

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", no-s. 38/01, 18/03 and 45/05) and Article 5 of the Decree on Sale of capital and property by public auction ("Official Gazette of the RS" no. 52/05), the Privatization Agency announces:

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

Privatization Agency of the RS offers, within the joint offer, 70,00% of socially-owned capital of the subject to be privatized, amounting to 32,17 % of the total capital and 100,00% of share of the MIN HOLDING CO, NIŠ, which is 54,05% of the total capital. It is offered in total 86,22% of the subject capital to be privatized. Share of the MIN HOLDING CO, NIŠ in the subject capital is offered for sale according to the Authority assigned to the Privatization Agency.

Those who are interested can purchase auction documents at the price of: **CSD 40.000**, after the receipt of invoice from the Privatization Agency. VAT is not calculated in the price. Purchase of the auction documents is obligatory and on their receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documents may be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St, from 09:00-17:00 on working days, in period from 04.08.2006 until 19.09.2006.

**DEADLINE FOR THE APPLICATION SUBMISSION is 20 September 2006, by 17:00.**

Filled application, which is a part of the auction documents, with the signed Draft SPA and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 280906, Privatization Agency, Belgrade, 23 Terazije St".

IF THERE IS NAME OF THE SUBJECT UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION MAY BE REJECTED.

**THE AUCTION WILL BE HELD ON: 28 September 2006.**

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall**, at 11:00. Registration of the auction participants shall take place at the same address on: **28.09.2006, from 09:00 – 10:50.**

**Means of payment for the part of socially-owned capital to be sold within the joint offer (32,17%)** may be in domestic currency, foreign convertible currency, state bonds based on the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (28.09.2006), issued to the natural persons, who are citizens of the Republic of Serbia. If a participant has applied only for the second bidding, means of payment may be even the state bonds based on the unpaid foreign currency savings of citizens, which are not to become due until the date of the capital sale (28.09.2006), issued to the natural persons, who are citizens of the Republic of Serbia.

**Means of payment for the share of the MIN HOLDING CO, NIŠ (54,05%) in the entire capital of the subject to be privatized, may be SOLELY in the local and in the foreign convertible currency, whereat a part of the sales-purchase price (selling price achieved at the auction), in accordance with share of the holding in the subject undergoing privatization, is to be paid off AT ONCE, regardless of that, whether a participant has applied for the first or the second bidding.**

In case that the first class bank guarantee has been submitted as the means of deposit payment, it has to be due within 48 hours after the declaration a buyer.

Deposit for participation is to be returned 15 days after the public auction has been held.

The Privatization Agency keeps the right to change the auction date, as well as the deadline for the application submission if necessary, but also to inform the interested parties on those changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing the Agreement on Confidentiality in period from 04.08.2006 until 19.09.2006, at the time previously established with the Privatization Agency, tel: 011/3020-804; 011/3020-803, or by fax: 011/3020-881.

\* The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 04.08.2006.

\*\* The total business income and expense data, stated in EUR, were calculated according to the average annual real exchange rates.

Sale of capital by the method of public auction is carried out by the Auction Commission, which is to be established by the Privatization Agency. The Commission supervises the capital sale by the auction, registers the auction participants, pronounces the auction for unsuccessful, signs the minutes and performs other activities of importance for the auction performance in accordance with the Law. The conditions for the auction to be carried out have been met, if at least one person has obtained the status of the auction participant and if it is presented personally or by an authorized representative. At the time ordered for the PUBLIC AUCTION opening, the auctioneer shall open the first bidding, on which occasion the means of payment can be in cash or due bonds. If there is more than one person at the first bidding, the auctioneer announces the initial price as well as each further increase. In case that none of the interested buyers reacts after the third call for acceptance the newly established price, the auctioneer

declares the auction finished by hammering. The selling price becomes the highest offered value, and the participant who has been the first to offer the highest price is declared a buyer. If there have not been interested parties after the announcement of the initial price, even after the third call, the auctioneer declares the first bidding unsuccessful by hammering and immediately afterwards opens the second bidding, on which occasion even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in, as well as the participants in the first bidding, in case it has been declared unsuccessful. If in the second bidding participate more than one person, the auctioneer announces the initial price, as well as each further increase. If none of the interested buyers reacts after the third call for acceptance the newly established price, the auctioneer, by hammering, declares the auction closed. The selling price becomes the highest offered value, and

the participant who has been the first to offer the highest price, is declared a buyer. If after the announcement of the initial price there have not been any interested persons even after the third call, the auction is declared unsuccessful, and the participants lose the right to be brought back the deposit. If only one party, who has obtained the auction participant status, attends the second bidding, that party is invited three times to accept the initial price. If the party accepts the initial price, it is declared a buyer and the initial price becomes at the same time the selling price. If the participant does not accept the initial price, the auction is declared unsuccessful, and she/he loses the right to be returned the deposit.

**1) Basic information on the subject undergoing privatization: MIN Holding a.d. za proizvodnju i promet modela i proizvoda od drveta MODELARA-NIŠ (enterprise for production and sale of models and timber products), NIŠ**

<b>Auction Sale Code:</b> <u>280906-1736</u>	The entire estimated capital value to be privatized amounts to: <b>CSD 39.187.000</b> or <b>*EUR 472.129</b> , which is <b>86,215 %</b> of the total capital of the subject.
Official ID number of the Subject: <b>07678789</b>	<b>Deposit</b> for auction participation: <b>CSD 4.860.000</b> or <b>*EUR 58.559</b>
Field of work: <b>Production of tools</b>	<b>Initial price at auction sale: CSD 9.721.000</b>
	<b>Minimum obligatory investments</b> into the subject to be privatized amount to: <b>CSD 3.067.000</b>

**The most important property of the subject undergoing privatization**

<b>A) Buildings – main facilities (m²):</b> 1. Hall, 12.februar St.-user (1665) 2. Office building, 12.februar St.-user (400) 3. Barrack-offices, 12.februar St.-user (40)	<b>B) The most important equipment:</b> 1) Drying-room for wood (Gostol) 2) Horizontal circular saw (Prvomajska) 3) Surface planer (Prvomajska) 4) Milling machine for metal (2 items, Prvomajska) 5) Turning lathe for metal (2 items, Potisje)
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**C) Land (m²):** *Construction land: (6416) – owned by state*

<b>Balance sheet per year</b>	<b>2004</b>		<b>2005</b>	
Shown in:	CSD	<b>**EUR</b>	CSD	<b>**EUR</b>
Total business revenues	14.120.000	193.419	10.793.000	130.182
Total business expenses	13.901.000	190.419	23.228.000	280.169

**Main products/ services:** 1) Fabrication of cast models and tools 2) Tools for plastics and rubber 3) Spare parts for mining industry, power plants and heating plants

**Total number of employees:** 31; of which **BS/ BA:** 2