

In accordance with Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" no. 38/2001, 18/2003 and 45/2005), **the Privatization Agency, Republic of Serbia** (hereinafter: "the Agency") issues:

AMENDMENTS OF PUBLIC INVITATION

(published in "Politika" daily newspaper on December 30, 2005, and corrections thereof, published in "Politika" daily newspaper on January 9, 2006)

For participation in the Public Tender for the sale of 70% of socially owned capital in:

**Društveno preduzeće "Labudnjaca", poljoprivredna proizvodnja Vajska
(hereinafter: "Entity undergoing privatization")**

Tender Code: **LAB12/05**

1. The Agency hereby notifies all potential participants of the amendments to the Public Invitation for participation in the Public Tender for the sale of 70% of socially owned capital in the Entity undergoing privatization, which was published in "Politika" daily newspaper on December 30, 2005, and corrections thereof, published in "Politika" daily newspaper on January 9, 2006.

2. Clause 4. of the Public Invitation is changed to read as follows:

"4. A bid may be submitted by:

A. A potential bidder that fulfils the following requirements:

- Has purchased the Tender Documents, and
- Fulfills one of the following requirements:
 - a) it has either been engaged in production and/or processing and/or trade of agricultural products and/or manufacturing of farm machinery for at least the last 3 years in continuity, and achieved operating revenues of at least EUR 5,000,000 (Euro five million) in 2005;
 - b) **or** is a financial investor (legal entity whose core activity is investment of money, which exists for at least the last 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total operating assets exceeding EUR 30,000,000 (Euro thirty million) in 2005;
 - c) **or** is an investor that achieved operating revenues exceeding EUR 15,000,000 (Euro fifteen million) in 2005.

If an interested party is a parent company that does not fulfill the requirements of this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfills the stated requirements. The subsidiary has the right to submit the bid if the parent company has purchased the Tender Documents.

If an interested party is a subsidiary that does not fulfill the requirements of this clause of the Public Invitation, its parent company has the right to submit a bid, if it fulfills the stated requirements. The parent company has the right to submit the bid if the subsidiary has purchased the Tender Documents.

B. If an interested party is a Consortium, it is necessary that it fulfills cumulatively the following requirements:

- All Consortium members have made the decision on organizing and entering into the Consortium;
- All Consortium members have signed a written Consortium Agreement and duly notarized it at Court or other relevant authority (in case of foreign legal entities and individuals);
- Each member of the Consortium assumes an unlimited joint and several liability according to the provisions of the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization;
- All Consortium members have signed a notarized power of attorney for the representing member of the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents;
- The Consortium fulfills at least one of the following requirements:

(a) at least 51% of the total share in Consortium is held by Consortium members that are engaged in production and/or processing and/or trade of agricultural products and/or manufacturing of farm

machinery for at least the last 3 years in continuity, and such Consortium members (consortium members having experience in stipulated activity) cumulatively achieved operating revenues of at least EUR 5,000,000 (Euro five million) in 2005; or

(b) at least one Consortium members, with at least 51% share in Consortium, is a financial investor (legal entity whose core activity is investment of money, which exists for at least the last 3 years, and includes investment companies, mutual funds, insurance companies, pension funds and investment banks) with total operating assets exceeding EUR 30,000,000 (Euro thirty million) in 2005; or

(c) all Consortium members cumulatively generated operating revenues exceeding EUR 15,000,000 (Euro fifteen million) in 2005. “

3. Clause 5 of the Public Invitation is changed to read as follows:

“5. The Agency hereby invites all interested parties to submit a written request for purchase of the Tender Documents for the Entity undergoing privatization, by **March 3, 2006 at 5 pm Belgrade time.**

The Tender Documents shall be available to the interested parties starting from January 16, 2006.

A written request for purchase of the Tender Documents shall be sent by post, e-mail or facsimile to Consultant at the address below, and shall clearly display the reference “Request for purchase of the Tender Documents – Tender Code **LAB 12/05**”.

Upon receipt of the request, an invoice for paying the Tender Documents Fee as well as the Confidentiality Agreement for signature shall be forwarded to the tender participant’s authorized representative by post, e-mail or fax. The signed Confidentiality Agreement shall be immediately faxed and mailed back to Consultant to the address below.

Upon receiving the signed Confidentiality Agreement, evidence of authorization for the person signing the Confidentiality Agreement and evidence of payment of the Tender Documents Fee, Consultant shall forward the relevant Tender Documents to the tender participant by mail/e-mail or hand it to its authorized representative.

Consultant and the Agency shall not be held liable for any loss or delay that may occur in the delivery of any document.”

4. Clause 6 of the Public Invitation is changed to read as follows:

“6. The deadline for submission of the final binding offers for the acquisition of 70% of the socially owned capital of the Entity undergoing privatization by interested bidders is **March 31, 2006 at 05:00 pm** (Belgrade time). If necessary, the Agency reserves the right to amend the terms and deadlines of this Public Invitation. As a prerequisite for submitting a bid, it is required to pay a deposit or submit a Bid Bond in the amount of **EUR 50,000** (Euro fifty thousand). “

5. All other information regarding the Public Invitation shall remain unchanged and are available online at:

http://www.priv.yu/vesti/pdf/e-tender_1057_jp_1.pdf

6. All questions relating to this Amendment of the Public Invitation should be directed to Consultant’s contact persons below:

Biljana Pommerville
Phone: (+381 11) 3281 638, 2620 221
Fax: (+381 11) 26 23 542
E-mail: b.pommerville@riag.co.yu

Raiffeisen Investment AG
Obilicev venac 27/2,
11000 Belgrade, Serbia and Montenegro

Александра Стефановић
Phone: (+381 11) 3281 638, 2620 221
Fax: (+381 11) 26 23 542
E-mail: a.stefanovic@riag.co.yu

Raiffeisen Investment AG
Obilicev venac 27/2,
11000 Belgrade, Serbia and Montenegro