

According to the Decision «Ivo Lola Ribar Sistem» a.d. Beograd in restructuring, Jugoslovenska 2 (further in the text: Lola Sistem) No. 224/1 dated 05.04.2005, the Decision of Lola Informacione tehnologije a.d. Beograd, Jugoslovenska 2 (further in the text: Lola Informacione tehnologije) No. 8/1 dated 05.04.2005, the Decision of the Privatization Agency of the Republic of Serbia No. 344-1005-ZDS/01 dated 10.05.2005, the Decision of the Privatization Agency of the Republic of Serbia No. 354-1005-ZDS/01 dated 10.05.2005, and the Agency Contract concluded on 09.05.2005 in Belgrade between «Lola Sistem» and «Lola Informacione tehnologije», as a Principal, on one side, the Privatization Agency of the Republic of Serbia, as a Proxy, the Privatization Agency announces

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION FOR
PURCHASE OF THE SHARE OF LOLA INFORMACIONE TEHNOLOGIJE IN THE
ENTERPRISE LOLA INVEST INŽENJERING DOO BEOGRAD AND THE SHARE
OF MOVABLE PROPERTY OF IVO LOLA RIBAR SISTEM**

1. Object of sale

Sale code: R-160605-019

The object of sale is:

- 1) The share of «Lola Informacione tehnologije» in the enterprise for engineering «Lola Invest inženjering» d.o.o. Beograd, Lička 1 b, whose value has been registered in the Commercial Court in Belgrade and amounts to 5.000,00 USD in dinars out of which 2.500,00 USD has been paid, that is, 171.726,75 dinars, on 28.3.2002.
- 2) A part of the movable property – of the equipment of «Lola Sistem», which is used by Lola Invest inženjering d.o.o. Beograd, according to the Specification given in the Property list (computers, furniture, office supplies)

The movable property is on sale as it was seen, without later complaints.

2. Obligatory Conditions of Sale

- The share and the movable property are on sale as a whole;
- Initial price for the share and movable property is 1.207.000,00 (one million two hundred and seven thousand) dinars
- Deposit is 120.700,00 (one hundred and twenty thousand seven hundred) dinars;
- The buyer is to accept rights and obligations stipulated in the final text of the Sales Contract which is given in the annex of the sale documentation.

3. Conditions for Participation

The buyer of the share and movable property cannot be: 1) domestic legal person in business with major socially-owned capital; 2) legal and physical persons who have due but unsettled obligations towards the Seller and 3) dependent enterprises of the Seller. Such applications will be rejected..

The participant can be an enterprise, individual investor, consortium comprising enterprises and/or individual investors ("Consortium"). One of the members of the Consortium, that is, person given the authority by the Consortium, has to be appointed to represent the Consortium ("accredited representative of the Consortium") and to work on behalf of and for the benefit of the Consortium.

4. Sale Documentation

Those who are interested can buy public auction documentation at the price of 25.000,00 dinars after the invoice is received from the Privatization Agency. Purchase of public auction documentation is obligatory, and on its receipt one is to sign the Agreement on Keeping the Confidential Information.

After the payment evidence is submitted, public auction documentation can be collected at the following address: the Privatization Agency of the Republic of Serbia, the Auction Center, 23 Terazije St., 5th floor, room 511, 9:00 - 17:00, from 13.05.2005 to 07.06.2005.

Having collected public auction documentation, the interested buyers can view the assets that are on sale at the address: Beograd, Lička 1 b in the enterprise Lola Invest inženjering d.o.o. Beograd, contact person Vladimir Kisić, svakog every weekday 9:00-13:00. Contact telephones: 011-361-49-65.

5. Submission of application for participation in public auction

The closing date for submission of applications is: 08.06.2005 until 17:00.

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

Filled application which is a part of public auction documentation, with draft sales contract signed on each page and deposit payment evidence, are to be submitted in closed envelope with inscription APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION R-160605, the Privatization Agency, Beograd, Terazije 23. If there is the name of the enterprise on the envelope, or full sale code, the application can be rejected.

The Commission for the Sale of Assets will inform all the applicants about the approval of their applications one weekday before the public auction is held at the latest.

Before submission of applications for participation, the participant is obliged to pay deposit, or submit first-class bank guarantee, in the account and for the benefit of the Privatization Agency, for the sum of 120.700,00 (one hundred and twenty thousand seven hundred) dinars. Deposit is to be paid in the following way:

User: the Privatization Agency of the Republic of Serbia, 23 Terazije St., Belgrade

- Number of Account: 840-871621-94

- Basis of transfer: Purchase of share «Lola Informacione tehnologije» a.d. Beograd in Lola Invest inženjering d.o.o. Beograd and movable property of «Ivo Lola Ribar Sistem» a.d. Beograd, in restructuring

6. Organization of public auction:

The public auction will be held on 16.06.2005 at 11:00 at the Privatization Agency, Terazije 23, Beograd, Large hall on the 2nd floor.

Registration of participants in public auction will begin two hours before the start of the public auction, and will finish ten minutes before the start of the public auction, that is, from 9:00 to 10:50.

The implementation of public auction and conclusion of the Sales Contract are described in detail in the Instructions for Participants which are integral part of the documentation.

All the participants who have not been declared buyers are to be returned the deposit in the period prescribed in the Instructions for Participants, which are integral part of the documentation.

For the participant who bids the highest offer and is declared a buyer, the deposited sum is to be included in the sale price, and in case of desisiting the deposit is to be retained.

The Privatization Agency of the Republic of Serbia

Auction Center

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