

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 subject to be privatized, which amounts to 35,70% of the total capital and 100,00% of shares of the RTB BOR – GRUPA, BOR, which is 49,00 % of the total capital. Totally is offered for sale 84,70 % of the subject capital. The share of the RTB BOR – GRUPA, BOR in the subject capital is offered for sale according to the Power of Attorney assigned to the Privatization Agency.

The interested parties can purchase the auction documents at the price of: **RSD 40.000**, after they receive the 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 08.06.2007 until 03.07.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS is 11.04.2007, until 17:00.

Filled application, which is a part of the auction documents, with the signed draft of the SPA and the deposit payment evidence, is to be submitted in a sealed envelope marked with: "THE APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 180407, 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 entire estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 08.06.2007.*

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

THE AUCTION WILL BE HELD ON: 12 July 2007.

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall**, at **11:00**. Registration of the auction participants will be held at the same address on: **12 July 2007, from 09:00 – 10:50.**

Means of payment for the part of the socially-owned capital to be sold within joint offer (35,70 %) can 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 (12.07.2007), 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 on the unpaid foreign currency savings of citizens, which are not to become due until the date of the capital sale (12.07.2007), issued to the natural persons, who are citizens of the Republic of Serbia.

Means of payment for the share of the RTB BOR–GRUPA, Bor, (49,00%) in the total capital of the subject to be privatized, can be SOLELY in the local currency, as well as in the foreign convertible currency, having in mind that a part of the Sales–Purchase price (selling price achieved at the auction), in accordance with share of the RTB BOR–GRUPA, BOR 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 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 08.06.2007 until 03.07.2007, at the time previously established with the Privatization Agency, tel: 011/3020–804; 011/3020–803, or by fax: 011/3020–881.

Brief description of the PUBLIC AUCTION procedure

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 of 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 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: Limited liability company FABRIKA OBOJENIH METALA (NON-FERROUS METAL PLANT) – FOM PROKUPLJE, PROKUPLJE

Auction Sale Code: 120707-1206p

Official ID number of the Subject: **07204230**

Field of work: **Copper processing**

The entire estimated capital value to be privatized amounts to: **RSD 191.450.000** or ***EUR 2.347.389**, which is **84,7%** of the total subject capital.

Deposit for participation in the auction: **RSD 9.573.000** or ***EUR 117.369**

Initial price at the auction sale: **RSD 19.145.000**

Minimum of obligatory investments into the subject to be privatized amount to: **RSD 52.719.000**

The most important assets of the subject to be privatized

A) Buildings – main facilities (m²):

1. Main production plant (23184) 2. Production plant 2 (5331) 3. Administration building (1942) 4. Pump station building (270) 5. Warehouse of sulphuric acid (39,5)

B) Main equipment:

1) Rolling machine (F 850/400 3B42) 2) Furnace (bright annealing, Ebner) 3) Electric equipment of the rolling mill 4) Casting line (ŠT1-Mikser) 5) Bright heating line (Junkre)

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

Balance sheet per year	2004		2005	
	RSD	**EUR	RSD	**EUR
Shown in:				
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) Production of copper products, alloys of copper and other non-ferrous metals (poles and wires) 4) Copper products, alloys of copper and other non-ferrous metals made by cutting, extracting, forging, slicing and through other types of shaping

Total number of employees: 307; **of which BS/ BA:** 26