

MANAGEMENT BOARD REPORT ON THE BUSINESS ACTIVITY OF THE KONČAR GROUP FOR THE PERIOD JANUARY - MARCH 2012

The KONČAR Group consists of KONČAR - Electrical Industry Inc., as the parent company, and twenty subsidiaries in which the parent company exercises a predominant managerial influence (more than 50 per cent of the votes at the General Assembly). In addition to this, the parent company exercises a minority managerial influence (49 per cent of the votes at the General Assembly) in one company (affiliated company). All of the companies pertaining to the group are legally independent companies, under the control and strategic guidance of the parent company by the respective supervisory boards of the companies and in accordance with the Companies Act, the KONČAR – Electrical Industry Inc. Charter and the Charters of the individual companies. The parent company also manages the portion of the assets which have not been invested into companies, but are in direct or indirect function of financial support of sales, products and equipment of the subsidiaries as credit-guarantee potential.

Parent company has issued joint and several guarantee in the total amount of HRK 694,2 million, of which HRK 454,7 million corresponds to performance guarantees (bid bonds, advanced payment guarantees, performance guarantees and warranty guarantees).

Business activities of the KONČAR Group are structured as follows:

- Energy and transport: Designing and building of production plants, transmission and distribution plants and the manufacture of accompanying equipment; electric vehicles and electric equipment for vehicles and electric traction plants
- Industry: Electromotor drives, medium and low-voltage electric equipment and catering equipment
- Trade: Electrical household appliances, serial production goods and low-voltage electrical goods
- Special activities: product research and development and infrastructure services

The Management Board

The Supervisory Board appoints and relieves the President of the Management Board and the Members of the Management Board. The terms of office of the President of the Management Board and the Board Members' mandates last for five years, with an option of reappointment. Pursuant to the Companies Act and the Company Charter, the Management Board is responsible for running the operations. In doing so, it is obliged and authorised to take any action and make any decision it deems necessary for the successful management of the Company. The consent of the Supervisory Board is required in making certain decisions stipulated by the KONČAR – Electrical Industry Inc. Charter.

KONČAR – Electrical Industry Inc. is managed by the Management Board consisting of:

Darinko Bago	President of the Management Board
Marina Kralj Miliša	Member of the Management Board
Jozo Miloloža	Member of the Management Board
Davor Mladina	Member of the Management Board
Miroslav Poljak	Member of the Management Board

The 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 nine members:

Božidar Piller	Chairman of the Supervisory Board
Jasminka Belačić	Vice-chairwoman of the Supervisory Board
Đuro Perica	Member of the Supervisory Board
Elvis Kovačević	Member of the Supervisory Board
Krstijan Floričić	Member of the Supervisory Board
Vicko Ferić	Member of the Supervisory Board
Nenad Matić	Member of the Supervisory Board
Ivan Rujnić	Member of the Supervisory Board
Ratko Žabčić	Member of the Supervisory Board

Končar Group January – March 2012 Business Results

Končar Group has achieved a positive financial result for the first quarter of 2012.

The consolidated Group profit before tax amounts to HRK 40.9 million and it is higher by 22.6 % compared to the achieved profit before tax for the first quarter of 2011. The profit tax advance amounts to HRK 4.6 million and the profit after tax amounts to HRK 36.3 million out of which HRK 6.8 million belongs to the non-controlling interest (the minority interest) and HRK 29.5 million or the amount higher by 29.9 % compared to the same period of 2011, belong to Group Mother Company stockholders.

The total generated consolidated revenues amounts to HRK 563.9 million that is lower by 6.7% compared to the achievements of the same period in 2011. Unconsolidated revenues (data include also incomes generated among associated companies) amount to HRK 702.5 million or show an increase by 0.4 % compared to the previous year achievement.

Total consolidated expenses amount to HRK 522.9 million and they are lower by 8.4% than the achievement in the first quarter of 2011.

Operating revenues are generated in the amount of HRK 534.3 million and they make 94.7 % of total revenues.

Operating expenses are generated in the amount of HRK 510.7 million. The difference between operating revenues and expenses makes the profits from business activities in the amount of HRK 23.6 million.

A share in profits belonging to the associated entrepreneurs has been achieved in the amount of HRK 18.7 million.

Profits from business activities in the amount of HRK 23.6 million, the share in profits belonging to associated entrepreneurs in the amount of HRK 18.7 and the negative difference between the financial incomes and revenues in the amount of HRK 1.4 million make consolidated profits before tax in the amount of HRK 40.9 million.

Out of 21 Končar Group Companies, 15 Companies have achieved positive business results, while six companies have expressed a loss in the total amount of HRK 13.6 million.

Consolidated incomes from sales of products and services have been generated in the amount of HRK 518.1 million. Sales on the domestic market have been generated in the amount of HRK 265.5 million (51 per cent) and has shown an increase by 21 % compared to the same period of the previous year. On the foreign markets, the Group has generated the income from sales of products and services in the amount of HRK 251 million (48.4 per cent of the total sales) or a decrease by 25.2 % compared to exports achieved in the first quarter of 2011. Incomes from sales of products and services in export are lower compared to the result generated during the same time period of the previous year due to contracted delivery dynamics that is not uniform throughout quarters. It is expected that the level of incomes from sales in exports is going to reach the planned amounts in the second quarter.

The correction of incomes by deferred incomes amounts to HRK 1.6 million.

Končar - Elektroindustrija d.d., Fallerovo šetalište 22, 10000 Zagreb, Hrvatska, www.koncar.hr

Within the consolidated incomes from sales, companies belonging to the business area Energy and Transport have achieved sales in the amount of HKR 431.9 million or 84 % of the total sales of the Group, companies from the business area Trade have achieved the sales in the amount of HKR 37.1 million or 7 per cent, companies from the business area Industry HRK 30.5 million or 6 per cent, and three companies within Special Activities HRK 16.9 million or 3 per cent of the total sales of the Group.

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 145.5 million or 54.4 per cent out of the total generated amount on the domestic market, to companies belonging to industry and shipbuilding sector the Group has sold products and services in the amount of HRK 41.1 million or 15.3 per cent of the total incomes from sales of products in Croatia, to trading companies the Group has delivered products in the amount of HRK 27.8 million, to companies belonging to construction business the Group has delivered HRK 7.4 million, to the Croatian Railways (HŽ) HRK 18.4 million and the rest amount of HRK 26.9 million refers to the Croatian Motorways, State and Local Government and Public Companies.

On the foreign market, incomes from sales of products and services amount to HRK 251 million for the time period January to March, 2012. The most important export goods have been delivered to Germany in the amount of HRK 41.8 million, Sweden in the amount of HRK 17.8 million, Finland HRK 17.1 million, Slovenia HRK 17.1 million, Serbia HRK 9.9 million, Russia HRK 9.6 million and Cyprus HRK 9.1 million.

During the same accounting period the Group imported capital equipment, raw materials and materials in the amount of HRK 170.4 million. The import is completely covered by the export and the import-export covering coefficient amounts to 1.5.

During the first quarter of 2012, the Končar Group Companies contracted new projects in the amount of HRK 513.8 million.

Out of the total contracted projects, 41 % has been contracted for domestic and 59 % for foreign markets. HRK 435 million of new projects has been contracted for performance in 2012 and HRK 78.8 million of new projects has been contracted for performance in 2013 and subsequent years.

At the end of March, 2012, the contracted project status has amounted to HKR 2,213.4 million that is at the level of the contracted project status at the beginning of the year.

The level of the total consolidated property of the Končar Group on 31st March, 2012 has amounted to HRK 3,635.7 million making an increase by HRK 139.9 million or 4 % compared to the level on 31st December, 2011. Within the structure of the asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest amount to HRK 1,998.8 million that is HRK 61.6 million more compared to the level on 31st December, 2011 and they make 55 % of the total sources.

Long term asset sources (capital, long term reservations and long term liabilities) are higher by HRK 660.8 million compared to the long term assets and the average level of stocks pointing at a good term structure of asset sources. Current assets are 2.6 times higher than the current liabilities pointing at good liquidity of the system. The consolidated balance sheet structure shows a good financial stability of the Končar Group.

KONČAR – Electrical Industry Inc.

President of the Management Board

Darinko Bago

April, 2012

Statement of the Management Board responsibility

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 - March 2012.

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 in accordance 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 Management Board:

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

April, 2011

Appendix 1

Reporting period:

1.1.2012

to

31.3.2012

Quarterly financial report of entrepreneur TFI-PODRegistration number (MB) **03282635**Identification number of subject (MBS) **080040936**Personal identification number (OIB) **45050126417**Issueer 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/town **133** **ZAGREB**Code and county name **21** **GRAD ZAGREB**Number of employees **3.964**

(at quarter end)

Consolidated statement **YES**NKD/NWC code: **2711**

Subsidiaries subject to consolidation (according to IFRS)

in appendix

Registration number:

Končar - Energetika i usluge d.o.o	Zagreb	1343068
Končar - Institut za elektrotehniku d.d.	Zagreb	3645363
Končar - Elektronika i informatika d.d.	Zagreb	3282899
Končar - Mali električni strojevi d.d.	Zagreb	3282678
Končar - Generatori i motori d.d.	Zagreb	1356216
Končar - Obnovljivi izvori d.o.o.	Zagreb	2435071
Končar - Mjerni transformatori d.d.	Zagreb	3654656
Končar - Distributivni i specijalni transform. d.d.	Zagreb	3654664
Končar - Električni aparati srednjeg napona d.d.	Zagreb	3641287
Končar - Električna vozila d.d.	Zagreb	3282660
Končar - Sklopna postrojenja d.d.	Sesvetski Kraljevec	3641279
Končar - Kućanski aparati d.o.o.	Zagreb	1403222
Končar - Električni visokonaponski aparati d.d.	Zagreb	3641252
Končar - Niskonaponske sklopke i prekidači d.o.o.	Zagreb	3228398
Končar - Ugoditeljska oprema d.d.	Zagreb	3788717
Končar - Alati d.d.	Zagreb	3672468
Končar - Montažni inženjering d.d.	Zagreb	3654362
Končar - Inženjering za energetiku i transport d.d.	Zagreb	3654354
Končar - Metalne konstrukcije d.d.	Zagreb	1114328
Kones AG	Zurich, Švicarska	

Book keeping service:

Contact person: **BRANKA VELKOVSKI**

(fill in only surname and name of contact person)

Phone number: **01 3667175**Fascimile: **01 3655377**E-mail address: branka.velkovski@koncar.hrSurname and name: **DARINKO BAGO**

(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	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.343.866.876	1.398.826.867
I. INTANGIBLE ASSETS (004 do 009)	003	32.699.840	32.340.936
1. Expenditure for development	004	10.552.232	9.603.170
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	4.599.754	4.990.846
3. Goodwill	006	7.503.528	7.501.653
4. Advances for purchase of intangible assets	007	388.695	519.783
5. Intangible assets in progress	008	9.440.954	6.425.167
6. Other intangible assets	009	214.677	3.300.317
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.017.220.459	1.053.873.714
1. Land	011	155.724.709	155.909.617
2. Buildings	012	375.156.015	371.767.113
3. Plant and equipment	013	151.759.821	212.586.471
4. Tools, working inventory and transportation assets	014	82.425.019	84.858.196
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	7.182.957	7.557.357
7. Tangible assets in progress	017	149.478.516	22.820.913
8. Other tangible assets	018	889.771	104.484.434
9. Investment in real-estate	019	94.603.651	93.889.613
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	252.080.923	270.848.863
1. Share in related parties	021	293.704	293.033
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023	811.316	870.317
4. Loans to companies with participating interest	024	0	0
5. Investments in securities	025	4.755.707	4.462.017
6. Loans, deposits, etc.	026	1.461.593	992.500
7. Other non-current financial assets	027	2.191.352	2.893.215
8. Equity-accounted investments	028	242.567.251	261.337.781
IV. RECEIVABLES (030 do 032)	029	41.865.654	41.763.354
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	32.345.312	28.929.090
3. Other receivables	032	9.520.342	12.834.264
V. DEFERRED TAX ASSET	033	0	0
C) CURRENT ASSETS (035+043+050+058)	034	2.142.156.894	2.219.509.674
I. INVENTORIES (036 do 042)	035	512.835.195	666.541.035
1. Raw materials and supplies	036	276.781.099	271.219.482
2. Production in progress	037	134.863.472	204.784.238
3. Finished products	038	60.704.804	95.118.684
4. Merchandise	039	13.717.172	40.579.821
5. Advances for inventories	040	25.856.601	54.838.810
6. Long term assets held for sale	041	912.047	0
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	932.931.301	920.140.006
1. Receivables from related parties	044	19.467.234	32.038.849
2. Receivables from end-customers	045	831.778.713	808.835.201
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	1.321.053	2.216.239
5. Receivables from government and other institutions	048	43.757.812	12.504.362
6. Other receivables	049	36.606.489	64.545.355
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	376.970.323	362.268.115
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	0	0
6. Loans, deposits, etc.	056	376.970.323	362.232.400
7. Other financial assets	057	0	35.715
IV. CASH AND CASH EQUIVALENTS	058	319.420.075	270.560.518
D) PREPAYMENTS AND ACCRUED INCOME	059	9.711.305	17.340.991
E) TOTAL ASSETS (001+002+034+059)	060	3.495.735.075	3.635.677.532
F) OFF BALANCE SHEET ITEMS	061	2.212.151.466	2.338.605.604

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.937.208.827	1.998.785.035
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	243.156.817	283.116.804
1. Legal reserves	066	17.762.375	21.295.706
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	146.257.985	164.459.957
5. Other reserves	070	79.136.457	97.361.141
IV. REVALUATION RESERVES	071	0	0
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	277.566.082	425.327.534
1. Retained earnings	073	277.566.082	425.327.534
2. Loss carried forward	074	0	0
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	162.441.709	29.501.416
1. Net profit for the period	076	162.441.709	29.501.416
2. Net loss for the period	077	0	0
VII. MINORITY INTEREST	078	224.477.040	231.272.102
B) PROVISIONS (080 do 082)	079	508.233.506	505.963.939
1. Provisions for pensions, severance pay and similar liabilities	080	21.809.747	8.463.182
2. Provisions for tax liabilities	081	0	2.910.748
3. Other provisions	082	486.423.759	494.590.009
C) NON-CURRENT LIABILITIES (084 do 092)	083	120.208.139	166.537.345
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits, etc.	085	1.020.000	1.020.000
3. Liabilities to banks and other financial institutions	086	119.188.139	165.155.287
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	362.058
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	832.473.375	861.846.291
1. Liabilities to related parties	094	6.899.329	6.977.030
2. Liabilities for loans, deposits, etc.	095	680.000	680.000
3. Liabilities to banks and other financial institutions	096	135.938.301	113.783.364
4. Liabilities for advances	097	202.109.680	211.627.515
5. Trade payables	098	403.671.321	427.943.061
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	30.874.515	34.065.871
9. Taxes, contributions and similar liabilities	102	42.141.361	42.145.449
10. Liabilities arising from share in the result	103	234.805	333.097
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	9.924.063	24.290.904
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	97.611.228	102.544.922
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	3.495.735.075	3.635.677.532
G) OFF BALANCE SHEET ITEMS	108	2.212.151.466	2.338.605.604
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	1.712.731.787	1.767.512.933
2. Attributable to minority interest	110	224.477.040	231.272.102

Income statement
period 1.1.2012. 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	571.408.884	571.408.884	534.326.819	534.326.819
1. Rendering of services	112	556.166.869	556.166.869	518.069.214	518.069.214
2. Other operating income	113	15.242.015	15.242.015	16.257.605	16.257.605
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	555.163.278	555.163.278	510.671.267	510.671.267
1. Change in inventories of work in progress	115	-31.867.607	-31.867.607	-94.223.403	-94.223.403
2. Material expenses (117 do 119)	116	374.381.499	374.381.499	412.217.705	412.217.705
a) Costs of raw materials	117	303.825.210	303.825.210	345.230.801	345.230.801
b) Cost of goods sold	118	20.150.656	20.150.656	18.260.303	18.260.303
c) Other material expenses	119	50.405.633	50.405.633	48.726.601	48.726.601
3. Employee benefits expenses (121 do 123)	120	116.239.240	116.239.240	112.402.595	112.402.595
a) Net salaries	121	66.534.654	66.534.654	63.951.162	63.951.162
b) Tax and contributions from salary expenses	122	34.371.267	34.371.267	33.103.351	33.103.351
c) Contributions on salary	123	15.333.319	15.333.319	15.348.082	15.348.082
4. Depreciation and amortisation	124	18.836.543	18.836.543	17.643.908	17.643.908
5. Other expenses	125	41.262.156	41.262.156	44.192.687	44.192.687
6. Write down of assets (127+128)	126	1.011.300	1.011.300	7.570.563	7.570.563
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	1.011.300	1.011.300	7.570.563	7.570.563
7. Provisions	129	33.859.561	33.859.561	8.203.316	8.203.316
8. Other operating costs	130	1.440.586	1.440.586	2.663.896	2.663.896
III. FINANCIAL INCOME (132 do 136)	131	13.865.832	13.865.832	10.786.362	10.786.362
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	543.772	543.772	473.492	473.492
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	12.781.622	12.781.622	9.250.304	9.250.304
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	35.390	35.390
5. Other financial income	136	540.438	540.438	1.027.176	1.027.176
IV. FINANCIAL EXPENSES (138 do 141)	137	15.846.509	15.846.509	12.279.237	12.279.237
1. Interest, foreign exchange differences, dividends and similar income from third parties	138	550.683	550.683	750.942	750.942
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	15.274.554	15.274.554	11.528.295	11.528.295
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	21.272	21.272	0	0
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	19.127.483	19.127.483	18.770.530	18.770.530
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	604.402.199	604.402.199	563.883.711	563.883.711
X. TOTAL EXPENSES (114+137+143+145)	147	571.009.787	571.009.787	522.950.504	522.950.504
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	33.392.412	33.392.412	40.933.207	40.933.207
1. Profit before taxes (146-147)	149	33.392.412	33.392.412	0	0
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151	4.633.876	4.633.876	4.636.729	4.636.729
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	28.758.536	28.758.536	36.296.478	36.296.478
1. Profit for the period (149-151)	153	28.758.536	28.758.536	36.296.478	36.296.478
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	22.707.066	22.707.066	29.501.416	29.501.416
2. Attributable to minority interest	156	6.051.470	6.051.470	6.795.062	6.795.062
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	28.758.536	28.758.536	36.296.478	36.296.478
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 167)	158	-115.916	-115.916	56.995	56.995
1. Exchange differences from international settlement	159	-115.916	-115.916	56.995	56.995
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161	0	0	0	0
4. Profit or loss from cash flow hedging	162	0	0	0	0
5. Profit or loss from hedging of foreign investments	163	0	0	0	0
6. Share of other comprehensive income/loss from associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD (166)	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 167)	167	-115.916	-115.916	56.995	56.995
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	28.642.620	28.642.620	36.353.473	36.353.473
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	22.699.288	22.699.288	29.558.411	29.558.411
2. Attributable to minority interest	170	5.943.332	5.943.332	6.795.062	6.795.062

STATEMENT OF CASH FLOWS - Direct method
period 1.1.2012. 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	632.315.420	586.845.727
2. Cash receipts from royalties, fees, commissions, etc.	002	0	0
3. Cash receipts from insurance for damages compensation	003	0	3.756.254
4. Cash receipts arising from tax refunds	004	30.791.224	43.466.281
5. Other cash receipts	005	16.026.546	14.688.512
I. Total increase in cash flow from operating activities (001 to 005)	006	679.133.190	648.756.774
1. Cash paid to suppliers	007	442.895.220	506.623.870
2. Cash paid to employees	008	128.320.150	134.841.350
3. Cash outflows for insurance for damages compensation	009	0	2.478.195
4. Interest paid	010	2.628.131	5.124.327
5. Tax paid	011	35.796.597	44.707.662
6. Other cash outflows	012	30.444.565	26.210.762
II. Total decrease in cash flow from operating activities (007 to 012)	013	640.084.663	719.986.166
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	39.048.527	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	0	71.229.392
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	764.794	473.340
2. Cash inflows from sale of equity and debt financial instruments	017	7.074	0
3. Interest receipts	018	0	0
4. Dividend receipts	019	75.056.851	878.580
5. Other cash inflows from investing activities	020	0	0
III. Total cash inflows from investing activities(016 to 020)	021	75.828.719	1.351.920
1. Cash outflows for purchase of long - term tangible and intangible assets	022	14.663.934	17.691.703
2. Cash outflows for purchase of equity and debt financial instruments	023	49.399	0
3. Other cash outflows from investing activities	024	0	0
IV. Total cash outflows from investing activities (022 to 024)	025	14.713.333	17.691.703
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	61.115.386	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	0	16.339.783
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	028	0	0
2. Cash inflows from loans, debentures, credits and other borrowings	029	1.512.300	47.219.977
3. Other cash inflows from financing activities	030	5.938.190	91.326.515
V. Total cash inflows from financing activities (028 to 030)	031	7.450.490	138.546.492
1. Cash outflows for repayment of loans and bonds	032	22.793.711	23.116.911
2. Dividends paid	033	230.374	8.808
3. Cash outflows for finance lease	034	0	0
4. Cash outflows for purchase of own stocks	035	0	0
5. Other cash outflows from financing activities	036	93.960.251	76.711.155
VI. Total cash outflows from financing activities (032 to 036)	037	116.984.336	99.836.874
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	38.709.618
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	109.533.846	0
Total increases of cash flows (014 – 015 + 026– 027 + 0378 – 039)	040	0	0
Total decreases of cash flows (015 – 014 + 027– 026 + 039 – 038)	041	9.369.933	48.859.557
Cash and cash equivalents at the beginning of period	042	580.365.351	319.420.075
Decrease in cash and cash equivalents	043	0	0
Increase in cash and cash equivalents	044	9.369.933	48.859.557
Cash and cash equivalents at the end of period	045	570.995.418	270.560.518

STATEMENT OF CHANGES IN EQUITY

period 1.1.2012 to 31.3.2012

Legal entity: Končar Electrical Industry INC.

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	1.150.319.400	1.150.319.400
2. Capital reserves	002	719.579	719.579
3. Reserves from profit	003	315.045.708	355.005.695
4. Retained earnings or loss carried forward	004	278.886.453	456.443.883
5. Net profit or loss for the period	005	192.237.687	36.296.478
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	0	0
10. Total equity and reserves (AOP 001 to 009)	010	1.937.208.827	1.998.785.035
11. Foreign exchange differences from foreign investments	011	199.297	56.995
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	0	0
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	1.437.178	
16. Other changes	016	141.396.991	61.519.213
17. Total increase or decrease of equity (AOP 011 to 016)	017	143.033.466	61.576.208
17 a. Attributable to majority owners	018	132.944.166	54.781.146
17 b. Attributable to minority interest	019	10.089.300	6.795.062

Notes to the consolidated financial reports

Taxpayer: 03282635 Končar Electrical Industry INC.

1. Distribution of shares

There has been no distribution of shares.

2. Earnings per share

Earnings per share for the period January - March 2012 are HRK 11.49 and are higher than earnings per share during the same period of the previous year by HRK 1.67.

3. Changes in ownership structure

Compared to the previous trimestre, there have been no significant changes in the top ten shareholders.

4. Mergers and acquisitions

There have been no new mergers and acquisitions.

5. Uncertainty (description of cases in which exists the uncertainty of collection of outstanding debts or possible future expenses)

There have been no significant uncertainties in collection or future expenses.

6. Business results

During the period January -March 2012, as opposed to the same period of the previous year, revenues decreased by 6.7 per cent, while operational revenues, which make up for 94.8 per cent of the total revenues, decreased by 6.5 per cent. Total expenses decreased by 8.4 per cent in respect to the same period of last year, while operating expenses with changes in stock, which constitute 97.7 per cent of the total expenses, decreased by 8.0 per cent. Financial income and income from investment into affiliated companies decreased by 22.2 per cent compared to the same period of last year. Financial expenses decreased by 22.5 per cent in comparison with the same period of the previous year.

7. Products and services description

Production of electrical equipment for production, transmission and consumption of electrical energy, production of transport equipment and electric household appliances.

8. Operating and other costs

For the period January - March of the year 2012, in comparison with the same period of last year, the share of material expenses in the total revenue increased by 1.2 percentage point, expenses of values adjustment rose by 1.1 percentage points, the share of other expenses increased by 1.2 percentage point, while the share of employees expenses decreased by 1.8 percentage points, costs of provisions decreased by 4.1 percentage points.

9. Profit or loss

Consolidated Group profits after tax increased by 26.2 per cent compared to the same period of the previous year. The Group's net profit subscribed to the parent capital holders for the period January - March of the year 2012 amounts to HRK 29.50 million, which is a increase of HRK 6.79 million compared to the same period of the previous year. Of the 21 companies comprising the Končar Group, six companies declared a loss in the amount of HRK 13.63 million, of which HRK 12.42 million is subscribed to the parent capital holders.

10. Solvency

Cash and cash equivalents by the end of the first trimester of 2012, as opposed to the beginning of the year, decreased by HRK 48.86 million. The mentioned decrease is the result of investments in non-current tangible assets and current assets (inventories).

11. Other notes

There have been no changes in accounting policies and procedures, and there are no new noteworthy lawsuits.

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.hr

Surname 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		