Reporting period:

01.01.2010

to

30.09.2010

Quarterly financial statement of the entrepreneur-TFI-POD

Tax number (MB):	03750272		
Company registration number (MBS):	80000959		
Personal identification number (OIB) Issuing company:			
Postal code and place	10000	ZAGREB	
Street and house number:	JANKA RAKUŠE 1		
E-mail address:	igh@ligh.hr		
Internet address	http://www.institutigh.com		
lunicipality/city code and name	133 ZAGREB		
County code and name	133 GRAD ZAGREB		Number of employees: 945 (quarter end)
Consolidated report:	NO		NKD code: 7218
ompanies of the consolidation	subject (according to IFR	Seat:	MB:
Bookkeeping service:			
	SPINDERK JADRANKA		
Contact person	SPINDERK JADRANKA	rson's family name and name)	2: 01 6125 419
Contact person	SPINDERK JADRANKA (please enter only contact pe 81 8125 444	rson's family name and name)	

Documents to be published.

- 1. Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and notes to financial statements
- 2. Statement of persons responsible for the drawing-up of financial statements
- 3. Report of the Management Board on the Company Status

(signature of the person authorized to represent the company)



BALANCE SHEET

as of

30.09.2010

thousands HRK

	000000000000000000000	tnousan	ius rikk
Position	АОР	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABELS FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS	002	687.580	683.256
I. INTANGIBLE ASSETS	003	19.089	18.973
II. PROPERTY, PLANT AND EQUIPMENT	004	237.091	222.862
III. NON-CURRENT FINANCIAL ASSETS	005	422.261	432.482
IV. RECEIVABLES	006	6.379	6.179
V. DEFERRED TAX ASSET	007	2.760	2.760
C) CURRENT ASSETS	008	518.138	478.857
I. INVENTORIES	009	34.926	30.384
II. RECEIVABLES	010	296.768	272.916
III. CURRENT FINANCIAL ASSETS	011	168.392	168.435
IV. CASH AND CASH EQUIVALENTS	012	18.052	7.122
D) PREPAYMENTS AND ACCRUED INCOME	013	18.905	19.933
E) LOSS ABOVE SUBSCRIBED CAPITAL	014		
F) TOTAL ASSETS	015	1.224.623	1.182.046
G) OFF BALANCE SHEET ITEMS	016	114.300	143.413
EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES	017	416.098	429.772
I. SUBSCRIBED SHARE CAPITAL	018	63.432	63.432
II. CAPITAL RESERVES	019	13.376	13.999
III.LEGAL RESERVES	020	5.613	8.068
IV. REVALUATION RESERVES	021	60.219	60.218
V. RETAINED EARNINGS	022	253.431	273.458
VI. LOSS CARRIED FORWARD	023		
VII. NET PROFIT FOR THE PERIOD	024	20.027	10.597
VIII. LOSS FOR THE PERIOD	025		
IX. MINORITY INTEREST	026		
B) PROVISIONS	027	20.658	13.844
C) NON-CURRENT LIABILITIES	028	281.728	298.887
D) CURRENT LIABILITIES	029	498.749	431.762
E) ACCRUED EXPENSES AND DEFERRED INCOME	030	7.390	7.781
F) TOTAL EQUITY AND LIABILITIES	031	1.224.623	1.182.046
G) OFF BALANCE SHEET ITEMS	032	114.300	143.413
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	033		
2. Attributable to minority interest	034		

PROFIT AND LOSS STATEMENT

01 01 2010 for peroid

39.09.2010

ᅌ

Position	AOP oznaka	Previous period	s period	Current	Current period
		Cummulative	Periodical	Cummulative	Periodical
Section of the control of the first control of the free control of the control of the control of the control of	2	3	4	40	9
. OPERATING INCOME	035	498.956	134.494	324.992	109.024
1. Rendering of services	036	478.046	129.340	304.166	97.071
2. Income from usage of own products, merchandise and services	037	522	218	561	161
3. Other operating income	038	20.388	4.936	20.265	11.792
II. OPERATING COSTS	039	427.733	133.402	303.417	95.800
1. Decrease of work in progress and merchandise	040	18.034	4.566	4.900	750
2. Increase of work in progress and merchandise	041				
3. Material expenses	042	158.315	48.649	93.588	28.257
4. Employee benefits expenses	043	159.699	51.114	135.589	45.103
5. Depreciation and amortisation	044	22.560	7.098	14.665	4.545
6. Other expenses	045	35.902	14.141	32.292	11.155
7. Write down of assets	046	20.144	4.380	18.544	5.475
8. Provisions	047	7.953	3.266	1.704	18
9. Other operating costs	048	5.126	188	2.135	497
III. FINANCIAL INCOME	049	17.113	5.256	22.341	-1.234
1. Interest, foreign exchange differences, dividens and similar income from subsidiaries	020	5.622	2.188	7.790	2.594
2. Interest, foreign exchange differences, dividens and similar income from third parties	051	11.054	3.068	5.129	-3.829
3. Income form investments in associates and joint ventures	052				
4. Unrealised gains (income)	053				
5. Other financial income	054	437		9.422	1
IV. FINANCIAL EXPENSES	055	27.314	11.834	29.217	9.427
1. Interest, foreign exchange differences and similar expenses from subsidiaries	056				
2. Interest, foreign exchange differences and similar expenses from third parties	057	27.314	11.834	29.217	9.427
3. Unrealised losses (expenses) from financial assets	058				
4. Other financial expenses	050				
EXTRAORDINARY - OTHER INCOME	090				
VI. EXTRAORDINARY - OTHER EXPENSES	061				
VII. TOTAL INCOME	062	516.069	139.750	347.333	107.790
VIII. TOTAL EXPENSES	063	455.047	145.236	332.634	105.227
IX. PROFIT BEFORE TAXES	064	61.022		14.699	2.563
LOSS BEFORE TAXES	900		5.486		
XI. TAXATION	990	14.211	4.886	4.102	927
XII. NET PROFIT FOR THE PERIOD	290	46.811		10.597	1.636
XIII. LOSS FOR THE PERIOD	068		10.372		
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV.* NET PROFIT ATTRIBUTABLE TO MAJORITY OWNERS	690				
XV.* NET PROFIT ATTRIBUTABLE TO MINORITY INTEREST	070				
XVI.* LOSS ATTRIBUTABLE TO MAJORITY OWNERS	071				

CASH FLOW STATEMENT - Indirect method

period

01.01.2010 to 30.09.2010

		thousan	ids HRK
Position	AOP oznaka	Previous period	Current period
1	2	ž	4
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	073	61.022	14.699
Depreciation and amortisation	074	22.560	14.665
3. Increase of current liabilities	075	89.604	
Decrease of current receivables	076		23.852
5.Decrease of inventories	077	16.138	4.542
6. Other cash flow increases	078	4.529	6.670
I. Total increase of cash flow from operating activities	079	193.853	64.428
Decrease of current liabilities	080		66.987
2. Increase of current receivables	081	38.480	
3. Increase of inventories	082		
4. Other cash flow decreases		308.314	5.941
II. Total decrease of cash flow from operating activities	084	346,794	72.928
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	085		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	086	152.941	8.500
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current assets	087	306	291
2. Proceeds from sale of non-current financial assets	088	1.463	57.628
3. Interest received	089	2.835	4.264
4. Dividend received	090	437	0
5. Other proceeds from investing activities	091	101	29.848
III. Total cash inflows from investing activities	092	5.041	92.031
Purchase of non-current assets	093	32.659	4.032
Purchase of non-current financial assets	094	60.403	19.147
Other cash outflows from investing activities	095	4.920	48.569
IV. Total cash outflows from investing activities	096	97.982	71.748
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	097	31.302	20.283
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	098	92.941	20.203
CASH FLOW FROM FINANCING ACTIVITIES	1 090	32.341	
Proceeds from issue of equity securities and debt securities	099	70.138	67.164
Proceeds from loans and borrowings	100	268.188	53.342
Other proceeds from financing activities	100	20.546	33.342
V. Total cash inflows from financing activities	101	358.872	120.506
Repayment of loans and bonds	102	112.601	
Dividends paid	103	112.001	143.862
3. Repayment of finance lease	104	3.240	2.069
Purchase of treasury shares		3.240	
5. Other cash outflows from financing activities	106		1.089
VI. Total cash outflows from financing activities	107		0
	108	115.841	147.031
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	109	243.031	
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	110		26.525
Total increases of cash flows	111	243.031	20.283
Total decreases of cash flows	112	245.882	35.025
Cash and cash equivalents at the beginning of period	113	69.183	59.491
Increase of cash and cash equivalents	114		
Decrease of cash and cash equivalents	115	2.851	14.742
Cash and cash equivalents at the end of period	116	66.332	44.749

STATEMENT OF CHANGES IN EQUITY

from 01.01.2010

to 30.09.2010

110H 01/2010 10 30/08/20	88888			thous	ands HRK
Position	AOP	Previous period	Increase	Decrease	Current perior
2	2	31.12. previous year		3	4
Subscribed share capital	117	63.432			63.432
2. Capital reserves	118	13.376	623		13.999
3. Net income reserves	119	5.613	3.544	1.089	8.068
4. Retained earnings or loss carried forward	120	253.431	20.027		273.458
5.Net profit (loss) for the period	121	20.027	10.597	20.027	10.597
6. Revaluation of property, plant and equipment	122	56.498		1	56.497
7. Revaluation of intangible assets	123				
8. Revaluation of available for sale financial assets	124	3.721			3.721
9. Other revaluation	125				
10. Foreign exchange differences from investments abroad	126				
11. Current and deferred taxes (part)	127				
12. Hedging of the cash flow	128				
13.Change of accounting policies	129				
14.Change of prior period error	130				
15.Other changes in equity	131				
16.Total increase or decrease of equity	132	416.098	34.791	21.117	429.772
16a. Attributable to majority owners	133				
16b. Attributable to minority interest	134				



MANAGEMENT'S STATEMENT ON THE RESPONSIBILITY FOR PREPARING FINANCIAL REPORTS FOR THE INSTITUT IGH, JSC

The Company's Management has to ensure that the INSTITUT IGH d.d. financial reports for the third quarter of 2010 are prepared in accordance with the Accountancy Law (Official Gazette 146/05) and in keeping with international accounting standards (Official Gazette 140/06, 30/08, 130/08, 137/08) issued by the International Accounting Standards Board (IASB), so that these documents provide a true and unbiased picture of the Company's financial standing, business results, change in capital, and cash flow for the period under consideration.

After making due enquiries, the Management has a reasonable expectation that the Company has adequate resources to continue operation in the foreseeable future. Accordingly, the Management has prepared its financial reports under assumption that the Company will continue to operate for an unlimited period of time.

During preparation of financial reports, the Management is responsible:

- for the selection and, thereafter, for consistent use of appropriate accounting policies;
- for giving reasonable and sensible assessments and estimates;
- for applying valid financial reporting standards and for making public and explaining every materially significant discrepancy discovered in financial reports;
- for preparing financial reports under assumption of an unlimited period of operation, except in cases when such assumption is inappropriate.

The Management is responsible for keeping proper accountancy records that will depict, to an acceptable level of accuracy, the financial standing and business results of the Company, in full compliance with the Accountancy Law and international accounting standards issued by the International Accounting Standards Board (IASB). The Management is also responsible for protecting and safeguarding the Company's assets, and hence for undertaking every measure it deems necessary to prevent and discover cases of fraud and other illegal activity.

Signed on behalf of the Management:

Prof. Jure Radić, Ph.D. (Civ. Eng.), General Manager

Institut IGH, d.d. Zagreb Janka Rakuše 1 10000 Zagreb

29 October 2010

