

Based upon the Decision of Ivo Lola Ribar Sistem a.d., Belgrade, in Restructuring, Jugoslovenska 2 (hereinafter called «Lola Sistem») no. 219/1 of 05.04.2005, and the Decision no. 1064 of 07.10.2005, the Decision of the Privatization Agency of RS no. 344-3105-3DS/01-3 of 31.05.2005, and the Contract on the Power of Attorney, signed on May 31, 2005, in Belgrade, between «Lola Sistem» as Principal, and the Privatization Agency of RS, as Agent by Contract, and Annex of the Contract on the Power of Attorney, closed on 14.10.2005, the Privatization Agency announces

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING FOR PURCHASE OF THE LOLA SYSTEM SHARE IN THE ENTERPRISE LOLA AUDIO DOO, BEOGRAD

1. Subject of the Sale

Sale code: R-171105-02Op

Subject of the Sale is the share of Lola Sistem in LOLA AUDIO Fabrika profesionalnih audio uredjaja d.o.o. Beograd, from Belgrade, Licka 1 b, which value, registered in the Register of business entities of Business Registers Agency of RS, reg.no. 1050, amounts to CSD 798.451,00 as of 25.01.1996 and in counter value of USD 10.000,00, thereof the amount of USD 5.015,20 in the counter value of CSD 350.000,00 was effected on April 05, 2002.

2. Mandatory sales conditions

- Initial price for shares amounts to CSD 6.124.000,00 (In letters: sixmilliononehundredtwentyfourthousand);
- Deposit amounts to CSD 612.400,00 (In letters: sixhundredtwelvethousandfourhundred);
- Buyer accepts full framework of entitlements and obligations established by the final text of the Sales-purchase agreement of the share, which is stated in the Appendix of the Sales documentation.

3. Participation terms

The buyer of the share cannot be: 1) domestic legal entity which operates with the major socially-owned capital; 2) legal and natural person, which/who has due, but yet not settled liabilities to the Seller, and 3) subsidiaries of the Seller. Such applications shall be rejected without considering.

As a participator can apply an enterprise, individual investor or consortium consisting of enterprises and/or individual investors ("Consortium"). One of Consortium members, i.e., the person/entity authorized by the Consortium, must be assigned to represent the Consortium ("authorized representative of the Consortium") and to act on behalf of the Consortium.

4. Sales documentation

Those who are interested can purchase the bidding documentation at the price of CSD 25.000,00 after the receipt of invoice by the Privatization Agency. The purchase of documentation for public bidding is obligatory, and on its receipt one is to sign the Confidentiality Agreement.

After the payment evidence has been submitted, the public bidding documentattion can be collected at the following address: Privatization Agency of RS, Auction Depatment, Terazije 23, 5th floor, room 511, from 9:00 - 17:00, in period from 18.10.2005 until 14.11.2005.

After the public bidding documentation has been collected, the interested buyers can make a visit to the enterprise LOLA Audio and the assets it uses, at the address Belgrade, Licka 1 b, liaison person Zoran Keckojevic, on working days from 09:00-13:00. Telephone no.: 011-361-22-88.

5. Application submission for participation in public bidding

The closing date for application submission is 14.11.2005, at 17:00.

The application must contain the data stated in the Instruction for participants in public bidding, which is the consisting part of the documentation, deposit payment evidence and the account no. for bringing back the deposit.

Filled application as a part of the bidding documentation, with the signed draft of the SPA, signed on every page and the deposit payment evidence, are to be submitted in a closed envelope with the inscription APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING R-171105, Privatization Agency, Belgrade, Terazije 23.

The Sales Commission shall inform all applicants on approval of their applications at the latest one working day before the holding of public bidding.

Before submission of the application, the interested participant is obliged to effect the deposit payment or to submit the first-class bank guarantee, on the account and on behalf of the Privatization Agency, in amount of CSD 612.400,00 (In letters: sixhundredtwelvethousandfourhundred). The deposit is to be payed as follows:

- Beneficiary: Privatization Agency of RS, Terazije 23, Belgrade
- Account no: 840-871621-94
- Basis for transfer: Sales-purchase of shares of «Ivo Lola Ribar Sistem» a.d. Belgrade in restructuring, in the enterprise «Lola Audio d.o.o. Belgrade»,

6. Public Bidding Holding:

The public bidding is to be held on 17.11.2005, at 11:00, within the premises of the Privatization Agency, Terazije 23, Belgrade, 2nd floor, Big Hall.

The registration of the participants in the public bidding shall start two hours before opening of the public bidding, and is to end ten minutes before bidding opening, i.e. between 09:00 - 10:50.

The manner of performance of the public bidding and signing of the SPA is explained into detail in the Instruction for participants, which is a consisting part of the documentation.

To all participants, who are not declared the buyers, the deposit is to be brought back within the deadlines established by the Instruction for Participants, which is the consisting part of the documentation.

To the participant to give the highest offer and to be declared a buyer, the amount of deposit is calculated into the Sales-purchase price, and in case of giving up it is to not to be brought back.

Privatization Agency of RS

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