

In accordance with Article 28 of the Law on Privatization (“Official Gazette of the Republic of Serbia“, numbers 38/2001, 18/2003, 45/2005 and 123/07) and Article 8 and 9 of the Law on the Share Fund (“Official Gazette of the Republic of Serbia“, numbers 38/2001 and 45/2005)

**PRIVATIZATION AGENCY**

(hereinafter: “ the Agency”)

hereby announces:

**PUBLIC INVITATION**

for participation in the Public Tender

for sale of 71,60% of total capital of:

**Food industry ”PANONKA” Joint-Stock Company Sombor**

(hereinafter: Entity Undergoing Privatization)

Tender Code: **PAN 02/08**

1. The total registered capital of the Entity Undergoing Privatization consists of 22,07% of socially-owned capital, 56,15% in the ownership of RoS Development Fund and 21,78% of shareholders' capital.
2. The Agency offers for sale 70% of socially owned capital of the Entity Undergoing Privatization (which represents 15,45% of total registered capital) and 100% of share capital owned by RoS Development Fund (70.632 shares CFI code: ESVUFR; ISIN number:RSPANKE02577 nominal share value 1.000 RSD), together representing **71,60% of the total registered capital of the Entity Undergoing Privatization**
3. Data about the Entity Undergoing Privatization:

Address: Staparski put Street, 25000 Sombor, Republic of Serbia

Phone: + 381 25 22 060

Fax: + 381 25 25 352

The main activity: *Production and processing of animal meat.*

More details about the Entity Undergoing Privatization are available at internet address:

[www.priv.yu/pregled\\_preduzeca/pdf/teaser\\_340.pdf](http://www.priv.yu/pregled_preduzeca/pdf/teaser_340.pdf)

[www.priv.yu/pregled\\_preduzeca/pdf/e-teaser\\_340.pdf](http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_340.pdf)

Detailed information on the Entity Undergoing Privatization along with the Information Memorandum (hereinafter: Tender Documents) will be made available to all interested tender participants upon signing of the Confidentiality Agreement and payment of the Tender Documents Fee.

The Tender Documents Fee is EUR 8,000.00 (Euro eight thousand) payable in RSD according to median official exchange rate of the National Bank of Serbia as at the date of the invoice.

The Agency has appointed BC Consulting d.o.o. Belgrade to act as its Advisor in this privatization process (hereinafter: Consultant).

4. A bid may be submitted by:

A. Potential bidder that meets the following requirements:

- It has purchased the Tender Documents, and
  - It fulfills at least one of the following conditions:
    - a) It has been engaged in the activity of agricultural production or production, processing and preserving of animal meat for at least over the last 3 years continually, and it achieved operating revenues of at least EUR 1,500,000 (Euro one million five hundred thousand) in 2009;
- or**
- b) it is an Investor with total operating revenues exceeding EUR 4,000,000 (Euro four million) in 2009;

If a potential bidder is a parent company that does not fulfill the condition from this Clause of Public Invitation, its subsidiary has the right to submit a bid if it fulfills the stated conditions. 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 conditions from this Clause of Public Invitation, its parent company has the right to submit a bid if it fulfills the stated conditions. The parent company has the right to submit a bid if the subsidiary has purchased the Tender Documents.

B. If a potential bidder is a Consortium it must cumulatively fulfill the following conditions:

- All consortium members made a valid decision to form and enter into Consortium;
- All consortium members have entered into a written Consortium Agreement and such agreement has been duly notarized with the court, or other competent body (in case of foreign legal entities or individuals);
- Each consortium member assumes unlimited joint and several liability under the Consortium Agreement;
- Consortium Agreement specifies each member's percentage in acquisition of the capital of the Entity Undergoing Privatization, herewith that the consortium member which has major share in consortium must have at least 51% of total share in consortium (hereinafter: Consortium Leader);
- All consortium members have signed a notarized power of attorney for the representing member of the consortium;
- All consortium members have signed a Confidentiality Agreement
- At least one of the consortium members has purchased the Tender Documents;
- Consortium Leader fulfills at least one of the following conditions:
  - a) It has been engaged in the activity of agricultural production or production, processing and preserving of animal meat for at least over the last 3 years continually, and it achieved operating revenues of at least EUR 1,500,000 (Euro one million five hundred thousand) in 2009;
- b) **or** it is a Investor with total operating revenues exceeding the amount of EUR 4,000,000 (Euro four million) in 2009;

5. The Agency hereby invites all interested parties to submit a written request for the purchase of the Tender Documents for the Entity Undergoing Privatization, by **March 15<sup>th</sup> 2010**.

**The Tender Documents will be available to interested parties from March 15<sup>th</sup> 2010.**

A written request for purchasing the Tender Documents should be sent to Consultant by post, e-mail or facsimile to the address below, with clearly displayed reference „Request for purchasing the Tender Documents – Tender Code: **PAN 02/10**“.

Upon receipt of the request, an invoice for payment of the Tender Documents Fee, as well as the Confidentiality Agreement for signature, will be delivered to the Tender Participant's authorized representative by post, e-mail or facsimile. The signed Confidentiality Agreement should be immediately faxed and mailed back to Consultant at the address stated below.

Upon receipt of the signed Confidentiality Agreement, evidence of power of attorney for the authorized representative and evidence of payment of the Tender Documents Fee, the Consultant will immediately forward the relevant Tender Documents to the Tender Participant by mail/e-mail or hand it to its authorized representative.

Consultant and the Agency will 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 71,60% of total registered capital of the Entity Undergoing Privatization by interested bidders is **March 31<sup>th</sup> 2010, by 16:30h** (Belgrade time).

If necessary, the Agency reserves the right to amend or change the deadlines and conditions of the Public Invitation.

As a prerequisite for submitting a bid, it is necessary to pay a deposit or submit a Bid Bond in the amount of **EUR 50,000 (Euro fifty thousand)**.

7. All the questions relating to this Public Invitation should be directed to the address below, in Serbian and English language.

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