

GOVERNMENT OF MONTENEGRO  
PRIVATIZATION COUNCIL



Tender Commission for Privatization of AD Montenegro Airlines Podgorica announces:

## THE PUBLIC INVITATION

for participation on the public tender (hereinafter referred to as the „Tender“) for the sale of 30% share capital expressed through 870.183 shares in the company:

### Montenegro Airlines AD, Podgorica

#### 1 Tender Subject

The subject of this Tender is a sale of 870.183 (*eight hundred seventy thousand one hundred eightythree*) shares in the Montenegro Airlines AD, Podgorica (the „Company“), i.e. 30% of the share capital in the Company. The share capital that is subject of the sale is owned by the State of Montenegro/the Government of Montenegro.

As integral part of the tender documentation, the Sale and Purchase Agreement on the respective Tender for sale of 30% share capital of the Company, shall provide management right of the buyer - possibility of decisive influence of the buyer on a decision-making body composition, operating and decision making process of the management in the Company (management agreement) and right of the buyer to purchase additional shares of the Company owned by the State of Montenegro/the Government of Montenegro after two (2) years from the acquisition of 30% share capital of the Company and by fulfilment of investment and other obligations envisaged in the Sale and Purchase Agreement, by which the buyer shall acquire majority shareholding in the share capital of the Company („call option“).

Tender documentation shall also envisage possibility of establishing public-private partnership with the JP Aerodromi Crne Gore (Public Enterprise Airports of Montenegro), through long-term agreement on business-technical cooperation.

#### 2 The Company Data

**The Company** is a joint stock company organized and operated in accordance with the Montenegrin legislation, registered in the Central Register of the Commercial Court under registration number 40008862, with total registered capital in nominal amount of 25.684.928,1 EUR (*twenty five million six hundred and eighty four thousand nine hundred and twenty eight EUR and 1 Eurocent*), distributed on 2.900.613 (*two million nine hundred thousand six hundred and thirteen*) ordinary shares. Nominal value of each share is 8.8550 EUR (*eight EUR and 85,5 Eurocent*).

Identification number of the Company: 02737175.

The core business activity of the Company is air traffic, scheduled, code: 62100.

More detailed information regarding the Company is provided in the tender documentation that will be available to the Tender participants upon signing of the Confidentiality Statement and purchasing the tender documentation.

### **3 Tender Participation**

Participation on the Tender shall be allowed to the interested parties who have purchased the tender documentation and signed the Confidentiality Statement, in accordance with section 5.

### **4 Qualification Requirement**

Tender participant may submit a bid on the Tender (the "Bid"), provided that it fulfils the following criteria:

- (i) has experience in performing the core business activity of the Company for at least 5 years,
- (ii) fleet of minimum 10 aircrafts, and
- (iii) 2 million of transferred passengers in 2009;

(together the "Qualification Requirement").

Fulfilment of the Qualification Requirement shall be examined following the receipt and opening of the bid packages.

Right to submit a Bid has the Tender participant which is directly or indirectly (by participation of 100%) owned by the entity which fulfils the Qualification Requirement, where it shall be deemed that such Tender participant fulfilled the Qualification Requirement if its direct or indirect owner fulfilled it.

The Tender participant who purchased tender documentation may form a consortium with other entities, and such consortium may submit a Bid, under the condition that majority consortium member fulfils Qualification Requirement.

Documentation that must be submitted as evidence of the fulfilment of the Qualification Requirement shall be determined in the tender documentation, which will be delivered to the Tender participants in accordance with section 5.

### **5 Request for purchase of the Tender Documents**

Tender Commission for Privatization of AD Montenegro Airlines Podgorica hereby invites interested parties to submit a written request to purchase the tender documents (the "Request") that should be clearly entitled "Request for Purchase of the Tender Documents". Requests shall be submitted to the Tender Commission for Privatization of AD Montenegro Airlines Podgorica and the Advisor named in the section 9. by mail, e-mail or fax.

Upon receiving the Request, the Secretary of the Tender Commission for Privatization of AD Montenegro Airlines Podgorica (the „Secretary“) will provide interested parties with instructions for payment of the fee for the tender documentation in the amount of 10.000 EUR (*ten thousand EUR*) (hereinafter referred to as: the "Tender Documentation Fee") by mail, e-mail or fax, as well as with the Confidentiality statement. The Tender Participants shall, without delay, return a duly signed Confidentiality statement to the Secretary and the Advisor, and pay the Tender Documentation Fee.

Immediately upon receiving a duly signed the Confidentiality statement and a confirmation from the Secretary that the Tender Documentation Fee has been paid, the Advisor shall provide the Tender participants with the Tender documentation by mail or e-mail.

## 6 Due Diligence

The Tender Participant will be provided with the opportunity to visit the Company, to have meetings with management and to access the Data Room between September 27, 2010 and December 15, 2010, upon agreement with the Advisor.

## 7 Bid Submission Deadline

A Tender participant must submit its Bid in accordance with the rules and procedure prescribed in the Tender documentation, and such Bid must arrive at the address of the Tender Commission for Privatization of AD Montenegro Airlines Podgorica by **December 15, 2010 at 17:00 (local time)** at the latest.

## 8 Bid Bond or Deposit

Along with submission of its Bid, a Tender participant must pay a deposit or submit a Bid Bond in favor of the Privatization Council, in the amount of EUR 150.000 (*one hundred fifty thousand EUR*). Bid Bond have to be in a form of an unconditional and on-demand bank guarantee, issued by a bank with at least BBB credit rating, according to the Standard and Poor's Agency or by a bank approved by the Tender Commission for Privatization of AD Montenegro Airlines Podgorica sole discretion, upon previously submitted written request by the Tender participant, before Bid Submission Deadline.

## 9 Contacts

All inquiries relating to this Public Invitation, Interested parties should address to the Tender Commission for Privatization of AD Montenegro Airlines Podgorica and the Advisor at the following addresses:

TENDER COMMISSION FOR PRIVATIZATION OF AD MONTENEGRO AIRLINES PODGORICA	ADVISOR
<p>PhD Igor Luksic, President of the Tender Commission for privatization of AD Montenegro Airlines Podgorica</p> <p>Attn. Ivan Petrović, Secretary</p> <p>Address: Stanka Dragojevića 2, 81000 Podgorica, Montenegro phone: + 382 20 225 913 fax: + 382 20 225 913 e-mail: <a href="mailto:ivan.petrovic@gov.me">ivan.petrovic@gov.me</a></p>	<p><b>1. Margaret Rajkovic,</b> Director, Raiffeisen Investment AG</p> <p>Address: Ivana Crnojevića 50, 81000 Podgorica, Montenegro phone. +382 20 231 241; fax. +382 20 231 640; e-mail: <a href="mailto:m.rajkovic@raiffeisen-investment.com">m.rajkovic@raiffeisen-investment.com</a> or <a href="mailto:raiffeisen.mont@t-com.me">raiffeisen.mont@t-com.me</a></p> <p><b>2. Bojana Babić,</b> Partner, Babić&amp;Associates - Attornes at Law</p> <p>Address: 12 Čika Ljubina Street, 1<sup>st</sup> floor, 11000 Belgrade, Serbia phone. +381 11 2622 474; fax. +381 11 2622 475; e-mail: <a href="mailto:bojana.babic@babicassociates.rs">bojana.babic@babicassociates.rs</a></p>

## **10 Changes to the Public Invitation**

The Tender Commission for Privatization of AD Montenegro Airlines Podgorica reserves the right to amend particular provisions of this Public Invitation, including provisions that set up certain deadlines.