

According to the Decision of Ivo Lola Ribar Sistem a.d. Belgrade in restructuring, 2 Jugoslovenska St. no. 1459 dated 26.12.2006, the Decision of Serbian Privatization Agency no. R-01/OD dated 03.01.2007. on accepting the restructuring programme and the Contract of Power of Attorney II/1 Cer. no. 122/2007 concluded on 18.01.2007 in Belgrade between «Ivo Lola Ribar Sistem» a.d. in restructuring, as a Principle, and Serbian Privatization Agency, as a Holder of Power of Attorney, the Privatization Agency announces

PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR PURCHASE OF REAL ESTATE AND MOVABLE PROPERTY OF IVO LOLA RIBAR SISTEM AD IN RESTRUCTURING WHICH IS USED BY THE ENTERPRISE LOLA FABRIKA ELEKTROOPREME DOO OBRENOVAC

1. Subject of Sale

Sale Code: R-160207-031

1) A part of the real estate of «Ivo Lola Ribar Sistem» a.d. in restructuring, used by «Lola Fabrika elektroopreme» d.o.o., which comprises the following:

- a) Hall for production of control systems in the area of 2.447,68 m²,
- b) Hall for production of printing boards in the area of 2.810 m²,
- v) Annex of the hall in the area of 1.272,79 m²,
- g) Doorman's booth in the area of 57,74 m²,
- d) Substation in the area of 50,64 m²,
- đ) Cable warehouse in the area of 500 m²,
- e) Chemicals Warehouse – container in the area of 1 m²,

with internal roads comprising the area of 4.653 m².

Of the entire real estate on sale, «Ivo Lola Ribar Sistem» a.d. in restructuring has been registered in the Real Estate List no. 923 KO Urovci as a holder of right of use of the facility for electric machines production and apparatuses in the area of 6.297 m², auxiliary building of 75 m² and substation of 59 m², situated in the town of Urovci, 6 Industrijska zona, and as a user of socially-owned land in the area of 31.616,00 m² on cadastre lot no. 1490/3 KO Urovci, where the facilities are situated.

2) A part of the movable property – equipment of «Ivo Lola Ribar Sistem» a.d. in restructuring, used by «Lola Fabrika elektroopreme» d.o.o., according to the Specification given in the List of Real Estate and Movable Property, the most important of which comprises the following:

- Semi-automatic machine (out of order),
- General tool milling machine,
- Fork-lift truck 2T (1989),
- Camera,
- Microwave soldering machine (out of order),
- Two film processing systems,

- Console jack,
- Passenger vehicle (Peugeot from 1991).

The real estate and movable property are on sale as found, without possibility of further complaints.

2. Mandatory Terms of Sale

- Initial price for the real estate and movable property amounts to CSD 95.168.500,00 (Ninety-five million one hundred and sixty-eight thousand five hundred)
- Deposit amounts to CSD 9.516.850,00 (Nine million five hundred and sixteen thousand eight hundred and fifty)
- If the purchaser is a foreign legal entity or natural person, the deposit shall be paid in EURO according to the official average exchange rate of NBS on the day of this public invitation's announcement
- The purchaser accepts the rights and obligations provided in the final text of the Property Sale Contract given in the Appendix of the Sale Documents

3. Participation Requirements

The Purchaser of the real estate and movable property cannot be the following: 1) domestic legal entity with majority socially-owned capital; 2) legal entity and natural person having due, but unsettled liabilities towards the Seller; 3) Subsidiaries of the Seller. Such applications shall be rejected without being taken into consideration.

The bidding participant may also be a consortium of domestic and/or foreign legal entities and/or individuals (hereinafter: Consortium). The Consortium Agreement shall give authorization to one Consortium member to represent the Consortium (hereinafter: Authorized representative of the Consortium) and to act on behalf and for the Consortium.

4. Sale Documents

Interested parties can purchase the sale documents at the price of CSD **40.000,00**, after the invoice has been issued by the Privatization Agency. The purchase of Public Bidding Documents is obligatory, and upon its collecting, one is to sign the Confidentiality Agreement.

Upon submitting the payment evidence, the sale documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St., 5th floor, Room 511, from 9:00 to 17:00, from 23.01.2007 to 09.02.2007.

Upon collecting the Public Bidding Documents, potential purchasers can visit the property on sale at the following address: Belgrade, Urovcı, 6 Industrijska zona, contact person Ljubodrag Bilčar, every day from 9:00 to 13:00. Contact telephones: 011-8754-790 and 063-484-010.

5. Submission of Applications for Participation in the public Bidding

Deadline for submission of applications is 09.02.2007 at 17:00.

The application has to contain the data given in the Instructions to Participants in the Public Bidding which are the integral part of the Documents, along with deposit payment evidence and number of account for returning the deposit.

Completed application which is a part of the Public Bidding Documents, with signed SPA Draft, signed 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-160207, Privatization Agency, Belgrade, 23 Terazije St.

The Commission for the conduct of the public bidding will inform the applicants on the approval of their applications no later than one day prior to the date of the public bidding.

Prior to submission of the application, the participant is obliged to pay the deposit, or submit first-class bid bond into the account of and for the Privatization Agency, amounting to CSD 9.516.850,00 (Nine million five hundred and sixteen thousand eight hundred and fifty). Deposit is to be paid in the following way:

- User: Serbian Privatization Agency, 23 Terazije St., Belgrade
- Number of Account: 840-1332721-14
- Basis of Transfer: Purchase and Sale of real estate and movable property of «Ivo Lola Ribar Sistem» a.d. Beograd, in restructuring, used by the enterprise Lola Fabrika elektroopreme d.o.o. Obrenovac

6. Public Bidding:

The Public Bidding will be held on 16.02.2007 at 14:00, at the Privatization Agency, 23 Terazije St., Belgrade, Large Hall on 2nd floor.

Registration of the participants in the public bidding will be held on 16.02.2007 at the same address from 13:00 to 13:50.

The method of the Public Bidding and conclusion of SPA are described in detail in the Instructions to Participants, which are the integral part of the documents.

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

The participant who bids the highest offer and is declared a buyer, has the right to have the deposited sum calculated in the purchase price, and in case of the purchaser's desisting, the deposit is to be retained.

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