

# Institut IGH d.d.

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IGH-R-A Regular Share, ISIN HRIGH0RA0006  
Offered at the official market of the Zagreb Stock Exchange  
Notice issued in accordance with Article 459 of the Capital Market Act

## HANFA

Miramarska 24b  
10000 Zagreb

## Zagrebačka burza d.d.

Ivana Lučića 2  
10000 Zagreb

Zagreb 17 May 2013

Subject: Institut IGH restructuring through pre-bankruptcy settlement – an optimum solution for the Company's future

*After consultations with the leading creditors of the Company, and with their support, the application was submitted to the Financial Agency (FINA) for the start of the pre-bankruptcy settlement procedure*

**Zagreb, 17 May 2013** – After the today's Management Board session, the Supervisory Board's decision, and preliminary agreement with the biggest creditors, the INSTITUT IGH d.d. submitted to FINA its application for the start of the pre-bankruptcy settlement procedure. The intention and wish of the INSTITUT IGH d.d. and its leading creditors is to enable rapid completion of the pre-bankruptcy settlement procedure, and resumption of the Company's activity, with the IGH fully restructured and strengthened with new capital. During the pre-bankruptcy settlement procedure, the Company INSTITUT IGH d.d. will remain a reliable partner capable of issuing bank guarantees, and will continue to be a leading design/consulting company for the sector of civil engineering in the Republic of Croatia and in the wider region.

Over the past months, INSTITUT IGH d.d. has been intensively defining, in concert with its biggest creditors, primarily commercial banks, an optimum financial restructuring model and it finally decided, with the support of the biggest creditors and after fulfilment of relevant legal requirements, to start the pre-bankruptcy settlement procedure. In this light, a positive outcome of the pre-bankruptcy settlement may be expected. The successful conduct of this procedure, through restructuring and financial consolidation, will fully stabilize business processes and will ensure continued implementation of current and hopefully new projects in the future.

The proposed restructuring model, which will soon be finalized, will certainly include financial strengthening and continued optimization of business expenses, and the sale of the Company's assets that are not related to core business. INSTITUT IGH d.d. is fully determined to return to its core business, to increase its revenues and EBITDA margin, and especially to maintain and invest in its human resources which are the guarantor of excellence, and the very foundation of the Institute's activity. Furthermore, INSTITUT IGH will simultaneously continue with its proactive policy of accessing international markets, and will strive to complete negotiations related to potential agreements on the Russian Federation market.

Fully aware of the unenviable situation caused by general crisis which has greatly struck all sectors and the construction sector in particular, and in order to find the best possible solution for the future of INSTITUT IGH, and in keeping with provisions of the Pre-Bankruptcy Settlement Act, we have decided that the start of the pre-bankruptcy settlement is an optimum solution for the finalization of the financial restructuring procedure. We are certain that the understanding of all creditors and our shareholders, and the clear vision and quality of projects we have been working on over the past years, will be the guarantee of the good future, while a consistent application of the proposed solutions will enable continued engagement on the most complex activities relating to the design, supervision and project management, laboratory testing, and activities in the fields of environmental protection, water engineering, and geotechnics.

Yours respectfully,

INSTITUT IGH, d.d.  
Investor Relations Office