

Date: 26/05/2008

Result of distribution of ordinary shares – B. O. "Telefonija" Stock Company Belgrade

The result of distribution of ordinary shares of the 13th issue without a public offer

B. O. "TELEFONIJA" Stock Company, Belgrade, Kumodraska 241

In accordance with Article 64. of the Law on Market of Securities and Other Financial Instruments ("Official Gazette" of the Republic of Serbia no. 47/2006) and the provisions of the Bylaw on contents and manner of reporting of public companies and notification on holding the shares with voting right ("Official Gazette" of the Republic of Serbia 100/2006).

B. O. "TELEFONIJA" Stock Company, Kumodraska 241, Belgrade

makes public

REPORT ON MAJOR EVENTS

The result of distribution of ordinary shares of the 13th issue without a public offer

1. B. O. "TELEFONIJA" Stock Company, Kumodraska 241, Belgrade issued at the ninth session of the Shareholders' Assembly on 31 March 2008, the decision file no. 08/004403/20-1 on distribution of shares of the 13th issue without a public offer based on conversion of undistributed profit into the fixed capital of B. O. "Telefonija" Stock Company Belgrade.

2. The Commission for Securities issued the Decision on Granting the Approval for issuing the securities without a public offer to the issuer B. O. "Telefonija" Stock Company Belgrade, under no. 4/0-24-2752/3-08 dated 15/05/2008.

3. The result of distribution of ordinary shares without a public offer is the conversion of undistributed profit into the fixed capital amounting to 68,566,250.00 dinars, or 72,175 ordinary shares of individual nominal value 950.00 dinars, CFI in ESVUFR and ISIN number: RSTLFNE22541.

4. The shares under Item 3 of this notification were entered in the Central Register of Securities on 22 May 2008.

This report will be published on the Web site www.telefonija.co.yu, in the daily newspaper distributed on the entire territory of the Republic and submitted to the Commission for Securities.

B. O. "TELEFONIJA" Stock Company
CEO

Predrag Sofrenic B.Sc. (el. eng.)