

Pursuant to Article 44 of the Financial Operations and Pre-Bankruptcy Settlement Act ("Official Gazette", Nr. 108/12, 144/12, 81/13, 112/13), the Management Board of the company Badel 1862 d.d., in the process of implementing measures from the Financial restructuring plan, which measures have to be implemented in order for the debtor to become liquid and solvent, on April 22nd 2014 announces as follows

PUBLIC INVITATION
for the collection of offers for strategic merging and capital increase of the company
Badel 1862 d.d., Zagreb, Vlaška 116, PIN 36749512860
within the procedure of Pre-bankruptcy settlement

I.

Badel 1862 joint stock company, wines, alcoholic beverages and soft drinks (hereinafter: Company) is a trading company majority owned by the State, whereby the Republic of Croatia is the majority shareholder with 2.123.471 shares of the Company accounting for 67,68% of share capital. Based on the Decision of the competent Settlement Council dated April 23rd 2013, the procedure of Pre-bankruptcy settlement was opened over the Company and on July 29th 2013, by the Decision of the Settlement Council, the procedure of Pre-bankruptcy settlement was interrupted which interruption is still ongoing.

The Company is registered in the Court Registry of the Commercial Court in Zagreb under the Company's court registration number: 080000194. The Company's headquarter is in Zagreb, at the address Vlaška 116, PIN: 36749512860.

Share capital: 313.761.600,00 HRK, paid in full.

Total number of shares: 3.137.616, nominal share value: 100,00 HRK.

II.

We call upon all interested strategic partners and investment financiers to declare their interest and submit offers for investing in the Company, respectively for strategic merging with the company with the purpose of sustainability of continuing business operations and the Company's capital increase with the goal of implementing measures of financial and operational restructuring within the procedure of Pre-bankruptcy settlement, and all in accordance with the criteria from this Invitation.

Interested strategic partners and investment financiers can declare their interest and submit their offers for investments within the procedure of Pre-bankruptcy settlement over the Company, which will be implemented by means of investing in the Company's share capital increase in money and/or things or rights (by the Company's capital increase) respectively by merging through an entrepreneurial contract with the purpose of sustainability of continuing business operations.

In accordance with the above stated, all interested bidders are called to declare their interest for implementing the above measures in the procedure of financial and operational restructuring of the Company within the procedure of Pre-bankruptcy settlement as follows:

- in the first round, by submitting an **indicative offer**, till **May 15th 2014**
- in the second round, by submitting a **binding offer** till **June 15th 2014**

Upon collecting potential bidders' **indicative offers** in the first round, the Company will reach a decision on selecting potential strategic partners and/or investment financiers which will have the right to request and receive available documents and data on the Company, in order to, in accordance with their own assessments and needs, carry out due diligence of the Company with the goal of drafting and submitting a binding offer in the second round.

The final deadline for submitting **binding offers** is **June 15th 2014**. Offers submitted after the defined deadline are not valid and will not be taken into consideration.

When submitting indicative and binding offers, the bidders are obliged to submit contact data in the offer (company, identification number, name and surname of the responsible person as well as the contact person, headquarter, phone number, e-mail address).

Offers will be submitted with the indication:

- in the first round “INDICATIVE OFFER FOR STRATEGIC MERGING AND CAPITAL INCREASE OF THE COMPANY BADEL 1862 d.d.”
- in the second round “BINDING OFFER FOR STRATEGIC MERGING AND CAPITAL INCREASE OF THE COMPANY BADEL 1862 d.d.”

At the address:

BADEL 1862 d.d.
Vlaška 116
10000 Zagreb

Contact person in the Company for activities from this invitation:

Branka Stipić Telephone +385 1 4609 411
Mobile phone: +385 99 27 43 338
E-mail: zagreb@badel1862.hr

After the Company collects bidders' offers in accordance with the criteria from this invitation, the bidders will be informed within 30 days on the selection of the strategic partner and/or investment financier as well as on the amount of investment, the requirements and the deadline for implementing the investment.

BADEL 1862 d.d.

General Manager

Ivo Markotić

BADEL1862
dioničko društvo
vina, alkoholna i bezalkoholna pića
44 ZAGREB, Vlaška 116