INGRA D.D. AND SUBSIDIARIES

Consolidated financial statements
as at 31 December 2010
together with the Independent Auditors' Report

INGRA

Management Report

Introduction

INGRA is a company established in the year 1955, as an export association of industrial manufacturers from ex-Yugoslavia, with the goal of organising their export activities and commercial development. In 55 years of its existence, INGRA participated in over 700 investment projects in more than 30 countries worldwide; whose total value exceeds USD 10 billion.

Within the scope of its various present business activities, the Group operates in four different business segments:

- Construction engineering
- Energetic and Industrial engineering
- Project development through self-funded investment projects and
- Public-private partnerships as separate segment of project development in the field of public infrastructure

Through the cooperation with more than 40 companies, INGRA has expanded its primary activity of exporting investment projects for known clients to the marketing of self-funded investment projects.

Investment construction takes the form of "turnkey construction", and includes construction work, delivery and assembly of equipment and starting processes in the area of industry, infrastructure, energy, health as well as tourism.

Operating and financial review of the financial year

According to consolidated financial statements for the year 2010 the Group realised total revenues amounting to HRK 305.95 million (which are lower by 49.69% than revenues realised in 2009 amounting to HRK 608.07 million) out of which:

- Operating revenues amount to HRK 252.31 million and are lower by 56.87% compared to previous period (2009: HRK 585.01 million).
- Financial revenues amount to HRK 53.64 million and are higher by 132.63% compared to HRK 23.056 million realised in the year 2009.

Total consolidated expenses for the year 2010 amount to HRK 396.49 million and are lower by 41.60% in comparison to HRK 678.87 million incurred in 2009.
For the period under review operating loss amounts to HRK 45.056 million while total loss amounts to HRK 90.56 million.
Loss attributable to parent company Ingra d.d. amounts to HRK 89.938 million which will be covered by Company's reserves. Total equity of the Group after the current loss amounts to HRK 490.226 million.

Loss is mostly a result of the significant decline in the realisation due to slowdowning in infrastructural works as well as in new investment cycles in Croatia followed by further extension of contracting deadlines on foreign markets above planned terms.

However, business plans for this year, at least relating to foreign realisation are much more positive, and the estimation that the certain works will be successfully contracted which will contribute to better realisation is considered to be real.

Furthermore, in accordance with International Financial Reporting Standards, INGRA Group has made one-off value adjustments and recognized impairment losses on assets which had a negative effect on the financial result. These value adjustments and impairment losses have been recognized for long-term tangible and financial assets, bad debts as well as to provision for court cases. Total amount of these adjustments and impairment losses amounted to HRK 49 million and were by HRK 20 million lower if compared to the previous year.

Infrastructural projects of the business sector Construction – roads have mostly contributed to the realisation in the year 2010. All construction works have been finished on the project Hydro power plant Lešće, and the final takeover is expected until June 2011. Ingra Group has been involved on this project, as well as for the construction of highways in Croatia projects, as a part of Consortium of Croatian construction companies.

Despite of difficult operating circumstances, INGRA Group has successfully realised its own project – construction of commercial and residential building Dvori Lapad in Dubrovnik, worth EUR 55 million, for which the usage permit has been successfully obtained, and the sale and lease of business premises is currently in the process. The project has been finished within predicted terms which prove that the Group is capable to successfully finish its investments in difficult business environment.

Despite of all problems present in the year 2010, there has been a progress related to relationship with contracting parties involved in project Arena Zagreb, and the stabilisation of the collection from public partners is expected.

Adjustment to present circumstances and restructuring

Significant activities in operating and financial restructuring of the Group have been undertaken in the past period with the purpose of higher quality of adjustment to new circumstances on the market as well as for constructing new grounds with higher quality for long-term stable business.

Business has been rationalized on all levels:

- Costs of material and services in comparison to last year are lower by 43.31%, personnel costs by 38.05%,
- During the year 2010, the Group decreased its current liabilities for HRK 150 million out of which trade accounts payable amount to HRK 109 million. In order to decrease trade accounts payable, the Group made compensations for Group's assets in the amount of HRK 35.04 million.
- All together, during the year 2009 and 2010 trade accounts payables have been decreased for the amount of HRK 460 million.

- The rest of available assets have been used as collateral for bank loans and retention of approved limits.

Business year 2010 has been marked with significant decisions brought in relation to finance restructuring and stabilisation of Group's business:

General Assembly of bond holders

On 6 July 2010, on parent Company's initiative as a bond issuer, General Assembly has been held for bond holders of INGR-0-11CA issued on 6 December 2006, registered on regular Zagreb Stock Exchange. The decision has been brought on the prolongation of bond's due date for further five years, respectively from year 2011 to year 2016, while other terms remained unchanged. Operating conduction of the change of due date from 2011 to 2016 is expected for this year.

Increase of capital

Major step in further business stabilisation has been made by conversion of debt into share capital of the parent Company in the amount of HRK 120.9 million, which also resulted in one-off decrease of financial costs for current period for the amount of HRK 10 million.

Hence, the General Assembly of Ingra's shareholders held on 22 December 2010 brought the Decision on a decrease of share capital by HRK 150 million by the transfer of funds from the capital decrease into parent Company's reserves. In accordance with the second Decision brought by General Assembly previously decreased share capital has been increased by HRK 120,904,000 on the amount of HRK 270,904,000.

From this amount:

- HRK 38 million related to conversion of bonds,
- HRK 40.42 million related to conversion of active trances of treasury bills, and
- HRK 42.48 million related to conversion of debts toward business partners and co-operants on investment projects.

New ordinary 6,045,200 shares have been issued in accordance with this Decision, without nominal amount, and the share capital is now divided into 13,545,200 shares without nominal amount.

At the same time, changes in Articles of Association have been adopted which, beside the increase and decrease of share capital, include the decision that the Company's management is permitted to once or on more occasions increase share capital by issuance of new shares, up to maximum amount of HRK 406,356,000 (from the amount of HRK 270,904,000 for the maximum amount of HRK 135,452,000). Listing of new shares on Regular Zagreb Stock Exchange is planned after the audit of the financial statements and approval of Prospectus from regulatory bodies.

During the year the Group has at the same time regularly paid all of its financial liabilities on the basis of debt securities, while the differences which occurred in liabilities toward business banks will be covered in the Programme on refinancing of debts, which is made on Management's Board and business banks' level and which finalisation is expected by the summer 2011, and in accordance with this new arrangement stability related to relations with bank will be maintained on longer basis and with lower borrowing costs.

Conclusion:

The Group continues to be present on domestic market through major infrastructural projects such as construction of highways, energetic and other public objects, inspite of constant deterioration of macro-economic factors which resulted in difficult business circumstances,.

In order to strengthen its competitor's position and to make sure that contracts for new projects will be successfully negotiated, the Company has increased its presence on foreign market, and has invested significant amounts of money into foreign operations during the previous period, and it is transparent that few major contracts will be signed in future period.

It is considered that this kind of business diversification is necessary in order to decrease current business risks and at the same time provide leverage for further growth and development.

More and more Croatian companies are involved in foreign operations of the Company, which enables the presence of those companies on international markets.

In perspective, this joint venture should finally result in the foundation of consortium which will successfully realise complex investment projects on international markets which are more and more demanding.

On behalf of the Management' Board

INGRA
ZAGREB

Igor Oppenheim

President of the Board

Responsibility for the Consolidated Financial Statements

The Management presents Consolidated Financial Statements for the company Ingra d.d. ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2010.

Pursuant to the Croatian Accounting Law (Official Gazette 109/07), the Board is responsible for ensuring that consolidated financial statements are prepared for each financial year in accordance with International Financial Reporting Standards applied in the European Union, which give a true and fair view of the financial position and results of the Group for that period.

The Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

In preparing those Consolidated Financial Statements, the responsibilities of the Board include ensuring that:

- appropriate accounting policies are selected and then applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed, subject to any material departures disclosed and explained in the financial statements; and
- consolidated Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and must also; ensure that the financial statements comply with the Croatian Accounting Law (Official Gazette 109/07). The Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

By order of the Management Board

INGRA
ZAGREB

Igor Oppenheim

President of the Management Board

Ingra d.d.
Alexandera von Humboldta 4 B
10000 Zagreb
Republic of Croatia

Zagreb, 8 March 2011

Grant Thornton

Independent Auditor's report

To the Management Board and Shareholders of Ingra d.d.

We have audited the accompanying consolidated financial statements of Ingra d.d. Zagreb and its subsidiaries (hereinafter: the Group), which comprise the consolidated statement of financial position as of 31 December 2010, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as presented on pages 8 to 58.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for the Qualified opinion

As described in the notes 15 and 16, the Group stated an investment in the foreign associate Mavrovo Inženjering dooel in the amount of HRK 9.6 million, and investment in the company Opatija Nekretnine d.o.o. in the amount of HRK 6.9 million (in which the Group holds less than 20% of the share capital of that company). Based on our audit procedures performed, we were not able to satisfy ourselves in the recoverability of these investments.

At balance sheet date the Group has receivable on the basis of loans granted (including interest) to the associate Mavrovo Inženjering dooel in the amount of HRK 12.8 million. Based on our audit procedures performed, we were not able to satisfy ourselves in the recoverability of these receivables in the amount of HRK 7.4 million.

In note 22 is stated recognition of accrued income in the amount of HRK 53 million from joint ventures abroad, whose collection depends on the resolution of a claim lead by the main constructor, and the final outcome of the procedure has not been completed.

Opinion

In our opinion, except for the effect on the consolidated financial statements of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements give true and fair view of the Group's financial position as of 31 December 2010 and the results of its operations, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards adopted by the European Union.

Emphasis of matter

Without further qualifying our opinion, we draw attention to the following:

As explained in note 18, the Group as at 31 December 2010 reported long term receivable from Zagrebački holding d.o.o. in relation to Arena Zagreb project. In case that Zagrebački holding d.o.o. excersizes the option of early redemption of Arena Zagreb after the seventh year, internal rate of return of the investment for that period would be lower than market interest rate for placements with similar credit characteristics. We were not able to estimate certainty of early redemption by Zagrebački holding d.o.o.

As stated in note 35, due to further strengthening of economic crisis during 2009 and 2010 and mismatch in the maturity structure of assets and liabilities, the Group's Management intensively conducts activities in order to adjust the maturity structure of assets and liabilities which includes sale of the part of Group's assets and re-financing on the longer basis. Therefore, consolidated financial statements as at 31 December 2010 have been prepared on the going concern basis.

Grant Thornton revizija d.o.o.
Koranska 16, 10000 Zagreb
Zagreb, 8 March 2011

GRANT THORNTON
revizija d.o.o.
ZAGREB

Siniša Dušić
Certified auditor

ATTACHMENT 1

Reporting period: 01.01.2010 to 31.12.2010

Annual financial statement of the entrepreneur-GFI-POD

Tax number (MB): 3277267

Company registration number (MBS): 080020443

Personal identification number (OIB): 14049708426

Issuing company: INGRA d.d.

Postal code and place: 10000 Zagreb

Street and house number: Alexandera von Humboldta 4b

E-mail address: ingra@ingra.hr

Internet address: www.ingra.hr

unicipality/city code and name: 133 Zagreb

County code and name: 21 Grad Zagreb

Number of employees (year end): 123

Consolidated report: YES

NKD code: 74200

ompanies of the consolidation subject (according to IFRS	Seat:	MB:
LANIŠTE d.o.o.	A. von Humboldta 4b, Zagreb	080421718
INGRA GRADNJA d.o.o.	A. von Humboldta 4b, Zagreb	1853872
INGRA M.E. d.o.o.	A. von Humboldta 4b, Zagreb	015686612
DOMOVI DALMATINSKE RIVIJERE d.o.o.	Ćire Carića 3, Dubrovnik	017571148
INGRA MAR d.o.o.	A. von Humboldta 4b, Zagreb	015388870
POSEDARJE RIVIJERA d.o.o.	Trg Martina Posedarskog 1, Posedarje	02096307

Bookkeeping service:

Contact person: Asić Ivan
(only surname and name)

Telephone: 01/6102-548

Facsimile: 01/6156-394

E-mail address: ingra@ingra.hr

Family name and name: Oppenheim Igor
(person authorized to represent the company)

Documentation for publishing:
1. Audited annual financial statements

L.S.

(signature of the person authorized to represent the company)

BALANCE SHEET

as at 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABELS FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+028+032)	002	1.161.207.832	1.166.485.247
I. INTANGIBLE ASSETS (004 do 009)	003	29.279.442	5.079.699
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		
3. Goodwill	006	29.279.442	5.079.699
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. TANGIBLE ASSETS(011 do 019)	010	173.223.822	220.624.280
1. Land	011	12.060.274	12.060.274
2. Buildings	012	81.246.270	79.032.956
3. Plant and equipement	013	1.306.645	504.109
4. Tools, plant inventory and transportation assets	014	2.433.969	532.315
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		
7. Tangible assets in progress	017		
8. Other tangible assets	018	49.796	49.796
9. Investment in real-estate	019	76.126.868	128.444.830
III. NON-CURRENT FINANCIAL ASSETS (021 do 027)	020	53.257.800	70.164.760
1. Share in related parties	021	9.697.170	9.652.169
2. Loans to related parties	022	11.299.315	11.299.315
3. Participating interests (shares)	023	25.693.939	45.645.938
4. Investments in securities	024	5.166.158	2.530.702
5. Loans, deposits, etc.	025	1.401.218	1.036.636
6. Company's own stocks and shares	026		
7. Other non-current financial assets	027		
IV. RECEIVABLES (029 do 031)	028	905.446.768	870.616.509
1. Receivables from related parties	029		
2. Receivables arising from sales on credit	030	905.446.768	870.616.509
3. Other receivables	031		
V. DEFERRED TAX ASSET	032		
C) CURRENT ASSETS (034+042+049+057)	033	626.652.630	485.856.636
I. INVENTORIES (035 do 041)	034	318.179.219	302.268.753
1. Raw materials and supplies	035	12.593	5.301
2. Production in progress	036	292.792.838	26.424.643
3. Unfinished and semifinished products	037		
4. Finished products	038	25.352.063	275.838.809
5. Merchandise	039		
6. Advances for inventories	040		
7. Other assets held for sale	041	21.725	
II. RECEIVABLES (043 do 048)	042	213.892.887	101.849.684
1. Receivables from related parties	043	8.478.659	5.473.983
2. Receivables from customers	044	154.208.850	73.226.490
3. Receivables from participating parties	045		
4. Receivables from employees and members of the company	046	705.186	1.127.537
5. Receivables from government and other institutions	047	29.094.766	8.178.862
6. Other receivables	048	21.405.426	13.842.812
III. CURRENT FINANCIAL ASSETS (050 do 056)	049	68.562.561	69.777.548
1. Share in related parties	050		
2. Loans to related parties	051		
3. Participating interests (shares)	052		
4. Investments in securities	053	19.643.050	14.909.143
5. Loans, deposits, etc.	054	48.919.511	54.868.405
6. Company's own stocks and shares	055		
7. Other current financial assets	056		
IV. CASH AND CASH EQUIVALENTS	057	26.017.963	11.960.651
D) PREPAYMENTS AND ACCRUED INCOME	058	54.978.202	56.980.673
E) LOSS ABOVE SUBSCRIBED CAPITAL	059		
F) TOTAL ASSETS (001+002+033+058+059)	060	1.842.838.664	1.709.322.556
G) OFF BALANCE SHEET ITEMS	061	194.429.480	191.473.107

EQUITY AND LIABILITIES			
A) EQUITY AND RESERVES (063+064+065+071+072-073+074-075+076)	062	448.966.040	498.061.281
I. SUBSCRIBED SHARE CAPITAL	063	300.000.000	270.904.000
II. CAPITAL RESERVES	064	123.000.000	250.572.308
III.RESERVES FROM PROFIT (066+067-068+069+070)	065	59.682.226	29.043.107
1. Legal reserves	066	8.271.510	8.271.510
2. Reserves for own shares	067	9.000.000	9.000.000
3. Company's own stocks and shares (deductible items)	068	6.457.000	
4. Statutory reserves	069		
5. Other reserves	070	48.867.716	11.771.597
IV. REVALUATION RESERVES	071	7.012.358	41.921.987
V. RETAINED EARNINGS	072	34.397.422	
VI. LOSS CARRIED FORWARD	073		
VII. NET PROFIT FOR THE PERIOD	074		
VIII. LOSS FOR THE PERIOD	075	71.282.565	90.473.101
IX. MINORITY INTEREST	076	-3.843.401	-3.907.020
B) PROVISIONS (078 do 080)	077	6.985.897	9.232.181
1. Provisions for pensions, severance pay and similar libabilities	078		
2. Provisions for tax liabilities	079		
3. Other provisions	080	6.985.897	9.232.181
C) NON-CURRENT LIABILITIES (082 do 089)	081	569.224.773	513.810.783
1. Liabilites to related parties	082		
2. Liabilities for loans, deposits, etc.	083	47.740.849	47.726.883
3. Liabilities to banks and other financial institutions	084	317.336.099	291.191.358
4. Liabilities for advances	085		
5. Trade payables	086		
6. Liabilities for marketable securities	087	191.129.491	162.109.995
7. Other non-current liabilities	088		
8. Deferred tax liabilities	089	13.018.334	12.782.547
D) CURRENT LIABILITIES (091 do 101)	090	814.033.114	665.144.161
1. Liabilites to related parties	091	17.217.327	5.024.189
2. Liabilities for loans, deposits, etc.	092		
3. Liabilities to banks and other financial institutions	093	390.566.648	454.088.215
4. Liabilities for advances	094	51.119.301	28.736.253
5. Trade payables	095	225.863.109	111.903.933
6. Liabilities for marketable securities	096	102.014.563	46.313.238
7. Liabilities to emloyees	097	1.426.539	1.678.927
8. Taxes, contributions and similar liabilities	098	8.901.117	4.749.919
9. Liabilities arising from share in the result	099	2.460.765	1.043.823
10. Liabilities arising from non-current assets held for sale	100		
11. Other current liabilities	101	14.463.745	11.605.664
E) ACCRUED EXPENSES AND DEFERRED INCOME	102	3.628.840	23.074.150
F) TOTAL EQUITY AND LIABILITIES (062+077+081+090+102)	103	1.842.838.664	1.709.322.556
G) OFF BALANCE SHEET ITEMS	104	194.429.480	191.473.107
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	105	452.809.441	501.968.301
2. Attributable to minority interest	106	-3.843.401	-3.907.020

PROFIT AND LOSS ACCOUNT

for the period from 01.01.2010 to 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
I. OPERATING INCOME (108 do 110)	107	585.011.834	252.312.316
1. Rendering of services	108	502.714.151	230.125.262
2. Income from usage of own products, merchandise and services	109	0	
3. Other operating income	110	82.297.683	22.187.054
II. OPERATING COSTS (112-113+114+118+122+123+124+127+128)	111	546.345.834	297.368.315
1. Decrease in inventories of work in progress and finished goods	112	57.744.096	
2. Increase in inventories of work in progress and finished goods	113	0	17.974.774
3. Material expenses (115 do 117)	114	396.191.485	222.586.258
a) Costs of raw materials	115	6.326.163	4.359.231
b) Cost of goods sold	116		
c) Other material expenses	117	389.865.322	218.227.027
4. Employee benefits expenses (119 do 121)	118	55.717.574	38.845.036
a) Net salaries	119	31.967.068	24.988.390
b) Expenses for tax and contributions from salary	120	23.750.506	8.962.969
c) Expenses for contributions on salary	121	0	4.893.677
5. Depreciation and amortisation	122	6.364.464	4.928.707
6. Other expenses	123		
7. Write down of assets (125+126)	124	2.364.396	12.575.136
a) non-current assets (except financial assets)	125		
b) current assets (except financial assets)	126	2.364.396	12.575.136
8. Provisions	127		2.360.000
9. Other operating costs	128	27.963.819	34.047.952
III. FINANCIAL INCOME (130 do 134)	129	23.056.292	53.634.766
1. Interest, foreign exchange differences, dividens and similar income from related parties	130	223.242	209.285
2. Interest, foreign exchange differences, dividens and similar income from third parties	131	21.886.941	31.643.333
3. Income from investments in associates and joint ventures	132	0	
4. Unrealised gains (income)	133	403.286	49.096
5. Other financial income	134	542.823	21.733.052
IV. FINANCIAL EXPENSES (136 do 139)	135	132.526.362	99.123.825
1. Interest, foreign exchange differences, dividens and similar income from related	136		161.184
2. Interest, foreign exchange differences, dividens and similar income from third parties	137	43.781.668	49.526.264
3. Unrealised losses (expenses) from financial assets	138	61.199.778	41.176.402
4. Other financial expenses	139	27.544.916	8.259.975
V. EXTRAORDINARY - OTHER INCOME	140		
VI. EXTRAORDINARY - OTHER EXPENSES	141		
VII. TOTAL INCOME (107+129+140)	142	608.068.126	305.947.082
VIII. TOTAL EXPENSES (111+135+141)	143	678.872.196	396.492.140
IX. PROFIT BEFORE TAXES (142-143)	144	0	0
X. LOSS BEFORE TAXES(143-142)	145	70.804.070	90.545.059
XI. TAXATION	146	628.327	17.700
XII. NET PROFIT FOR THE PERIOD (144-146)	147	0	0
XIII. LOSS FOR THE PERIOD (145+146) or (146-144)	148	71.432.397	90.562.759
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)			
XIV.* NET PROFIT ATTRIBUTABLE TO MAJORITY OWNERS	149		
XV.* NET PROFIT ATTRIBUTABLE TO MINORITY INTEREST	150		
XVI.* LOSS ATTRIBUTABLE TO MAJORITY OWNERS	151	71.282.565	90.473.101
XVII.* LOSS ATTRIBUTABLE TO MINORITY INTEREST	152	149.832	89.658

CASH FLOW STATEMENT - Indirect method

in the period from 01.01.2010 to 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-71.282.565	-90.473.101
2. Depreciation and amortisation	002	6.364.464	4.928.707
3. Increase of current liabilities	003		
4. Decrease of current receivables	004	94.922.333	93.594.345
5.Decrease of inventories	005	29.681.453	
6. Other cash flow increases	006	120.801.799	90.072.858
I. Total increase of cash flow from operating activities	007	180.487.484	98.122.809
1. Decrease of current liabilities	008	271.272.345	114.677.254
2. Increase of current receivables	009		
3. Increase of inventories	010		22.031.499
4. Other cash flow decreases	011	60.268.900	29.621.684
II. Total decrease of cash flow from operating activities	012	331.541.245	166.330.437
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	151.053.761	68.207.628
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current tangible and intangible assets	015	26.985.678	2.288.756
2. Proceeds from sale of non-current financial assets	016	12.401.432	65.001
3. Interest received	017		
4. Dividend received	018		
5. Other proceeds from investing activities	019		34.830.432
III. Total cash inflows from investing activities	020	39.387.110	37.184.189
1. Purchase of non-current tangible and intangible assets	021	506.453	629.791
2. Purchase of financial assets	022	20.344.188	18.206.975
3. Other cash outflows from investing activities	023	6.199.698	63.673
IV. Total cash outflows from investing activities	024	27.050.339	18.900.439
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	12.336.771	18.283.750
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	0	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		4.045.345
2. Proceeds from loans and borrowings	028	263.142.143	48.246.344
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	263.142.143	52.291.689
1. Repayment of loans and bonds	031	121.792.433	16.425.123
2. Dividends paid	032	3.750.000	
3. Repayment of finance lease	033		
4. Purchase of Company's own shares	034	12.346.454	
5. Other cash outflows from financing activities	035	420.321	
VI. Total cash outflows from financing activities	036	138.309.208	16.425.123
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	124.832.935	35.866.566
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	13.884.055	14.057.312
Cash and cash equivalents at the beginning of period	041	39.902.018	26.017.963
Increase of cash and cash equivalents	042	137.169.706	54.150.316
Decrease of cash and cash equivalents	043	151.053.761	68.207.628
Cash and cash equivalents at the end of period	044	26.017.963	11.960.651

STATEMENT OF CHANGES IN EQUITY

for period from 01.01.2010 to 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
1. Subscribed share capital	001	300.000.000	270.904.000
2. Capital reserves	002	123.000.000	250.572.308
3. Net income reserves	003	55.988.657	25.225.745
4. Retained earnings or loss carried forward	004	34.397.422	
5.Net profit (loss) for the period	005	-71.432.397	-90.562.759
6. Revaluation of non-current tangible assets	006	42.866.134	41.921.987
7. Revaluation of intangible assets	007	0	
8. Revaluation of available for sale financial assets	008	-35.853.776	
9. Other revaluation	009	0	
10. Total equity and reserves (AOP 001 do 009)	010	448.966.040	498.061.281
11. Foreign exchange differences from investments abroad	011		
12. Current and deferred taxes (part)	012		
13. Hedging	013		
14. Change of accounting policies	014		
15. Change of prior period errors	015		
16. Other changes in equity	016		
17. Total increase or decrease of equity (AOP 011 do 016)	017	0	0
17 a. Attributable to majority owners	018	452.809.441	501.968.301
17 b. Attributable to minority interest	019	-3.843.401	-3.907.020

Positions which are decreasing equity are entered with negative sign.
Positions under AOP numbers 001 to 009 are entered as a state on balance sheet date.

Notes to financial statements

(1) Notes to the financial statements contain additional and complementary information that is not presented in the balance sheet, income statement, statement of cash flows and statement of changes in equity in accordance with the provisions of the relevant financial reporting standards. (2) Notes to the annual financial report shall be published in full in accordance with the contents of the relevant provisions of Financial Reporting Standards.