

## **REPORT BY THE MANAGEMENT ON THE COGENT REASON FOR THE FULL EXCLUSION OF PRIORITY (PRE-EMPTIVE) RIGHT**

The Managing Board and Supervisory Board of Intereuropa d.d. propose, in agenda item 4 of the General Meeting, to adopt the Resolution on Decrease of share capital and concurrent Increase of capital by contributions-in-kind, i.e. the conversion into capital of a part of claims receivable from Intereuropa by creditor banks. Owing to the modality of capital increase, it is indispensable to exclude the priority (pre-emptive) right of the current shareholders; therefore the management has prepared this Report on cogent reasons for full exclusion of priority rights, in accordance with Article 337 par. 4, ZGD-1.

For Intereuropa d.d., the year 2011 brought significant shifts in the sphere of business restructuring, which reflected on good operating results. Jointly with an independent external consultancy firm, Intereuropa d.d. prepared a concept for business and financial restructuring of the Company. The major shareholders have not expressed their readiness for increasing the capital of the Company, therefore it was necessary to rely only on the engagement of creditor banks for undertaking the financial restructuring. Intense negotiations with the creditor banks have been held since June 2011. The Managing Board of Intereuropa d.d. and the banks harmonized their baselines for financial restructuring of the Company, as presented to the shareholders in the press release on 6 March 2012 that was published on the Seonet website: [http://seonet.ljse.si/Default.aspx?doc=SEARCH&doc\\_id=47619](http://seonet.ljse.si/Default.aspx?doc=SEARCH&doc_id=47619)

The Managing and Supervisory Boards made a public appeal to the shareholders to express their readiness for a capital increase in the Company. The shareholder who responded thereto supported the financial restructuring of the Company, however, did not express their willingness for a capital increase. On that ground the only option was to address the banks in order to achieve financial restructuring. In accordance with that, the activities to implement the elements underlying for financial restructuring were carried on:

- *Decrease in the share capital of Intereuropa d.d. to 7,902,413 EUR owing to the decrease in the appurtenant amount of no-par value shares to 1 EUR, by transfer to capital reserves and without any pay-out to shareholders on account of the decrease in capital,*
- *Conversion of a portion of receivables of creditor banks (EUR 22,000,000.00) into equity of Intereuropa d.d., in accordance with the relationship between the banks that will be agreed upon; provided that the accounts receivable of creditor banks be exchanged at nominal value so that the banks acquire one share for each euro of their accounts receivables that were subject to conversion;*
- *By the end of the grace period the banks will agree on rescheduling for the remaining credit liabilities in such a manner that the financial liabilities of Intereuropa d.d. become sustainable in the long run.*

In accordance with the frameworks of financial restructuring, the General Meeting has to resolve on a Decrease of share capital to 7,902,413 EUR, and adopt a Resolution on an Increase of share capital to 22,000,000.00 EUR. Given that it concerns a specific increase in share capital by contributions in kind, i.e. the claims receivable of creditor banks, it is absolutely necessary and fully substantiated to completely exclude the priority (pre-emptive) rights of other shareholders.

The proposed emission amount of the shares is 1.0 EUR. It is the minimal emission value for a NPV-share, as admissible by the Companies Act/ZGD, and the valuations of the Company

undertaken by the banks do not allow for a higher price. The management highlights that also the circumstances in financial markets, viewed both through daily trading at the Ljubljana Stock Exchange as well as unsuccessful attempts to sell the shareholdings in the Company on the part of current major shareholders, prove that such emission amount of the share are justified.

The Managing Board believes that by conversion of a part of claims receivable into equity, and with other elements of financial restructuring as presented herein, the financial stability of the Intereuropa Group will be assured in the long run too, therefore it proposes that the shareholders support the capital decrease and the increase of the share capital by contributions in kind, contributed by creditor banks, and the exclusion of priority right of current shareholders.

INTEREUROPA d.d.  
Tatjana VOŠINEK PUCER  
Deputy President of Managing Board

INTEREUROPA D.D.  
Ernest GORTAN  
President of the Managing Board