

THE GOVERNMENT OF MONTENEGRO
THE PRIVATIZATION AND CAPITAL INVESTMENT COUNCIL



The Tender Commission for the privatization of the Institut Igalo AD hereby announces the:

PUBLIC INVITATION

for participation on the tender (“The Tender”) for the sale of 56.4806 % of share capital expressed through 215,954 shares in the company:

INSTITUTE FOR PHYSICAL MEDICINE, REHABILITATION AND RHEUMATOLOGY DR SIMO MILOSEVIC AD IGALO

1. The subject of this tender is the sale of 215,954 (two hundred fifteen thousand nine hundred fifty four) shares of the company Institute for Physical medicine, rehabilitation and rheumatology „Dr. Simo Milošević“ AD, Igalo (the „Company“ or the “Institut Igalo AD”), i.e. 56.4806 % of the share capital in the Company with the obligation of a buyer to realize Investment Program.

The share capital that is subject of sale is owned by the Government of Montenegro (73,387 shares or 19.1936 %), the Investment - Development Fund of Montenegro AD (90,411 shares or 23.6461 %), the Health Insurance Fund of Montenegro (39,117 shares or 10.2307 %) and the Employment Bureau of Montenegro (13,039 share or 3.4102 %).

2. Details about the Company

The Company is a Joint Stock Company founded and existing in accordance with the Montenegrin legislation, and registered with the Central Register of the Commercial Entities under the registration file no: 4-0000823, with a total registered capital of EUR 59,240,278.65 (fifty nine million two hundred forty thousand two hundred seventy eight EUR and sixty five cents) in nominal, divided into 382,351 (three hundred eighty two thousand three hundred fifty one) shares. The nominal value of each share is EUR 154.9369.

Company Registration Number: 02008386

Identification number of the core activity of the Company: 8610

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

3. Participation in the Tender shall be allowed to the interested parties (including consortiums) who have purchased the Tender Documents and signed the Confidentiality Statement, in accordance with sections 6 and 7 of this Public Invitation (“**The Tender Participant**”).
4. A Bid on the Tender may be submitted by a Tender Participant, provided that it fulfills the following criteria:
 - (i) it has in its ownership (directly or indirectly, through a subsidiary in which the Bidder owns at least 51 % of capital and in which the Bidder has management control) at least one medical rehabilitation center that provides services of physical medicine, rehabilitation and rheumatology or hotel/hotel complex with capacity of at least 200 rooms, international categorization of 5 stars that has health, wellness, spa & relax capacities, or letter of intention or signed agreement for management with a reputable company that has experience and manages at least one center for physical medicine, rehabilitation and rheumatology;
 - (ii) it had a total revenue of at least 100,000,000 EUR (*one hundred million EUR*) in the course of 3 previous business years (2011, 2012 and 2013) cumulatively,

criteria (i) and (ii) from this paragraph 4. must be fulfilled cumulatively (together “**The Qualification Requirements**”).

A Tender Participant that is directly or indirectly owned (with 100% participation or under full management control) by an entity that fulfills the Qualification Requirements is entitled to submit a Bid.

Fulfillment of the Qualification Requirements shall be examined following to the receipt and opening of the Bid packages.

Documentation that must be submitted as evidence of the fulfillment of the Qualification Requirements shall be determined in the Tender Documents, which will be delivered to the Tender Participants in accordance with sections 7. and 8.

5. The Tender Participant that purchased the Tender Documents, may form a consortium with other entities, and such consortium may submit a bid under the condition that one consortium member fulfills Qualification Requirements.

The Consortium Agreement must contain, inter alia, provisions that clearly and unequivocally stipulate and define unlimited joint and several liability of all members of the consortium for the obligations arising from the Bid, the Tender and the Sale and Purchase Agreement.

6. The Tender Participant is to submit its Bid in accordance with the regulations and procedures stipulated in the Instructions to Bidders that are contained in the Tender Documents.

The Bidders are expected, inter alia, to meet the following minimum requirements (hereinafter referred to as the “**Minimum Requirements**”):

- a) The Bid for the Purchase price for 56.4806% of Company’s share capital may not be less than EUR 10,000,000 (*ten million Euro*);
- b) Investment Program value must provide for Bidder’s minimum investment in:

- i. Medical equipment, in the amount not less than EUR 5,000,000 (*five million Euro*),
- ii. Reconstruction and renovation of the Company's facilities, in the amount not less than EUR 20,000,000 (*twenty million Euro*).

The Tender Commission will not consider Bids that do not meet the Minimum Requirements.

7. The Tender Commission for the privatization of the Institut Igalo AD (the "Tender Commission"), hereby invites interested parties to submit a written request to purchase the Tender Documents ("The Request") that should be clearly entitled "The Request for Purchase of the Tender documents".
8. Upon receiving the Request, the Secretary of the Tender Commission will provide interested parties with instructions for the payment of the fee for the tender documents ("The Tender Documents Fee") in the amount of 10,000 EUR (*ten thousand EUR*) by mail, e-mail or fax, as well as with the Confidentiality Statement. The Tender Participants shall, without delay, return duly signed Confidentiality Statement to the Secretary of the Tender Commission and pay the Tender Documents Fee.

Immediately upon receiving a duly signed Confidentiality Statement and confirmation from the Privatization and Capital Investment Council that the Tender Documents Fee has been paid, the Advisor shall provide the Tender Participants with the tender documents, by e-mail. The Tender participant is obliged to submit a written confirmation of a receipt of the Tender Documents to the Secretary of the Tender Commission.

9. The Tender Participant will be provided with the opportunity to visit the Company and to access the Data Room between 3rd February, 2014 and 29th April, 2014 upon agreement with the Advisor.
10. A Bid on the Tender must be submitted in accordance with the rules and procedure prescribed in the Tender Documents, and such Bid must arrive at the address of the Tender Commission not later than **29th April, 2014 at 12:00pm** (local time), at the latest. The Tender Commission reserves the right to amend this deadline if needed.
11. Along with submission of its Bid, a Bidder must pay a Deposit or submit a Bid Bond in favor of the Privatization and Capital Investment Council, in the amount of EUR 200,000 (*two hundred thousand Euro*), in the 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 in its sole discretion, upon previously submitted written request by the Tender Participant.
12. A Bidder with whom the sale and purchase agreement will be signed shall be obliged to pay the amount of the purchase price in cash, within the deadline determined in the Sale and Purchase Agreement.
10. The Tender Commission for the privatization of the Institute Igalo AD reserves the right to amend the particular provisions from this Public Invitation including deadlines.
11. All inquiries relating to this Public Invitation, interested parties should address to the Tender Commission and the Advisor at the following addresses:

TENDER COMMISSION

**Branko Vujovic, President
Tender Commission for the privatization**

Moskovska 17/A, M/C1
81000 Podgorica, Crna Gora
tel: +382 20 235 565
fax: +382 20 513 503

Attn. Ivana Šaranović Jovičević Secretary of the
Tender Commission
e-mail: ivana.saranovic@ano.co.me

ADVISOR

**Margaret Rajković, Director
Raiffeisen Centrobank AG**

Ivana Crnojevića 50
81000 Podgorica, Montenegro
Tel. +382 20 231 241
Fax: +382 20 231 640

e-mail: margaret.rajkovic@rcb.at
or raiffeisen.mont@t-com.me