



**REPUBLIC OF CROATIA  
MINISTRY OF FINANCE**

## **The Republic of Croatia**

### **Ministry of Finance**

#### **Invitation for Expression of Interest and Submission of Non-binding Offers in the Acquisition of Shares in CROATIA OSIGURANJE d.d.**

Pursuant to Articles 8 and 31 paragraph 2 of the Government of the Republic of Croatia Act (Official Gazette no. 150/11) and in relation to Article 36 of the Act on Government Asset Management (Official Gazette no. 145/10 and 70/12), the Government of the Republic of Croatia has approved the commencement of the procedure for the sale of shares in Croatia osiguranje d.d., with registered seat in Zagreb, Miramarska 22 (hereinafter: "CO" or "the Company"), and consequently invites investors to submit expression of interest and non-binding offers for the acquisition of CO shares and the increase of the Company's share capital.

#### **1. Croatia osiguranje d.d.**

CO is a joint-stock composite insurance company incorporated under the Croatian law.

The Company's share capital amounts to HRK 442,887,200 and consists of 316,348 shares with a nominal value of HRK 1,400 per share, out of which 307,598 are ordinary shares and 8,750 are preferred.

#### **2. Privatisation process of CO**

The Republic of Croatia, holding approximately 80.2 % of the total Company's shares, intends to sell a portion of its equity interest in the Company.

The transaction to privatise the Company will be carried out through an open international tender process in such a way that upon completion of the sale the Republic of Croatia will, ultimately, retain a minimum of 25% plus one share of the share capital of the Company and up to maximum share of 30% after the increase in share capital.

#### **3. Investors eligible to participate in the sale procedure of CO shares**

This announcement is addressed exclusively to interested investors eligible under the EU law and law of the Republic of Croatia, The acquisition of the Company's shares is subject to certain regulatory approvals and certain investors may be excluded from the envisaged transaction on the basis of such regulatory procedure.

Parties which are in liquidation or subject to insolvency, administration, receivership or other similar proceedings, or any proceedings that imply a situation of insolvency or the interruption of business activities, will not be admitted to the sale procedure.

#### **4. Sale procedure: expression of interest**

Interested investors satisfying the requirements set out in paragraph 3 are invited to submit their expression of interest, presenting themselves in written form to the financial advisor (at the address noted below) by 31 August 2013, clearly referring to "Croatia osiguranje privatisation" as the subject matter of such correspondence:



**REPUBLIC OF CROATIA  
MINISTRY OF FINANCE**

Daniel Radić, KPMG Croatia d.o.o., Ivana Lučića 2a/17, 10000 Zagreb, Republic of Croatia

The following documents (with a translation into English, if the original is not in Croatian or English) shall be attached to the letter:

- 1) The latest non-consolidated and, where available, consolidated financial statements of the interested investor;
- 2) The powers granted to the legal representative who has signed the letter;
- 3) A declaration that the interested party is not in liquidation or subject to any proceedings of insolvency, administration, receivership or other similar proceedings or any proceedings that imply a situation of insolvency or the interruption of business activities.

The expression of interest may be submitted jointly by two or more parties acting as consortium for the purposes of the acquisition (pool of investors), and by investors intending to implement the transaction through a special-purpose entity incorporated for such purpose. In such cases, the documents accompanying the letter must relate separately to each submitting party, or to each owner of the special-purpose entity. It is intended that all the parties concerned shall be jointly and severally responsible for all the obligations arising from the future acquisition (if any) of CO shares.

All expressions of interest should be submitted by the interested party directly. However, brokers or agents of any kind are admitted, provided that they disclose the name of the investors they are representing: any failure to do so will render any such expression of interest inadmissible.

Incomplete expressions of interest and/or expressions of interest received after the deadline may not be taken into consideration. Expressions of interests that are received through any other means than the one mentioned above shall not be taken into account.

After the receipt of the expression of interest, the interested parties (meeting the requirement) will be supplied with a confidentiality agreement to be accepted; when the confidentiality agreement, duly signed, is sent back, the interested parties will be provided with the Executive Teaser about CO and Information Memorandum together with the Letter of invitation to submit a non-binding offer, containing the related instructions and a description of the further steps of the sale procedure.

Deadline for submission of non-binding offer is 20 September 2013.



**REPUBLIC OF CROATIA  
MINISTRY OF FINANCE**

**Miscellanea**

The publication of this announcement nor the receipt of any expressions of interest do not constitute any obligation of, or undertaking by the Ministry of Finance of the Republic of Croatia to sell any shares in CO to any of the parties interested in the acquisition, nor shall it give rise to any claim or right of action by such parties for the performance of any action by the Ministry of finance and/or its financial and legal advisors, on any ground whatsoever.

The Ministry of Finance of the Republic of Croatia reserves the right, at its sole discretion and at any time to: (i) withdraw from the sale procedure, or (ii) to interrupt or modify it, or (iii) to exclude any interested party from the sale procedure without giving rise to any claim for compensation of damages whatsoever by the interested parties against the Ministry of Finance of the Republic of Croatia and/or its financial and legal advisors.

Any data received shall be processed in compliance with the provisions of the law, so as to ensure the protection of the rights and privacy of the interested parties. In particular the data shall be processed exclusively for the purpose of ascertaining whether the parties satisfy the above-stated conditions for participating in the sale procedure of CO shares and to ensure the proper conduct of the privatisation process.

The distribution or publication of this invitation shall not constitute an offer or sale of CO shares in any jurisdiction, and any such offer or sale at any time after the distribution or publication of this invitation may be subject to restrictions in certain jurisdictions. This announcement letter is governed by the laws of the Republic of Croatia and any dispute shall be finally resolved by the Croatian courts.