

Pursuant to the Decision of Ivo Lola Ribar Sistem a.d. Beograd in restructuring, Jugoslovenska br. 2 (hereinafter: Lola Sistem a.d.) no. 288 dated 08.05.2008, 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. 2306/2008 concluded on 20.05.2008 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 – WAREHOUSE OF SPARE PARTS AND RELATED LAND
Sale Code: R- 270608- 3030**

1. Subject of Sale

The Subject of sale is a part of the real estate and movable property owned by Lola Sistem a.d. – Warehouse of spare parts with related land:

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

1. Warehouse by TNG station, in the area of 958,00 m², which is, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, located on the cad. lots 3146/1, 2984/1, 2984/3, 2984/4 and 2985/1, ZKUL 2888, KO Železnik;
2. Warehouse of highly flammable materials, in the area of 147,00 m², which is, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, located on the cad. lot 3149/3, ZKUL SZ2, KO Železnik and on the cad. lots 2984/9 and 2984/10, ZKUL 2888, KO Železnik;
3. Warehouse, in the area of 238,00 m², which is, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, located on the cad. lots 3146/1, 2984/8, 2985/1 ZKUL 2888, KO Železnik, cad. lots 2984/11 and 2985/3, ZKUL 832, KO Železnik, and on the cad. lot 2984/12;
4. Warehouse, in the area of 71,00 m², which is, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, located on the cad. lots 3146/1, 2985/1, ZKUL 2888, KO Železnik, and on the cad. lot 2985/3, ZKUL 832, KO Železnik;
5. Warehouse of spare parts, in teh areae of 695,00 m², which is, according to the List of ZK lots made by the enterprise „Geotehnika“ from Belgrade, located on the cad. lot 2839, ZKUL 2888, KO Železnik;

b) State-owned land which Sistem a.d. has the right to use:

1. 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 124 m²;
2. 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 2.059 m²;
3. Cad. lot 2840 in the area of 1.061 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 908 m²;
4. Cad. lot 2855 in the area of 280 m², ZKUL 746, KO Železnik;
5. 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 316 m²;
6. 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 436 m²;

7. Cad. lot 3150/1 in the area of 844 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 41 m²;
8. Cad. lot 2984/1 in the area of 371 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 187 m²;
9. Cad. lot 2984/3 in the area of 432 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 184 m²;
10. Cad. lot 2984/4 in the area of 372 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 136 m²;
11. Cad. lot 2984/5 in the area of 382 m², ZKUL 832, KO Železnik, out of which it uses a part of the cad. lot in the area of 124 m²;
12. Cad. lot 2984/6 in the area of 432 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 87 m²;
13. Cad. lot 2984/8 in the area of 170 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 138 m²;
14. Cad. lot 2984/9 in the area of 160 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 149 m²;
15. Cad. lot 2984/10 in the area of 210 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 200 m²;
16. Cad. lot 2984/11 in the area of 140 m², ZKUL 832, KO Železnik, out of which it uses a part of the cad. lot in the area of 112 m²;
17. Cad. lot 2985/1 in the area of 2.110 m², ZKUL 2888, KO Železnik, out of which it uses a part of the cad. lot in the area of 1.384 m²;
18. Cad. lot 2985/3 in the area of 180 m², ZKUL 832, KO Železnik;
19. Cad. lot 2988/1 in the area of 3.216 m², ZKUL 742, KO Železnik, out of which it uses a part of the cad. lot in the area of 412 m²;
- v) State-owned land whose registered users are individuals, while Lola Sistem a.d. is non-registered user of the lot 2988/2 in the area of 933 m², KO Železnik, out of which it uses a part of the cad. lot in the area of 102 m²;
- g) State-owned land whose registered user is teh City of Belgrade, while Lola Sistem a.d. is non-registered user of the cad. lot 3149/3 in the area of 761 m², KO Železnik, is non-registered user of the lot 250 m² (road – common good);
- d) State-owned land whose non-registered user is Lola Sistem a.d., and a registered user is unknown – the lot 2984/12 inthe area of 132 m².

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

2. Mandatory Terms of Sale

- Initial price for the part of the real estate amounts to RSD 42.639.311,00 (forty-two million six hundred and thirty-nine thousand three hundred and eleven dinars)
- Deposit amounts to RSD 4.263.931,00 (four million two hundred and sixty-three thousand nine hundred and thirty one 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 – Warehouse of spare parts with related land, 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 also be a consortium of domestic and/or foreign 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. 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 26.05.2008 to 18.06.2008.

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 19.06.2008 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-270608,

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, at the amount of 4.263.931,00 (four million two hundred and sixty-three thousand nine hundred and thirty one 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 the part of the real estate of Lola Sistem a.d. - Warehouse of spare parts with related land

6. Public Bidding:

The public bidding will be held on 27.06.2008 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

Nebojša Milosavljević, Documentation Purchase Associate

Auction Sector

Auction and Compulsory Liquidation Center

Terazije 23/V

11000 Belgrade, Serbia

E-mail: nmilos@priv.yu

Tel: +381 11 30 20 867

Renata Pindžo, Project Manager

Restructuring Center

Terazije 23/VII

11000 Belgrade, Serbia

E-mail: rpindzo@priv.yu

Tel: + 381 11 30 20 855