

Appendix 1

Reporting period:

01.01.2012.

to

31.03.2012.

Quarterly financial report of entrepreneur TFI-POD

Registration number (MB) | 03282635 |

Identification number of subject
(MBS) | 080040936 |Personal identification
number (OIB) | 45050126417 |

Issuer company: KONČAR - ELECTRICAL INDUSTRY Inc.

Postal code and place | 10000 |

ZAGREB

Street and number | FALLEROVO ŠETALIŠTE 22 |

E-mail address: koncar.finance@koncar.hrInternet address: www.koncar.hr

Code and name of comune/to | 133 | ZAGREB |

Code and county name | 21 | GRAD ZAGREB |

Number of employees | 49 |

Consolidated statement | NO |

(at quarter end)
NKD/NWC code: | 2711 |

Subsidiaries subject to consolidation (according to IFRS): | | in appendix | | Registration number: | |

Book keeping service: | |

Contact person: ILIĆ VESNA
(fill in only surname and name of contact person)

Phone number: 01 3667 183 |

Fascimile: 01 3667 177

E-mail address: vesna.ilic@koncar.hrSurname and name | BAGO DARINKO |
(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements

M.P.

(signed by authorised person for representation)

Balance Sheet
as of 31.03.2012.

Company: Končar - Electrical Industry Inc.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.096.115.598	1.099.179.655
I. INTANGIBLE ASSETS (004 do 009)	003	81.651	40.826
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009	81.651	40.826
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	325.058.313	328.364.118
1. Land	011	73.320.124	73.320.124
2. Buildings	012	134.064.653	132.675.479
3. Plant and equipment	013	13.749.214	18.440.038
4. Tools, working inventory and transportation assets	014	1.508.563	1.512.719
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	43.568	43.567
7. Tangible assets in progress	017	8.459.202	8.459.202
8. Other tangible assets	018	63.376	63.376
9. Investment in real-estate	019	93.849.613	93.849.613
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	741.803.810	741.845.621
1. Share in related parties	021	737.341.793	737.383.604
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	4.462.017	4.462.017
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	29.171.824	28.929.090
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	23.497.797	23.272.334
3. Other receivables	032	5.674.466	5.656.756
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	409.217.316	428.235.019
I. INVENTORIES (036 do 042)	035	90.441	135.691
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040	90.441	135.691
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	48.764.661	77.702.190
1. Receivables from related parties	044	29.439.913	58.783.120
2. Receivables from end-customers	045	495.870	316.515
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	38.204	612.623
5. Receivables from government and other institutions	048	602.804	7.607
6. Other receivables	049	18.187.870	17.982.325
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	317.823.242	302.865.150
1. Share in related parties	051		
2. Loans to related parties	052	53.915.000	59.140.000
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	263.908.242	243.725.150
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	42.538.972	47.531.988
D) PREPAYMENTS AND ACCRUED INCOME	059	861.682	1.988.413
E) TOTAL ASSETS (001+002+034+059)	060	1.506.194.596	1.529.403.087
F) OFF BALANCE SHEET ITEMS	061	796.880.027	801.562.201

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.297.367.022	1.318.888.722
I. SUBSCRIBED SHARE CAPITAL	063	1.028.847.600	1.028.847.600
II. CAPITAL RESERVES	064	719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	160.743.015	200.682.983
1. Legal reserves	066	14.464.809	17.997.220
2. Reserve for own shares	067	3.845.600	4.826.311
3. Treasury shares and shares (deductible items)	068	3.845.600	4.826.311
4. Statutory reserves	069	84.276.008	102.458.881
5. Other reserves	070	62.002.198	80.226.882
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	36.408.610	67.158.670
1. Retained earnings	073	36.408.610	67.158.670
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	70.648.218	21.479.890
1. Net profit for the period	076	70.648.218	21.479.890
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	201.043.042	200.957.021
1. Provisions for pensions, severance pay and similar liabilities	080	946.316	946.316
2. Provisions for tax liabilities	081		
3. Other provisions	082	200.096.726	200.010.705
C) NON-CURRENT LIABILITIES (084 do 092)	083	170.000	170.000
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085	170.000	170.000
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	7.614.532	9.387.344
1. Liabilities to related parties	094	974.776	1.294.573
2. Liabilities for loans, deposits, etc.	095	340.000	340.000
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	1.054.832	1.070.841
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.305.606	2.897.769
9. Taxes, contributions and similar liabilities	102	2.702.518	3.462.641
10. Liabilities arising from share in the result	103	114.360	105.552
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	122.440	215.968
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.506.194.596	1.529.403.087
G) OFF BALANCE SHEET ITEMS	108	796.880.027	801.562.201
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement
period 01.01.2012. to 31.03.2012.

Company: Končar -Electrical Industry Inc.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	13.294.613	13.294.613	13.319.020	13.319.020
1. Rendering of services	112	12.934.285	12.934.285	13.121.824	13.121.824
2. Other operating income	113	360.328	360.328	197.196	197.196
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	17.448.034	17.448.034	16.648.298	16.648.298
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	6.634.920	6.634.920	5.895.888	5.895.888
a) Costs of raw materials	117	1.740.260	1.740.260	1.541.047	1.541.047
b) Cost of goods sold	118				
c) Other material expenses	119	4.894.660	4.894.660	4.354.841	4.354.841
3. Employee benefits expenses (121 do 123)	120	5.544.748	5.544.748	5.103.681	5.103.681
a) Net salaries	121	2.633.235	2.633.235	2.440.585	2.440.585
b) Tax and contributions from salary expenses	122	2.097.779	2.097.779	1.914.092	1.914.092
c) Contributions on salary	123	813.734	813.734	749.004	749.004
4. Depreciation and amortisation	124	1.985.385	1.985.385	2.402.263	2.402.263
5. Other expenses	125	1.221	1.221	1.462	1.462
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	3.281.760	3.281.760	3.245.004	3.245.004
III. FINANCIAL INCOME (132 do 136)	131	33.846.283	33.846.283	25.985.207	25.985.207
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	32.449.036	32.449.036	24.503.457	24.503.457
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	1.397.247	1.397.247	1.481.750	1.481.750
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	3.359.148	3.359.148	1.176.039	1.176.039
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	3.359.148	3.359.148	1.176.039	1.176.039
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	47.140.896	47.140.896	39.304.227	39.304.227
X. TOTAL EXPENSES (114+137+143+145)	147	20.807.182	20.807.182	17.824.337	17.824.337
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	26.333.714	26.333.714	21.479.890	21.479.890
1. Profit before taxes (146-147)	149	26.333.714	26.333.714	21.479.890	21.479.890
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	26.333.714	26.333.714	21.479.890	21.479.890
1. Profit for the period (149-151)	153	26.333.714	26.333.714	21.479.890	21.479.890
2. Loss for the period (151-148)	154	0	0	0	0
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	26.333.714	26.333.714	21.479.890	21.479.890
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	-184.468	-184.468	41.810	41.810
1. Exchange differences from international settlement	159	-184.468	-184.468	41.810	41.810
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	-184.468	-184.468	41.810	41.810
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	26.149.246	26.149.246	21.521.700	21.521.700
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOWS - Direct method
period 01.01.2012. to 31.03.2012.

Legal entity: Končar Electrical Industry INC.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Cash receipts from customers	001	13.973.710	11.314.825
2. Cash receipts from royalties, fees, commissions, etc.	002		
3. Cash receipts from insurance for damages compensation	003		
4. Cash receipts arising from tax refunds	004		
5. Other cash receipts	005	1.561.975	1.713.096
I. Total increase in cash flow from operating activities (001 to 005)	006	15.535.685	13.027.921
1. Cash paid to suppliers	007	12.185.820	10.277.671
2. Cash paid to employees	008	3.979.002	3.784.199
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	4.291	87
5. Tax paid	011	1.377.558	
6. Other cash outflows	012	4.626.701	2.305.871
II. Total decrease in cash flow from operating activities (007 to 012)	013	22.173.372	16.367.828
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	6.637.687	3.339.907
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	593.686	478.470
2. Cash inflows from sale of equity and debt financial instruments	017	7.074	
3. Interest receipts	018	1.185.089	678.635
4. Dividend receipts	019	75.177.608	
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	76.963.457	1.157.105
1. Cash outflows for purchase of long - term tangible and intangible assets	022	617.429	7.779.238
2. Cash outflows for purchase of equity and debt financial instruments	023	8.599.399	
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	9.216.828	7.779.238
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	67.746.629	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	0	6.622.133
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	028		
2. Cash inflows from loans, debentures, credits and other borrowings	029	2.923.291	
3. Other cash inflows from financing activities	030		20.965.990
V. Total cash inflows from financing activities (028 to 030)	031	2.923.291	20.965.990
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033		8.808
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		
5. Other cash outflows from financing activities	036	3.500.000	6.002.126
VI. Total cash outflows from financing activities (032 to 036)	037	3.500.000	6.010.934
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	14.955.056
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	576.709	0
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	60.532.233	4.993.016
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	0	0
Cash and cash equivalents at the beginning of period	042	163.325.576	42.538.972
Decrease in cash and cash equivalents	043	60.532.233	4.993.016
Increase in cash and cash equivalents	044		
Cash and cash equivalents at the end of period	045	223.857.809	47.531.988

STATEMENT OF CHANGES IN EQUITY

period 01.01.2012. to 31.03.2012. Eq

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	1.028.847.600	1.028.847.600
2. Capital reserves	002	719.579	719.579
3. Reserves from profit	003	160.743.015	200.682.983
4. Retained earnings or loss carried forward	004	36.408.610	67.158.670
5. Net profit or loss for the period	005	70.648.218	21.479.890
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	1.297.367.022	1.318.888.722
11. Foreign exchange differences from foreign investments	011	217.531	41.810
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	40.517.755	21.479.890
17. Total increase or decrease of equity (AOP 011 to 016)	017	40.735.286	21.521.700
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		