

According to the Article 5 of the Privatization law ("Official Gazette RS" no. 38/01, 18/03 and 45/05), the Decision of EI Holding Corporation A.D., Niš no. 61 dated 22.12.2005 and the Decision no. 30 dated 05.04.2006 and the Agency Contract II cer. no. 1151/06, concluded between EI Holding Corporation A.D., Niš and the Privatization Agency,

The Privatization Agency announces:

PUBLIC ANNOUNCEMENT

FOR PARTICIPATION IN PUBLIC AUCTION FOR PURCHASE OF SHARE IN THE LIMITED LIABILITY COMPANY FOR THE PRODUCTION OF EQUIPMENT AND ENGINEERING OF CABLE AND SATELLITE TELEVISION "EI EKOS – ELEKTRONSKI DISTRIBUCIONI SISTEMI", NIŠ, WHICH IS 100% OF TOTAL CAPITAL OF THE ENTERPRISE

Sales Code: EI-130706

Subject of the public sale:

Subject of the sale is the share in the capital of the Limited Liability Company for the production of equipment and engineering of cable and satellite television "EI EKOS – ELEKTRONSKI DISTRIBUCIONI SISTEMI", NIŠ, Bulevar Svetog Cara Konstantina 80-86, which is 100% of total capital of the enterprise. The owner of the share which is the subject of the sale is EI Holding Corporation A.D., Niš.

MANDATORY TERMS OF THE PUBLIC SALE:

Initial price in the public auction is **CSD 9.381.099**.

Purchase and sale price shall be paid AT ONE TIME.

Means of payment can be ONLY local currency or foreign convertible currency.

If the selected buyer is a domestic legal entity or an individual, the purchase price can be paid in local currency, at the official selling exchange rate of National Bank of Serbia on the date of payment.

Terms of Participation:

Participation in the public auction is open to all domestic and foreign legal entities and individuals that have:

- purchased the auction documents,
- signed the Confidentiality Agreement,
- submitted the application for participation in auction sale
- submitted deposit payment receipt **CSD 2.814.330**, or EUR equivalent based on the official sale exchange rate of the National Bank of Serbia on the payment date, that is, submitted auction guarantee amounting to **CSD 2.814.330**, or EUR equivalent based on the official sale exchange rate of the National Bank of Serbia valid on the day of issuing auction guarantee, and
- registered for the participation in the public auction.

The auction 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 on account of the Consortium. The Consortium Agreement must stipulate unlimited joint and several liabilities of all Consortium members.

The Consortium Agreement has to be submitted together with the application for participation in the public auction.

Sale (Auction) Documents:

Sale Documents include:

- Information memorandum of the enterprise,
- Confidentiality Agreement,
- Draft Agreement on Purchase of the Share,
- Application form for participation in public auction,
- Copy of the Public Invitation for participation in public auction.

Interested parties can purchase the sale documents at the price of CSD 40.000 without VAT, after the Privatization Agency issues an invoice.

Upon submitting the evidence of payment, the sale documents can be collected at the following address: Privatization Agency, Belgrade, Terazije 23, 5th Floor, office 511.

The funds paid for the purchase of the sale documents are not refundable.

Sale Documents shall be available to the interested parties starting from 30.06.2006. Deadline for collection of the sale documents is 11.07.2006 at 17:00.

Visits to the enterprise "EI EKOS – Elektronski distribicioni sistemi", Niš shall be available to the parties that have purchased the sale documents and signed the Confidentiality Agreement, within the period from 30.06.2006 to 11.07.2006, at the time previously established by the Privatization Agency.

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Submission of Applications for participation in the Public Auction:

The applications shall be submitted directly to the Privatization Agency Belgrade, Terazije 23, 5th Floor, office 511, in sealed envelope marked with:

Auction Sale Code: EI-130706
APPLICATION FOR PARTICIPATION IN THE PUBLIC AUCTION
Privatization Agency Republic of Serbia
Belgrade, Terazije 23, 5th Floor

The Deadline for submission of application for participation in the public auction is 11.07.2006 at 17:00.

The application for participation in the public auction shall be completed in a separate form, which is an integral part of the Auction Documentation. Along with the application for participation in the public auction, it is mandatory to submit Draft Share Sale Agreement and the deposit payment receipt, that is, the auction guarantee.

Incomplete and late applications will not be taken into consideration.

The Commission for the conduct of the public auction will inform the applicants as to the approval of their applications no later than one day prior to the date of public auction.

Public Auction:

Public auction for the public sale shall be held on 13.07.2006, starting at 11:00, at the following address: The Privatization Agency, Belgrade, Terazije 23, 2nd floor, Large Hall.

Registration of the participants in the public auction will be held on the same address, starting two hours before the public auction, and finishing ten minutes prior to the public auction, that is, from 09:00 to 10:50.

The deposit, that is, the auction guarantee, shall be returned to the participants that have not been selected as the buyer within 10 working days after the conclusion of the public sale.

Conclusion of the Share Sale Agreement:

The text of the Draft Share Sale Agreement is not subject to change.

The first participant who places the bid with highest price offer and who is selected as the buyer shall sign the Share Sale Agreement with the seller within two days after the public auction day.

If the interested parties whose applications for participation in public auction have been approved are not registered, they lose the right of returning deposit, that is, the auction guarantee. Likewise, if the parties who have been registered for participation in public auction do not come to the auction, they also lose the right of returning the deposit, that is, the auction guarantee.

In case the selected buyer refuses to sign the minutes of the public auction, or the Share Sale Agreement, or does not pay purchase and sale price within the prescribed period, it loses the right of returning deposit, that is, the auction guarantee.

In case the selected buyer refuses to sign the minutes of the public auction, or the Share Sale Agreement, or does not pay purchase and sale price within the prescribed period, and there have been several other offers, the Share Sale Agreement is to be concluded with the participant who has bid the second-best offer, at the price the participant has offered.

In case the participant who has bid the second-best offer refuses to sign the Share Sale Agreement, or does not pay purchase and sale price within the prescribed period, it loses the right of returning deposit, that is, the auction guarantee.

Right to amend the Public Invitation:

The Privatization Agency reserves the right to change dates, deadlines and/or terms of this public invitation, and shall bear no liability for potential costs or damages suffered by potential participants in the public auction as the result of such amendments.

Potential participants will be informed of the amendments to the Public Invitation no later than by the date of the public auction.