

Institut IGH d.d.

Janka Rakuše 1, 10000 Zagreb, CROATIA
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MANAGEMENT BOARD'S REPORT

ON BUSINESS RESULTS OF THE INSTITUT IGH d.d. AND ITS SUBSIDIARIES IN THE PERIOD FROM 1 JANUARY TO 30 SEPTEMBER 2014

INSTITUT IGH d.d., Zagreb and its subsidiaries provide professional services in the field of testing, design and project validation, works supervision and project management in the architectural and civil engineering spheres of design, and also conduct scientific research.

Institut IGH d.d. has 19 subsidiaries providing services either in its core activity or in associated fields of activity.

The total of 656 persons were employed with the Institut IGH d.d. and its subsidiaries on 30 September 2014.

In the period from January to September 2014, INSTITUT IGH d.d. achieved positive business results, which are a reflection of successful business activity, validly ended pre-bankruptcy settlement, and the nearly completed financial restructuring of the company.

Operating revenues of the company amounted to HRK 150.4 million, which is by 19.1 % less when compared to the same period last year. At the same time, the company reduced its operating expenses by 20.1 %, and financial expenses by additional 63 %. In addition to a significant reduction in financial expenses as a consequence of the validly completed pre-bankruptcy settlement, the company continued to reduce all other operating expenses, including personnel costs (9.8%) and other external business costs (25.1%). The stated reduction in operating expenses has had a positive effect on the realization of operating income in the amount of HRK 14 million.

During the first nine months of 2014, the company realized total revenues in the amount of HRK 153.1 million and had total financial expenses in the amount of HRK 150.5 million, which resulted in the profit of HRK 2.6 million for this period.

At the consolidated level, INSTITUT IGH d.d. and its subsidiaries realized in the period from 1 January to 30 September of 2014 the operating revenues in the amount of HRK

SPLIT 21 000
Matice hrvatske 15
Tel:021/558-666
Fax:021/465-335

RIJEKA 51 000
Slavka Tomašića 5
Tel:051/206-100
Fax:051/206-106

OSIJEK 31 000
Drinska 18
Tel:031/253-101
Fax:031/253-104

VARAŽDIN 42 000
Hallerova aleja 7
Tel:042/210-970,
042/210-722
Fax:042/211-285

DUBROVNIK 20 000
Vukovarska 8
Tel:020/412-489,
020/411-628
Fax:020/412-489

PULA 52 100
Divkovićeve 2/C
Tel:052/508-220
Fax:052/508-221

ZADAR 23 000
Dobriše Cesarića 1
Tel:023/220-910,
023/323-299
Fax:023/323-225

189.7 million, which is by 13.9% less when compared to the same period last year. The consolidated revenues from sales amounted to HRK 162.3 million. Other consolidated revenues, which are mostly due to the liabilities write-off based on the validly ended pre-bankruptcy settlement for the subsidiary Geotehnika Inženjering d.o.o., and the liabilities write-off with respect to Institut IGH d.d. creditors who did not respond to the Invitation for Subscription of Shares, amounted to HRK 27.4 million, and are two times greater when compared to other realized revenues generated in the same period of 2013.

Shares held in the IGH subsidiary IGH TURIZAM d.o.o. were sold in May 2014 and the net effect of the exit of this company from consolidation was included in the business result for the reporting period.

Shares held in the company Hidroinženjering d.o.o. were sold in July 2014, and the net effect of the exit of this company from consolidation was included in the business result for the reporting period.

In addition to consolidated financial revenues in the amount of HRK 10.2 million, the total consolidated revenues amounted to HRK 199.9 million, which is by 12.2 % less when compared to the same period last year.

The consolidated operating expenses amounted to HRK 168.9 million which is by 17.6 % less when compared to the same period in 2013. All operating expenses were reduced, especially salary expenses, which were reduced by 13.5 %. Financial expenses amounted to HRK 20 million, and were by 57.6% lower when compared to the same period in 2013. According to the above mentioned, the total consolidated expenses were reduced by 24.8% and, with the simultaneous decrease in total revenues of 12.2%, the consolidated profit for this period amounted to HRK 2.2 million. The amount of this profit was primarily influenced by the reduction in operating and financial expenses as the consequence of validly ended pre-bankruptcy settlement, and the nearing completion of the business and financial restructuring of the company Institut IGH d.d. and its subsidiary Geotehnika Inženjering d.o.o..

It should be noted that INSTITUT IGH d.d. concluded a pre-bankruptcy settlement on 5 December 2013 before the Commercial Court in Zagreb, 72. Stpn-305/2013. This settlement came into force on 28 December 2013. The clause on the coming into force

of the settlement arrangement was received by the company on 15 April 2014 and, based on the validly concluded pre-bankruptcy settlement, preconditions were met for restructuring of the company's balance sheet. In order to complete the pre-bankruptcy settlement procedure, and in addition to the above mentioned pre-bankruptcy settlement arrangement, it was also necessary to increase the share capital through investment of rights (conversion of a part of company liabilities to share capital) and then through increase of the share capital by monetary payment, all in accordance with provisions of the validly ended pre-bankruptcy settlement arrangement.

After the reduction and subsequent increase in share capital, the share capital amounts to HRK 116,604,710 and is divided into 613,709 of ordinary company shares.

Further to monetary payments, issuance of shares by way of conversion of a part of creditors' claims into capital, payment of priority claims and other employees' claims with corresponding taxes, and the contributions and liabilities write-off in compliance with provisions of the pre-bankruptcy settlement, the company has fulfilled, for the accounting period ending on 30 September 2014, all obligations it assumed through the concluded pre-bankruptcy settlement arrangement for the mentioned accounting period.

Proper preconditions for successful fulfilment of obligations assumed via the concluded pre-bankruptcy settlement, and also for continued liquidity and solvency of the company, have been created through the validly ended pre-bankruptcy settlement, through an increase in share capital by investment of rights (by converting claims into capital), through an increase in share capital via monetary payment, and through HRK 386 million worth of ongoing contracts as on the day on which this report is prepared. The company will also continue to implement operative restructuring measures through continued optimisation of operating expenses, all aimed at increasing productivity and operating profit of the company.

Zagreb, 31 October 2014

On behalf of the Management Board of Institut IGH, d.d.

Željko Grzunov, B.Econ, President of the Management Board



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STATEMENT OF MANAGEMENT BOARD ON THE RESPONSIBILITY FOR PREPARING CONSOLIDATED REPORTS FOR THE INSTITUT IGH GROUP, JSC

The Company's Management Board has to ensure that the Group's consolidated financial reports for the third quarter of 2014 are prepared in accordance with the Accountancy Law (Official Gazette 146/05) and in keeping with international accounting standards (Official Gazette 136/09, 08/10, 27/10, 65/10, 120/10, 58/11, 140/11) issued by the International Accounting Standards Board (IASB), so that these documents provide a true and unbiased picture of the Group's financial standing, business results, change in capital, and cash flow for the period under consideration.

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

During preparation of financial reports, the Management Board 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 Board is responsible for keeping proper accountancy records that will depict, to an acceptable level of accuracy, the financial standing and business results of the Group, in full compliance with the Accountancy Law and international accounting standards issued by the International Accounting Standards Board (IASB). The Management Board is also responsible for protecting and safeguarding the Group'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 Board:

Željko Grzunov, B. Econ., President of Management Board

Institut IGH, d.d. Zagreb
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10000 Zagreb

31 October 2014



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Attachment 1.

Reporting period:

01.01.2014

do

30.09.2014

Quarterly financial statement of the entrepreneur - TFI-POD

Tax number (MB): 03750272

Company registration number (MBS): 80000959

Personal identification number (OIB): 79766124714

Issuing company: INSTITUT IGH D.D.

Postal code and place: 10000 ZAGREB

Street and house number: JANKA RAKUŠE 1

E-mail address: igh@igh.hr

Internet address: http://www.igh.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees 656

(quarter end)

Consolidated report: YES

NKD code: 7219

Companies of the consolidation subject (according to IFR):

Seat:

MB:

| | | |
|-------------------------------------|---------------------------------|---------------|
| IGH MOSTAR D.O.O. | MOSTAR, BIŠĆE POLJE BB | 4227060470005 |
| GEOTEHNIKA INŽENJERING D.O.O. | ZAGREB, GRADIŠĆANSKA 26 | 01517597 |
| IGH PROJEKTIRANJE D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 02441918 |
| INCR O.D.O. | ZAGREB, BRANIMIROVA 71 | 01982516 |
| IGH ENERGIJA D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 01819585 |
| FORUM CENTAR D.O.O. | ZAGREB, JAGODNJAK 17 | 01960229 |
| PROJEKT ŠOLTA D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 02592363 |
| VOĐENJE PROJEKATA D.O.O. | ZAGREB, BIJENIČKA CESTA 8 | 02427648 |
| EKONOMSKO TEHNIČKI ZAVOD D.D. | OSIJEK, TRG A. STARČEVIĆA 7/III | 03013669 |
| PROJEKTI BIRO PALMOTIĆEVA 45 D.O.O. | ZAGREB, PALMOTIĆEVA 45 | 03222853 |
| IGH KOSOVA Sha | PRIŠTINA, KOSOVO | |
| GRATIUS PROJEKT D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 02462478 |
| DP AQUA D.O.O. | ZAGREB, SREDNJACI 16 | 01907522 |
| TEHNIČKE KONSTRUKCIJE D.O.O. | ZAGREB, VLAŠKA 79 | 02405865 |
| MBM TERMOPROJEKT D.O.O. | ZAGREB, NIKOLA PAVIČA 20 | 00335967 |
| NOVI ČRNUMEREC CENTAR D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 08291561940 |
| RADELJEVIĆ D.O.O. | ZAGREB, JANKA RAKUŠE 1 | 01938533 |
| MARTERRA D.O.O. | ZAGREB, BRANIMIROVA 71 | 28983577816 |

Bookkeeping service:

Contact person: ŠPINDERK JADRANKA

(please enter only contact person's family name and name)

Telephone: 01 6125 444

Telefax: 01 6125 404

E-mail address: igh@igh.hr

Family name and name: ŽELJKO GRZUNOV, dipl. oec.

(person authorized to represent the company)

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 30.09.2014

| INSTITUT IGH D.D. | | | |
|--|------------|--------------------|--------------------|
| Position | AOP | Previous period | Current period |
| 1 | 2 | 3 | 4 |
| A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL | 001 | | |
| B) LONG - TERM ASSETS (003+010+020+029+033) | 002 | 459.613.585 | 448.741.053 |
| I. INTANGIBLE ASSETS (004 to 009) | 003 | 8.593.358 | 6.627.313 |
| 1. Assets development | 004 | | |
| 2. Concessions, patents, licence fees, merchandise and service brands, software and other rights | 005 | 2.984.536 | 1.805.968 |
| 3. Goodwill | 006 | 3.015.395 | 1.844.505 |
| 4. Prepayments for purchase of intangible assets | 007 | | |
| 5. Intangible assets in preparation | 008 | 2.593.427 | 2.976.840 |
| 6. Other intangible assets | 009 | | |
| II. TANGIBLE ASSETS (011 to 019) | 010 | 394.390.805 | 367.452.013 |
| 1. Land | 011 | 102.793.895 | 109.791.842 |
| 2. Buildings | 012 | 109.932.086 | 81.250.029 |
| 3. Plant and equipment | 013 | 5.899.452 | 3.444.347 |
| 4. Instruments, plant inventories and transportation assets | 014 | 4.274.678 | 1.174.858 |
| 5. Biological assets | 015 | | |
| 6. Prepayments for tangible assets | 016 | 108.895 | 168.912 |
| 7. Tangible assets in preparation | 017 | 28.676.181 | 28.916.393 |
| 8. Other material assets | 018 | 364.625 | 364.639 |
| 9. Investment in buildings | 019 | 142.340.993 | 142.340.993 |
| III. LONG-TERM FINANCIAL ASSETS (021 to 028) | 020 | 54.340.353 | 72.637.548 |
| 1. Shares (stocks) in related parties | 021 | | |
| 2. Loans given to related parties | 022 | | |
| 3. Participating interests (shares) | 023 | 153.413 | 1.206.011 |
| 4. Loans to entrepreneurs in whom the entity hold participating interests | 024 | | |
| 5. Investment in securities | 025 | 2.151.439 | 1.062.600 |
| 6. Loans, deposits and similar assets | 026 | 1.385.484 | 27.806.209 |
| 7. Other long - term financial assets | 027 | 4.478.131 | 4.829.634 |
| 8. Investments accounted by equity method | 028 | 46.171.886 | 37.733.094 |
| IV. RECEIVABLES (030 to 032) | 029 | 2.289.069 | 2.024.179 |
| 1. Receivables from related parties | 030 | | |
| 2. Receivables based on trade loans | 031 | 2.289.069 | 2.024.179 |
| 3. Other receivables | 032 | | |
| V. DEFERRED TAX ASSETS | 033 | | |
| C) SHORT TERMS ASSETS (035+043+050+058) | 034 | 435.355.059 | 348.943.509 |
| I. INVENTORIES (036 to 042) | 035 | 339.197.756 | 250.963.555 |
| 1. Raw material | 036 | 80.060 | 0 |
| 2. Work in progress | 037 | 86.777.746 | 87.482.981 |
| 3. Finished goods | 038 | 629.512 | 629.512 |
| 4. Merchandise | 039 | 592.963 | 1.496.387 |
| 5. Prepayments for inventories | 040 | 1.007.624 | |
| 6. Long - term assets held for sale | 041 | 250.109.851 | 161.354.675 |
| 7. Biological assets | 042 | | |
| II. RECEIVABLES (044 to 049) | 043 | 85.068.351 | 76.847.262 |
| 1. Receivables from related parties | 044 | 259.038 | 833.038 |
| 2. Accounts receivable | 045 | 76.537.319 | 67.369.469 |
| 3. Receivables from participating entrepreneurs | 046 | | |
| 4. Receivables from employees and shareholders | 047 | 782.892 | 762.921 |
| 5. Receivables from government and other institutions | 048 | 2.755.778 | 3.820.242 |
| 6. Other receivables | 049 | 4.733.324 | 4.061.592 |
| III. SHORT - TERM FINANCIAL ASSETS (051 to 057) | 050 | 5.443.683 | 11.646.827 |
| 1. Shares (stocks) in related parties | 051 | | |
| 2. Loans given to related parties | 052 | | 30.000 |
| 3. Participating interests (shares) | 053 | | |
| 4. Loans to entrepreneurs in whom the entity hold participating interests | 054 | | |
| 5. Investment in securities | 055 | | |
| 6. Loans, deposits and similar assets | 056 | 5.269.725 | 9.211.379 |
| 7. Other financial assets | 057 | 173.958 | 2.405.448 |
| IV. CASH AT BANK AND IN CASHIER | 058 | 5.645.269 | 9.485.865 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 059 | 8.976.263 | 7.166.513 |
| E) TOTAL ASSETS (001+002+034+059) | 060 | 903.944.907 | 804.851.075 |
| F) OFF-BALANCE SHEET NOTES | 061 | 49.512.554 | 54.302.410 |

| LIABILITIES AND CAPITAL | | | |
|--|------------|--------------------|--------------------|
| A) CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 36.076.269 | 69.684.018 |
| I. SUBSCRIBED CAPITAL | 063 | 105.668.000 | 116.604.710 |
| II. CAPITAL RESERVES | 064 | | |
| III. RESERVES FROM PROFIT (066+067-068+069+070) | 065 | 21.089.209 | -2.416.391 |
| 1. Reserves prescribed by law | 066 | | |
| 2. Reserves for treasury stocks | 067 | 1.446.309 | 1.446.309 |
| 3. Treasury stocks and shares (deduction) | 068 | 3.862.700 | 3.862.700 |
| 4. Statutory reserves | 069 | | |
| 5. Other reserves | 070 | 23.505.600 | |
| IV. REVALUATION RESERVES | 071 | 141.756.915 | 140.853.672 |
| V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074) | 072 | -173.980.088 | -189.409.092 |
| 1. Retained earnings | 073 | | |
| 2. Accumulated loss | 074 | 173.980.088 | 189.409.092 |
| VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077) | 075 | -60.369.788 | 2.134.997 |
| 1. Profit for the current year | 076 | | 2.134.997 |
| 2. Loss for the current year | 077 | 60.369.788 | |
| VII. MINORITY INTEREST | 078 | 1.912.021 | 1.916.122 |
| B) PROVISIONS (080 to 082) | 079 | 12.961.680 | 12.561.680 |
| 1. Provisions for pensions, severance pay and similar liabilities | 080 | 1.277.055 | 1.277.055 |
| 2. Reserves for tax liabilities | 081 | | |
| 3. Other reserves | 082 | 11.684.625 | 11.284.625 |
| C) LONG TERM LIABILITIES (084 to 092) | 083 | 465.024.114 | 403.367.899 |
| 1. Liabilities to related parties | 084 | 730.775 | 548.081 |
| 2. Liabilities for loans, deposits etc. | 085 | 101.700 | 101.700 |
| 3. Liabilities to banks and other financial institutions | 086 | 385.866.457 | 321.675.369 |
| 4. Liabilities for received prepayments | 087 | | |
| 5. Accounts payable | 088 | 25.080.381 | 29.117.566 |
| 6. Liabilities arising from debt securities | 089 | | |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 090 | | |
| 8. Other long-term liabilities | 091 | 17.117.083 | 15.797.465 |
| 9. Deferred tax liability | 092 | 36.127.718 | 36.127.718 |
| D) SHORT - TERM LIABILITIES (094 to 105) | 093 | 377.617.927 | 298.842.992 |
| 1. Liabilities to related parties | 094 | 182.693 | 212.694 |
| 2. Liabilities for loans, deposits etc. | 095 | 3.261.325 | 687.286 |
| 3. Liabilities to banks and other financial institutions | 096 | 155.630.526 | 133.724.380 |
| 4. Liabilities for received prepayments | 097 | 5.603.735 | 2.593.056 |
| 5. Accounts payable | 098 | 63.661.988 | 32.907.303 |
| 6. Liabilities arising from debt securities | 099 | 76.376.430 | 76.376.430 |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 100 | | |
| 8. Liabilities to employees | 101 | 16.071.173 | 9.958.066 |
| 9. Liabilities for taxes, contributions and similar fees | 102 | 21.802.394 | 13.658.301 |
| 10. Liabilities to share - holders | 103 | 1.765.024 | 1.765.024 |
| 11. Liabilities for long term assets held for sale | 104 | | |
| 12. Other short - term liabilities | 105 | 33.262.639 | 26.960.452 |
| E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD | 106 | 12.264.917 | 20.394.486 |
| F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106) | 107 | 903.944.907 | 804.851.075 |
| G) OFF-BALANCE SHEET NOTES | 108 | 49.512.554 | 54.302.410 |
| APPENDIX TO BALANCE SHEET (only for consolidated financial statements) | | | |
| A) CAPITAL AND RESERVES | | | |
| 1. Attributed to equity holders of parent company | 109 | 34.164.248 | 67.767.896 |
| 2. Attributed to minority interests | 110 | 1.912.021 | 1.916.122 |

PROFIT AND LOSS ACCOUNT
for period 01.01.2014 to 30.09.2014

INSTITUT IGH D.D.

| Position | AOP | Previous period | | Current period | |
|---|------------|-----------------|-------------|----------------|-------------|
| | | Cummulative | Periodical | Cummulative | Periodical |
| 1 | 2 | 3 | 4 | 5 | 6 |
| I. OPERATING REVENUES (112+113) | 111 | 220.313.670 | 66.017.370 | 189.712.437 | 45.286.493 |
| 1. Sales revenues | 112 | 206.993.899 | 63.887.526 | 162.347.517 | 42.601.321 |
| 2. Other operating revenues | 113 | 13.319.771 | 2.129.844 | 27.364.920 | 2.685.172 |
| II. OPERATING EXPENSES (115+116+120+124+125+126+129+130) | 114 | 205.179.184 | 64.689.586 | 168.957.765 | 48.332.484 |
| 1. Changes in the value of work in progress and finished goods | 115 | -158.750 | | | |
| 2. Material costs (117 to 119) | 116 | 64.459.952 | 20.751.948 | 55.667.626 | 12.493.870 |
| a) Raw material and material costs | 117 | 13.366.813 | 5.291.412 | 7.824.910 | 2.251.501 |
| b) Costs of goods sold | 118 | 840.367 | 28.952 | | |
| c) Other external costs | 119 | 50.252.772 | 15.431.584 | 47.842.716 | 10.242.369 |
| 3. Staff costs (121 to 123) | 120 | 89.636.919 | 29.188.751 | 77.513.729 | 25.342.235 |
| a) Net salaries and wages | 121 | 51.770.811 | 16.839.130 | 44.261.976 | 14.354.054 |
| b) Costs for taxes and contributions from salaries | 122 | 25.925.626 | 8.444.274 | 22.032.912 | 7.191.310 |
| c) Contributions on gross salaries | 123 | 11.940.482 | 3.905.347 | 11.218.841 | 3.796.871 |
| 4. Depreciation | 124 | 13.459.732 | 4.485.614 | 7.907.056 | 2.129.010 |
| 5. Other costs | 125 | 24.310.838 | 6.954.143 | 19.793.569 | 5.364.988 |
| 6. Impairment (127+128) | 126 | 9.756.806 | 3.214.723 | 5.389.079 | 681.644 |
| a) Impairment of long-term assets (excluding financial assets) | 127 | | | | |
| b) Impairment of short-term assets (excluding financial assets) | 128 | 9.756.806 | 3.214.723 | 5.389.079 | 681.644 |
| 7. Provisions | 129 | 232.879 | 94.407 | | |
| 8. Other operating expenses | 130 | 3.480.808 | 0 | 2.686.706 | 2.320.737 |
| III. FINANCIAL INCOME (132 to 136) | 131 | 7.516.679 | 1.009.104 | 10.206.037 | 951.491 |
| 1. Interest income, foreign exchange gains, dividends and similar income from related parties | 132 | | | 30.487 | 30.487 |
| 2. Interest income, foreign exchange gains, dividends and similar income from non-related parties | 133 | 7.477.624 | 1.000.028 | 4.661.951 | 918.077 |
| 3. Share in income from affiliated entrepreneurs and participating interests | 134 | | | 247 | 247 |
| 4. Unrealized gains (income) from financial assets | 135 | | | | |
| 5. Other financial income | 136 | 39.055 | 9.076 | 5.513.352 | 2.680 |
| IV. FINANCIAL EXPENSES (138 to 141) | 137 | 47.252.974 | 21.099.029 | 20.054.197 | 6.376.918 |
| 1. Interest expenses, foreign exchange losses and similar expenses from related parties | 138 | | | | |
| 2. Interest expenses, foreign exchange losses and similar expenses from non - related parties | 139 | 46.102.793 | 21.041.691 | 16.878.185 | 5.814.935 |
| 3. Unrealized losses (expenses) on financial assets | 140 | | | | |
| 4. Other financial expenses | 141 | 1.150.181 | 57.338 | 3.176.012 | 561.983 |
| V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS | 142 | | | | |
| VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS | 143 | 10.387.328 | 9.388.603 | 8.438.792 | 2.334.193 |
| VII. EXTRAORDINARY - OTHER INCOME | 144 | 0 | 0 | | |
| VIII. EXTRAORDINARY - OTHER EXPENSES | 145 | 0 | 0 | | |
| IX. TOTAL INCOME (111+131+142 + 144) | 146 | 227.830.349 | 67.026.474 | 199.918.474 | 46.237.984 |
| X. TOTAL EXPENSES (114+137+143 + 145) | 147 | 262.819.486 | 95.177.218 | 197.450.754 | 57.043.595 |
| XI. PROFIT OR LOSS BEFORE TAXATION (146-147) | 148 | -34.989.137 | -28.150.744 | 2.467.720 | -10.805.611 |
| 1. Profit before taxation (146-147) | 149 | 0 | 0 | 2.467.720 | 0 |
| 2. Loss before taxation (147-146) | 150 | 34.989.137 | 28.150.744 | 0 | 10.805.611 |
| XII. PROFIT TAX | 151 | 252.996 | 67.594 | 226.494 | -39.948 |
| XIII. PROFIT OR LOSS FOR THE PERIOD (148-151) | 152 | -35.242.133 | -28.218.338 | 2.241.226 | -10.765.663 |
| 1. Profit for the period(149-151) | 153 | 0 | 0 | 2.241.226 | 0 |
| 2. Loss for the period (151-148) | 154 | 35.242.133 | 28.218.338 | 0 | 10.765.663 |
| XIV. PROFIT OR LOSS FOR THE PERIOD | | | | | |
| 1. Attributed to equity holders of parent company | 155 | -34.914.257 | -27.876.159 | 2.134.997 | -10.441.194 |
| 2. Attributed to minority interests | 156 | -327.876 | -342.179 | 106.229 | -324.469 |
| STATEMENT OF COMPREHENSIVE INCOME (IFRS) | | | | | |
| I. PROFIT OR LOSS FOR THE PERIOD (= 152) | 157 | -35.242.133 | -28.218.338 | 2.241.226 | -10.765.663 |
| II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165) | 158 | 47.807 | 49.977 | 197.233 | 77.314 |
| 1. Exchange differences on translation of foreign operations | 159 | 47.807 | 49.977 | 197.233 | 77.314 |
| 2. Movements in revaluation reserves of long-term tangible and intangible assets | 160 | | | | |
| 3. Profit or loss from revaluation of financial assets available for sale | 161 | | | | |
| 4. Gains or losses on efficient cash flow hedging | 162 | | | | |
| 5. Gains or losses on efficient hedge of a net investment in foreign countries | 163 | | | | |
| 6. Share in other comprehensive income / loss of associated companies | 164 | | | | |
| 7. Actuarial gains / losses on defined benefit plans | 165 | | | | |
| III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 166 | 9.561 | 9.995 | 39.447 | 15.463 |
| IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166) | 167 | 38.246 | 39.982 | 157.786 | 61.851 |
| V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167) | 168 | -35.203.887 | -28.178.356 | 2.399.012 | -10.703.812 |
| APPENDIX to Statement of comprehensive income (only for consolidated financial statements) | | | | | |
| VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD | | | | | |
| 1. Attributed to equity holders of parent company | 169 | -34.876.011 | -27.836.177 | 2.292.783 | -10.379.343 |
| 2. Attributed to minority interests | 170 | -327.876 | -342.179 | 106.229 | -324.469 |

STATEMENT OF CASH FLOWS - Indirect method
period 01.01.2014. to 30.09.2014

| INSTITUT IGH D.D. _____ | | | |
|---|------------|-------------------|--------------------|
| Position | AOP | Previous period | Current period |
| 1 | 2 | 3 | 4 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 001 | -34.989.137 | 2.467.720 |
| 2. Depreciation | 002 | 13.459.732 | 7.907.056 |
| 3. Increase in short-term liabilities | 003 | 76.437.635 | 0 |
| 4. Decrease in short term receivables | 004 | 0 | 10.030.839 |
| 5. Decrease in inventories | 005 | 0 | 88.234.201 |
| 6. Other cash flow increases | 006 | 0 | 0 |
| I. Total increase in cash flow from operating activities (001 to 006) | 007 | 54.908.230 | 108.639.816 |
| 1. Decrease in short - term liabilities | 008 | 0 | 70.645.366 |
| 2. Increase in short - term receivables | 009 | 3.634.147 | 0 |
| 3. Increase in inventories | 010 | 1.112.638 | 0 |
| 4. Other cash flow decreases | 011 | 36.783.939 | 61.090.419 |
| II. Total decrease in cash flow from operating activities (008 to 011) | 012 | 41.530.724 | 131.735.785 |
| A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012) | 013 | 13.377.506 | 0 |
| A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 014 | 0 | 23.095.969 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| 1. Cash flow from sale of long - term tangible and intangible assets | 015 | 448.391 | 1.795.685 |
| 2. Cash inflows from sale of equity and debt financial instruments | 016 | 694.263 | 1.300.001 |
| 3. Interest receipts | 017 | 328.716 | 248.525 |
| 4. Dividend receipts | 018 | 0 | 0 |
| 5. Other cash inflows from investing activities | 019 | 3.340 | 0 |
| III. Total cash inflows from investing activities(015 to 019) | 020 | 1.474.710 | 3.344.211 |
| 1. Cash outflows for purchase of long - term tangible and intangible assets | 021 | 1.913.535 | 795.772 |
| 2. Cash outflows for purchase of equity and debt financial instruments | 022 | 0 | 0 |
| 3. Other cash outflows from investing activities | 023 | 0 | 30.579.188 |
| IV. Total cash outflows from investing activities (021 to 023) | 024 | 1.913.535 | 31.374.960 |
| B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024) | 025 | 0 | 0 |
| B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020) | 026 | 438.825 | 28.030.749 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| 1. Cash receipts from issuance of equity and debt financial instruments | 027 | 0 | 57.950.000 |
| 2. Cash inflows from loans, debentures, credits and other borrowings | 028 | 1.789.625 | 2.500 |
| 3. Other cash inflows from financing activities | 029 | 0 | 0 |
| V. Total cash inflows from financing activities (027 to 029) | 030 | 1.789.625 | 57.952.500 |
| 1. Cash outflows for repayment of loans and bonds | 031 | 14.153.672 | 503.590 |
| 2. Dividends paid | 032 | 0 | 0 |
| 3. Cash outflows for finance lease | 033 | 130.859 | 76.149 |
| 4. Cash outflows for purchase of own stocks | 034 | 0 | 0 |
| 5. Other cash outflows from financing activities | 035 | 0 | 0 |
| VI. Total cash outflows from financing activities (031 do 035) | 036 | 14.284.531 | 579.739 |
| C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036) | 037 | 0 | 57.372.761 |
| C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030) | 038 | 12.494.906 | 0 |
| Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038) | 039 | 443.775 | 6.246.043 |
| Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037) | 040 | 0 | 0 |
| Cash and cash equivalents at the beginning of period | 041 | 2.534.981 | 5.645.269 |
| Increase in cash and cash equivalents | 042 | 443.775 | 6.246.044 |
| Decrease in cash and cash equivalents | 043 | 0 | 0 |
| Cash and cash equivalents at the end of period | 044 | 2.978.756 | 11.891.313 |

STATEMENT OF CHANGES IN EQUITY
from 01.01.2014 to 30.09.2014

| Position | AOP | Previous year | Current year |
|--|------------|-------------------|-------------------|
| 1 | 2 | 3 | 4 |
| 1. Subscribed capital | 001 | 105.668.000 | 116.604.710 |
| 2. Capital reserves | 002 | | |
| 3. Reserves from profit | 003 | 21.089.209 | -2.416.391 |
| 4. Retained earnings or accumulated loss | 004 | -173.980.088 | -189.409.092 |
| 5. Profit / loss for the current year | 005 | -60.369.788 | 2.134.997 |
| 6. Revaluation of long - term tangible assets | 006 | 141.505.530 | 140.656.439 |
| 7. Revaluation of intangible assets | 007 | | |
| 8. Revaluation of financial assets available for sale | 008 | | |
| 9. Other revaluation | 009 | | |
| 10. Total capital and reserves (AOP 001 to 009) | 010 | 33.912.863 | 67.570.663 |
| 11. Currency gains and losses arising from net investments in foreign operations | 011 | 251.385 | 197.233 |
| 12. Current and deferred taxes (part) | 012 | | |
| 13. Cash flow hedging | 013 | | |
| 14. Changes in accounting policies | 014 | | |
| 15. Correction of significant errors in prior periods | 015 | | |
| 16. Other changes in capital | 016 | | |
| 17. Total increase or decrease in capital (AOP 011 to 016) | 017 | 251.385 | 197.233 |
| 17 a. Attributed to equity holders of parent company | 018 | 34.164.248 | 67.767.896 |
| 17 b. Attributed to minority interest | 019 | 1.912.021 | 1.916.122 |

Items decreasing the capital are entered with a negative number sign

Data entered under AOP marks 001 to 009 are entered as situation on the Balance Sheet date