

SERBIA – TELECOM IPO – REQUEST FOR EOI

Pursuant to the Article 101 Paragraph 1, and Article 72 Paragraph 1 Item 2, of the Public Procurement Law («Official Gazette RS» nos. 39/02, 43/03, 55/04 and 101/05, hereinafter: Law), the Privatization Agency RS (hereinafter: «Agency») announces

PUBLIC INVITATION

for participation of interested bidders in the first stage of restricted procedure of the public procurement of consulting services JN no: 01/08

The subject of the Public Procurement are the Privatization Advisor services for structuring and executing the Initial and Secondary Public Offering of shares of the Telecommunication Company «TELEKOM SRBIJA» AD. ("IPO Transaction").

According to the objectives of the Serbian Government aiming at maintaining the high growth rates of the Serbian economy, significant development of capital markets, increase in foreign investments and further development of the economic outlook for Serbia, the Government is initiating the second stage privatization of the largest telecommunications sector company in Serbia.

Telekom Srbija is the incumbent and largest mobile operator, single provider of fixed services and one of the major ISP in Serbia, with significant presence in the neighbouring markets. Serbian State owns 80% of shares via the public Company «PTT traffic Srbija», with 20% owned by the Hellenic Telecommunications Organization S.A.

The latest financial reports and other information about Telekom Srbija are available on www.telekom.yu.

The proposed transaction is the first of such kind in Serbia to be executed through the offer of shares to citizens of the Republic of Serbia, domestic and international institutional investors; via the Belgrade Stock Exchange and/or dual listing on selected international stock exchange(s).

Qualified citizens of the Republic of Serbia, as well as employees and former employees of "Telekom Srbija" will exercise the right on free shares in accordance with «Law on the Right to Free Shares and Monetary Compensation Exercised by Citizens Within the Process of Privatization» («Official Gazette RS» nos. 123/07).

For the purposes of this Public Invitation, all interested bidders have the right to participate if they fulfill the mandatory participation requirements as stipulated in the Articles 45 and 46 of the Law. Pursuant to the Articles 52 and 101, Paragraph 2 of the Law, the Special Qualification Requirements for this particular process are as follows:

1. The bidder shall be a reputable Investment Bank or a Consortium led by a reputable Investment Bank, which during the period of previous five years, acting in the capacity of the Global Coordinator, successfully managed and executed the following:
 - a) At least 2 (two) IPO transactions in Central and Eastern Europe (CEE) and/or Commonwealth of Independent States (CIS) with the offering size in excess of EUR 500 million; and
 - b) At least 1 (one) IPO transaction in the Telecom sector in Europe, Middle East, CIS or CEE, with the offering size in excess of EUR 500 million.
2. Experience of the Bidder's key personnel.

The Qualification Documentation is available on the website of the Agency www.priv.rs/jp/telekom.

Deadline for submission of Qualification Requests (Applications) is 25 (twenty-five) days from the announcement of the Public Invitation in the "Official Gazette RS", i.e. by the date, time and in the manner stated in the Qualification Documents.

The opening of applications shall be carried out immediately after the expiry of the deadline for submission of applications, at the Agency.

In the second stage of the process, the Procuring Authority shall invite the qualified candidates to submit their offers within 30 (thirty) days after the receipt of the detailed Request for Proposal. The criteria for selection of the most favourable offer in the second stage of the restricted procedure shall be the economically most favourable offer.

The interested parties shall seek and receive all additional information in writing at the address of the Procuring Authority, i.e. by fax or e-mail at the address of the contact person, not later than 5 (five) days prior to the expiry of the deadline for submission of the offers.

Contact Person of the Procuring Authority:
Filip Šanović,
Privatization Agency,
23 Terazije Street, 11000 Belgrade, Republic of Serbia,
Fax: +381 11 30 29 956; E-mail: fsanovic@priv.rs