

Pursuant to Article 26 of the Law on Privatisation ("Official Gazette of the Republic of Serbia", Nos. 83/14 and 46/15) 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", Nos. 122/14 and 61/15), the Privatisation Agency (hereinafter referred to as: the Agency) hereby announces the following

**PUBLIC INVITATION
FOR PARTICIPATION IN THE PROCEDURE OF PUBLIC COLLECTION OF BIDS WITH SUBSEQUENT PUBLIC
BIDDING
FOR THE SALE OF ASSETS OF ENTITY UNDERGOING PRIVATISATION
POLJOPRIVREDNA KORPORACIJA BEOGRAD AD, PADINSKA SKELA (AGRICULTURAL CORPORATION
BELGRADE AD, PADINSKA SKELA)
Corporate identification number: 07042230**

Sale code: JP 184/15

The Agency hereby invites all interested parties to participate in the privatisation process of the privatisation entity Poljoprivredna korporacija Beograd AD (Agricultural corporation Beograd AD) Padinska Skela, Corporate identification number: 07042230 (hereinafter referred to as: Entity undergoing privatisation) by method of public collection of bids with subsequent public bidding (hereinafter referred to as: the Procedure), to submit their applications in the Procedure (hereinafter referred to as: the Application).

1. Qualification requirements for participation in the Procedure

Domestic legal entities that meet the following requirements shall have the right to participate in the Procedure:

- that it is registered for the performance of agricultural production, breeding of dairy cows (activity code 0141), and
- that it or its founder or the ultimate owner recorded the income from agricultural activity of at least EUR 50,000,000.00 (fifty-million euros) in the last business year.

2. Information about the Entity undergoing Privatisation

Business name:	Poljoprivredna korporacija Beograd AD Padinska Skela (Belgrade Agricultural Corporation Belgrade AD, Padinska Skela)
Registered headquarters:	Industrijsko naselje 66, Padinska Skela
Corporate identification number:	07042230
Core activity:	Breeding of dairy cows
Structure of capital:	City of Belgrade 98.17854% Socially-owned capital is not expressed in shares 1.82146%
Share capital:	Subscribed cash capital RSD 10,044,714,000 RSD 203,284,080 Paid-in cash capital RSD 10,044,714,000 as at 31 December 2007 RSD 203,284,080 as at 31 December 2009

3. Subject of sale

The subject of sale includes part of the fixed assets and variable assets of the Entity undergoing privatisation, which refers to the following:

- i. Fixed assets:
 - Land - 17,677 hectares of land in the municipalities of Palilula, Surčin and Zrenjanin;
 - construction facilities of the Entity undergoing privatisation used for business purposes;
 - entire equipment of the Entity undergoing privatisation;

Terazije 23, 11000 Belgrade, Republic of Serbia, telephone: 011/3020 800, fax: 011/3020 828, e-mail: info@priv.rs Tax identification number: 100065815, bank gyro account number: 840-1327721-76

- shares of the Entity undergoing privatisation in the following companies, including:
 - a 71% share in the company "ЕКО - LAB" DOO for quality management, Padinska Skela;
 - a 54.23% share in the company "PKB Agroekonomik" DOO - Institute for research and technology transfer in agriculture, Belgrade;
 - a 85% share in the company "Poljoprivredna avijacija PKB" (Agricultural aviation PKB) joint venture company for the services of commercial aviation DOO Belgrade, Padinska Skela, and
 - a 100% share in the company "Veterinary Station PKB" DOO Padinska Skela.

The estimated value of fixed assets as at 31 December 2014 amounts to **EUR 303,914,729.96**.

Bidders shall submit their bids for the above defined Fixed assets.

- ii. Variable assets due to their nature, as well as due to nature of business of the Entity undergoing privatisation is subject to constant changes of quantities (numerical state) and values, and it comprises:
 - entire breeding stock and other biological assets owned by the Entity undergoing privatisation;
 - supplies of the Entity undergoing privatisation;
 - crops planted on agricultural land to be sold as part of the Permanent assets;
 - fixed assets in preparation.

The market value of a variable assets will be determined within 30 days of declaring the buyer. The price offered by the buyer at the public bidding for the permanent assets will be increased by the estimated market value of the variable assets (as described in more detail in the Instructions to Bidders).

Estimated value of the variable assets as at 31 December 2014 amounts to **EUR 39,634,315.06**.

4. Starting price in the Procedure

The starting prices in the Procedure amounts to 51% of the estimated value of fixed assets, i.e., **EUR 154,996,512.28**.

The deposit of the buyer is included in the sale price.

Means of payment are the euro (EUR) or the dinar (RSD - equivalent value calculated at the median exchange rate for the euro of the National Bank of Serbia as at the payment date).

The declared buyer shall pay the purchase price at once.

5. Deadline and manner of submitting the application in the Procedure

Interested parties may submit applications for participation in the Procedure **by 29 February 2016 at 12:00** local time in the Republic of Serbia at the latest.

The application must be submitted in a closed envelope, together with the bid, all in accordance with and as defined in the Instructions to Bidders.

Only timely and complete applications will be considered.

6. Purchase of sale documentation

In order to take over the sale documentation, all persons who express interest in participating in the Procedure are obliged to:

- purchase the sale documentation;
- sign the Agreement on Confidentiality.

The interested party shall submit to the Agency a request for the purchase of the sale documentation (hereinafter referred to as: Request) to the contact persons from the public invitation in writing by mail, e-mail or fax with the reference "Request for the purchase of sale documentation - sale code: JP 184/15".

The request must contain all the contact details of the Applicant (full name, address, corporate registration number, tax identification number, e-mail address, contact telephone and fax), or it shall otherwise be considered irregular and the Agency will not respond to it.

The request shall be submitted in the period from **20 January 2016** until **12 February 2016**.

The fee for purchase of the sale documentation is **RSD 300.000,00**.

Upon receiving the Request, the Applicant's authorised person shall be delivered the invoice for the Fee payment and the Confidentiality Agreement for signing by mail, fax, e-mail or in person.

Upon receiving the receipt of confirmation of the sales documentation price payment and a signed Confidentiality Agreement, the interested persons may take over the sales documentation at the headquarters of the Agency at the address: Terazije 23, 11000 Beograd, fifth floor, every working day from 7:30 am until do 3:30 pm, or by mail or e-mail, to the address from the request.

The sale documentation includes the following:

- Agreement on Confidentiality
- The programme for the sale of assets and the Statement of the person responsible on the accuracy and comprehensiveness of data
- Instructions to Bidders
- Application form for participation in the Procedure
- Draft Agreement on Sale

7. The amount and manner of payment of the deposit

All interested persons shall pay the deposit for participation in the Procedure, in the amount of **EUR 34,354,904.50** or in RSD counter value calculated at the median exchange rate of the National Bank of Serbia at the payment date, all in the manner set forth in Instructions to Bidders.

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

No interest shall be calculated on the paid deposit.

8. Visiting the Entity undergoing privatisation

Upon taking over the sales documents and until expiry of the deadline for application submission, all interested persons may schedule a visit to the Entity undergoing privatisation, in order to examine the property and business books, as well as to conduct interviews with the management, in the manner provided in the Instructions to Bidders.

9. Date, time and place of opening the applications

The opening of the Main envelope and the envelope marked with the designation: "Information about the Bidder" is scheduled for **2 March 2016** at the Agency's premises at the address: Terazije 23, 11000 Belgrade, **on the eighth floor, room 1 at 12:00** local time in the Republic of Serbia.

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

The envelope with the reference "Bid" shall be opened only if the participation application is approved by the Committee.

Participant whose application has been approved shall attend the opening of the envelope with the "Bid" reference. Otherwise, the participant shall be deemed to have withdrawn from its bid and shall lose the right to deposit return.

10. Amendments to the Public Invitation

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

11. Other information of importance for the implementation of the Procedure

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

<p>Privatisation Agency Republic of Serbia Terazije 23, 11000 Belgrade Republic of Serbia Tel: + 381 11 30 20 804 Fax: + 381 11 30 20 881</p>
<p>Nadežda Ćurčić Project Team Leader e-mail: ncurcic@priv.rs Marko Ljuboja Assistant Project Manager e-mail: mljuboja@priv.rs</p>