

Pursuant to Article 26. of the Law on Privatization („Official Gazette of the RoS“ No. 83/2014) and Article 5 of Decree on conditions, procedure and method of sale of capital and assets by method of public collection of bids with public bidding („Official Gazette of RoS No 122/2014), Privatization Agency hereby issues this:

PUBLIC INVITATION FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC GATHERING OF BIDS WITH PUBLIC BIDDING FOR THE SALE OF CAPITAL OF PRIVATIZATION ENTITY AD DIB BUJANOVAC

Basic information on procedure of the sale of capital by public gathering of bids with public bidding

Domestic and foreign, natural and legal entities, as well as consortium of legal and/or natural entities have the right to participate in the procedure.

Purchase of the Sales Documents:

All parties interested to participate can purchase the Sales Documents at the price of RSD 150.000,00, upon receipt of an invoice by Privatization Agency.

The deadline for submitting the written request for purchase the Sales Documents is May 4, 2015. The Sales Documents will be available as of April 8, 2015.

The request must include Sales Code, contact information of the applicant (full name, address, registration no. and TIN number, e-mail address, contact phone and fax number), otherwise the request shall be considered as invalid and the Agency will not respond to the request.

The request has to be submitted by mail, e-mail or fax to the contact person indicated in this Public Invitation.

The purchase of Sales Documents is compulsory. In order to purchase the Sales Documents all interested parties are obliged to sign Confidentiality Agreement. Within three Working Days upon receipt of confirmation of the payment of the Sale Documents as well as the receipt of signed Confidentiality Agreement, interested parties may obtain the Sales Documents at the Agency's headquarter at the address: Terazije 23, 11000 Belgrade, V floor, any working day from 7:30 a.m. to 3:30 p.m. or they can demand the Documents to be submitted by mail or e-mail to the address indicated in the requested.

All interested parties may submit the application to participate in the procedure not later than 11 May 2015, until 12,00h local time.

Completed application has to be submitted in closed envelope (Main Envelope) labelled „Application for Participation in the Procedure of Public Collection of Bids with Public Bidding – Sales Code JP 05/15“.

The Main Envelope must contain: Participant's application, envelope labelled „Information on Participant“ and envelope labelled „The Bid“.

The envelope labelled «Information on Participant» must include: certificates and statements that the Bidder meets the conditions prescribed by Article 12 of the Privatization Law, initialed on each page and signed Draft Sales Agreement, proof of paid Deposit or Bid Bond, proof of compliance with qualification requirements if they are required by this Public Invitation.

Envelope labelled “The Bid” must include the amount of offered Purchase Price. The Bids must be equal to or exceeding the initial price.

Opening the Main Envelope and the Envelope labelled “Information on Participant” will be held on May 11, 2015, at 13,00h, in Privatization Agency's premises, at the address: Terazije 23, 11000 Belgrade, third floor, office 301.

All participants, their representatives and proxies have the right to attend.

Opening the envelope labelled “The Bid” will be held on May 22, 2015, at 11,00h, local time.

Payment may be in domestic or foreign convertible currency (foreign exchange and foreign money).

In case that the payment of deposit is a first class bank guarantee, it has to be payable within 48 hours of the declaration of the Buyer in public bidding procedure

Participation deposit will be returned within 8 days from the public bidding date. Exceptionally, deposit to the participant who has offered the second highest bid, will be returned within 30 days from the public bidding date.

If necessary, the Privatization Agency shall retain the right to amend the date of the public bidding and the deadline for application and to inform the interested buyers thereof, at the latest by the date of the public bidding.

All interested parties may, after obtaining the Sales Documents and until the expiry of the deadline for submitting the application, schedule the visit to the Privatization Entity at its registered address, to review the assets and business records of the Entity, as well as to interview the management, in the manner set forth in Instruction to Bidders

If needed the Agency reserves the right to modify all or some of the elements in this Public Invitation.

Basic information about the Privatization Entity: AD DIB BUJANOVAC

Sales Code: JP 05/15

Company registration number: **07179049**

Core Activity: 1200 – **Manufacture of tobacco products**

STRUCTURE AND CAPITAL VALUE OF PRIVATIZATION ENTITY:

Total registered capital of the Privatization Entity is shareholders capital issued in one emission of shares CFI code ESVUFR, ISIN No RSDIBBE29987, with 33.930 ordinary shares, out of which 16.263 shares or 47.93103% capital is owned by Shareholders Fund a.d Belgrade, 3.393 shares or 10,00000% capital is owned by PIO Fund and 14.274 shares or 42.06897% capital is owned by other shareholders.

Block of shares offered for sale by the Agency is composed of 19.656 shares CFI code ESVUFR, ISIN No.; RSDIBBE29987, representing 57,93103% of the total registered capital of the Privatization Entity, including the following:

- 16.263 shares CFI code ESVUFR, ISIN No; RSDIBBE29987, owned by Shareholders Fund a.d Belgrade, representing 47.93103% of the total registered capital of the Privatization Entity and
- 3.393 shares owned by PIO Fund CFI code ESVUFR; ISIN No; RSDIBBE29987, representing 10,00000% of the total Company's capital.

Total assessed value of the capital being the subject of sale as of December 31, 2013 is: **EUR 2.352.389 (EUR 119,68 per share).**

Key assets of Privatization Entity *

A) Buildings – most important facilities(m²):

- Fermentation plant – CP 4446/1 (2.618 m²)
- Seasonal fermentation warehouse– CP 4446/1(5.985 m²)
- Machine workshop – CP 4446/1 (405 m²)
- Administrative building (old) – CP 4446/1 (346 m²)
- Warehouse raw materials and toolkits – CP 4446/1 (4.456 m²)
- Foil hall – CP 4446/1 (3.198 m²)
- Warehouse of material – Greek – CP 4446/1 (1.635 m²)
- Warehouse of material – Gnjilane – CP 4446/1 (1.316 m²)
- Warehouse -newly covered – CP 4446/1 (518 m²)

Total facilities: 25.157 m²

- Production plants – 11.447 m²
- Auxiliary facilities – 1.188 m²
- Warehouse space – 10.809 m²
- Restaurants – 890 m²
- Administrative facilities– 823 m²

Deposit for participation: EUR 235.238.90
Initial price: EUR: 2.352.389

B) Most important equipment:

Machines for tobacco foil production:

- Line for production of tobacco foil I
- Line for production of tobacco foil I and II
- Plants for the preparation of adhesive foil
- Dashboard for management of mixers
- Dashboard for management of line II
- SCADA system in PJ Foil
- Process Sensor MCT360T Moisture Transmitter
- Ytron mixer in foil
- Automation of Ytron mixer
- Printer TEC BSX*6 TOSHIBA
- Conveyors in foil – new
- Measuring kit 4 rollers
- Apparatus for PP tape tightening
- Stainless and galvanized elements – HIMEL

C) Land (m²):– Land registered on the list of immovable assets (49.987 m²)

Profit and Loss Statement:

| | 2013 | | 2012 | |
|--------------------------|-------------|-----------|-------------|-----------|
| | RSD | EUR | RSD | EUR |
| In: | | | | |
| Total operating revenues | 294.007.000 | 2.598.684 | 363.552.000 | 3.216.093 |
| Total operating expenses | 303.942.000 | 2.686.498 | 352.716.000 | 3.120.235 |

Most important products/services: Tobacco foil, processing of small-leaf tobacco AOT.

Total number of employees:142; **of which with college education:**9.

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