

GOVERNMENT OF MONTENEGRO



PRIVATIZATION AND CAPITAL INVESTMENT COUNCIL
(hereafter referred as to: “The Council”), announces:

THE PUBLIC INVITATION

for participation on the Tender („The Tender”)

1. for sale of **63.5273%** share capital, expressed through **968.402** ordinary shares of the Company HTP “ULCINJSKA RIVIJERA” AD, Ulcinj, Montenegro,

and
2. a long term lease for a period of 90 years, of a land complex where are located hotels and other buildings of the hotel and tourism company HTP „Ulcinjaska rivijera“ AD, as well as the land which is intended to construction of touristic facilities and other mixed use.

1. Subject of the Tender

- A. Subject of the Tender is sale of 63.5273% share capital, expressed through **968,402** ordinary shares of the company HTP “Ulcinjaska rivijera” AD („The Company”).

Share capital that is a subject of sale is owned by the State of Montenegro/Government of Montenegro (154,600 ordinary shares of the Company or 10.1418% of all issued shares of the Company), the Investment Development Fund of Montenegro AD (116,567 ordinary shares of the Company ili 7.6468% af all issued shares of the Company), the Pension and

Disability Fund of Montenegro (385,612 ordinary shares of the Company or 25.2962% of all issued shares of the Company), the Employment Bureau of Montenegro (128,538 ordinary shares of the Company or 8.4321% of all issued shares of the Company) and the Compensation Fund (183,085 ordinary shares of the Company or 12.0104% of all issued shares of the Company).

AND

- B. Long term lease of a land owned by the State of Montenegro, located on the cadastre plots 16/4 of area 1577 m², 16/5 of area 271 m², 16/6 of area 294 m², 16/7 of area 102 m², 16/8 of area 204 m², 16/10 of area 4039 m², 17/2 of area 1227 m², 27/3 of area 1698 m², 27/4 of area 1516 m², 67/1 of area 36110 m², 110/1 of area 1490 m², 124/1 of area 805 m², 126/1 of area 16625 m², 126/2 of area 2814 m², 127/1 of area 7310 m², 128/1 of area 4574 m², 129 of area 1982 m², 130 of area 767 m², 131 of area 392 m², 132/1 of area 2378 m², 132/2 of area 1327 m², 132/3 of area 64814 m² 132/4 of area 5825 m², 133 of area 7170 m², 137/1 of area 4776 m², 166 of area 17888 m², 167 of area 15034 m², 168 of area 500 m², 169 of area 1426 m², 170 of area 15762 m², 171 of area 1704 m², 172/1 of area 14782 m², 172/2 of area 3809m² registered in the Cadastre List 2018 KO Donji Štoj, total area 240.992 m² and cadastre plots 127/2 of area 46 m² and 128/2 of area 64 m², registered in the Cadastre List 4204 KO Donji Štoj, with total land area of 241.102 m². The land is located in the Municipality of Ulcinj, on Velika plaza (the Great Beach), 5 km far from the city of Ulcinj.

More detailed information regarding the complex of land that is subject of lease and the Company are provided in the Tender documents that will be available to the Tender Participants upon signing of the Confidentiality Statement and purchasing the Tender documents.

2. Details of the Company

HTP Ulcinjska rivijera AD is a joint stock company that was established and exists in accordance of the laws of Montenegro, registered in the Central Register of the Commercial Court under the registration file No. 4-0002204/005, with a total registered capital in the Central Depository Agency AD in nominal value of

60,214,127.6945 €, divided into 1,524,389 ordinary shares. Nominal value of each share is 39,5005 €.

According to the Law on classification of business activities and the Register of Classification Unit, the Company's core business is: Hotels and motels, with restaurants - activity code 55110.

3. Participation on Tender

Participation on tender shall be allowed to the interested parties (including consortium) who have purchased Tender documents and signed the Confidentiality Statement, in accordance with sections 4 and 5 of this Public invitation ("The Tender Participant").

The Tender Participant may form a consortium with other entities before and after the purchase of Tender documents and such consortium may submit the Bid. Consortium Agreement that is submitted along with the Bid must provide the joint and several liabilities of all members of the Consortium for all liabilities from the Tender, the Share Sale and Purchase Agreement and the Lease Agreement.

The Tender Participant must submit the Bid in accordance with the rules and procedure prescribed in the Instructions to Bidders that is part of the Tender documents.

The Bidder is, among the other obligations, expected to:

- Submit the Bid for purchase of 63.5273% share capital in the hotel and tourism company HTP „Ulcinj ska rivijera“ AD, Ulcinj. The Purchase Price for 968,402 ordinary shares shall be one of the criteria for evaluation of the Bid.
- Propose the structure and amount of annual rent, in € per square meter. The amount and structure of proposed rent shall be one of the criteria for evaluation of the Bid.
- Submit the Investment program that will, in detail, specify the structure and dynamics of investments and planned source of investment capital needed. Proposed Investment program shall be one of the criteria for evaluation of the Bid.

4. Request for purchase of the Tender documents

The Council hereby invites interested persons to submit the written request for purchase of the Tender documents (“The Request”), which should be clearly entitled “The Request for Purchase of the Tender documents”. The Requests shall be considered timely if they are submitted to the Secretary of the Tender Commission for tourism by mail, e-mail or by fax by September 19th 2011, at the latest.

5. Tender documents Fee and the Confidentiality Statement

Upon receiving the Request, the Secretary of the Tender Commission for tourism (“The Secretary”) will provide interested parties with Instructions for payment of the Tender documents fee (“Tender documents Fee”) in amount of 10,000€, as well as the Confidentiality Statement, by mail, e-mail or by fax. The Tender Participants shall, without delay, return duly signed Confidentiality Statement and pay the Tender Documents Fee. The Confidentiality Statement has to be returned to the Secretary, and Tender Documents Fee has to be paid on account of the Privatization and Capital Investment Council by September 19th, 2011, at the latest.

Immediately upon receiving the duly signed Confidentiality Statement and confirmation by the Privatization and Capital Investment Council that Tender documents Fee has been paid, the Secretary submit the Tender documents to the Tender Participants, personally, by mail or e-mail. In case that the Tender Participant receives the Tender documents by mail or e-mail, it is obliged to submit a written confirmation of its receipts to the Secretary.

6. Visit to the Company and access to Data Room

The Tender Participant will be provided the opportunity to visit the Company and access the Data Room between June 27th, 2011 and September 16th, 2011, upon agreement with the advisor, Raiffeisen Investment AG.

7. Deadline for submitting the Bid

The Bid on the Tender must be submitted in accordance with the rules and procedures prescribed by the Instructions to Bidders that is part of Tender documents, and such must arrive to the Secretary at the address of the Tender Commission for tourism by September 19th, 2011 at 16:00 (local time), at the latest.

8. Bid Bond or Deposit

Along with the Bid, the bidder must submit the confirmation of paid Deposit or submit an original of a Bid Bond in favour of the Privatization and Capital Investment Council in amount of 150,000.00€, in the form and with content as specified in the Instructions to Bidders, that is part of Tender documents.

9. Payment of the Purchase Price and the Rent

The bidder with whom the Share Sale and Purchase Agreement and the Lease Agreement will be signed shall be obliged to pay the Purchase Price to the accounts of the Sellers within the deadline and as provided in the agreement , and the rent shall pay as defined in the Lease Agreement.

10. Amendments to the clauses of the Public Invitation

The Privatization and Capital Investment Council reserves the right to amend some of the clauses of this Public Invitation, including the clauses that define deadlines.

11. Contacts

All inquiries regarding to this Public Invitation, Interested parties should address to the Tender Commission for tourism and the Advisor at the following addresses:

TENDER COMMISSION FOR TOURISM

Predrag Sekulić, President of the Commission
Privatization and Capital Investment Council,
Karadorđeva bb
81000 Podgorica, Monenegro

Attn. Tanja Markoč, Secretary of the Tender Commission for tourism

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