

Pursuant to Item 35 of the validly concluded pre-bankruptcy settlement and Article 79 of the Act on Financial Operations and Pre-Bankruptcy Settlement (Official Gazette Nos. 108/12, 144/12, 81/13, 112/13), INSTITUT IGH, d.d. with the registered seat in Zagreb, Janka Rakuše 1, OIB: 79766124714 (hereinafter "the Company" and/or "the Debtor"), submits herein the following

**REPORT ON ACCOMPLISHMENT OF THE PRE-BANKRUPTCY SETTLEMENT PLAN
IN THE PERIOD FROM 1 JANUARY TO 31 MARCH 2015**

- I INSTITUT IGH d.d. concluded a pre-bankruptcy settlement on 5 December 2013 before the Commercial Court in Zagreb, 72. Stpn-305/2013. The settlement came into force on 28 December 2013. The clause on the coming into force of the settlement arrangement was received by the Company on 15 April 2014.
- II The Company points out that it has paid a total of HRK 688,998.90 for employees' claims incurred prior to initiation of the pre-bankruptcy settlement procedure and the additional HRK 288,800.50 for taxes and contributions related to gross amounts in the accounting period covering the first quarter (1/1 - 31/3 2015). In view of the above, as of the date of the validly concluded pre-bankruptcy settlement to 31 March 2015 inclusive, the Company has paid a total of HRK 13,458,539.74 (95.02%) for priority and other employees' claims, while for established claims in the gross and net amount respectively the Company has additionally paid a total of HRK 2,563,496.16 for taxes and contributions related to gross amounts, which cumulatively amounts to HRK 16,022,035.90.
- III Furthermore, the Company points out that, in the accounting period covering the first quarter (01/01 - 31/03 2015), it has paid the calculated interest on the senior debt principal for the grace period to its creditors listed in category a) claims from credit activities secured by liens on the property of the Debtor or on the property of the Debtor's affiliates; creditors listed in category b) claims from other credit activities which are not secured by liens on the property of the Debtor; and creditors listed in category c) claims based on factoring, financial leasing and loans granted by non-financial creditors; in compliance with provisions of the validly concluded pre-bankruptcy settlement as follows:
 - for the period from 1 January 2015 to 31 March 2015:
 - the amount of HRK 1,156,243.29 to creditors listed in category a), and
 - the amount of HRK 27,035.19 to creditors listed in category b).
 - for the period from 1 January 2015 to 31 March 2015:
 - the amount of HRK 2,647.59 to creditors listed in category c).
- IV In the accounting period covering the first quarter (1 January 2015 - 31 March 2015), the Company has paid a total of HRK 1,185,926.07 for liabilities arising from the validly concluded pre-bankruptcy settlement. In addition, the Company has paid a total of HRK 688,998.90 for priority and other employees' claims, and the corresponding HRK 288,800.50 for taxes and contributions related to gross amounts. In view of the above, a total of HRK 2,163,725.47 (in words: two million one hundred and sixty-three thousand seven hundred twenty-five Croatian kunas and forty-seven lipas) were paid by the Company in the accounting period covering the first quarter (1 January 2015 - 31 March 2015) for liabilities arising from the validly concluded pre-

bankruptcy settlement, including priority and other employees' claims with the corresponding taxes and contributions.

- V Through monetary payments, issuance of shares by way of conversion of a part of creditors' claims into capital, payment of priority claims and other employees' claims with the corresponding taxes and contributions, and through the liabilities write-off in compliance with provisions of the pre-bankruptcy settlement, as of the date of the validly concluded pre-bankruptcy settlement to the accounting period ending on 31 March 2015 inclusive, the Company has paid a total of HRK 83,230,969.13 (in words: eighty-three million two hundred and thirty thousand nine hundred and sixty-nine Croatian kunas and thirteen lipas) for liabilities incurred prior to initiation of the pre-bankruptcy settlement procedure. In the accounting period ending on 31 March 2015, the Company has fully settled all liabilities assumed through the concluded pre-bankruptcy settlement for the aforementioned accounting period, including payment of priority and other employees' claims with the corresponding taxes and contributions.
- VI INSTITUT IGH, d.d. hereby declares that the Company has not undertaken any action which would lead to unequal position of its creditors.
- VII Through the validly concluded pre-bankruptcy settlement, increase in share capital by investment of rights (by converting claims into capital), increase in share capital via monetary payment, and through positive business results in 2014 and in the first quarter of the financial year 2015, the Company has gained prerequisites for a successful settlement of liabilities assumed through the concluded pre-bankruptcy settlement and for a continued liquidity and solvency of the Company.

Zagreb, 27 April 2015

INSTITUT IGH d.d.

Ivan Paladina, B.Econ.
President of the Management Board