

According to the Decision of the Ivo Lola Ribar Sistem Joint-stock company, Belgrade, in restructuring, 2 Jugoslovenska St. (hereinafter: Lola Sistem Joint-stock company) no. 979 dated 15.06.2007, the Decision of the Privatization Agency of the Republic of Serbia on approval of the Restructuring Program of the Lola Sistem no. R-01/OD dated 03.01.2007, the Agreement on the Power of Attorney II, Cert.no. 783/07 closed on 20.06.2007 in Belgrade between Lola Sistem Joint-stock company as the Ordering Party and the Privatization Agency of the Republic of Serbia, as the Holder of Power of Attorney, Privatization Agency of the Republic of Serbia announces:

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
PURCHASE OF A PART OF REAL ESTATE AND MOVABLE PROPERTY OF THE LOLA
SISTEM JOINT-STOCK COMPANY BELGRADE – PLANT 13A AND ENERGY COMPLEX
WITH BELONGING FACILITIES AND EQUIPMENT**

1. Subject of sale

Sale Code: R - 260707- 039

Subject of sale is a part of the real estate and movable property owned by the Lola Sistem Joint-stock company, i.e:

- a) Plant 13A (Plant with annexes and Field M8), comprising total area of 20.043,43 m² (Plant 17.996,72 m² and Annexes 2.046,71 m²);
- b) Cloakroom with offices, 969,00 m²;
- c) Line for painting of joints, 159,42 m²
- d) Transformer station TS 35/6 with compressor station, 1.687,80 m²
- e) Carpenter's shop (part), 378,66 m²
- f) Thermal-energetic complex, boiler room, TS 6/04 KW, tank 1000 m³, mazout and gas station, 1.152,80 m²
- g) Sheet metal barrack, 124,80 m²
- h) Gas works, 537,12 m²
- i) Measuring and regulation station for natural gas, 59,00 m²
- j) Workers' canteen with capacity of 350 meals, 583,28 m²
- k) Porter's lodge, 4,00 m² and
- l) Equipment placed in the stipulated facilities, according to the Specification, which is an integral part of the Sales and Purchase Agreement.

The real estate and movable property are offered for sale as seen, without further complaints.

2. Mandatory requirements of sale

- Initial price for a part of the real estate and movable property amounts to RSD 147.201.323,00 (In letters: one hundred forty seven million two hundred one thousand three hundred twenty three);
- Deposit amounts to RSD 14.720.132,00 (In letters: fourteen million seven hundred twenty thousand and one hundred thirty two);
- If a buyer is a foreign legal entity or individual, it is to pay in the deposit in EUR, according to the Instructions submitted by the Privatization Agency;
- A buyer fully accepts rights and obligations established by the final version of the Sales-Purchase Agreement for a part of the real estate and movable property of the Lola System – Plant 13A and energetic complex with belonging facilities and equipment, which are shown in the Appendix to the selling documents.

3. Participation requirements

A buyer of a part of the real estate and movable property cannot be: 1) domestic legal entity operating with the major socially-owned capital; 2) a legal entity and individual which has due, but not settled liabilities towards the Seller and 3) related companies of the Seller. Such applications shall be rejected without consideration.

As a Bidder can apply an enterprise, an individual investor, a Consortium consisted of enterprises and/or individual investors (hereinafter: »Consortium«). One of members of a Consortium, i.e. a person authorized by a Consortium has to be specified to represent a Consortium (hereinafter: »the authorized Representative of the Consortium«) and to act on behalf of and for the account of a Consortium.

4. Selling documents

Interested parties can purchase the bidding documents at the price of **RSD 40.000,00** (forty thousand), after receipt of invoice from the Privatization Agency. Purchase of the documents for the Public Bidding is obligatory, and on their collection one is to sign the Confidentiality Agreement.

After the payment evidence has been submitted, the Public Bidding documents can be collected at the following address: Privatization Agency of the Republic of Serbia, Auction Center, 23 Terazije St, 5th floor, office 511, from 09:00 to 17:00 in period from 25 June until 19 July 2007.

Those who are interested, after they have purchased the Bidding Documents, will be enabled to visit the real estate and movable property which is the Subject of sale, at the address Belgrade, 2 Jugoslovenska St., contact person Slobodan Jakšić, on working days from 09:00 – 15:00. Phone number: 011 2577 545.

5. Submission of applications for participation in the Public Bidding

Deadline for submission of applications is 19.07.2007, at 17:00.

The application must contain data given in the Instructions to Bidders, which are an integral part of the documents, deposit payment evidence and the account number for return of the deposit.

Filled application, which is a part of the Public Bidding documents, with the signed Draft of the Sales and Purchase Agreement, initialed on each page and deposit payment evidence, are to be submitted in a sealed envelope marked with: APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING R-260707-039, Privatization Agency, Belgrade, 23 Terazije St.

The Commission for sale of a part of the real estate and movable property shall inform all applicants on approval of their applications at the latest until one working day prior to the date of the Public Bidding performance.

Prior to submission of an application, a participant is obliged to pay in the deposit, or to submit the first-class bank guarantee, to the account and for the benefit of the Privatization Agency, to the amount of RSD 14.720.132,00 (In letters: fourteen million seven hundred twenty thousand and one hundred thirty two). The deposit is to be paid in as follows:

- Beneficiary: Privatization Agency of the Republic of Serbia, 23 Terazije St., Belgrade
- Account number: 840-1332721-14
- Basis of transfer: Sales and purchase of a part of the real estate and movable property of the Lola System Joint-stock company – Plant 13A and energy complex with belonging facilities and equipment.

6. Public Bidding performance:

Public Bidding will be held on 26 July 2007, at 11:00, at the Privatization Agency, 23 Terazije St., Belgrade, Large Hall on the second floor.

Registration of participants in the Public Bidding shall start two hours prior to the Public Bidding, and shall be finished ten minutes prior to the Public Bidding, i.e. from 09:00 to 10:50. The methods of the Public Bidding performance and conclusion of the Sales and Purchase Agreement are explained in detail in the Instructions to Bidders, which are an integral part of the documents.

The deposit is to be returned to all the participants not having been declared buyers within the period provided in the Instructions to Bidders, which are an integral part of the documents.

The participant with the best offer, which is declared a buyer, will have the deposited sum calculated in the purchase price, and in case of its waiving, the deposit is to be retained.

Privatization Agency of the Republic of Serbia

Auction Center

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