

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic data on Auction sale

Privatization Agency, within joint offer, offers for sale 70,00% of socially-owned capital of the entity undergoing privatization, which is 34,03% of the total capital and 100,00% of share of the MIN HOLDING CO, NIŠ, which amounts to 51,38% of the total capital. Totally is offered for sale 85,41% of the capital of the privatization entity. Share of the MIN HOLDING CO, NIŠ in the entity capital is offered for sale according to the Authorization 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 to 17:00 on weekdays, in the period from 11.09.2007 until 02.10.2007.

DEADLINE FOR SUBMISSION OF APPLICATIONS IS 03.10.2007, BY 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 111007, Privatization Agency, Belgrade, 23 Terazije St".

IF THERE IS NAME OF THE ENTITY UNDERGOING PRIVATIZATION ON THE ENVELOPE, OR FULL AUCTION CODE, THE APPLICATION CAN BE REJECTED.

* *The total estimated capital value to be privatized, stated in EUR, was calculated according to the official exchange rate on 05.09.2007.*

** *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: 11.10.2007

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: **11.10.2007, from 09:00 to 10:50.**

Means of payment for the part of the socially-owned capital to be sold within joint offer (34,03 %) 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 (11.10.2007), issued to the individuals, who are citizens of the Republic of Serbia. If a 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 due until the date of the capital sale (11.10.2007), issued to the individuals, who are citizens of the Republic of Serbia.

Means of payment for the share of the MIN HOLDING CO, NIŠ, (51,38 %) in the total capital of the entity to be privatized, can be SOLELY in local currency and in 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 entity to be privatized, 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 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.

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 signing the Confidentiality Agreement in the period from 11.09.2007 until 02.10.2007, at the time previously established with the Privatization Agency, phone: 011/3020-804; 011/3020-803 or fax: 011/3020-881.

Brief description of the PUBLIC AUCTION procedure

Sale of capital by the 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 entity undergoing privatization: MIN Holding Co. FAM a.d., NIŠ

Auction sale Code: 111007-2062

Official ID number of the Entity: **07576129**

Field of work: **Production of tool machines**

The entire estimated capital value to be privatized amounts to: **RSD 280.788.000** or ***EUR 3.521.444**, which is **85,414 %** of the total entity capital.

Deposit for participation in the auction: **RSD 33.695.000** or ***EUR 422.573**

Initial price at the auction sale: **RSD 67.389.000**

Minimum obligatory investments into the entity undergoing privatization amounts to: **RSD 18.546.000**

Main property of the entity undergoing privatization

A) Buildings – main facilities (m²):

1. Assemblage hall, Niš, 1 Šumadijska St. – user (7701) 2. Assemblage hall, Niš, 1 Šumadijska St. – user (6737) 3. Hall of mechanical processing and tool room with offices, Niš, 1 Šumadijska St. – user (5535) 4. Hall of light mechanical processing, Niš, 1 Šumadijska St. – user (2033) 5. Hall of tool room, Niš, 1 Šumadijska St. – user (2249) 6. Cutting room building, Niš, 1 Šumadijska St. – user (1155)

B) Main equipment:

1) Lathe (DP-3/C-2) 2) Lathe (SKJ -20A) 3) Screw compressor (GA 1408J) 4) Milling machine-horizontal drill (W-160XA 3000/8000) 5) Milling machine (3FW3 3150.3)

C) Land (m²): *Entire land: (18488); Construction land: (18488) – state owned;*

Balance sheet per year:

Shown in:	2005		2006	
	RSD	**EUR	RSD	**EUR
Total business revenues	47.413.000	571.882	54.827.000	651.888
Total business expenses	59.092.000	712.750	68.028.000	808.846

Main products/services: 1) Hydraulic presses 2) Combined mechanical presses 3) Mechanical presses for bending and cutting of sheet-metal 4) Friction presses of all kinds 5) Miner's equipment

Total number of employees: 138; **of which BS/BA:** 20