

PRESENTATION OF

Interfokus *Advisors*

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Prepared by:

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**KEY
INFORMATION
ABOUT
INTERFOKUS
ADVISORS**

Interfokus Advisors ('Interfokus') is a Southeast Europe based financial and investment services that provides access to various sources of investment capital as well as related financial advisory services. Interfokus aims to excel in guiding its clients through corporate restructuring efforts, strategic acquisitions and divestments, and other types of corporate transitions. Our advisors have consulted clients in greenfield as well as crisis management and turnaround projects. Interfokus' members have spent many years leading private placements and investment advisory engagements throughout the ex-Yugoslavia region. The firm works either on sell- or buy-side mandates.

Interfokus advises Croatian, regional and international clients who require top-tier financial and investment advisory services or possess a demonstrated need for significant amount investment capital and face other business and general investment process issues. Interfokus has experience in advising on regional private placements, corporate restructuring and investment projects. In addition, Interfokus possesses the most extensive access to foreign and local institutional and private capital.

Interfokus also acts as a bridge between local and international companies. In particular, Interfokus offers advisory services for establishing a business presence in Croatia: from setting-up offices, to legal advice to cultural and linguistic assistance. In addition to the local language, Croatian, Interfokus provides its services in five other languages: English, French, Italian, Portuguese and Spanish.

In 2012 Interfokus forged a strategic partnership with William George Associates, a premier global professional services firm providing comprehensive Project Management and Lean Six Sigma consulting and training solutions to clients worldwide with locations in Boston, Milano, Shanghai. The goal for the new partners is to enhance the services offered to existing and future clients and connect the Asian, EU and SEE markets covered by the two firms. As part of the partnership, the two firms specifically plan to facilitate new business development and new investment activities between investors and companies in Italian, Asian and Southeast European markets.

Conversely, Interfokus also provides services to Croatian companies seeking international investors and/or clients. Through its international network Interfokus brings local companies access to financing that they might not have been able to reach otherwise.

Interfokus' advisors draw on a wide range of experience with high-profile advisory and investment projects. Here are some examples of current and past projects, industries and companies:

- **Dairy industry production** – Providing on-going financial, marketing and legal advising to a producer of premium quality cheese and other high quality dairy products. Arranged financing from investors and local banks in the amount of Euro 2,5 million for the investment in new production facilities. Currently advising the client on international sales and marketing strategy.

- **Office supplies wholesale and distribution** – Advising the owners of one of the leading office supplies distribution companies in Croatia on the sale-side mandate for a sale to international strategic buyers. Advised the company on the new equity capital raising in the amount of EUR 3 million from an international PE fund. Marketed and prepared the company for negotiations with international buyers, determined company valuation, developed the sale documentation, coordinated a due diligence process, lead the final negotiations and advised the owners on the final closing structure.
- **Tourism** – Advising on raising additional equity capital for major client into the tourism industry. Our customer is the first and only fully functional online booking and payment system for boat charter and tailored software packages for charter fleet management on the Adriatic. Additional capital will enable this business to fully exploit its first-mover advantage, the web-based business model as well as to continue with aggressive growth in other European regional markets.

Another current project in tourism sector involves conducting industry and market research and development of a business plan for an Italian investor in selected locations in Croatia.

- **Pharmaceutical distribution** - Syndicated a \$2MM investment into the company from international private equity investors. In 2004 led negotiations to sell the company to the leading European multinational pharmaceutical distributor and achieved exit at 33% annual IRR over 2,5 years for the company shareholders.
- **Specialized machinery production** – Provided equity financing to a start-up project. The company is now the largest private land mine removal company in Croatia and the world leading producer of land mine clearing machines in its class, with over 125 employees, more than \$10MM in revenue, and strong profitability. Advised owners and led negotiations in the company MBO that resulted in a return for investors of 41% annual IRR over 5,5 years.
- **Cable TV and internet** – Provided equity financing and advised on the execution of the roll-up strategy to create the leading cable TV in Croatia. Today, the company is the largest cable TV company in Croatia and the largest private equity investment in Croatia, with over USD\$21MM raised to date from four institutional investors, including SEAF Croatia, SEAF Growth Fund, Soros Fund Management, and DEG.
- **Software production and distribution** – Lead the process of capital increase for the largest Microsoft software reseller in Croatia.
- **Telecom services** – Arranged for capital increase by an international PE group. The company is the region's leading provider of managed services for telecommunications networks. Assisted the firm in the completion of strategic partnerships with the two leading managed service providers in Europe.

In addition, the members of Interfokus have advised various multinational corporations as strategic consultants and financial advisors, and have served on the Supervisory Boards of several regional middle-market companies.

In providing advisory services to a client, Interfokus will:

- Assist in choosing the most appropriate debt or equity investor to secure both know-how and access to financial resources;
- Assist in choosing the most appropriate strategic partner company or asset targets as well as providing legal, financial and tax advice to foreign and domestic investors;
- Provide client with a realistic company valuation;
- Save foreign investors or company senior management time, thereby allowing them to focus on operational activities;
- Serve as an intermediary in negotiating difficult or sensitive matters, especially those resulting from significant ownership changes;
- Bring to bear significant information resources necessary both for choosing an appropriate investor or target investment and for preparing a professional valuation; and
- Supplement the experience of management and/or foreign investors with the experience of its team of professionals in negotiating capital, corporate restructuring and investments-related transactions.

Specifically, Interfokus offers financial and business advisory services to its clients with special attention to several key areas:

- (i) Assisting with preparation of the Company's business plan;
- (ii) Drafting of information materials such as Investment opportunity summary, Information Memorandum and Valuation;
- (iii) Preparing investment feasibility studies for domestic and foreign clients and investors;
- (iv) Marketing the Company to prospective partners;
- (v) Supervising the entire due diligence process;
- (vi) Negotiating the terms of investment with selected parties and
- (vii) Coordinating and supervising the entire investment process.

Below please find a more detailed description of some examples of various services offered:

Entering Southeast European Markets

Interfokus Advisors provide a framework and resource channel for any foreign company looking to enter Southeast European markets. Through a team of advisory partners, we provide access to experienced legal, accounting, administrative and general business expertise that are critical for operating successfully in this market. Additionally, Interfokus provides market analysis for those foreign businesses still evaluating the SEE markets opportunity. We also maintain an active local network of business resources that can provide informal information relevant to each business process.

Financial Projections

In order to outline the strategy of the Company and create the basis for its valuation by potential financial or strategic investors, we work closely with the

Company's management in preparing Financial Projections. The Financial Projections include a long-term modeling of the Company's income statement, cash flow and balance sheet. The figures are accompanied by a detailed description of assumptions underlying the Financial Projections. Where appropriate, the Financial Projections are benchmarked against the levels of sales and expenses of similar publicly traded companies in order to increase the credibility of the Financial Projections.

Information Memorandum

We work closely with Company management on the drafting of an Information Memorandum. Such Information Memorandum, together with the Financial Projections, serves as the principal tool to market the Company to potential investors. The Information Memorandum describes in detail the markets addressed by the Company, the Company's operations, corporate strategy, development plans, management team, competitors, historical financial results, and the contemplated financing.

Valuation

We prepare a valuation of the Company. The valuation is prepared using such methods as: (i) discounted cash flow; (ii) valuation multiples derived from recent merger and acquisition transactions; and (iii) valuation multiples derived from valuations of publicly traded companies of similar profile. Typically, we do not suggest an initial valuation to potential investors, but provide them with detailed information regarding the valuation of similar companies (the "Valuation Materials") in order to guide them towards the ranges appropriate for the Company's market potential.

Marketing

We prepare a recommendation of the most suitable investors for the Company, based on the required support for the Company's core activities and the track record and relevant fit of each potential partner. A final list of potential partners is agreed with the Company.

We initiate contacts with the selected potential partners and pre-screen their potential interest. Subsequently, we prepare and negotiate, in consultation with the Company's legal counsel, a confidentiality agreement that is executed by the selected parties and the Company.

Due Diligence

We supervise the delivery of the marketing package in the form of an Information Memorandum, Financial Projections and Valuation Materials to potential investors. We also coordinate all subsequent requests for additional information from potential buyers, prepare careful written responses in conjunction with the Company to avoid releasing conflicting information and to enable ourselves to minimize the time involvement of Company management in answering similar requests from numerous parties.

We assess interest shown by all respective parties with regard to a possible investment, and arrange for meetings between Company management and the chosen group of potential investors. We also supervise the due diligence process, prepare data rooms for important documentation, prepare management for meetings with investors and coordinate all investor contact with the Company.

Negotiation of Terms and Final Recommendation

Prior to detailed negotiations, we solicit and review preliminary offers from potential investors. Taking into account (i) valuations indicated in preliminary offers; (ii) other specific terms and conditions of the transaction; and (iii) the quality of the potential partner, we advise the Company on which of the interested parties should be short listed for negotiations.

We handle negotiations with the investors, as appropriate and according to guidelines from the Company. We focus on business issues critical to the financial and commercial success of the Company, such as valuation, investment structure, conditions precedent to closing of a transaction, exit model, and corporate governance. We review and assess all investment offers, and makes recommendations to the Company with respect to the most appropriate investor.

Drafting of Final Documentation

We work closely with legal counsel designated by the Company on drafting all legal documentation and contracts required for the finalization of the investment process. We also supervise the preparation of any ancillary documentation, such as auditors' comfort letter, opinions of legal counsel and any other closing documentation required to finalize the investment process.

Coordination of Entire Investment Process

We ensure that the investment process is carried on in a seamless and orderly manner, and that throughout the process all parties involved are kept informed of the progress made and requirements necessary to fulfill in order to close the transaction. In particular, we provide and update regularly a Timing and Responsibility Schedule, Investor Status List, and Working Group List to optimize efficiency of the process.

WHY CHOOSE INTERFOKUS ADVISORS

Interfokus believes that we can provide our clients with superior service for the reasons listed below:

Relevant Experience

Our professionals have significant corporate finance experience in the structuring and alignment of capital for viable companies in the United States, EU, Croatia and throughout the Ex-Yugoslavia. Such experience is directly relevant and can be more valuable than the experience of other firms whose key offices and core personnel are spread across distant locations, and whose activities are widely dispersed. And, as local advisors, we possess an unrivaled track record in the development and completion of ownership transitions and debt or equity financings on behalf of privately-held corporations.

Our range of relevant knowledge and experience has enabled us to achieve significant valuations for our clients on the basis of (i) highly professional approach to preparing information materials; (ii) detailed and thoroughly documented projections; (iii) choice of appropriate comparable companies; and (iv) carefully orchestrated due diligence and negotiation processes.

Our clients can confirm that our involvement in their financings has resulted in economic benefits to their companies many times the sum represented by our

fees. Our Principals have advised on a variety of transactions conducted on behalf of both local and international clients.

Dedication

Interfokus is a boutique firm positioned to service only a few selected clients at one time. As opposed to large, multinational firms which try to serve many clients simultaneously, our professionals are accessible to our clients and highly involved at all times. This dedication, combined with the financial incentive to Interfokus of successfully completing transactions, guarantees that we will provide to the client the very highest level of service.

Confidentiality

All information which Interfokus receives from its clients and their respective directors, officers, agents or other advisors in connection with the project and which is confidential, will be held in strict confidence, provided that Interfokus shall be free (i) to make disclosures as a result of any law, court or other order binding upon it under the laws of, or pursuant to the governmental action, regulatory requirement or request, in any territory, in which event Interfokus will, in so far as it deems that it is able, immediately notify the client; (ii) to disclose such information to any professional advisors it may consult in connection with the engagement, and (iii) to make disclosures with the client's consent.

Location in Croatia, Slovenia and Italy

Our experience indicates that maintaining our central offices in Zagreb and Ljubljana enables us to be more flexible about scheduling and accessibility than professionals located abroad, thereby ensuring the highest degree of personal interaction with our clients, and the most efficient path towards project completion. Since early spring of 2012, Interfokus Advisors is also physically present in Turin (Torino) Italy where it operates an office and focuses on cross border investment and business development opportunities involving Italian and Southeast European small and medium sized companies. Our advisors are different nationals and professionals with various business, accounting and legal backgrounds. The fact that we are able to communicate with our clients in many languages (Croatian, Slovenian, English and Italian.) is also an important benefit to our clients.