

Attachment 1.

Reporting period:

1.1.2017

do

30.6.2017

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 (quarter end): 541

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
IGH PROJEKTIRANJE D.O.O.	ZAGREB, JANKA RAKUŠE 1	02441918
INCRO D.O.O.	ZAGREB, BRANIMIROVA 71	01982516
IGH BUSINESS ADVISORY SERVICES 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 PALMOTIČEVA 45 D.O.O.	ZAGREB, PALMOTIČEVA 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
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: 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: IVAN PALADINA OLIVER KUMRIĆ

(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 30.06.2017

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	312.527.859	311.642.144
I. INTANGIBLE ASSETS (004 to 009)	003	4.218.396	4.223.732
1. Assets development	004		0
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	1.553.352	1.488.769
3. Goodwill	006	51.837	51.837
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008	2.613.207	2.683.126
6. Other intangible assets	009	0	0
II. TANGIBLE ASSETS (011 to 019)	010	288.096.295	286.456.941
1. Land	011	105.251.572	105.217.125
2. Buildings	012	76.931.551	74.387.770
3. Plant and equipment	013	13.939.974	14.586.154
4. Instruments, plant inventories and transportation assets	014	5.645.218	5.481.197
5. Biological assets	015		
6. Prepayments for tangible assets	016	335.434	508.683
7. Tangible assets in preparation	017	26.158.200	26.501.671
8. Other material assets	018	364.627	304.623
9. Investment in buildings	019	59.469.719	59.469.718
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	18.609.008	19.484.366
1. Shares (stocks) in related parties	021	0	0
2. Loans given to related parties	022	0	0
3. Participating interests (shares)	023	0	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	444.745	766.018
7. Other long - term financial assets	027	3.294.942	3.962.462
8. Investments accounted by equity method	028	14.869.321	14.755.886
IV. RECEIVABLES (030 to 032)	029	1.604.160	1.477.105
1. Receivables from related parties	030	0	0
2. Receivables based on trade loans	031	1.204.689	1.077.979
3. Other receivables	032	399.471	399.126
V. DEFERRED TAX ASSETS	033		
C) SHORT TERMS ASSETS (035+043+050+058)	034	260.843.356	267.964.335
I. INVENTORIES (036 to 042)	035	198.297.661	198.281.493
1. Raw material	036	0	0
2. Work in progress	037	90.400.840	90.384.672
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	107.328.659	107.328.659
7. Biological assets	042	0	0
II. RECEIVABLES (044 to 049)	043	44.677.396	47.288.273
1. Receivables from related parties	044	20.187	35.706
2. Accounts receivable	045	40.296.014	41.618.251
3. Receivables from participating entrepreneurs	046		
4. Receivables from employees and shareholders	047	678.740	820.316
5. Receivables from government and other institutions	048	1.743.211	1.477.749
6. Other receivables	049	1.939.244	3.336.251
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	13.265.686	14.297.827
1. Shares (stocks) in related parties	051	0	0
2. Loans given to related parties	052	137.720	157.720
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	13.127.966	14.140.107
7. Other financial assets	057	0	0
IV. CASH AT BANK AND IN CASHIER	058	4.602.613	8.096.742
D) PREPAID EXPENSES AND ACCRUED INCOME	059	8.455.346	13.982.019
E) TOTAL ASSETS (001+002+034+059)	060	581.826.561	593.588.498
F) OFF-BALANCE SHEET NOTES	061	38.462.783	52.059.837

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	-23.799.420	-12.994.472
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	-2.479.608	-5.583.987
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	3.925.917	7.030.296
4. Statutory reserves	069	0	0
5. Other reserves	070	0	0
IV. REVALUATION RESERVES	071	147.356.786	145.504.176
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-228.039.382	-282.278.488
1. Retained earnings	073		
2. Accumulated loss	074	228.039.382	282.278.488
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	-56.280.307	13.410.974
1. Profit for the current year	076	0	13.410.974
2. Loss for the current year	077	56.280.307	0
VII. MINORITY INTEREST	078	-961.619	-651.857
B) PROVISIONS (080 to 082)	079	9.097.176	6.851.514
1. Provisions for pensions, severance pay and similar liabilities	080	768.473	768.473
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	8.328.703	6.083.041
C) LONG TERM LIABILITIES (084 to 092)	083	324.153.781	304.367.698
1. Liabilities to related parties	084	151.545	87.858
2. Liabilities for loans, deposits etc.	085	70.500	70.500
3. Liabilities to banks and other financial institutions	086	280.626.784	266.948.393
4. Liabilities for received prepayments	087	0	0
5. Accounts payable	088	6.322.152	3.187.430
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	4.464.873	2.124.166
9. Deferred tax liability	092	32.517.927	31.949.351
D) SHORT - TERM LIABILITIES (094 to 105)	093	240.199.294	260.978.853
1. Liabilities to related parties	094	294.235	323.081
2. Liabilities for loans, deposits etc.	095	2.622.731	4.106.531
3. Liabilities to banks and other financial institutions	096	88.156.492	95.198.430
4. Liabilities for received prepayments	097	3.222.927	6.347.540
5. Accounts payable	098	26.155.383	32.502.352
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		
8. Liabilities to employees	101	9.417.958	9.060.601
9. Liabilities for taxes, contributions and similar fees	102	13.280.559	15.021.058
10. Liabilities to share - holders	103		
11. Liabilities for long term assets held for sale	104		
12. Other short - term liabilities	105	26.075.768	27.446.019
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	32.175.730	34.384.905
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	581.826.561	593.588.498
G) OFF-BALANCE SHEET NOTES	108	38.462.783	52.059.837
APPENDIX TO BALANCE SHEET (only for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	-22.837.801	-12.342.615
2. Attributed to minority interests	110	-961.619	-651.857

PROFIT AND LOSS ACCOUNT
for period 01.01.2017 to 30.06.2017

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	74.355.035	37.716.807	102.610.633	56.222.683
1. Sales revenues	112	70.651.824	35.948.265	97.591.230	52.386.018
2. Other operating revenues	113	3.703.211	1.768.542	5.019.403	3.836.665
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	80.983.097	39.133.700	87.971.145	46.213.691
1. Changes in the value of work in progress and finished goods	115	-251.137	-251.137	-26.000	-26.000
2. Material costs (117 to 119)	116	19.846.558	10.034.742	28.590.220	15.707.929
a) Raw material and material costs	117	3.502.603	1.656.709	3.939.825	1.943.639
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	16.343.955	8.378.033	24.650.395	13.764.290
3. Staff costs (121 to 123)	120	44.284.862	20.714.305	44.321.271	22.248.442
a) Net salaries and wages	121	25.818.004	12.259.078	24.262.903	12.010.624
b) Costs for taxes and contributions from salaries	122	12.012.592	5.437.661	13.942.756	7.063.645
c) Contributions on gross salaries	123	6.454.266	3.017.566	6.115.612	3.174.173
4. Depreciation	124	4.258.914	1.711.354	4.268.662	2.138.497
5. Other costs	125	10.016.718	5.931.433	8.890.589	4.888.969
6. Impairment (127+128)	126	1.221.426	67.254	1.708.119	1.089.173
a) Impairment of long-term assets (excluding financial assets)	127	0	0	0	0
b) Impairment of short-term assets (excluding financial assets)	128	1.221.426	67.254	1.708.119	1.089.173
7. Provisions	129	670.861	53.154	0	0
8. Other operating expenses	130	934.895	872.595	198.284	166.681
III. FINANCIAL INCOME (132 to 136)	131	6.285.032	1.648.324	6.792.200	1.761.473
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	0	0	0	0
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	5.569.572	932.864	6.687.772	1.657.045
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	21.650	21.650
4. Unrealized gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	715.460	715.460	82.778	82.778
IV. FINANCIAL EXPENSES (138 to 141)	137	9.316.748	4.703.095	7.842.570	4.132.877
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138	0	0	0	0
2. Interest expenses, foreign exchange losses and similar expenses from non - related	139	7.900.232	3.286.579	6.929.881	3.612.715
3. Unrealized losses (expenses) on financial assets	140	0	0	68.611	68.611
4. Other financial expenses	141	1.416.516	1.416.516	844.078	451.551
V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142	0	0	0	0
VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143	11.380	7.264	113.435	108.735
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	80.640.067	39.365.131	109.402.833	57.984.156
X. TOTAL EXPENSES (114+137+143 + 145)	147	90.311.225	43.844.059	95.927.150	50.455.303
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-9.671.158	-4.478.928	13.475.683	7.528.853
1. Profit before taxation (146-147)	149	0	0	13.475.683	7.528.853
2. Loss before taxation (147-146)	150	9.671.158	5.192.230	0	0
XII. PROFIT TAX	151	85.403	67.220	-238.314	-128.634
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-9.756.561	-4.546.148	13.713.997	7.657.487
1. Profit for the period(149-151)	153	0	0	13.713.997	7.657.487
2. Loss for the period (151-148)	154	9.756.561	4.546.148	0	0
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155	-9.677.348	-4.580.572	13.410.974	7.362.076
2. Attributed to minority interests	156	-79.213	34.424	303.023	295.411
STATEMENT OF COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-9.756.561	-4.546.148	13.713.997	7.657.487
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	49.535	-123	-90.329	-21.593
1. Exchange differences on translation of foreign operations	159	49.535	-123	-90.329	-21.593
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
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	9.907	-25	16.259	25.705
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	39.628	-98	-74.070	-17.706
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	-9.716.933	-4.546.246	13.639.927	7.639.781
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	-9.637.720	-4.580.670	13.336.904	7.344.370
2. Attributed to minority interests	170	-79.213	34.424	303.023	295.411

STATEMENT OF CASH FLOWS - Indirect method
period 01.01.2017. to 30.06.2017

INSTITUT IGH D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-9.671.158	13.475.683
2. Depreciation	002	4.258.914	4.288.662
3. Increase in short-term liabilities	003	5.027.825	11.017.194
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		16.168
6. Other cash flow increases	006		
I. Total increase in cash flow from operating activities (001 to 006)	007	-384.419	28.797.707
1. Decrease in short - term liabilities	008	0	0
2. Increase in short - term receivables	009	5.165.254	8.010.495
3. Increase in inventories	010	485.696	0
4. Other cash flow decreases	011	10.578.588	14.067.105
II. Total decrease in cash flow from operating activities (008 to 011)	012	16.229.538	22.077.600
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	6.720.107
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	16.613.957	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015	4.025	208.445
2. Cash inflows from sale of equity and debt financial instruments	016	1.337.838	0
3. Interest receipts	017	552.140	150.766
4. Dividend receipts	018	0	21.651
5. Other cash inflows from investing activities	019	20.888.668	900.000
III. Total cash inflows from investing activities(015 to 019)	020	22.782.671	1.280.862
1. Cash outflows for purchase of long - term tangible and intangible assets	021	1.034.517	1.890.284
2. Cash outflows for purchase of equity and debt financial instruments	022	0	0
3. Other cash outflows from investing activities	023	1.770.000	420.000
IV. Total cash outflows from investing activities (021 to 023)	024	2.804.517	2.310.284
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)	025	19.978.154	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	0	1.029.422
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	745.084	437.500
2. Dividends paid	032	0	0
3. Cash outflows for finance lease	033	358.789	191.509
4. Cash outflows for purchase of own stocks	034	0	1.567.547
5. Other cash outflows from financing activities	035	0	0
VI. Total cash outflows from financing activities (031 do 035)	036	1.103.873	2.196.556
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	1.103.873	2.196.556
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	2.260.324	3.494.129
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at the beginning of period	041	1.670.412	4.602.613
Increase in cash and cash equivalents	042	2.260.324	3.494.129
Decrease in cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of period	044	3.930.736	8.096.742

STATEMENT OF CHANGES IN EQUITY
from 1.1.2017 to 30.6.2017

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	-2.479.608	-5.583.987
4. Retained earnings or accumulated loss	004	-228.039.382	-282.278.488
5. Profit / loss for the current year	005	-56.280.307	13.410.974
6. Revaluation of long - term tangible assets	006	147.371.922	145.578.246
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	-22.822.665	-12.268.545
11. Currency gains and losses arising from net investments in foreign operations	011	-15.136	-74.070
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	-15.136	-74.070
17 a. Attributed to equity holders of parent company	018	-22.837.801	-12.342.615
17 b. Attributed to minority interest	019	-961.619	-651.857

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

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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 2017 are prepared in accordance with the Accountancy Law (Official Gazette 78/15, 133/15, 120/16) 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
28 July 2017



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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:
Zagrebacka banka d.d.
IBAN:
HR772360001101243767
SWIFT kod: ZABAHR2X

Uprava:
Ivan Paladina, dipl.oec, predsjednik Uprave
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Nadzorni odbor:
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MANAGEMENT BOARD REPORT ON BUSINESS RESULTS OF THE COMPANY INSTITUT IGH d.d. AND ITS SUBSIDIARIES IN THE PERIOD FROM 1 JANUARY TO 30 JUNE 2017

INSTITUT IGH, d.d. Zagreb and its subsidiaries are the leading service provider in the field of design, technical supervision, laboratory services and project management of infrastructure and civil engineering projects in Southeast Europe. 17 subsidiary companies with the same core activity or similar business activities are affiliated to Institut IGH d.d.

A total of 541 employees were employed with INSTITUT IGH d.d. and its subsidiaries on 30 June 2017.

In the first half-year of 2017, INSTITUT IGH d.d. operated at a profit in the amount of HRK 12.1 million, primarily as the result of a 37% increase in operating revenues, which amounted to HRK 97.0 million out of which 35% relates to operating revenues from international operations. On the other hand, the operating expenses increased by 11% when compared to the same period of the previous year, which resulted in achieved EBITDA of HRK 16.6 million. Moreover, in the first half-year of 2017, the Company achieved a positive result from exchange rate differentials, due to appreciation of Croatian kuna exchange rate against euro.

In the first half-year of 2017, IGH Group realized a net profit of HRK 13.7 million, also primarily due to a 38% increase in operating revenues, which amounted to HRK 102.6 million, and a positive result from exchange rate differentials. Consolidated operating revenues from international operations represent 33% of total operating revenues. Consolidated operating expenses amounted to HRK 88.0 million, which is an increase by 9% when compared to the first half-year of 2016, which together with a

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Nadzorni odbor:
Žarka Dešković, dipl.ing.grad.,
predsjednik Nadzornog odbora



significant increase in revenues resulted in achieved EBITDA of HRK 18.9 million.

On 30 June 2017, INSTITUT IGH d.d., had active contracts in progress amounting to HRK 266 million.

The achieved operating and net profit represents a continuation of positive trends in the business operation of the Company and Group, and follows as a result of strong development of business operation on the domestic as well as international markets. On the other hand, the operating expenses were relatively reduced by operational restructuring measures, and are directly managed on a daily basis. The results of the first half-year are partly a result of external impact of HRK appreciation, however, independently of this effect, the net result is definitely positive, which is a continuation of an upward business trend according to all indicators. In parallel with the growth in operating results, the Company continues the process of deleveraging and improvement of current liquidity.

However, despite positive trends in operational business and the status of contracts, which provide grounds for optimism for the following period, the fact that the Company continues to record negative equity and that the obligation to repay the senior loan principal commenced in June 2017, in compliance with provisions of the Pre-bankruptcy Settlement and subsequent agreements with creditors of category a), cannot be disregarded. The Company has not paid corresponding principal instalment till the day of this report, but the Management Board gives maximal effort to regulate relationship with creditors and fulfil liabilities, and we are confident that the outcome will be positive. Further on, taking into account all indicators, Management Board is confident that the business operation in the following period will be successful and stable.

Zagreb, 28 July 2017

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

Ivan Paladina
Ivan Paladina, President of the Management Board

