

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Privatization Agency of the RS offers, within joint offer, 70,00% of the socially-owned capital of the subject to be privatized, amounting to 30,32 % of the total capital and 100,00% of share of the MIN HOLDING CO, NIŠ, amounting to 56,69% of the entire capital. Totally is offered for sale 87,01% of the subject capital. The share of the MIN HOLDING CO, NIŠ in the subject capital, is offered for sale based on the Power of Attorney assigned to the Privatization Agency.

Those who are interested can purchase the auction documents at the price of: **RSD 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 weekdays, in period from 29.12.2006 until 06.02.2007.

DEADLINE FOR THE APPLICATION SUBMISSION is 07.02.2007, by 17:00.

Filled application, which is a part of the auction documents, with the signed draft of the Sales–Purchase Agreement and the deposit payment evidence, is to be submitted in a sealed envelope with the inscription: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 160207, 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 16.02.2007.

at the address: **Privatization Agency, Belgrade, 23 Terazije, 2nd floor, Large Hall**, at 11:00. Registration of the auction participants will take place at the same address on:

16.02.2006, from 09:00–10:50.

Means of payment for the part of the socially-owned capital to be offered for sale within joint offer (30,32%), 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 (16.02.2007), issued to the natural persons, who are citizens of the Republic of Serbia. If the participant has applied only for the second bidding, means of payment can be even the state bonds based on the unpaid foreign currency savings of citizens, which are not due until the date of the capital sale (16.02.2007), 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 (56,69 %) in the entire capital of the subject to be privatized, can be SOLELY in domestic currency, as well as in the foreign convertible currency, on which occasion a part of the Sales–Purchase price (selling price achieved at the auction), in accordance with share of the Holding in the subject to be privatized, is to be paid off AT ONCE, regardless of that, whether the 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 is 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 29.12.2006 until 06.02.2007, after previously the timetable with the Privatization Agency has been established, phone: 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 29.12.2006.

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

Brief description of the PUBLIC AUCTION procedure

Sale of capital by the method of Public Auction is carried out by the Auction Commission, which shall 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 the occasion of which the means of payment may be in cash or in 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 occasion of which even undue state bonds can be the means of payment. Those who have applied for the second bidding can participate in it, as well as the participants in the first bidding, in case that 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 returned 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 it loses the right to be returned the deposit.

1) Basic information on the subject undergoing privatization: MIN Holding Co. MINPRES a.d. (Joint-stock company), NISH

Auction Sale Code: 160207-1867

Official Registration Number: **07576170**

Field of work: **Metal processing and powder metallurgy**

The entire estimated capital value to be privatized amounts to: **RSD 70.303.000** or ***EUR 895.582**, which is **87,007 %** of the total subject capital.

Deposit for auction participation: **RSD 8.436.000** or ***EUR 107.470**

Initial price at the auction sale: **RSD 16.873.000**

Minimum obligatory investments into the subject to be privatized amount to: **RSD 5.274.000**

The most important facilities of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Mould pressing hall – 1 Šumadijska St. – right to use (1755) 2. Office building – 1 Šumadijska St. – right to use (398) 3. Corridor hall – 1 Šumadijska St. – right to use (1132)

B) The most important equipment:

1) Hydraulic press of 150 T 2) Hydraulic press of 75 T 3) Tools for mould pressing of segments 4) Chamber furnace

B) Land (m²):

Balance sheet per year:	2004		2005	
	RSD	**EUR	RSD	**EUR
Shown in:				
Total business revenues	13.980.000	191.502	17.708.000	213.589
Total business expenses	21.159.000	289.841	22.852.000	275.634

Main products/ services: 1) Heat pressed chains for processing tanks 2) Metal pressings for truck chassis 3) Metal pressings and forgings in the car industry and wagon construction 4) Parts of elastic barriers for highways

Total number of employees: 36; **of which BS/ BA:** 4