

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (THE "UNITED STATES") OR TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED) OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS ANNOUNCEMENT. OTHER RESTRICTIONS APPLY (SEE "OFFER AND DISTRIBUTION RESTRICTIONS" BELOW).**

30 June 2016

Zagrebački Holding d.o.o. (the "**Issuer**") has today launched an invitation to holders of the outstanding Notes detailed below (the "**Notes**"), to tender any and all such Notes for purchase by the Issuer for cash (the "**Offer**") at the Purchase Price set out below, subject to satisfaction of the New Financing Condition (as defined below) and the other conditions described in the Tender Offer Memorandum. The Issuer will also pay an amount equal to the accrued and unpaid interest in respect of all Notes validly tendered and delivered and accepted for purchase by the Issuer pursuant to the Offer.

Capitalised terms used in this announcement but not otherwise defined have the meanings given to them in the tender offer memorandum dated 30 June 2016 (the "**Tender Offer Memorandum**"). The Offer is subject to certain restrictions, as further described below.

<b>Description of Notes</b>	<b>ISIN</b>	<b>Outstanding Principal Amount</b>	<b>Purchase Price</b>
€300,000,000 5.50 per cent. Notes due 2017	XS030968 8918	€300,000,000	102.5% (€1,025 per €1,000 in principal amount of the Notes)

The Offer will end at 17:00 hours (CET) on 13 July 2016 (the "**Expiration Deadline**") unless extended, amended or terminated early by the Issuer.

#### **Rationale for the Offer**

The Issuer is (subject to the New Financing Condition), among other objectives, currently seeking to optimise its liability portfolio and reduce the cost of its debt and is conducting the Offer and the issue of the New Notes (as defined below) to further such objective.

Notes repurchased by the Issuer pursuant to the Offer will be cancelled and will not be re-issued or re-sold. Notes which have not been validly submitted and accepted for purchase pursuant to the Offer will remain outstanding.

#### **New Financing Condition**

The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Issuer of Notes tendered pursuant to the Offer is at the sole and absolute discretion of the Issuer and tenders may be rejected by the Issuer for any reason.

The Issuer announced on 30 June 2016 the intention to issue new Kuna-denominated notes principally in the Republic of Croatia (the "**New Notes**"). Whether the Issuer will accept for purchase Notes validly tendered in the Offer is subject (unless such condition is waived by the Issuer in its sole and absolute discretion), without limitation, *inter alia*, to the successful completion of the issue of the New Notes or such other financing as the Issuer may determine on terms acceptable to it (in each case as determined by the Issuer in its sole and absolute discretion) (the "**New Financing Condition**").

*This announcement is not an offer to buy or sell, or a solicitation of an offer to sell or buy, any New Notes or other securities in the United States. Securities may not be offered or sold in the United States absent registration under, or an exemption from, the registration requirements of the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.*

### **Timetable for the Offer**

The expected timetable of events will be as follows:

<b>Date</b>	<b>Action</b>
30 June 2016	<p><b><i>Commencement of the Offer</i></b></p> <p>Offer and intention of the Issuer to issue the New Notes announced by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and by publication on the website of the Luxembourg Stock Exchange at <a href="http://www.bourse.lu/">www.bourse.lu/</a>.</p> <p>Tender Offer Memorandum available for Eligible Noteholders from the Tender Agent.</p>
13 July 2016 17:00 hours, CET	<p><b><i>Expiration Deadline</i></b></p> <p>Deadline for receipt by the Tender Agent of all Tender Instructions in order for Eligible Noteholders to be able to participate in the Offer.</p>
14 July 2016 At or around 10.00 hours, CET	<p><b><i>Announcement of Result of Offer</i></b></p> <p>Announcement of the Issuer's decision whether to accept (subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes for purchase pursuant to the Offer.</p> <p>Details of:</p> <ul style="list-style-type: none"><li>(ii) the final aggregate principal amount of the Notes tendered pursuant to the Offer; and</li><li>(iii) the aggregate principal amount of Notes accepted for purchase pursuant to the Offer,</li></ul> <p>distributed by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and by publication on the website of the Luxembourg Stock Exchange at <a href="http://www.bourse.lu/">www.bourse.lu/</a>.</p>
18 July 2016	<p><b><i>Settlement</i></b></p> <p>Subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date, expected Settlement Date for the Offer. Payment of Purchase Consideration and Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.</p>

### **General**

The complete terms and conditions of the Offer are set forth in the Tender Offer Memorandum, which will be sent to Eligible Noteholders at their request. Noteholders are urged to read the Tender Offer Memorandum carefully.

The Issuer reserves the right, in its sole and absolute discretion, (i) not to accept any Tender Instructions, (ii) not to purchase Notes or (iii) to extend, re-open, withdraw or terminate the Offer and to amend or

waive any of the terms and conditions of the Offer in any manner, subject to applicable laws and regulations.

The Issuer has retained Banca IMI S.p.A and UniCredit Bank AG to act as Dealer Managers for the Offer and Lucid Issuer Services Limited to act as Tender Agent.

### **Procedure for Participation**

To tender Notes in the Offer, a holder of Notes should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received in each case by the Tender Agent by the Expiration Deadline.

Tender Instructions must be submitted in respect of a principal amount of Notes of no less than the Specified Denomination of €50,000, and may be submitted in integral multiples of €50,000 thereafter.

Noteholders are advised to check with any bank, securities broker or other Intermediary through which they hold Notes when such Intermediary would require to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instructions to participate in, the Offer before the deadlines specified above. **The deadlines set by any such Intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.**

If you need further information about the Offer, please contact any of the Dealer Managers or the Tender Agent.

### **Contact Details:**

#### **THE DEALER MANAGERS**

##### **Banca IMI S.p.A.**

Largo Mattioli, 3  
20121 Milan  
Italy

Telephone: +39 027 261 5938  
Attention: Liability Management  
Email: Liability.Management@bancaimi.com

##### **UniCredit Bank AG**

Arabellastrasse 12  
81925 Munich  
Germany

Telephone: +49 89 378 13722  
Attention: Liability Management  
Email: corporate.lm@unicredit.de

#### **THE TENDER AGENT**

##### **Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London  
WC1H 8HA  
United Kingdom

Telephone: +44 (0) 20 7704 0880  
Attention: Thomas Choquet  
Email: zgh@lucid-is.com

**DISCLAIMER** This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be

read carefully before any decision is made with respect to the Offer. If you are in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Offer. None of the Dealer Managers, the Tender Agent and the Issuer makes any recommendation as to whether Noteholders should tender Notes for purchase pursuant to the Offer.

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Issuer, the Notes or the Offer contained in this announcement or in the Tender Offer Memorandum. None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Issuer to disclose information with regard to the Issuer or the Notes which is material in the context of the Offer and which is not otherwise publicly available.

## **OFFER AND DISTRIBUTION RESTRICTIONS**

### ***United States***

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States or to a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other Intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. Person will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will represent that it is not a U.S. Person located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### ***United Kingdom***

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials is exempt from the restriction on financial promotions under section 21 of the FSMA on the basis that it is only being directed at and may be communicated to (1) those persons who are existing members or creditors of the Issuer or other persons within Article 43(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005

(the "**Financial Promotion Order**") and (2) to any other persons to whom these documents and/or materials may lawfully be communicated.

### **France**

The Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, are eligible to participate in the Offer. This announcement, the Tender Offer Memorandum and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

### **Belgium**

Neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority ("*Autorité des services et marchés financiers/Autoriteit financiële diensten en markten*") and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the "**Belgian Takeover Law**"), as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement, the Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" within the meaning of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission of placement instruments to trading on regulated markets, acting on their own account or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. This announcement and Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this announcement and Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

### **Italy**

None of the Offer, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Tender Offer have been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian laws and regulations.

The Offer is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuer's Regulation**").

Noteholders or beneficial owners of the Notes that qualify as qualified investors (*investitori qualificati*) can offer Notes for purchase through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each Intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

### **The Republic of Croatia**

This announcement and Tender Offer Memorandum have not been and will not be submitted for clearance to nor approved by the Croatian Financial Services Supervisory Agency (HANFA), and it will not be made, directly or indirectly, to the public in Croatia.

***General***

Neither this announcement, the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Managers or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by the Dealer Managers or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.