

Pursuant to the Decision of Ivo Lola Ribar Sistem a.d. Beograd in restructuring, Jugoslovenska br. 2 (hereinafter: Lola Sistem a.d.) no. 123 dated 14.02.2008, the Decision on changes and amendments of the Decision no. 233 dated 02.06.2008, the Decision on the second changes and amendments of the Decision no. 338 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. 258/2008 concluded on 27.02.2008 and the Annex of the Contract of Power of Attorney II/1 cer. no. 2295/2008 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 – MULTI-FUNCTIONAL BUSINESS PREMISES – RESTAURANT
AND DOORMAN'S BOOTH WITH PARK AND RELATED EQUIPMENT**

Sale Code: R- 250708- 3024P

1. Subject of Sale

The Subject of sale is a part of the real estate and movable property owned by Lola Sistem a.d. – Multi-functional business premises – restaurant and doorman's booth with a park and related equipment:

- a) Multi-functional business premises – restaurant, in the area of 3.893,75 m², described as ZK body VII in ZKUL 2888, KO Železnik, which Lola Sistem a.d. has the right to use and dispose of;
- b) Doorman's booth in the area of 4 m², which is located in a part of the cadstre lot 2665, ZKUL 2888, KO Železnik, whose non-registered owner is Lola Sistem a.d. (it is a prefabricated facility, without the inspection certificate and building licence);
- v) State-owned land whose user is Lola Sistem a.d.:
 1. Cad. lot 2665 in the area of 3.219 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 2.504 m²;
 2. Cad. lot 2663 in the area of 18.799 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 5.198 m²;
 3. Cad. lot 2664 in the area of 7.191 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 1.862 m²;
 4. Cad. lot 2865 in the area of 4.682 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 99 m²;
- g) The equipment which is located in the multi-functional business facility – restaurant, according to the Specification given in the Movable Property List.

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 184.033.401,00 (one hundred and eighty-four million thirty-three thousand four hundred and one dinars).
- Deposit amounts to RSD 18.403.340,00 (eighteen million four hundred and three thousand three hundred and forty 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 – Multi-functional business premises – restaurant and doorman's booth with a park and related equipment.

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 18.403.340,00 (eighteen million four hundred and three thousand three hundred and forty 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. – Multi-functional business premises – restaurant and doorman's booth with a park 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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