

According to the Decision of Ivo Lola Ribar Sistem a.d. Belgrade, in restructuring, Jugoslovenska br. 2 (further in the text: Lola Sistem) No. 223/1 dated 05.04.2005, the Decision of Lola Informacione tehnologije a.d. Beograd, Jugoslovenska br. 2 (further in the text: Lola Informacione tehnologije) No. 8/1 od 05.04.2005, the Decision of the Privatization Agency of the Republic of Serbia No. 344-1005-ZDS/01 dated 10.05.2005, the Decision of the Privatization Agency of the Republic of Serbia No. 354-1005-ZDS/01 dated 10.05.2005 and the Agency Contract I/3 cert. No. 1548/05 concluded on 09.05.2005 in Belgrade between «Lola Sistem» and «Lola Informacione tehnologije», as Principals, and the Privatization Agency of the Republic of Serbia, as an Agent, the Privatization Agency announces

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC AUCTION FOR PURCHASE OF THE SHARE OF LOLA INFORMACIONE TEHNOLOGIJE IN THE ENTERPRISE LOLA FABRIKA ELEKTROOPREME LTD. OBRENOVAC AND A PART OF MOVABLE AND IMMOVANLE ASSETS OF IVO LOLA RIBAR SISTEM

1. Object of sale

Sale code: R-300605-023

The object of sale is:

- 1) The share of «Lola Informacione tehnologije» in the enterprise for production of electric equipment «Lola Fabrika elektroopreme» Ltd. Obrenovac, Industrijska zona br. 6 (further in the text: LOLA FEOP), the value of which has been registered in court register of the Commercial Court in Belgrade and amounts to 5.000,00 USD as dinar equivalent, of which 2.500,00 USD have been paid in dinars out of 169.849,25 dinars on 22.3.2002.
- 2) The part of immovable assets of «Lola Sistem», which is used by LOLA FEOP, that is:
 - a) Hall for production of control systems at the area of 2.447,68 m²,
 - b) Hall for production of printing panels at the area of 2.810 m²,
 - v) Annex of the hall at the area of 1.272,79 m²,
 - g) Doorman's booth at the area of 57,74 m²,
 - d) Substation at the area of 50,64 m²,
 - đ) Warehouse of cables and wardrobe at the area of 500 m²,
 - e) Warehouse of chemicals – container at the area of 1 m²,with internal traffic lines at the area of 4.653 m².

Out of immovable assets which are object of sale, «Lola Sistem» has been registered in Real Estate list No. 923 KO Urovci, as a holder of right of use of the facility for production of electric machines and apparatuses at the area of 6.297 m², auxiliary buildings at the area of 75 m² and substation at the area of 59 m², situated in Urovci, ul. Industrijska zona br. 6 and a user of socially-owned land at the area of 31.616,00 m² on registered lot 1490/3 KO Urovci, on which the facilities are situated.

- 3) The part of movable assets - equipment «Lola Sistem», which is used by LOLA FEOP, according to the Specification given in the list of movable and immovable assets of which the most important items are:
- Semi-automatic machine for sieve (out of order),
 - General tool milling machine,
 - Viljuškar 2T (iz 1989. godine),
 - Reprogram camera,
 - Mašina za mikro-talasno lemljenje (neispravna),
 - Two systems for film developing,
 - Pillar rotary console jack,
 - Passenger vehicle (Peugeot from 1991).

Immovable and movable assets are on sale as they were seen, without possibility for further complaints.

2. Obligatory conditions of sale

- The share and immovable assets are on sale as a whole
- Initial price for the share, immovable and movable assets is 190.851.000,00 (in letters: one hundred and nine million eight hundred and fifty-one thousand) dinars
- Deposit is 19.085.100,00 (in letters: nineteen million eighty-five thousand one hundred) dinars
- The buyer fully accepts rights and obligations stipulated in the final text of the Sales Contract of the share which is given in the Appendix of the sale documentation.

3. Conditions for buyers

The buyer of the share cannot be: 1) domestic legal person in business with major socially-owned capital; 2) legal and physical persons who have due but unsettled obligations towards the Seller and 3) dependent enterprises of the Seller. Such applications will be rejected..

The participant can be an enterprise, individual investor, consortium comprising enterprises and/or individual investors ("Consortium"). One of the members of the Consortium, that is, person given the authority by the Consortium, has to be appointed to represent the Consortium ("accredited representative of the Consortium") and to work on behalf of and for the benefit of the Consortium.

4. Sale Documentation

Those who are interested can buy the public auction documentation at the price of **25.000 dinars**, after the invoice is received from the Privatization Agency. The purchase of the public auction documentation is obligatory, and on its receipt one is to sign the Agreement on Keeping the Confidential Information.

After the payment evidence is submitted, the public auction documentation can be collected at the following address: The Privatization Agency, Auction Center, 23 Terazije St. (5th floor), 11000 Belgrade, 10:00 - 17:00 from 06.06.2005 to 27.06.2005.

Having collected public auction documentation, the interested buyers can view the assets on sale at the address: Beograd, Urovci, Industrijska zona br. 6, contact person Ljubodrag Bilčar, every weekday 9:00-13:00. Contact telephone: 011-8754-790.

5. 5. Submission of applications for participation in public auction

The closing date for applying is 27.06.2005 at 17:00.

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

Filled application which is a part of public auction documentation, with draft sales contract signed on each page and deposit payment evidence, are to be submitted in closed envelope with inscription APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION R-300605, The Privatization Agency, Belgrade, 23 Terazije St.

The Commission for the Sale of Assets will inform all the applicants about the approval of their applications one weekday before the public auction is held at the latest.

Before submission of applications for participation, the participant is obliged to pay deposit, or submit first-class bank guarantee, in the account and for the benefit of the Privatization Agency, for the sum of 19.085.100,00 (in letters: nineteen million eighty-five thousand one hundred) dinars. Deposit is to be paid in the following way:

User: the Privatization Agency of the Republic of Serbia, 23 Terazije St., Belgrade

- Number of Account: 840-871621-94
- Basis of Transfer: Purchase and sale of «Lola Informacione tehnologije» a.d. Beograd in LOLA FEOP Ltd. Obrenovac, and movable and immovable assets of «Ivo Lola Ribar Sistem» a.d. Beograd, in restructuring

6. Organization of Public Auction:

The public auction will be held on 30.06.2005 at 11:00 at Privatization Agency, Terazije 23, Belgrade, at the large Hall on the second floor.

Registration of participants in public auction will begin two hours before the start of the public auction, and will finish ten minutes before the start of the public auction, that is, from 9:00 to 10:50.

The implementation of public auction and conclusion of the Sales Contract are described in detail in the Instructions for Participants which are integral part of the documentation

All the participants who have not been declared buyers are to be returned the deposit in the period prescribed in the Instructions for Participants, which are integral part of the documentation.

For the participant who bids the highest offer and is declared a buyer, the deposited sum is to be included in the sale price, and in case of desisting the deposit is to be retained.

The Privatization Agency of the Republic of Serbia

Auction Center

23/V Terazije St.

11000 Belgrade, Serbia and Montenegro

tel:+381-11-30-20-845

tel: +381-11-30-20-803

fax: +381-11-30-29-985

