

In accordance with Article 28 of the Law on Privatization (“Official Gazette of the Republic of Serbia” No. 38/2001), the **Privatization Agency of the Republic of Serbia** hereby announces a:

PUBLIC INVITATION

For participation in a Tender Process for the acquisition of a controlling interest in:

Beogradska Pekarska Industrija

Tender Code: **BPI/03**

1. The Privatization Agency offers 70% of socially owned capital of Beogradska pekarska industrija, Belgrade, for sale (hereinafter: Entity undergoing privatization).

Total registered socially owned capital of the Entity undergoing privatization is 62.460.000,00 Dinars, and it is represented with 62.460 shares, with face value of 1.000,00 Dinars.

2. Details about the Entity undergoing privatization:

Address: **5 Djuriceva Street, 11000 Belgrade, Serbia and Montenegro**

Phone Number: **+381 11 444 9861**

Fax Number: **+381 11 451 489**

Industry: **Bread and pastry production**

Tender Code: **BPI/03**

Basic data about the Entity undergoing privatization is available at

<http://www.priv.yu>

Detailed information about the Entity undergoing privatization, along with the Information Memorandum and Instructions to Bidders (hereinafter “the Tender Documents”), will be made available to all buyers of the Tender Documents, upon payment of the Tender Documents Fee in the amount of five thousand Euros (EUR 5.000,00), plus one thousand Euros (EUR 1.000,00), for sales tax;

3. The PA has appointed **Raiffeisen Investment AG, Austria, (“RIAG”)** to act as the advisor in the privatization procedure (hereinafter: “Advisor”).
4. A bid may be submitted by the potential Buyer that fulfils the following requirements:

- Has purchased the Tender Documents;
- Has been engaged in manufacturing and/or distribution of **bakery products and/or components for baking industry** for at least 3 (three) years;
- Had minimum total revenues in 2002 of **10 (ten) million Euros**;

If the potential Buyer is a Parent company that does not meet the requirements from this clause of the Public Invitation, its subsidiary has the right to submit a bid, if it fulfills the requirements.

The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

If the potential Buyer is a subsidiary that does not meet the requirements referred to by this clause of the Public Invitation, the Parent company has the right to submit a bid, if it fulfills the requirements.

The Parent company may submit a bid if its Subsidiary has purchased the Tender Documents.

If the potential Buyer is a consortium, the following requirements should be fulfilled:

- All Consortium members have made the decision on organizing and entering the Consortium;
- Each member of the Consortium assumes an unlimited joint and several liability;
- The Consortium Agreement specifies each member's percentage in the acquired company's capital;
- All Consortium members have signed Notarized Power of Attorney for the representing member of the Consortium;
- All Consortium members have authorized a representative to sign a Confidentiality Agreement on their behalf;
- At least one of the Consortium members has purchased the Tender Documents;
- At least one of the Consortium members has been engaged in production and/or distribution of **bakery products and/or components for baking industry** for at least 3 years
- At least one of the Consortium members had minimum total revenues in 2002 of **10 (ten) million Euros**;

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 **April 25th, 2003**.

The request for purchasing the Tender Documents shall be submitted to the Advisor by mail, to the addresses stated below, e-mail and facsimile, clearly marked with "Request for the purchase of Tender Documents – Tender Code BPI/03".

Upon receiving the request, an invoice for payment of the Tender Documents Fee shall be forwarded to the authorized representative by the Privatization Agency. Upon the payment of the Tender Documents Fee, the Confidentiality Agreement shall be sent to duly authorized representative for signature, by mail, e-mail or facsimile. Signed Confidentiality Agreement shall be immediately faxed and mailed back to the Advisor to the addresses below.

6. Upon receipt of the signed Confidentiality Agreement and evidence of payment of the Tender Documents Fee, The Advisor shall immediately send the relevant Tender Documents to the Tender Participant by mail, or hand it to the authorized representative.

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

7. The deadline for submission of the bids for acquisition of the capital is **May 9th, 2003, at 17:00 hours (Belgrade time)**.
8. The Agency reserves the right to amend the requirements and the deadline from the Public Invitation, if necessary.
9. The Bid bond for participating in the Public Tender is **100.000,00 (one hundred thousand) Euros**.
10. All communications or inquiries relating to this Invitation should be directed to the Advisor at the address bellow:

Tatjana Terzic
Phone: (+43-1) 710-54-00-57
Fax: (+43-1) 710-54-00-69
E-mail: t.terzic@riag.raiffeisen.at

Raiffeisen Investment AG
Tegetthoffstrasse 1, A-1015 Vienna, Austria

and

Milena Miljusevic
Phone: (+381 11) 632-303, 620-221
Fax: (+381 11) 632-542
E-mail: mmilriag@Eunet.yu

Raiffeisen Investment AG
Obilicev venac 27/2, 11000 Belgrade
Serbia and Montenegro