

According to the Decision of the Managing Board of the Company «Dunav osiguranje», Belgrade U.No. 10/03 dated 18 March 2003, U.No. 29/05 dated 11 May 2005 and U.No. 122/05 dated 01 July 2005 and the Power of Attorney I/3 Cert.No. 1562/05 concluded between the company «Dunav osiguranje», Belgrade, and the Privatization Agency on 13. May 2005 in Belgrade,

**The Privatization Agency announces:**

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC SALE  
FOR PURCHASE OF A PART OF THE ASSETS OF «DUNAV OSIGURANJE»**

**that is**

**Hotel «Metropol», Belgrade**

**Sale code: HTLM-150905**

**Object of sale:**

The object of sale is a part of the assets of the Company «Dunav osiguranje» a.d, Belgrade which comprises Hotel «Metropol», Belgrade.

The Hotel «Metropol», Belgrade, Bulevar Kralja Aleksandra 69, according to the Decision of Commercial Court in Belgrade No. V Fi-5551/00 dated May 31<sup>st</sup> 2000 and on the basis of special inventory list, No. of land register item 4825, Cadastral Sector Belgrade, parcel No. 1983/5. The hotel comprises technical floor, ground floor and nine floors, the total area of which is **15.946,58 m<sup>2</sup>**.

The Hotel is on sale as it was seen with all the equipment - basic means of the field of work, without possibility for later complaints.

**1. OBLIGATORY CONDITIONS OF PUBLIC SALE:**

**Initial price at the public auction is 19,052,400.00 EUR**, if the buyer is a legal or individual foreign entity. The sale price can be paid in domestic currency according to the selling rate of NBS on the payment day, if the buyer is individual or legal domestic entity.

**2. Conditions for participation:**

All domestic and foreign individuals and legal entities can take part in the public auction if they pay the participation deposit.

**The deposit is 1,333,668.00 EUR** for foreign physical and legal entities or it can be paid in domestic currency according to the selling rate of NBS on the payment day for domestic individual and legal entities.

The participant can also be a consortium comprising legal entities and/or individuals (further in the text: the 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 (further in the text: "accredited representative of the Consortium") and to work on behalf of and for the benefit of the Consortium. Joint and several liability of all the members of the Consortium has to be stipulated in the Contract on Consortium.

Deposit payment in dinars is to be made into dinar account of the Privatization Agency No. 840-871621-94.

Deposit payments into the foreign currency account are to be made in according to the instructions of the Privatization Agency.

**3. Insight into the sale documentation and its collecting:**

The sale documentation comprises: Contract on Keeping the Confidential Data, Information Memorandum, Instructions for Bidders, Sales Contract Draft. Those who are interested can buy the sale documentation at the price of: **60.000,00 dinars without VAT**, after the invoice is

received from the Privatization Agency. Foreign individual and legal entities are to pay in EUR according to the average rate of the NBS on the day of issue of the invoice.

**The sale documentation is available to all interested persons starting from 16 August 2005.**

The closing date for collecting the sale documentation is **12 September 2005 at 17:00.**

The means paid are not to be returned.

After the signing of the Confidentiality Agreement, a potential buyer can visit the Hotel, have meetings with persons in charge and check the relevant property documentation.

**Contact persons:**

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**4. Submission of application for participation in the public auction:**

The closing date for submission of applications is: **12 September 2005 at 17:00.**

The applications are to be submitted directly to the Privatization Agency, 23 Terazije St., Belgrade, 5<sup>th</sup> floor, Room 511, in a sealed envelope, with the auction code **HTLM-150905** and inscription:

APPLICATION FOR PARTICIPATION IN PUBLIC AUCTION  
The Privatization Agency of the Republic of Serbia  
23/V Terazije St., 5th floor, Belgrade

The application is to be filled in the special application form which is integral part of the Instructions for Bidders. The signed Sales Contract Draft and the deposit payment evidence are to be submitted along with the application for participation in the public auction.

Incomplete and belated applications will not be taken into consideration.

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

**5. Organization of public auction:**

The public auction for the purpose of public sale will be held on **15 September 2005** at 11:00 at the Dom Sindikata, 5 Nikola Pasic square, Belgrade, Hall 4.

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 Bidders.

The participants who have not been declared buyers are to be returned the deposit within the period of 10 days after the public sale day.

The participant who has been the first to bid the highest offer at the public auction and has been declared a buyer is to have the sum of the deposit calculated in the sale price.

If the declared buyer or the participant who has been the first to bid the highest offer does not sign the minute or the Sales Contract or does not pay the sales price within the prescribed period of time, he loses the right to be returned the deposit.

If the declared buyer does not sign the minute or the Sales Contract or does not pay the sales price within the prescribed period of time, and there have been other offers, the Sales Contract is to be concluded with the participant who has bid the second best offer at the price offered by that participant, after receiving approval from the Managing Board of the Company «Dunav osiguranje», Belgrade. If the Managing Board of the Company «Dunav osiguranje», Belgrade, does not agree with the second best offer, the procedure of public auction is to be annulled.

If the participant who has bid the second best offer refuses to sign the Sales Contract or does not pay the sales price within the prescribed period of time, he loses the right to be returned the deposit, and other actions in respect of the sale are to be implemented by the Privatization Agency in the agreement with the Company «Dunav osiguranje», Belgrade.