

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

Within the joint offer, the Privatization Agency offers:

70,00% of socially-owned capital of the subject undergoing privatization MIN HOLDING CO AD SPECIAL VEHICLES FOR PRODUCTION OF SPECIAL VEHICLES, JACKS, UPGRADE AND INTEGRAL TRANSPORT MEANS SPECIAL VEHICLES NIŠ, NIŠ, which amounts to 24,42% of the total capital and 100,00% of the share of MIN HOLDING CO, NIŠ, which amounts to 65,12% of the total capital. It is offered in total 89,54% of the capital of the subject undergoing privatization MIN HOLDING CO AD VEHICLES FOR PRODUCTION OF SPECIAL VEHICLES, JACKS, UPGRADE AND INTEGRAL TRANSPORT MEANS SPECIAL VEHICLES NIŠ, NIŠ.

70,00% of socially-owned capital of the subject undergoing privatization MIN Holding Co. a.d. for production and overhaul of rail vehicles and other equipment VAGONKA Niš, NIŠ, which amounts to 30,52% of the total capital and 100,00% of the share of MIN HOLDING CO, NIŠ, which amounts to 56,40% of the total capital. It is offered in total 86,92% of the capital of the subject undergoing privatization MIN Holding Co. a.d. for production and overhaul of rail vehicles and other equipment VAGONKA Niš, NIŠ.

70,00% of socially-owned capital of the subject undergoing privatization MIN Holding Co. LOKOMOTIVA a.d., NIŠ, which amounts to 30,10% of the total capital and 100,00% of the share of MIN HOLDING CO, NIŠ, which amounts to 57,00% of the total capital. It is offered in total 87,10% of the capital of the subject undergoing privatization MIN Holding Co. LOKOMOTIVA a.d., NIŠ.

The share of MIN HOLDING CO, NIŠ in the capital of the subject undergoing privatization is on sale according to the authority ascribed to the Privatization Agency.

The interested parties can purchase the auction documentation at the price of: **CSD 120000**, after they receive the invoice from the Privatization Agency. VAT is not calculated in the price. The purchase of the auction documentation is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the auction documentation can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St., from 9:00 to 17:00, from 28.11.2006 to 19.12.2006.

**DEADLINE FOR SUBMISSION OF APPLICATIONS IS 20.12.2006. UNTIL 17:00**

Filled application which is a part of the auction documentation with the signed draft of the SPA and the deposit payment evidence is to be submitted in a sealed envelope with inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 281206, Privatization Agency, Belgrade, 23 Terazije St."

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

**THE AUCTION WILL BE HELD ON: 28.12.2006.**

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall**, at **11:00**. The registration of the auction participants will be held at the same address on: **28.12.2006. od 09:00 do 10:50 časova.**

**Means of payment for the part of the socially-owned capital:**

- **MIN HOLDING CO AD SPECIAL VEHICLES FOR PRODUCTION OF SPECIAL VEHICLES, JACKS, UPGRADE AND INTEGRAL TRANSPORT MEANS SPECIAL VEHICLES NIŠ, NIŠ- (24,42%),**
- **MIN Holding Co. a.d. for production and overhaul of rail vehicles and other equipment VAGONKA Niš, NIŠ - (30,52%)**

- **MIN Holding Co. LOKOMOTIVA a.d., NIŠ - (30,10%),**

**which are to be sold within the joint offer**, can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (28.12.2006.) issued to the natural persons, who are citizens of the Republic of Serbia. If the participant applies only for the second bidding, the means of payment can be even the state bonds based upon the unpaid foreign currency savings of citizens, which are not to become due until the date of the capital sale (28.12.2006.) issued to the natural persons, who are citizens of the Republic of Serbia.

Means of payment in the share percentage of MIN HOLDING CO, NIŠ in the capital of the mentioned subjects undergoing privatization – MIN SPECIJALNA VOZILA, a.d., Niš (65,12%), MIN VAGONKA a.d., Niš (56,40%), MIN LOKOMOTIVA a.d., NIŠ (57,00%) in the total capital of the subject undergoing privatization can be SOLELY in domestic currency or foreign convertible currency, while the part of the selling price (selling price achieved at the auction), commensurate with the share of the MIN HOLDING CO, NIŠ in the subject undergoing privatization, is to be paid AT

\* The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 28.11.2006.

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

ONCE, regardless of whether the participant has applied for the first or second bidding.

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

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

The Privatization Agency keeps the right to change the auction date as well as the closing date for the application submission if necessary, but also to inform the interested parties on such 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 28.11.2006 to 19.12.2006. at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

## Brief Description of PUBLIC AUCTION Procedure

The 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 are 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, she/he is declared a buyer and the initial price becomes 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 brought back the deposit.

**Auction Sale Code: 281206-1824**

**Deposit** for auction participation: CSD: 61.939.000 or \* EUR 786.025

**Initial price at auction sale:** CSD 123.878.000

**Minimum obligatory investments** into the subject to be privatized amounts to: CSD 97.838.000

**1) Basic information on the subject undergoing privatization: MIN HOLDING CO AD SPECIAL VEHICLES FOR PRODUCTION OF SPECIAL VEHICLES, JACKS, UPGRADE AND INTEGRAL TRANSPORT MEANS SPECIAL VEHICLES NIŠ, NIŠ**

Official ID number of the Subject: **07402376**

Field of work: **Production of trucks and specialized vehicles**

The entire estimated capital value to be privatized amounts to: **CSD 54.269.000** or \***EUR 688.698** which is **89,536 %** of the total capital of the subject.

**Main property of the subject undergoing privatization**

**A) Buildings – main facilities (m<sup>2</sup>):**

1. Dyeing workshop hall– Šumadijska 1–tenure holder(2347) 2. Main hall– Šumadijska 1–tenure holder (2795) 3. Business premises–Šumadijska 1–tenure holder (320) 4. Plateau for survey of jacks (2200) 5. Transport building–Šumadijska 1–tenure holder (1330)

**B) Main Equipment:**

1) General plane (g–RA 631; P/3000 MM) 2) Radila drill with component (TRB 5A) 3) Electrical furnaces eith heat treatment (BL 40211298 KRANZLE TERM) 4) Scissors and rollers (HP 150; NP Blok signal) 5) Internal welding automatic machine (AD – 32)

**C) Land (m<sup>2</sup>):** *Entire land – 20087; Construction land: (20087) – state owned*

<b>Balance sheet per year</b>	<b>2004</b>		<b>2005</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	15.638.000	214.213	25.880.000	312.157
Total business expenses	43.110.000	590.532	45.479.000	548.554

**Main products/ services:** 1) Production of upgrades 2) Jacks from 10 - 40 capacity 3) Car garbage locations PP-18 4) Canal - Jet 5) Car reservoirs for fuel and water

**Total number of employees:** 110; **of which BS/ BA:** 15

**2) Basic information on the subject undergoing privatization: MIN Holding Co. a.d. for production and overhaul of rail vehicles and other equipment VAGONKA NIŠ, NIŠ**

Official ID number of the Subject: **07402341**

Field of work: **Production of rail vehicles**

The entire estimated capital value to be privatized amounts to: **CSD 248.749.000** or \***EUR 3.156.712** which is **86,92 %** of the total capital of the subject.

**Main property of the subject undergoing privatization**

**A) Buildings – main facilities (m<sup>2</sup>):**

1. Main hall– Šumadijska 1–tenure holder (19285) 2. Vehicle hall–Šumadijska 1–tenure holder (9000) 3. Dyeing canal with a boiler room–Šumadijska 1–tenure holder (2500) 4. Sheet metal hall (new cutting workshop)–Šumadijska 1–tenure holder (750) 5. Business premises–Šumadijska 1–tenure holder (1920)

**B) Main Equipment:**

1) General plane (PA–900/6000) 2) Apkant press 300t 3) Milling machine (NO 73) 4) Kran 5) Horizontal grinder (Borver ILR)

**C) Land (m<sup>2</sup>):** *Entire land – 46079; Construction land: (46079) – state owned*

<b>Balance sheet per year</b>	<b>2004</b>		<b>2005</b>	
Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues	104.692.000	1.434.098	321.354.000	3.876.078
Total business expenses	146.640.000	2.008.712	376.790.000	4.544.731

**Main products/ services:** 1) Repair of rail vehicles and transporters 2) Production of large freight wagons and cisterns 3) Equipment for metalurgy and mining 4) Production of metal, construction and other structures 5) Military equipment

**Total number of employees:** 341; **of which BS/ BA:** 36

**3) Basic information on the subject undergoing privatization: MIN Holding Co. LOKOMOTIVA a.d., NIŠ**

Official ID number of the Subject: **07402350**

Field of work: **Repair of rail vehicles**

The entire estimated capital value to be privatized amounts to: **CSD 208.106.000 or \*EUR 2.640.933** which is **87,1 %** of the total capital of the subject.

**Main property of the subject undergoing privatization**

**A) Buildings – main facilities (m²):**

1. Locomotive hall, Šumadijska 1 – tenure holder (9851) 2. Dyeing and fireroom workshop, Šumadijska 1 – tenure holder (2448) 3. Sandbank, Šumadijska 1 – tenure holder (4650) 4. Warehouse, Šumadijska 1 – tenure holder (242) 5. Business premises, Šumadijska 1 – tenure holder (639)

**B) Main Equipment:**

1) Reconstruction of traction motors 2) Balance machine (GP–5000 Gisholit) 3) Balance device (SCHENEK) 4) Sand blasting machine (MAMUT 100I SAPI) 5) Ring

**C) Land (m²):** *Entire land – 32214; Construction land: (32214 – state owned*

Balance sheet per year	2004		2005		
	Shown in:	CSD	**EUR	CSD	**EUR
Total business revenues		239.479.000	3.280.444	249.659.000	3.011.314
Total business expenses		240.295.000	3.291.622	250.755.000	3.024.534

**Main products/ services:** 1) Overhaul of electric and diesel locomotives 441 and 461 2) ) Overhaul of electric and diesel locomotives 661, 645, 664, 666

**Total number of employees:** 532; **of which BS/ BA:** 46