

In accordance with the Article 28 of the Law on Privatization ("Official Gazette of the Republic of Serbia" nos. 38/2001 and 18/2003), **the Privatization Agency** (hereinafter: "the Agency") hereby announces a:

PUBLIC INVITATION

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

Društveno Poljoprivredno Preduzeće "Jedinstvo" Apatin na akcije

Tender Code: **JED 05/05**

1. The total registered capital of Društveno Poljoprivredno Preduzeće "Jedinstvo" Apatin na akcije (hereinafter "Entity undergoing privatization") consists of 100% socially owned capital. The Agency offers for sale 70% of socially owned capital of the Entity undergoing privatization, a leading producer of agricultural products.

2. Details about the Entity undergoing privatization:

Address: **Srpskih vladara 45, 25260 Apatin, Republic of Serbia, Serbia & Montenegro**

Phone: **+381 25 773 566**

Fax: **+381 25 772 289**

Industry: **Cultivation of wheat, other crops and plants**

More details about the entity undergoing privatization are available at

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_217.pdf

3. The Agency has appointed Raiffeisen Investment AG ("RIAG") to act as consultant in this privatization process.

4. Following parties may submit a bid:

A. An interested party that fulfills the following requirements:

- Has purchased the Tender Documents; and
- Fulfills one of the following requirements:
 - a) either it has been engaged in production and/or processing and/or trade of agricultural products and/or manufacturing of farm machinery and/or farm equipment for at least the last 3 years in continuity, and achieved operating revenues of at least EUR 10 million (Euro ten million) in 2004;
 - b) or it is a Financial Investor (legal entity whose core business is investment of money that exists at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 25 million (Euro twenty five million) in 2004;
 - c) or it is an Investor that achieved operating revenues of more than EUR 25 million (Euro twenty five million) in 2004.

If a potential bidder is a parent company that does not fulfill the requirements of this clause of the Public Invitation, the bid may be submitted by its subsidiary 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 a potential bidder is a subsidiary that does not fulfill the requirements of this clause of the Public Invitation, the bid may be submitted by its parent company 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 cumulatively fulfills the following requirements:

- All Consortium members have made the decision on organizing and entering into the Consortium;
- All the Consortium members have signed a written Consortium Agreement and duly notarized it with the Court or with any other competent authority (in case of foreign legal and natural persons);
- Each member of the Consortium has assumed joint and several unlimited liability by 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;
 - A member of the Consortium with the largest share in the Consortium fulfills one of the following requirements:
 - a) either it has been engaged in production and/or processing and/or trade of agricultural products and/or manufacturing of farm machinery and/or farm equipment for at least the last 3 years in continuity, and achieved operating revenues of at least EUR 10 million (Euro ten million) in 2004;
 - b) or it is a Financial Investor (legal entity whose core business is investment of money that exists at least 3 years and includes investment companies, mutual funds, insurance companies, pension funds, and investment banks) with total assets in excess of EUR 25 million (Euro twenty five million) in 2004;
 - c) or it is an Investor that achieved operating revenues of more than EUR 25 million (Euro twenty five million) in 2004.
5. The Agency hereby invites all the interested parties to submit a written request for the purchase of the Tender Documents for the Entity undergoing privatization, by **July 22th 2005**.

The Tender Documents shall be available to the interested parties starting from **June 06th 2005**.

Detailed information on the Entity undergoing privatization along with the Information Memorandum (hereinafter "the Tender Documents") will be made available to all interested parties after signing the Confidentiality Agreement and purchasing the Tender Documents.

The Tender Documents fee is EUR 5,000.00 (Euro five thousand).

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to RIAG and shall clearly display the reference "Request for purchase of the Tender Documents – Tender Code **JED 05/05**".

Upon receiving the request, an invoice for 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 facsimile. The signed Confidentiality Agreement shall be immediately faxed and mailed back to RIAG to the address below.

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

RIAG 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 the acquisition of the capital is **August 31st 2005, at 05:00 p.m.** (Belgrade time). If necessary, the Agency reserves the right to amend the deadlines of this Public Invitation. As a prerequisite for submitting a bid, participants are obliged to pay a deposit or submit a Bid Bond in the amount of EUR 50,000.00 (Euro fifty thousand).
7. All the questions relating to this Public Invitation should be directed by interested parties to RIAG contact persons below:

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