

Attachment 1.

Reporting period:

1.1.2016

do

30.6.2016

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: 557

Consolidated report: YES

(quarter end)
NKD code: 7219

Companies of the consolidation subject (according to IFR):

Seat:

MB:

IGH MOSTAR D.O.O.	MOSTAR, BIŠĆE POLJE BB	4227060470005
IGH PROJEKTIRANJE D.O.O.	ZAGREB, JANKA RAKUŠE 1	02441918
INCRO D.O.O.	ZAGREB, BRANIMIROVA 71	01982516
IGH ENERGIJA D.O.O.	ZAGREB, JANKA RAKUŠE 1	01819585
FORUM CENTAR D.O.O.	ZAGREB, JANKA RAKUŠE 1	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, DRINSKA 18	03013669
PROJEKTI BIRO PALMOTIĆEVA 45 D.O.O.	ZAGREB, PALMOTIĆEVA 45	03222853
IGH KOSOVA Sha	PRIŠTINA, KOSOVO	
IGH CONSULTING 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 PAVIĆA 20	00335967
RADELJEVIĆ D.O.O.	ZAGREB, JANKA RAKUŠE 1	01938533
MARTERRA D.O.O.	ZAGREB, JANKA RAKUŠE 1	28983577816
NOVI ČRNOMEREC CENTAR D.O.O.	ZAGREB, JANKA RAKUŠE 1	08291561940
SLAVONIJA CENTAR, POSLOVNA ZONA VELIKA K	ZAGREB, JANKA RAKUŠE 1	81665145943

Bookkeeping service:

Contact person: SPINDERK 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: IVAN PALADINA

(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

M.P.

(signature of the person authorized to represent the company)



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BALANCE SHEET
as of 30.06.2016

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	389.295.436	366.446.406
I. INTANGIBLE ASSETS (004 to 009)	003	4.163.442	3.969.967
1. Assets development	004	0	0
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	1.445.440	972.878
3. Goodwill	006	32.350	32.350
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	2.685.652	2.964.739
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	339.570.671	337.446.454
1. Land	011	105.266.746	105.238.870
2. Buildings	012	81.012.007	79.240.663
3. Plant and equipment	013	16.742.933	15.644.786
4. Instruments, plant inventories and transportation assets	014	4.393.290	4.089.423
5. Biological assets	015	0	0
6. Prepayments for tangible assets	016	142.537	303.855
7. Tangible assets in preparation	017	26.158.200	27.073.918
8. Other material assets	018	364.640	364.621
9. Investment in buildings	019	105.490.318	105.490.318
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	44.088.140	23.680.576
1. Shares (stocks) in related parties	021	0	0
2. Loans given to related parties	022	0	0
3. Participating interests (shares)	023	1.020.683	276.863
4. Loans to entrepreneurs in whom the entity hold participating interests	024	0	0
5. Investment in securities	025	753.408	0
6. Loans, deposits and similar assets	026	24.331.495	5.432.539
7. Other long - term financial assets	027	3.090.850	3.090.850
8. Investments accounted by equity method	028	14.891.704	14.880.324
IV. RECEIVABLES (030 to 032)	029	1.473.183	1.349.409
1. Receivables from related parties	030	0	0
2. Receivables based on trade loans	031	1.455.811	1.332.316
3. Other receivables	032	17.372	17.093
V. DEFERRED TAX ASSETS	033		
C) SHORT TERMS ASSETS (035+043+050+058)	034	246.139.159	251.537.776
I. INVENTORIES (036 to 042)	035	197.760.735	198.246.430
1. Raw material	036	0	0
2. Work in progress	037	89.261.838	89.747.533
3. Finished goods	038	0	0
4. Merchandise	039	568.162	568.162
5. Prepayments for inventories	040	0	0
6. Long - term assets held for sale	041	107.930.735	107.930.735
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	41.728.552	44.921.979
1. Receivables from related parties	044	20.187	23.017
2. Accounts receivable	045	38.319.122	41.117.225
3. Receivables from participating entrepreneurs	046	0	0
4. Receivables from employees and shareholders	047	685.702	669.444
5. Receivables from government and other institutions	048	1.397.764	925.721
6. Other receivables	049	1.305.777	2.186.572
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	4.979.460	4.486.963
1. Shares (stocks) in related parties	051	0	0
2. Loans given to related parties	052	0	20.000
3. Participating interests (shares)	053	0	0
4. Loans to entrepreneurs in whom the entity hold participating interests	054	0	0
5. Investment in securities	055	0	0
6. Loans, deposits and similar assets	056	4.979.460	4.418.631
7. Other financial assets	057	0	48.332
IV. CASH AT BANK AND IN CASHIER	058	1.670.412	3.882.404
D) PREPAID EXPENSES AND ACCRUED INCOME	059	10.849.270	12.944.871
E) TOTAL ASSETS (001+002+034+059)	060	646.283.865	630.929.053
F) OFF-BALANCE SHEET NOTES	061	38.870.526	39.814.924

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LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	29.411.617	19.529.170
I. SUBSCRIBED CAPITAL	063	116.604.710	116.604.710
II. CAPITAL RESERVES	064	0	0
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	-2.419.226	-2.479.608
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	3.865.535	3.925.917
4. Statutory reserves	069	0	0
5. Other reserves	070	0	0
IV. REVALUATION RESERVES	071	148.880.230	148.846.151
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-151.943.469	-233.193.709
1. Retained earnings	073		
2. Accumulated loss	074	151.943.469	233.193.709
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	-81.748.614	-9.677.348
1. Profit for the current year	076	0	
2. Loss for the current year	077	81.748.614	9.677.348
VII. MINORITY INTEREST	078	37.986	-571.026
B) PROVISIONS (080 to 082)	079	12.165.788	12.546.696
1. Provisions for pensions, severance pay and similar liabilities	080	1.709.611	1.709.611
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	10.456.177	10.837.085
C) LONG TERM LIABILITIES (084 to 092)	083	338.598.967	340.259.363
1. Liabilities to related parties	084	365.388	274.041
2. Liabilities for loans, deposits etc.	085	64.800	64.800
3. Liabilities to banks and other financial institutions	086	280.038.174	286.827.564
4. Liabilities for received prepayments	087	0	0
5. Accounts payable	088	11.979.016	9.104.425
6. Liabilities arising from debt securities	089	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090	0	0
8. Other long-term liabilities	091	8.959.814	6.796.758
9. Deferred tax liability	092	37.191.775	37.191.775
D) SHORT - TERM LIABILITIES (094 to 105)	093	243.040.968	230.715.182
1. Liabilities to related parties	094	284.859	277.888
2. Liabilities for loans, deposits etc.	095	2.779.699	2.445.879
3. Liabilities to banks and other financial institutions	096	93.019.922	80.812.247
4. Liabilities for received prepayments	097	3.234.476	4.937.038
5. Accounts payable	098	31.042.871	26.433.912
6. Liabilities arising from debt securities	099	70.973.241	70.973.241
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0
8. Liabilities to employees	101	5.905.096	5.531.935
9. Liabilities for taxes, contributions and similar fees	102	11.587.660	10.173.686
10. Liabilities to share - holders	103	1.733.004	1.733.004
11. Liabilities for long term assets held for sale	104	0	0
12. Other short - term liabilities	105	22.480.140	27.396.352
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	23.066.525	27.878.642
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	646.283.865	630.929.053
G) OFF-BALANCE SHEET NOTES	108	38.870.526	39.814.924
APPENDIX TO BALANCE SHEET (only for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	29.373.631	20.100.196
2. Attributed to minority interests	110	37.986	-571.026

PROFIT AND LOSS ACCOUNT
for period 01.01.2016 to 30.06.2016

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	95.812.193	47.605.136	74.355.035	37.716.807
1. Sales revenues	112	88.965.114	44.874.232	70.651.824	35.948.265
2. Other operating revenues	113	6.847.079	2.730.904	3.703.211	1.768.542
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	99.060.939	51.908.540	80.983.097	39.133.700
1. Changes in the value of work in progress and finished goods	115			-251.137	-251.137
2. Material costs (117 to 119)	116	26.597.091	14.535.747	19.846.558	10.034.742
a) Raw material and material costs	117	4.258.375	1.943.891	3.502.603	1.656.709
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	22.338.716	12.591.856	16.343.955	8.378.033
3. Staff costs (121 to 123)	120	49.520.782	24.530.733	44.284.862	20.714.305
a) Net salaries and wages	121	29.060.940	14.634.247	25.818.004	12.259.078
b) Costs for taxes and contributions from salaries	122	13.119.646	6.246.764	12.012.592	5.437.661
c) Contributions on gross salaries	123	7.340.196	3.649.722	6.454.266	3.017.566
4. Depreciation	124	4.756.723	2.490.776	4.258.914	1.711.354
5. Other costs	125	11.260.578	5.819.231	10.016.718	5.931.433
6. Impairment (127+128)	126	4.592.118	3.524.219	1.221.426	67.254
a) Impairment of long-term assets (excluding financial assets)	127	0	0	0	0
b) Impairment of short-term assets (excluding financial assets)	128	4.592.118	3.524.219	1.221.426	67.254
7. Provisions	129	475.455	475.455	670.861	53.154
8. Other operating expenses	130	1.858.192	532.379	934.895	872.595
III. FINANCIAL INCOME (132 to 136)	131	4.140.485	2.502.180	6.285.032	1.648.324
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132		0	0	0
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties	133	3.768.032	2.485.142	5.569.572	932.864
3. Share in income from affiliated entrepreneurs and participating interests	134			0	0
4. Unrealized gains (income) from financial assets	135			0	0
5. Other financial income	136	372.453	17.038	715.460	715.460
IV. FINANCIAL EXPENSES (138 to 141)	137	10.331.670	5.234.773	9.316.748	4.703.095
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138			0	0
2. Interest expenses, foreign exchange losses and similar expenses from non-related parties	139	8.847.972	4.483.901	7.900.232	3.286.579
3. Unrealized losses (expenses) on financial assets	140			0	0
4. Other financial expenses	141	1.483.698	750.872	1.416.516	1.416.516
V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142			0	0
VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143	7.333.000	6.910.399	11.380	7.264
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	99.952.678	50.107.316	80.640.067	39.365.131
X. TOTAL EXPENSES (114+137+143 + 145)	147	116.725.609	64.053.712	90.311.225	43.844.059
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-16.772.931	-13.946.396	-9.671.158	-4.478.928
1. Profit before taxation (146-147)	149	0	0	0	0
2. Loss before taxation (147-146)	150	16.772.931	13.946.396	5.192.230	5.192.230
XII. PROFIT TAX	151	155.584	90.243	85.403	67.220
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-16.928.515	-14.036.639	-9.756.561	-4.546.148
1. Profit for the period(149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	16.928.515	14.036.639	9.756.561	4.546.148
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155	-17.054.350	-14.127.296	-9.677.348	-4.580.572
2. Attributed to minority interests	156	125.835	90.657	-79.213	34.424
STATEMENT OF COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-16.928.515	-14.036.639	-9.756.561	-4.546.148
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	49.425	-94.945	49.535	-123
1. Exchange differences on translation of foreign operations	159	49.425	-94.945	49.535	-123
2. Movements in revaluation reserves of long-term tangible and intangible assets	160		0		0
3. Profit or loss from revaluation of financial assets available for sale	161		0		0
4. Gains or losses on efficient cash flow hedging	162		0		0
5. Gains or losses on efficient hedge of a net investment in foreign countries	163		0		0
6. Share in other comprehensive income / loss of associated companies	164		0		0
7. Actuarial gains / losses on defined benefit plans	165		0		0
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	9.882	-18.992	9.907	-25
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	39.543	-75.953	39.628	-98
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	-16.888.972	-14.112.592	-9.716.933	-4.546.246
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	-17.014.807	-14.203.249	-9.637.720	-4.580.670
2. Attributed to minority interests	170	125.835	90.657	-79.213	34.424

STATEMENT OF CASH FLOWS - Indirect method
period 01.01.2016. to 30.06.2016

INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-16.772.931	-9.671.158
2. Depreciation	002	4.756.723	4.258.914
3. Increase in short-term liabilities	003	133.929	5.027.825
4. Decrease in short term receivables	004	956.704	
5. Decrease in inventories	005		
6. Other cash flow increases	006	7.279.476	
I. Total increase in cash flow from operating activities (001 to 006)	007	-3.646.099	-384.419
1. Decrease in short - term liabilities	008	0	0
2. Increase in short - term receivables	009	0	5.165.254
3. Increase in inventories	010	441.938	485.696
4. Other cash flow decreases	011	0	10.578.588
II. Total decrease in cash flow from operating activities (008 to 011)	012	441.938	16.229.538
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	4.088.037	16.613.957
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015	9.354.443	4.025
2. Cash inflows from sale of equity and debt financial instruments	016	0	1.337.838
3. Interest receipts	017	90.091	552.140
4. Dividend receipts	018	0	0
5. Other cash inflows from investing activities	019	300.000	20.888.668
III. Total cash inflows from investing activities(015 to 019)	020	9.744.534	22.782.671
1. Cash outflows for purchase of long - term tangible and intangible assets	021	750.641	1.034.517
2. Cash outflows for purchase of equity and debt financial instruments	022	109.900	0
3. Other cash outflows from investing activities	023	2.760.000	1.770.000
IV. Total cash outflows from investing activities (021 to 023)	024	3.620.541	2.804.517
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)	025	6.123.993	19.978.154
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	0	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	027	0	0
2. Cash inflows from loans, debentures, credits and other borrowings	028	0	0
3. Other cash inflows from financing activities	029	0	0
V. Total cash inflows from financing activities (027 to 029)	030	0	0
1. Cash outflows for repayment of loans and bonds	031	7.594.879	745.084
2. Dividends paid	032	0	0
3. Cash outflows for finance lease	033	61.991	358.789
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	7.656.870	1.103.873
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	7.656.870	1.103.873
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	0	2.260.324
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	5.620.914	0
Cash and cash equivalents at the beginning of period	041	8.273.610	1.670.412
Increase in cash and cash equivalents	042	0	2.260.324
Decrease in cash and cash equivalents	043	5.620.914	0
Cash and cash equivalents at the end of period	044	2.652.696	3.930.736

STATEMENT OF CHANGES IN EQUITY
from 1.1.2016 to 30.6.2016

	Position		AOP	Previous year	Current year
	1	2			
1. Subscribed capital			001	116.604.710	116.604.710
2. Capital reserves			002		0
3. Reserves from profit			003	-2.419.226	-2.479.608
4. Retained earnings or accumulated loss			004	-151.943.469	-233.193.709
5. Profit / loss for the current year			005	-81.748.614	-9.677.348
6. Revaluation of long - term tangible assets			006	148.767.078	148.796.616
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	29.260.479	20.050.661
11. Currency gains and losses arising from net investments in foreign operations			011	113.152	49.535
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	113.152	49.535
17 a. Attributed to equity holders of parent company			018	29.373.631	20.100.196
17 b. Attributed to minority interest			019	37.986	-571.026

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

INSTITUT IGH, d.d.

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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 first semester of 2016 are prepared in accordance with the Accountancy Law (Official Gazette 146/05) and International Financial Reporting Standards as adopted by the European Union, 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 Financial Reporting 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:
Ivan Paladina, President of Management Board

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10000 Zagreb



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Fax: 031/253-104

VARAŽDIN 42000
Hallerova aleja 7
Tel: 042/210-970,
042/210-722
Fax: 042/211-285

DUBROVNIK 20000
Vukovarska 8
Tel: 020/412-489,
020/411-628
Fax: 020/412-489

PULA 52100
Divkovičeva 2/C
Tel: 052/508-220
Fax: 052/508-221

ZADAR 23000
Dobriše Cesariča 1
Tel: 023/220 910,
023/323-299
Fax: 023/323-225

29 July 2016

Mjerodavni sud:
Trgovački sud u Zagrebu,
registarski uložak
s matičnim brojem (MBS)
080000959

Temeljni kapital:
116.604.710,00 kn
uplaćen u cijelosti
Broj izdanih dionica:
IGH R A 613.709
Nominalna vrijednost
dionice 190 kn

MB: 3750272
OIB: 79766124714
Poslovna banka:
Zagrebačka banka d.d.
IBAN:
HR772360001101243767
SWIFT kod: ZABAHR2X

Uprava:
Ivan Paladina, dipl.oec, predsjednik Uprave
mr.sc. Oliver Kumičić, dipl.ing.grad.,
član Uprave

Nadzorni odbor:
prof.dr.sc. Jure Radić, predsjednik



INSTITUT IGH, d.d.

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MANAGEMENT BOARD REPORT

ON BUSINESS RESULTS OF INSTITUT IGH d.d. AND ITS SUBSIDIARIES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE, 2016

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 18 subsidiaries providing services either in its core activity or in associated fields of activity.

A total of 557 persons were employed with INSTITUT IGH, d.d. and its subsidiary companies on 30 June 2016.

In the first half-year of 2016, INSTITUT IGH d.d. operated at a loss in the amount of HRK 9.05 million. Operating revenues of the company, as presented in financial reports for the period from January to June 2016, amounted to HRK 70.7 million, which is by 21 % less when compared to the operating revenues realized over the same period last year. At the same time, the Company reduced its operating expenses by 17.3%. All the above mentioned resulted in realized negative EBITDA in the amount of HRK 1.7 million.

Consolidated financial reports for the first half-year of 2016 show that the company INSTITUT IGH d.d. and its subsidiaries realized the operating revenues of HRK 74.3 million at the consolidated level, which is by 22.3 % less when compared to the same period last year. The consolidated revenues from sales of services amounted to HRK 70.6 million.

With the consolidated financial revenues of HRK 6.3 million, the total consolidated revenues amount to HRK 80.6 million, which is by 19.3 % less compared to the same period last year.

RC SPLIT
SPLIT 21000
Matice hrvatske 15
Tel: 021/558-666
Fax: 021/465-335

RC RIJEKA
KUKULJANOVO 51227
Kukuljanovo 182/2
Tel: 051/206-100
Fax: 051/331-100

RC OSIJEK
OSIJEK 31000
Drinska 18
Tel: 031/253-103
Fax: 031/253-104

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mr.sc. Oliver Kumić, dipl.ing.grad.,
član Uprave

Nadzorni odbor:
prof.dr.sc. Jure Radić, predsjednik



Consolidated operating costs amount to HRK 80.9 million, which is by 18.2 % less compared to the same period last year. The overall reduction of operating costs in the amount of HRK 18.1 million is mainly the result of reduction in material costs, salary costs and other operating costs, and a reduction of the value adjustment of receivables.

The financial expenses amount to HRK 9.3 million, which is by 9.8 % less compared to the first half-year of 2015.

Consequently, the total consolidated revenues in the amount of HRK 80.6 million, and the total consolidated expenses of HRK 90.3 million, resulted in consolidated loss of the period in the amount of HRK 9.7 million and realized negative EBITDA in the amount of HRK 2.4 million.

On 30 June 2016, INSTITUT IGH, d.d. had contracts in progress in the value amounting to HRK 335.3 million.

Despite the current negative operating result of the company, and taking into account the status of concluded contracts and the continuation of the process of implementation of operational restructuring measures aimed at optimization of business expenses, increasing productivity and operating profit of the company, the Management Board of INSTITUT IGH d.d. believes that all preconditions have been met for stable business operation and for continued fulfilment of obligations assumed by the concluded pre-bankruptcy settlement.

Zagreb, 29 July 2016.

On behalf of the Management Board of INSTITUT IGH d.d.

Ivan Paladina, President of the Management Board



Paladina

TD