

Pursuant to the Decision of Ivo Lola Ribar Sistem a.d. Beograd in restructuring, Jugoslovenska br. 2 (hereinafter: Lola Sistem a.d.) no. 254 dated 14.04.2008, the Decision on changes and amendments of the Decision no. 231 dated 02.06.2008, the Decision on the second changes and amendments of the Decision no. 337 dated 11.06.2008, the Decision of Serbian Privatization Agency on accepting the Restructuring Program in Lola Sistem no. R-01/OD dated 03.01.2007, Contract of Power of Attorney II Cer. no. 2072/2008 concluded on 18.04.2008 and the Annex of the Contract of Power of Attorney II/1 cer. no. 2293/2008 concluded on 19.06.2008 in Belgrade, between Lola Sistem a.d. as a Principal, and the 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 A PART OF THE REAL ESTATE AND MOVABLE PROPERTY OF LOLA
SISTEM AD BEOGRAD – LOLA RAČUNARI BUILDING, CANTEEN, 3 GAS STATIONS
AND BOILER HOUSE WITH WAREHOUSES, LAND AND RELATED EQUIPMENT
Sale Code: R- 250708- 3023P**

1. Subject of Sale

The Subject of sale is a part of the real estate and movable property owned by Lola Sistem a.d. – Lola Računari Building, Canteen, 3 gas stations and a boiler house with warehouses, land and related equipment:

a) The following facilities whose registered owner is Lola Sistem a.d.:

1. Lola Računari Building occupying the area of 4.811,46 m², which is located, according to the ZKUL 2888, KO Železnik, on the cadastre lots nos. 2851/1, 2846, 2850/4, 2850/2, 2850/1 and 3146/1. According to the List of ZK lots, made by the enterprise „Geotehnika“ from Belgrade, the facility is also located, apart from the mentioned lots, on the cad. lot 2844, which is not stated in ZKUL 2888;
2. Warehouse of spare parts no. 16.2 in the area of 311 m², which is located, according to ZKUL 2888, KO Železnik, on the cad. lot 2845/2;
3. Warehouse of spare parts no. 16.3 in the area of 246 m², which is located, according to ZKUL 2888, KO Železnik, on the cad. lot 2845/2;
4. Warehouse of spare parts no. 16.4 in the area of 222 m², which is located, according to ZKUL 2888, KO Železnik, on the cad. lot 2845/2;
5. Warehouse of spare parts no. 16.5 in the area of 304 m², which is located, according to ZKUL 2888, KO Železnik, on the cad. lot 2845/2;
6. Gas station, in the area of 83 m², which is located, according to ZKUL 2888, KO Železnik, on the cad. lot 2845/2;
7. Restaurant with 250 seats in the area of 538 m², which is located, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, on the cad. lots 3146/1, 2851/1, 2854/3, 2861, 2862 and 2863;

b) The following facilities whose non-registered owner is Lola Sistem a.d.:

1. Warehouse no. 15 in the area of 747 m², which is located, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, on the cad. lot 2839;
2. Warehouse of timber and fire clay no. 16.1 in the area of 1.127 m², which is located, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, on the cad. lots 2843/2, 2850/4, 2850/2, 2850/1 and 2839;
3. Boiler house in the area of 102 m², which is located, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, on the cad. lots 2846 and 2844;

- v) State-owned land to which Lola Sistem a.d. has the right to use:
1. Cad. lot 3146/1 in the area of 1.783 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 366 m²;
 2. Cad. lot 2846 in the area of 9.854 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 2.228 m²;
 3. Cad. lot 2851/2 in the area of 1.434 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 38 m²;
 4. Cad. lot 2845/2 in the area of 9.766 m², ZKUL 832, KO Železnik, out of which it uses a part of the cad. lot in the area of 2.053 m²;
 5. Cad. lot 2843/2 in the area of 2.922 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 2.370 m²;
 6. Cad. lot 2844 in the area of 2.457 m², ZKUL 832, KO Železnik, out of which it uses a part of the cad. lot in the area of 2.246 m²;
 7. Cad. lot 2850/4 in the area of 1.274 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 1.074 m²;
 8. Cad. lot 2850/2 in the area of 1.285 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 1.145 m²;
 9. Cad. lot 2850/1 površine 1.324 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 1.159 m²;
 10. Cad. lot 2851/1 in the area of 1.434 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 889 m²;
 11. Cad. lot 2854/3 in the area of 450 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 218 m²;
 12. Cad. lot 2854/2 in the area of 817 m², ZKUL 745, KO Železnik, out of which it uses a part of the cad. lot in the area of 96 m²;
 13. Cad. lot 2854/1 in the area of 1.196 m², ZKUL 747, KO Železnik, out of which it uses a part of the cad. lot in the area of 96 m²;
 14. Cad. lot 2861 in the area of 612 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 148 m²;
 15. Cad. lot 2862 in the area of 541 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 142 m²;
 16. Cad. lot 2863 in the area of 1.303 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 374 m²;
 17. Cad. lot 2839 in the area of 6.008 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 3.730 m²;
 18. Cad. lot 3147/2 in the area of 600 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 126 m²;
 19. Cad. lot 2864 in the area of 8.746 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 39 m²;
- g) Equipment, according to the Specification given in the Appendix 2 of the Sales and Purchase Agreement;

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

2. Mandatory Terms of Sale

- Initial price for the part of real estate and movable property amounts to RSD 133.295.266,00 (one hundred and thirty-three million two hundred and ninety-five thousand two hundred and sixty-six dinars)
- Deposit amounts to RSD 13.329.526,00 (thirteen million three hundred and twenty-nine thousand five hundred and twenty-six dinars)
- If the buyer is a foreign legal entity or natural person, the deposit is to be paid in EURO, in accordance with the instructions received from the Privatization Agency;
- The buyer fully accepts the rights and obligations provided by the final text of the Agreement on sale and purchase of the part of real estate and movable property of Lola Sistem – Lola Računari Building, Canteen, 3 gas stations and a boiler house with warehouses, land and related equipment, which is given in the Appendix of the Sale Documents.

3. Participation Requirements

Purchaser of the share and assets cannot be: 1) domestic legal entity with major socially-owned capital, 2) legal entities and natural persons having due but unsettled liabilities towards the Seller, 3) the person with whom the Contract on Sale of Capital and Assets has been terminated due to unsettled contractual obligations 4) subsidiary of the Seller and 5) individual who was sentenced or against whom the criminal action has been brought for the offences defined by the Article 12 of the Privatization Law (Official Gazette RS 123/07). Such applications shall be rejected

The bidding participant may be an enterprise, individual investor, consortium of enterprises and/or individual investors (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. Public Bidding Documents

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

Upon submitting the payment evidence, the sale documents can be collected at the following address: Privatization Agency of the Republic of Serbia, Auction Center, 5th floor, Belgrade, 23 Terazije Street, 9:00-16:30, from 24.06.2008 to 16.07.2008.

After the purchase of the public bidding documents, the potential buyers can visit the assets on sale, at the following address: Belgrade, 2 Jugoslovenska Street, contact person Slobodan Jakšić, every weekday from 9:00 to 15:00. Contact telephone is as follows: +381 11-2577-545.

5. Submission of applications for participation in the public bidding

The Deadline for submission of applications is 17.07.2008 at 16:30.

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

Filled application which is a part of the bidding documents, with signed Draft Sales and Purchase Agreement, initialed on each page, and deposit payment evidence shall be submitted in a sealed envelope marked with the following:

APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING
R-250708,

Privatization Agency, 23 Terazije St., Belgrade

The Committee for conduct of the public bidding shall inform the applicants about the approval of their applications no later than one weekday prior to the date of the public bidding.

Prior to the submission of applications for participation, a participant is obliged to pay deposit, or submit first-class bank guarantee, in the account of and for the Privatization Agency, in the amount of RSD 13.329.526,00 (thirteen million three hundred and twenty-nine thousand five hundred and twenty-six dinars). The deposit shall be paid in the following way:

- Beneficiary: Serbian Privatization Agency, 23 Terazije Street, Belgrade
- Number of Account: 840-1327721-76
- Transfer Basis: Purchase and sale of real estate and movable property of Lola Sistem a.d. - Lola Računari Building, Canteen, 3 gas stations and a boiler house with warehouses, land and related equipment

6. Public Bidding:

The public bidding will be held on 25.07.2008 at 14:00, 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 13:00 to 13:50.

The method of a public bidding and conclusion of the Sales and Purchase Agreement are explained in detail in the Instructions to Participants, which are an integral part of the documents.

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

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

Privatization Agency

Republic of Serbia

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