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STANDARD & POOR'S REVISED OUTLOOK ON SLOVENIA FROM STABLE TO POSITIVE ON IMPROVING GROWTH PROSPECTS

On June 19, 2015, Standard & Poor's Ratings Services revised its outlook on Slovenia from stable to positive. At the same time, S&P affirmed 'A-/A-2' long- and short-term foreign and local currency sovereign credit ratings.

The outlook revision reflects S&P opinion that the ongoing economic recovery in Slovenia will broaden further, benefiting fiscal outcomes. S&P now thinks that Slovenia's real GDP will likely rise on average by about 2.1% per year during 2015-2018, about 0.6 percentage points higher than S&P projected at their last review in December 2014, with the composition of economic growth gradually shifting in favour of domestic demand.

The assigned positive outlook reflects at least a one-in-three probability of an upgrade over the next 24 months if the economic recovery broadens, and, combined with structural reforms, results in improved fiscal and debt metrics. However, S&P could revise the outlook back to stable if economic growth is lower than anticipated, damaging the policy cohesiveness of the government coalition, or if fiscal outcomes are markedly worse than S&P current expectations.

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TELEKOM SLOVENIJE d.d. SALE PUT ON HOLD DUE TO UNACCEPTABLE ADDITIONAL CONDITIONS TO BINDING OFFER POSED BY CINVEN Ltd.

The Slovenian Sovereign Holding (SSH) rejected the additional conditions with which the British investment fund, Cinven Ltd., acting as potential buyer of the majority shareholding in Telekom Slovenia, d. d., amended its binding offer as of 20 May 2015.

SSH estimates that such additional conditions would represent too great a risk for the consortium of sellers and could lead to an unjustified reduction in the purchase price.

SSH remains prepared to proceed with the transaction under the terms approved by the SSH Supervisory Board on 10 June 2015 and based on the original binding offer.

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