LIST OF SLOVENIAN COMPANIES FOR PRIVATIZATION

1. Company Profile - Airport Operator Aerodrom Ljubljana

The sale of Aerodrom Ljubljana, the operator of Slovenia's main international airport, Ljubljana Jože Pučnik Airport, is expected to generate quite some interest as part of the first wave of privatisation by the government.

The location of the airport at the crossroads of eastern and western Europe and proximity to major regional tourist destinations is a major draw for potential partners.

Reports in recent months have suggested interest from a variety of companies, including from investment firms, operators of nearby regional hubs as well as large airlines, mostly from Asia.

There seems to be greater inclination in Slovenia to the latter, as the hope is that large carriers from there could turn the airport into an important hub connecting continents.

Fear has meanwhile been expressed that airports in the vicinity could be interested mostly in diverting traffic, although a number of economists have come out to question this logic.

The daily Delo reported in December that Aerodrom Ljubljana would be an interesting takeover target also due to its strong financial position, after it had created provisions of tens of millions of euros in recent year for the building of a new terminal. The project was put on hold with votes from small shareholders in September 2013.

Aerodrom Ljubljana CEO Zmago Skobir told the STA in December that the main hope is for the company to get a development-oriented owner. While it is one of several airport operators being sold around Europe at the moment, he highlighted that one of the main advantages of Aerodrom Ljubljana was that the state was selling infrastructure along with the license for airport operations.

The Brnik-based company registered an upturn in 2013 after three crisis years, which have been closely connected to the restructuring of Slovenian flag carrier Adria Airways, which has been the airport's biggest client since its inception in 1964. Despite this, the company has stayed profitable throughout.

The airport has sought to compensate to the downsizing in Adria's operations by bumping up flights by other carriers and boosting the presence of low-cost airlines. These have provided an important boost to passenger numbers since Slovenia joined the EU in 2004, although their contribution to revenue is smaller than that of classic airlines.

The airport offers currently links to 23 destinations around Europe, but is seeking to expand its links broader while also boosting connections to grey areas in Europe, which include Spain and Scandinavia but also northern Germany and parts of Italy.

Full company name: Aerodrom Ljubljana, d. d.

Financials, in EUR million:

	2009	2010	2011	2012	2013
Net sales	33.98	33.88	34.00	30.85	31.30*
EBITDA	13.75	12.47	14.30	10.54	-----
EBIT	7.49	5.87	7.59	5.23	6.10*
Net profit/loss	6.11	4.28	5.26	5.19	5.20*

* unaudited figures released by company in February 2014

Major shareholders as at January 2013:

Republic of Slovenia	50.67%
KAD fund*	7.36%
SOD fund*	6.82%
Zavarovalnica Triglav*	3.98%
Publikum Trezor	2.72%
Individuals	17.62%

* state-owned

Source: Aerodrom Ljubljana webpage

Passenger and flight figures:

	2011	2012	2013
Number of passengers (in m)	1.37	1.20	1.32*
Aircraft movements (in thou.)	39.27	35.02	19.80*
Cargo transhipped (in T)	19.66	17.03	17.77*

* data released by company in February 2014

Type of incorporation: Joint-stock company, listed (LJSE: AELG)

CEO: Zmago Skobir, since July 2007

Scheduled flights operated by: Adria Airways, Turkish Airlines, Air France,

Air Serbia, Montenegro Airlines, EasyJet, WizzAir

Number of employees: 400 as at end of 2012

Website: www.lju-airport.si

Sources: company annual reports, company website, STA wire

Others

The sale of Aerodrom Ljubljana, the operator of Slovenia's main airport, has entered the next stage, as the financial advisor in the sale issued a call for an expression of interest for a 75.5% stake in the company on Thursday. Aerodrom boss Zmago Skobir has previously

said that the sale could be completed by the summer.

The Brnik-based Aerodrom Ljubljana is considered one of the more attractive companies the government has put on the priority list of 15 companies to be privatised.

Reports in recent months have suggested interest from a variety of companies, including from investment firms, operators of nearby regional hubs as well as large airlines, mostly from Asia.

According to data from January, nearly 69% of the company is controlled by the state (50.67% directly, the rest through state-owned funds and companies). The rest of the 75.5% stake on sale is being sold by smaller stakeholders.

The Jože Pučnik Airport Ljubljana operated by Aerodrom is Slovenia's main airport handling most of the country's passenger and cargo transport, and is seen as a an important player in the region in terms of cargo air transport.

"The airport is profitable and without debt. Taking into consideration its location, modern infrastructure and the possibility to expand, as well as a balanced combination of clients and destinations, the Ljubljana airport is a unique investment opportunity," KPMG, the financial adviser in the sale, said as it published the call in today's business newspaper Finance.

The newspaper Delo reported in December that Aerodrom Ljubljana would be an interesting takeover target also due to its strong financial position, after it had created provisions of tens of millions of euros in recent year for the building of a new terminal. The project was put on hold with votes from small shareholders in September 2013.

2. Company Profile - NKBM, Slovenia's No. 2 Bank

NKBM, Slovenia's second largest bank, is slated for privatisation by the end of 2016 at the latest after it was brought back from the brink of collapse with a state-funded bailout and capital injection in late 2013.

The bank is now on solid footing, with a Core Tier 1 capital ratio of 19.1%, after receiving a capital injection of EUR 870m in mid-December, which also triggered the offloading of non-performing loans onto the Bank Asset Management Company (BAMC) and led to full nationalisation of the bank.

According to plans confirmed by the Slovenian central bank, NKBM will transfer just over EUR 1bn in soured loans to the bad bank, a process that is ongoing and is due to end some time in April.

The bank's results for 2013 reflect the capital injection, which beefed up its capital base, as well as acceleration of the purging of the balance sheet, as impairments and write-downs more than doubled over the year before to EUR 673m.

Total assets were down almost a tenth year-on-year, a result of the offloading of non-performing loans and the attendant collateral.

While the bank's balance sheet has now been thoroughly purged, NKBM now has to undertake a restructuring programme in line with commitments it made to obtain EU clearance for the state capital injection.

Last year it already sold off a majority stake in insurer Zavarovalnica Maribor and started liquidation of a real estate subsidiary in Croatia that has incurred it significant losses.

This year the Maribor-based bank plans to continue offloading non-core assets and consolidate its core banking business.

While the details have not been revealed, it is believed it will absorb or sell off the postal banking subsidiary PBS, which it recapitalised with EUR 42m in December to raise its stake to 99.1% from 55%.

This plan is riddled with difficulty, as PBS offices are located in postal offices of state-owned postal company Pošta Slovenije and the banking services are largely rendered by Pošta Slovenije staff.

Moreover, it remains unclear whether the European Commission will order NKBM to sell PBS before privatisation or allow it to keep PBS for the time being.

The management board suggested the core bank will absorb the leasing KBM Leasing, for which it has already obtained central bank clearance.

The plans for its other dozen subsidiaries, ranging from mobile payments firm M-Pay to pension insurer Moja naložba, have not been disclosed.

While the bank is seen as a potentially attractive acquisition now that its balance sheet has been restructured, there are some major questions for potential buyers.

For one, it remains unclear whether it will incur additional liabilities from Adria Banka, a small Vienna-based bank in majority ownership of NKBM that has recently been brought under the supervision of the Austrian financial authority FMA.

Austrian media have reported that Adria Banka, with total assets of under EUR 150m and specialising in financing import-export activities in Central and SE Europe, is likely to be liquidated.

Additionally, NKBM has a tiny international foothold, as its only retail venture outside Slovenia is KBM Banka AD Kragujevac (formerly named Credy Banka), which has about 90 branches across Serbia, but is a small player on the Serbian banking market.

Domestically it remains the no. 2 bank by assets, but it is geographically limited largely to eastern Slovenia, where it is the dominant player, and the westernmost regions, with little retail presence in between save for offices in major cities.

Its composition suggests it might be attractive to banks which already have a foothold in the region, but it probably excludes major international players, which might be more interested in NLB, the market leader in Slovenia and a bank with a relatively strong presence in the Balkans.

Media reports suggest that the most serious prospective buyer of NKBM is OTP, Hungary's no. 1 bank, which also operates subsidiaries in Bulgaria, Croatia, Romania, Serbia,Slovakia, Ukraine, Montenegro and Russia.

The privatisation is yet to begin in earnest. Tentative reports suggest the state-owned SOD fund, the custodian of state capital assets, could kick off proceedings in April.

The state plans to sell NKBM by 2016 at the latest, after it recapitalized it with EUR 870m and renationalised it in mid-December as part of an extensive bank bailout.

However, the pace of privatisation will also depend on the reform of the management of state assets, as SOD will shortly be transformed into the Slovenia Sovereign Holding (SSH).

After the SSH has been established, the government must first adopt an asset management strategy, which could take several months.

All figures in EUR m unless otherwise specified

	2011	2012	2013
Total assets	5,813	5,321	4,830
Net profit	-81.1	-205.7	-648.4
Net interest income	135.6	105.8	78.8
Total equity	435.6	253.2	597.8
Core Tier 1 capital (EBA)	8.06%	5.26%	19.1%
Impairments, provisions	175.4	309.5	673.4

Other

Type of incorporation: joint stock company

Shareholders: 100% state-owned following mid-December bailout

CEO: Aleš Hauc, since March 2012

Website: www.nkbm.si

Source: company annual reports and press releases, Agency for Legal Records and Related Services (AJPES), central bank reports, STA wire, reports in the newspapers Dnevnik, Finance (konec)sm/gj

3. Company Profile - Chemical Company Cinkarna Celje

Cinkarna Celje, which started out 140 years ago as a metallurgy company, specialises in titanium dioxide pigment, which accounts for nearly three-quarters of revenue. It also manufactures zinc, printing plates, construction glues, fertilizer, and elastomer.

One of the biggest chemical companies in the country, Cinkarna posted sales of just under EUR 166m in 2012, down 4% over the year before and the second consecutive year of decline.

Slovenia accounts for roughly 15% of sales and the EU markets for almost two-thirds of total sales.

By its own estimate, Cinkarna accounts for 1% of global titanium dioxide production.

The company had been hugely profitable in recent years and has been paying out generous dividends: EUR 3.5m in 2011 and EUR 12.2m in 2012.

In fact, it has weather the recession much better than many companies in the industry, despite the decline in sales.

After consecutive years of deleveraging, its debt is low: at the end of the year it had total liabilities of just over EUR 19m, down a third over the year before, with financial liabilities at under EUR 5m.

Cinkarna currently has about 1,000 employees and is one of the biggest employers in the region around the city of Celje.

The privatisation procedure started in autumn 2013. Alta, a financial consultancy and brokerage, was picked as consultant in the sale of a majority stake.

KEY DATA

Financials, in EUR million unless otherwise stated

	2010	2011	2012	2013
Net sales revenue	153.39	184.07	173.21	165.95
EBIT	10.85	31.6	22.45	7.57
EBITDA	N/A	58	36.6	N/A
Net profit/loss	8.88	25.50	18.29	7.16
ROE	9.1%	25.5%	16.9%	N/A
ROA	4.7%	13.2%	8.3%	N/A
Net earnings per share (EUR)	10.91	31.30	22.46	N/A

Major shareholders as at 31 October 2013

Modra zavarovalnica*	20.00%
Zvon ena holding**	15.72%
NFD delniški***	13.72%
SOD*	11.41%
KD delniški***	2.77%
KD Galileo***	3.11%
KD Rastko***	2.35%
Banka Koper	4.09%
NKBM*	3.92%
Kritni sklad PPS	2.05%
Abanka	1.72%
Internal shareholders	6.18%

* State-owned

** In bankruptcy proceedings

*** Mutual funds

OTHER

Type of incorporation: joint-stock company, listed

Trading symbol on the LJSE: CICG

Market cap as at 5 March 2014: EUR 95.5m

General manager: Tomaž Benčina (since June 2005)

Website: www.cinkarna.si

Source: company annual reports, Agency for Legal Records and Related

Services (AJPES), Supervizor application of the Corruption Prevention

Commission, STA wire, reports in the newspapers Dnevnik, Finance

4. Company Profile - Chemical Company Aero

Aero, a maker of glues, paints and paper products probably best known for its products for school, is one of the 15 state-owned companies slated for privatization.

Headquartered in the city of Celje, Aero produces adhesives and paints for the consumer market as well as self-adhesive materials for the labelling industry, which it produces under the brands Aero, Tix, Aerotape, Aerotac and OHO.

Aero has a production facility in the Serbian capital of Belgrade, Aero Balkan, where it produces glues and cleaning products. Foreign sales account for over two-thirds of revenue.

The group headcount has been dropping every year, going from 540 in 2008 to 295 in 2010 and 270 in 2012.

This will be the second attempt to sell the company in three years. At least two binding bids arrived in the last call for bids in 2011, when the company was put on sale by its two biggest shareholders.

The process fizzled out in early 2012 after director Zvonko Čepič only allowed potential investors to carry out very limited due diligence, arguing that one of the companies was just looking to get insider information about its business.

In late 2012 the company sold off its paper-bag subsidiary Aero Papiroti for a reported EUR 2.5m in order to pay down debt. The buyer was Grupa Plastform, a privately-held Slovenian maker of packaging from Šmarješke toplice.

Financials, in EUR million

	2010	2011	2012
Net sales revenue	34.80	34.03	30.22
Net profit/loss	-1.05	-1.94	-4.43

Major shareholders as at the end of 2013

PDP* 32.6%

Probanka** 22.4%

Intereuropa 10.2%

* state-owned fund

** in the process of supervised liquidation

OTHER

Type of incorporation: joint-stock company, non-listed

CEO: Zvone Žepič (since May 2008)

Share capital: EUR 5.76m

Employees: 270 as at the end of 2012

Source: company annual reports, Agency for Legal Records and Related

Services (AJPES), Supervizor application of the Corruption Prevention

Commission, STA wire, reports in the newspapers Dnevnik, Finance

5. Company Profile - Sports Equipment Maker Elan

Elan, Slovenia's best known manufacturer of sports equipment, has been slated for privatisation for years but several attempts at selling it have so far fallen through.

Elan has winter sports, maritime, wind energy and sporting equipment divisions, the latter specialising in outfitting sports halls.

It is best known for its skis, where it had global market shares of 8.5% in 2012 with its own brand according to own estimates, down from 8.8% in 2011. Its key markets are Eastern Europe, Germany, Canada and Japan.

Skis, own-brand and other brands, accounted for just under half of revenue in 2012. The maritime division contributed around 13% of total revenue.

Elan is considered among the most innovative ski companies in the world and pioneered the use of parabolic-shaped carving skis, which were developed in-house in 1988.

The company branched out into wind energy in 2009. Leveraging know-how on composites, it produces segments for wind turbines for its German partner Siemens Wind Power.

The wind division currently accounts for only a fraction of total revenue but is seen as a potential growth market given the declining winter-sports business.

Elan was privatised in the early 1990s and struggled for much of the decade under the ownership of the Croatian bank Privredna Banka Zagreb (PBZ).

In 2000 the bank wanted to get rid of the non-performing company and the Slovenian Export Corporation bought it in a debt-to-equity conversion in bid to save 750 jobs in Slovenia.

The company struggled to stay afloat for much of the decade and was embroiled in series of management and ownership changes (though remaining firmly under state control) that failed to produce a turnaround.

In 2008 the state supplied a EUR 10m capital injection that was subsequently declared as illegal state aid by the European Commission.

Elan was ordered to pay back but when it missed the June 2013 deadline, Slovenia achieved a deferral until the company is privatised.

Given the company's uncertain financial position and considerable financial liabilities, it has long been assumed that the best the government can hope for is to extract enough money to get the EUR 10m back.

Several half-hearted attempts were made over the years to sell the company, but bids from rival sports makers were rejected for fear of losing jobs in Slovenia, leaving mostly portfolio investors.

The last privatisation attempt failed in April 2012, when London-based buyout fund Argus Capital revoked its offer of EUR 1m plus a EUR 15m recapitalisation.

The company, based at the small town of Begunje na Gorenjskem in the north-west, issued a new call for bids in July 2013. It has not disclosed any information but unofficial reports suggest negotiations are ongoing with two bidders.

Financials (in EUR million):

	2010	2011	2012
Net sales revenue	85.53	90.03	77.66
Net profit/loss	-1.57	-1.38	-6.86
Financial liabilities	35.70	39.45	34.56

Major partners at the end of 2013

PDP*	66.37%
Triglav naložbe	25.05%

Modra zavarovalnica* 8.57%

* state-owned

Other

Type of incorporation: limited liability company

Chairwoman: Andreja Košir (since October 2011)

website: www.elan.si

Source: company annual reports, Agency for Legal Records and Related Services (AJPES), Supervizor application of the Corruption Prevention Commission, STA wire, reports in the newspapers Dnevnik, Finance

6. Company Profile - Fair and Event Manager Gospodarsko razstavišče

The Ljubljana fair and event manager Gospodarsko razstavišče is one of the smallest companies slated for sale as part of the first wave of privatisation by the government. With annual revenues of around EUR 5m, the company has in recent years returned to profit by diversifying operations to event management.

Established in 1954 to run the Ljubljana Fairgrounds, a convention and exhibition area built on the northern fringes of the city centre, the company has undergone an important makeover in recent years both in terms of its infrastructure and activities.

The company manages 35,471 sq. metres of facilities, consisting of 24 multipurpose halls with 24,277 sq. metres of indoor areas and around 10,194 sq. metres of outdoor areas. While fairs have been its bread and butter for decades, the recent makeover has seen the company diversify into event management.

CEO Iztok Bricl told the STA in January that fairs account for around two-thirds of all revenue, with other events, including conferences, concerts, seminars and exhibitions, accounting for the other third.

Indeed, event management is an increasingly important activity for a company that has had to adapt to a shrinking fair market since Slovenia gained independence from Yugoslavia in 1991. While known in Slovenia for hosting such events as graduation dances and exhibitions, the company has in recent years added conventions and concerts to its repertoire.

Bricl has announced that the company is intent on cutting itself a tangible slice of the conference tourism pie. In 2014, the company plans to host as many as four conferences with more than 600 participants.

The central location in Ljubljana and modern infrastructure is a key draw of the company, which shares the name of the fairgrounds that it manages. Most of the original buildings on the grounds were renovated and a number of new ones built as part of a major investment drive in the early oughs.

Amidst the modern event facilities, the Kupola (Dome) remains the centrepiece of the fairgrounds. Featuring distinctive architecture consisting of square floor plan with a dome roof, which makes it easy to spot from a distance, the building remains the primary fair venue - and, in tune with the new strategy, the central concert hall - at the fairgrounds.

KEY DATA

Full company name: GOSPODARSKO RAZSTAVIŠČE družba za organizacijo domačih in

mednarodnih sejmov in razstav d.o.o.

Financials, in EUR thousands

	2011	2012
Net sales revenue	4,940	5,115
Net profit	19.02	31.25

Shareholders as at July 2013

Ljubljana Municipality*	69.0%
KAD*	29.5%
DSU*	1.2%
Other	0.3%

* state-owned or affiliated

Visitor numbers: around 400,000 in 2013, up from 380,000 in 2012

Main fairs:

- Dom (building fair), 50,000-55,000 visitors

- Ambient (furniture fair), 20,000-30,000 visitors

- Alpe Adria (tourism fair), around 15,000 visitors

- Ljubljana Trade and Enterprise Fair, around 15,000 visitors

Type of incorporation: joint stock company, non-listed

CEO: Iztok Bricl, since December 2010

Website: www.gr-sejem.si

Source: Agency for Legal Records and Related Services (AJPES), company website, Invest Slovenia, STA wire, reports in the newspapers Dnevnik, Finance

7. Company Profile - Food Company Žito

Žito is one of Slovenia's biggest food companies. The Ljubljana-based group comprises the parent company and nine wholly-owned subsidiaries, six in Slovenia and one each in Serbia, Croatia and Macedonia.

Žito's business is divided into four core divisions: bread (40% of total sales), ready-made meals (25%), confectionery (22%) and milling (13%).

It has got six main brands: Žito for bread, Zlato polje for rice and pasta, Maestro for spices, Natura for organic and health foods, Gorenjka for chocolate, 1001 cvet for teas, and Šumi for candy.

The company has been tentatively for sale for over a decade due to continually lacklustre results. There was even talk in the early 2000s that it would be chopped up and sold in parts, but that never came to pass.

Instead, it consolidated between 2003 and 2007 by absorbing multiple subsidiaries across the country. In the following years, through 2012, it consolidated its production locations and relocated much of its production outside Ljubljana.

In 2006 it moved to acquire rival Slovenian bread and pasta maker Mlinotest and became embroiled in a mesh of rival bids. Its bid failed in late 2006 as the state-owned KAD and SOD funds sold their 22% stake in Mlinotest to a financial holding.

Žito nevertheless acquired a 17% stake in Mlinotest, which it offloaded in November 2013.

The attempt at a tie-up with Mlinotest was Žito's only major foray into M&A, but the company nevertheless ventured into an expansion beyond organic growth when it acquired in 2008 three brands - 1001 cvet, Zlato polje and Maestro - from Droga Kolinska.

Another attempt to sell the company came in early 2011, when shareholders owning a combined 50.1% stake, including the state-owned KAD and SOD funds, decided to sell, but the process was suspended.

The latest call for bids was released in October 2013. A 49.45% stake in Žito has been put on sale by the SOD fund, pension insurer Modra zavarovalnica, asset managegement funds KD Kapital and KD Skladi, and insurer Adriatic Slovenica.

The process is managed by SOD, with Erste Group Bank and P&S Capital recently picked as financial advisers.

One reason why Žito is interesting for potential investors is its prime real estate in Ljubljana, on the edge of the BTC shopping district and near the Bežigrad stadium.

The company has largely relocated its milling business to the city of Maribor in the north-east but currently retains its headquarters in Ljubljana.

Media reports suggest the real estate could make Žito interesting for private equity funds, which could move to quickly sell off land.

Financials, in EUR million

	2010	2011	2012	2013 (1-9)
Net sales revenue	111.78	115.71	111.17	79.87
EBIT	5.27	3.02	5.46	1.40
EBITDA	11.59	9.05	10.99	5.73
Net profit/loss	2.54	1.52	0.39	1.06
Net earnings per share (EUR)	7.22	4.31	1.11	N/A
ROE	3.70%	2.19%	0.56%	2.05%
ROA	2.14%	1.28%	0.32%	1.19%

Note: Žito will release full-year results for 2013 on 14 March

Major shareholders, as at 30 September 2013

Modra zavarovalnica*	14.97%
SOD*	12.26%
Fin Vita	11.48%
KD kapital**	8.92%
KD dividendni**	5.39%
KD Galileo**	5.13%
KD Rastko**	3.35%
Zveza bank	1.82%
Towra SA Luxembourg	1.52%
NLB Skladi**	1.37%

Treasury shares 10%

* state-owned

** mutual funds

OTHER

Type of incorporation: joint stock company, listed Trading symbol on the

LJSE: ZTOG No. of shares: 355,792 ordinary non par value shares Share

capital: EUR 14.846m Market cap as at 4 March: EUR 28.5m

CEO: Janez Bojc (since May 2012)

Website: www.zito.si

Source: company annual reports, Agency for Legal Records and Related

Services (AJPES), Supervizor application of the Corruption Prevention

Commission, STA wire, reports in the newspapers Dnevnik, Finance

8. Company Profile - NLB, Slovenia's No. 1 Bank

The government pledged to sell a 75% stake in NLB by 2017 as part of a bailout it provided to Slovenia's top bank in mid-December 2013 in an effort to end mounting losses from boom-period loans which soured as the economic crisis progressed.

As the dominant player on the Slovenian banking market for the past 20 years, NLB has sustained the bulk of the losses from crediting in a period of cheap money and loose investment criteria. As a result, its market share has gradually declined from over 30% in 2009 to around 25% last year.

The EUR 1.55bn cash injection - around half of the total bailout provided in December - was the third state-funded cash injection and brought the total of taxpayer money spent on aid to NLB since the crisis began to nearly EUR 2.2 bn.

As part of the latest capital hike, which bumped NLB's Tier 1 capital ratio up to 15%, the government pledged to the EU to sell 75% of the bank by 2017.

Like its smaller counterpart NKBM, the Ljubljana headquartered bank has committed to implementing a restructuring programme in return for state aid. It has pledged to trim operations in order to focus on the most profitable segments and markets.

The first step in restructuring launched with the bailout saw junior bondholders erased and the first batch of toxic assets transferred to the Bank Asset Management Company (BAMC), Slovenia's bad bank. The full transfer of bad loans is planned to be completed by the end of April.

As a result of the asset transfer, the bank reported its biggest annual loss yet, at EUR 1.44bn for 2013. But following the completion of the purge of its balance sheet, it expects to return to profit this year, for the first time since 2008 (it made losses of EUR 87m in 2009, EUR 202m in 2010, EUR 239m in 2011 and EUR 274m in 2012).

The restructuring efforts extend to optimising operations through the closure of a number of foreign subsidiaries and slimming of operations at home, including the reduction of the headcount by a fifth to 2,800.

The cost-cutting drive will see NLB close 22 of its 143 offices around Slovenia in April. Additionally, the bank has said it will pull the plug on around 100 automated teller machines around the country.

This will be coupled with slimming of internal structures as part of which it wants to reduce the levels of decision making in order to streamline processes.

The reorganisation programme also involves a shift to small scale investments, with the focus on small- and medium-sized companies. In turn, it will limit its involvement in large-scale construction projects and high-leverage financial holdings, which have stood out among stranded investments.

Plans for its foreign subsidiaries are built around six universal banks in SE Europe that will remain the strategic core of the group: two in Bosnia-Herzegovina (NLB Razvojna banka and NLB banka Tuzla) and one each in Macedonia (NLB Tutunska banka Skopje), Montenegro (NLB Montenegrobanka), Serbia (NLB banka Beograd), and Kosovo (NLB Priština).

Elsewhere, the bank has closed its Moscow office, which had specialised in financing export deals, at the end of January, but it is not clear what it plans to do with other such offices.

While coming under some criticism for supposedly dragging its feet in investigations of past loan practices, the bank has made a point in recent months of highlighting its cooperation with investigators.

CEO Janko Medja told an interview with the daily Delo in February that the bank was continuing to investigate the bad loans. In 2013, it filed more than 30 complaints and more are said to be on the way.

Medja believes that trust in Slovenia's biggest bank has not been eroded due to its problems with bad loans. "We have never lost the loyalty [of our clients]," he said, announcing that the bank had registered a healthy increase in deposits in January.

Similarly to NKBM, NLB was established in 1994 by assuming the healthy assets of a former Slovenian bank - in NLB's case, Ljubljanska banka (LB) - as part of a comprehensive bank restructuring drive prompted by the collapse of the sector following the severing of ties with Yugoslavia and the subsequent loss of markets.

The restructuring was carried out with a constitutional act which established NLB as a new entity, separate of LB, which was sent into liquidation.

The process created a healthy bank which, with the help of several mergers in the coming years, developed into a local market leader.

However, the same process has also made it the target of legal challenges from within other former Yugoslav republics over a dispute relating to how the assets and liabilities of subsidiaries which had operated in those countries prior to the break up of Yugoslavia were divided.

Most notably, Croatia claims that NLB is a legal successor to LB - a point rejected by Slovenia - and its banks have sued to recoup money they paid out to former foreign currency deposit holders in the defunct Croatian subsidiary of LB, LB Zagreb.

Slovenia says that the repayment of such deposits after the break up of Yugoslavia was carried out based on a territorial principle, under which each country vouched for its own depositors.

It also maintains that any dispute over the scheme is a subject to talks on succession to the former Yugoslavia, while also pointing out that the LB Zagreb bank had more outstanding claims (mostly to Croatian businesses) than liabilities.

The planned sale of the bank will be the second time that NLB has undergone privatisation. In 2002, Belgian banking group KBC paid EUR 435m to buy a 34%m stake, with the goal of eventually gaining majority control of the bank.

However, relations with the state soured in 2006, when KBC had its request for a majority stake turned down. It subsequently downgraded its investment in NLB from strategic to financial, as part of which it opened the door to selling the stake.

The sale did not materialise all until late 2012, when the Belgian group agreed to offload its share back to Slovenia for a symbolic sum of EUR 2.77m. By then its holding had been eroded to 22% after being unable to take part in recapitalisations owing to limitations from its own state-backed restructuring programme.

Key data

Financials

All figures in EUR m unless otherwise specified

	2011	2012	2013
Total assets	16,445	14,335	12,490
Net profit	-239	-274	-1,442
Net interest income	417	343	234
Net non-interest income	218	332	115

Total equity 976 1,125 1,247

Core Tier 1 capital (EBA) 6.3% 8.8% 15.3%

Impairments, provisions 519 557 1,126

Other

Moody's long-term credit rating: Caa1

(last change: upgraded from Caa2 in January 2014)

Fitch long-term credit rating: BB-

(last change: downgraded from BBB- in April 2013)

Type of incorporation: joint stock company

Shareholders: 100% state-owned following mid-December bailout

CEO: Janko Medja, since October 2012

Website: www.nlb.si

Source: company annual reports and press releases, Agency for Legal Records

and Related Services (AJPES), central bank reports, STA wire (konec)gj/gj

9. Company Profile - Spa Operator Terme Olimia

Formerly known as Atomske toplice, the spa was renamed Terme Olimia in 2000 and is the linchpin of tourism in the rural municipality of Podčetrtek in the east, which has been growing in popularity due to the spa and the unspoilt nature in the nearby Kozjansko Regional Park.

Considered an example of best practice in the phasing of EU funds, the company leveraged ample EU funding to transform itself from a small rural spa frequented mostly by domestic guests into an independent destination catering mostly to foreigners.

The spa relied on indoor facilities until 2001, when it opened the now hugely popular outdoor water park Aqualuna, which has been expanded several times over the years and is now among the largest such facilities in the country.

The water park is flanked by the only camping site in the area.

In 2009, the company inaugurated the Wellness Orhidelia, a spa, massage and sauna centre catering to up market guests.

The company, situated just a stone's throw from the border with Croatia, extended its reach into the neighbouring country when it bought the bankrupt Terme Tuhelj spa in 2003 for three million euros.

Tuhelj has been thoroughly upgraded and a new 126-room hotel, worth about EUR 12m, opened in 2012. It is now the biggest spa in Croatia.

An estimate by the daily Dnevnik puts the price for the company at roughly EUR 8m.

KEY DATA

Financials, in EUR million

	2010	2011	2012
Net sales revenue	22.96	24.56	25.18
Net profit	0.91	0.46	0.9
EBIT	2.20	1.97	2.01
Net earnings per share (EUR)	1.54	0.78	1.52

Shareholders as at the end of 2013

Slovenske železnice*	28.48%
NKBM*	20.09%
KAD*	19.98%
Bioto turizem**	6.60%
SOD*	4.79%

* state-owned

** owned by company managers

OTHER

	2010	2011	2012
Overnight stays	405,779	385,258	372,893
Daily guests	690,304	687,237	630,106

Type of incorporation: joint stock company, non-listed

CEO: Zdravko Počivavšek

Website: www.terme-olimia.com

Source: company annual reports, Agency for Legal Records and Related

Services (AJPES), Supervizor application of the Corruption Prevention

Commission, STA wire, reports in the newspapers Dnevnik, Finance

10. Company Profile - Tissue maker Paloma

Paloma, based in Sladki Vrh in rural north-eastern Slovenia, is the biggest producer of hygienic paper products in Slovenia and one of the 15 companies on the priority privatization list.

Though it stature has been greatly diminished from its heyday as one of the biggest and most successful brands in Yugoslavia in the 1980s and 1990s, Paloma is still a household name in Slovenia.

A recent survey of brand recognition in Southeastern Europe put it in 11th place among the best known brands in the region.

Its product portfolio encompasses consumer and professional-use toilet paper, tissues, napkins and paper towels.

Paloma struggled for the better part of the oughs, breaking even for the first time in years in 2009, but only for two years.

In the past three years it posted moderate losses on stagnant sales.

Founded in 1873, the company has been majority state owned since it was nationalised in the aftermath of the Second World War.

Its current majority owner is PDP, the state-owned fund which manages stakes in multiple companies that needed to be seriously restructured.

Multiple half-hearted attempts were made to privatise Paloma over the years, most recently in 2011, when the management was looking for a strategic partner.

The move ended with the resignation of the chief executive and president of the supervisory board after PDP rejected two potential bidders, one from Serbia and another from Slovakia, over price.

In another episode that earned it unwanted spotlight, Paloma started a joint venture with Horgen of Switzerland in 2004, but the Swiss partner walked out in mid-2006.

Last year the Alenka Bratušek government put it on the list of companies slated for priority privatisation.

Talks with potential investors have already begun and a financial advisor for the sale is expected to be appointed in early 2014.

Several potential bidders have been unofficially named by the media, including Slovak Hygienic Paper SHP and Serbia's Drenik ND.

Both were mentioned as potential suitors also in 2011.

Dubai-based financial holding Emkaam Investments, which has just recently completed the purchase of bankrupt paper producer Radeče papir, has also been mentioned as a candidate.

KEY DATA

Financials, in EUR million:

	2009	2010	2011	2012	2013
Net sales	84.76	85.10	85.78	84.23	84.1*
EBIT	4.44	-3.34	0.52	-0.45	1.0*
EBITDA	9.29	1.73	4.96	3.80	N/A
Net profit/loss	3.04	-4.38	-0.37	-1.20	0.13*

* estimate given by CEO in January 2013

Major shareholders as at the end of 2013:

PDP	70.97%
Factor banka*	8.60%
Avtotehna	4.11%
INFOND	2.47%
Murales	1.90%
Igor Bavčar	1.86%
Other	10.09%

Source: Paloma web page

* Factor banka is in the process of orderly winding-down

Regional sales structure by revenue:

	2011	2012
Slovenia	17.1%	16.3%
South Europe	18.8%	18.0%
East Europe	13.3%	11.9%
West Europe	50.9%	53.7%

Other

Number of employees: 740 as at end of 2013

Type of incorporation: joint stock company, non-listed

CEO: Tadej Gosak (since August 2013)

Website: www.paloma.si

Source: company annual reports, Agency for Legal Records and Related

Services (AJPES), Supervizor application of the Corruption Prevention

Commission, STA wire, reports in the newspapers Dnevnik, Finance

11. Company Profile - Tooling and Tourism Company Unior

Forged metals and tooling maker Unior is among the bigger companies being sold off in the first wave of privatisation by the government with annual revenues of nearly EUR 170m. As part of ongoing restructuring aimed at reducing costs and selling non-core assets, the company returned to profit in 2013.

Established in 1919 as a blacksmith operation emerging from a local steelworks, the company for years specialised in hand tool production before expanding to forged parts in the 1970s. The line has become its main sector and since the 1980s the automotive industry has been its main client.

For years one of the most innovative companies in the country, Unior was hit hard during the economic crisis by its reliance on the automotive sector, as demand for its products dropped after car makers responded to plunging vehicle sales. The company was also affected by a devaluation of its investment portfolio, which includes interests in steelmaking, tourism and property.

The company's sales contracted by over 30% during the crisis, but efforts aimed at introducing new products and finding new markets have brought results in the past years and the based company has recently announced it returned to profit in 2013.

The group consisting of 29 companies which is present in nearly 20 countries is operating in five lines of business: forged parts, hand tools, tourism, specialised machinery and sintered parts made of metal powder. The latter is among the faster growing areas of operations, although it currently represents a small share of total sales.

An industrial giant in the Celje region of eastern Slovenia, Zreče-based Unior ranks as one of Slovenia's biggest exporters, selling 80-90% of its products on EU markets.

In order to secure a skilled workforce, Unior has run one of the biggest private scholarships programmes in Slovenia for engineering professions. Restructuring has hit staff numbers in recent years, which have declined by around 20% since its peak in 2007 to stand at just over 2,000 in 2013.

Restructuring efforts have included a loan modification deal with banks under which the company is to halve its debts to EUR 71m by the end of 2019. As part of its overhaul, the company has pledged to sell its non-core assets, including parts of its tourism division, but is also looking for fresh capital.

As part of efforts to overcome the crisis, the company carried out a EUR 10m recapitalisation in 2010 and then took the decision to list its shares on the Ljubljana Stock Exchange a year later. The share is currently valued at EUR 2.20, down from EUR 41.77 on the date of listing.

The company's tourism interests extend to the spa resort in Zreče and the nearby Rogla ski resort as well as the ski resort of Krvavec, near the capital Ljubljana.

KEY DATA

Full company name: Unior Kovaška industrija d.d.

Financials, in EUR million:

	2009	2010	2011	2012	2013*
Net sales	111.41	125.53	154.62	155.87	167.5
EBITDA	3.41	11.59	15.04	9.23	14.4
EBIT	-6.82	1.68	5.03	-3.37	-----
Net profit/loss	-9.77	-2.78	1.31	-15.08	4.8

* data provided by CEO in mid-January

Major shareholders as at 23 July 2013:

PDP*	37.1%
NLB*	8.7%
KAD fund*	5.6%
Rhydcon	5.0%
Štore Steel	3.5%
Zavarovalnica Triglav*	3.5%
SOD fund*	2.3%
KD funds	2.0%
Anton Ofentavšek	2.0%

* state-owned

Source: Invest Slovenia

Share of total sales by line in 2012:

Forged parts	52%
Hand tools	20%
Tourism	11%
Special machines	10%
Sinter	5%

Type of incorporation: Joint-stock company, listed (LJSE: UKIG)

CEO: Darko Hrastnik, since November 2012

Number of employees: 2,043 as at end of June 2013

Website: www.unior.si

Sources: company annual reports, company website, STA

12. Company Profile - Aircraft Maintenance Firm Adria Airways Tehnika

Spun off from flag carrier Adria Airways in 2010, Adria Airways Tehnika is an aircraft maintenance company specialising in servicing short- and medium-haul aircraft from the Bombardier CRJ and Airbus A320 range of aircraft. After being on the verge of insolvency in 2012, the company turned its operations around last year.

The company, which was established in 1961, was spun-off from the airline prior to Adria Airways being provided state aid in 2011. It has run its operations, which include providing maintenance service to a number of European, Asian and African carriers and private airlines, independently since.

As part of the spin-off, the shares were acquired by the state-owned PDP restructuring firm and Ljubljana Airport operator Aerodrom Ljubljana. The latter increased its stake to over 47% in 2011. Both owners are jointly selling a 100% stake in the company as part of the government's sale of 15 companies in the first wave of privatisation.

The European Commission announced in 2012 that the spin-off and subsequent recapitalisation of Adria Airways Tehnika would be part of a broader investigation into the compliance of state-backed recapitalisations at Adria Airways with EU state aid rules.

The Brnik-based company relies on its central location in Europe to provide services to European carriers as well as a number from further afield in maintaining the A320 and CRJ 100/200/700/900 aircraft. It also provides on-location services when requested.

While Slovenian flag carrier Adria Airways remains the biggest client, other accounts include Bombardier, Lufthansa, Austrian, SAS, Iberian, Estonian Air, WizzAir, GermanWings and Air Berlin.

The 2012 collapse of Spanair and Malev, two key clients, sliced off a large chunk of the company's revenues. As a result the company underwent restructuring in order to cut costs and extend specialisation, while also bringing on board new clients from as far afield as India and Libya.

The turnaround has been overseen by a board composed of employees, which assumed management duties in January 2013, when the company was on the verge of insolvency.

Their efforts have paid off, as the company told the STA in February it would report an operating profit of around EUR 900,000 for last year on the back of EUR 20.7m in revenue. The company plans to increase revenue to around EUR 21m and make an operating profit of around EUR 1m this year.

Adria Airways Tehnika employs over 200 workers, including around 125 mechanics and dozens of engineers and material support professionals, to provide full airframe maintenance and engine repair services on around-the-clock basis.

The company operates out of two hangars and a workshop at Ljubljana Jože Pučnik Airport and hopes to add a new hangar in the next 24 months.

KEY DATA

Full company name: Adria Airways Tehnika, vzdrževanje letal, d.d.

Financials, in EUR million:

	2011	2012	2013*
Net sales	23.19	16.02	20.7
Net profit/loss	-4.42	-1.11	----

Shareholders as at January 2014:

PDP*	52.3%
Aerodrom Ljubljana*	47.7%

* state-owned

Source: Adria Airways Tehnika webpage

Aircraft maintenance figures:

- 643 CRJ family aircraft serviced from 2002 to 2013

- 234 Airbus A320 family aircraft serviced from 2002 to 2013

Type of incorporation: Joint-stock company, non-listed

CEO: Maksimiljan Pele, from January 2013 (previously crisis manager from November 2012)

Number of employees: 205 (figure from February 2014)

Website: www.adriatehnika.si

Sources: company website, STA wire, Invest Slovenia, the Agency for Public Legal Records and Related Services (AJPES)

Contact point:

Name: SLOVENSKA ODŠKODNINSKA DRUŽBA, D.D.
Address: Mala ulica 5, 1000 Ljubljana, Slovenia
Registration number: 5727847000
VAT registration number: SI46130373
Legal status: public limited company
Telephone number: +386 1 300 91 13 +386 1 300 91 13 БЕЗПЛАТНО
General E-mail address: infosodruzba[@]so-druzba.si
Web page: www.so-druzba.si

Disclosure

Slovenska odškodninska družba, d. d. (hereinafter: Slovenska odškodninska družba, d. d. or SOD) is a public limited company, whose sole funder and shareholder is the Republic of Slovenia. The Republic of Slovenia has, pursuant to the resolution of the National Assembly (Parliament) adopted at its session on 21 June 2013 (Sklep o soglasju k odtujitvi naložb Republike Slovenije, Kapitalske družbe pokojninskega in invalidskega zavarovanja, d. d., Slovenske odškodninske družbe, d. d., Modre zavarovalnice, d. d., D.S.U, družbe za svetovanje in upravljanje, d. o. o. in Posebne družbe za podjetniško svetovanje, d. d., Official Gazette of Republic of Slovenia, no. 52/2013), commenced with the sale of shares held, directly or indirectly, by the Republic of Slovenia in 15 companies.
This descritption has been prepared for information purposes only. It does not constitute an offer or invitation to purchase any shares in any Company and it is not intended to form the basis of any investment decision or any decision to purchase all or part of any Company. It may be used only for the purpose referred to above and may not be photocopied, reproduced or distributed to any other person.
Recipients are solely responsible for making their own independent assessment, investigation and analysis of the business, operations, financial condition, prospects, creditworthiness, status and affairs of any Company and the merits and risks involved in their eventual investment in shares of any of the Companies.
The information contained on the webpage constitutes publicly available information.

It does not purport to be comprehensive and has not been, and will not be, independently verified for accuracy and completeness by SOD. By publishing this information, SOD does not undertake any obligation to provide visitors with access to any additional information or to update this document or any additional information or to correct any inaccuracies in any such information which may become apparent. Accordingly, neither SOD nor their respective affiliates, directors, officers, employees, accept any responsibility, or make any representation or warranty as to the truth, accuracy or completeness of the information contained herein, and they shall not be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying on this document or any information contained herein or omitted herefrom.

This document does not constitute investment advice or an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction, nor should it be relied upon as the basis for taking any investment decision.