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Re: Notice of Conclusion of Purchase Agreement of IMPERIAL Rab shares

We hereby inform you that on 20 September 2016 the company Valamar Riviera d.d., with registered office in Poreč, 1 Stancija Kaligari, registered at the Commercial Court in Pazin, registration number (MBS) 040020883, personal identification number (OIB): 36201212847 (hereinafter: the Company or Valamar) concluded (as buyer) a Share Purchase and Transfer Agreement of IMPERIAL d.d. shares with the following parties (as sellers): the Republic of Croatia, the State Agency for Deposit Insurance and Bank Resolution, the Croatian Pension Insurance Institute and the Restructuring and Sale Center. With this agreement the buyer purchases 318,446 shares for a nominal amount of HRK 400.00 each, of IMPERIAL hotelijerstvo, ugostiteljstvo i turizam d.d. (joint-stock hospitality company) with registered office in Rab, 2 Jurja Barakovića (hereinafter: IMPERIAL) for the total price of HRK 260,807,274.00 with a payment period of 30 days. The purchased shares represent 50.08% of IMPERIAL share capital and the Company-buyer will acquire them upon releasing a share transfer statement following the payment of the contracted price.

Upon IMPERIAL shares acquisition, The Company and its partner, the mandatory pension fund management company AZ d.o.o društvo za upravljanje obveznim mirovinskim fondom (hereinafter: AZ), which acts in its own name and on behalf of the AZ mandatory pension fund category A, OIB: 15220336427 and in its own name and on behalf of AZ mandatory pension fund category B, OIB: 59318506371, with which the Company has established joint action towards IMPERIAL and to which the Company will transfer shares representing 10% share capital, will have prevailing influence in IMPERIAL.

This exercise of rights will significantly affect the business operations both in IMPERIAL and the Company and in order to improve them, Valamar will consider the use of all the customary licit means, tools and leverage.

In compliance with the Capital Market Act and Act on the Takeover of Joint Stock Companies, the Company will:

- Notify on exceeding the threshold of 50% voting rights in IMPERIAL, in compliance with Article 413 of the Capital Market Act;
- Together with AZ with which it has established joint action towards IMPERIAL, notify on the event of obligation to release a takeover bid as prescribed by the Act on the Takeover of Joint Stock Companies.

VALAMAR RIVIERA

Trgovački sud u Pazinu, MBS 040020883; OIB: 36201212847; tvrtka: Valamar Riviera dioničko društvo za turizam; skraćeni naziv: Valamar Riviera d.d.; 1.672.021.210,00 kuna temeljnog kapitala, u cijelosti uplaćen; izdane 126.027.542 dionice; MB 3474771; računi: HYPO ALPE – ADRIA – BANK d.d. Zagreb IBAN: HR 2625000091101024767, SWIFT: HAABHR22; ZAGREBAČKA BANKA d.d. Zagreb IBAN: HR 4123600001101319202, SWIFT: ZABHR2X; ERSTE & STEIERMÄRKISCHE BANK d.d. Rijeka IBAN: HR 0624020061100389454, SWIFT: ESBCHR22; PRIVREDNA BANKA d.d. Zagreb IBAN: HR 4723400091100153498, SWIFT: PBZGHR2X; RAIFFEISEN BANK AUSTRIA d.d. Zagreb IBAN: HR 1624840081102134625, SWIFT: RZBHR2X; SOCIETE GENERALE – SPLITSKA BANKA d.d. Split IBAN: HR 4023300031100321684, SWIFT: SOGEHR22; SBERBANK d.d. Zagreb IBAN: HR 9025030071100039991, SWIFT: VBCRHR22; ISTARSKA KREDITNA BANKA UMAG d.d. Umag IBAN: HR 7423800061110009020, SWIFT: ISKBHR2X; OTP BANKA d.d. Zadar IBAN: HR 4724070001100365752, SWIFT: OTPVHR2X; CROATIA BANKA d.d. Zagreb IBAN: HR 4824850031100284295, SWIFT: CROAHR2X; Predsjednik Uprave: Željko Kukurin, član Uprave: Marko Čizmek; Predsjednik Nadzornog odbora: Gustav Wurmbock.