

**KONČAR GROUP MANAGING BOARD BUSINESS REPORT
FOR THE TIME PERIOD FROM JANUARY TO DECEMBER 2012
(Non-audited Report)**

The KONČAR Group consists of KONČAR – ELECTRICAL INDUSTRY Inc. as the Mother Company and 20 dependant companies in which the mother company has a prevailing influence (more than 50 % of votes at the AGM/EGM). In a smaller part of companies, besides ordinary shares, preferred shares have been registered as well. In addition, the Mother Company has a minority managing impact (49 % of votes at the AGM/EGM) in one company (associated company).

Companies within the Group are legally independent companies and the Mother Company supervises and directs them through Company Supervisory Boards in accordance with the Trading Company Act, the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc and the Statues of each individual company. The Mother Company also manages a part of the assets that are not invested into companies, but, directly or indirectly, has the function of a financial support to marketing and sales, products and equipment of associated companies as credit and guarantee potential.

As of 31th December, 2012, the potential liability of Končar – Electrical Industry Inc. for the total issued warranties amounted to HRK 625,7 million out of which amount HRK 387,9 million refers to guarantees (bid bonds, advance payment guarantees, good performance guarantees and warranty period guarantees).

The Company has formed reserves in the amount of HRK 80,5 million for potential liabilities from those guarantees.

The KONČAR Group business activities are divided into business areas:

- Energy and transport: designing and construction of plants for generation, transmission and distribution of electric energy with belonging equipment, thyristor locomotives, electrical multiple units, tram cars, and electrical line side equipment;
- Industry: electric motor drives, middle voltage and low voltage electric equipment and catering equipment;
- Trade: electric household appliances, serial products and low voltage electric apparatus.
- Special business activities: research and development of products and infrastructural services.

Managing Board

The President and Members of the Managing Board are appointed and recalled by the Supervisory Board. The term of office of the President and Members of the Managing Board lasts 5 years; after expiry of their term of office, they can be reappointed. Pursuant the Trading Company Act and the Statutes of the Company, the Managing Board manages business activities at its own responsibility; it is obliged and authorised to perform all possible actions and make decisions it considers necessary for a successful managing of the Company. Some decisions, prescribed by the Statues, require consent of the Supervisory Board.

The Company Končar – Electrical Industry Inc. is managed by the Managing Board consisting of:

Darinko Bago	The President of the Managing Board
Marina Kralj Miliša	A Member of the Managing Board in charge of Legal, Common and Personnel Affairs
Jozo Miloloža	A Member of the Managing Board in charge of Finances
Davor Mladina	A Member of the Managing Board in charge of Transmission and Distribution of Electric Energy, Industry and Trade
Miroslav Poljak	A Member of the Managing Board in charge of Generation of Electric Energy, Corporate Development and ICT

Supervisory Board

Pursuant to the provisions contained in the Companies Act and the KONČAR – Electrical Industry Inc. Charter, the General Assembly makes the decisions on appointing and relieving the Supervisory Board. The Supervisory Board is responsible for appointing and dismissing the members of the Management Board, as well as for supervising the operations of the Company. More significant transactions and business decisions (the amount of transactions has been stipulated by the Company Charter) require the approval of the Supervisory Board. The Supervisory Board consists of the following eight members:

Nenad Filipović	Chairman of the Supervisory Board
Jasminka Belačić	Vice-chairwoman of the Supervisory Board
Boris Draženović	Member of the Supervisory Board
Kristina Čelić	Member of the Supervisory Board
Vicko Ferić	Member of the Supervisory Board
Tomislav Radoš	Member of the Supervisory Board
Ivan Rujnić	Member of the Supervisory Board
Petar Vlaić	Member of the Supervisory Board

Končar Group 2012 Business Results (Non-Audited Financial Statement)

Končar Group has achieved a positive financial result for the time period from 1st January to 31st December, 2012.

Končar Group Companies generated the total consolidated incomes in the amount of HRK 2,893.1 million and it is higher by 4.7% compared to the achievements during the same time period in 2011. Nonconsolidated incomes (including incomes generated among associated companies as well) amount to HRK 3,470 million being higher by 5.2% than the achievements of the previous year. A significant part of incomes from internal relationships not included into the consolidated incomes and revenues refers to investments into improvement of the technical and technological level of the Group as a whole and they will be reflected in the increased total consolidated business results in coming years.

Total consolidated revenues were generated in the amount of HRK 2,692.6 million and they are higher by 5.5 % compared to the revenues generated during the same time period from January to December, 2011.

The consolidated Group profit before tax amounts to HRK 200.5 million and it is higher by 9 % compared to 2012 Business Plan and lower by 4.9 % compared to the achieved profit before tax during the same time period in 2011. The profit tax amounts to HRK 23.6 million and the profit after tax was generated in the amount of HRK 176.8 million out of which HRK 26.3 belongs to the non-controlling interest (the minority interest) and HRK 150.5 million or the amount higher by 12.4 % compared to the Plan and lower by 7.3 % compared to the achieved in the same period of 2011, belongs to Group Mother Company stockholders.

A share in profits belonging to associated entrepreneurs amounts to HRK 76.9 million and it is lower by HRK 56.3 million compared to the year of 2011.

Financial incomes were generated in the amount of HRK 71.6 million and they were made of interests in the amount of HRK 36.8 million, incomes arising from exchange rate differences in the amount of HRK 29.3 million and other financial incomes in the amount of HRK 5.5 million. Financial revenues were generated in the amount of HRK 45.1 million and they consisted of negative exchange rate differences in the amount of HRK 31.7 million, interests and other financial revenues in the amount of HRK 13.5. A positive difference between financial incomes and financial revenues amounts the HRK 26.5 million.

Profits from business activities in the amount of HRK 97.1 million, the share in profits belonging to associated entrepreneurs in the amount of 76.9 million and a positive difference between the financial incomes and revenues in the amount of HRK 26.5 million make consolidated profits before tax in the amount of HRK 200.5 million.

Out of 21 Končar Group Companies, 17 Companies achieved positive business results, while four companies expressed a loss in the total amount of HRK 62.7 million out of which HRK 56.6 million belong to Group Mother Company stockholders.

Consolidated incomes from sales of products and services were generated in the amount of HRK 2,443 million making them higher by 3.4 % compared to the amount generated during the same time period of the previous year. Sales of goods and services on the domestic market were generated in the amount of HRK 1,228 million (50 per cent of the total generated incomes from sales of goods and services) or they were by 12 % higher compared to the same period of the previous year, while in exports the Group generated HRK 1,228 million (50 % of the total generated incomes from sales of goods and services) or by 4.8 % lower compared to the export realised in the year of 2011. The negative correction of incomes by deferred incomes amounts to HRK 12.9 million.

Within the structure of incomes from sales of products and services on the domestic market, incomes from sales of products and services to the Croatian Power Authority (HEP) amount to HRK 655.3 million or 53 per cent out of the total generated amount on the domestic market, to trading companies the Group delivered products in the amount of HRK 182,8 million, to companies belonging to industry and shipbuilding sector the Group delivered products and services in the amount of HRK 167.8 million, to Zagrebački holding (Zagreb Electric Tram) HRK 74.6 million, to the Croatian Railways HRK 43.6 million, while the rest amount of HRK 103.9 million referred to the Croatian Motorways, State and Local Government and Public Companies.

In 2012 the Group generated incomes from sales of products and services in export in the amount of HRK 1,228 million making them lower by 4.8 % compared to exports performed in 2011.

The most important exported goods and services went to Germany (HRK 135.9 million), Sweden (HRK 107.2 million), the Czech Republic (HRK 100.4 million), Bosnia and Herzegovina (HRK 75.9 million), Finland (HRK 65.3 million) and Turkey (HRK 51.6 million).

During the same accounting period the Group imported capital equipment, raw materials and materials in the amount of HRK 649.2 million. The generated incomes from sales of goods and services in export were by 1.8 times higher than the performed import of equipment, raw materials and materials.

In 2012 Končar Group Companies contracted new projects in the amount of HRK 2,435.4 million out of which HRK 1,197.5 million on the domestic market (49 % of the total contracted projects) and HRK 1,237.9 million on the foreign market (51 of the total contracted projects).

At the end of 2012, the contracted project status amounted to HRK 2,232.4 that was at the level of the contracted project status at the beginning of the year.

In 2012 investments into tangible and intangible assets were realised in the amount of HRK 229.4 million. The majority of the stated amount was invested into: Pometeno Brdo Wind Power Plant, construction of a new Testing Station in the Company KONČAR – Distributive and Special Transformers Inc. and development of GIS apparatus and HV circuit breakers in the Company Končar – High Voltage Switchgears Inc.

The level of the total consolidated assets of the Končar Group on 31st December, 2012 amounted to HRK 3,531 million representing an increase by HRK 35.3 million compared to the level on 31st December, 2011.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest amounted to HRK 2,067 million that was HRK 129.8 million more compared to the level on 31st December, 2011 and they made 59 % of the total sources.

Long term asset sources (capital, long term reservations and long term liabilities) were higher by HRK 542.2 million compared to the long term assets and the average level of stocks pointing at a good term structure of asset sources. Current assets were 3 times higher than the current liabilities pointing at good liquidity of the system. The consolidated balance sheet structure showed a good financial stability of the Končar Group.

Signed on behalf of the Board:

KONČAR – Electrical Industry Inc.

President of the Management Board

Darinko Bago

On 14 February 2013

**RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS OF THE
KONČAR GROUP**

This statement by the Management Board of KONČAR – Electrical Industry Inc. is issued in relation to the preparation and publishing of the consolidated financial statements for the KONČAR Group for the period January to December of the year 2012.

This set of financial statements (financial statements for KONČAR – Electrical Industry Inc. and consolidated financial statements) reports on the quarterly and cumulative unaudited information. Therefore, variations are possible with respect to the final annual report.

The financial statements have been prepared in accordance with the Croatian Accounting Law valid on the day of publishing of these financial statements, as well as being with the International Financial Reporting Standards.

These consolidated financial statements, to the best of our knowledge, provide a true and fair view of the balance sheet, income statement, cash flow statement and statements of changes in equity of the KONČAR Group.

Signed on behalf of the Board:

KONČAR – Electrical Industry Inc.
President of the Management Board
Darinko Bago

On 14 February 2013

- Note:

The consolidated financial statements have been prepared by Končar – Electrical Industry Inc. expert departments.

Persons to contact:

Ervin Filipčić, Head of the Management Board office, ervin.filipcic@koncar.hr

Branka Velkovski, Accounting Specialist, branka.velkovski@koncar.hr

Ilić Vesna, Accounting Department Manager, vesna.ilic@koncar.hr

Appendix 1

Reporting period:

01.01.

to

31.12.2012.

Quarterly financial report of entrepreneur TFI-PODRegistration 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.hrCode and name of comune/to **133** **ZAGREB**Code and county name **21** **GRAD ZAGREB**Number of employees **52**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 31.12.2012.

Company: Končar - Electrical Industry Inc.			
Position	AOP	31.12.2011.	31.12.2012.
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	1.079.473.828
I. INTANGIBLE ASSETS (004 do 009)	003	81.651	
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	
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	325.058.313	345.563.135
1. Land	011	73.320.124	76.201.036
2. Buildings	012	134.064.653	128.532.663
3. Plant and equipment	013	13.749.214	24.650.685
4. Tools, working inventory and transportation assets	014	1.508.563	2.616.150
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	43.568	13.387.643
7. Tangible assets in progress	017	8.459.202	446.616
8. Other tangible assets	018	63.376	63.376
9. Investment in real-estate	019	93.849.613	99.664.966
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	741.803.371	710.356.259
1. Share in related parties	021	737.341.793	706.434.835
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	4.461.578	3.921.424
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	29.172.263	23.554.434
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	23.497.797	18.256.568
3. Other receivables	032	5.674.466	5.297.866
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	409.217.316	448.202.734
I. INVENTORIES (036 do 042)	035	90.441	794.386
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	794.386
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	48.764.661	38.932.283
1. Receivables from related parties	044	29.439.913	17.992.513
2. Receivables from end-customers	045	495.870	2.315.398
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	38.204	
5. Receivables from government and other institutions	048	602.804	
6. Other receivables	049	18.187.870	18.624.372
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	317.823.242	209.553.828
1. Share in related parties	051		
2. Loans to related parties	052	53.915.000	83.018.262
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	126.535.566
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	42.538.972	198.922.237
D) PREPAYMENTS AND ACCRUED INCOME	059	861.682	1.157.065
E) TOTAL ASSETS (001+002+034+059)	060	1.506.194.596	1.528.833.627
F) OFF BALANCE SHEET ITEMS	061	796.880.027	745.924.395

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.297.367.022	1.376.913.136
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	197.000.749
1. Legal reserves	066	14.464.809	17.997.220
2. Reserve for own shares	067	3.845.600	265.600
3. Treasury shares and shares (deductible items)	068	3.845.600	265.600
4. Statutory reserves	069	84.276.008	102.458.881
5. Other reserves	070	62.002.198	76.544.648
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	36.408.610	41.085.994
1. Retained earnings	073	36.408.610	41.085.994
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	70.648.218	109.259.214
1. Net profit for the period	076	70.648.218	109.259.214
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	201.043.042	137.632.113
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	136.685.797
C) NON-CURRENT LIABILITIES (084 do 092)	083	170.000	
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085	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	14.288.378
1. Liabilities to related parties	094	974.776	2.088.311
2. Liabilities for loans, deposits, etc.	095	340.000	170.000
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	1.054.832	1.579.536
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.305.606	2.062.985
9. Taxes, contributions and similar liabilities	102	2.702.518	8.160.923
10. Liabilities arising from share in the result	103	114.360	97.692
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	122.440	128.931
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.506.194.596	1.528.833.627
G) OFF BALANCE SHEET ITEMS	108	796.880.027	745.924.395
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 31.12.2012.

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	141.286.251	97.418.197	117.929.410	53.446.954
1. Rendering of services	112	52.359.890	13.308.866	53.744.840	13.632.808
2. Other operating income	113	88.926.361	84.109.331	64.184.570	39.814.146
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	150.960.669	97.141.732	74.889.980	26.491.872
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	26.317.200	7.707.280	25.560.053	8.118.909
a) Costs of raw materials	117	5.354.319	1.390.707	5.372.829	1.806.504
b) Cost of goods sold	118				
c) Other material expenses	119	20.962.881	6.316.573	20.187.224	6.312.405
3. Employee benefits expenses (121 do 123)	120	21.286.559	8.122.740	20.666.044	7.817.216
a) Net salaries	121	10.152.663	3.804.789	9.834.285	3.619.733
b) Tax and contributions from salary expenses	122	8.646.124	4.070.208	8.522.189	3.669.487
c) Contributions on salary	123	2.487.772	247.743	2.309.570	527.996
4. Depreciation and amortisation	124	8.085.545	2.072.077	10.331.247	2.613.999
5. Other expenses	125	83.490.479	70.090.166	16.282.211	6.061.677
6. Write down of assets (127+128)	126	0	0	0	
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129	6.202.882	3.572.687		
8. Other operating costs	130	5.578.004	5.576.782	2.050.425	1.880.071
III. FINANCIAL INCOME (132 do 136)	131	175.707.504	107.473.873	135.820.455	101.232.725
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	50.409.289	849.130	27.980.205	1.402.925
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	23.327.237	4.653.765	17.524.591	9.514.141
3. Income from investments in associates and joint ventures	134	101.042.753	101.042.753	71.786.659	71.786.659
4. Unrealised gains (income) from financial assets	135	928.225	928.225	18.529.000	18.529.000
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	95.384.868	85.786.586	64.540.857	61.093.707
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	13.669.162	4.070.880	3.740.857	293.707
3. Unrealised losses (expenses) from financial assets	140	81.715.706	81.715.706	60.800.000	60.800.000
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	316.993.755	204.892.070	253.749.865	154.679.679
X. TOTAL EXPENSES (114+137+143+145)	147	246.345.537	182.928.318	139.430.837	87.585.579
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	70.648.218	21.963.752	114.319.028	67.094.100
1. Profit before taxes (146-147)	149	70.648.218	21.963.752	114.319.028	67.094.100
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151			5.059.814	5.059.814
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	70.648.218	21.963.752	109.259.214	62.034.286
1. Profit for the period (149-151)	153	70.648.218	21.963.752	109.259.214	62.034.286
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	70.648.218	21.963.752	109.259.214	62.034.286
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	217.531	100.444	58.642	100.385
1. Exchange differences from international settlement	159	217.531	100.444	58.642	100.385
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	217.531	100.444	58.642	100.385
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	70.865.749	22.064.196	109.317.856	62.134.671
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 31.12.2012.

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	64.803.973	76.386.399
2. Cash receipts from royalties, fees, commissions, etc.	002		
3. Cash receipts from insurance for damages compensation	003	39.753	
4. Cash receipts arising from tax refunds	004		
5. Other cash receipts	005	24.760.300	12.432.002
I. Total increase in cash flow from operating activities (001 to 005)	006	89.604.026	88.818.401
1. Cash paid to suppliers	007	55.882.862	45.267.611
2. Cash paid to employees	008	20.506.649	21.024.046
3. Cash outflows for insurance for damages compensation	009	516.653	
4. Interest paid	010	10.149	2.672
5. Tax paid	011	5.646.069	5.103.511
6. Other cash outflows	012	83.138.408	10.461.936
II. Total decrease in cash flow from operating activities (007 to 012)	013	165.700.790	81.859.776
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	6.958.625
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	76.096.764	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	2.900.915	2.113.109
2. Cash inflows from sale of equity and debt financial instruments	017	3.576.020	1.804.126
3. Interest receipts	018	5.047.436	19.328.494
4. Dividend receipts	019	208.096.650	95.447.103
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	219.621.021	118.692.832
1. Cash outflows for purchase of long - term tangible and intangible assets	022	2.991.546	31.881.508
2. Cash outflows for purchase of equity and debt financial instruments	023	14.799.627	11.417.400
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	17.791.173	43.298.908
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	201.829.848	75.393.924
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	0	0
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	6.560.614	67.422.852
3. Other cash inflows from financing activities	030	1.726.003	162.478.816
V. Total cash inflows from financing activities (028 to 030)	031	8.286.617	229.901.668
1. Cash outflows for repayment of loans and bonds	032	340.000	340.000
2. Dividends paid	033	30.751.068	30.766.728
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035	14.723.222	3.418.557
5. Other cash outflows from financing activities	036	208.992.015	121.345.667
VI. Total cash outflows from financing activities (032 to 036)	037	254.806.305	155.870.952
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	74.030.716
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	246.519.688	0
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	0	156.383.265
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	120.786.604	0
Cash and cash equivalents at the beginning of period	042	163.325.576	42.538.972
Decrease in cash and cash equivalents	043		156.383.265
Increase in cash and cash equivalents	044	120.786.604	
Cash and cash equivalents at the end of period	045	42.538.972	198.922.237

STATEMENT OF CHANGES IN EQUITY

period **01.01.2012.** to **31.12.2012.**

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	197.000.749
4. Retained earnings or loss carried forward	004	36.408.610	41.085.994
5. Net profit or loss for the period	005	70.648.218	109.259.214
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	1.376.913.136
11. Foreign exchange differences from foreign investments	011	217.531	58.642
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	79.546.114
17. Total increase or decrease of equity (AOP 011 to 016)	017	40.735.286	79.604.756
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		