
In accordance with the Article 28 of the Law on Privatization (“Official Gazette of the Republic of Serbia” nos. 38/2001 and 18/2003), **the Privatization Agency of the Republic of Serbia** (hereinafter: “the Agency”) hereby announces a:

PUBLIC INVITATION

For participation in the Public Tender for the acquisition of 51.31 % of the total capital
in:

Beogradska industrija piva, slada i bezalkoholnih pića a.d. Beograd
(hereinafter: Entity undergoing privatization)

Tender Code: BIP/04

1. The total registered capital of the Entity undergoing privatization consists of 47.71% of the share capital, 22.85% of the capital held by the Share Fund and PIO Fund, 28.46% held by the Development Fund of the Republic of Serbia and 0.98% of the subscribed unpaid share capital.

Pursuant to Article 9 of the Law on Share Fund of the Republic of Serbia (published in the Official Gazette of RS 38/2001), the Agency is offering for sale 51.31% of the total capital of the Entity undergoing privatization.

2. Details about the Entity undergoing privatization:

Address: 5, Vojvode Putnika St., Belgrade, Serbia and Montenegro

Phone: +381 11 2651 258

Fax: +381 11 2648 942

Industry: production of beer, malt, soft drinks, mineral waters, juices, kvass, vinegar, yeast and syrups.

More details about the entity undergoing privatization are available at:

http://www.priv.yu/pregled_preduzeca/pdf/e-teaser_11905.pdf

Detailed information on the Entity undergoing privatization along with the Information Memorandum (hereinafter: “The Tender Documents”) will be made available to all interested bidders upon signing of the Confidentiality Agreement and purchasing of the Tender Documents.

3. The Agency has appointed BNP Paribas Corporate Finance, 4 rue d'Antin 75002 Paris – France, to act as a Consultant in this privatization process (hereinafter: “BNPP”).
4. A bid may be submitted by the following parties:
 - A A potential bidder that fulfils the following requirements:
 - Has purchased the Tender Documents, and
 - a) either has been engaged in production of beer for at least 3 years and achieved minimum operating revenues of Euro 25,000,000 (twenty five million Euro) in 2003 or 2004, or
 - b) is a financial investor (whose core activity is investment, existing for at least 3 years, and *inter alia* includes investment companies and/or fund management companies, mutual funds, insurance companies, pension funds, international financial institutions and investment banks) with total operating assets exceeding Euro 50,000,000.00 (fifty million Euro) in 2003 or 2004;

If the bidder is a Subsidiary that does not fulfil the requirements of this Clause of the Public Invitation, its Parent company has the right to submit a bid, if it fulfils the requirements. The Parent company may submit a bid if the Subsidiary has purchased the Tender Documents.

If the bidder is a Parent company that does not fulfil the requirements of this Clause of the Public Invitation, its Subsidiary has the right to submit a bid, if it meets the requirements. The Subsidiary may submit a bid if the Parent company has purchased the Tender Documents.

- B If the bidder is a Consortium, the following cumulative conditions must be met:
 - All Consortium members have made the decision on organizing and entering into the Consortium;
 - All the Consortium members have signed a Consortium Agreement, authenticated by the Court;
 - Each member of the Consortium assumed an unlimited joint and several liability, according to the provisions of the Consortium Agreement;
 - The Consortium Agreement specifies each member's percentage in the Consortium, provided that at least one of the Consortium members holds

minimum 50, 01% of the interest in the Consortium (hereinafter: “The Consortium Leader”);

- All Consortium members have signed a Notarized Power of Attorney for the representing member of the Consortium;
- All Consortium members have signed the Confidentiality Agreement;
- At least one of the Consortium members has purchased the Tender Documents.
- That the Consortium Leader:
 - a) either has been engaged in beer production for at least 3 years, and achieved minimum operating revenues of Euro 25,000,000 (twenty five million Euro) in 2003 or 2004, or
 - b) is a financial investor (whose core activity is investment, existing for at least 3 years, and *inter alia* includes investment companies and/or fund management companies, mutual funds, insurance companies, pension funds, international financial institutions and investment banks) with total operating assets exceeding Euro 50,000,000.00 (fifty million Euro) in 2003 or 2004;

The bidder who would sign the Agreement on sale of capital of the Entity undergoing privatization shall be obliged to offer to buy the shares held by all remaining shareholders at the price per share in EUR, at least equivalent to the price per share in EUR paid for the capital defined in article 1, paragraph 2 of this Public Invitation, within a period of maximum 12 months from the closing of the Agreement on sale of capital (Closing Date).

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 **January 31st, 2005**.

The Tender Documents shall be available to the interested parties starting from January 17th, 2005.

The Tender Documents Fee is EUR 7,500 (Euro seven thousand five hundred), increased by 18% for VAT.

The written request for purchasing the Tender Documents shall be sent by post, e-mail or facsimile to BNPP, and shall clearly display the reference “Request for purchasing the Tender Documents – Tender Code BIP/04”.

Upon receiving the 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 BNPP at the address below.

Upon receipt of the signed Confidentiality Agreement and confirmation of payment of the Tender Documents Fee, BNPP shall immediately forward the relevant Tender Documents to the Tender Participant by mail or hand it to its authorized representative.

BNPP 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 the capital is **March 14th, 2005, 5:00 p.m. (Belgrade Time)**. If necessary, the Agency reserves the right to amend the deadlines of this 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 250,000 (Euro two hundred fifty thousands).
7. All the questions relating to this Public Invitation should be directed to BNPP contact persons below:

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