

Pursuant to Article 28 of the Law on Privatization (Official Gazette of the Republic Of Serbia” Nos. 38/2001, 18/2003 and 45/2005), the **Privatization Agency** (hereinafter: “the Agency”) hereby announces:

PUBLIC INVITATION

For participation in the Public Tender
for sale of 96.38% of the total capital in

IMK “29 Novembar” A.D. Subotica - in restructuring

(hereinafter “Entity undergoing privatization”)

Tender Code: **29NOV 05/06**

1. The total registered capital of the Entity undergoing privatization consists of 93.90% socially-owned capital, 2.48% capital owned by the Development Fund of the Republic of Serbia and 3.62% 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. **96.38%** of the total registered capital of the Entity undergoing privatization.
3. Details about the Entity undergoing privatization:
Address: Tolminska 35, 24000 Subotica, Serbia and Montenegro
Phone: +381 (0)24 566 566
Fax: +381 (0) 24 566 368
Industry:
 - Fresh meat production
 - Delicatessen production (durable and semi-durable sausages, smoked ham, etc.)
 - Tinned meat production
 - Production of ready-cooked meals

More details about the Entity undergoing privatization are available at:

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

The Tender Documents fee is EUR 6,000.00 (six thousand Euros).

The Agency has appointed SEECAP d.o.o. to act as the Advisor in this privatization procedure (the “Advisor”).

4. A bid may be submitted by:
- A) A potential bidder that fulfils the following requirements:
 - It has purchased the Tender Documents,
 - fulfills at least one of the following conditions:
 - a) **it has either been engaged** in stockbreeding and/or production, processing and canning of meat and meat products and/or wholesale of meat and meat products for at least the last 3 years in continuity, and achieved operating revenues of at least EUR 1,000,000 (one million Euros) in 2005;
 - b) **or** is a financial investor (a legal entity whose core business is investment of money, that exists for at least the last 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total assets in excess of EUR 40,000,000 (forty million Euros) in 2005;
 - c) **or** is an investor that generated operating revenues exceeding EUR 20,000,000 (ten million Euros) in 2005.

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

- B. If a potential bidder is a consortium it is necessary that it cumulatively fulfills the following requirements:
- All consortium members have made a decision on organizing and entering into consortium ;
 - All consortium members have executed a written Consortium Agreement and duly notarized it with the Court or with other competent authority (in case of foreign legal entities and individuals);
 - Each consortium member assumes joint and several unlimited 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 Consortium;
 - All consortium members have signed the Confidentiality Agreement;
 - At least one consortium member has purchased the Tender Documents;
 - At least one consortium member fulfils at least one of the following requirements:

- a) it has either been engaged in stockbreeding and/or production, processing and canning of meat and meat products and/or wholesale of meat and meat products for at least the last 3 years in continuity, and achieved operating revenues of at least EUR 1,000,000 (one million Euros) in 2005;
- b) **or** is a financial investor (a legal entity whose core business is investment of money, that exists for at least the last 3 years and includes investment companies, mutual funds, insurance companies, pension funds and investment banks), with total assets in excess of EUR 40,000,000 (forty million Euros) in 2005;
- c) **or** is an investor that generated operating revenues exceeding EUR 10,000,000 (ten million Euros) in 2005.

A potential bidder who shall sign the Agreement on Sale and Purchase of the Capital of the Entity undergoing privatization with the Agency undertakes the commitment to offer to purchase all remaining shares within 12 months from the Closing Date at the price per share which is at least equivalent to the share price (in Euros) paid for the capital set out in Clause 2 of this Public Invitation.

5. The Agency hereby invites all parties interested in participating in the tender to submit a written request for purchasing the Tender Documents not later than on **May 18, 2006**.

The Tender Documents shall be available to all interested parties from April 28, 2006.

A written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to the Advisor and shall clearly display the reference “*Request for purchasing the Tender Documents – Tender Code 29NOV 05 /06*”.

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, evidence of authorization for the person signing 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 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 96.38% of the total registered capital of the Entity undergoing privatization is **June 7, 2006 at 17:00 hours (Belgrade time)**. If necessary, the Agency retains the right to amend terms and conditions of

this Public Invitation. As a prerequisite for submitting the bid, it is required to pay a deposit or submit a Bid Bond in the amount of EUR 50,000.00 (fifty thousand Euros).

7. All the questions relating to this Public Invitation should be directed to the Advisor and the Agency at the address below, in Serbian or English:

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