

Pursuant to Article 26 of the Law on Privatization („Official Gazette of the Republic of Serbia“, No. 83/14, 46/15 and 112/16) and article 5 of the Decree on conditions, procedure and manner of sale of capital and assets by method of public collection of bids with subsequent public bidding („Official Gazette of the Republic of Serbia“, No. 122/14, 61/15 and 12/16), the Ministry of Economy (hereinafter: **the Ministry**) hereby announces

**THE PUBLIC INVITATION  
FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC COLLECTION OF BIDS  
WITH SUBSEQUENT PUBLIC BIDDING  
FOR THE SALE OF ASSETS OF SUBJECT OF PRIVATIZATION  
PRIVREDNO DRUŠTVO ZA PROIZVODNJU I PRERADU ČELIKA  
ŽELEZARA SMEDEREVO DOO SMEDEREVO  
Company number: 07342691  
Procedure code: JP 1/16**

The Ministry invites all interested domestic and foreign natural persons and legal entities to participate in the procedure of privatization of the privatization subject PRIVREDNO DRUŠTVO ZA PROIZVODNJU I PRERADU ČELIKA ŽELEZARA SMEDEREVO DOO SMEDEREVO, Company number: 07342691, (hereinafter: **the Subject of Privatization**), by model of sale assets of the Privatization Subject and method of public collection of bids with subsequent public bidding (hereinafter: **the Procedure**), to submit their applications for the selection of the best bidder (hereinafter: **the Application**).

**1. Information about the Subject of Privatization**

According to the information from the Register of Business Entities kept by the Business Registers Agency, the following table provides basic information about the Subject of Privatization.

Business name:	PRIVREDNO DRUŠTVO ZA PROIZVODNJU I PRERADU ČELIKA ŽELEZARA SMEDEREVO DOO SMEDEREVO
Company number:	07342691
Capital structure:	The Republic of Serbia 100%
Value of capital:	Inscribed pecuniary capital: 16,740,285,582.2 RSD Inscribed non-pecuniary capital 34,716,356.87 RSD 2,109,982,107.14 RSD 611,303,012.5 RSD Paid-in pecuniary capital 16,740,285,582.2 RSD as of 13 June 2012 Paid in non-pecuniary capital 611,303,012.5 RSD as of 27 August 2013 2,109,982,107.14 RSD as of 25 August 2003 in kind 34,716,356.87 RSD as of 30 June 2007 in kind

**2. Description and the value of the assets that are the subject of the sale**

The subject of the sale in the Procedure are the assets of the Subject of Privatization consisting of:

- real-estate – land and buildings
- movable assets
- inventories
- equity investment
- intangible assets

Detailed list of the assets offered for sale is given in the Sales Documentation. The entire assets are sold as seen.

According to the report of the certified appraiser, the estimated market value of the said entire assets as at 31 December 2015 amounts to EUR 91,379,000.00.

### **3. Starting price for the assets sale**

Starting price for the assets sale amounts to 50% of the estimated assets value that is offered for sale, as of the date 31 December 2015.

Starting price of the Subject of Sale amounts to EUR 45,689,500.00.

The Buyer shall pay the full amount of the Sale Price for the Uniform Sales Package, or the difference between the Sale Price and the Deposit, if the Buyer paid the Deposit and the Deposit is non-refunded, to the Escrow Account.

Funds can be paid in EUR or RSD (RSD – counter value calculated at the middle exchange rate for the EUR of the National Bank of Serbia on payment date).

The designated Buyer shall pay the sale price at once.

### **4. Deadline and manner of submitting the Application in the Procedure**

Interested parties may submit Applications for participation in the Procedure by 30 March 2016 at 12:00 Belgrade time, at the latest.

The Application should be submitted in a sealed envelope, together with the bid, all in accordance with and as defined in the Instructions for Bidders.

Only timely and complete Applications will be considered.

### **5. Purchase of the Sale Documentation**

All domestic and foreign natural persons and legal entities who express interest in participating in the Procedure are obliged to:

- sign the Non-Disclosure Agreement
- purchase the Sale Documentation

The Non-Disclosure Agreement should be sent to interested parties by fax or e-mail.

The interested party shall submit to the Ministry a request for the purchase of the Sale Documentation (hereinafter: **the Request**), in written form to the address Kneza Miloša 20, 11000 Belgrade, Republic of Serbia, and/or by fax number +381 11 364 27 60, and/or by e-mail [milun.trivunac@privreda.gov.rs](mailto:milun.trivunac@privreda.gov.rs), and/or [bmilosevic@kpmg.com](mailto:bmilosevic@kpmg.com) and/or [mpopovic@kpmg.com](mailto:mpopovic@kpmg.com), with the reference "Request for the purchase of Sale documentation – procedure code: JP 1/16".

The Request must contain all the contact details of the person/entity submitting the Request (full name/business name, address, personal number/company number, e-mail, phone and fax number).

**The deadline for submitting the Request is 22 March 2016 till 14:00, Belgrade time.**

Sale documentation will be available from 7 March 2016 at 8:00, Belgrade time.

The fee for purchase of the Sale Documentation amounts to RSD 1,200,000.00, (one million two hundred thousand) if a domestic legal entity, natural person or consortium, or RSD 1,200,000.00, (one million two hundred thousand) expressed in EUR and calculated at the middle exchange rate of the National Bank of Serbia at the payment date, if foreign legal entity, natural person or consortium.

Upon receiving the Request, the person/entity submitting the Request will be issued the invoice for fee payment and the Non-Disclosure Agreement for signing by fax or e-mail.

Before taking over the Sale Documentation, persons/entities submitting the Request must sign the Non-Disclosure Agreement.



Upon receiving confirmation of payment of the fee for the Sale Documentation and the signed Non-Disclosure Agreement, the instructions for the access to the virtual Data Room will be delivered to the interested persons. The interested persons will need to provide request for the access to the virtual Data Room (explained below in detail) that will allow them to take over Sale Documentation.

The Sale Documentation includes:

- The Non-Disclosure Agreement
- Instructions to Bidders
- Application form for participation in the Procedure
- Draft of the Sale and Purchase Agreement for certain assets of Železara Smederevo doo
- The Program for the sale of the assets
- Statement of responsible person about the accuracy and completeness of information

#### **6. The amount and manner of payment of the deposit or submission of the bank guarantee**

All interested parties are obliged to pay the deposit for participating in the Procedure, in the amount of EUR 9,137,900.00 (nine million one hundred and thirty seven thousand and nine hundred) or EUR 9,137,900.00 (nine million one hundred and thirty seven thousand and nine hundred) in RSD counter value calculated at the middle exchange rate of the National Bank of Serbia at the payment date, as set forth in the Instructions to Bidders.

The deposit may be paid in cash or by depositing a first-class bank guarantee in lieu of the deposit.

No interest shall be calculated on the paid deposit.

#### **7. Access to the virtual Data Room**

Interested persons may submit the request to access virtual Data Room and take over the Sale Documentation not later than 24 March 2016 at 12h Belgrade time. This request must contain the following correct and complete information: name and surname, ID or passport number, legal entity or consortium (if any), e-mail and phone number of the person/s who will be granted access to the virtual Data Room. The request to access virtual Data Room should be sent to the following e-mail addresses [mpopovic@kpmg.com](mailto:mpopovic@kpmg.com) and [rmilivojevic@kpmg.com](mailto:rmilivojevic@kpmg.com)

**Note:** At the moment of submitting the request to access virtual Data Room, the confirmation of payment of the fee for the Sale Documentation and the signed Non-Disclosure Agreement, have to be submitted to the Ministry.

#### **8. On-site visit to the Subject of Privatization**

After taking over the Sale Documentation from the virtual Data Room, all interested parties may schedule the on-site visit of the Subject of Privatization until 24 March 2016, at 12h Belgrade time, by submitting a request with the correct information: name and surname, ID or passport number, legal entity or consortium (if any), e-mail and phone number of the person/s who will be granted access to the site of the Subject of Privatization and the interviews with the management of the Subject of Privatization. The request for the on-site visit of the Subject of Privatization should be sent to the following e-mail addresses [mpopovic@kpmg.com](mailto:mpopovic@kpmg.com) and [rmilivojevic@kpmg.com](mailto:rmilivojevic@kpmg.com).

#### **9. Date, time and place of opening the Applications**

The opening of the Main Envelope and the envelope marked as "Information about the Bidder" will be held on 1 April 2016 at the Ministry premises at the address Terazije 23, 11000 Belgrade, at 12:00 Belgrade time.

All the participants, their representatives and proxies shall be entitled to attend the opening.

The envelope marked as "Offer" shall be opened only if the Application is approved by the Commission.

The Participant whose Application is approved is obliged to attend the opening of the envelope marked as "Offer". Otherwise, the participant shall be deemed as having withdrawn from his bid and shall forfeit the right to deposit return.

## 10. Amendments to the Public Invitation

If necessary, the Ministry reserves the right to amend any or all elements of this Public Invitation at any time, and shall not bear any responsibility for any costs or damages caused by such amendments.

## 11. Other information of importance for conducting the Procedure

The interested parties may contact the persons below, in Serbian or in English, regarding all questions referring to the Public Invitation:

**Milun Trivunac**  
**Assistan Minister**

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