

Dear Shareholders,

Beginning from January 2013 military events taken place in the east of Ukraine where all subsidiaries of Sadovaya Group S.A are situated.

Continuous bombardment and shooting, frequent freebooting result in the threat to life of Sadovaya Group employers. That's why Sadovaya Group had to place all employers on leave until the finishing of anti-terroristic operation taking care about their safety. And we are not able to restart the production activity until the finishing of Anti-terroristic operation.

Additionally all Banks, financial institutions, post offices, state organizations are closed, transportation to other part of Ukraine is limited. The event of force majeure is taken place.

As consequence, Sadovaya Group does not have any sources of financing. It continues to feel hard financial times and is not able to meet its financial obligations resulted in creation of indebtedness. The Company acknowledges all its debt and tries to find the way how to resolve these matters. Most of our creditors and counterparties understand our difficult position and we succeed to agree. But Sadovaya Group could not come to agreement with a few of them. Those are:

- INTERAUDIT SARL.

Debt collection was transferred to NV Atradius Credit Insurance, the Collector service. The final size of the debt payable is EUR 22 668.25. (Resolution of the court is attached). In the absence of timely debt payment from Sadovaya Group, bankruptcy case can be opened.

- INTERTRUST (LUXEMBOURG) S.à r.l.

Debt collection was transferred to Trust Krediet Beheer BV, the Collector service. The final size of the debt payable is EUR 32.717,34. At the moment, the debt is on the stage of preparation of the claim to the judicial authorities of Luxembourg.

The company Sadovaya Group makes every effort to prolong the existing debt, but, in view of current events, it cannot fulfill its obligations.

But the Company is still alive and has all chances to restart its activity. In such hard time the Management continues to fight and always remember about its obligations under its Shareholders and Creditors. Notwithstanding continuous military activity in the region we could save all production objects and facilities and we take care about our employers.

Today no one knows the status of Donbas. Our aim is to prevent the bankruptcy procedure, to preserve all assets and to save legal structure. Beginning of the bankruptcy procedure will result in loss of control over all production facilities. And as soon as it becomes known that Sadovaya Group S.A., a public company, ceases to be the owner, all its property will be plundered and sold.

We hope we can overcome the difficulties and fight through every hardship.

We thank to you for your understanding and patience,

Best Regards,



Aleksandr Tolstoukhov

Director A

Sadovaya Group