

Republic of Serbia

**SOLICITATION OF EXPRESSIONS OF INTEREST
FOR A**

**FINANCIAL ADVISOR TO PRIVATIZE
"NOVOSADSKI SAJAM" A.D. NOVI SAD**

The Government of Serbia (hereinafter: the GoS), has received a Grant from European Agency for Reconstruction (hereinafter: the EAR), to be administered by the World Bank (hereinafter: the WB), to facilitate and accelerate the privatization, restructuring and bankruptcy of the socially- and state-owned enterprises (SOEs) in accordance with the provisions of the Privatization Law as well as the Bankruptcy Law.

The GoS now intends to apply part of this Grant for services to be provided by a Financial Advisor to undertake the privatization of a Company "Novosadski sajam" A.D. Novi Sad:

Joint Stock Company «Novosadski sajam» was founded in 1956. It is located in Novi Sad, the largest city in the region of Vojvodina, some 80 km northeast of Belgrade, capital of the Republic of Serbia. As of May 2006, the Company employed 149 workers.

Main operating activity of JSC «Novosadski sajam» is organization of fairs and exhibitions. The Company owns around 231,842 m² of construction land. Floor surface of buildings owned by the Company is around 64,262 m².

The Company generates income mostly in domestic markets. In 2004 and 2005, the sale in domestic markets accounted for 93.97% and 90.76% respectively of the total sale. Company's dominant distribution channel is direct sale, with 97.19%, while wholesale accounts for 2.81%.

The main strengths of the Company are diversity and broad range of fair services, good geo-strategic location, excellent market reputation and professional and experienced staff. In 2003, the Company completed construction of the new exhibition area «Master hall» (6,432 m²), which is a regional and European fair, congress and trade center.

In fiscal 2005, JSC «Novosadski sajam» generated sales revenues of around EUR 7.4 million and net profit of EUR 236,000. Total operating assets at the end of the year was EUR 21.6 million and total equity of the Company was EUR 8.6 million.

The Company's equity structure is represented as follows: 42.34% socially owned, 22.47% state owned and 35.19% private capital.

The Privatization Agency is offering 70% of the Company's socially owned capital and 100% of state owned capital in the Company, which represents 52.1% of the total registered capital of the Entity undergoing privatization.

Further details concerning "Novosadski sajam" A.D. Novi Sad, its current operations and its financial situation, are available on the web site of the Privatization Agency, Republic of Serbia (www.priv.yu), or from the Project Manager in charge, Ms. Albina Kecman (akecman@priv.yu).

The objective of the GoS in this privatization is to attract reputable domestic or foreign strategic investors or consortia of investors with industry expertise, management know-how and financial strength necessary to improve the companies' performance and fulfill the necessary investment program in order to utilize and secure the long term development potential.

To achieve this goal, the Privatization Agency, Republic of Serbia (PA) intends to hire a Financial Advisor to: (i) undertake the necessary vendors due diligence and prepare a Diagnostic Report suggesting necessary pre-privatization measures and the envisaged privatization strategy; (ii) conduct an investors search and actively market the investment opportunity to a wide group of potential purchasers and present a market assessment report comprising the feedback from potential purchasers; (iii) prepare the required tender documentation; (iv) prepare an environmental audit; (v) conduct a valuation; and (vi) implement the privatization of the companies through a competitive tender process and manage the sales process until closing of the privatization transaction. All of these activities will be funded by a combination of a **Retainer Fee** to be financed under the Grant, and a **Success Fee** to be funded out of the proceeds of the actual sales.

The Privatization Agency, Republic of Serbia, now invites Expressions of Interest (EOIs) from eligible firms / consortia of firms.

EOIs from eligible firms/consortia should specify the following relevant information in order to be considered: (i) short introduction of the firm/consortium; (ii) evidence of the track record in this type of assignment and the relevant industry, with a maximum of 15 most comparable projects best documenting the required experience (in case of a "joint venture", such evidence is required for all members of the "joint venture", while in case of a sub consultancy, it is required only for the leading firm); and (iii) names and curricula vitae for proposed professional staff only (project manager, leading privatization expert, financial expert, relevant industry expert, and the leader of the legal counsel).

The CVs shall clearly line out the most relevant and recent projects, which the eligible firm considers to be most relevant and which best document the teams experience in accordance with the requirements lined out hereinbefore.

EOIs should be submitted in English and should not exceed 50 pages.

In order to avoid possible over commitment, in addition to the above, firms will be evaluated based on their capacity and current commitments.

The best evaluated firm will be invited to submit combined technical and financial proposal.

A Financial Advisor will be selected in accordance with procedures set out in the World Bank's *Guidelines: Selection and Employment of Consultants by World Bank Borrowers*, May 2004. The method used to select the Financial Advisor will be **Selection Based on the Consultant's Qualifications (CQS)**.

Interested and eligible firms / consortia who wish to participate should mail or e-mail their EOIs by **November 13, 2006, and not later than 03:00 p.m. (local time)**.

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