

According to the Decision of the Ivo Lola Ribar Sistem a.d. Beograd u restrukturiranju, (Joint-stock company in restructuring), 2 Jugoslovenska St. (hereinafter: Lola Sistem a.d.) no. 167 dated 23 February 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 January 2007, the Agreement on the Power of Attorney II, Cert.no. 269/07 closed on 07 March 2007 in Belgrade between Lola Sistem a.d. 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 ASSETS OF THE LOLA SISTEM A.D. BELGRADE USED BY
THE PROFITNI CENTAR (PROFIT CENTER) LOLA LIVNICA (LOLA FOUNDRY),**

1. Subject of sale

Sale Code: R - 180407- 035

Subject of sale is a part of the immovable and movable properties owned by the Lola Sistem a.d., used by the Profit Center "Lola Livnica" (Lola Foundry), i.e:

- a) Foundry with annexe, area of which is 11.517,23 m²
- b) Production field "G-O", area of which is 2.385,00 m²
- c) Production field "G-O" and crane path "G-6", area of which is 2.726,72 m²
- d) Modelling room with annexe, area of which is 3.204,31 m²
- e) Central boiler house, area of which is 406,60 m²
- f) Sand quarry, area of which is 111,90 m²
- g) Equipment, according to the Specification shown in the Register of the movable and immovable properties
- h) Technological documentation.

The immovable and movable properties are offered for sale as found, without further complaints.

2. Mandatory requirements of sale

- Initial price for a part of the immovable and movable properties amounts to RSD 142.539.530,00 (In letters: one hundred forty two million five hundred and thirty nine thousand five hundred thirty);
- Deposit amounts to RSD 14.253.953,00 (In letters: fourteen million two hundred and fifty three thousand nine hundred fifty three);
- If a buyer is a foreign legal entity or individual, he 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 and Purchase Agreement for a part of the immovable and movable properties of the Lola Sistem used by the Profit Center "Lola Foundry", which is shown in the Appendix to the selling documents.

3. Participation requirements

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

As a Bidder can apply enterprise, individual investor, Consortium consisted of enterprises and/or individual investors (hereinafter: »Consortium«). One of the 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

Those who are interested can purchase 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 09 March until 10 April 2007.

Those who are interested, after they have purchased the Bidding Documents, will be enabled to visit the Profit Center Lola Foundry and the property which is in use by this Profit Center, at the address: Belgrade, 2 Jugoslovenska St., contact person Žikica Bigić, on working days from 09:00 – 15:00. Phone number: 011 2577 345.

5. Submission of applications for participation in the Public Bidding

Deadline for submission of applications is 11 April 2007, at 12:00.

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 SPA, initialed on each page and deposit payment evidence, is to be submitted in a sealed envelope with the inscription: APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING R-180407, Privatization Agency, Belgrade, 23 Terazije St.

The Commission for sale of shares will 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 14.253.953,00 (In letters: fourteen million two hundred fifty three thousand and nine hundred fifty three). 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
- Transfer basis: Sales and purchase of a part of the immovable and movable properties of the Lola Sistem a.d., which is used by the Profit Center "Lola Foundry" owned by «Ivo Lola Ribar Sistem» a.d. Belgrade in restructuring.

6. Public Bidding performance:

Public Bidding will be held on 18 April 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 one hour prior to the Public Bidding, and shall be finished ten minutes prior to the Public Bidding, i.e. from 10:00 to 10:50.

The method of the Public Bidding performance and conclusion of the Sales and Purchase Agreement is 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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