

According to the Decision of the Ivo Lola Ribar Sistem a.d. Belgrade in restructuring, Jugoslovenska St. 2 (hereinafter: Lola Sistem a.d.) no 253 dated 14.04.2008, the Decision on amendments and supplements to the Decision no. 230 dated 02.06.2008, the Decision on second amendments and supplement to the Decision no. 339 dated 11.06.2008, the Decision of the Privatization Agency of the Republic of Serbia on acceptance of the Restructuring Program for the company Lola Sistem no. R-01/OD dated 03.01.2007, the Agreement on Power of attorney II Cert. no. 2071/2008 signed on 18.04.2008 and Annex to the Agreement on Power of attorney II/1 Cert. no. 2292/2008 signed on 19.06.2008 in Belgrade, between Lola Sistem a.d. as Ordering Party and Privatization Agency of the RS, as Holder of the Power of attorney, Privatization Agency announces:

**PUBLIC INVITATION FOR PARTICIPATION IN THE PUBLIC BIDDING FOR
PURCHASE OF A PART OF THE IMMOVABLE AND MOVABLE ASSETS OF THE LOLA
SISTEM A.D. BELGRADE – WORKSHOP WITH LAND AND WEIGHBRIDGE WITH
BELONGING EQUIPMENT**

Sale code: R- 250708- 3025P

1. Subject of sale

Subject of sale is a part of the immovable and movable assets of the Lola Sistem a.d. – workshop with land and scales with belonging equipment consisting of:

- a) facilities, whose non-registered owner is Lola Sistem a.d.:
 - 1. Workshop facility, on the area of 512,00 m², which is located on parts of the cadastral lot 2845/2, ZKUL 832 and 2846, ZKUL 2888, Cadastral Municipality of Železnik;
 - 2. Weighbridge facility, on the area of 106,00 m², which is located on a part of the cadastral lot 2845/2, ZKUL 832, Cadastral Municipality of Železnik;
- b) State-owned land on which the Lola Sistem a.d. is a holder of right of use:
 - 1. Cadastral lot 2845/2 on the area of 9.766 m², ZKUL 832, Cadastral Municipality of Železnik, out of which the Lola Sistem a.d. actually uses a part of the cadastral lot covering the area of 5.809 m²;
 - 2. Cad. lot 2846 on the area of 9.854 m², ZKUL 2888, C.M. of Železnik, out of which the Lola Sistem a.d. actually uses a part of the cadastral lot covering the area of 1.877 m²;
 - 3. Cad. lot 3146/1 on the area of 1.783 m², ZKUL 2888, C.M. of Železnik, out of which the Lola Sistem a.d. actually uses a part of the cadastral lot covering the area of 103 m²;
 - 4. Cad. lot 2664 on the area of 7.191 m², ZKUL 2888, C.M. of Železnik, out of which the Lola Sistem a.d. actually uses a part of the cadastral lot covering the area of 118 m²;
- v) Equipment which is located in the Workshop, according to the Specification shown in the Appendix 2 of the Sale and Purchase Agreement (hereinafter: SPA);

The immovable and movable assets are offered for sale as seen, without possibility of further complaints.

2. Mandatory sale conditions

- Initial price for a part of the immovable and movable assets amounts to RSD 19.255.723,00 (In letters: nineteen million two hundred fifty five thousand seven hundred twenty three);
- Deposit amounts to RSD 1.925.572,00 (In letters: one million nine hundred twenty five thousand five hundred seventy two);
- If a buyer is a foreign legal entity or individual, it shall pay the deposit in € EUR, in accordance with Instructions provided by the Privatization Agency;

- A buyer accepts in full the rights and obligations established by the final text of the SPA of the immovable and movable assets of the Lola system a.d. – Workshop with land and weighbridge with belonging equipment, which is given in the Appendix to the selling documents.

3. Participation requirements

A buyer of a part of the immovable and movable assets of the Seller cannot be: 1) domestic legal entity which operates with majority socially-owned capital; 2) legal entity or individual which has due, but unsettled liabilities towards the Seller, 3) a person with whom the Agreement on sale of capital, i.e. assets was terminated due to non-fulfillment of contractual obligations 4) subsidiaries of the Seller 5) an individual who was sentenced or against whom the criminal action has been brought for the offences defined by the Article 12 of the Law on privatization („Official Gazette RS“ no. 123/07). Such applications shall be rejected.

As a bidder can apply an enterprise, an individual investor, a consortium which consists of enterprises and/or individual investors ("Consortium"). One of members of a Consortium, i.e. a person authorized by a Consortium, must be determined to represent a Consortium ("authorized representative of the Consortium") and to act on behalf of and for the account of a Consortium.

4. Selling documentation

Those who are interested can purchase the bidding documentation at the price of RSD 40.000,00, after they receive the invoice from the Privatization Agency. Purchase of the bidding documentation is obligatory, and on its collection one is to sign the Confidentiality Agreement.

After the payment evidence has been submitted, the Public bidding documentation can be collected at the following address: Privatization Agency of the Republic of Serbia, Auction Center, Terazije St. 23, V floor, from 09:00 to 16:30, in the period from 24.06.2008 until 16.07.2008.

Upon collecting the bidding documentation, interested buyers may inspect the assets which are the subject of sale, at the address: Belgrade, Jugoslovenska St. 2, contact person Slobodan Jakšić, on weekdays from 09:00-15:00. Contact number is: 011-2577-545.

5. Submission of applications for participation in the Public bidding

Deadline for submission of applications is 17.07.2008, by 16:30.

An application must contain the data provided in the Instructions to bidders, which are an integral part of the Bidding documentation, deposit payment evidence and the number of the account for return of the deposit.

Completed application, which is a part of the Bidding documents, with the signed draft of the SPA, initialed on each page and the deposit payment evidence, are to be submitted in a sealed envelope marked with:

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING R-250708,
Privatization Agency, Belgrade, Terazije St. 23.

The Commission for sale of the part of the immovable and movable assets shall inform all applicants about approval of their applications at the latest until one weekday prior to the Public bidding date.

Prior to submission of the application for participation in the Public bidding, a bidder is obliged to pay in the deposit, or to submit the first-class bank guarantee, onto the account and in favor of the Privatization Agency, in the amount of RSD 1.925.572,00 (In letters: one million nine hundred twenty five thousand five hundred seventy two).

The deposit shall be paid in the following manner:

- Beneficiary: Privatization Agency of the Republic of Serbia, Terazije 23, Belgrade
- Account number: 840-1327721-76
- Basis of the transfer: Sale and purchase of the part of the immovable and movable assets of the Lola Sistem a.d. - Workshop with land and weighbridge with belonging equipment

6. Public bidding:

The Public bidding will be held on 25.07.2008, at 14:00, within the premises of the Privatization Agency, Terazije 23, Belgrade.

Registration of participants in the Public bidding shall start one hour before the Public bidding, and shall end ten minutes before the Bidding, i.e. in the period from 13:00 to 13:50.

The methods of the Public bidding implementation and conclusion of the Sale and Purchase Agreement are explained in detail in the Instructions to bidders, which are the integral part of the Bidding documentation.

The deposit is to be returned to all participants not having been declared buyers, within the period stipulated in the Instructions to bidders, which are the integral part of the Bidding 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

Nebojša Milosavljević, Documentation Purchase Associate

Center for auctions and compulsory liquidation

Terazije 23/V

11000 Belgrade, Serbia

e-mail: nmilos@priv.yu

phone: +381 11 30 20 867

Renata Pindžo, Project Manager

Restructuring Center

Terazije 23/VII

11000 Belgrade, Serbia

e-mail: rpindzo@priv.yu

phone: + 381-11-30-20-855