

The government increased its share in equity and did not announce takeover bid of other actions. Assembly of EPCG shareholders adopted a decision in the second half of July on the conversion of the company tax debt of 45MEUR in equity, by which the state of Montenegro has increased share to 56.9 percent. After completion of the transaction, the Italian company A2A has 41.7 percent and minority shareholders, who did not have the right to purchase in the new emission, have the remaining 1.34 percent of the stake.

Have the government entered into a A2A trap

To the Commission for the Securities and Exchange Commission (KHOV) will come this week a request of shareholders of Electric Power Industry (EPCG) who are dissatisfied because after the recent changes in the ownership structure and increase of state ownership of 56 percent of shares was not given the takeover bids for other minority shares at a nominal value of 7.64 EUR per share in accordance with the Law on Joint Stock Companies.

KHOV is responsible for the supervision and control of the implementation of the Law on Takeover of Joint Stock Companies.

If eventually be determined that the states should, after increasing ownership in EPCG, to publish a takeover bid for the company, to the state budget, namely to the taxpayers, threatens the additional cost of around 13 MEUR which is necessary to allocate for the purchase, at nominal value, of the remaining 1.34 percent of EPCG shares owned by small shareholders.

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Before this transaction, the state of EPCG had 55 percent of the share, and the Italian partner A2A, which has managed 43.7 percent of the company capital under the management contract from the fourth quarter of 2009th.

Of the remaining small shareholders individually the most has CKB, a little less than 60,000 shares which are nominally worth about 450,000 EUR.

According to the Law on Takeover of Joint Stock Companies (Article 7) "any natural or legal person who alone or with a related person, directly or indirectly, acquires shares which exceeds 30 percent of the shares with the issuer voting right is obliged to publish takeover bid for any further acquisition of shares of that issuer".

Likewise, Article 12 of the same Law provides that "if the acquirer and / or persons connected to him, do not raise a public takeover bid, do not publish the prospectus for the public takeover bid or do not dispose surplus, shareholders of the issuer may at the relevant court (Commercial Court) initiate proceedings for the payment of the purchase price at

which the acquirer was required to conduct a takeover”.