

## 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.).

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 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 with limited liability “ FABRIKA ABRAZIVA BOR ”, BOR

<b>Auction sale code: 180504- 102p</b>			Total estimated value of the capital sale : 33.432.000 l in or *478.968 EUR		
ID: 180504-102p			That is 84.70 % of the total capital of the enterprise.		
Core activity: Manufacture of polished products			Deposit for participation in the auction is: 2.675.000 l n or 38.317 EUR		
			Starting auction price is: 5.349.000. Din		
			Minimum investment in enterprise to be privatized: 4.447.000 Din.		
Most important assets of the enterprise:					
A) Buildings (442):			B) Equipment:		
1. Warehouse (269), 3. Management			1. Grinding machine (SR 215/2700), 2/ Baggy filter (SR 1650/1400), 3) Baggy filter, 4) Processing machine (SR 215/2700), 5/ Baggy filter (SR 1650/1400) - 02992)		
C) Land (m²): Land for development: ( 20520 ): Agricultural land: ( 9103 )					
Financial information for year:			2001.		2002.
Shown in:	Din	**EURO	Din	**EURO	
Total operating revenues	8.947.000	150.375	1.063.000	17.612	
Total operating expenditures	16.579.000	278.648	14.295.000	236.849	
D) Most important products/services: 1) Polishing stripes, polishing rolls, 2) Polishing disk with hole, 3) Polishing disk with handle 4) Lamella polishing disk, 5) Polishing disk, polishing ring					
Number of employees: 33; of which with University degree:1					