EUR**

**Starting auction price** is: **8.785.000 Din**

**Minimum investment** in enterprise to be privatized: **18.737.000 Din.**

**Most important assets of the enterprise:**

**A) Buildings - (m<sup>2</sup>):**

1. management building (1468), 2. Railroad switch hall (2291), 3. Main hall, serial hall and tools (2451), 4. Manufacture of mowers (300), 5. Manufacture of containers (764)

**B) Equipment:**

1) Line for production of railroad switches and parts, 2) Welding of rails, 3) Line for manufacturing of containers, 4) Line for manufacturing of other public utility equipment and sport equipment. 5) Line for production of kitchen equipment

**C) Land (m<sup>2</sup>):** Land for development: (25511)

**Financial information for year:**

**2001.**

**2002.**

Shown in:	Din	**EURO	Din	**EURO
Total operating revenues	209.539.000	3.521.782	154.644.000	2.562.240
Total operating expenditures	224.619.000	3.775.236	173.146.000	2.868.793

**D) Most important products/services:** 1) Railroad switch, 2) Rail equipment, 3) Containers, 4) Mowers, 5) Kitchen machines

**Number of employees:** 427; of which with **University degree:** 33