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

<u>for the period 01.10.2013 – 31.12.2013</u>

"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.

On 15.10.2013 a change has occurred in the Board of Directors of the Company, namely a reduction in the size of the Board from three to two members, due to death of the third member – Temenuga Ivanova. The Board of Directors of the Company will take the necessary action to convene and hold an extraordinary general meeting of shareholders for the election of a new member in the prescribed time limits.

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

During the fourth 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 fourth 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 fourth 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 fourth quarter of the year 2013.

1.11. Announcement of the profit of the company.

As of the end of the fourth quarter of the year 2013 the net financial result of the Company on consolidated basis is loss in the amount of BGN 3 577 thousand.

1.12. Material losses and the reasons thereof.

During the fourth 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 fourth 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 fourth 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 fourth 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 29th 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. (thirty three square meters), together with the common parts of the construction right on the location.

On 06.09.2013, a contract has been concluded between ICPD and ICM IMO EAD for the sale of receivables arising from forward contracts for the purchase and sale of real estate in vacation complex "Marina Cape", Aheloy between ICPD and third parties - buyers. On 27.09.2013, the Contract for Cession dated 06.09.2013 has been terminated on the grounds of Art . 87 and following the CPA due to incompletion of obligations from ICPD. As a result, as of 30.09.2013 ICPD has a liability to return the funds received from ICM IMO EAD as part of the purchase price, pursuant to the contract, in the amount of EUR 133 447.18.

On 29.10.2013, a repurchase agreement has been concluded between Intercapital Property Development ADSIC and BG Invest Properties EAD the subject of which are two vacation properties situated in the vacation complex Marina Cape. The properties (two-bedroom apartment with area 91.23 sq.m. and a studio with area 33.84 sq.m.) were acquired by BG Invest Properties EAD from ICPD with a notary deed dated 19.08.20.13 pursuant to the terms of a contract for giving instead of repayment dated 16.08.2013. With the transfer of the aforementioned properties ICPD paid down its liability towards BG Invest Properties EAD in the amount of BGN 290 000.

With the contract since 29.10.2013 the companies agreed on the repurchase of the properties by ICPD on their sale price under the terms of a deferred payment. With the conclusion of this contract BG Invest Properties EAD transferred the usage of these properties to Intercapital Property Development ADSIC. In its capacity of a buyer, ICPD has to pay the negotiated price in the amount of BGN 290 000 till 31.10.2016 on equal annual installments under the terms and conditions agreed upon in the repayment plan of the contract. Within this period an annual interest of 9% would accrue. The ownership rights would be transferred to ICPD with a notary deed within a period of 30 days following the full repayment of the sale price.

On 09.12.2013, a loan contract has been concluded between ICPD ADSIC and Teximbank AD, according to which the Company has received working capital loan in the amount of EUR 130 000 at annual rate 7.75% and maturity date 20.12.2014.

On 18.12.2013 ICPD ADSIC has received a notification from DSK Bank EAD that all claims of the bank towards ICPD ADSIC under the Credit agreement № 716/18.09.2008 and under Credit agreement № 717/18.09.2008 and all related annexes as of 17.12.2013 and all claims of the bank towards the guarantors „Marina Cape Management" EOOD, „Marina Cape Tours" EOOD and Velichko Soichev Klingov, arising under a guarantee contract are transferred to "Grand Borovets 2013" EOOD under an agreement for cession.

On 18.12.2013 ICPD ADSIC has repaid part of its obligations under Credit agreement № 716/18.09.2008 and Credit agreement № 717/18.09.2008 concluded with DSK Bank, in the amount of BGN 5 350 000 to the new creditor Grant Borovets 2013 EOOD.

The new creditor has suspended all enforcement actions against ICPD ADSIC according to the above mentioned credit agreements.

Pursuant to the agreement concluded on 27.12.2013, between "Grant Borovets 2013" EOOD from one side, ICPD ADSIC as principal debtor and "Marina Cape Management" EOOD, "Marina Cape Tours" EOOD and Velichko Stoichev Klingov as joined debtors, the amount of the debt of ICPD ADSIC outstanding towards "Grand Borovets 2013" EOOD was reduced with BGN

2 000 000. Additionally, it was agreed that the contractual mortgage on the property with identification number 65231.918.189, located in Samokov, Sofia municipality, Sofia district, together with the building on that property, an apartment hotel complex with related facilities with identification number 65231.918.189.2, which secures the claim of "Grand Borovets 2013" EOOD, to be removed.

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

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

1.18. Liquidity problems and measures for financial support.

During the third 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 16th 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 levs 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 third-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).

On 09.09.2013 the Company paid out the owed interest as of 14.08.2013 on its corporate bond issue in the amount of EUR 61 675.

On 09.09.2013 the Company made also an amortization payment on its bond issue in the amount of EUR 62 500 that was due as of 14.08.2013. 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 15.08.2013 and 09.09.2013 amounting to BGN 631.29 (i.e. BGN 0.126258 per bond).

On 14.02.2014 ICPD ADSIC made interest and amortization payment due on 14.02.2013 on its bond issue in the amount of EUR 59 390 interest and EUR 62 500 principal.

Due to the fact that "Intercapital Property Development" ADSIC managed to make the interest and principal payment until 12.02.2014 and in compliance with the decisions of the General Meeting of the Company's bondholders, held on 06.02.2013, the interest rate that is applied over the outstanding bond loan for the next three-month period starting from 15.02.2014, decreased with a step of 0.25% and is in the amount of 7.00% annually.

1.19. Increase or reduction of the share capital

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

1.20. Confirmation of negotiations for acquisition of the company.

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

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

During the fourth 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 fourth 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 fourth 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 fourth 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 fourth 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 fourth 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 fourth 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.

There hasn't been such a circumstance.

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.

On 19th August 2013, the Company has transferred by notary the ownership of property (an apartment in vacation complex "Marina Cape") to "VEI Project" AD with regard to Contract for giving instead of implementation dated 16.08.2013, concluded with "VEI Project" AD. The Contract from 16.08.2013 was signed between the parties in connection with the Contract dated 30.12.2011, under which "VEI Project" AD has undertaken to transfer to "Intercapital Property Development" ADSIC the ownership of properties, located in vacation complex "Marina Cape", the town of Aheloy. Due to the fact that "Intercapital Property Development" ADSIC has not paid the negotiated purchase price for the real estates, subject of the Contract from 30.12.2011, by 30.01.2013, and has exercised its right to acquire the properties under deferred payment terms, agreed with Annex dated 30.01.2013, "Intercapital Property Development" ADSIC owes a penalty to "VEI Project" AD in the amount of EUR 80 000 pursuant to the clauses of point 5.3 from the Contract dated 30.12.2011.

By transferring the above-described property at the amount of EUR 80 000 excl. VAT, "Intercapital Property Development" ADSIC repays its obligation to "VEI Project" AD, which represents the due and payable penalty, stipulated in point 5.3 in the Contract from 30.12.2011.

Subsequently, a preliminary contract for the sale of real estate dated 30 August 2013 was signed between "ICPD" ADSIC and "VEI Project" AD, pursuant to which "ICPD" ADSIC undertakes to repurchase the property from the preceding paragraph, under the conditions deferred payment.

On 06.09.2013, a contract has been concluded between ICPD and ICM IMO EAD for the sale of receivables arising from forward contracts for the purchase and sale of real estate in vacation complex "Marina Cape", Aheloy between ICPD and third parties - buyers. On 27.09.2013, the Contract for Cession dated 06.09.2013 has been terminated on the grounds of Art . 87 and following the CPA due to incompletion of obligations from ICPD. As a result, as of 30.09.2013 ICPD has a liability to return the funds received from ICM IMO EAD as part of the purchase price, pursuant to the contract, in the amount of EUR 133 447.18.

On 29.10.2013, a repurchase agreement has been concluded between Intercapital Property Development ADSIC and BG Invest Properties EAD the subject of which are two vacation properties situated in the vacation complex Marina Cape. The properties (two-bedroom apartment with area 91.23 sq.m. and a studio with area 33.84 sq.m.) were acquired by BG Invest Properties EAD from ICPD with a notary deed dated 19.08.20.13 pursuant to the terms of a contract for giving instead of repayment dated 16.08.2013. With the transfer of the aforementioned properties ICPD paid down its liability towards BG Invest Properties EAD in the amount of BGN 290 000.

With the contract since 29.10.2013 the companies agreed on the repurchase of the properties by ICPD on their sale price under the terms of a deferred payment. With the conclusion of this contract BG Invest Properties EAD transferred the usage of these properties to Intercapital Property Development ADSIC. In its capacity of a buyer, ICPD has to pay the negotiated price in the amount of BGN 290 000 till 31.10.2016 on equal annual installments under the terms and conditions agreed upon in the repayment plan of the contract. Within this period an annual interest of 9% would accrue. The ownership rights would be transferred to ICPD with a notary deed within a period of 30 days following the full repayment of the sale price.

On 17 December 2013 the Company has concluded a contract with Bulgaria Leasing EAD for financial leasing of real estate subject to which is the investment project "Grand Borovets", property of Intercapital Property Development ADSIC. The lease price of the contract is EUR 2 927 724.36, excl. VAT with a 2-year period for the lease payments or 24 monthly lease installments, with grace period of 6 months and annual interest of 9%.

On 18.12.2013 ICPD ADSIC has received notification from DSK Bank EAD, that all the claims from the bank on ICPD ADSIC under the Credit agreement № 716/18.09.2008 and Credit agreement № 717/18.09.2008 with all the annexes on 17.12.2013, and on the guarantors "Marina Cape Management" EOOD, "Marina Cape Tours" EOOD and Velichko Stoichev Klingov, arising under a guarantee contract, are transferred to cession agreement of "Grand Borovets 2013" EOOD.

On 18.12.2013 ICPD ADSIC has received a notification from DSK Bank EAD that all claims of the bank towards ICPD ADSIC under the Credit agreement № 716/18.09.2008 and under Credit agreement № 717/18.09.2008 and all related annexes as of 17.12.2013 and all claims of the bank towards the guarantors „Marina Cape Management" EOOD, „Marina Cape Tours" EOOD and Velichko Soichev Klingov, arising under a guarantee contract are transferred to "Grand Borovets 2013" EOOD under an agreement for cession.

On 18.12.2013 ICPD ADSIC has repaid part of its obligations under Credit agreement № 716/18.09.2008 and Credit agreement № 717/18.09.2008 concluded with DSK Bank, in the amount of BGN 5 350 000 to the new creditor Grant Borovets 2013 EOOD.

The new creditor has suspended all enforcement actions against ICPD ADSIC according to the above mentioned credit agreements.

According to the agreement on 27.12.2013, concluded between "Grand Borovets 2013" EOOD on the one hand, and ICPD ADSIC as principal and "Marina Cape Management EOOD", "Marina Cape Tours" EOOD and Velichko Stoichev Klingov as joint debtors, it was agreed, that the amount of the debt outstanding of the ICPD ADSIC to "Grand Borovets 2013" EOOD to be reduced by the amount of 2 000 000 BGN, as well as the contractual mortgage, recorded under the property identification number 65231,918,189, located in Samokov, Sofia municipality, Sofia district, and built on that property building, hotel apartment complex with related facilities with the following identification number 65231.918.189.2, which secures the claim of "Grand Borovets 2013" EOOD, to be removed.

Pursuant to the agreement concluded on 27.12.2013, between "Grant Borovets 2013" EOOD from one side, ICPD ADSIC as principal debtor and "Marina Cape Management" EOOD, "Marina Cape Tours" EOOD and Velichko Stoichev Klingov as joined debtors, the amount of the debt of ICPD ADSIC outstanding towards "Grand Borovets 2013" EOOD was reduced with BGN 2 000 000. Additionally, it was agreed that the contractual mortgage on the property with identification number 65231.918.189, located in Samokov, Sofia municipality, Sofia district, together with the building on that property, an apartment hotel complex with related facilities with identification number 65231.918.189.2, which secures the claim of "Grand Borovets 2013" EOOD, to be removed.

28.02.2014
Sofia

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/Velichko Klingov – Executive Director/

ИНТЕРКАПИТАЛ ПРОПЪРТИ ДИВЕЛОПМЪНТ * АДСИЦ * СОФИЯ