

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:

PUBLIC INVITATION

For participation in the Public Tender for divestment of 96.36% of the total capital in

IMK "29 Novembar"

Subotica, Tolminska 35, Serbia and Montenegro
(hereinafter "Entity undergoing privatization")

Tender Code: **29NOV/05**

1. The total registered capital of the Entity undergoing privatization consists of 93.87% socially-owned capital, 2.49% capital owned by the Development Fund of the Republic of Serbia and 3.64% of share capital.
2. The Agency offers for sale 100% of the socially owned capital and 100% of the capital owned by the Development Fund, i.e. **96.36%** of total registered capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:
Address: Tolminska 35, 24 000 Subotica, Serbia and Montenegro
Phone: +381 (0)24 566 566
Fax: +381 (0) 24 566 368
Industry: Production of fresh meat, delicatessen (durable and semi-durable sausages, smoked ham, etc.), tinned meat and ready cooked meals.

More details about the Entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/teaser_23.pdf

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.

4. The Agency has appointed SEECAP (hereinafter "Advisor") to act as its advisor in this privatization process.
5. A bid may be submitted by:
 - A) A potential bidder that fulfils the following requirements:
 - It has purchased the Tender Documents,
 - **and that**
 - a) **it has either been engaged** in animal farming, or meat production or processing, or meat products manufacturing and/or meat or meat products trading, or trading of raw

materials used in production of products listed above for at least the last 3 years in continuity, and achieved a total turnover of at least 5 (five) million Euros in 2004; or

- b) it is a Financial Investor** (a 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 20 (twenty) million Euros in 2004; or

- c) it is an Investor** that achieved operating revenue of more than 20 (twenty) million Euros in 2004.

If a potential bidder is a parent company that does not fulfill the requirements of this clause of the Public Invitation, the right to submit a bid has its subsidiary if it fulfils the requirements. The subsidiary has the right to submit a 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, its parent company has the right to submit a bid if it fulfils 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:

- 1) All consortium members have made a decision on organizing and entering into consortium;
- 2) All consortium members have signed a written Consortium Agreement and duly notarized it with the Court or with any other competent authority;
- 3) Each consortium member has assumed a several and joint unlimited liability by the provisions of the Consortium Agreement;
- 4) Consortium Agreement specifies each member's percentage in the acquisition of the capital of the Entity undergoing privatization;
- 5) All consortium members have signed a notarized Power of Attorney for the representing member of Consortium;
- 6) All consortium members have signed the Confidentiality Agreement;
- 7) At least one consortium member has purchased the Tender Documents;
- 8) The consortium member with the largest share in the consortium fulfils one of the following requirements:
 - a) it has either been engaged** in animal farming, or meat production or processing, or meat products manufacturing and/or meat or meat products trading, or trading of raw materials used in production of products listed above for at least the last 3 years in continuity, and achieved a total turnover of at least 5 (five) million Euros in 2004; or

- b) it is a Financial Investor** (a 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 20 (twenty) million Euros in 2004; or
- c) it is an Investor** that achieved operating revenue of more than 20 (twenty) million Euros in 2004.

Potential bidder who shall sign the Sale and Purchase Agreement with the Agency shall undertake the commitment to offer to purchase within 12 months from the Closing Date all remaining shares for at least the equivalent share price expressed in Euros for which he has purchased the capital set out in Clause 2 of this Public Invitation.

6. The Agency hereby invites all interested parties to submit a written request for purchasing the Tender Documents of the Entity undergoing privatization, by **July 22nd 2005**.

The Tender Documents shall be available to all interested parties starting from June 17th 2005.

The Tender Documents fee is € 5,000.00 (five thousand Euros).

The written request for purchasing the Tender Documents shall be sent to the Advisor by post, e-mail or facsimile and shall display the reference “*Request for purchasing the Tender Documents – Tender Code 29NOV/05*”.

Upon receipt of such request, an invoice for payment of 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 the Advisor at the addresses below.

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

Neither the Advisor nor the Agency shall be held liable for any loss or delay that may occur in the delivery of any document hereunder.

7. The deadline for submission of the final binding offers for acquisition of the capital is **September 2nd 2005, at 05:00 p.m. (Belgrade time)**. If necessary, the Agency reserves the right to amend the deadlines, terms and conditions of this Public Invitation. As a prerequisite for submitting the bid, participants are obliged to pay a deposit or submit a Bid Bond in the amount of EUR 50,000.00 (Euro fifty thousand).

8. All the questions relating to this Public Invitation should be directed to the Advisor at the address below.

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