

"PALTINIS" S.A.  
Joint Stock Company, Subscribed capital of 540,577,000 lei. Share Holder : The Romanian State : Social Center  
: Paltinis, Sibiu No. J / 32 / 18 / 90 Trade Book of Sibiu.  
ROMANIA - 2400 Sibiu, C.P. 211 PHONE 19/40/(09)2432853, FAX. 19/40/(09)24322605, TELEX 069347

NOTIFIES  
The beginning of  
PRIVATIZATION  
through the  
SELLING OF ESTABLISHMENTS

At the first auction, scheduled for the second half of February we offer you:

**HUTS IN THE CIBINIUM MOUNTAINS  
ESTABLISHMENTS IN THE SPORT RESORT PALTINIS**

Necessarily offer's details enclosed  
With kindly thanks for being interested,

Yours Faithfully,

Ilie ROTARIU  
-chairman-

**HUTS IN THE CIBINIUM MOUNTAINS**

- THE PREJBA HUT was built by Saxon merchants from Cisnădie in 1934; it is placed on the southern mountain side of the Prejba Peak in the Lotru Mountains, Height : 1630 m.  
Capacity : 74 places ( 1-3 beds-room; 3-5 beds-rooms ). Facilities for skiing, trips. Access : a four hour's walk from the villages Sadu or Talmacel and a one hour's walk from the forestry road in the Lotrioara Valley.  
Distance Sibiu-Sadu 27 km.

THE GITUL BERBECULUI HUT, built in 1952 is placed on the reservoir bank of the hydroelectric power station Sadu V in the Cibin Mountains. Height : 1175 m. Capacity : 59 places ( 4 single rooms, 11 double rooms, 3 three-beds-rooms, 3 four-beds-rooms, 2 rooms with over 5 beds). Facilities for organizing recreational activities, trips. Utilities : electricity 220 V, running water. Access from Talmaciu ( about 22 km from Sibiu ) paved road up to Sadu, then forestry road up to the hut ( all in all about 32 km ) or, from Paltinis, 22 km forestry road.

THE FINTINELE HUT ; built in 1934, is placed on the lot named Fintinele ( wells ) of the spring in the Cetatii Valley in the Cibin Mountains. Height : 1257 m. Capacity : 68 places ( 2 four-beds-rooms, 4 rooms with over 5 beds). Facilities for skiing, easy tracks, trips.  
Access : from Sibiel. marked path about 2 hours on foot. Distance Sibiu -Sibiel 20 km.

**ESTABLISHMENTS IN SPORT RESORT PALTINIS**

On the same occasion we will also sell by auction the first touristical units in the sport resort Paltinis. You can read the details in the following pages. Thus, there will be sold by auction:

THE PALTINIS CHALET, built in 1921 by the SKV ( Siebenburghischer Karpatenverein) Association, holds 62 places in 2-beds and 3-beds rooms. Utilities : male and female toilets on each floor, water basins with cold running water in each room. There are also 2 seven-beds-rooms and an attic with 8 beds. being placed next to the cable way, at the "arrival" point of the ski-track it has a restaurant disposing of over 130 seats in 3 parlours, a large kitchen, central heating, cooling rooms and a large adjoining storeroom. The Dodo-Dorela Trade Company runs the hut on the basis of a leasing contract which expires in 30 June 1994.

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THE ONCESTI CHALET is a new establishment built in 1978, out of use since 1990, endowment works having been abandoned in lack of funds after the mendings of the building and the included plumbing and sewerage works had already been finished. it includes 31 double rooms ( entrance hall, bathroom, kitchen and a 12 m.p. large room ). On the ground floor lives the staff of the nearby " Cindrelul" Hotel which supplies the chalet with cold and warm running water and heating. It can be furnished and sold separately by apartments.

THE CENTRAL AREA : the former base of the Education and Public Instruction Department was built between 1924 and 1925. It consists of two villas of 22 respectively 24 places in double rooms, joint sanitation, and further two villas, each with three, respectively four rooms, a former " cafeteria", presently restaurant on the ground floor and rooms on the upper floors and the attic, joint sanitation. A large complex is integrally to be sold up, or by buildings.

CASA TURISTILOR: Ex the Military Pavilion, hotel with 170 places, restaurant with 150 places, discotheque, central heating, sport's room etc. Ownership uncertain. It may be solved until auction takes place.

TECHNICAL FIGURES

A. STARTING PRICES AT THE AUCTION

( 1 \$ = 460 lei on December 1992 )

BUILDING ADJOINING LOT

		s.m.	lei
- the PREJBA HUT	2,200,000	2,000	4,500,000
- the FINTINELE HUT	3,400,000	3,000	300,000
- the GITUL BERBECULUI	10,250,000	3,000	8,000,000
- the PALTINIS	19,400,000	1,600	6,700,000
- the CENTRAL AREA	47,500,000	8,000	32,500,000
- CO 1 22 places	6,800,000		
- CO 2 24 places	10,700,000		
- CO 14 6 places	650,000		
- CO 15 8 places	1,350,000		
- the "cafeteria"	23,700,000		
- the storeroom ( club )	4,300,000		
- the ONCESTI CHALET	33,855,000	2,800	11,600,000
- the CASA TURISTILOR	240,000,000	3,000	12,250,000

B. For further information please send us your FAX number or address and state the unit you are interested in. Your request can be answered within 48 hours. The cost of the English / German / French translation is \$ 50 for each documentation (includes one unit).

C. If you want to get further information on the date and terms of the auction we kindly ask you to send us your request and will receive the advertisement as soon as it is published.

FIGURES REGARDING ASSESSMENT OF TRADING AREA AND COMMERCIAL FUND  
DETERMINED BY THE SITE

Historical - Geographical Evaluation: the idea of founding a winter resort in the mountains close by the city of Sibiu was launched by Dr. Julius Plidner von Steinberg on the 31-st of May 1885. After long seeking in the Bilea, Prejbei, Surf, Cibin and Santa Mountains, the head of the forestry area with the headquarters in Sibiu, Mr. Gustav Conrad, suggested a place between the peaks Oncesti and Paltinis at a height of 1400-1500 m as being the most appropriate. It is the highest situated resort in the country, initially called "Hohe Rinne" after the nearby spring. Paltinis was built on the lot of the village Cristian from voluntary contributions of the members and followers of the "Siebenburgischer Verein" Association among which figured also many Rumanians. The "Albina" Bank contributed also an important amount of 1200 Crowns.

The village Cristian leased the land for a period of 50 years. Under Carl Conradt's lead, the first three building were inaugurated on the 10-th of June 1894. During that very year they also started the construction of the

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winding road which leads up to the Oncesti Peak and a series of other roads and paths which lead to Cheile Cibinului and the peaks Besineu, Vale Surdu and Paltinis were marked. Considering the great number of visitors between 1898 and 1902, Christian Gasperi from South Tirol, with the helps of the Sibiu District and the villages Cristian, Rasinari, Poplaca and Guru Riului, proceeded to enlarging and improving the road. He also drew and built the road over the Valar mountainside and the one leading to the lot of the village Poplaca ( \* ) next to Paltinis ( \* ) ( called Comanda Poplacii).

During its first years of existence ( 1894-1904) the resort was visited by 1415 persons who came here for leisure and treatment, and by 4411 tourists. a well-organized service provided for sanitary assistance. In addition to the already existent buildings the Military Pavilion and the Doctor's house were raised, also a public bath and a bowling alley. In 1907 communication by telephone was established, beginning with 1914 a ski-track was arranged and electricity was introduced in 1927. A five-person carriage, called "omnibus", which left the town daily at 7 a.m. or 2 p.m. from the stop in the Great Market no.12, brought the travelers to the resort. Beginning with 1930 transport by bus was introduced. Notable is the fact that in Paltinis functioned the first private post-office in the country, the first issue being dated May 1895.

The University of Clue took over expired lease of the lot during its temporary refuge in Sibiu. The Sibiu students were the most frequent visitor and tourists in Paltinis at that time; that ' s how a road come to be named "The Students' Alley". It was also one of the Romanian Philosopher, Constantin Noica who was found there his refuge here as well-known communist dissident.

At the time being the resort is much enlarged. The over 43 buildings, cable transport and the existent infrastructure : water, canalization, electricity, etc. allow the development of an exquisite secondary residential area next to the wild nature, far off from the traffic of the cities or Poiana Brasov. The resort is sufficiently remote but still easily to reach from Sibiu ( 35 km).

### I. PREMISES REGARDING THE FUTURE DEVELOPMENT OF THE AREA

From the experience and information we hold by now, there is little probability that great sources of investment from abroad will be directed towards Paltinis. The contacts that have been settled by now are mainly probing contacts on the part of the foreign investors, who offer chiefly speculative capitals, mostly for recycling the money earned in Romania. On the other hand, we consider the development of another Poiana Brasov, Predeal or Sinaia to be wrong.

The current infrastructure permits: water-supply for 4000 places, the necessary works and investments for the finishing of the water network being possible within a short time; the canalization networks partially existent but still requires further funds for the cleaning station - the sine-qua-non condition for maintaining the resort in use; electric energy doesn't raise special problems; garbage removing is still an unsolved possibility of creating a garbage store on forestry grounds was found.

Besides the assets held by the Romanian State there are also 237 plots belonging to different private properties and also buildings of over 15 private owners. After the enforcement of the Land Law the situation of the property will be sufficiently clarified as to enable the forming of a resort-administrative structure (at the time being there is an overlapping in ownership and administration which are simultaneously claimed by Sibiu Town Hall and the villages Cristian and Poplaca).

The employment of the resort has a pronounced seasonal character, being six month a year in use only during the week-end. The international trends is directed towards accentuating season work in mountain up to the altitude of 2000 m.

### II. PROBABLE STRATEGY

The development of Paltinis by establishing secondary holiday residences by means of drawing western ( mainly German ) and Romanian capital for small privately-owned construction.

### III. PROBABLE TACTICS

The elaborating of a draft for the extending of the resort towards vacant spaces in the touristic and leisure offer in the county as well as within the European Community-the area including the Carpathians and the Balkans will enable a private, independent development within the already established unity. The resort can be used properly not only as a sport and leisure area district of Sibiu, business area of Sibiu, cure and treatment area etc. but also for establishing lucrative activities in the tertiary area ( education, information, research, preventer medicine) and military catering when needed.

The only accepted realistic solution in nowadays political and economical thinking is to concentrate all efforts towards private initiative. The numerous Saxon Diaspora, the contracts made in Belgium and the Netherlands

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show possibilities for drawing individual capital for small construction ( holiday huts, sanatoriums, centers of education, etc.). A small investement - an immediately fulfilled need. About 20-30 ha for 400 villas. We should not forget that Paltinis was founded by the "Seibenburgischer Karpatenverein" Association, many of its members having immigrated.

The setting-up of a consortium with the participation of interested businessman for drawing up the general concept, stating the details that go with it and launching sales on the western market. This will create a large number of working places (from conception, projecting, constructions, endowments, services, supplies, insurances, etc. to local administration) with immediate payment in hard currency. Actually, with little effort, the action can be started beginning with May 1993.

### IV. COSTS

The only public costs involved are those regarding the logistic structure required by the conception-stage of the business. The others (advertising, information) can be immediately covered by means taxes; that is, all the rest regard in the investors. 20-30 ha is actually an insignificant area of the resort.

### V. INCOMES

Investors, respectively future owner get their incomes through the multiplying and accelerating effect of tourism, through the financial injection obtained from services payments (beginning with the talking part at the auction, ending with the safety insurance of the secondary residence all along the year). These incomes will include the necessary expenses for a next-stage development of the infrastructure if large capital offers are made.

The same chapter (incomes) must also include investments and investors' profit in the field of leisure activities which will be available as soon as the resort is developed.

The development of the secondary holiday residential area will lead from the beginning to an increase in cashing for the existent units, to a more select clientelle, and for a certain period of time to the attenuation of season work through the staying worker, watchmen etc. These effects in the existent units can already be acknowledged by their present inhabitants.

### TECHNICAL DATA

- The airport has frontier crossing-points and services customs and fito-sanitary control. It permits the landing of airships not exceeding SIWL 17 tons representing the weight on each wheel.
- The concrete runway is 2,000 long and 45 m wide.
- The embark-desembark platform also made of concrete is 394 m long and 70 m wide.
- Kerosene tanking is available.
- The airport of Sibiu has been opened to international traffic since the 15 January 1993.

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### PROSPECTS

We are working on a project for development and modernizing of the airport in the collaboration with the Sibiu Prefecture. We intend to built a new air station, enlarge the present runway or/and build a new one, to endow the airport with up-to-date equipment for landing safety as well as land services for passengers and goods. We also have in view the creating of a free trade-area, the draft being already drawn up.

We welcome offers for collaborating and investments.