

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTIONS

Basic Data on Auction Sale

The Privatization Agency of RS offers, within the joint offer, 70,00% of socially-owned capital of the subject to be privatized, amounting to 34,19% of total capital and 100,00% of the share of MIN HOLDING CO, NIŠ, which is 51,16% of the total capital. It is offered in total 85,35% of the subject's capital. The share of MIN HOLDING CO, NIŠ in the subject's capital is offered for sale according to the authority assigned 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 on working days, from 23.06.2006 to 18.07.2006.

CLOSING DATE FOR THE APPLICATION SUBMISSION is 19.07.2006. 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 270706, 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 23.06.2006.*

** *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: 27.07.2006.

at the address: **Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall**, at 11:00. The registration of the auction participants is going to take place at the same address on: **27.07.2006. from 09:00 to 10:50.**

Means of payment for a part of the socially-owned capital to be sold within the joint offer (34,19%) can be in domestic currency, foreign convertible currency, state bonds based upon the unpaid foreign currency savings of citizens, which are due not later than the date of the capital sale (27.07.2006.) 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 of citizens, which are not to become due until the date of the capital sale (27.07.2006.) issued to the natural persons, who are citizens of the Republic of Serbia.

Means of payment in the share of MIN HOLDING CO, NIŠ (51,16%) in the entire capital of the subject to be privatized, can be SOLELY in the local currency, as well as in the foreign convertible currency, on which occasion the part of the selling price (selling price achieved at the auction), in accordance with the share of the holding in the subject of privatization, is to be paid off AT ONCE, regardless of the fact, whether the participant 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 brought back 15 days after the public auction has been held.

The Privatization Agency keeps the right to change the auction date as well as the closing date 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 23.06.2006 to 18.07.2006, at the time previously established by the Privatization Agency, tel: 011/3020-804;011/3020-803 or fax: 011/3020-881.

Brief description of PUBLIC AUCTION procedure

The 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 are 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, 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 brought back the deposit.

1) Basic information on the subject undergoing privatization: MIN Holding Ko AD for production and trade of castings OBOJENI METALI with unlimited liability, NIŠ

Auction Sale Code: 270706-1664p

Official ID number of the Subject: **07678797**

Field of work: **Non-ferrous metal casting**

The entire estimated capital value to be privatized amounts to: **CSD 26.660.000 or 308.746 *EUR** which is **85,348 %** of the total capital of the subject.

Deposit for auction participation **CSD 2.108.000 or 24.408 *EUR**

Initial price at auction sale: CSD 4.215.000

Minimum obligatory investments into the subject to be privatized: **CSD 1.167.000**

The most important property of the subject undergoing privatization

A) Buildings – main facilities (m²):

1. Mould room, Čarnojevića 6 – user (300) 2. Main building of the foundry, Donji Matejevac – tenure holder (560) 3. Melting plant with an annex, Čarnojevića 6 – user (95) 4. Cleaning room, Čarnojevića 6 – user (81) 5. offices, Čarnojevića 6 – user (72)

B) The most important equipment:

1) General plane 2) Hydraulic casting press (2) 3) Passenger vehicle (Mazda 626) 4) Substation (TS-400KVA) 5) Manual fork-lift device (DV 173-732)

C Land (m²): *Construction land: (11774) ((7195) – socially owned) (4579) – state owned) Agricultural land: (1000) – socially owned*

Balance sheet per year

Shown in:	2004		2005	
	CSD	**EUR	CSD	**EUR
Total business revenues	30.727.000	420.906	27.612.000	333.048
Total business expenses	34.977.000	479.124	32.852.000	396.251

Main products/ services: 1) Aluminium alloy castings 2) Copper alloy castings 3) Zinc alloy castings 4) Tin castings

Total number of employees: 47; **of which BS/ BA:** 6