

In accordance with Article 38 of the Law on Privatization ("Official Gazette of the RS", no-s. 38/01, 18/03 and 45/05) and Article 5 of the Decree on sale of capital and property by Public auction ("Official Gazette of the RS" no. 52/05), the Privatization Agency announces:

# 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, which is 31,60% of the total capital and 100,00% of share of the MIN HOLDING CO, NIŠ, which is 51,22% of the entire capital. It is offered in total 82,82% of the entity capital to be privatized. Share of the MIN HOLDING CO, NIŠ in the entity capital is offered for sale according to the Authority assigned to the Privatization Agency.

Interested parties can purchase 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 weekdays days, in the period from 01.08.2007 until 04.09.2007.

**DEADLINE FOR SUBMISSION OF APPLICATIONS is 05.09.2007, 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 marked with: "APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION 130907, 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: 13 September 2007.**

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2<sup>nd</sup> floor, Large Hall**, at 11:00. Registration of the auction participants will be held at the same address on: **13.09.2007, from 09:00 – 10:50.**

**Means of payment for the part of the socially-owned capital to be sold within the joint offer (31,60%)** 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 (13.09.2007), issued to the individuals, who are citizens of the Republic of Serbia. If a 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 (13.09.2007), issued to the individuals, who are citizens of the Republic of Serbia.

**Means of payment for the share of the MIN HOLDING CO, NIŠ (51,22%) in the entire capital of the entity to be privatized, can be SOLELY in local and in foreign convertible currency, whereat a part of the Sales-Purchase price (selling price achieved at the auction), in accordance with the share of the holding in the entity 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 signing the Agreement on Confidentiality in period from 01.08.2007 until 04.09.2007, according to the timetable previously established with the Privatization Agency, tel: 011/3020-804; 011/3020-803, or by fax: 011/3020-881.

\* The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 25.07.2007.

\*\* 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

The sale of capital by public auction is carried out by the Auction Commission, which is 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 entity undergoing privatization: MIN Holding Co. AD NIŠMONT, NIŠ**

**Auction Sale Code:** 130907-2003

Official ID number of the Entity: **07580576**

Field of work: **Production of metal constructions**

The entire estimated capital value to be privatized amounts to: **RSD 12.599.000** or **\*EUR 156.204**, which is **82,818 %** of the entire entity capital.

**Deposit** for participation in the auction: **RSD 1.512.000** or **\*EUR 18.744**

**Initial price** at the auction sale: **RSD 3.024.000**

**Minimum obligatory investments** into the entity undergoing privatization amounts to: **RSD 1.306.000**

**Main property of the entity undergoing privatization**

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

1. Administration building, Niš, 2 Humska St. – tenure holder (338) 2. Warehouse of finished products, Niš, 2 Humska St. – tenure holder (59) 3. Records office, Niš, 2 Humska St. – tenure holder (25)

**B) Main equipment:**

1) Computer (5 pieces, Pentium) 2) Passenger vehicle (Škoda Fabia) 3) Used truck 4) Car jack (25t)

**C) Land (m²):** *Entire land: (2183); Construction land: (2183) – state owned;*

Balance sheet per year:	2005		2006	
	RSD	**EUR	RSD	**EUR
Shown in:				
Total business revenues	31.238.000	376.784	8.676.000	103.157
Total business expenses	30.956.000	373.382	13.256.000	157.613

**Main products/ services:** 1) Assembly of steel constructions 2) Overhaul of electrostatic filters 3) Assembly and overhaul of processing equipment 4) Mounting of plants for water treatment

**Total number of employees:** 7; **of which BS/ BA:** 3