

According to the Decision of the Managing Board of the "Fond Ineks – Intereksport" a.d. Belgrade on the sale of a part of the assets, the approval by the Privatization Agency and the Representation Contract, **The Privatization Agency of the Republic of Serbia** announces:

PUBLIC INVITATION

FOR PARTICIPATION IN THE PUBLIC BIDDING

FOR THE PURCHASE OF A PART OF THE ASSETS OF THE HOLDING COMPANY "FOND INEKS – INTEREKSPORT" AD BELGRADE, MOVABLE PROPERTY AND REAL ESTATE OF "INEKS SKI CENTAR BREZOVICA"

Sales Code: BR - 051006

1. Subject of Sale:

Subject of the sale is the real estate of "Ineks Ski Centar Brezovica", within the Holding Company "Fond Ineks – Intereksport" a.d. Belgrade:

- a) Hotel "Narcis" in the area of 14.800,00 m²
- b) Hotel "Molika" in the area of 9.300 m²
- c) Hotel "Breza" in the area of 2.500,00 m²
- d) Villa "Livadica" in the area of 220,00 m²
- e) Restaurant "Livadice" in the area of 550,00 m²
- f) Tavern "Ljuboten" Štrpce, in the area of 160,00 m²
- g) Restaurant "Muržica" in the area of 64,00 m²
- h) Pension "Stojkova kuća" in the area of 450 m²
- i) Ski piste in the area of 239 ha with 16 km of prepared tracks

The foregoing real estate has been built on the land used by the Ineks Ski Center, Brezovica, the total area of which is 243ha 92 ares 80 m². According to the data of Municipal Geodetic Office in Uroševac, the real estate consists of the following:

KO Vrbeštica

- in the possession deeds nos. 1 and 13, the Holding Company for finance, trade and services Fond Ineks Intereksport ad , Belgrade, has been registered as the owner of the real estate in the area of 6 ha 53 ares 72 m².

KO Berevce 2

- in the possession deed no. 1, the Holding Company for finance, trade and services Fond Ineks Intereksport ad, Belgrade, has been registered as the owner of the real estate in the area of 239 ha 62 ares 15 m²

The subject of the sale is also the movable property – the equipment of the Ineks Ski Center, Brezovica, according to the specification presented on the list of movable property which is the integral part of the bidding documentation.

The real estate and movable property are sold as found, without any possibility for further complaints.

2. Bidding Documentation:

The interested parties can purchase the bidding documentation at the price of CSD 80.00,00, after the invoice has been received from the Privatization Agency. The purchase of the public bidding documentation is obligatory, and on its receipt one is to sign the Confidentiality Agreement. After the payment evidence has been submitted, the public bidding documentation can be collected at the following address: The Privatization Agency, Auction Center, 23 Terazije (5th floor), 1100 Belgrade, 10:00 - 17:00, from 15 August 2006 to 28 September 2006.

3. Initial Price

Initial sale price at the public bidding determined for for the real estate of the Holding Company "Fond Ineks – Intereksport" a.d. Belgrade amounts to **CSD 1.307.465.522,00** (one billion three hundred and seven million four hundred and sixty-five thousand five hundred and twenty two)

4. Requirements for Buyers:

The declared buyer is to take on the obligations in accordance with the Sales and Purchase Agreement which is the integral part of the bidding documentation.

By submitting the application, the participant fully accepts all the requirements presented in the Instructions to Participants, which are the integral part of the bidding documentation.

5. Participation Requirements

All natural persons and legal entities have the right to participate in the public bidding, with limitations mentioned in the Instructions to Participants, if they pay the deposit amounting to **CSD**

130.746.252,00 (one hundred and thirty million seven hundred and forty-six thousand two hundred and fifty two), i.e. 10 % of the initial sales price, or if they submit the first-class bank guarantee at the same amount in accordance with the Instructions to Participants.

In case that first-class bank guarantee has been submitted as the means of payment, it has to be payable within 48 hours after the buyer has been declared at the public bidding.

6. Due Dilligence Procedure

Having signed the Confidentiality Agreement and purchased the bidding documentation, the potential participant will be able to visit the assets of the Ineks Ski Center, Brezovica, have meetings with the persons in charge and check financial, commercial and legal data. If the potential participant decides to participate in the public bidding, he is to pay the deposit or submit first-class (irrevocable) bank guarantee, as well as to submit the Application for Participation, as it is described in the Instructions to Participants.

7. Submission of Applications for Participation in the Public Bidding

The deadline for submission of the applications is 28 September 2006 at 17:00. Applications are to be submitted directly to the Privatization Agency, in a sealed envelope with the following inscription:

APPLICATION FOR PARTICIPATION IN THE PUBLIC BIDDING NO. 051006
Privatization Agency of the Republic of Serbia
Auction Center
23/V Terazije St, 11000 Belgrade

If there is the name of the entity undergoing the sale on the envelope or the full sale code, the application can be rejected. Application for participation in the Public Biding is to be filled out in a separate form, which is the integral part of the bidding documents and it has to contain the data presented in the Instructions to Participants, deposit payment evidence and the number of account for returning the deposit. Incomplete and belated applications shall not be taken into consideration. The Commission for Public Sale Implementation shall inform the applicants for participation in the Public bidding on approval of their applications until one working day at the latest prior the Public Bidding date.

8. Public Bidding Performance

Public bidding will be held on 5 October 2006, beginning at 11:00, at the address: Privatization Agency, Belgrade, 23 Terazije St, 2nd floor, Large Hall.

Registration of participants in the Public bidding will be held at the same address on 5 October 2006, from 09:00 to 10:50.

The method of Public Bidding performance and Conclusion of the Sales and Purchase Agreement is described in detail in the Instructions to Participants which are the integral part of the documentation.

Deposit is to be returned to the participants not to be declared a purchaser, within the period stipulated in the Instructions to Participants.

The amount deposited by the participant who is the first to bid the highest offer and who is declared a buyer is to be calculated in the purchase price; the declared buyer is obliged to pay the margin between the deposited amount and final purchase price at the bidding in the account of the Privatization Agency, in CSD, pursuant to the provisions of the Sales and Purchase Agreement. In case that the Agreement has not been signed, the deposit is to be retained.

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