



*Business Organisation for Trade and Engineering of Telecommunication  
Equipment and Services*

*"Telefonija" Stock Company B E L G R A D E*

On the basis of the provisions of Article 220 - 224, Article 290 of the Companies Act ("Official Gazette" of the Republic of Serbia" no. 125/2004), the opinion of the Serbian Commission for Securities no. 3/0-04-617/8-05 dated 19/01/2006, the decision of the Assembly of AD "Telefonija", file no. 08/004403/23 dated 31 March 2008 and Article 84 of the Articles of Association of B. O. "Telefonija" Stock Company, the Managing Board of B. O. "Telefonija" Stock Company at the second session held on 30/04/2008 brought the following

**DECISION  
ON REALISATION OF THE DECISION  
ON ACQUISITION OF OWN SHARES  
File no. 08/004403/23 dated 31 March 2008, paragraph II**

**I** The Managing Board of B. O. "Telefonija" Stock Company Belgrade is implementing the decision of the Company's Assembly file no. 08/004403/3 paragraph II dated 31 March 2008 on acquisition of its own shares at the organised market, all with the aim of prevention of disorders on the market of securities and prevention of a major and direct damage for the company, in accordance with the opinion of the Serbian Commission for Securities no. 3/0-04-617/8-05 dated 19/01/2006.

**II** The Managing Board of B. O. "Telefonija" gives instructions to the CEO to implement this decision.

The prices at which the issuer will acquire its own shares will be determined by the CEO of the company, on the basis of the public information on realised trade of the issuer's shares i.e. B. O. "Telefonija" Stock Company, at the Belgrade Stock Exchange and in accordance with financial capacities of the company.

The issuer will be acquiring the shares until the elimination of the reason under Paragraph I of this decision, i.e. up to the threshold of acquisition of own shares under Paragraph III of this decision.

**III** The maximal number of shares acquired under Paragraph I of this decision amounts to 10% of the fixed capital of B. O. "Telefonija" Stock Company.

**IV** The report on acquisition of own shares should be submitted by the Managing Board at the first subsequent session of the shareholders' Assembly.

**V** B. O. "Telefonija" Stock Company Belgrade will dispose of all its own shares acquired in accordance with this decision within one year at the latest from the day of their acquisition.

**VI** The decision comes into effect on the day of its issuing.

## ***Reasoning***

The Managing Board assessed that the drop of the price of shares of B. O. Telefonija Stock Company at the Belgrade Stock Exchange had non-economic causes and reasons which are not related to the business operation of B. O. "Telefonija" Stock Company.

The Managing Board relies on the belief that the instability at the financial market is of temporary character and therefore for the protection of interest of shareholders of B. O. "Telefonija" Stock Company, for securing the realisation of development plans of the company, and prevention of indirect and greater damage to the Company, it issues the decision on realisation of the of the Assembly of the company, file no. 08/004403/23 dated 31 March 2008, paragraph II, on acquisition of its own shares at the financial market.

When making this decision the Managing Board had the following in mind: The crisis on the financial market has been caused primarily by the political situation in the Republic of Serbia and consequent abstention of professional and individual investors to invest in shares at the Belgrade Stock Market, which is all causing the constant drop of prices of shares on the market.

For the above mentioned reasons the Assembly of B. O. "Telefonija" Stock Company issued the decision file no. 08/004403/23 dated 31 March 2008 on acquisition of its own shares at the financial market and authorised the Managing Board to realise the decision if necessary.

In case the current disorders on the market continue to cause the drop of the price of shares of the issuer and if the issuer did not react to prevent them, it would jeopardise the success of issuing the shares 13<sup>th</sup> issue, causing the impossibility of realisation of development projects and plans of the company and bringing about a direct damage to the company.

**Chairman of the Managing Board  
B. O. "TELEFONIJA" Stock Company**

**Nikola Ilic**