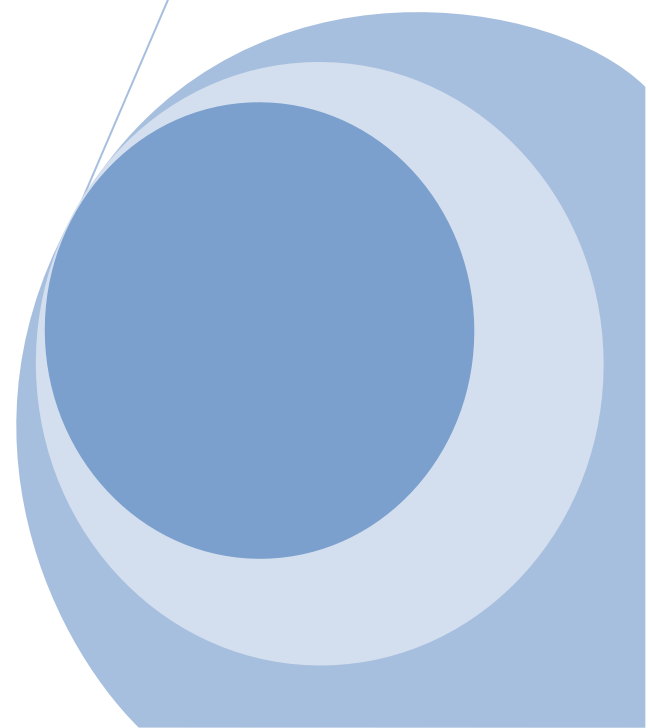




**Management Interim Report of the AD Plastik  
group and Company AD Plastik Inc. Solin for the  
first quarter of 2011.**

**Solin, April 2011.**



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## a) Introduction to the report

### Financial highlights: 01.01. – 31.03.2011.

Indicator	Till 31.03.2011.	Till 31.03.2010.	Rate of change %
Sales revenue (Kkn)	192.023	193.496	-0,8%
Turnover (Kkn)	203.324	209.490	-2,9%
Net profit (Kkn)	17.195	11.196	53,6%

#### ❖ **Decrease the group debt**

The coefficient of the group debt increased from 0,361 (31.12.2010.) to 0,360 (first quarter 2011).

### Key developments in 2011

- ❖ **Difference in expressing result in Parent Company** - Result of Parent Company will no longer include the results of associated companies under the equity method, only the amount approved for the payment of dividends for 2010. Also year 2010. is corrected so that two years could be comparable.
- ❖ In preparing **the consolidated financial reports** for the first quarters in year 2010. and year 2011., the associated entities are reported under the equity method, and affiliates are stated at cost method.
- ❖ Dividend payments in associated entity EAPS, Romania and subsidiary company ZAO PHR, Russia.

## b) **Management interim Report of the AD Plastik group for the period: 01.01. – 31.03.2011.**

Main business activity of AD Plastik group is manufacture of plastic parts for automobile industry. Besides this activity, the Group also manufactures package for food industry, products for households, etc.

On March 31th, 2011 the Group employed 2.392 employees, from which 867 were employed in the company AD Plastik Inc. Solin (Parent Company).

On March 31th, 2011 the amount of the stock was 419.958.400 kuna.

There was no change in the Management structure and in the Supervisory Board in Parent Company.

There was no significant change in the ownership structure. Prevent Global, owner of the 25,8% shares, is in the bankruptcy and the stocks are deposited in two Slovenian banks.

Underlying Consolidated financial statements include: quarterly data for AD Plastik dd Solin, ADP Luga Russia, ZAO PHR, Russia, AD Plastik Ltd. Slovenia and the results of associated companies EAPS Romania, FADP Holding France and SG Plastik doo, Solin included in the result of the Parent Company using equity method.

During the period from January till March 2011 the Group realized total profit in the amount of 203,3 million kuna that represents 2,9% less than during the same period in the previous year when the income amounted 209,5 million kuna.

Total expenditure of the Group business during the accounting period was 182,3 million kuna that represents 8,7% less than during the same period in the previous year when total expenditure of business was 198,3 million kuna.

The reason for lower revenues and expenditures of the Group is production relocation from subsidiary ADP Luga Russia in associate FADP Russia, whose business statements are included by using the equity method in accordance with IAS 27 and 28.

For the same period the Parent Company realized total income to the amount of 184,9 million kuna that represents 19,7% more than during the same period in the previous year when the income was 154,5 million kuna. Dividends from companies ZAO PHR, Russia and the EAPC, Romania from 2010., are included in total revenue in the amount of 26.8 million.

Total expenditure of the Parent company during the accounting period was 143,2 million kuna that represents 1,0% less than during the same period in the previous year when total expenditure of business running was 144,2 million kuna.

During the monitored period the Group realized profit in the amount of 17,2 million kuna, while during the same period in the previous year it realized the profit in the amount of 11,2 million kuna.

During the same period the Parent Company realized profit in the amount of 38,8 million kuna, while during the same period in the previous year it realized the profit in the amount of 10,3 million kuna. In the profit of the Parent Company it is included the dividend income from companies ZAO PHR, Russia and the EAPC, Romania in a total amount of 26,8 million kuna. Operating profit of a Parent Company is 11.9 million kuna, which is 15.5% more than the profit for the same period last year.

Realized result was better than the planned result for the same period.

### **c) Expectations for 2011**

First quarter result is better than plan and according to that expectations for 2011 are high. Result for 2011 should be better than result for 2010 for the Parent Company and for the Group.

## **Financial reports of AD Plastik Group**

**Appendix 1**

Reporting period:

01.01.2011.

till

31.03.2011.

**Quarterly Financial Report of the entrepreneur TFI-POD**

Register number (MB):	03440494			
Entity register number (MBS):	060007090			
Personal identification number (PIN):	48351740621			
Issuing company:	AD PLASTIK d.d.			
Post code and place:	21210	Solin		
Street and house number:	Matoševa 8			
E-mail address:	<a href="mailto:adplastik@adplastik.hr">adplastik@adplastik.hr</a>			
Internet address:	<a href="http://www.adplastik.hr">www.adplastik.hr</a>			
Municipality/city code and name:	406	Solin		
County code and name:	17	Splitsko-dalmatinska	No. of employees:	2.392
			(at the end of the trimester)	
Consolidated report:	YES		NCA code:	2932
Names of consolidation subjects (according to IMSF):	Seat:	REG.NO.:		
	AD PLASTIK d.d.	Solin, Hrvatska	03440494	
	ZAO PHR	Samara, Ruska Federacija	103630022193	
	AD PLASTIK d.o.o.	Novo Mesto, Slovenija	1214985000	
	ZAO ADP LUGA	Luga, Ruska Federacija	107471000032	
Bookkeeping service:				
Contact person:	Zvonimir Paradžik			
	(only the name and surname of the contact person to be entered)			
Telephone:	021/206-640	Fax:	021/206-669	
E-mail address:	<a href="mailto:zvonimir.paradzik@adplastik.hr">zvonimir.paradzik@adplastik.hr</a>			
Name and surname:	Josip Boban			
	(person authorised for representation)			
<b>Documentation for publishing:</b>				
1. Financial statements (balance sheet, profit and loss statement, cash flow statement, changes in equity and notes to financial statements)				
2. Interim report,				
3. Statement of the person responsible for compiling financial statements.				
		Place of the seal	(signature of the person authorised for representation)	

# 1. Balance sheet

## Assets

<b>BALANCE SHEET</b>			
as at 31.03.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>661.659.664</b>	<b>655.531.124</b>
<b>I. INTANGIBLE ASSETS (004 up to 009)</b>	<b>003</b>	<b>43.568.093</b>	<b>40.673.433</b>
1. Development costs	<b>004</b>	40.667.370	37.885.607
2. Concessions, patents, licenses, trademarks, softwares and other rights	<b>005</b>	2.476.173	2.382.589
3. Goodwill	<b>006</b>	0	0
4. Advances for purchase of intangible assets	<b>007</b>	0	0
5. Intangible assets in preparation	<b>008</b>	0	0
6. 6. Other intangible assets	<b>009</b>	424.549	405.237
<b>II. TANGIBLE ASSETS (011 up to 019)</b>	<b>010</b>	<b>515.418.758</b>	<b>517.883.483</b>
1. Land	<b>011</b>	134.619.737	134.619.737
2. Buildings	<b>012</b>	206.138.884	203.362.780
3. Plants and machinery	<b>013</b>	153.479.963	152.052.140
4. Tools, plant & office inventory, furniture & transport means	<b>014</b>	14.341.785	14.279.418
5. Biological assets	<b>015</b>		
6. Payments on account for tangible assets	<b>016</b>	0	105.888
7. Tangible assets in preparation	<b>017</b>	5.558.791	12.174.355
8. Other tangible assets	<b>018</b>	1.279.598	1.289.165
9. Investment in real estate	<b>019</b>		
<b>III. FIXED FINANCIAL ASSETS (021 up to 028)</b>	<b>020</b>	<b>101.901.260</b>	<b>96.202.751</b>
1. Shares in affiliated undertakings	<b>021</b>		
2. Loans to affiliated undertakings	<b>022</b>		
3. Participating interests (shares)	<b>023</b>	72.841.443	59.461.142
4. Given loans to companies in which exist participating interests	<b>024</b>	28.564.380	36.246.172
5. Investments in securities	<b>025</b>	63.855	63.855
6. Other loan, deposits etc	<b>026</b>	431.582	431.582
7. Other fixed financial assets	<b>027</b>		
8. Investment stated in equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 up to 032)</b>	<b>029</b>	<b>0</b>	<b>0</b>
1. Receivables from associated undertakings	<b>030</b>		
2. Receivables from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	<b>771.553</b>	<b>771.457</b>
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>335.680.554</b>	<b>370.084.205</b>
<b>I. INVENTORY (036 up to 042)</b>	<b>035</b>	<b>57.465.965</b>	<b>55.293.038</b>
1. Materials and supplies	<b>036</b>	42.629.395	37.426.326
2. Work in progress	<b>037</b>	2.806.050	2.486.013
3. Finished goods	<b>038</b>	8.623.623	8.003.616
4. Commercial goods	<b>039</b>	3.406.897	7.377.083
5. Advances for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 up to 049)</b>	<b>043</b>	<b>202.109.498</b>	<b>238.193.623</b>
1. Receivables from associated undertakings	<b>044</b>		
2. Trade receivables	<b>045</b>	147.150.088	169.787.499
3. Receivables from participating companies	<b>046</b>	5.244.952	21.390.737
4. Receivables from employees and members of the business	<b>047</b>	932.787	1.203.423
5. Receivables from government and other institutions	<b>048</b>	24.370.613	25.354.045
6. Other receivables	<b>049</b>	24.411.058	20.457.919
<b>III. CURRENT FINANCIAL ASSETS (051 up to 057)</b>	<b>050</b>	<b>66.543.367</b>	<b>64.483.426</b>
1. Shares in affiliated undertakings	<b>051</b>		
2. Loans to affiliates	<b>052</b>		
3. Participating interests (shares)	<b>053</b>		
4. Given loans to companies in which exist participating interests	<b>054</b>		5.173.190
5. Investments in to securities	<b>055</b>		0
6. Other loan, deposits etc	<b>056</b>	66.543.367	59.310.236
7. Other financial assets	<b>057</b>		
<b>IV. CASH AT BANK AND IN HAND</b>	<b>058</b>	<b>9.561.724</b>	<b>12.114.118</b>
<b>D) PREPAYMENTA AND ACCRUED INCOME</b>	<b>059</b>	<b>75.549.210</b>	<b>77.189.477</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>1.072.889.428</b>	<b>1.102.804.806</b>
<b>F) OUT-OF-BALANCE ITEMS</b>	<b>061</b>	<b>7.149.642</b>	<b>7.149.642</b>

## Liabilities

<b>BALANCE SHEET</b>			
as at 31.03.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>657.680.080</b>	<b>674.175.456</b>
<b>I. SUBSCRIBED SHARE CAPITAL</b>	<b>063</b>	419.958.400	419.958.400
<b>II. CAPITAL RESERVES</b>	<b>064</b>	177.295.439	181.284.992
<b>III. RESERVES FROM GAIN (066+067-068+069+070)</b>	<b>065</b>	<b>6.176.653</b>	<b>6.176.671</b>
1. Legal reserves	<b>066</b>	6.139.794	6.139.825
2. Reserves for own shares	<b>067</b>	11.359.719	12.927.119
3. Own stocks and shares (deductible item)	<b>068</b>	11.359.719	12.927.119
4. Statutory reserves	<b>069</b>	36.859	36.846
5. Other reserves	<b>070</b>		0
<b>IV. REVALUATION RESERVES</b>	<b>071</b>		
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	<b>0</b>	<b>49.560.128</b>
1. Retained earnings	<b>073</b>		49.560.128
2. Loss brought forward	<b>074</b>		
<b>VI. CURRENT YEAR PROFIT OR LOSS (076-077)</b>	<b>075</b>	<b>54.224.990</b>	<b>17.195.265</b>
1. Current year profit	<b>076</b>	54.224.990	17.195.265
2. Current year loss	<b>077</b>		
<b>VII. MINOR INTEREST</b>	<b>078</b>	<b>24.598</b>	
<b>B) PROVISIONS (080 up to 082)</b>	<b>079</b>	<b>15.619.833</b>	<b>15.660.163</b>
1. Provisions for pensions, severance pay and similar obligations	<b>080</b>	3.332.255	3.332.255
2. Provisions for tax liabilities	<b>081</b>	0	0
3. Other provisions	<b>082</b>	12.287.578	12.327.908
<b>C) LONG TERM LIABILITIES (084 up to 092)</b>	<b>083</b>	<b>92.905.027</b>	<b>86.101.820</b>
1. Liabilities to related parties	<b>084</b>		
2. Commitments for loans, deposits, etc	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	92.830.764	86.027.927
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies in which are participating interests	<b>090</b>		
8. Other long term liabilities	<b>091</b>	74.263	73.893
9. Deferred tax liabilities	<b>092</b>		
<b>D) KRATKOROČNE OBVEZE (094 do 105)</b>	<b>093</b>	<b>294.793.799</b>	<b>311.411.518</b>
1. Liabilities to related parties	<b>094</b>		
2. Commitments for loans, deposits, etc	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	106.256.933	106.363.705
4. Liabilities for advances	<b>097</b>	82.413.732	85.670.473
5. Trade payables	<b>098</b>	93.147.767	96.414.174
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies in which are participating interests	<b>100</b>		
8. Liabilities towards employees	<b>101</b>	6.553.022	6.679.974
9. Liabilities for taxes, contributions and other benefits	<b>102</b>	6.147.659	15.543.716
10. Liabilities to share in the result	<b>103</b>	16.387	0
11. Amount based on fixed assets intended to sale	<b>104</b>		
12. Other short-term liabilities	<b>105</b>	<b>258.299</b>	<b>739.476</b>
<b>E) DEFERRED PAYMENT OF COSTS AND FUTURE INCOME</b>	<b>106</b>	<b>1.705.336</b>	<b>5.270.496</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.062.704.075</b>	<b>1.092.619.453</b>
<b>G) OUT-OF BALANCE ITEMS</b>	<b>108</b>	<b>7.149.642</b>	<b>7.149.642</b>
<b>ADDENDUM TO BALANCE SHEET( filled in by the entrepreneur compiling the consolidated annual financial statement)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Ascribed to the holders of the parent company capital	<b>109</b>	657.655.482	674.175.456
2. Ascribed to minority interest	<b>110</b>	24.598	0
Note 1: Appendix to Balance sheet fill companies w ho make consolidated financial statements.			



## 2. Profit and loss account

<b>PROFIT AND LOSS ACCOUNT</b>					
in period from 01.01.2011. till 31.03.2011.					
Taxpayer: GROUP AD PLASTIK					
ITEM	AOP ind.	Preceding year		Current year	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING TURNOVER (112+113)</b>	<b>111</b>	<b>193.495.768</b>	<b>193.495.768</b>	<b>192.023.077</b>	192.023.077
1. Income from sales	112	188.405.681	188.405.681	188.908.971	188.908.971
2. Other operating income	113	5.090.087	5.090.087	3.114.106	3.114.106
<b>II. OPERATING CHARGES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>193.359.596</b>	<b>193.359.596</b>	<b>172.601.755</b>	<b>172.601.755</b>
1. Changes in the value of inventories of work in progress and finished goods	115	-49.542	-49.542	1.124.825	1.124.825
2. Material charges (117 up to 119)	116	125.925.890	125.925.890	111.064.100	111.064.100
a) Costs of raw materials and consumables	117	109.157.498	109.157.498	96.945.380	96.945.380
b) Costs of sales	118	453.932	453.932	40.360	40.360
c) Other external charges	119	16.314.460	16.314.460	14.078.360	14.078.360
3. Staff costs (121 up to 123)	120	31.706.103	31.706.103	30.853.514	30.853.514
a) Salaries and wages	121	19.240.587	19.240.587	18.748.032	18.748.032
b) Costs of taxes and social security	122	7.898.748	7.898.748	6.917.451	6.917.451
c) Duties on wages	123	4.566.768	4.566.768	5.188.031	5.188.031
4. Depreciation	124	17.071.689	17.071.689	13.593.473	13.593.473
5. Other costs	125	7.012.176	7.012.176	10.822.553	10.822.553
6. Impairment (127+128)	126	0	0	0	0
a) fixed assets (excluding financial assets)	127				
b) current assets (excluding financial assets)	128				
7. Provisions	129	11.692.191	11.692.191		
8. Other operating expenses	130	1.089	1.089	5.143.290	5.143.290
<b>III. FINANCIAL INCOME (132 up to 136)</b>	<b>131</b>	<b>13.696.865</b>	<b>13.696.865</b>	<b>5.232.964</b>	<b>5.232.964</b>
1. Interests, exchange rate differenc, dividends with affiliates	132	11.016.838	11.016.838	2.618.784	2.618.784
2. Interests, exch. rate differenc., dividends with non-affiliates	133	2.680.027	2.680.027	2.614.180	2.614.180
3. Part of income from affiliates and participated interests	134				
4. Non-realized financial income	135				
5. Other financial income	136				
<b>IV. FINANCIAL CHARGES (138 up to 141)</b>	<b>137</b>	<b>4.934.633</b>	<b>4.934.633</b>	<b>6.243.961</b>	<b>6.243.961</b>
1. Interests, exchange rate differenc, dividends with affiliates	138	312.706	312.706	2.079.302	2.079.302
2. Interests, exch. rate differenc., dividends with non-affiliates	139	4.621.927	4.621.927	4.164.659	4.164.659
3. Non-realized financial charges	140				
4. Other financial charges	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>	<b>2.297.572</b>	<b>2.297.572</b>	<b>6.068.001</b>	<b>6.068.001</b>
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>			<b>3.499.998</b>	<b>3.499.998</b>
<b>VII. EXTRAORDINARY – OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY – OTHER CHARGES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>209.490.205</b>	<b>209.490.205</b>	<b>203.324.042</b>	<b>203.324.042</b>
<b>X. TOTAL CHARGES (114+137+143 + 145)</b>	<b>147</b>	<b>198.294.229</b>	<b>198.294.229</b>	<b>182.345.714</b>	<b>182.345.714</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>11.195.976</b>	<b>11.195.976</b>	<b>20.978.328</b>	<b>20.978.328</b>
1. Profit before taxation (146-147)	149	11.195.976	11.195.976	20.978.328	20.978.328
2. Loss before taxation (147-146)	150	0	0	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>			<b>3.783.060</b>	<b>3.783.060</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>11.195.976</b>	<b>11.195.976</b>	<b>17.195.268</b>	<b>17.195.268</b>
1. PROFIT FOR THE PERIOD (149-151)	153	11.195.976	11.195.976	17.195.268	17.195.268
2. LOSS FOR THE PERIOD (151-148)	154	0	0	0	0

## 2. Profit and loss account - continued

ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)					
<b>XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD</b>					
1. Attributable to equity holders	155	11.197.475	11.197.475	17.195.268	17.195.268
2. Attributable to minority interests	156	-1.499	-1.499		
Report for other comprehensive income (only for the taxpayer applying IFRS)					
<b>I. PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152)</b>	157	11.195.976	11.195.976	17.195.268	17.195.268
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165)</b>	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of fixed and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses on effective cash flow protection	162				
5. Gains or losses on effective hedge of a net investment abroad	163				
6. Share of other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD</b>	166				
<b>IV. OTHER COMPREHENSIVE NET PROFIT OR LOSS</b>	167	0	0	0	0
<b>V. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	168	11.195.976	11.195.976	17.195.268	17.195.268
ADDENDUM TO Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual financial statement)					
<b>VI. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to equity holders	169	11.197.475	11.197.475	17.195.268	17.195.268
2. Attributable to minority interests	170	-1.499	-1.499		

### 3. Cash flow (indirect method)

<b>CASH FLOW REPORT – Indirect method</b>			
in period from 01.01.2011. till 31.03.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	<b>001</b>	11.195.976	20.978.328
2. Depreciation	<b>002</b>	17.071.689	13.593.473
3. Increase of current liabilities	<b>003</b>	24.990.440	20.223.209
4. Decrease of current receivables	<b>004</b>		
5. Decrease in stocks	<b>005</b>	3.955.780	2.172.927
6. Other increase of cash flow	<b>006</b>	6.342.031	96
<b>I. Total increase of cash flow from operating activities (001 - 006)</b>	<b>007</b>	<b>63.555.916</b>	<b>56.968.033</b>
1. Decrease of current liabilities	<b>008</b>		
2. Increase of current receivables	<b>009</b>	18.327.558	37.724.391
3. Increase in stocks	<b>010</b>		
4. Other decrease of cash flow	<b>011</b>		4.482.952
<b>II. Total decrease of cash flow from operating activities (008 – 011)</b>	<b>012</b>	<b>18.327.558</b>	<b>42.207.343</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>013</b>	<b>45.228.358</b>	<b>14.760.689</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of fixed intangible and tangible assets	<b>015</b>	876.120	779.118
2. Cash inflows from sale of ownership and debt instruments	<b>016</b>		
3. Cash inflows from interest	<b>017</b>	305.422	
4. Cash inflows from dividends	<b>018</b>		
5. Other cash inflows from investment activities	<b>019</b>		13.380.301
<b>III. Total cash inflows from investment activities (015-019)</b>	<b>020</b>	<b>1.181.542</b>	<b>14.159.419</b>
1. Cash expenditures for purchase of fixed tangible and intangible assets	<b>021</b>	29.894.958	13.942.656
2. Cash expenditures for acquisition of ownership and debt instruments	<b>022</b>	4.002.112	
3. Other cash expenditures from investment activities	<b>023</b>		
<b>IV. Total cash expenditures from investment activities (021-023)</b>	<b>024</b>	<b>33.897.070</b>	<b>13.942.656</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>216.763</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>32.715.528</b>	<b>0</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflows from issuing ownership and debt financial instruments	<b>027</b>		
2. Cash inflows from credit principal, debentures, loans and other borrowings	<b>028</b>		
3. Other inflows from financial activities	<b>029</b>		2.059.941
<b>V. Total cash inflows from financial activities (027-029)</b>	<b>030</b>	<b>0</b>	<b>2.059.941</b>
1. Cash expenditures for the payment of credit principal and debentures	<b>031</b>	7.243.617	6.803.207
2. Cash expenditures for the payment of dividends	<b>032</b>		
3. Cash expenditures for financial lease	<b>033</b>		7.681.792
4. Cash expenditures for repurchase of own shares	<b>034</b>		
5. Other cash expenditures from financial activities	<b>035</b>	7.450.318	
<b>VI. Total cash expenditures from financial activities (031-035)</b>	<b>036</b>	<b>14.693.935</b>	<b>14.484.999</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>14.693.935</b>	<b>12.425.058</b>
Total cash flow increase (013-014+025-026+037-038)	<b>039</b>	<b>0</b>	<b>2.552.394</b>
Total cash flow decrease (014-013+026-025+038-037)	<b>040</b>	2.181.105	<b>0</b>
Cash and cash equivalents at the beginning of the period	<b>041</b>	13.146.715	9.561.724
Cash and cash equivalents increase	<b>042</b>		2.552.394
Cash and cash equivalents decrease	<b>043</b>	2.181.105	
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>10.965.610</b>	<b>12.114.118</b>

#### 4. Report on changes of capital

<b>REPORT ON CHANGES TO CAPITAL</b>							
	<b>for period</b>	<b>1.1.2011</b>	<b>till</b>	<b>31.3.2011</b>			
	<b>ITEM</b>	<b>AOP ind.</b>	<b>Preceding year</b>	<b>Current year</b>			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>			
	1. Subscribed capital	001	419.958.400	419.958.400			
	2. Capital reserves	002	177.295.439	181.284.992			
	3. Reserves from profit	003	6.201.251	6.176.671			
	4. Retained profit or loss carried over	004		49.560.128			
	5. Current year profit or loss	005	54.224.990	17.195.265			
	6. Revalorisation of fixed material assets	006					
	7. Revalorisation of intangible assets	007					
	8. Revalorisation of financial assets available for sale	008					
	9. Other revalorisation	009	10.185.353	10.185.353			
	<b>10. Total capital and reserves (AOP 001-009)</b>	<b>010</b>	<b>667.865.433</b>	<b>684.360.809</b>			
	11. Exchange rate variations from net investments into foreign business operations	011					
	12. Current and deferred taxes (part)	012					
	13. Cash flow protection	013					
	14. Changes in bookkeeping policies	014					
	15. Correction of significant mistakes from the previous period	015					
	16. Other changes to capital	016					
	<b>17. Total capital increase or decrease (AOP 011 - 016)</b>	<b>017</b>		0	0		
	17a. Ascribed to holders of the holders company capital	018	667.840.835	684.360.809			
	17b. Ascribed to minority interest	019	24.598				
Items reducing Capital are entered with negative sign.							
Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.							

#### 5. Notes for consolidated financial report

1. Increase in long-term financial assets is the result of lending increase to associate FADP Luga Russia.
2. Loans given to companies in which Parent Company has participating interests relate to lending to each other within the group.
3. Share of profit of joint ventures and share of loss from associated companies refers to companies in which the parent company has a stake of less than 50%. Mentioned amounts are reported in the balance sheet in the long-term financial assets based on participating interests.

**Financial reports of the company AD Plastik Inc. Solin**

**Appendix 1**

Reporting period:

01.01.2011.

till

31.03.2011.

**Quarterly Financial Report of the entrepreneur TFI-POD**

Register number (MB):	03440494				
Entity register number (MBS):	060007090				
Personal identification number (PIN):	48351740621				
Issuing company:	AD PLASTIK d.d.				
Post code and place:	21210	SOLIN			
Street and house number:	MATOŠEVA 8				
E-mail address:	<a href="mailto:adplastik@adplastik.hr">adplastik@adplastik.hr</a>				
Internet address:	<a href="http://www.adplastik.hr">www.adplastik.hr</a>				
Municipality/city code and name:	406	SOLIN			
County code and name:	17	SPLITSKO-DALMATINSKA		No. of employees:	867
				(at the end of the trimester)	
Consolidated report:	NO			NCA code:	2932
Names of consolidation subjects (according to IMSF)		Seat:		REG.NO.:	
Bookkeeping service:					
Contact person:	Marica Jakelić				
	(only the name and surname of the contact person to be entered)				
Telephone:	021/206-660		Fax:	021/206-669	
E-mail address:	<a href="mailto:marica.jakelic@adplastik.hr">marica.jakelic@adplastik.hr</a>				
Name and surname:	Josip Boban				
	(person authorised for representation)				
<b>Documentation for publishing:</b>					
	1. Financial statements (balance sheet, profit and loss statement, cash flow statement, changes in equity and notes to financial statements)				
	2. Interim report,				
	3. Statement of the person responsible for compiling financial statements.				
		Place of the seal	(signature of the person authorised for representation)		

## 6. Balance sheet

Assets

<b>BALANCE SHEET</b>			
as at 31.03.2011.			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>683.393.883</b>	<b>698.583.977</b>
<b>I. INTANGIBLE ASSETS (004 up to 009)</b>	<b>003</b>	<b>41.068.786</b>	<b>38.287.023</b>
1. Development costs	<b>004</b>	40.667.370	37.885.607
2. Concessions, patents, licenses, trademarks, softwares and other rights	<b>005</b>	401.416	401.416
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		
6. 6. Other intangible assets	<b>009</b>		
<b>II. TANGIBLE ASSETS (011 up to 019)</b>	<b>010</b>	<b>440.520.255</b>	<b>435.695.401</b>
1. Land	<b>011</b>	134.619.737	134.619.737
2. Buildings	<b>012</b>	170.463.291	167.420.452
3. Plants and machinery	<b>013</b>	125.573.646	123.235.045
4. Tools, plant & office inventory, furniture & transport means	<b>014</b>	7.236.660	7.121.171
5. Biological assets	<b>015</b>		
6. Payments on account for tangible assets	<b>016</b>		
7. Tangible assets in preparation	<b>017</b>	2.626.921	3.298.996
8. Other tangible assets	<b>018</b>		
9. Investment in real estate	<b>019</b>		
<b>III. FIXED FINANCIAL ASSETS (021 up to 028)</b>	<b>020</b>	<b>201.138.391</b>	<b>223.935.102</b>
1. Shares in affiliated undertakings	<b>021</b>	74.678.639	74.681.629
2. Loans to affiliated undertakings	<b>022</b>	44.838.550	59.950.479
3. Participating interests (shares)	<b>023</b>	52.561.385	52.561.385
4. Given loans to companies in which exist participating interests	<b>024</b>	28.564.380	36.246.172
5. Investments in securities	<b>025</b>	63.855	63.855
6. Other loan, deposits etc	<b>026</b>	431.582	431.582
7. Other fixed financial assets	<b>027</b>		
8. Investment stated in equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 up to 032)</b>	<b>029</b>	<b>0</b>	<b>0</b>
1. Receivables from associated undertakings	<b>030</b>		
2. Receivables from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	<b>666.451</b>	<b>666.451</b>
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>293.731.842</b>	<b>286.427.012</b>
<b>I. INVENTORY (036 up to 042)</b>	<b>035</b>	<b>37.165.157</b>	<b>30.701.753</b>
1. Materials and supplies	<b>036</b>	27.539.443	22.917.551
2. Work in progress	<b>037</b>	2.430.497	1.897.875
3. Finished goods	<b>038</b>	7.183.788	5.866.508
4. Commercial goods	<b>039</b>	11.429	19.819
5. Advances for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 up to 049)</b>	<b>043</b>	<b>186.794.445</b>	<b>188.373.261</b>
1. Receivables from associated undertakings	<b>044</b>	80.475.302	57.063.823
2. Trade receivables	<b>045</b>	63.662.324	70.587.829
3. Receivables from participating companies	<b>046</b>	5.244.952	21.390.737
4. Receivables from employees and members of the business	<b>047</b>	929.439	1.201.718
5. Receivables from government and other institutions	<b>048</b>	15.433.186	18.471.437
6. Other receivables	<b>049</b>	21.049.242	19.657.717
<b>III. CURRENT FINANCIAL ASSETS (051 up to 057)</b>	<b>050</b>	<b>66.543.367</b>	<b>59.310.236</b>
1. Shares in affiliated undertakings	<b>051</b>		
2. Loans to affiliates	<b>052</b>		
3. Participating interests (shares)	<b>053</b>		
4. Given loans to companies in which exist participating interests	<b>054</b>		
5. Investments in to securities	<b>055</b>		
6. Other loan, deposits etc	<b>056</b>	66.543.367	59.310.236
7. Other financial assets	<b>057</b>		
<b>IV. CASH AT BANK AND IN HAND</b>	<b>058</b>	<b>3.228.873</b>	<b>8.041.762</b>
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	<b>75.527.413</b>	<b>77.174.642</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>1.052.653.138</b>	<b>1.062.185.631</b>
<b>F) OUT-OF-BALANCE ITEMS</b>	<b>061</b>	<b>7.149.642</b>	<b>7.149.642</b>

## Liabilities

<b>BALANCE SHEET</b>			
as at 31.03.2011.			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>648.297.174</b>	<b>687.064.680</b>
<b>I. SUBSCRIBED SHARE CAPITAL</b>	<b>063</b>	<b>419.958.400</b>	<b>419.958.400</b>
<b>II. CAPITAL RESERVES</b>	<b>064</b>	<b>181.239.161</b>	<b>181.239.161</b>
<b>III. RESERVES FROM GAIN (066+067-068+069+070)</b>	<b>065</b>	<b>16.171.699</b>	<b>16.171.699</b>
1. Legal reserves	<b>066</b>	6.128.852	6.128.852
2. Reserves for own shares	<b>067</b>	11.359.719	12.927.119
3. Own stocks and shares (deductible item)	<b>068</b>	11.359.719	12.927.119
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	10.042.847	10.042.847
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	<b>10.185.353</b>	<b>10.185.353</b>
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	<b>0</b>	<b>20.742.561</b>
1. Retained earnings	<b>073</b>		20.742.561
2. Loss brought forward	<b>074</b>		
<b>VI. CURRENT YEAR PROFIT OR LOSS (076-077)</b>	<b>075</b>	<b>20.742.561</b>	<b>38.767.506</b>
1. Current year profit	<b>076</b>	20.742.561	38.767.506
2. Current year loss	<b>077</b>		
<b>VII. MINOR INTEREST</b>	<b>078</b>		
<b>B) PROVISIONS (080 up to 082)</b>	<b>079</b>	<b>10.225.567</b>	<b>10.225.567</b>
1. Provisions for pensions, severance pay and similar obligations	<b>080</b>	3.332.255	3.332.255
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	6.893.312	6.893.312
<b>C) LONG TERM LIABILITIES (084 up to 092)</b>	<b>083</b>	<b>92.830.764</b>	<b>86.027.927</b>
1. Liabilities to related parties	<b>084</b>		
2. Commitments for loans, deposits, etc	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	92.830.764	86.027.927
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies in which are participating interests	<b>090</b>		
8. Other long term liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 up to 105)</b>	<b>093</b>	<b>299.594.297</b>	<b>273.596.961</b>
1. Liabilities to related parties	<b>094</b>	37.269.825	37.544.847
2. Commitments for loans, deposits, etc	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	106.256.933	69.449.670
4. Liabilities for advances	<b>097</b>	80.140.898	83.380.882
5. Trade payables	<b>098</b>	66.312.190	69.932.819
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies in which are participating interests	<b>100</b>	199	199
8. Liabilities towards employees	<b>101</b>	5.226.092	4.846.339
9. Liabilities for taxes, contributions and other benefits	<b>102</b>	4.388.160	8.442.205
10. Liabilities to share in the result	<b>103</b>		
11. Amount based on fixed assets intended to sale	<b>104</b>		
12. Other short-term liabilities	<b>105</b>		
<b>E) DEFERRED PAYMENT OF COSTS AND FUTURE INCOME</b>	<b>106</b>	<b>1.705.336</b>	<b>5.270.496</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.052.653.138</b>	<b>1.062.185.631</b>
<b>G) OUT-OF BALANCE ITEMS</b>	<b>108</b>	<b>7.149.642</b>	<b>7.149.642</b>
<b>ADDENDUM TO BALANCE SHEET( filled in by the entrepreneur compiling the consolidated annual financial statement)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Ascribed to the holders of the parent company capital	<b>109</b>		
2. Ascribed to minority interest	<b>110</b>		
Note 1: Appendix to Balance sheet fill companies w ho make consolidated financial statements.			



## 7. Profit and loss account

<b>PROFIT AND LOSS ACCOUNT</b>					
in period from 01.01.2011. till 31.03.2011.					
Taxpayer: AD PLASTIK d.d.					
ITEM	AOP ind.	Preceding year		Current year	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING TURNOVER (112+113)</b>	<b>111</b>	<b>150.915.892</b>	<b>150.915.892</b>	<b>152.852.436</b>	<b>152.852.436</b>
1. Income from sales	112	148.968.875	148.968.875	151.350.428	151.350.428
2. Other operating income	113	1.947.017	1.947.017	1.502.008	1.502.008
<b>II. OPERATING CHARGES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>139.560.048</b>	<b>139.560.048</b>	<b>137.977.714</b>	<b>137.977.714</b>
1. Changes in the value of inventories of work in progress and finished goods	115	-137.620	-137.620	1.793.728	1.793.728
2. Material charges (117 up to 119)	116	98.905.149	98.905.149	90.535.703	90.535.703
a) Costs of raw materials and consumables	117	75.164.703	75.164.703	71.243.568	71.243.568
b) Costs of sales	118	10.416.851	10.416.851	8.176.099	8.176.099
c) Other external charges	119	13.323.595	13.323.595	11.116.036	11.116.036
3. Staff costs (121 up to 123)	120	23.253.976	23.253.976	21.968.539	21.968.539
a) Salaries and wages	121	13.952.386	13.952.386	13.181.123	13.181.123
b) Costs of taxes and social security	122	5.813.494	5.813.494	5.492.135	5.492.135
c) Duties on wages	123	3.488.096	3.488.096	3.295.281	3.295.281
4. Depreciation	124	11.970.881	11.970.881	9.853.380	9.853.380
5. Other costs	125	5.567.662	5.567.662	10.283.910	10.283.910
6. Impairment (127+128)	126	0	0	0	0
a) fixed assets (excluding financial assets)	127				
b) current assets (excluding financial assets)	128				
7. Provisions	129				
8. Other operating expenses	130			3.542.454	3.542.454
<b>III. FINANCIAL INCOME (132 up to 136)</b>	<b>131</b>	<b>3.549.512</b>	<b>3.549.512</b>	<b>32.080.066</b>	<b>32.080.066</b>
1. Interests, exchange rate differenc, dividends with affiliates	132	1.517.451	1.517.451	13.522.189	13.522.189
2. Interests, exch. rate differenc., dividends with non-affiliates	133	2.032.061	2.032.061	2.609.575	2.609.575
3. Part of income from affiliates and participated interests	134			15.948.302	15.948.302
4. Non-realized financial income	135				
5. Other financial income	136				
<b>IV. FINANCIAL CHARGES (138 up to 141)</b>	<b>137</b>	<b>4.592.113</b>	<b>4.592.113</b>	<b>5.201.270</b>	<b>5.201.270</b>
1. Interests, exchange rate differenc, dividends with affiliates	138	563.704	563.704	1.101.213	1.101.213
2. Interests, exch. rate differenc., dividends with non-affiliates	139	4.028.409	4.028.409	4.100.057	4.100.057
3. Non-realized financial charges	140				
4. Other financial charges	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>				
<b>VII. EXTRAORDINARY – OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY – OTHER CHARGES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>154.465.404</b>	<b>154.465.404</b>	<b>184.932.502</b>	<b>184.932.502</b>
<b>X. TOTAL CHARGES (114+137+143 + 145)</b>	<b>147</b>	<b>144.152.161</b>	<b>144.152.161</b>	<b>143.178.984</b>	<b>143.178.984</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>10.313.243</b>	<b>10.313.243</b>	<b>41.753.518</b>	<b>41.753.518</b>
1. Profit before taxation (146-147)	149	10.313.243	10.313.243	41.753.518	41.753.518
2. Loss before taxation (147-146)	150	0	0	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>			<b>2.986.012</b>	<b>2.986.012</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>10.313.243</b>	<b>10.313.243</b>	<b>38.767.506</b>	<b>38.767.506</b>
1. PROFIT FOR THE PERIOD (149-151)	153	10.313.243	10.313.243	38.767.506	38.767.506
2. LOSS FOR THE PERIOD (151-148)	154	0	0	0	0

## 7. Profit and loss account - continued

ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)					
<b>XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD</b>					
1. Attributable to equity holders	155				
2. Attributable to minority interests	156				
Report for other comprehensive income (only for the taxpayer applying IFRS)					
<b>I. PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152)</b>	<b>157</b>	<b>10.313.243</b>	<b>10.313.243</b>	<b>38.767.506</b>	<b>38.767.506</b>
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of fixed and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses on effective cash flow protection	162				
5. Gains or losses on effective hedge of a net investment abroad	163				
6. Share of other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD</b>	<b>166</b>				
<b>IV. OTHER COMPREHENSIVE NET PROFIT OR LOSS</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>10.313.243</b>	<b>10.313.243</b>	<b>38.767.506</b>	<b>38.767.506</b>
ADDENDUM TO Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual financial statement)					
<b>VI. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to equity holders	169				
2. Attributable to minority interests	170				

## 8. Cash flow (indirect method)

<b>CASH FLOW REPORT – Indirect method</b>			
<b>in period from 01.01.2011. till 31.03.2011.</b>			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	001	10.313.243	15.619.863
2. Depreciation	002	11.970.881	9.853.380
3. Increase of current liabilities	003	8.614.097	14.375.087
4. Decrease of current receivables	004		
5. Decrease in stocks	005	7.647.411	6.463.404
6. Other increase of cash flow	006	2.820.569	
<b>I. Total increase of cash flow from operating activities (001 - 006)</b>	<b>007</b>	<b>41.366.201</b>	<b>46.311.734</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	20.099.384	3.226.045
3. Increase in stocks	010		
4. Other decrease of cash flow	011		2.986.012
<b>II. Total decrease of cash flow from operating activities (008 – 011)</b>	<b>012</b>	<b>20.099.384</b>	<b>6.212.057</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>013</b>	<b>21.266.817</b>	<b>40.099.677</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of fixed intangible and tangible assets	015	876.120	779.118
2. Cash inflows from sale of ownership and debt instruments	016		
3. Cash inflows from interest	017	305.422	
4. Cash inflows from dividends	018		
5. Other cash inflows from investment activities	019		26.133.655
<b>III. Total cash inflows from investment activities (015-019)</b>	<b>020</b>	<b>1.181.542</b>	<b>26.912.773</b>
1. Cash expenditures for purchase of fixed tangible and intangible assets	021	4.833.552	3.025.881
2. Cash expenditures for acquisition of ownership and debt instruments	022	4.002.111	
3. Other cash expenditures from investment activities	023		
<b>IV. Total cash expenditures from investment activities (021-023)</b>	<b>024</b>	<b>8.835.663</b>	<b>3.025.881</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>23.886.892</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>7.654.121</b>	<b>0</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflows from issuing ownership and debt financial instruments	027		
2. Cash inflows from credit principal, debentures, loans and other borrowings	028		
3. Other inflows from financial activities	029		7.233.131
<b>V. Total cash inflows from financial activities (027-029)</b>	<b>030</b>		<b>7.233.131</b>
1. Cash expenditures for the payment of credit principal and debentures	031	7.942.978	6.802.837
2. Cash expenditures for the payment of dividends	032		
3. Cash expenditures for financial lease	033		22.793.721
4. Cash expenditures for repurchase of own shares	034		
5. Other cash expenditures from financial activities	035	6.123.350	36.810.253
<b>VI. Total cash expenditures from financial activities (031-035)</b>	<b>036</b>	<b>14.066.328</b>	<b>66.406.811</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>		
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>14.066.328</b>	<b>59.173.680</b>
Total cash flow increase (013-014+025-026+037-038)	039		4.812.889
Total cash flow decrease (014-013+026-025+038-037)	040	453.632	
Cash and cash equivalents at the beginning of the period	041	5.472.575	3.228.873
Cash and cash equivalents increase	042		4.812.889
Cash and cash equivalents decrease	043	453.632	
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>5.018.943</b>	<b>8.041.762</b>

## 9. Report on changes of capital

REPORT ON CHANGES TO CAPITAL				
	for period	1.1.2011	till	31.3.2011
ITEM				
	1	2	3	4
	AOP ind.	Preceding year	Current year	
1. Subscribed capital	001	419.958.400	419.958.400	
2. Capital reserves	002	181.239.161	181.239.161	
3. Reserves from profit	003	16.171.699	16.171.699	
4. Retained profit or loss carried over	004		20.742.561	
5. Current year profit or loss	005	20.742.561	38.767.506	
6. Revalorisation of fixed material assets	006			
7. Revalorisation of intangible assets	007			
8. Revalorisation of financial assets available for sale	008			
9. Other revalorisation	009	10.185.353	10.185.353	
<b>10. Total capital and reserves (AOP 001-009)</b>	<b>010</b>	<b>648.297.174</b>	<b>687.064.680</b>	
11. Exchange rate variations from net investments into foreign business operations	011			
12. Current and deferred taxes (part)	012			
13. Cash flow protection	013			
14. Changes in bookkeeping policies	014			
15. Correction of significant mistakes from the previous period	015			
16. Other changes to capital	016			
<b>17. Total capital increase or decrease (AOP 011 - 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>	
17a. Ascribed to holders of the holders company capital	018			
17b. Ascribed to minority interest	019			

Items reducing Capital are entered with negative sign.  
Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.

## 10. Financial report notes for Parent Company

1. Increase in long-term financial assets is the result of increased lending to subsidiary ZAO PHR Russia and associate FADP Luga Russia.
2. In the short-term receivables are included receivables from dividends based on Decisions on payment of dividends.
3. A substantial increase of financial revenue in the first quarter of 2011th compared to the same period last year is the result of income from dividends in total amount of 26,8 million kn, which significantly affected the increase in profit of the Parent Company. Profit for the Parent Company, if we exclude dividend income was 11.9 million.

**d) Statement of the person responsible for the financial report**

According to my best knowledge:

1. Unaudited financial reports for the period from 01.01. till 31.03.2011, were implemented with corresponding reporting standards, giving complete and truthful overview of the asset, liabilities, profit and loss, financial status and operations of the issuer and the companies who are included in the consolidation.
2. Report contains truthful overview of the development and business result and issuer status and companies who were included in the consolidation, with a description of significant risks and uncertainties to which the issuer and the companies are exposed as whole.

Director of Finance and Accounting

Zvonimir Paradžik



Management Board president

Josip Boban

