

## Ailing Balkan retail giant disputes €2bn of debts

ZAGREB - Debt-wracked Balkan food and retail giant Agrokor is in a dispute with creditors over two billion euro in claims, half of which is demanded by the Russian state-controlled Sberbank, the firm's crisis manager said Thursday.



Ante Ramljak, crisis manager at Agrokor | ©AFP

While Agrokor recognises a total of 41.23 billion kunas (5.4 billion euros, \$6.3 billion) of claims against it, some 16.5 billion kunas remain disputed, the crisis manager Ante Ramljak told reporters.

The 1.1-billion-euro claim by Sberbank, Agrokor's main creditor, has led to several legal actions against the company in Croatia, Britain and around the Balkans, he said.

Sberbank also took the group to the London Court of International Arbitration.

Agrokor, the largest employer in a region with high unemployment, has run up debts through aggressive expansion and expensive borrowing.

The Zagreb-based company has about 60,000 employees, two-thirds of whom are in Croatia.

The Croatian government in April named a crisis manager to lead a restructuring process at the firm, whose revenues account for 15 percent of the European Union member state's gross domestic product (GDP).

Agrokor will face bankruptcy proceedings if the restructuring process is not successful by next July.

However, Ramljak said the disputed claims, including that of Sberbank, could be eventually worked out.

"We are in constant contact with Sberbank ... There is still a possibility that we sit together at the table and reach an agreement," he said.

Agrokor's fugitive owner Ivica Todoric, for whom Zagreb issued a European arrest warrant, was arrested and released on bail in London on Tuesday.

He is the prime suspect in an ongoing probe into alleged abuse of trust, forging of official documents and failure to keep proper business records at the company.

Todoric, 66, has repeatedly claimed to be a victim of "political persecution," vowing to fight extradition.

Fourteen other people, including Todoric's two sons and other former top executives at Agrokor, are suspected in the scandal.

**Source:** AFP

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