

**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 538

Consolidated report: NO

(quarter end)

NKD code: 7219

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: SPINDERK JADRANKA

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

Telephone: 01 6125 444

Telefaks: 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



*Ivan Paladin*  
 (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
<b>A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL</b>	<b>001</b>		
<b>B) LONG - TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>444.050.179</b>	<b>422.809.798</b>
I. INTANGIBLE ASSETS (004 to 009)	003	4.012.325	3.850.744
1. Assets development	004	0	0
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	1.381.673	941.005
3. Goodwill	006	0	0
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	2.630.652	2.909.739
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	188.543.941	186.310.099
1. Land	011	63.760.082	63.760.082
2. Buildings	012	65.972.760	63.986.399
3. Plant and equipment	013	16.666.923	15.616.774
4. Instruments, plant inventories and transportation assets	014	4.176.712	3.902.344
5. Biological assets	015	0	0
6. Prepayments for tangible assets	016	140.079	301.397
7. Tangible assets in preparation	017	26.537.960	27.453.678
8. Other material assets	018	303.336	303.336
9. Investment in buildings	019	10.986.089	10.986.089
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	250.038.102	231.316.639
1. Shares (stocks) in related parties	021	208.076.866	209.808.866
2. Loans given to related parties	022	12.303.013	12.228.109
3. Participating interests (shares)	023	743.820	0
4. Loans to entrepreneurs in whom the entity hold participating interests	024	0	0
5. Investment in securities	025	0	0
6. Loans, deposits and similar assets	026	25.070.145	6.188.814
7. Other long - term financial assets	027	3.844.258	3.090.850
8. Investments accounted by equity method	028	0	0
IV. RECEIVABLES (030 to 032)	029	1.455.811	1.332.316
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	0	0
V. DEFERRED TAX ASSETS	033	0	0
<b>C) SHORT TERMS ASSETS (035+043+050+058)</b>	<b>034</b>	<b>151.217.183</b>	<b>156.443.506</b>
I. INVENTORIES (036 to 042)	035	109.443.073	109.443.073
1. Raw material	036	0	0
2. Work in progress	037	247.493	247.493
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	108.627.418	108.627.418
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	37.890.161	40.587.813
1. Receivables from related parties	044	1.438.263	184.406
2. Accounts receivable	045	34.359.091	37.937.647
3. Receivables from participating entrepreneurs	046	0	0
4. Receivables from employees and shareholders	047	684.960	669.362
5. Receivables from government and other institutions	048	632.205	336.192
6. Other receivables	049	775.642	1.460.206
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	3.452.953	3.062.688
1. Shares (stocks) in related parties	051	0	0
2. Loans given to related parties	052	293.052	384.990
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	3.159.901	2.629.367
7. Other financial assets	057	0	48.331
IV. CASH AT BANK AND IN CASHIER	058	430.996	3.349.932
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	<b>5.992.599</b>	<b>8.287.954</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>601.259.961</b>	<b>587.541.258</b>
<b>F) OFF-BALANCE SHEET NOTES</b>	<b>061</b>	<b>38.870.526</b>	<b>38.949.711</b>

<b>LIABILITIES AND CAPITAL</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>26.446.269</b>	<b>17.398.792</b>
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	0	0
1. Reserves prescribed by law	066	0	0
2. Reserves for treasury stocks	067	1.446.309	1.446.309
3. Treasury stocks and shares (deduction)	068	1.446.309	1.446.309
4. Statutory reserves	069	0	0
5. Other reserves	070	0	0
IV. REVALUATION RESERVES	071	138.569.436	138.569.436
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-121.848.675	-228.727.877
1. Retained earnings	073	6.625.537	6.625.537
2. Accumulated loss	074	128.474.212	235.353.414
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	-106.879.202	-9.047.477
1. Profit for the current year	076		0
2. Loss for the current year	077	106.879.202	9.047.477
VII. MINORITY INTEREST	078	0	0
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	<b>12.165.789</b>	<b>12.165.789</b>
1. Provisions for pensions, severance pay and similar liabilities	080	1.656.347	1.656.347
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	10.509.442	10.509.442
<b>C) LONG TERM LIABILITIES (084 to 092)</b>	<b>083</b>	<b>336.242.527</b>	<b>337.798.339</b>
1. Liabilities to related parties	084	572.160	158.348
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	12.002.334	9.378.466
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	8.922.700	6.726.802
9. Deferred tax liability	092	34.642.359	34.642.359
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	<b>203.405.420</b>	<b>192.285.123</b>
1. Liabilities to related parties	094	651.031	1.061.135
2. Liabilities for loans, deposits etc.	095	2.605.144	2.375.079
3. Liabilities to banks and other financial institutions	096	70.162.513	58.326.990
4. Liabilities for received prepayments	097	3.037.966	4.725.301
5. Accounts payable	098	27.257.337	24.475.384
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	5.289.872	5.123.954
9. Liabilities for taxes, contributions and similar fees	102	9.570.672	9.556.729
10. Liabilities to share - holders	103	0	0
11. Liabilities for long term assets held for sale	104	0	0
12. Other short - term liabilities	105	13.857.644	15.667.310
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	<b>22.999.956</b>	<b>27.893.215</b>
<b>F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>601.259.961</b>	<b>587.541.258</b>
<b>G) OFF-BALANCE SHEET NOTES</b>	<b>108</b>	<b>38.870.526</b>	<b>38.949.711</b>
<b>APPENDIX TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	109		
2. Attributed to minority interests	110		

**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
<b>I. OPERATING REVENUES (112+113)</b>	<b>111</b>	90.048.515	46.125.457	70.768.680	35.580.276
1. Sales revenues	112	85.330.966	44.380.313	67.983.390	34.496.224
2. Other operating revenues	113	4.717.549	1.745.144	2.785.290	1.084.052
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	92.151.251	50.001.086	76.195.626	36.841.668
1. Changes in the value of work in progress and finished goods	115				0
2. Material costs (117 to 119)	116	25.569.260	14.907.153	19.104.662	9.763.579
a) Raw material and material costs	117	3.882.112	1.787.792	3.263.436	1.566.138
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	21.687.148	13.119.361	15.841.226	8.197.441
3. Staff costs (121 to 123)	120	45.781.462	22.688.473	42.526.480	19.962.184
a) Net salaries and wages	121	26.917.478	13.429.967	24.789.896	11.806.687
b) Costs for taxes and contributions from salaries	122	12.071.518	5.873.759	11.525.443	5.237.881
c) Contributions on gross salaries	123	6.792.466	3.384.747	6.211.141	2.917.616
4. Depreciation	124	3.093.431	1.748.965	3.751.546	1.426.314
5. Other costs	125	10.333.292	5.364.638	8.939.941	5.262.834
6. Impairment (127+128)	126	4.597.728	3.549.461	1.196.371	42.199
a) Impairment of long-term assets (excluding financial assets)	127		0		0
b) Impairment of short-term assets (excluding financial assets)	128	4.597.728	3.549.461	1.196.371	42.199
7. Provisions	129	475.455	475.455	289.954	53.154
8. Other operating expenses	130	2.300.623	1.266.941	386.672	331.404
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	3.351.017	2.561.410	5.087.127	781.531
1. Interest income, foreign exchange gains, dividends and similar income from related	132	9.477	4.765	139	139
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	3.315.797	2.541.987	5.086.988	781.392
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	0	0
4. Unrealized gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	25.743	14.658	0	0
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	8.561.092	4.336.605	8.707.658	4.341.845
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138	0	0	195.216	29.525
2. Interest expenses, foreign exchange losses and similar expenses from non - related	139	7.040.310	3.567.182	7.095.926	3.577.219
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0
4. Other financial expenses	141	1.520.782	769.423	1.416.516	735.101
<b>V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>				0
<b>VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>				0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				0
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	93.399.532	48.686.867	75.855.807	36.361.807
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	100.712.343	54.337.691	84.903.284	41.183.513
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	-7.312.811	-5.650.824	-9.047.477	-4.821.706
1. Profit before taxation (146-147)	149	0	0	0	0
2. Loss before taxation (147-146)	150	7.312.811	5.650.824	9.047.477	4.821.706
<b>XII. PROFIT TAX</b>	<b>151</b>	0	0		0
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-7.312.811	-5.650.824	-9.047.477	-4.821.706
1. Profit for the period(149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	7.312.811	5.650.824	9.047.477	4.821.706
<b>APPENDIX to Profit and Loss Account (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	155				
2. Attributed to minority interests	156				
<b>STATEMENT OF COMPREHENSIVE INCOME (IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	-7.312.811	-5.650.824	-9.047.477	-4.821.706
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)</b>	<b>158</b>	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from revaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign countries	163	0	0	0	0
6. Share in other comprehensive income / loss of associated companies	164	0	0	0	0
7. Actuarial gains / losses on defined benefit plans	165	0	0	0	0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>	0	0	0	0
<b>IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	0	0	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)</b>	<b>168</b>	-7.312.811	-5.650.824	-9.047.477	-4.821.706
<b>APPENDIX to Statement of comprehensive income (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interests	170				

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

Legal entity : INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-7.312.811	-9.047.477
2. Depreciation	002	3.093.431	3.751.546
3. Increase in short-term liabilities	003	6.015.043	3.280.852
4. Decrease in short term receivables	004	948.280	
5. Decrease in inventories	005		
6. Other cash flow increases	006		
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>2.743.943</b>	<b>-2.015.079</b>
1. Decrease in short - term liabilities	008	0	0
2. Increase in short - term receivables	009	0	4.869.513
3. Increase in inventories	010	0	0
4. Other cash flow decreases	011	6.420.354	8.993.796
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>6.420.354</b>	<b>13.863.309</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>3.676.411</b>	<b>15.878.388</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
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	1.065.837	20.963.668
<b>III. Total cash inflows from investing activities(015 to 019)</b>	<b>020</b>	<b>10.510.371</b>	<b>22.857.671</b>
1. Cash outflows for purchase of long - term tangible and intangible assets	021	295.735	988.072
2. Cash outflows for purchase of equity and debt financial instruments	022	109.900	0
3. Other cash outflows from investing activities	023	2.869.525	1.920.071
<b>IV. Total cash outflows from investing activities (021 to 023)</b>	<b>024</b>	<b>3.275.160</b>	<b>2.908.143</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)</b>	<b>025</b>	<b>7.235.211</b>	<b>19.949.528</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)</b>	<b>026</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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	7.000	0
3. Other cash inflows from financing activities	029	0	0
<b>V. Total cash inflows from financing activities (027 to 029)</b>	<b>030</b>	<b>7.000</b>	<b>0</b>
1. Cash outflows for repayment of loans and bonds	031	7.676.108	745.084
2. Dividends paid	032	0	0
3. Cash outflows for finance lease	033	5.636	358.789
4. Cash outflows for purchase of own stocks	034	0	
5. Other cash outflows from financing activities	035	0	
<b>VI. Total cash outflows from financing activities (031 do 035)</b>	<b>036</b>	<b>7.681.744</b>	<b>1.103.873</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>7.674.744</b>	<b>1.103.873</b>
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	0	2.967.267
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	4.115.944	0
Cash and cash equivalents at the beginning of period	041	5.762.138	430.996
Increase in cash and cash equivalents	042	0	2.967.267
Decrease in cash and cash equivalents	043	4.115.944	0
Cash and cash equivalents at the end of period	044	1.646.194	3.398.263

**STATEMENT OF CHANGES IN EQUITY**  
**from 1.1.2016 to 30.6.2016**

	Position	AOP	Previous year	Current year
	1	2	3	4
1. Subscribed capital		001	116.604.710	116.604.710
2. Capital reserves		002	0	0
3. Reserves from profit		003	0	0
4. Retained earnings or accumulated loss		004	-121.848.675	-228.727.877
5. Profit / loss for the current year		005	-106.879.202	-9.047.477
6. Revaluation of long - term tangible assets		006	138.569.436	138.569.436
7. Revaluation of intangible assets		007	0	
8. Revaluation of financial assets available for sale		008	0	0
9. Other revaluation		009	0	
<b>10. Total capital and reserves (AOP 001 to 009)</b>		<b>010</b>	<b>26.446.269</b>	<b>17.398.792</b>
11. Currency gains and losses arising from net investments in foreign operations		011		
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		
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>		<b>017</b>	<b>0</b>	<b>0</b>
<b>17 a. Attributed to equity holders of parent company</b>		<b>018</b>		
<b>17 b. Attributed to minority interest</b>		<b>019</b>		

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 FINANCIAL REPORTS FOR THE INSTITUT IGH, JSC

The Company's Management Board has to ensure that the INSTITUT IGH d.d. 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 Company'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 Company has adequate resources to continue operation in the foreseeable future. Accordingly, the Management Board 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 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 Company, 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 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 Board:

*Ivan Paladina*  
Ivan Paladina, President of Management Board

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



29 July 2016

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Matice hrvatske 15  
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Fax: 021/465-335

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Kukuljanovo 182/2  
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RC OSIJEK  
OSIJEK 31000  
Drinska 18  
Tel: 031/253-103  
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  
Divkovićeveva 2/C  
Tel: 052/508-220  
Fax: 052/508-221

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

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 Kumić, dipl.ing grad,  
član Uprave

Nadzorni odbor:  
prof.dr.sc. Jure Rudić, 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.

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

Nadzorni odbor:  
prof.dr.sc. Lure 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



*Ivan Paladina*

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