



Pursuant to Article 1 and 2 of the Conclusion of the Government of the Republic of Serbia 05 no. 023-7763/2009-1 dated December 3rd 2009, the Privatization Agency (hereinafter: the "Agency") hereby announces the

PUBLIC INVITATION

for submission of indicative bids
related to the privatization of

Joint-stock company for production of medicines, dentals, antibiotics, pharmaceutical raw materials, para-pharmaceutics, veterinary products and additives

GALENIKA A.D. BEOGRAD,

Batajnički drum BB

(hereinafter: the "Company")

Procedure Code: GAL 01/09

1. The total registered share capital of the Company consists of 1,000,000 ordinary shares owned by the Republic of Serbia.
2. The Agency is inviting interested investors (hereinafter: the "Interested Investors") to submit their indicative bids for the acquisition of a majority stake in the total registered share capital of the Company (hereinafter: the "Indicative Bid"), in order to obtain information about interest and profile of potential investors, in accordance with the Instructions to Bidders.

3. Details about the Company:

Seat: Batajnički drum BB, 11080 Belgrade-Zemun, Republic of Serbia

Phone: +381 11 307 1000

Fax: +381 11 261 6306

Core activity: Production of pharmaceutical preparations (code: 24420)

Further details about the Company are available at the following Internet address:

http://www.priv.rs/pregled_preduzeca/pdf/e-teaser_1468.pdf

Detailed information about the Company, Information Memorandum and the Instructions to Bidders (hereinafter jointly: the "Information Package") shall be made available to the Interested Investors upon determining the fulfillment of the Qualification Criteria, signing of a confidentiality agreement (hereinafter: the "Confidentiality Agreement") and payment of the fee for receiving the Information Package (hereinafter: the "Information Package Fee").

The Information Package Fee amounts to EUR 10,000 (ten thousand Euros).

The Agency has engaged a consortium consisting of Rothschild & Cie, Citadel Financial Advisory d.o.o. Beograd, Dekonta d.o.o. Beograd, Dražić, Beatović i partneri and CoMeth s.r.o. Slovakia, with subcontractor Centar za intelektualnu svojinu i marketing d.o.o. Beograd (hereinafter: the "Advisor"), as the advisor in the privatization of the Company.

4. An Indicative Bid may be submitted by:

A. An interested strategic investor who purchased the Information Package and who cumulatively satisfies the following criteria:

- To have relevant experience in the pharmaceutical industry in the last 5 consecutive financial years; and
- To have revenues from the sales of pharmaceutical products in excess of EUR 100,000,000 (one hundred million euro) in FY 2008; **or**

B. An interested financial investor who purchased the Information Package and whose total assets under management amounted to over EUR 250,000,000 (two hundred and fifty million Euros) at the end of FY 2008.

(conditions set out in paragraphs A and B are hereinafter collectively referred to as: the "Qualification Criteria")

A parent company that fulfills the Qualification Criteria has the right to submit an Indicative Bid if its subsidiary purchased the Information Package.

A subsidiary that fulfills the Qualification Criteria has the right to submit an Indicative Bid if its parent company purchased the Information Package.

5. The Agency is hereby inviting all Interested Investors to submit written requests for the purchase of the Information Package, by **February 19th 2010, at 15:00** (Belgrade time). A written request for the purchase of the Information Package shall be submitted to the Advisor at the address below, by post, e-mail or fax, with clearly displayed reference: "Request for the purchase of the Information Package – Procedure Code GAL 01/09".

Upon receipt of the Request for the purchase of the Information Package – Procedure Code: Gal 01/09, the Advisor shall provide the Interested Investor with the Notification which contains: (i) a list of documents that should be submitted for the purpose of determining the fulfillment of the Qualification Criteria, and (ii) deadlines for submission of documentation and determining the fulfillment of the Qualification Criteria.

Upon receipt of the evidence of fulfillment of the Qualification Criteria, the Advisor shall, in line with terms of this Public Invitation and deadlines from the Notification, inform the Interested Investors whether they satisfy the Qualification Criteria. The Agency shall forward an invoice for the payment of the Information Package Fee to the Interested Investor who satisfies the Qualification Criteria, and the Advisor shall forward the Confidentiality Agreement for signing to the designated authorized representative of the Interested Investor who satisfies the Qualification Criteria, by post, e-mail or fax.

The signed Confidentiality Agreement shall be faxed immediately and mailed back to the Advisor at the address below.

Upon receipt of the signed Confidentiality Agreement, evidence of the power of attorney for the designated authorized person who signed the Confidentiality Agreement and evidence of payment of the Information Package Fee, the Advisor shall forward the Information Package to the Interested Investor who satisfies the Qualification Criteria by post, e-mail, or hand it to its nominated authorized representative.

Interested Investors that have satisfied the Qualification Criteria, signed the Confidentiality Agreement and paid Information Package Fee are entitled to submit Indicative Bids.

The Advisor and the Agency shall not be held liable for any loss or delay in delivery of any document.

6. The deadline for submission of the Indicative Bids for the acquisition of shares of the Company as specified in Clause 2 hereof is **March 19th 2010, by 15:00** (Belgrade time).

7. The Agency reserves the right to amend or change any or all conditions specified herein, including the deadlines set out in this Public Invitation.

8. All inquiries relating to this Public Invitation should be directed to the contact persons below:

Rothschild 23 bis, avenue de Messine 75008 Paris, France		Privatization Agency, Terazije 23 11000 Belgrade, Republic of Serbia
Mr. Stefano Beschi Director Tel : +44 20 72 80 57 86 Fax : +44 20 72 80 54 58 stefano.beschi@rothschild.com	Mr. Slavko Andrejević Assistant Director Tel : +33 1 40 74 44 54 Fax : +33 1 40 74 87 39 slavko.andrejevic@rothschild.com	Mrs. Aleksandra Jezdović Ignjatović Project Manager Tel: +381 11 3020 855 Fax: +381 11 3020 816 ajezdovic@priv.rs

