

**ATTACHMENT 1**

Reporting period:

01.01.2013

to

30.09.2013

**Quarterly financial statement of the entrepreneur-TFI-POD**

Tax number (MB): 3747034

Company registration number (MBS): 070004039

Personal identification number (OIB): 00872098033

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: 1.824  
(quarter end)

Consolidated report: YES NKD code: 1.413

Companies of the consolidation subject (according to IFRS):	Seat:	MB:
BURGTRADE G.m.b.h.	Eisenstadt, Austrija	00128280Y
VARTEKS LOGISTIC d.o.o.	Varaždin, Hrvatska	01038133
VARTEKS PRO d.o.o.	Varaždin, Hrvatska	1280511
VARTEKS ESOP d.o.o.	Varaždin, Hrvatska	070092385

Bookkeeping service: \_\_\_\_\_

Contact person: Bolšec Vlado  
(please enter only contact person's family name and name)

Telephone: 042/377-005 Facsimile: 042/377-005

E-mail address: vbolsec@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)



**Balance Sheet**  
as of 30.09.2013.

<b>Varteks GROUP -Varaždin</b>			
Position	AOP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>781.778.733</b>	<b>743.505.580</b>
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	<b>6.796.816</b>	<b>3.702.069</b>
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	6.796.816	3.702.069
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
<b>II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)</b>	<b>010</b>	<b>751.711.415</b>	<b>716.533.568</b>
1. Land	011	185.830.699	178.962.809
2. Buildings	012	506.321.128	490.032.750
3. Plant and equipment	013	51.492.499	41.010.020
4. Tools, working inventory and transportation assets	014	6.992.292	5.403.015
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	33.657	0
7. Tangible assets in progress	017	809.082	892.926
8. Other tangible assets	018	232.058	232.048
9. Investment in real-estate	019		0
<b>III. NON-CURRENT FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	<b>20.136.826</b>	<b>20.164.127</b>
1. Share in related parties	021	14.822.645	16.426.265
2. Loans to related parties	022		
3. Participating interests (shares)	023	165.900	0
4. Loans to companies with participating interest	024		
5. Investments in securities	025		
6. Loans, deposits, etc.	026	782.828	810.131
7. Other non-current financial assets	027	4.365.453	2.927.731
8. Equity-accounted investments	028		
<b>IV. RECEIVABLES (030 do 032)</b>	<b>029</b>	<b>3.133.676</b>	<b>3.105.816</b>
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032	3.133.676	3.105.816
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>		
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>92.868.091</b>	<b>77.299.421</b>
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	<b>44.339.905</b>	<b>35.811.975</b>
1. Raw materials and supplies	036	14.782.748	13.745.807
2. Production in progress	037	1.112.161	790.020
3. Finished products	038	12.466.999	13.406.895
4. Merchandise	039	15.443.737	7.466.599
5. Advances for inventories	040	534.260	379.488
6. Long term assets held for sale	041		23.166
7. Biological assets	042		
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	<b>40.675.078</b>	<b>38.108.478</b>
1. Receivables from related parties	044		74.091
2. Receivables from end-customers	045	21.927.121	19.734.257
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	175.158	184.149
5. Receivables from government and other institutions	048	17.899.925	17.741.345
6. Other receivables	049	672.874	374.636
<b>III. CURRENT FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>	<b>2.729.327</b>	<b>2.002.072</b>
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055	1.630.215	1.526.248
6. Loans, deposits, etc.	056	1.099.112	475.824
7. Other financial assets	057		
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>058</b>	<b>5.123.781</b>	<b>1.376.896</b>
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	<b>1.727.943</b>	<b>337.657</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>876.374.767</b>	<b>821.142.658</b>
<b>F) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	<b>16.125.523</b>	<b>3.736.787</b>

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>181.976.069</b>	<b>114.142.156</b>
I. SUBSCRIBED SHARE CAPITAL	063	96.040.350	96.040.350
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	475.381	1.564.383
1. Legal reserves	066		
2. Reserve for own shares	067	9.182.650	9.182.650
3. Treasury shares and shares (deductible items)	068	9.182.650	9.182.650
4. Statutory reserves	069		
5. Other reserves	070	475.381	1.564.383
IV. REVALUATION RESERVES	071	273.081.818	267.315.189
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-45.942.412	-186.753.705
1. Retained earnings	073		
2. Loss carried forward	074	45.942.412	186.753.705
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	-141.679.068	-64.024.061
1. Net profit for the period	076		
2. Net loss for the period	077	141.679.068	64.024.061
VII. MINORITY INTEREST	078		
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	<b>86.622</b>	<b>97.659</b>
1. Provisions for pensions, severance pay and similar liabilities	080		
2. Provisions for tax liabilities	081		
3. Other provisions	082	86.622	97.659
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	<b>174.631.076</b>	<b>148.829.582</b>
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085	3.388.461	
3. Liabilities to banks and other financial institutions	086	102.895.660	81.852.445
4. Liabilities for advances	087		
5. Trade payables	088	76.500	148.340
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092	68.270.455	66.828.797
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	<b>518.792.298</b>	<b>557.222.264</b>
1. Liabilities to related parties	094	17.714	176.637
2. Liabilities for loans, deposits, etc.	095	6.896.145	6.278.426
3. Liabilities to banks and other financial institutions	096	181.130.167	224.833.062
4. Liabilities for advances	097	1.920.580	1.700.231
5. Trade payables	098	102.563.036	96.462.510
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	21.494.231	20.128.414
9. Taxes, contributions and similar liabilities	102	190.212.916	192.804.529
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	14.557.509	14.838.455
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	<b>888.702</b>	<b>850.997</b>
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>876.374.767</b>	<b>821.142.658</b>
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	<b>16.125.523</b>	<b>3.736.787</b>
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	109	181.976.069	135.279.587
2. Attributable to minority interest	110		

**Income statement**  
period 01.01.2013. to 30.09.2013.

Varteks Group - Varaždin

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 do 113)</b>	111	202.450.049	71.580.596	122.953.281	38.623.893
1. Rendering of services	112	192.184.668	67.162.567	114.277.377	35.907.614
2. Other operating income	113	10.265.381	4.418.029	8.675.904	2.716.279
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	114	259.805.235	110.417.685	165.687.937	53.898.790
1. Change in inventories of work in progress	115	3.589.202	2.521.588	-200.855	-2.006.837
2. Material expenses (117 do 119)	116	108.775.789	42.732.690	58.921.419	17.958.161
a) Costs of raw materials	117				
b) Cost of goods sold	118				
c) Other material expenses	119				
3. Employee benefits expenses (121 do 123)	120	82.686.855	26.763.214	70.822.250	23.281.734
a) Net salaries	121				
b) Tax and contributions from salary expenses	122				
c) Contributions on salary	123				
4. Depreciation and amortisation	124	12.843.146	4.227.226	11.238.782	3.542.476
5. Other expenses	125	21.497.905	7.509.258	17.446.205	5.634.032
6. Write down of assets (127+128)	126	24.379.260	24.367.701	1.698.822	1.684.975
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129	160.000	160.000	0	0
8. Other operating costs	130	5.873.078	2.136.008	5.761.314	3.804.249
<b>III. FINANCIAL INCOME (132 do 136)</b>	131	2.312.672	1.836.868	1.344.076	160.550
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	0	0	835.720	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	2.308.477	1.989.909	506.289	158.484
3. Income from investments in associates and joint ventures	134		0	0	0
4. Unrealised gains (income) from financial assets	135		0	0	0
5. Other financial income	136	4.195	-153.041	2.067	2.066
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	137	34.342.187	21.631.568	22.622.074	7.819.506
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	0	0	2.591.921	1.756.543
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	34.328.239	21.620.088	19.934.796	6.062.963
3. Unrealised losses (expenses) from financial assets	140		0		0
4. Other financial expenses	141	13.948	11.480	95.357	0
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	142				
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	143				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	144				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	145				
<b>IX. TOTAL INCOME (111+131+142+144)</b>	146	204.762.721	73.417.464	124.297.357	38.784.443
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	147	294.147.422	132.049.253	188.310.011	61.718.296
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	148	-89.384.701	-58.631.789	-64.012.654	-22.933.853
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	89.384.701	58.631.789	64.012.654	22.933.853
<b>XII. TAXATION</b>	151	13.419	13.419	11.406	5.421
<b>XII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	152	-89.398.120	-58.645.208	-64.024.060	-22.939.274
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	89.398.120	58.645.208	64.024.060	22.939.274
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	157	-89.398.120	-58.645.208	-64.024.060	-22.939.274
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	158	3.119.991	3.119.991	278.136	139.186
1. Exchange differences from international settlement	159		0		0
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	2.984.381	2.984.381		0
3. Profit or loss from re-valuation of financial assets held for sale	161		0		0
4. Profit or loss from cash flow hedging	162	135.610	135.610	278.136	139.186
5. Profit or loss from hedging of foreign investments	163		0		0
6. Share of other comprehensive income/loss from associated companies	164		0		0
7. Actuarial gains/losses from defined benefit plans	165		0		0
<b>III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	166				
<b>IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)</b>	167	3.119.991	3.119.991	278.136	139.186
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	168	-86.278.129	-55.525.217	-63.745.924	-22.800.088
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169	-86.278.129	-55.525.217	-63.745.924	-22.800.088
2. Attributable to minority interest	170				

## CASH FLOW STATEMENT - Indirect method

period 1.1.2013. to 30.9.2013.

HRK

Position	AOP oznaka	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	073	-89.384.701	-64.012.655
2. Depreciation and amortisation	074	12.843.146	11.238.782
3. Increase of current liabilities	075	51.736.300	0
4. Decrease of current receivables	076		2.566.600
5. Decrease of inventories	077	34.206.073	8.527.930
6. Other cash flow increases	078	4.323.811	2.079.836
<b>I. Total increase of cash flow from operating activities</b>	<b>079</b>	<b>13.724.629</b>	<b>-39.599.507</b>
1. Decrease of current liabilities	080		4.655.210
2. Increase of current receivables	081	17.391.208	0
3. Increase of inventories	082		0
4. Other cash flow decreases	083		0
<b>II. Total decrease of cash flow from operating activities</b>	<b>084</b>	<b>17.391.208</b>	<b>4.655.210</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>085</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>086</b>	<b>3.666.579</b>	<b>44.254.717</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	087	87.601	27.033.812
2. Proceeds from sale of non-current financial assets	088		0
3. Interest received	089		0
4. Dividend received	090		0
5. Other proceeds from investing activities	091	17.954.371	1.438.279
<b>III. Total cash inflows from investing activities</b>	<b>092</b>	<b>18.041.972</b>	<b>28.472.091</b>
1. Purchase of non-current assets	093		0
2. Purchase of non-current financial assets	094	16.161.621	1.437.720
3. Other cash outflows from investing activities	095		0
<b>IV. Total cash outflows from investing activities</b>	<b>096</b>	<b>16.161.621</b>	<b>1.437.720</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>097</b>	<b>1.880.351</b>	<b>27.034.371</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>098</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	099		0
2. Proceeds from loans and borrowings	100		17.302.382
3. Other proceeds from financing activities	101	6.587.587	0
<b>V. Total cash inflows from financing activities</b>	<b>102</b>	<b>6.587.587</b>	<b>17.302.382</b>
1. Repayment of loans and bonds	103	5.398.186	0
2. Dividends paid	104		0
3. Repayment of finance lease	105		0
4. Purchase of treasury shares	106		0
5. Other cash outflows from financing activities	107		3.828.921
<b>VI. Total cash outflows from financing activities</b>	<b>108</b>	<b>5.398.186</b>	<b>3.828.921</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>109</b>	<b>1.189.401</b>	<b>13.473.461</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>110</b>	<b>0</b>	<b>0</b>
Total increases of cash flows	111	0	0
Total decreases of cash flows	112	596.827	3.746.885
Cash and cash equivalents at the beginning of period	113	1.932.074	5.123.781
Increase of cash and cash equivalents	114		
Decrease of cash and cash equivalents	115	-596.827	-3.746.885
Cash and cash equivalents at the end of period	116	1.335.247	1.376.896

## STATEMENT OF CHANGES IN EQUITY

period 01.01.2013 to 30.09.2013.

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	96.040.350	96.040.350
2. Capital reserves	002		
3. Reserves from profit	003	475.381	1.564.383
4. Retained earnings or loss carried forward	004	-45.942.412	-186.753.705
5. Net profit or loss for the period	005	-141.679.068	-64.024.061
6. Revaluation of tangible assets	006	273.081.818	267.315.189
7. Revaluation of intangible assets	007	0	
8. Revaluation of available for sale assets	008	0	
9. Other revaluation	009	0	
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>181.976.069</b>	<b>114.142.156</b>
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		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
17 a. Attributable to majority owners	018	181.976.069	114.142.156
17 b. Attributable to minority interest	019		

## Notes to the Financial Reports

During the reporting period, on 5 February 2013 started a pre-bankruptcy settlement over Varteks d.d.

The settlement was used as a base for the Plan of financial restructuring of the company, and the pre-bankruptcy settlement was reached on 11 July 2013 at the Commercial Court in Varaždin.

On 7 February 2013 three affiliates owned by Varteks d.d. in amount of 100% merged with the parent company.

Varteks d.d. merged: Varteks odjeća d.o.o. Varaždin, Varteks Ludbreg d.o.o. Ludbreg and Varteks Bednja d.o.o. Bednja.

In the reporting period, business was presented together with data of the merged companies.

For Varteks Trade d.o.o. Slovenia, which was owned by the Varteks d.d. in amount of 100% a pre-bankruptcy settlement started

on 19 March 2013, and the business of affiliate Varteks Plus d.o.o. in Serbia, also owned by the Varteks d.d. in amount of 100%, was put on hold.

Varteks d.d.  
Zagrebačka 94  
42000 Varaždin

VARAZDIN, 12/27/2013.


**STATEMENT BY PERSONS RESPONSIBLE FOR  
THE COMPILATION OF THE REPORT FOR I-IX 2013**

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

- the set of financial reports for Varteks Group for 2013 (hereinafter: Group) 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 Group.
- The management report contains the truthful account of the development of the Group's operations and position, along with a description of the most significant risks and uncertainties the Group is exposed to.



PERSON RESPONSIBLE:

  
\_\_\_\_\_  
Nenad Davidović  
Board member responsible for finances

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



In Varaždin, 28<sup>th</sup> November 2013.

**In accordance with regulations of the Capital Market Act, Varteks d.d.  
Management Board headquartered in Varaždin submitted:**

**MANAGEMENT INTERIM REPORT FOR VARTEKS D.D.**

**For the period of 1<sup>st</sup> January to 30<sup>th</sup> September 2013.**

**Indication of important events that have occurred during the reporting period  
of the business year and the impact of these events on the abridged set of  
financial statements**

Varteks d.d. submitted at the end of 2012 pursuant to the Financial Transactions and Pre-Bankruptcy Settlement Act and based on the criterion of insolvency a request for the initiation of pre-bankruptcy settlement proceedings, which were officially initiated on February 5, 2013. The illiquidity accumulated during years of economic crisis significantly affected the company's business conditions and results, both in 2012 and in the first half of 2013. It is important to note that the following three affiliated production companies were integrated into the parent company Varteks d.d. at the beginning of 2013: Varteks odjeća d.o.o., Varteks Ludbreg d.o.o. and Varteks Bednja d.o.o. On this basis, certain operating revenue and expenditure items for 2013 cannot be compared to 2012 data.

Operating income for the nine months 2013<sup>th</sup> in the amount of HRK 111.9 million decreased by 35 percent compared to the same period of 2012<sup>th</sup>, observed in the way that data for year 2012. are consolidated with integrated affiliated companies. In terms of operating revenue structure, 57 percent was realized in exports. Illiquidity particularly impacted revenues due to the inability to procure new goods, raw materials and production materials, which affected production and the sale of the company's own products, as well as the overall funding of the season for the sale of products and goods in retail and wholesale networks on the domestic market and markets of countries of the former Yugoslavia.

In the examined period company operated with a loss of HRK 64.2 million, while the loss in the same time period in 2012 had amounted to HRK 89.3 million. A significant item which affected loss in that time period are interest costs of HRK 18.4 million and severance pays as part of the restructuring costs amounting to HRK 2.2 million.

**Most significant risks and expectations for the remaining business year**

The Financial Restructuring Plan for Varteks d.d. was adopted at the beginning of June, while a pre-bankruptcy settlement was concluded in line with the adopted plan on July 11, 2013 before the Commercial Court in Varaždin. The implementation of the financial restructuring measures determined by Plan is in progress. The plan defines a comprehensive solution and the consolidation of company operations. The drafting of an agreement to govern mutual relations with creditors holding separate satisfaction rights as part of the adopted Financial Restructuring Plan is in the final stage. Apart from obligation settlement options, the plan also defines a new credit line of EUR 10 million necessary to establish liquidity, stabilize business processes and continue company operations.

By year's end, it is necessary to implement a part of the measures provided for in the pre-bankruptcy settlement, which will not affect the reporting period of business in the nine months of 2013<sup>th</sup>.

**Varteks d.d.**

Zoran Košćec

Board Chairman

**VARTEKS** d. o. o.

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