

According to the Article 38. of Privatization Law (<<Official Gazette of the Republic of Serbia>>, number 38/2001), as well as Article 5. of the Decree on Sale of Capital and/or Property by Public Auction (Official Gazette of the Republic of Serbia>> no. 45/2001, 45/2002 and 19/2003) the Privatization Agency of the Republic of Serbia hereby publishes:

PUBLIC ANNOUNCEMENT for participation in the public auction

Information about PUBLIC AUCTION:

The Privatization Agency as a joint offer is offering 70% of the socially owned capital of the entity undergoing privatization, which is 35.70% of the total capital and 100% participation of RTB BOR, Bor, which is 49,00 % of the total capital. Total capital of the 84,70% of the enterprise undergoing privatization is offered for sale. Participation of RTB BOR, Bor, in the capital of the entity, is sold based on the authorization given to the Agency.

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 02.04.2004. until 07.05.2004 from: The Privatization Agency, Terazije 23/V, room number 511

Deadline for submitting of applications is 10.05.2004. 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 180504**" 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 **18.05.2004** at: The Privatization Agency of the Republic of Serbia, Terazije 23/II, Beograd at 11:00 a.m. Registration of the participants will take place on **18.05.2004.** at the same address from 09.00 until 10.50.

Means of payment for a part of the socially owned capital which is sold as a joint offer (35.70%): 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 (18.05.2004). 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 (18.05.2004)

Means of payment for a participation percentage of the RTB BOR, Bor (49,00%) in the total capital of the entity undergoing privatization, can be **ONLY** in domestic currency or foreign convertible currency, but the part of the sales and purchase price (achieved at the auction) proportionally to the participation of the

holding in the entity undergoing privatization, is paid **in the lump sum** no matter if participant applied for first or second auction.

If first class bank guarantee is used for a payment of the deposit, it has to be payable within 48 hours after pronouncing the buyer at the auction.

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 02.04.2004 until 07.05.2004.

* Total estimated value of capital being privatized and expressed in EURO has been calculated using the official exchange rate as at 02.04.2004.

** 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.).

