

Pursuant to the Decision of Ivo Lola Ribar Sistem a.d. Beograd in restructuring, 2 Jugoslovenska St. (hereinafter: Lola Sistem a.d.) dated 15.06.2007, the Decision of the Privatization Agency of the Republic of Serbia on accepting the Restructuring Program for Lola Sistem no. R-01/OD dated 03.01.2007, the Contract of Power of Attorney II cer. no. 782/07 concluded on 20.06.2007 in Belgrade between Lola Sistem a.d, as a Principal, and Serbian Privatization Agency, as an Agent, the Privatization Agency announces

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING FOR
PURCHASE OF A PART OF THE REAL ESTATE OF LOLA SISTEM AD
BELGRADE – 371/670 OF THE ALIQUOT PART OF THE HOUSE IN
BELGRADE,
IN 47 DALMATINSKA STREET**

1. Subject of Sale

Sale Code: R- 260707- 038

The subject of sale comprises a part of the real estate owned by Lola Sistem a.d. – 371/670 of the aliquot part of the house, 47 Dalmatinska Street, on the cadastre lot 994/2, described on A list ZK part II in ZKUL 3217, KO Belgrade 2.

The real estate is on sale as seen, without possibility of later complaints.

2. Mandatory Terms of Sale

- The initial price for the part of the real estate amounts to CSD 28.169.170,00 (twenty-eight million one hundred and sixty-nine thousand one hundred and seventy dinars)
- The deposit amounts to CSD 2.816.917,00 (two million eight hundred and sixteen thousand nine hundred and seventeen dinars)
- If the purchaser is a foreign legal entity or natural person, the deposit is to be paid in EUR, in accordance with the instructions from the Privatization Agency
- On the basis of the right of use and disposal of 299/670 of the aliquot part of the real estate on sale, „Goša Štamparija” ltd, Belgrade, will be in the position to use the right of preponderant purchase at the public bidding
- Purchaser fully accepts the rights and obligations provided in the full text of the Agreement of Sale and Purchase of a part of the real estate of Lola Sistem a.d. – 371/670 of the aliquot part of the house in Belgrade, 47 Dalmatinska Street, given in the Appendix of the Sales Documents.

3. Terms of Participation

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 and 3) subsidiaries of the Seller. Such applications shall be rejected without being taken into consideration.

The bidding participant may also be legal entity, natural person and a consortium of legal entities and/or individuals (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. Sale Documents

Interested parties can purchase sale documents at the price of CSD 40.000,00, after the invoice has been issued by the Privatization Agency. Purchase of the public bidding documents is mandatory, and on its receipt the Confidentiality Agreement should be signed.

Upon submitting the payment evidence, the sale documents can be collected at the following address: Privatization Agency, Belgrade, 23 Terazije St., 5th floor, Room 511, from 9:00 to 17:00, within the period from 25.06.2007 to 19.07.2007.

Upon collecting the public bidding documents, the interested purchasers can visit the part of the real estate of Lola Sistem – a part of the facility in Belgrade, in 47 Dalmatinska Street, contact person Slobodan Jakšić, every weekday from 9:00 to 15:00. Contact telephone: 011-2577-545.

1. Submission of Applications for Participation in Public Bidding

The deadline for submission of applications is 19.07.2007 at 17:00.

The application has to contain the data from the Instructions to Participants at public bidding, which are an integral part of the documents, deposit payment evidence and the number of account for returning the deposit.

Filled application which is a part of the bidding documents, with signed Draft Sales and Purchase Agreement, signed on each page, and deposit payment evidence are to be submitted in a sealed envelope with inscription: APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING R-260707, Privatization Agency, 23 Terazije St, Belgrade.

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

Prior to submission of application for participation, a participant is obliged to pay deposit, or submit first-class bank guarantee, in the account and for the Privatization Agency, at the amount of CSD 2.816.917,00 (two million eight hundred and sixteen thousand nine hundred and seventeen dinars). The deposit is to be paid in the following way:

- User: Privatization Agency of the Republic of Serbia, 23 Terazije St, Belgrade
- No. of account: 840-1332721-14
- Transfer basis: Purchase and sale of a part of the real estate of Lola Sistem a.d. – 371/670 of the aliquot part of the facility in Belgrade, in 47 Dalmatinska Street.

6. Public Bidding:

The public bidding will be held on 26.07.2007 at 11:00 at the Privatization Agency, 23 Terazije St., Belgrade, Large Hall on the second floor.

Registration of participants in the public bidding will start two hours prior to the beginning of the bidding, and it will finish ten minutes prior to the beginning of the bidding, i.e. from 09:00 to 10:50.

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 is to 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, 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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