

Vjesnik, 8.12.2007

Banski dvori (Governor's residence) At the regular Government meeting held on Friday, the Government agreed to a Contract for Purchase of TLM

Consortium of Croatian companies shall take over TLM

- Consortium made up of companies Konstruktor inženjering, Zagrebmontaža, Dalekovod, Aluflexpack and Feal from Široki Brijeg, are liable to keep all 1,400 workers employed for a three year period

Zagreb

At its regular Government meeting held on Friday, the Government agreed to a proposal related to a Sales Contract, according to which the Consortium of Croatian companies would become a majority owner of Tvornica lakih metala (TIM) in Šibenik. According to the Contract, the Consortium, that is made up of Konstruktor inženjering, Zagrebmontaža, Dalekovod, Aluflexpack and Feal from Široki Brijeg, shall, as a new owner, keep all 1,400 workers employed and invest in TLM 107 million euros in total.

The Prime Minister **Ivo Sanader** expressed his satisfaction that the Government and the Trade Unions of TLM have reached an agreement with the Consortium that all workers shall be kept employed for a three year period instead of a two year period, as earlier mentioned in the Contract.

“These are excellent news for both the employees of TLM and for the industry in the whole as this contract shall ensure TLM a strong and clear perspective on the market, and besides a new wave of investments is anticipated”, added Sanader.

The Vice President of the Government Damir Polančec said that it took a long time to finalize privatization of TLM, mostly due to pending property issues on particular building plots.

The Consortium shall, after signing the Contract, purchase 80 percent of TLM shares for one kuna only. Beside the obligation to maintain all workplaces they also assumed an obligation to ensure substitute guarantees for government guarantees to the value of ten million euros.

“From total anticipated 107 million euros of investment in TLM, ca 34.5 million euros shall be invested in the first year. In this way, argues Polančec, TIM would become the biggest investment project in the Šibenik area.”

The new owner is liable to continue the core activity of the company, esp. with regard to the rolling mill and manufacture of pressed aluminium sections. Further, the owner also assumed a responsibility to rehabilitate the electrolysis plant and the contaminated land around the plant.

Polančec emphasized that there was no chance of encumbering the estate or shares of TLM within one year period from signing the Contract.