

# PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

## Basic Data on Auction Sale

The Privatization Agency offers, with the joint offer, 70,00% of socially-owned capital of the subject undergoing privatization, amounting to 35,70% of the total capital, and 100,00% of the share of RTB BOR – GRUPA, BOR, which amounts to 49,00% of the total capital. It is offered in total 84,70% of the capital of the subject undergoing privatization. The share of RTB BOR – GRUPA, BOR in the capital of the subject is on sale according to the authority ascribed to the Privatization Agency.

Those who are interested can purchase auction documentation at the price of: **CSD 40000**, after the receipt of 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 09:00 – 17:00, from 26.02.2007 to 20.03.2007.

**DEADLINE FOR THE APPLICATION SUBMISSION IS 21.03.2007. 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 290307, 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: 29.03.2007.**

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 is going to take place at the same address on: **29.03.2007, from 09:00 to 10:50.**

**Means of payment for a part of the socially-owned capital to be sold within the joint offer (35,70%)** can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings, which are due not later than the date of the capital sale (29.03.2007.) 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, which are not to become due until the date of the capital sale (29.03.2007.) issued to the natural persons, who are citizens of the Republic of Serbia.

**Means of payment in the share percentage of RTB BOR – GRUPA, BOR (49,00%) in the total capital of the subject undergoing privatization can be SOLELY in domestic currency or foreign convertible currency, and the part of the purchase price (the price achieved at the auction) is to be paid AT ONCE, commensurate with the share of the holding in the subject undergoing privatization, 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 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 such changes, if any, until the auction date at the latest.

The site visit shall be carried out after the signing the Confidentiality Agreement in the period from 26.02.2007 to 20.03.2007, at the time previously established by the Privatization Agency, tel: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

\* The entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 26.02.2007.

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

The sale of capital by 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 auction, registers auction participants, declares auction unsuccessful, signs the minutes and performs other activities important for auction performance in accordance with the Law. The conditions for auction to be carried out are fulfilled if at least one person has obtained the status of an 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, when 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 of 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 opens the second bidding immediately afterwards, when even undue state bonds can be the means of payment. Those who have applied for the second bidding can also participate, as well as the participants in the first bidding, in case it has been declared unsuccessful. If more than one person participates in the second bidding, 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, 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 returned the deposit.

**1) Basic information on the subject undergoing privatization: Limited Liability Company FABRIKA OBOJENIH METALA – FOM PROKUPLJE, PROKUPLJE**

**Auction Sale Code: 290307-1206p**

Official ID number of the Subject: 07204230

Field of work: **Copper processing**

The entire estimated capital value to be privatized amounts to: **CSD 183.623.000 or 2.307.986 \*EUR** which is **84,7 %** of the total capital of the subject.

**Deposit** for auction participation: **CSD 9.181.000 or \*EUR 115.399**

**Initial price at auction sale: CSD 18.362.000**

**Minimum obligatory investments** into the subject to be privatized amounts to: **CSD 50.563.000**

**Main property of the subject undergoing privatization**

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

1. Main production hall (23184) 2. Production hall 2 (5331) 3. Administrative building (1942) 4. Pumping station (270) 5. Sulphurous acid warehouse (39,5)

**B) Main Equipment:**

1) Rolling device (F 850/400 3B42) 2) Furnace (Ebner) 3) Electric equipment of the rolling mill 4) Casting line (ŠT1 – Mikser) 5) Light heating line (Junkre)

**C) Land (m²):** *Entire land: (88915); Construction land: (88915) – state owned;*

**Balance sheet per year**

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	376.504.000	5.157.448	356.108.000	4.295.271
Total business expenses	496.551.000	6.801.882	427.135.000	5.151.978

**Main products/ services:** 1) Production and processing of Cu, CuZn 37-10, CuSn 2-14, CuNiZn and other non-ferrous metals 2) Production of rolled products made of Cu,CuZn, CuSn, CuNiZn and other alloys of non-ferrous metals 3) Products made of copper, copper alloy and other non-ferrous metals 4) Products made of copper, copper alloy and other non-ferrous metals produced in the process of cutting, forging and other shaping

**Total number of employees:** 294; **of which BS/ BA:** 23