



**Varteks d.d. business results for Q1 2011
better in relation to the same time period last year**

To stabilize and develop business operations, liquidity has to be stabilized, strategic sales aspects have to be further strengthened, restructuring has to be completed and the company has to be reorganized

Varaždin, May 6, 2011 – The Management Board of Varteks d.d. held a press briefing today, at which it presented the business results of Varteks d.d. for Q1 2011, with reference to the current situation, key challenges and strategically important projects whose realization is of extraordinary importance to stabilize business operations, sustainable growth and the company's future development.

In relation to the same time period last year, Varteks marked progress in the first three months of 2011 in terms of overall business results despite the still unresolved liquidity issue and the continuation of negative trends in the Croatian economy and on markets in the region.

According to data by the National Statistics Institute, industrial production was 4.9 percent lower in the first three months this year in comparison to the same time period last year. In accordance with institute data, the drop in retail sales continued in 2011, whereby a significant drop was marked in February, when the largest nominal drop on a monthly basis (26.5 percent) was realized in textile, clothing and shoe sales.

The drop in spending, growing illiquidity and an extremely negative trend on the real estate market caused additional difficulties in the implementation of activities to stabilize the company's liquidity, which directly caused the impossibility to acquire raw materials and production materials on time, procure and deliver products and goods to the retail network, which significantly affected the business results of Varteks d.d. in the end.

In the first three months of this year, the company operated with a loss of HRK 14.9 million, while a loss of HRK 18.6 million had been realized in the same time period last year. Sales revenues amounted to HRK 65 million, which constitutes a 3 percent increase in relation to last year.

Despite the negative trends in its surroundings, the business results of Varteks d.d. in Q1 2011 were HRK 3.7 million better than in the same time period last year.

Overall revenues amounted to HRK 68.6 million, which is 4.5 percent less than the revenues realized in the same time period last year, while overall expenditures amounted to HRK 83.5 million or 7.7 percent less than the year before.

In comparison to 2010 and in relation to revenues it is important to point out that the B2B segment (sales aspect related to corporate clothing and the production of specialized clothing) was detached after Q1 2011 in accordance with the restructuring and reorganization plan to an affiliated company owned by Varteks d.d. If we compare overall sales data in this segment from I-III 2011, overall sales revenues amounted to HRK 12.8 million or 20.3 percent more than in the same time period last year.



PRESS RELEASE

On the foreign market, exports worth HRK 33.6 million were realized, which constitutes an increase of 15.1 percent in relation to last year. The majority of exports continue to go to countries in the European Union.

Export results indicate a mild recovery amidst the negative trends in Europe's economy.

Due to the problems in the economy and the effects of the crisis, certain risks are arising on the basis of a potential further illiquidity increase, which could additionally hamper the timely procurement of goods and the financing of business activities. There is also a risk of a further drop in personal spending, the development of which directly affects revenues, as well as a risk of higher costs on the basis of further energy price increases.

Varteks continues to aim all of its activities towards eliminating potential negative effects on the basis of market developments, and in line with current market conditions it actively focuses on targeted development and sales increases in certain sales aspects. Significant growth in business revenues and results is continuously present in the segment dealing with the production and sale of specialized clothing and corporate clothing.

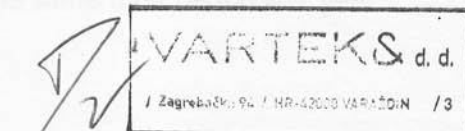
In line with the Integral Business and Financial Restructuring Plan, operating costs were further cut in the first quarter, while activities are being carried out in relation to the company's financial consolidation through the utilization of the company's own assets as an additional financing source and activities aimed towards the company's inclusion in the Government's anti-recession measures which aim towards economic recovery and development.

The shut-down of unprofitable parts of the system within the production and sales segments is currently underway, as well as activities aimed towards further cutting administrative costs. We are continuing the reorganization we initiated in 2010, and in line with this, we will detach our production facilities to three separate legal entities in the second quarter of 2011 with the aim to simplify our management structure and to transform the company from a production-oriented into a market-oriented company, to increase the operating efficiency of responsibility centers, and to thus increase competitiveness on the market.

The prerequisites for the company's stabilization and development are primarily based on stabilizing liquidity as a key precondition for the implementation of all activities in relation to restructuring, the system's further reorganization and strengthening strategic sales aspects.

"The positive trends in sales revenues which continued in the first quarter of 2011 are the result of measures carried out within the framework of the Integral Business and Financial Restructuring Plan. To continue the measures, the company's liquidity has to be stabilized as a key prerequisite for the further implementation of activities in relation to the restructuring, the further reorganization of the system and to strengthen strategic sales aspects. For that purpose, we are carrying out activities that are imperative to further stabilize and develop business operations, and we also expect the urgent realization of programs within the framework of Model C.", concluded Management Board president Zoran Košćec.

Corporate Communications Department



Varteks d.d.
Zagrebačka 94
42000 Varaždin

Varaždin, April 30, 2011

STATEMENT BY PERSONS RESPONSIBLE FOR THE COMPILATION OF THE REPORT FOR I-III 2011

With this statement, pursuant to the Capital Market Act, we state that to our best knowledge,

- the set of financial reports for Varteks d.d. for 2011 (hereinafter: Company) which was compiled according to International Financial Reporting Standards and pursuant to the Croatian Accounting Act offers a comprehensive and truthful account of the assets and liabilities, losses and profits, the financial position and business activities of the company.
- The management report contains the truthful account of the development of the business and the position of the company, along with a description of the most significant risks and uncertainties the Company is exposed to.

PERSON RESPONSIBLE:



Nenad Davidović
Board member responsible for finances

Contact person:
Marina Bradarić - Šlujo
Phone 042 / 377-230

Varaždin, April 30, 2011

Varteks d.d.
Zagrebačka 94
42000 Varaždin

Pursuant to the provisions of the Capital Market Act, the Management of Varteks d.d. with headquarters in Varaždin submits the following:

INTERIM MANAGEMENT REPORT for the time period from 01.01. – 31.03.2011

Outline of significant events that took place during the reporting period in the business year and the effect of these events on the abridged set of financial reports

In the first three months of 2011, Varteks succeeded to improve its overall business results in relation to the same time period last year, despite the still unresolved liquidity problem and the continuation of negative trends in the Croatian economy and on markets in the region.

According to National Statistics Institute data, industrial production contracted by 4.9 percent in the first three months of this year in relation to the same time period last year, and in accordance with institute data, retail revenues continued to drop in 2011, with a significant drop in February, when the biggest nominal drop on a monthly level (26.5 percent) was realized in textile, clothing and shoe sales.

The drop in personal spending, growing illiquidity and extremely negative trends on the real estate market caused additional difficulties in the implementation of activities related to stabilizing the company's liquidity, which directly caused the impossibility to procure raw materials and production materials on time, to procure and deliver products and retail goods to the retail network, which significantly affected the business results of Varteks d.d. in the end.

In the first three months of this year, the company operated with a loss of HRK 14.9 million, while a loss of HRK 18.6 million had been realized in the same time period last year. Sales revenues amounted to HRK 65 million or 3 percent more than last year.

Despite the negative trends in its surroundings, the business results of Varteks d.d. in Q1 2011 amount to HRK 3.7 million more than in the same time period last year.

Overall revenues amounted to HRK 68.6 million, i.e. to 4.5 percent less than the revenues realized in the same time period last year, while total expenditures amounted to HRK 83.5 million or 7.7 percent less than the year before.

In comparison to 2010 and in relation to revenues it is important to point out that the B2B segment (sales aspect in relation to corporate clothing and the production of specialized clothing) was detached in line with the restructuring and reorganization plan to an affiliated company owned by Varteks d.d. If we compare the overall data for this sales aspect in the

time period from I-III 2011, total sales revenues amounted to HRK 12.8 million or 20.3 percent more than in the same time period last year.

On the foreign market, exports worth HRK 33.6 million were realized, which constitutes an increase by 15.1 percent in relation to Q1 last year. The majority of exports continue to be realized in countries in the European Union.

Export results show a slight recovery amidst the negative trends in Europe's economy.

Most significant risks and uncertainties for the remainder of the business year

Due to the problems in the economy and the effects of the crisis, certain risks are arising on the basis of a potential further illiquidity increase, which could additionally hamper the timely procurement of goods and the financing of business activities. There is also a risk of a further drop in personal spending, the development of which directly affects revenues, as well as a risk of higher costs on the basis of further energy price increases.

Varteks continues to aim all of its activities towards eliminating potential negative effects on the basis of market developments, and in line with current market conditions it actively focuses on targeted development and sales increases in certain sales aspects. Significant growth in business revenues and results is continuously present in the segment dealing with the production and sale of specialized clothing and corporate clothing.

In line with the Integral Business and Financial Restructuring Plan, operating costs were further cut in the first quarter, while activities are being carried out in relation to the company's financial consolidation through the utilization of the company's own assets as an additional financing source and activities aimed towards the company's inclusion in the Government's anti-recession measures which aim towards economic recovery and development.

The shut-down of unprofitable parts of the system within the production and sales segments is currently underway, as well as activities aimed towards further cutting administrative costs. We are continuing the reorganization we initiated in 2010, and in line with this, we will detach our production facilities to three separate legal entities in the second quarter of 2011 with the aim to simplify our management structure and to transform the company from a production-oriented into a market-oriented company, to increase the operating efficiency of responsibility centers, and to thus increase competitiveness on the market.

The prerequisites for the company's stabilization and development are primarily based on stabilizing liquidity as a key precondition for the implementation of all activities in relation to restructuring, the system's further reorganization and strengthening strategic sales aspects.

Varteks d.d. Management Board President

Zoran Koščec

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VARTEKS d. d. / Zagrebačka 94 / HR-42000 VARAŽDIN / 3

ATTACHMENT 1

Reporting period:

1.1.2011.

to

31.3.2011

Quarterly financial statement of the entrepreneur-TFI-POD

Tax number (MB): 3747034

Company registration number (MBS): 070004039

Personal identification number (OIB): 872098033

Issuing company: VARTEKS d.d. VARAŽDIN

Postal code and place: 42000 VARAŽDIN

Street and house number: ZAGREBAČKA 94

E-mail address: info@varteks.com

Internet address: www.varteks.com

Municipality/city code and name: 472 VARAŽDIN

County code and name: 5 VARAŽDINSKA

Number of employees (quarter end): 2.281

Consolidated report: NOT

NKD code: 1413

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Companies of the consolidation subject (according to IFRS)	Seat:	MB:

Bookkeeping service: [redacted]

Contact person: Zvonimir Svetec
(please enter only contact person's family name and name)

Telephone: 042/377-124

Facsimile: 042/377-089

E-mail address: zsvetec@varteks.com

Family name and name: Davidović Nenad
(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

L.S.

(signature of the person authorized to represent the company)



(Handwritten signature)

Balance Sheet
as of 31.03.2011.

Varteks d.d. -Varaždin			
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	413.403.383	409.960.902
I. INTANGIBLE ASSETS (004 do 009)	003	7.707.235	6.969.158
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	7.707.235	6.969.158
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	394.123.657	391.442.479
1. Land	011	54.753.233	54.753.233
2. Buildings	012	265.285.847	264.471.088
3. Plant and equipment	013	61.118.313	59.666.416
4. Tools, working inventory and transportation assets	014	11.762.520	10.998.812
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		
7. Tangible assets in progress	017	972.446	1.321.632
8. Other tangible assets	018	231.298	231.298
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	7.636.279	7.696.280
1. Share in related parties	021	2.374.551	2.434.551
2. Loans to related parties	022		
3. Participating interests (shares)	023	165.900	165.900
4. Loans to companies with participating interest	024		
5. Investments in securities	025		
6. Loans, deposits, etc.	026	730.375	730.376
7. Other non-current financial assets	027	4.365.453	4.365.453
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	3.936.212	3.852.985
1. Receivables from related parties	030	3.216.364	3.216.364
2. Receivables arising from sales on credit	031		
3. Other receivables	032	719.848	636.621
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	220.151.828	217.800.917
I. INVENTORIES (036 do 042)	035	141.849.108	143.517.645
1. Raw materials and supplies	036	32.646.065	30.911.124
2. Production in progress	037	7.701.697	7.786.312
3. Finished products	038	28.678.781	29.322.677
4. Merchandise	039	26.745.463	30.175.199
5. Advances for inventories	040	754.769	
6. Long term assets held for sale	041	45.322.333	45.322.333
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	66.646.833	65.050.530
1. Receivables from related parties	044	31.409.378	31.492.576
2. Receivables from end-customers	045	29.331.251	24.553.171
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	466.308	461.669
5. Receivables from government and other institutions	048	5.295.879	8.363.178
6. Other receivables	049	144.017	179.936
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	9.386.655	8.679.118
1. Share in related parties	051		
2. Loans to related parties	052	3.994.632	3.994.632
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055	3.235.314	2.907.470
6. Loans, deposits, etc.	056	2.156.709	1.777.016
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	2.269.232	553.624
D) PREPAYMENTS AND ACCRUED INCOME	059	971.279	161.616
E) TOTAL ASSETS (001+002+034+059)	060	634.526.490	627.923.435
F) OFF BALANCE SHEET ITEMS	061	48.637.632	47.341.322

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	113.788.581	99.048.342
I. SUBSCRIBED SHARE CAPITAL	063	384.161.400	384.161.400
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	10.428.371	10.576.490
1. Legal reserves	066		
2. Reserve for own shares	067	46.013.062	46.013.062
3. Treasury shares and shares (deductible items)	068	36.730.600	36.730.600
4. Statutory reserves	069		
5. Other reserves	070	1.145.909	1.294.028
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-184.131.093	-280.801.190
1. Retained earnings	073		
2. Loss carried forward	074	184.131.093	280.801.190
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	-96.670.097	-14.888.358
1. Net profit for the period	076		
2. Net loss for the period	077	96.670.097	14.888.358
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	744.081	307.622
1. Provisions for pensions, severance pay and similar liabilities	080	436.459	
2. Provisions for tax liabilities	081		
3. Other provisions	082	307.622	307.622
C) NON-CURRENT LIABILITIES (084 do 092)	083	153.402.629	146.346.648
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	153.380.129	146.324.148
4. Liabilities for advances	087		
5. Trade payables	088	22.500	22.500
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	366.187.655	381.817.278
1. Liabilities to related parties	094	1.577.733	1.228.952
2. Liabilities for loans, deposits, etc.	095	12.980.957	11.315.245
3. Liabilities to banks and other financial institutions	096	147.066.615	152.504.236
4. Liabilities for advances	097	2.484.304	1.339.635
5. Trade payables	098	101.187.371	101.172.142
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	14.328.878	18.025.799
9. Taxes, contributions and similar liabilities	102	79.146.173	88.821.883
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	7.415.624	7.409.386
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	403.544	403.545
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	634.526.490	627.923.435
G) OFF BALANCE SHEET ITEMS	108	48.637.632	47.341.322
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 01.01.2011. to 31.03.2011.

Varteks d.d.- Varaždin

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	71.613.563	71.613.563	68.458.576	68.458.576
1. Rendering of services	112	63.134.814	63.134.814	65.037.406	65.037.406
2. Other operating income	113	8.478.749	8.478.749	3.421.170	3.421.170
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	86.015.866	86.015.866	78.499.318	78.499.318
1. Change in inventories of work in progress	115	6.574.604	6.574.604	-729.622	-729.622
2. Material expenses (117 do 119)	116	35.959.734	35.959.734	38.251.647	38.251.647
a) Costs of raw materials	117	14.768.681	14.768.681	18.879.432	18.879.432
b) Cost of goods sold	118	15.459.154	15.459.154	13.505.235	13.505.235
c) Other material expenses	119	5.731.899	5.731.899	5.866.980	5.866.980
3. Employee benefits expenses (121 do 123)	120	30.709.759	30.709.759	29.273.855	29.273.855
a) Net salaries	121	19.660.641	19.660.641	18.888.463	18.888.463
b) Tax and contributions from salary expenses	122	6.526.598	6.526.598	6.074.765	6.074.765
c) Contributions on salary	123	4.522.520	4.522.520	4.310.627	4.310.627
4. Depreciation and amortisation	124	3.190.095	3.190.095	3.223.976	3.223.976
5. Other expenses	125	8.627.814	8.627.814	7.787.386	7.787.386
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	953.860	953.860	692.076	692.076
III. FINANCIAL INCOME (132 do 136)	131	202.653	202.653	116.561	116.561
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	27.813	27.813	8.186	8.186
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	174.840	174.840	108.375	108.375
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	4.418.810	4.418.810	4.964.177	4.964.177
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	240	240	0	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	4.392.361	4.392.361	4.964.177	4.964.177
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141	26.209	26.209		
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	71.816.216	71.816.216	68.575.137	68.575.137
X. TOTAL EXPENSES (114+137+143+145)	147	90.434.676	90.434.676	83.463.495	83.463.495
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-18.618.460	-18.618.460	-14.888.358	-14.888.358
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	18.618.460	18.618.460	14.888.358	14.888.358
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-18.618.460	-18.618.460	-14.888.358	-14.888.358
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	18.618.460	18.618.460	14.888.358	14.888.358
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	-18.618.460	-18.618.460	-14.888.358	-14.888.358
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	147.593	147.593	148.118	148.118
1. Exchange differences from international settlement	159				
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	147.593	147.593	148.118	148.118
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	147.593	147.593	148.118	148.118
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-18.470.867	-18.470.867	-14.740.240	-14.740.240
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				

CASH FLOW STATEMENT - Indirect method

period 1.1.2011 to 31.3.2011

HRK

Position	AOP oznaka	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	073	-18.618.460	-14.888.358
2. Depreciation and amortisation	074	3.190.095	3.223.976
3. Increase of current liabilities	075	0	11.857.714
4. Decrease of current receivables	076	4.260.169	1.596.303
5. Decrease of inventories	077	12.204.531	0
6. Other cash flow increases	078	4.082.149	1.517.200
I. Total increase of cash flow from operating activities	079	5.118.484	3.306.835
1. Decrease of current liabilities	080	13.989.298	0
2. Increase of current receivables	081	0	0
3. Increase of inventories	082	0	1.668.537
4. Other cash flow decreases	083	0	0
II. Total decrease of cash flow from operating activities	084	13.989.298	1.668.537
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	085	0	1.638.298
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	086	8.870.814	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	087	-577.497	195.279
2. Proceeds from sale of non-current financial assets	088	160.000	0
3. Interest received	089	0	0
4. Dividend received	090	0	0
5. Other proceeds from investing activities	091	0	83.227
III. Total cash inflows from investing activities	092	-417.497	278.506
1. Purchase of non-current assets	093	0	0
2. Purchase of non-current financial assets	094	0	60.000
3. Other cash outflows from investing activities	095	100.955	0
IV. Total cash outflows from investing activities	096	100.955	60.000
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	097	0	218.506
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	098	518.452	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	099	0	0
2. Proceeds from loans and borrowings	100	8.917.382	0
3. Other proceeds from financing activities	101	143.577	0
V. Total cash inflows from financing activities	102	9.060.959	0
1. Repayment of loans and bonds	103	0	3.284.072
2. Dividends paid	104	0	0
3. Repayment of finance lease	105	0	0
4. Purchase of treasury shares	106	0	0
5. Other cash outflows from financing activities	107	0	288.340
VI. Total cash outflows from financing activities	108	0	3.572.412
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	109	9.060.959	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	110	0	3.572.412
Total increases of cash flows	111	0	0
Total decreases of cash flows	112	328.307	1.715.608
Cash and cash equivalents at the beginning of period	113	3.979.597	2.269.232
Increase of cash and cash equivalents	114	0	0
Decrease of cash and cash equivalents	115	3.651.292	1.715.608
Cash and cash equivalents at the end of period	116	328.305	553.624

STATEMENT OF CHANGES IN EQUITY

period 1.1.2011 to 31.3.2011.

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	384.161.400	384.161.400
2. Capital reserves	002		
3. Reserves from profit	003	10.428.371	10.576.490
4. Retained earnings or loss carried forward	004	-184.131.093	-280.801.190
5. Net profit or loss for the period	005	-96.670.097	-14.888.358
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	113.788.581	99.048.342
11. Foreign exchange differences from foreign investments	011		
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		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		



 VARTERK S.M.