

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 the socially-owned capital of the entity to be privatized, amounting to 17,56% of the total capital and 100,00% of share of the MIN HOLDING CO, NIŠ, which is 74,92% of the total capital. It is offered in total 92,48% 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: **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 can be collected at the following address:

Privatization Agency, Belgrade, 23 Terazije St, from 09:00–17:00 on working days, in period from 16.02.2007 until 20.03.2007.

DEADLINE FOR THE APPLICATION SUBMISSION is 21 March 2007, until 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 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 MAY BE REJECTED.

THE AUCTION WILL BE HELD ON: 29 March 2007.

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall**, at 11:00. Registration of the auction participants will take place at the same address on: **29.03.2007, from 09:00 – 10:50.**

Means of payment for the part of socially-owned capital to be sold within the joint offer (17,56%) 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 (29.03.2007), 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 (29.03.2007), 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 (74,92%) in the entire capital of the subject to be privatized, can 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 16.02.2007 until 20.03.2007, according to the timetable 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, is calculated according to the official exchange rate on 16.02.2007.

** The total business income and expense data, stated in EUR, are 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 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 it loses the right to be returned the deposit.

1) Basic information on the subject undergoing privatization: MIN – HOLDING KO AD MIN – BALKAN VELIKO BONJINCE, VELIKO BONJINCE

Auction Sale Code: 290307-1885

Official ID number of the Subject: **07620667**

Field of work: **Fabrication of lifting and transporting devices**

The entire estimated capital value to be privatized amounts to: **RSD 105.350.000** or ***EUR 1.324.320**, which is **92,476 %** of the total subject capital.

Deposit for auction participation: **RSD 10.535.000** or ***EUR 132.432**

Initial price at Auction sale: **RSD 21.070.000**

Minimum obligatory investments into the subject to be privatized amount to: **RSD 8.319.000**

Main property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Main production plant (4800) 2. Administration building (592) 3. Warehouse for paints and lakes (400) 4. Bin for fuel and lubrication oil (400) 5. Foundry-new facility "Stari Balkan" (300) 6. Dwelling house (5 apartments) (255)

B) The most important equipment:

1) Portal cranes 2) Horizontal drill (2 items) 3) Universal lathe 4) Automatized circular saw 5) Turning lathe 6) Grinder for external and internal grinding

C) Land (m²): *Entire land: (55580); Construction land: ((55580) – socially-owned; (223) – state owned);*

Balance sheet per year:	2004		2005	
Shown in:	RSD	**EUR	RSD	**EUR
Total business revenues	535.000	7.329	16.000	193
Total business expenses	11.415.000	156.366	6.858.000	82.719

Main products/ services: 1) Fabrication of parts of machines and devices 2) Fabrication of metal constructions and parts of constructions 3) Forging and mould pressing 4) Fabrication of transporting devices 5) Fabrication of devices for cranes

Total number of employees: 3; **of which BS/ BA:** 0