



Pursuant to Articles 25 and 28 of the Privatization Law (Official Gazette of the Republic of Serbia No. 38/2001, 18/2003, 45/2005 and 123/2007), Privatization Strategy adopted by the Conclusion of the Government of the Republic of Serbia 05 no. 023/2750/2008-2 dated 21 July 2008 and the Conclusion of the Government of the Republic of Serbia 05 no. 023/2750/2008-3 dated 28 July 2008, the Privatization Agency (hereinafter: the "Agency") hereby announces the

### **PUBLIC INVITATION**

for the participation in a public tender

for the sale of 51% with a possibility to acquire up to 70% of the total registered capital of

**JAT AIRWAYS a.d. Belgrade**

(hereinafter: the "Entity Undergoing Privatization")

Tender Code: JAT 01/08

1. The total registered capital of the Entity Undergoing Privatization consists of 100% state-owned capital.
2. The Agency offers for sale 51% with a possibility to acquire up to 70% of the total registered capital of the Entity Undergoing Privatization.
3. Details about the Entity Undergoing Privatization:

Address: Bulevar umetnosti 16, 11000 Belgrade, Republic of Serbia

Phone: +381 11 3131 094

Fax: +381 11 2137 756

Core activity: Air transport, scheduled (code: 62100)

More details about the Entity Undergoing Privatization is available at:

[http://www.priv.yu/publikacije/posebni\\_oglasje/e-JAT\\_Airways\\_Company\\_Profile.pdf](http://www.priv.yu/publikacije/posebni_oglasje/e-JAT_Airways_Company_Profile.pdf)

The fee for the purchase of tender documents (hereinafter: the "Tender Documents Fee") amounts to EUR 25,000 (twenty five thousand euros) in dinar equivalent value at the mid-exchange rate of the National Bank of Serbia on the date of invoicing.

The Agency has engaged the consortium consisting of Rothschild & Cie, Citadel Financial Advisory, Clyde & Co, Aviation Economics and Dekonta, to act as advisors in this privatization procedure (hereinafter: the "Advisor").

**4.** A binding offer may be submitted by:

**A.** An interested bidder that purchased the Tender Documents and that cumulatively fulfills the following criteria (hereinafter: the "Tender Participation Criteria"):

- to hold an Air Operator's Certificate ("AOC"),
- to have carried, directly and/or through companies in which it holds a controlling interest, a total cumulative number of air passengers (pax) in excess of 1,300,000 (one million and three hundred thousand) in 2007,
- to have a total consolidated balance sheet for the last audited financial year in excess of € 200,000,000 (two hundred million euros). Consolidated balance sheet includes capitalization at a multiple of 7x of annual rentals derived from aircraft operating leases.

**B.** If a potential bidder is a consortium, it must cumulatively fulfill the following requirements:

- All consortium members have entered into a written consortium agreement (hereinafter: the "Consortium Agreement") and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities and individuals);
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- The Consortium Agreement specifies each member's percentage in acquisition of the shares of the Entity Undergoing Privatization, provided that one consortium member has no less than 51% share in the Consortium (hereinafter: the "Consortium Leader");
- All consortium members have signed a notarized power of attorney in favor of the member representing the Consortium;
- All consortium members have signed a Confidentiality Agreement;
- At least one of the consortium members has purchased the Tender Documents; and
- The Consortium Leader fulfills the Tender Participation Criteria.

A parent company that fulfills the Tender Participation Criteria has the right to submit a binding offer if its subsidiary purchased the Tender Documents.

A subsidiary that fulfills the Tender Participation Criteria has the right to submit a binding offer if its parent company purchased the Tender Documents.

A company, which is 100% owned by its parent company/ the consortium members, also has the right to submit a binding offer if it cumulatively fulfills the following requirements:

- That its parent company/ the Consortium Leader, meets the Tender Participation Criteria; and
- That its parent company/ each consortium member, assumes unlimited joint and several liability for undertaking all actions and liabilities of that company related to this public tender.

**5.** The Agency hereby invites all parties interested in participating in the tender to submit a written request for the purchase of Tender Documents for the Entity Undergoing Privatization along with documents proving fulfillment of the Tender Participation Criteria, by 26 September 2008, at 16:30 (Belgrade time).

A written request for the purchase of Tender Documents along with documents proving fulfillment of the Tender Participation Criteria shall be submitted to the Advisor at the address below, by mail, e-mail or fax,

with clearly displayed reference: "Request for the purchase of Tender Documents – Tender Code JAT 01/08".

Upon receipt of the request, the Advisor will, in line with terms of this Public Invitation, inform relevant applicants on whether they gained the status of the tender participant and forward an invoice for payment of the Tender Documents Fee together with the confidentiality agreement for signing 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 the Advisor at the address below.

Upon receipt of the signed confidentiality agreement, evidence of the power of attorney for the person that signed the confidentiality agreement, and evidence of payment of the Tender Documents Fee, the Advisor shall forward the relevant Tender Documents to the Tender Participant by mail/e-mail, or hand it to its authorized representative.

The Tender Documents will be made available to tender participants from 22 August 2008.

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

**6.** The deadline for submission of the final binding offers for acquisition of shares of the Entity Undergoing Privatization as specified in Clause 2 hereof is 24 October 2008, by 16:30 (Belgrade time).

As a prerequisite for bid submission, it is necessary to pay a deposit or submit a bid bond in the amount of EUR 2,000,000 (two million euros).

**7.** The minimum price for the acquisition of 51% of the registered capital of the Entity Undergoing Privatization is EUR 51,000,000 (fifty one million euros).

If necessary, the Agency reserves the right to amend or change any and all conditions, including deadlines set out in this Public Invitation.

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

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75008 Paris

France

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