

**Inside information pursuant to Appendix No 9  
to Art. 28, para 2 and Art. 41, para 2, p. 2 of ORDINANCE No. 2 on the prospectuses to be  
published when securities are offered to the public or admitted to trading on a regulated  
market and on disclosure of information by the public companies and the other issuers of  
securities**

for the period 01.04.2013 – 30.06.2013

**“Intercapital Property Development” ADSIC**

**1. For the issuer**

**1.1. Change of the persons, exercising control over the company**

Since the establishment of the company up to present there haven't been persons exercising control over it.

**1.2. Change in the members of the management and the control bodies of the company and reasons for the change; changes in the way of representation; appointment or discharge of procurator.**

During the second quarter of the year 2013 there hasn't been such a circumstance.

**1.3. Amendments and/or supplements to the company's By-laws.**

During the second quarter of the year 2013 there hasn't been such a circumstance.

**1.4. Decision for transformation of the company and implementation of the transformation; structural changes in the company.**

No decisions for transformation of the company and implementation of transformations have been taken; there have not been any structural changes in the company.

**1.5. Initiation of a liquidation procedure and all main stages, related to such procedure.**

No liquidation procedure has been initiated for the company.

**1.6. Initiation of a bankruptcy procedure for the company or its subsidiary and all substantial stages, connected with the procedure.**

No bankruptcy procedure has been initiated for the company or its subsidiary.

**1.7. Acquisition, granting for use or disposition of assets of big value according Art. 114 para 1 item 1 of LPOS.**

Such a circumstance has not occurred during the second quarter of the year 2013.

**1.8. Decision for conclusion, termination and rescission of a contract for a joint enterprise.**

There has not been taken any decision for conclusion, termination and rescission of a contract for a joint enterprise.

**1.9. Decision of the Financial Supervision Commission for delisting the company of the registry for the public companies and the other issuers of securities under Art. 1, para 3, point 3 of the Law on the Financial Supervision Commission**

There has not been such a decision during the second quarter of the year 2013.

**1.10. Change of the auditors of the company and reasons for the change.**

Such a circumstance has not occurred during the second quarter of the year 2013.

**1.11. Announcement of the profit of the company.**

As of the end of the second quarter of the year 2013 the net financial result of the Company on non-consolidated basis is loss in the amount of BGN 1 576 thousand.

**1.12. Material losses and the reasons thereof.**

During the second quarter of the year 2013 the Company has not realized material losses due to extraordinary or unforeseeable circumstances.

**1.13. Unforeseeable or unforeseen circumstance of extraordinary nature, as a result of which the company or its subsidiary has suffered damages, amounting to three or more percent of the company's equity.**

During the second quarter of the year 2013 there have not been any circumstances of extraordinary nature that have caused such damages for the Company.

**1.14. Public disclosure of a modified auditor's report.**

Such a circumstance has not occurred during the second quarter of the year 2013.

**1.15. Decision of the general meeting about the dividend's type and amount, as well as on the conditions and the order for its payment.**

There has not been such a decision during the second quarter of the year 2013.

**1.16. Occurrence of liability, which is essential for the company or for its subsidiary, including each non fulfillment or increase of the liability.**

During the first quarter of 2013 the Company received a working capital loan for the amount of BGN 240 000 from CB Investbank AD. On 05.04.2013 CB Investbank AD has transferred its receivable from "Intercapital Property Development" ADSIC to "BG Invest Properties" EAD pursuant to a Contract for transfer of receivables dated 05.04.2013.

With the intention of ensuring the claim by "BG Invest Properties" EAD on "Intercapital Property Development" ADSIC, in the interest of "BG Invest Properties" EAD, on the 29<sup>th</sup> July 2013 a first-tier mortgage has been set on the following property owned by "Intercapital Property

Development” ADSIC: Sports & Recreational center “Fitness Centre” with ID: 00833.5.409.21, Aheloy, Pomorie, Burgas, with address of the property - Aheloy. “Marina Cape” № 21, fl. 0, site C21 – designated for sports and recreational purposes. The property is set on two levels with combined area of 214 sq.m. (two hundred and fourteen square meters), with adjacent areas of 33 sq.m. (thirtythree square meters), together with the common parts of the construction right on the location.

**1.17. Arising of receivable, which is essential for the company, with indication of its due date.**

During the second quarter of 2013 no essential receivable has arisen for the company.

**1.18. Liquidity problems and measures for financial support.**

During the second quarter of 2013 the Company has not had any new liquidity problems.

With regard to a corporate bond issue of the Company issued in August 2007, on 3rd January 2013, with entry № 20130103135306 in the electronic file of the Company in the Commercial Register an invitation was announced for convocation of General Meeting of the bondholders of the corporate bond issue. Based on Art. 214, para 1 of the Commercial Act, the General Meeting of bondholders was convened by the representative of the bondholders Commercial Bank “INVESTBANK” AD and should be held on 16<sup>th</sup> January 2013 at 11:00 h on address: Sofia, 27 Vasil Levski Blvd., hotel Downtown, the conference hall.

The proposed agenda was as follows:

**Item One**

Giving consent on rescheduled repayment of the liabilities under the bond issue having ISIN code BG2100019079 through a partial re-negotiation of the terms, as follows:

1. Extension of the term of the issue by 60 months (as from 14 August 2013 until 14 August 2018);

2. The principal repayment schedule is amended as follows:

2.1. Principal (amortisation) payments:

| 2013   |              | 2014   |              | 2015   |              | 2016   |              | 2017   |              | 2018   |              |
|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|--------|--------------|
| Date   | Amount (EUR) | Date   | Amount (EUR) | Date   | Amount (EUR) | Date   | Amount (EUR) | Date   | Amount (EUR) | Date   | Amount (EUR) |
| 14.02. | 62 500       | 14.02. | 62 500       | 14.02. | 125 000      | 14.02. | 187 500      | 14.02. | 250 000      | 14.02. | 250 000      |
| 14.05. | 62 500       | 14.05. | 62 500       | 14.05. | 125 000      | 14.05. | 187 500      | 14.05. | 250 000      | 14.05. | 250 000      |
| 14.08. | 62 500       | 14.08. | 62 500       | 14.08. | 125 000      | 14.08. | 187 500      | 14.08. | 250 000      | 14.08. | 250 000      |
| 14.11. | 62 500       | 14.11. | 62 500       | 14.11. | 125 000      | 14.11. | 187 500      | 14.11. | 250 000      |        |              |

2.2. Interest (coupon) payments within the extended term:

- The interest rate following 14 Feb 2013 until the maturity date shall be decreased to 7.25% per annum, payable at 3-month period on the dates as per the Table enclosed in the invitation;

- The interest payments due following 14 February 2013 until the maturity date shall be calculated by gradual decrease of the interest rate by 0.25%. The exact amount of the interest payments as well as the terms for applying the new gradual decrease of the interest rate are specified in the invitation and in the table enclosed;
- 2.3. The Issuer shall be still entitled to make a total or partial early repayment of the outstanding principal of the debenture loan. That repayment might be effected only on a date of an interest payment. The minimum amount that might be early repaid must equal at least one amortisation payment due for the respective period;
  3. All due principal and interest payments under the bond issue shall be effected in Bulgarian leva as per the official rate of exchange of the BNB as of the date of performance of the GMB /EUR 1 = BGN 1.95583/. In case that BNB's central exchange rate is changed, all payments shall be effected in Euro;
  4. The Issuer shall be obligated to open a special current account at UniCredit Bulbank AD to service the payments under the debenture loan;
  5. Security of the issue: Except for the insurance provided by Insurance Company Euro Ins and the second-tier mortgage, the Issuer shall be obligated to provide new additional collaterals such as: to sign a supplement to the insurance policy provided by Euro Ins and to create a first-tier mortgage on an own real property as described in the invitation;
  6. Other terms and ratios:
    - 6.1 Ratio between Equity and Secured Debt: The Company undertakes to maintain a ratio between equity and secured debt, calculated by dividing the balance sheet equity capital of the Company to the sum of all collateralized obligations, not lower than 0.10 (zero point ten) until the full payment of the bonds of this issue.
    - 6.2. Maximum ratio of Liabilities to Assets according to their book value: The Company undertakes to maintain a maximum ratio of the book value of its Liabilities to the book value of its Assets at the amount of not more than 0.95 (zero point ninety five) until the full payment of the bonds of this issue

#### Item two

Adoption of a decision, the GMB to assign and respectively authorise Intercapital Property Development REIT to undertake all necessary decisions and actions in pursuance with the voted amendments to the terms and conditions of the bond issue having ISIN code BG2100019079.

Due to lack of a quorum, the General Meeting of the Bondholders of Intercapital Property Development ADSIC has failed to take place on January 16, 2013. Thereby, the GMB was held on January 31, 2013 under the same agenda. However the Company's bondholders did not approve the proposals written in the invitation.

In the meantime on 25th January 2013, with entry № 20130125162118 in the electronic file of the Company in the Commercial Register an invitation was announced for convocation of General Meeting of bondholders of corporate bond issue with ISIN code BG2100019079, issued by ICPD. Based on Art. 214, para 1 of the Commercial Act, the General Meeting of bondholders was convened by the representative of the bondholders Commercial Bank "INVESTBANK" AD and would be held on 6th February 2013 at 11:00 h on address: Sofia, 27 Vasil Levski Blvd., hotel Downtown, the conference hall.

The agenda of the meeting, convened for 06.02.2013 was essentially analogous to the agenda of the meeting that was convened for 16.01.2013, the main difference being some technical corrections made in the draft of the supplement to the insurance policy provided by Euro Ins AD

(which is part of the written materials for the meeting) which aimed to provide better protection of the bondholders' rights.

The General meeting of the bondholders of "Intercapital Property Development" ADSIC held on 06.02.2013 approved the proposal and respectively all the suggested terms for renegotiation of the Company's bond loan.

In compliance with the decisions of the General Meeting of the Company's bondholders, held on 06.02.2013, on 08.03.2013 the Company paid out the owed interest as of 14.02.2013 on its corporate bond issue in the amount of EUR 83 808.

On 08.03.2013 the Company made also an amortization payment on its bond issue in the amount of EUR 62 500 that was due as of 14.02.2013. With regard to the delay in the payment of the amortization on the principal the Company paid out to the bondholders interest for the delay for the period between 15.02.2013 and 08.03.2013 amounting to BGN 534.18 (i.e. BGN 0.106835257 per bond).

On 07.06.2013 the Company paid out the owed interest as of 14.05.2013 on its corporate bond issue in the amount of EUR 60 768.

On 07.06.2013 the Company made also an amortization payment on its bond issue in the amount of EUR 62 500 that was due as of 14.05.2013. With regard to the delay in the payment of the amortization on the principal the Company paid out to the bondholders interest for the delay for the period between 15.05.2013 and 07.06.2013 amounting to BGN 582.74 (i.e. BGN 0.116548 per bond).

Due to the fact that ICPD did not manage to make the interest and principal payment until 10.05.2013 and in compliance with the decisions of the General Meeting of the Company's bondholders, held on 06.02.2013, the interest rate that has been applied over the outstanding bond loan for the next three-month period starting from 15.05.2013, remained in the amount of 7.25% annually.

#### **1.19. Increase or reduction of the share capital**

There have not been such circumstances during the second quarter of 2013.

#### **1.20. Confirmation of negotiations for acquisition of the company.**

There hasn't been such a circumstance during the second quarter of 2013.

#### **1.21. Conclusion or fulfillment of significant contracts, which are not related to the company's usual activity.**

During the second quarter of 2013 no significant contracts which are not related to the company's usual activity have been concluded or fulfilled.

#### **1.22. Position of the management body in connection with the tender offer made.**

During the second quarter of 2013 no tender offer has been made to the Company's shareholders, respectively there has not been any position of the Board of Directors of the company related to that.

#### **1.23. Termination or substantial reduction of the relations with clients, who form at**

**least 10 percent of the revenues of the company for the last three years.**

During the second quarter of 2013 there has not been any termination or substantial reduction of the relations with clients, who form at least 10 percent of the revenues of the company for the last three years.

**1.24. Introduction of new products and developments on the market**

No new products and developments have been introduced on the market during the second quarter of 2013.

**1.25. Big orders (amounting to over 10 percent of the average revenues of the company for the last three years).**

During the second quarter of 2013 there have not been orders amounting to over 10 percent of the average revenues of the company.

**1.26. Development and/or change in the amount of the orders and the use of the production capacity.**

There has not been any change in the amount of the orders and the use of the production capacity during the second quarter of 2013.

**1.27. Termination of the sales of a given product, forming significant part of the revenues of the company.**

There hasn't been such a circumstance.

**1.28. Purchase of patent**

There hasn't been such a circumstance.

**1.29. Obtaining, suspension of the use, withdrawal of authorization to pursue business (license).**

There has not been obtaining, suspension of the use, withdrawal of authorization to pursue business (license) during the second quarter of 2013.

**1.30. Initiation or termination of legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity.**

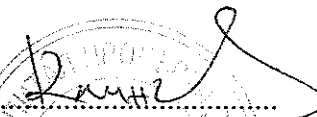
No legal or arbitration proceedings, relating to liabilities or receivables of the company or its subsidiary, with price of the claim at least 10 percent of the company's equity, have been initiated or terminated during the second quarter of 2013.

**1.31. Other circumstances, which the company considers could be of importance for the investors at taking a decision to acquire, to sell or continue to own publicly offered securities.**

On 30.01.2013 the Company signed a new Annex to the Contract with VEI Project AD dated 30.12.2011, according to which the parties have agreed that ICPD shall pay to VEI Project AD the remainder of the sale price of the properties, subject to the Contract, which as of 30.01.2013 amounts to EUR 841 989.39 incl. VAT, under the terms of a deferred payment as follows:

- Interest: 9% annually, which shall be accrued as of 01.02.2013 onwards.
- Term: 30.09.2016
- Interest payments: monthly
- Payment of the remainder of the sale price: in 9 equal monthly installments from January 2016 to September 2016.

30.07.2013  
Sofia

  
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/Velichko Klingov – Executive Director/  
