# ANNUAL REPORT FOR THE GROUP IMPOL

# 2012

impol
Aluminium Industry

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Aluminium Industry

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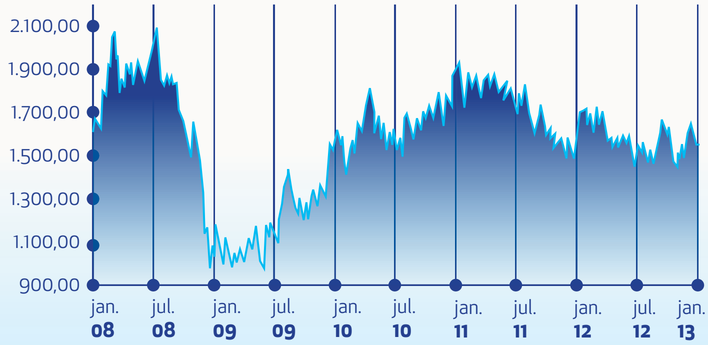
IMPOL IN 2012 **A SUCCESSFUL YEAR** IN A CHALLENGING ENVIRONMENT

# SEEKING MOTIVATION.

CAUGHT UNDER THE WEIGHT OF CONSTANT CHALLENGE, WE GET LOST IN EVERYDAY WORK AND SOMETIMES TEND TO FORGET, WHY ALL THE EFFORTS ARE MADE. THUS IT IS GOOD TO SOMETIMES LOOK BACK TO GAIN FURTHER MOMENTUM FOR THE FUTURE.

- In the aluminium industry, 2012 started off with mixed feelings. The price of aluminium at the commodities exchange rose to the average price level from the year before, which provided the market and manufacturers with the necessary optimism. It is, however, also true that that optimism was gone by the end of the first half of the year, when aluminium prices returned to the level from the beginning of the year.

Figure 1: **The movement of aluminium prices at the LME between 2008–2012** (in €/t)



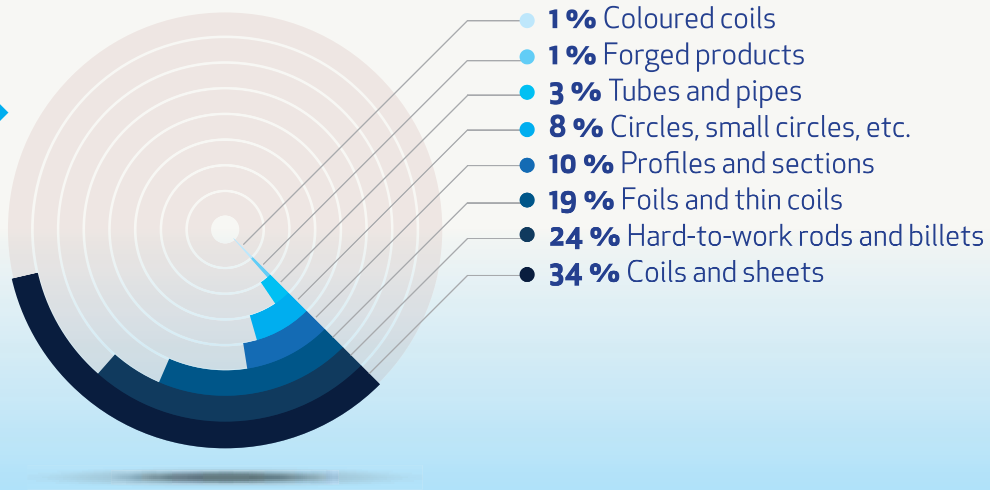

- Impol[1] started off the business year with a status of orders that had to be carried out in shorter delivery periods. Such a method of carrying out orders requires an adjustment to measures pertaining to the purchase of raw materials, stock financing, the adjustment of technological and technical procedures and internal organisational solutions, which is why special attention was paid thereto throughout the entire business year. The number of orders fell towards the middle of the year, but gaining new orders continued to facilitate the achievement of a satisfactory scale of operations in terms of quantity and value.
- Aluminium prices at the LME[2] continue to move in an unpredictable direction; in the second half of the year, they only moved slightly and on a relatively very low basis. Purchase premiums added to the quoted price of aluminium were on the rise, which basically meant that the share of aluminium processors in sales prices, which remained the same as a result of unchanged quoted aluminium prices, was falling.
- Impol continues to remain among the Top 10 Slovenian export companies and among the Top 15 largest companies in the country.
- The Impol Group achieved an EBITDA in the amount of €40 million that also includes €14 million of profit and more than €16 million of depreciation, the latter falling by 4% as compared with the preceding year.
- The quantitative volume of aluminium product sales rose by 6% as compared with the preceding year but did not affect the amount of sales in a way that would result in a rise thereof, as the quoted price, which serves as a basis for shaping purchase and sales prices, fell by almost 8% on average.
- The volume of production of aluminium products for customers that participate in the means of transport production processes is still on the rise but with reduced dynamics in order not to cause any problems as a result of the expected regression in the production of means of transport.

[1]Anywhere in the document, **Impol** refers to the entire **Impol Group**.

[2]LME – London Metal Exchange

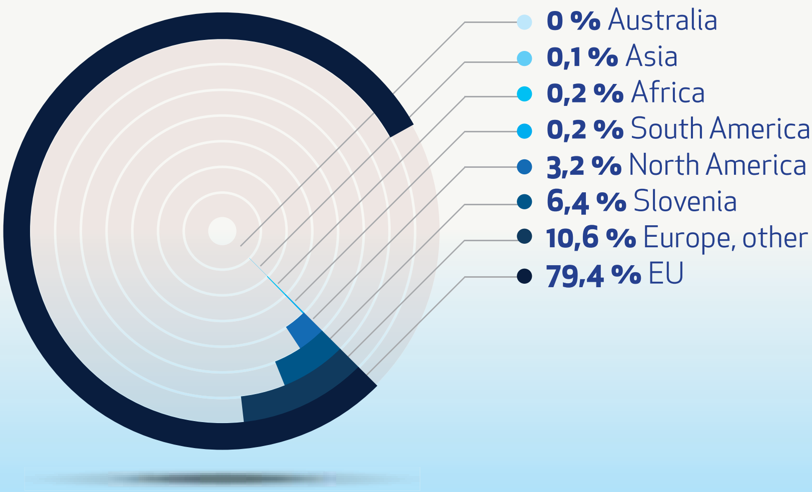
- Operations pertaining to the aluminium processing programme constitute the largest part of the entire production and sales process at Impol. Revenue pertaining thereto constitutes 99% of all revenue generated in external markets, whereas the remaining part of revenue is generated from services mostly on the local market.

Figure 2:
**Shares of aluminium product sales by type in 2012**



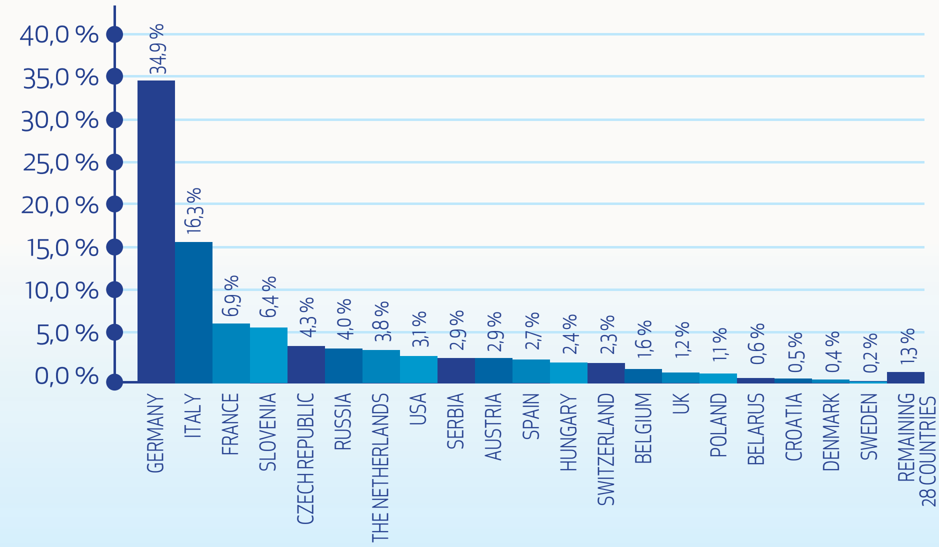

- Our programme continues to be composed of a wide range of products, thus reducing our exposure to oscillations on the market.
- Our sales continue to be concentrated on nearby markets in Europe as only a small number of products of the Impol Group can tolerate the higher costs of transportation and the high-quality sales and after-sales services that are then more difficult to provide.

Figure 3:
**Sales by area**



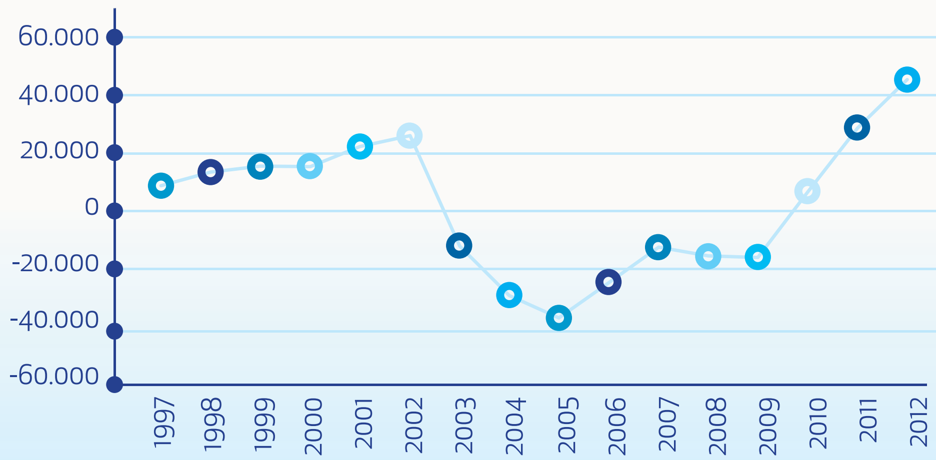
- The share of sales outside the EU continues to rise slightly, and Germany continues to be our largest individual sales market. The Impol Group has established a permanent business partnership with customers from about 50 countries, although customers from the EU prevail.

Figure 4:
**Aluminium product sales by country**



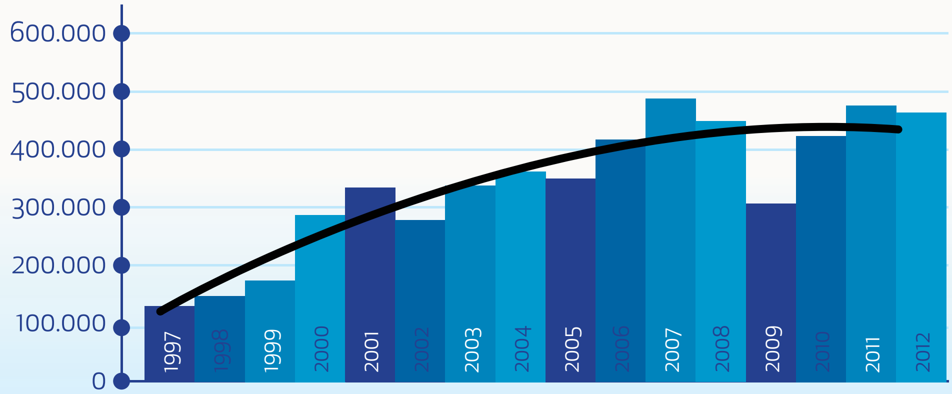

- The introduction of a new aluminium coil colouring production line enables the Impol Group to redirect a part of the coil production programme with a low added value to coloured coils and sheets with a significantly higher added value per product unit.
- During its second full year of operation, Impol's solar power plant generated 1.19 MWh of green electricity, which was 16% more than planned.
- Our foundry capacities have been renovated in accordance with the planned dynamics and, following the completion of works from August onward, have facilitated an increase in the volume of production of aluminium products for the market by more than 8%, which is more than planned for 2013.
- The composition of assets continues to improve; long-term assets increased by 13%. Compared with the preceding year, Impol also increased its working capital for 57%.
- In 2012, the Impol Group invested almost €18 million in order to guarantee long-term development potential on the one hand and to preserve previously attained market or production capacities and improve them on the other. The value of investment of this kind rose by 8% compared with the preceding year.

Figure 5:
**Working capital by year**



- Only smaller short-term investments (an increase by 3%) were required, as, despite a 6% growth in the physical volume of sales, the scale of operations in terms of value remained on the same level as during the preceding year, which was due to falling basic quoted prices of aluminium raw materials.
- In 2012, the Impol Group exceeded €44 thousand in added value per employee, which fell by 6% compared with the preceding year.
- In 2012, the Group also included Rondal d.o.o., which was purchased in 2011, in its production processes throughout the entire business year.
- All operations throughout the year were organised in compliance with the Impol Business Rule Code.

Figure 6: **Volume of sales and trend**




# Important data and indicators

**TABLE 1:** Overview of consolidated results for 1998–2012 (in € 000)

| | Consolidated results of the Impol, d.d., Group, excluding Impol 2000, d.d. | | | | | | | | | Impol Group | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | '98 | '99 | '00 | '01 | '02 | '03 | '04 | 05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
| Consolidated net turnover | 145.130 | 175.295 | 294.977 | 332.472 | 276.174 | 346.394 | 366.708 | 355.372 | 432.112 | 468.309 | 450.641 | 303.783 | 421.140 | 473.611 | 463.155 |
| – out of which products sold | 120.680 | 141.002 | 294.977 | 332.472 | 273.979 | 344.339 | 363.818 | 352.392 | 427.707 | 409.119 | 387.216 | 275.254 | 352.744 | 405.662 | 410.829 |
| Consolidated operating expenses | 135.363 | 164.462 | 283.139 | 321.238 | 266.065 | 337.566 | 364.769 | 343.102 | 419.243 | 429.565 | 428.943 | 292.245 | 414.424 | 448.161 | 448.529 |
| – out of which depreciation | 4.395 | 4.986 | 5.312 | 6.281 | 6.309 | 7.908 | 10.956 | 14.063 | 14.416 | 17.081 | 18.555 | 12.521 | 14.384 | 15.567 | 16.562 |
| Operating profit | 9.766 | 10.833 | 11.837 | 11.234 | 10.109 | 8.829 | 1.939 | 12.270 | 12.870 | 38.645 | 21.698 | 15.267 | 15.958 | 26.315 | 23.017 |
| Finance revenue less expenses | -3.293 | -3.843 | -6.107 | -6.217 | -5.611 | -6.381 | -9.365 | -12.713 | -6.422 | -14.470 | -12.644 | -14.314 | -9.670 | -11.108 | -9.300 |
| Other revenue less expenses | –284 | 816 | 2.096 | 762 | 328 | 1.157 | 883 | 2.897 | 126 | –1.137 | 250 | 583 | 494 | 795 | 230 |
| Profit (loss) | 5.052 | 6.337 | 7.690 | 4.926 | 4.581 | 3.381 | –6.776 | 2.280 | 6.009 | 21.033 | 7.867 | 663 | 6.024 | 13.612 | 12.307 |
| Cash flow from current operations | 9.448 | 11.323 | 13.001 | 11.207 | 10.890 | 11.289 | 4.180 | 16.343 | 20.425 | 38.114 | 26.422 | 13.184 | 20.408 | 29.180 | 28.869 |
| Cash | 3.787 | 2.156 | 2.347 | 5.963 | 8.983 | 2.961 | 6.062 | 3.632 | 9.683 | 5.704 | 8.053 | 6.977 | 4.292 | 7.180 | 9.528 |
| Equity | 65.929 | 72.861 | 78.592 | 83.459 | 83.802 | 83.465 | 78.411 | 81.650 | 86.558 | 53.545 | 56.889 | 56.269 | 59.959 | 73.647 | 83.477 |

| | Consolidated results of the Impol, d.d., Group, excluding Impol 2000, d.d. | | | | | | | | | Impol Group | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | '98 | '99 | '00 | '01 | '02 | '03 | '04 | 05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
| Book value per share in € | | | | | | | | | | 44,36 | 53,33 | 52,75 | 56,21 | 69,21 | 77,78 |
| Revenue per employee in €/year | 172.979 | 201.953 | 328.116 | 368.594 | 133.935 | 182.276 | 199.806 | 197.100 | 237.034 | 257.030 | 252.743 | 185.724 | 249.897 | 266.937 | 255.380 |

A short overview of our operations (Table 1: Overview of consolidated results for 1998–2012 and Table 2: The most important indicators) shows that, in 2012, Impol managed to preserve the scale of operations in terms of value from the preceding year, followed in parallel by the achieved movement of cash flow and economic viability of our operations. About half of the cash flow from current operations was achieved from depreciation and the other half from profit. Given that at least half of the turnover of aluminium products and an even higher portion of expenses are subject to the price of aluminium at the commodities exchange, the turnover was preserved mainly due to a higher volume of sales of aluminium products and the introduction of new programmes.

**TABLE 2:**
The most important indicators

| | Consolidated results of the Impol, d.d., Group, excluding Impol 2000, d.d. | | | | | | | | | Impol 2000 Group | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Year | '98 | '99 | '00 | '01 | '02 | '03 | '04 | '05 | '06 | '07 | '08 | '09 | '10 | '11 | '12 |
| Turnover ratio | 1,38 | 1,24 | 1,38 | 1,52 | 1,38 | 1,38 | 1,41 | 1,40 | 1,43 | 1,61 | 1,49 | 1,06 | 1,38 | 1,52 | 1,44 |
| Viability | 8,00 % | 7,60 % | 8,60 % | 5,70 % | 5,52 % | 4,10 % | −7,93 % | 2,96 % | 5,03 % | 64,69 % | 16,05 % | 1,14 % | 11,17 % | 22,47 % | 17,29 % |
| Margin | 3,6 % | 2,6 % | 1,6 % | 1,5 % | 1,7 % | 1,0 % | −1,8 % | 0,7 % | 1,4 % | 4,33 % | 1,70 % | 0,20 % | 1,39 % | 2,93 % | 2,66 % |
| Equity/asset ratio | 66,0 % | 60,0 % | 54,7 % | 59,0 % | 42 % | 33,9 % | 28,9 % | 27,3 % | 28,1 % | 16,9 % | 18,4 % | 19,1 % | 19,0 % | 23,4 % | 25,29 % |
| Debt/equity ratio | 52 % | 64 % | 82 % | 74 % | 136 % | 193 % | 238 % | 259 % | 290 % | 485 % | 445 % | 420 % | 427 % | 323 % | 290 % |
| Long-term loans/ equity ratio | 10 % | 11 % | 13 % | 14 % | 48 % | 54 % | 53 % | 51 % | 52 % | 152 % | 127 % | 133 % | 150 % | 134 % | 124,8 % |
| Employees | 834 | 873 | 895 | 895 | 2062 | 1900 | 1835 | 1803 | 1819 | 1822 | 1783 | 1652 | 1695 | 1778 | 1.861 |

This list of the most relevant key performance indicators in the year shows that despite various negative impacts on Impol's business environment and on Impol itself, 2012 was one of the most successful years in a comparable period.

It has also been found that the Impol Group managed to somewhat improve its financing structure even in a highly unfavourable financial environment, which is mostly due to the highly conservative actions of our shareholders in relation to the payment of dividends as, based on their decisions, the majority of profits is currently re-invested in the company and thus providing it with an important part of resources for continuous development.

# Company profile of the Impol Group

The Impol Group operates under its parent company Impol 2000, d.d., with its direct subsidiaries Impol, d.o.o., Rondal, d.o.o., Impol Hungary Kft. and Impol Servis, d.o.o. Impol, d.o.o., operates with thirteen active subsidiaries, four active sub-subsidiaries and two active associates (Table 3).

**TABLE 3:**
Active companies in the Impol Group

| | Company | Share |
|---|---|---|
| | **Impol 2000, d.d. – the parent company that has direct control over:** | |
| 1 | Impol Servis, d.o.o.<br>(in control over a 27.4% share of Unidel, d.o.o. – Point 2.11. | 100 % |
| 2 | Impol, d.o.o.<br>with the following subsidiaries: | 97,5 % |
| 2.1<br>2.1.1<br>2.1.2<br>2.1.3<br>2.1.4 | Impol Seval, a.d., Serbia with the following subsidiaries:<br>• Impol Seval PKC, d. o. o. (100 %)<br>• Impol Seval Tehnika, d. o. o. (100 %)<br>• Impol Seval Final, d. o. o. (100 %)<br>• Impol Seval President, d. o. o. (100 %)<br>• Slobodna carinska cona (33,33 %) | 70 % |
| 2.2 | Impol LLT, d. o. o. | 100 % |
| 2.3 | Impol FT, d. o. o. | 100 % |
| 2.4 | Impol PCP, d. o. o. | 100 % |
| 2.5 | Stampal SB, d. o. o. | 100 % |
| 2.6 | Impol R in R, d. o. o. | 100 % |
| 2.7 | Impol Infrastruktura, d. o. o. | 100 % |
| 2.8 | Impol Aluminum Corporation, New York (ZDA) | 90 % |
| 2.9 | Impol Stanovanja, d. o. o. | 100 % |
| 2.10 | Štatenberg, d. o. o. | 100 % |
| 2.11 | Unidel, d. o. o. | 72,6 % |
| 2.12 | Impol-Montal, d. o. o. | 100 % |
| 2.13 | Kadring, d. o. o. | 62,5 % |
| 2.14 Associate | Simfin, d. o. o. | 49,5 % |
| 2.15 Associate | Alcad, d. o. o. | 32 % |
| 3. | Rondal, d. o. o. | 100 %[3] |
| 4. | Impol Hungary Kft. | 100 %[4] |
| 5. | Impol Brazil Aluminium LTDA | 50 % |

Out of the above-listed group of twenty-four companies, seven operate abroad, out of which Impol Hungar Kft. Hungary as a direct subsidiary of Impol 2000, d.d. and two subsidiaries of Impol, d.o.o.: IAC New York, USA, and Impol Seval, a.d., Serbia, which is the 100% owner of four companies. Consolidated returns also include all companies in which the Impol Group holds more than 50% management rights, meaning that Simfin, d.o.o. and Alcad, d.o.o. are not included.

2012 saw the beginning of operations of the subsidiaries Rondal, d.o.o. and Impol Hungary Kft in the Impol Group. Our associate Alureg PIN, d.o.o. was completely liquidated.

[3]Rondal, d. o. o. je was purchased by Impol 2000, d.d., on 27 December 2011 and the purchase was registered in mid-January 2012. The company operated in the Impol Group throughout the entire business year.

[4]Impol Hungary Kft was established in the middle of the year.

Impol 2000, d.d. is the head of the Impol Group and is organised in the form of a public limited company. Its capital is divided into 1,066,766 pro rata shares, issued in non-materialised form and registered as such on 5 March 2007. The shares are transferable and are all of the same class. The central share register is kept by the Company on a lawyer trust account. At the end of the year, 978 shareholders were registered.

The entire Board of Impol 2000, d.d. owns 15,182 shares or 1.42% in total. No shares were either acquired or alienated in 2012.

Members of the Supervisory Board owned 132 shares or 0.01%. No shares were either acquired or alienated throughout the year.

Employees of the Impol Group (including Members of the Board) own 14.7% of shares in total.

An overview of the 10 largest shareholders continues to show a rather diversified ownership (Table 4):

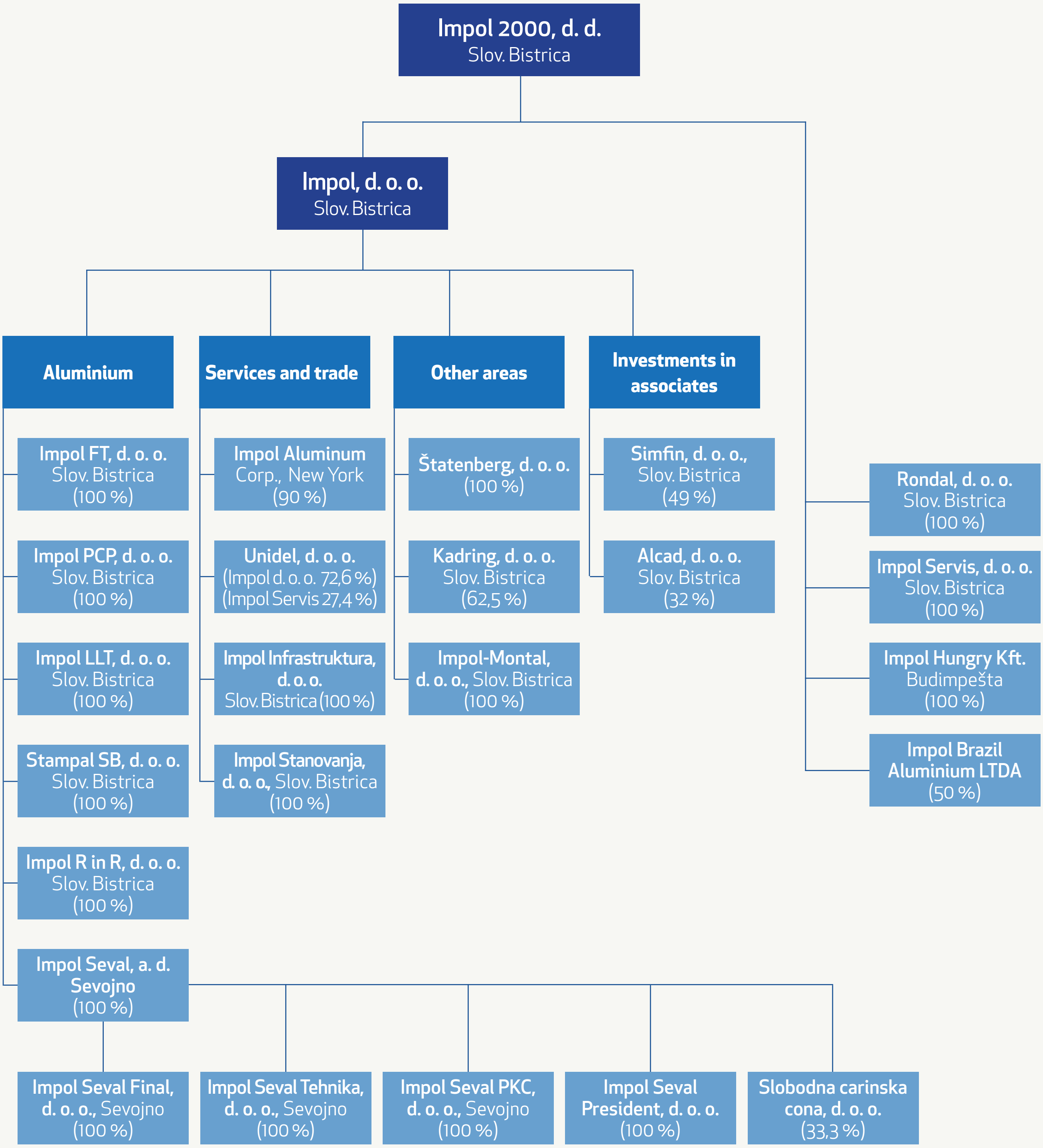
**TABLE 4:**
Overview of shareholders as at 31 December 2012

| Shareholder | Number of shares | Share |
|---|---|---|
| Bistral, d. o. o. | 111.449 | 10,4 % |
| Impol-Montal, d. o. o. | 80.482 | 7,5 % |
| Karona, d. o. o. | 71.403 | 6,7 % |
| Alu-trg, d. o. o. | 58.882 | 5,5 % |
| Upimol 2000, d. o. o. | 54.787 | 5,1 % |
| Alumix, d. o. o. | 53.400 | 5,0 % |
| Simpal, d. o. o. | 53.400 | 5,0 % |
| Danilo Kranjc | 23.973 | 2,2 % |
| Simfin, d. o. o. | 19.173 | 1,8 % |
| Varimat, d. o. o. | 17.206 | 1,6 % |
| Remaining 968 shareholders | 522.612 | 49,0 % |
| Total | 1.066.767 | 100,0 % |

The share ownership structure in 2012 did not change considerably in comparison with the share ownership structure as at 31 December 2011.

# Organisational chart

In 2012, Impol was organised as follows:



In compliance with the Companies Act, Impol 2000, d.d., based at Partizanska 38, Slovenska Bistrica, Slovenia, as the parent company of the Impol Group and a large public limited company, is subject to an audit and the drawing up of a consolidated annual report.

Impol 2000, d.d., družba za upravljanje, was established in August 1998 and entered in the company register kept by the District Court of Maribor on 3 August 1998 as a public limited company by means of Decision Srg. 98/01042, Entry Number 1/10469/00. The company is classified under the 70.100 Holding Company Management code of activity. Its registration number is 1317342.

9 November 1998 saw the entry of the company's decision to increase its share capital with contributions in kind in the form of shares of Impol, d.d. Slovenska Bistrica into the company register kept by the District Court of Maribor by means of Decision Srg. 98/01486, Entry Number 1/10469/00.

On 1 October 1999, the company adopted the decision to increase its share capital. A payment by means of a contribution in kind by Impol, d.d. in the form of the acquiring of the 100% basic share of Impol, d.d. in Impol Servis, d.o.o. was entered into the company register kept by the District Court of Maribor on 15 February 2000 by means of Decision Srg. 1999/03108, Entry Number 1/10469/00.

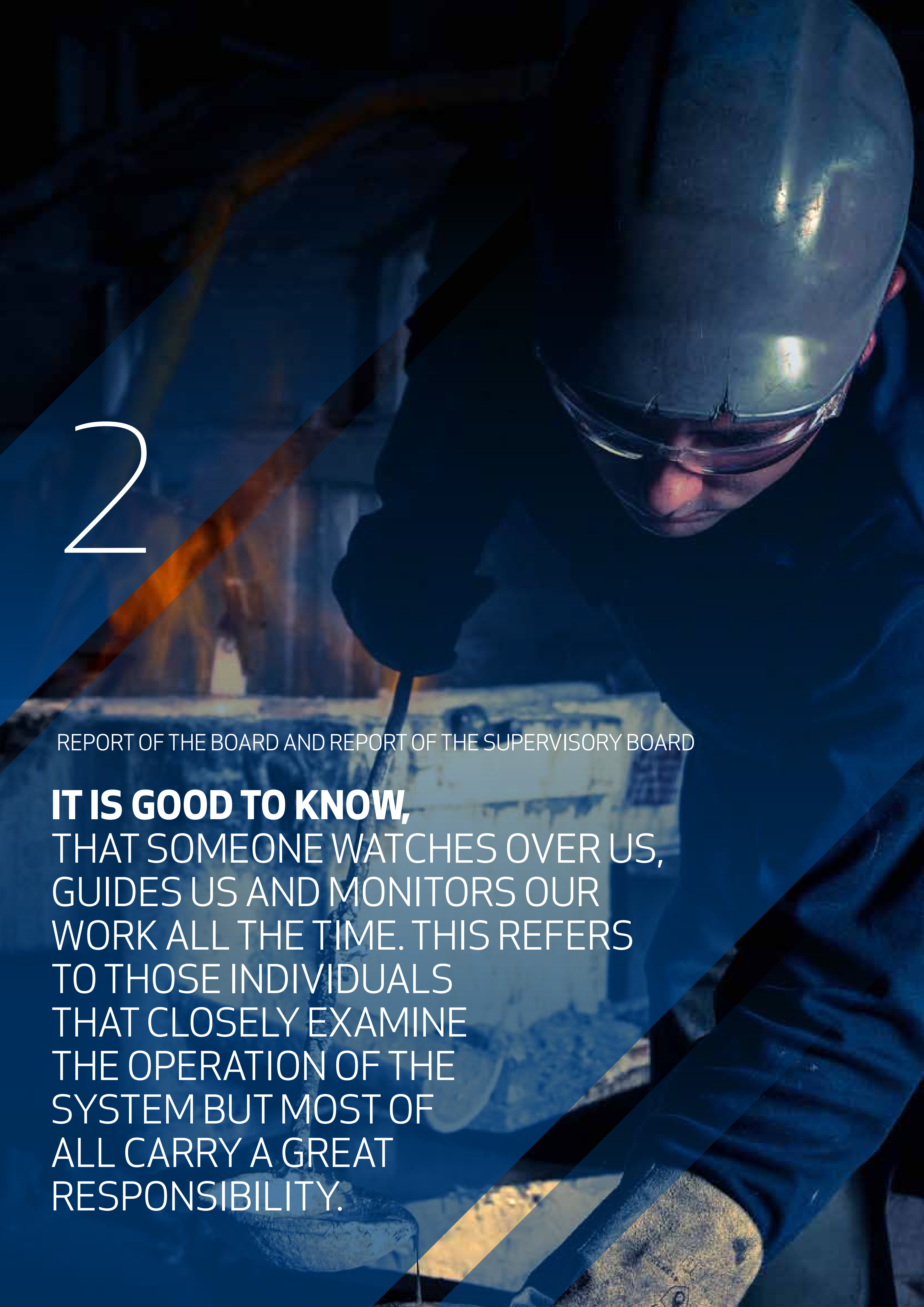
Since the increase in share capital entered into the company register on 15 February 2000, the Company's share capital has amounted to €4,451,540.

The share capital of the Company is distributed among 1,066,767 registered pro rata shares.

As at 31 December 2012, the book value per share of Impol 2000, d.d. was as follows:

**TABLE 5:**
Book value per share of Impol 2000, d.d. (the parent company of the Group):

| Year | Book value per share of Impol 2000, d.d. (the parent company) | Book value per share – consolidated – including minority equity | Book value per share – consolidated – excluding minority equity |
|---|---|---|---|
| 2012 | 45,88 | 77,78 | 69,83 |
| 2011 | 40,85 | 69,21 | 61,21 |
| 2010 | 36,19 | 56,46 | 49,90 |
| 2009 | 32,13 | 52,75 | 46,41 |
| 2008 | 26,54 | 53,33 | 47,27 |
| 2007 | 23,70 | 50,19 | 42,06 |



# 2

REPORT OF THE BOARD AND REPORT OF THE SUPERVISORY BOARD

**IT IS GOOD TO KNOW,**
THAT SOMEONE WATCHES OVER US, GUIDES US AND MONITORS OUR WORK ALL THE TIME. THIS REFERS TO THOSE INDIVIDUALS THAT CLOSELY EXAMINE THE OPERATION OF THE SYSTEM BUT MOST OF ALL CARRY A GREAT RESPONSIBILITY.



# Report of the board

Distinguished shareholders and all other stakeholders!

The preceding year was one of the most challenging business years for us, given that immense price pressure was exercised on our aluminium processing operations in relation to rising purchase prices of aluminium raw materials, and, in addition, sales prices experienced a stagnation as a result of which we found ourselves under pressure to lower them. Loss or profit achieved was one of the best in the last decade of operation and thus guaranteed still acceptably stable conditions for the development and operation of Impol.

As early as at the end of 2011 and also throughout the entire year of 2012, the business, social, political and all other environments were dominated by pessimistic predictions. All involved acted accordingly. All this was reflected in the business environment in two important areas: firstly, in the negative approaches that occurred in the financial environment. Banks as financial institutions became highly unreliable partners to many business entities such as Impol; secondly, as a result of the insecure environment, increasingly our customers started to reduce their orders purely for stocks and thus, to continue guaranteeing day-to-day implementation of business processes, only made an order when Impol was able to ensure delivery in an increasingly shorter period of time.

Relatively unimpeded operation of the company in 2012 was facilitated by timely and relevant training in a market acceptable way of reacting to both challenges.

Diligent risk monitoring and constant attempts to optimise sources of finance improved the structure of sources of finance in a way that, in addition to all investments in permanent assets, the Company also finances a major part of its short-term assets with long-term sources of finance, thus significantly improving the safety of operations and reducing the reaction time that in some cases plays a decisive role when entering sales and also purchase markets.

Impol undertook training in all programmes that enabled it to react to demands made by customers with regard to delivery periods as an important element in the selection of a supplier, thus facilitating the receipt of ordered goods in shorter delivery periods. Shorter delivery periods also constituted one of the conditions for permanent ordering. The scale of standing orders was thus reduced, making it more likely for Impol to obtain new orders. Such an orientation is also seen as acceptable for our future operations. Impol also made progress in terms of quality by providing its customers with more technological routes, facilitating the safety of production and the keeping of delivery periods.

As the grim projections did not come true in the past years, our forecasts have been moved to 2013, although that only applies, to a greater extent, to the local market, where Impol generates only about 7% of its entire revenue. Minimum moderate growth is, however, expected on foreign markets, providing Impol with acceptable starting points for its further operation.

The share of operations in the local market continues to fall, which is normal, as the local market is a very small market in terms of our capacities, and the Company must continuously grow. Our entire growth can only be realised through exports, which are playing an increasingly important role.

Impol's production portfolio continues to be distributed among several production products, and this is continuously demonstrated as a market window and an advantage that can guarantee a more comprehensive range of products to a certain group of customers and also reduces our susceptibility to oscillations on the market as it happens very rarely for a crisis to take place in all programmes at the same time.

In 2012, almost all markets, both by region and type of products, experienced great shifts that require minor or major adjustments. Impol responded to the challenges by guaranteeing higher-quality products by ensuring improved quality control with new appliances, by adjusting to new conditions with concrete organisational steps, by monitoring developments in all programmes should a crisis take place and also by acting accordingly, eliminating bottlenecks in production processes through minor investments for a certain purpose, etc.

Trading became an increasingly challenging endeavour as the scale of operations based on long-term strategic sales contract fell. The share of sales via intermediary dealers also fell, yet direct sales to the final customer increased, resulting in appropriate adjustments to the price policy.

Most of our products are intended for the following industries: the means of transport industry, the pharmaceutical industry, the food industry, the electro industry, the building industry, etc. Buyers of our products for the construction industry are still in a recession. Some problems have also been observed by customers engaged in the means of transport industry. Problems in the above-mentioned market segment are neutralised successfully by shifting to areas with greater potential.

Restraint on the market will, according to our estimates, continue until at least the first quarter of 2013. Forecasts for a longer period of time are, however, fairly optimistic, over 1% annual GDP growth is expected for Impol's major markets so that at least the same demand as in 2012 can also be expected. These forecasts exclude the local market, for which further shrinking is foreseen for at least two more years. Impol is thus slowly turning into an almost entirely export-oriented company.

Its main market in 2012 was still the European Union, where almost 80% of our products are sold. The Company also started to develop other markets and broke into the Russian, Belarusian and Ukrainian market with Impol Seval products. As most of our products are sold to other manufacturers that then process or install them into their own products, it is highly important that our customers are not located so far away as to prevent us from providing high-quality sales and after-sales services. Customers can only be satisfied in a successful manner with high-quality service if they are not located too far away from the production facility itself. Therefore only a very small part of our production programme can be sold globally.

Impol has thus decided to act globally only with a selected part of the production programme and to continue with its present organisational forms.

The Company continues to implement channel of trade changes by increasing the share of sales that requires both direct connections with and inclusions of Impol's development and production processes in the processes of our customers.

According to our forecasts for 2013:

- Impol will continue to increase its volume of sales of products with a higher added value (coloured coils and sheets, difficult-to-work alloy foils and rods);
- the Company will continue to increase the capacities of its press programme;
- we will keep our European market;
- the volume of our niche programmes will continue to increase;
- we will continue to conquer the Russian market;
- we will continue to solidify the good reputation of the Impol brand as a reliable and renowned provider of a broad range of aluminium products.

As our parallel activities formed an important part of our result in 2012, the Company has decided to promote them further into the future as well. Operating conditions in markets outside Slovenia were somewhat stabilised, although conditions on the financial markets continued to deteriorate. Even though positive trends have already been observed in Slovenia, further regression is expected on the local market. The Company will continue to establish appropriate provisions for periods of negative conjunctural oscillations and for the development of activities that provide the Company with advantages in selected niches.

Impol's basic, and also the majority of its parallel activities, are connected to aluminium processing, which is why the success of the entire Impol Group is impacted considerably by changes in quoted aluminium prices that serve as the basis for making purchase prices and also sales prices of Impol's products. These prices also serve as the basis for guaranteeing the protection of purchase and sales prices and for guaranteeing an interaction between aluminium raw material purchase prices and Impol products sales prices. The entire year of 2012 also saw a tendency of falling quoted aluminium prices, although price changes were much smaller than during the preceding 5-year period, suggesting that the markets are at least somewhat stabilising. A relatively low price at the commodities exchange, however, resulted in pressure being exercised to raise the premiums for all types of aluminium raw materials. This pressure will pose a problem in 2013, when the premiums will have to be transferred to customers, which is much harder than to endure a rise in prices on the LME that the customers do recognise.

In 2012, the aluminium market experienced practically no significant organisational and ownership changes. China, however, continues to establish itself as the leading manufacturer and continues to manufacture almost a half of all extracted aluminium in the world. Given that 2012 saw the production of about 0.5 million tons of aluminium more than it was consumed, Impol estimates that there is no risk of experiencing a lack of it globally, although there are still interruptions in the provision therewith on the European market as energy issues made Europe almost entirely discontinue its production.

In order to follow its development goals and scale of operations as well as aluminium price growth, about €18 million were invested in fixed assets in the form of development investments and about €5 million were invested in short-term investments that guaranteed unimpeded day-to-day operations, which indicates that the majority of the cash flow generated was spent on investments that will serve as a basis for further operations. Acquired loans as external sources of financing of the production process remained the same throughout the entire year. An investment in the coil colouring process at Impol Seval in Serbia facilitated the restructuring of production towards higher added value. An investment in the foundry at Impol in Slovenia that will be completed in 2013 will enable us to take maximum advantage of the previously constructed capacity and to simultaneously make use of more than one reusable raw material. All that will help optimise profit in the future.

Given the results achieved, investments in Impol are profitable and safe as the results achieved enabled a timely and full settlement of all liabilities, facilitated the organisation of an unimpeded operating process and guaranteed safe investments in the Company.

**TABLE 6:**
Operating results

| Indicator | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| EBITDA | 38,837 | 42,019 | 30,291 | 23,185 | 40,084 | 50,762 | 29,786 |
| Growth from the preceding year | -8,1% | 38,7 % | 30,6 % | −42,3 % | −21,0 % | 70,4 % | 27,2 % |
| EBIT | 22,175 | 26,463 | 15,907 | 11,124 | 24,434 | 34,569 | 15,142 |
| Growth from the preceding year | -19,3% | 66,4 % | 43,0 % | −54,7 % | −29,3 % | 128,3 % | 61,7 % |

A minor fall of the EBITDA compared to what had been achieved in the preceding year is mostly the result of extremely high growth in the preceding year that strongly deviates from the multi-annual average.

In 2012, Impol pursued the following basic goals:

- to generate €12.1 million of profit and
- €32 million of net cash flow,
- to be achieved with the sale of 167 thousand tons of aluminium products.
- In the end:
- the volume of quantitative sales was realised in the amount of 168 thousand tons,
- the Group generated a nominal net cash flow in the amount of €28.8 million and a
- profit in the amount of €12.3 million.

In 2012, Impol achieved the most important goals set, even though some of the following problems, which were rather successfully neutralised, occurred:

- demand for some programmes diminished in comparison to the preceding year, although shifting to other programmes facilitated the neutralisation of disturbances,
- a more challenging situation on the market meant that the introduction of new programmes required additional efforts.
- Comparisons with the preceding year and with our plans show
- that despite a fall in the basic quoted aluminium price, total revenue was maintained on the level of the preceding year;
- that despite more unfavourable operating conditions, the profit generated was higher than profit generated in the preceding year
- and that the net cash flow generated and EBIT and EBITDA achieved remained on the same level or even improved in comparison with the preceding year when all these values had been the highest in the history of Impol until that point in time.

Impol 2000, d.d. is not a publicly traded company and thus enables its shareholders to determine the value of their investment and to objectively show the value of the company with its financial statements. The book value of capital per share in the parent company of the Impol 2000, d.d. Group also rose by almost 12.3% in the past year and amounts to €45.88/share at the end of the year. The book value of capital per share in the Impol Group rose by a good 13.6% and amounts to €78.25/share. Based on the business results achieved and forecasts in our plans for 2013, the Impol Group will maintain an unchanged policy of establishing dividends for its shareholders, as in force in Impol 2000, d.d. in the preceding year, establishing the dividends in the amount of €0.31 per share. It must be, however, emphasised, that for the purposes of comprehensively notifying shareholders and other stakeholders, data on the book value of shares are published on Impol's website and updated monthly.

Until the end of 2014, no major internal organisational changes are planned in the Impol Group. As foreseen, on 1 January 2015 it will shift from a one-tier to a two-tier corporate governance system. Intense preparations are already taking place. A major change took place at the beginning of the year with the integration of Rondal, d.o.o. in the business system. In 2012, the investment into the purchase of this company proved justified and successful from a business point of view.

In 2013, Impol will review, amend and revamp its outlines for further operation for at least until the end of 2018. The basic outlines for 2013 are, however, as follows:

- with a planned scale of operations in 2013, the Impol Group will, with a realisation in the amount of €519 million, achieve EBITDA in the amount of €42 million, achieve EBIT in the amount of €24.4 million and an added value per employee in the amount of over €45 thousand.
- In terms of sales of aluminium products, our goal continues to remain to generate over 20% of sales in non-EU markets. Special attention will be paid to the expansion of the coloured coil market. The volume of sales is due to rise to 178 thousand tons per year.
- In 2013, an absolute priority in our development activities will be given to the completion of investments in fixed assets that have already been started and to, most of all, the elimination of bottlenecks that will increase our aluminium processing capacities by about 15,000 tons. Investing in the market and becoming familiar with production processes, which will facilitate the utilisation of all capacities available in the periods to come, will be thus given top investment priority. Seeking options for profitable investments, the Company will monitor general developments very closely.
- Special attention will continue to be paid to protection against risks incurred by constant changes to raw material prices. The Company will continue to deepen its risk management knowledge and apply it immediately.
- Changes pertaining to the organisation of the Company's operations will be dedicated to further modifications and improvements in the one-tier corporate governance system preparation processes.
- The entire employee stimulation system will still build upon their success throughout the entire year. The Company will, however, pursue the ground premise that a net starting salary for even the least challenging jobs enables every single employee to earn a socially acceptable minimum wage.

The activities of all members of the Group will be set in a way that every single measure promotes better results in the Group as a whole.

The greatest attention will still be paid to our regular customers, although a significant part of our efforts will also be directed towards gaining new customers. Special attention will be paid to products that bring a higher added value and to simultaneously guarantee the quantitative sales as foreseen in our plans, which will ensure adequate bearing of our fixed expenses.

Sales will continue to be organised in its entirety on the basis of agents inside the Group; all involved will be mostly stimulated by bounding them to the sales premium achieved and paid above the price of aluminium at the LME less the purchase premium. Impol will strengthen all groups engaged in sales and sales processes.

In terms of development investments, the Company will mostly pursue goals that guarantee a higher level of business stability and safety. Sources of financing of long-term investments will be acquired from mostly external sources, whereas short-term investments will be in compliance with the movement of raw material prices and the needs to guarantee day-to-day liquidity. The Company will continue to optimise and upgrade its information technology.

In terms of acquisitions of major business shares in other companies, the Company will pursue the goal that they must not deteriorate the composition of sources of finance of the entire process in a way to increase the share of liabilities. Impol will also continue to work towards forming stronger alliances in the aluminium industry, especially in the Balkans, whereas investments outside the area will be mostly intended for the broadening of the sales network.

In order to optimise its expenses, Impol will also continue with as much outsourcing as possible such as: Alcad – informatics, Simfin – finance and accounting, Upimol 2000 – procurement, etc.

Financing in the group will be carried out under external conditions and will include source acquisition expenses. Individual companies of the Group can, of course, participate in the financial markets independently subject to prior consent of the parent company.

Supply with raw materials will continue to give priority to those purchase sources that guarantee long-term business cooperation with Impol with conditions agreed upon for as long a period as possible. All sources available will continue to be included in the purchase of aluminium raw materials if Impol can continue to guarantee materials of an acceptable quality through them.

Reduced exchange rate risks will result in the further use of previously established methods of protection against exchange rate and other oscillations on the financial market. New methods and ways will also be actively included.

Special attention will continue to be paid to protection against risks incurred by constant changes to raw material prices. The Company will continue to deepen its risk management knowledge and apply it immediately. The Risk Management Committee will, as part of previously conferred authorisations and responsibilities, monitor the adequacy of protection promptly, take relevant measures and assign responsibilities. In terms of information system management, the Company will continue to guarantee the consistency of data with the inclusion of the IT Supervisory Board.

The information system will be upgraded towards an integrated information system in all companies of the Group. Procedures introduced during the transition years pertaining to continuous audits of the operations of the information system will further guarantee an optimal level in the introduction of new or the improvement of existing parts of the information system. Economic viability will be at the forefront in that regard.

The Basic Rules of Conduct of the Impol Group, written down in the Business Rule Code, remain unchanged. If necessary, they will be amended but only on the basis of diligently verified needs required by changed conditions on the market.

The dividend establishment policy will remain unaltered at least until the end of the period, during which Impol 2000 as a parent company will be burdened with the liabilities incurred in the past through the acquisition of major business shares in Impol, d.o.o.

| Janko Žerjav | Jernej Čokl | Vlado Leskovar |
|---|---|---|
| (Member of the Board) | (President of the Board) | (Member of the Board) |

# Report by the Supervisory Board

Impol 2000, d. d. and the whole Impol Group strive to maintain high performance standards in the area of corporate governance. All Impol employees and partners have to respect and exceed these determined, recommended and agreed standards; the Supervisory Board has to make sure that all Impol employees and partners respect and exceed these standards. A high degree of transparency and correct communication with shareholders and other stakeholders are also considered to be two important values at Impol. At the moment, the company has a two-tier management system, where the Management Board is responsible for conducting business operations, and the Supervisory Board for monitoring and controlling of the company's operations.

The Management Board and the Supervisory Board together assess and adopt guidelines concerning the management policy for the entire Impol Group, which is set out in Impol's Code of Business Rules. All relevant information is proactively and promptly announced to the public in accordance with adopted documents.

Management Board and Supervisory Board members regularly communicate via e-mails and through direct contact. The Management is responsible for submitting regular and on-going notifications on business results to the Supervisory Board.

The Supervisory Board of Impol controlled and examined the management of the company's operations in the financial year 2012 throughout the year, in accordance with the competencies from Article 281 of the Companies Act. The task was carried out in such a way that each member of the Board promptly reviewed the reports submitted to it by the Management Board at least once a month. The most important of these documents is the Annual Report on the Company's Operations for 2012. The Supervisory Board is informed on the analysis of business trends of the Impol Group at least once a month. Based on this, the Supervisory Board adopts all short-term policies and decisions.

All the meetings of the Supervisory Board, which consisted of four members at the end of 2012, were attended by a quorum. In 2012, the Supervisory Board adopted decisions at four regular meetings and nine extraordinary meetings.

Acting on the proposal of the Management Board and on its own initiative, the Supervisory Board adopted measures in the following areas:

- It discussed and adopted the 2011 Annual Report of Impol and forwarded it to the General Assembly of Shareholders for information and/or confirmation;
- At its meetings, it most frequently discussed the price and market policies of the company and its role and involvement in the development strategy of the Impol system;
- It continuously monitored the operations of the Impol Group as a whole as well as the operations of individual Group companies, and it also monitored the effectiveness of individual programmes of the Group.
- It took an active role in judging the appropriateness of financial investments, particularly in the case of the purchase and sale of shares, by adopting a mandatory instruction about the procedures of their implementation, which later on formed the foundation for the adoption of the decision on agreeing on the implementation of the purchase.
- It continuously monitored the implementation of developmental programmes and investments and checked whether they were implemented in regular production processes and if the set developmental goals were achieved. Doing so, it paid special attention to discussing the issue of the investment for the integration of the pressure casting programme and a thorough audit of this area.
- It continuously monitored and made on-site checks of the operations of all affiliated companies of the Impol Group.
- It discussed and confirmed the company's operations plan and its business policy for the year 2013.
- It assessed conflicts of interests and adopted suitable decisions.

The Supervisory Board established that the reports of the Management Board, submitted to it throughout the year to be discussed at individual meetings, were composed clearly and transparently, giving a true and fair view of the actual company's operations. The Supervisory Board also established that the Management Board promptly and consistently implemented the decisions of the Supervisory Board.

The Supervisory Board established that, according to the Auditor's Report, attached to the Business Report, prepared by the audit company Auditor, d.o.o., Ptuj, the financial statements give, in all respects, a true and fair view of the financial situation of Impol 2000, d. d., the whole Impol Group and other companies from the Impol Group, as at 31 December 2012, and are in line with the Slovenian Accounting Standards. The same is true of the business results and the movement of the financial flows in the year that ended on the above-mentioned date. With respect to the operations of Impol 2000, the most important link is Impol, d.o.o., crucially affecting the success of the Impol Group. The Business Report by the Management Board is consistent with the financial statements.

Chairman of the Supervisory Board:
Milan Cerar

3

BUSINESS REVIEW

# WHO TAKES THE CREDIT FOR SUCCESS?

A CHAIN IS ONLY FUNCTIONAL DUE TO ITS NUMEROUS STRONG LINKS. PEOPLE ARE SIMILAR: ONLY THE ENDEAVOURS AND WORK OF EVERY SINGLE INDIVIDUAL CAN CREATE A STRONG SYSTEM.

Impol's main activity in the Group is the processing of aluminium into rolled, extruded, drawn, forged and other types of aluminium products (the main activity is registered as 25.500). The Group also engages in other, less important activities. Most of the activities in the Group are organised within specific companies that do business with each other following market-based rules.

In 2012, Impol continued to acquire the knowledge necessary to increase its production of the materials used for further processing, mainly forging, while winning and developing markets for these products. Given the current market trends and the achieved sales figures for the products, we can conclude that this was the right decision, enabling Impol to meet the demands of one or the more demanding market segments.

At the same time, the processing of secondary (i.e. scrap) aluminium is also becoming increasingly important; its estimated amount tops 20 million tonnes per year (Aluminium, No. 1–2, 2011) and is to account for between 30% and 80% of all raw materials in the future in various production programmes. It is particularly important in Europe, where the amount of secondary scrap aluminium is increasing, while primary aluminium is decreasing due to the closing of electrolytic processes (the issue of energy and ecology) and is being replaced with the secondary. It should be pointed out that the production of 48 million tonnes of primary aluminium does not tap into all the available capacities for the primary-aluminium production, as, for various reasons, they are not fully active; however, by including them in the system, global production could increase by about a quarter of the current volume.

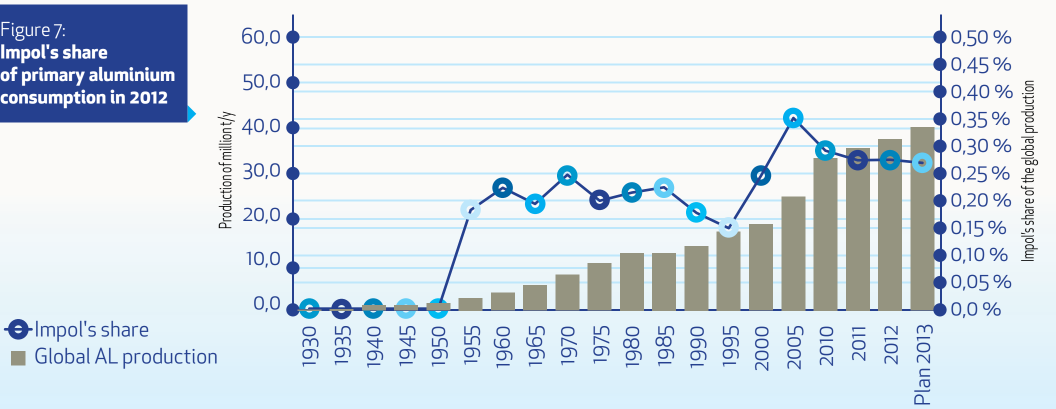
**TABLE 7:**
Global production of primary Al

| Last updated in Sept. 2012 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 – p |
|---|---|---|---|---|---|---|---|---|
| Available capacities for Al production | | | | 48,57 | 53,03 | 57,11 | 57,00 | 59,00 |
| Global production of primary Al in tonnes | 33,93 | 38,14 | 40,19 | 37,74 | 42,04 | 45,19 | 47,75 | 51,00 |
| Global consumption of primary Al in tonnes | 34,40 | 37,85 | 37,52 | 34,23 | 40,08 | 44,39 | 47,25 | 50,70 |
| Incurred imbalance (+ surplus, – deficit. Al) | –0,47 | 0,29 | 2,67 | 3,51 | 1,24 | 0,80 | 0,50 | 0,30 |
| LME cash price: - $/tonne – annual average | 2,566 | 2,639 | 2,569 | 1,665 | 2,173 | 2,395 | 2,018 | 2,185 |

The Impol Group had a 0.35% share of the global processing of primary aluminium production as compared with the newly produced aluminium. In 2012, this share remained the same as the year before. In line with its strategic policies, Impol now focuses more on the products with a high added value and less on the quantity of production, although the quantity also remains important, as in the processes of mass production, Impol can only manage its fixed costs with a sufficient quantity. As the global processing of aluminium, including the processing of secondary, recycled aluminium has reached about 60 million tonnes per year, Impol's share of the total processing is just below 3‰.

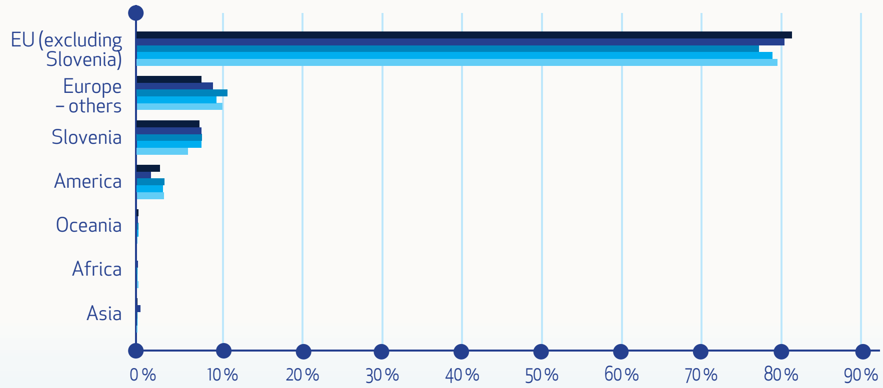
In 2012, the realisation scope remained at the same level as the year before, although the quantity of sold products increased.

Figure 7:
**Impol's share of primary aluminium consumption in 2012**



Until 1950, Impol processed only copper. The processing of aluminium started in 1950 (the programme is described in greater detail at http://www.impol.si), when the total annual production of primary electrolytic aluminium was only a little over a million tonnes. Today, this production amounts to about 48 million tonnes and is expected to increase by about 7% in 2013. It is characteristic of the aluminium-processing industry that the selling prices for its products are formed by adding selling premiums, agreed with buyers, to the LME primary aluminium prices. The value rises or drops completely independently of the quantity of sales or the fluctuation in sales margins.

Figure 8:
**Sales shares for Al products by geographical area**




| | Asia | Africa | Oceania | America | Slovenia | Europe - others | EU (excluding Slovenia) |
|---|---|---|---|---|---|---|---|
| 2008 | 0,0 % | 0,0 % | 0,19 % | 2,88 % | 7,79 % | 8,0 % | 81,16 % |
| 2009 | 0,46 % | 0,11 % | 0,13 % | 1,71 % | 7,97 % | 9,4 % | 80,18 % |
| 2010 | 0,01 % | 0,09 % | 0,15 % | 3,40 % | 8,07 % | 11,3 % | 77,02 % |
| 2011 | 0,01 % | 0,02 % | 0,16 % | 3,27 % | 7,98 % | 9,8 % | 78,72 % |
| 2012 | 0,09 % | 0,17 % | 0,05 % | 3,33 % | 6,36 % | 10,6 % | 79,38 % |

The same also applies to the purchase prices for aluminium raw materials, where the purchase prices are formed by adding the purchase premiums, negotiated with the suppliers and including all the costs for the supply in line with the Incoterms DDU sales terms, to the LME aluminium prices. However, in the case of an appropriate forward insurance (hedging), the fluctuation of the LME price should not have a direct influence on the operating results.

A significantly lower base exchange price of aluminium (a 16% decrease) decreased the purchase prices and as a result also the cost of aluminium raw materials as well as selling prices and consequently the realised revenue; this, however, did not leave any important effects on operating results thanks to an appropriate insurance.

# Production and Marketing Programme

The prevailing production and marketing programme of the Impol Group includes the production and sale of the following aluminium products:

- various rolled aluminium products (plain and coloured coils, sheets, embossed and formed sheets, small circles),
- foils and thin coils,
- profiles and sections (untreated, anodised),
- rods, tubes and pipes,
- forgings, cast and coloured aluminium products,
- other products, trading activities and services.

These products, in all their forms, account for almost the entire Group's realisation, while the other programmes together produced for the market outside the Group's framework represent only a small share of the total realisation.

The entire production programme is based on orders, i.e. triggered by the orders received.

Sales shares by the type of products:

**TABLE 8:**
Sales shares by production and marketing programme

| TYPE OF PRODUCT | QUANTITY | SHARE |
|---|---|---|
| Foils and thin coils | 30.147 | 18,0 % |
| Coils and sheets | 61.890 | 36,9 % |
| Coloured coils | 1.780 | 1,1 % |
| Circles, small circles, etc. | 14.233 | 8,5 % |
| Profiles and sections | 17.291 | 10,3 % |
| Tubes and pipes | 4.831 | 2,9 % |
| Rods and billets - drawn | 37.281 | 22,2 % |
| Forgings | 452 | 0,3 % |
| | 167.905 | 100 , 0 % |

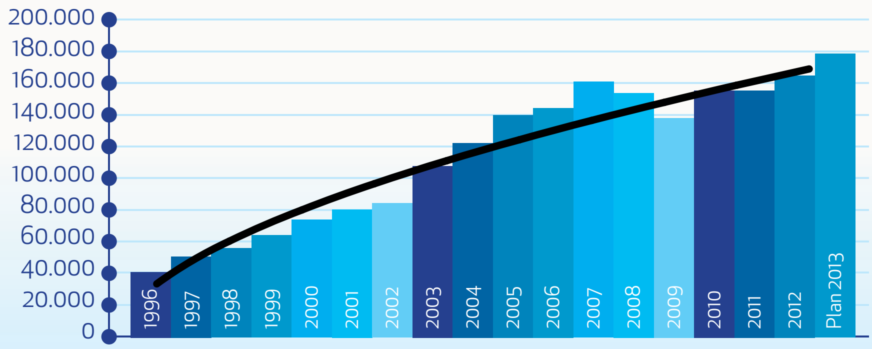
## Markets and Customers

In 2012, Impol decreased its share of sales on the domestic market, and it increased the share of the sales of its products in markets outside Slovenia. The absolutely prevailing markets are in countries of the EU and other countries in Europe. Since aluminium products are not best for long-distance transportation (the cost of transportation, the impact on the quality of products, various quality and technical conditions), sales is focused on the markets that are not too distant from the place of production, with only individual niche products being sold to markets located far away.

Impol supplies its customers with a wide range of rolled and extruded aluminium products, and, to a slightly lesser extent, with additionally treated products (forged, coloured, anodised products, etc.) that are all made at the request of individual customers. Consequently, the entire production is based on the demands of individual customers; however, the company uses mass production so that it can meet the price expectations of these customers.

The more realistic growth trend of Impol's production is shown by the data representing the amount of aluminium products made in tonnes. The data on the value realisation is distorted by the price movements at the LME.

Figure 9:
**Trend of sold aluminium products**




The majority of sales are still in the EU. Impol sells about 85% of all its products in the EU, including Slovenia. The sales market includes more than 40 countries and 400 large customers, with Germany as the largest market (see: Figure #4 on page 2).

## Market Characteristics

As compared to the year before, the 2012 market situation has decreased. The demand for products intended for the automotive and construction industry has dropped as a result of recession and stagnation on the global market. Impol noted an increase in demand in the area of the food and pharmaceutical industries, which resulted in better sales of foils. The market situation has also been aggravated due to a high growth of prices of primary raw material (aluminium). The increasing cost made it difficult to achieve the planned processing margin.

Impol's most important markets were marked by problems with economic growth. Germany, where we export most of our products, recorded a zero economic growth rate. The recession severely affected the Italian and Spanish markets, therefore it was difficult to achieve the planned volume of sales.

Despite the difficult situation, Impol managed to achieve better results than its competition, having come close to the planned volume of sales.

## Sales Organisation

Within the Impol Group, sales of aluminium are mainly carried out through Impol, d.o.o., while the sales of the other products and services are done directly by the group companies that deal with the concerned market activities. Impol, d.o.o. continues to buy certain services needed for its activity.

Impol's programme of aluminium production is divided into the standard programme and the specialised programme, with both of them accounting for about the same share (50%). The standard programme includes the products intended for sale to the traders who buy them for resale. The specialised programme includes products to be sold directly to end customers, for whom the products are made on the basis of specific designs (special forms, alloys, mechanic and chemical properties, etc.). This division allows us to operate more securely, as proven also in the time of market fluctuations.

In 2012, Impol's main market remained the EU, since this is where it manages a solid market share and has established long-term customer relations as well as a large sales network. As a result of the decreased economic growth in Europe, Impol was also forced to find other markets, and it managed to win Russian, Belarus and Ukrainian markets, where mainly products of Impol Seval from Serbia were being exported.

Other important markets include the USA, where business is performed with the help of the company IAC. An important advantage of this market is Impol's long-term presence and an extensive network of customers who show great interest in Impol's extruded programme. Furthermore, Impol managed to penetrate South American markets, i.e. Brazil. Of all the markets on other continents, Brazil shows the greatest potential, having achieved a high economic growth of the industrial production in the last few years, ranking it among the group of countries with the highest economic growth rate. This is why Impol and its Brazilian partner established the company Impol Brazil Aluminium LTDA, which will be engaged in the export of aluminium products to the Brazilian market.

## Market Communication

Last year, we participated in the Aluminium 2012 fair in Düsseldorf, where we had a large and well-presented exhibition area. The activities at the fair further strengthened Impol's relationships with business partners. We were also pleased with the demand for Impol's products.

Impol also participated at the largest technical fair in the area of aluminium processing and the production of aluminium semi-finished products in Sao Paolo, South America. We have managed to increase the reputation of the Impol trademark on this market, and we also made new business ties.

Moreover, we published new catalogues to promote the sales of profiles for the solar industry. Impol also shot a short corporative film about the Impol Group for the purpose of promotion.

We plan to renew our website next year.

## Important Sales Achievements

- We managed to successfully respond to the difficult market situation and almost entirely realised our sales plan.
- We managed to keep all our existing customers.
- We penetrated the solar industry market.
- We successfully continued penetrating the Russian, Belarus and Ukrainian markets, with a special emphasis on the market of painted sheets and coils.
- We started penetrating the Brazilian market.
- We maintained and strengthened the reputation of the Impol trademark in Europe and worldwide.

### Forecasts for 2013

- We will increase the share of sold products with a higher added value (drawn rods, foils and thick billets, coloured sheets and coils and small circles).
- We will use the increased capacities of the extrusion programme and increase the sales of extruded products.
- We will maintain our presence on the European market.
- We will boost our sales on the South American market (Brazil).
- We will increase the market share on the USA market.
- We will continue to expand on the Russian market.
- We will again strengthen the presence of the Impol trademark as a symbol of a reputable supplier for a wide range of aluminium products.

# Purchasing

### Organisation of Purchasing

The Impol Group organises purchasing centrally by closing purchasing contracts – from raw materials to consumable materials, services and investment equipment. By doing this, we provide single terms of purchase for a part of the purchases for several companies in the Group, taking advantage of the economy of sale.

### Purchasing of Aluminium Materials

Primary and secondary aluminium in various forms accounts for most of the raw materials purchased. Given that Impol is a reprocessing company with no own source of raw materials, it has to purchase the required material before making any products. In terms of raw material purchasing, the top spot is taken by primary aluminium, which is then processed by alloying elements in our foundries to produce complex aluminium alloys. In the last three years, we have also been putting a lot of effort into promoting the consumption of secondary aluminium.

In the primary aluminium supply, the year 2012 resulted not only in a high concentration of providers and the integration of the production and processing but also in a high demand for primary aluminium from banks and funds because of its high profitability (contango – euribor). Aluminium has thus become a very interesting investment for a large part of the market. For processors who buy aluminium solely as a raw material, this of course meant that the purchase premiums grew continuously throughout the year 2012, but there were also big limitations on the part of offers. We managed to ensure regular supply with this raw material, which is the most important for us, by entering into strategic purchasing contracts and by keeping business ties with all the providers worldwide.

In the area of secondary aluminium, purchase premiums also followed primary aluminium, growing constantly throughout the year due to big demand. The fact is that the competition in the purchase of quality secondary aluminium on the local market is extremely high because all the processors are increasing the consumption of this type of raw material due to extremely high premiums and the restricted access to primary aluminium. In this area, the Impol Group is engaged on parallel levels of the market and the production line – by creating feedback loops with our clients and by using a cost effective or technologically effective method of refounding, which can accommodate higher prices of these raw materials.

In 2012, secondary raw materials accounted for about 20% of the total purchasing of all raw materials. The growth planned for 2013 is 4%, assuming we manage to partially restructure the market of rolled products. Impol's short-term goal is to achieve a 30% share of secondary raw materials. Given that most European processors have similar goals, the competition is becoming increasingly fierce.

### Challenges in Purchasing in 2012

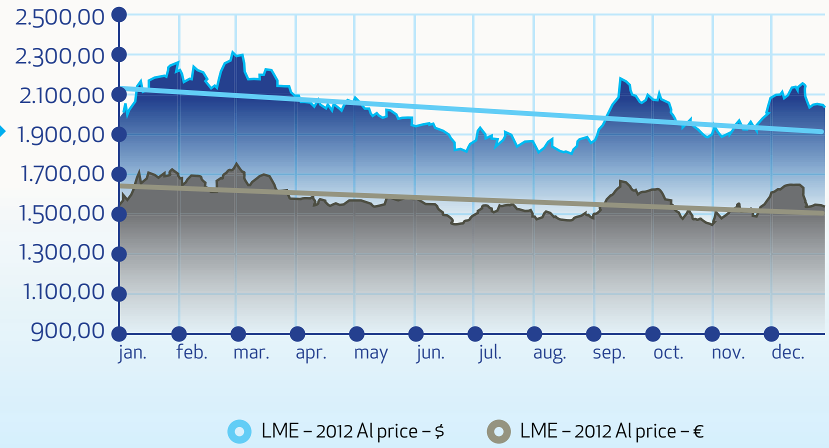
The constant growth of the premiums of primary aluminium in the form of ingots is a result of demand from banks and funds and has no realistic market background: such growth of premiums was compensated with the closing of annual contracts at the end of 2011 for supplies in 2012 with fixed premiums, therefore these higher purchase premiums did not have any major effects on performance in 2012.

The physical limitation of offers and supplies for non-duty-paid primary aluminium in SE Europe: due to increasing amounts of Russian aluminium, which were supplied to various storages and involved in financial transactions, the offer kept on narrowing throughout the year. Additional shortage was caused also by Rusal's cancellation of direct supplies to Europe, because it was more profitable for them to make supplies to Asia, where the demand was booming. In Europe, electrolytic processes were additionally closed, which further aggravated the situation of the supply.

The purchase of raw materials – aluminium represents also a possibility of cheaper foreign financing of the Group, but the achieved date of payment depends solely on the height of credit lines approved by foreign suppliers to the Impol Group. These do not depend only on financial indicators and the performance of the Impol Group but also on the rating of the state and domestic banks, which was decreasing throughout the year 2012. On account of solid financial indicators of the Group and consistent fulfilment of our liabilities, we managed to even increase the financing from suppliers.

In the area of the purchase of all other materials and services, we benefited from good liquidity of the Group, and since the rest of the business sphere in Slovenia was facing big problems in this area, Impol managed to take full advantage of this through decreasing the purchase prices, thus increasing the cost efficiency of Group operations.

Figure 10: **Fluctuations of the Al price at the LME 2012 in $/t and in €/t and trends**




The area of the purchase of raw materials was managed at a relatively high level of the stock of material, and the excess was sold by means of forward sale.

Aluminium materials are mostly of foreign origin (about 90%). The conditions and prices for their purchase are entirely set by the movements of the prices at the LME. Impol also processes a lot of secondary aluminium, with which it can reduce its purchasing costs.

The trend of fluctuations in aluminium processing on the LME was relatively stable in 2012. It was still marked by moderate decline as in the year before, although less intensively, which enabled us to operate without the need for greater investments in the current assets.

In terms of securing the required energy sources, especially as regards electrical energy, 2012 turned out to be a time when the tension was decreased, with over 40% lower prices than in the year before. As regards gas prices, there was less room for compromise; the price of gas increased by 18% in line with the increased prices of oil. In the future, we will thus have to be even more careful planning the consumption of energy sources. We will ensure this through the introduction of better equipment and technological processes as well as with appropriate certification in the energy industry.

All the other purchasing in the Impol system is organised within the companies involved in the production and service processes, causing no major problems with its realisation. In 2012, the services relating to purchasing continued to be carried out by an external company, Upimol 2000, d.o.o., and this will probably stay the same also in the future, because we believe that this way of organising purchasing is the most rational.

On the domestic market, we purchase about 10% of aluminium raw materials, most of the energy sources and about 50% of the other materials and services.

# Development and Investment Processes

## Research and Development Activities

The organisation of the R&D activity within the Impol Group is multi-layered. Investment development is implemented by the Impol 2000 Holding Company, which, as the owner of the shares, manages the company's assets. Technological development is organised within the company Impol, d.o.o., acting as the coordinator of the group's development activities and also leading the company's registered research group. Within this group, research assignments awarded to the company by participating in invitations to tender are being carried out. The applicative development is being carried out within the companies Impol LLT, Impol FT, Impol PCP and Impol R&D. It is being managed by technical managers and managing directors, whereas the technological development of the Impol company takes care of coordination, provides assistance in forming appropriate tasks and supervises the implementation of applicative tasks.

## Investment Activity

In 2012, the Impol Group managed to extend the level of investments in fixed assets in order to provide continued organic growth. In addition, due to an increase in the quantity of business volume, Impol had to ensure additional investment in short-term investments.

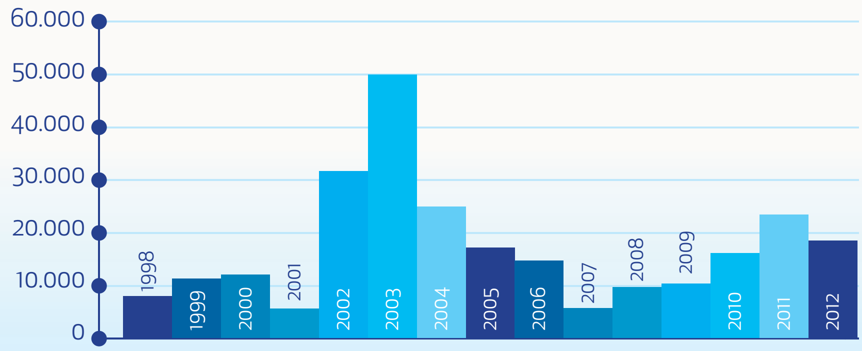
**TABLE 9:**
Extent of investments

| | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---|---|---|---|---|---|---|
| Investments in shares | 0,1 | 0,1 | | | 3,2 | 44,8 | |
| Investments in fixed assets | 18,6 | 18,7 | 20,0 | 10,2 | 7,0 | 5,9 | 15,7 |
| Investments in current assets | 5,6 | −0,6 | 20,6 | −10,2 | −2,9 | −14,3 | 44,6 |
| Total | | 18,2 | 40,6 | 0 | 7,3 | 35,5 | 60,3 |

This year, the project of investing in technical equipment for colouring aluminium coils was completed, while the project of investing in foundry capacities continued.

We also completed the project for developing new assigned aluminium semi-products for complex applications and advanced extrusion technologies (InoProAl), which was co-financed by the Ministry of the Economy.

Figure 11: **Extent of investments in fixed assets**




In 2012, special emphasis was placed on smaller investments providing quick returns of the invested funds. This emphasis will be even stronger in the next three years until the end of the intense period of meeting our credit obligations, imposed in the past through large investment projects.

## Technological Development

Technological development in the Impol Group is guided by the Central Project Group, combining the operation of the development activity within other companies of the Impol Group and providing support in implementing the development activity. In the context of technological development, the coordination of project tasks and participation in invitations to tender by European funds are also carried out.

Research assignments are an important part of technological development through which the technology experts investigate the possibilities for development projects and elaborate proposals and a plan of implementing an assignment in praxis. In

2012, 15 research assignments were being developed. In 2013, we will implement 12 research assignments in order to attain the following objectives: optimisation of production processes, management of new technologies, reduction of energy sources, increase in productivity and improvement in quality. Additionally, we will complete six research assignments that were designed in 2012 and continued into 2013.

In 2012, we collaborated in the project of the European initiative EUREKA to which we applied the year before. The title of the project is "Energy Savings through Application of Electromagnetic Fields in the Production of Al-Alloy Billets by the DC Casting Method" with the working title ESPAL.

We are also successful in developing three projects that had been the subject of the invitation to tender issued by the Slovenian Research Agency; these are:

- colour, absorption and protection Nanoplast coatings for aluminium alloys.
- Hydrothermal synthesis of highly bound coatings of photocatalytic $TiO_2$ on metal bases.
- Welding and refining aluminium alloys by kneading.

The company Impol, d.o.o. is also the co-founder of the institute CO VESOLJE-SI (centre of excellence). In 2012, Impol received the permanent ownership of the satellite Leos50 Mock-Up, the housing of which was made of Impol alloys.

In 2011, the company Impol, d.o.o. began to collaborate with CO COBIK in the area of introducing carbon nanomaterials into the production of aluminium alloys.

### Applicative Development

The applicative development is managed by experts of the Impol Group in collaboration with an external design bureau. The important projects in 2012 were related to the development of new eloxation technologies, powder coating and painting of aluminium semi-products.

# Financing and Dividend Policy

In 2012, the Impol Group continued to consolidate the structure of their sources of finance, thus financing 26% of all the investments with capital. Compared to the year before, the structure of financial sources was improved by more than one tenth.

In order to provide for the necessary repayments of the long-term and short-term loans acquired by all the group companies, and for a larger equity share to be the source of financing investments in durable operating assets, the Impol Group continues to maximise the use of its profit. For this reason, it concentrates the companies' profits to an appropriate extent and allocates them towards the investments with maximum profits and minimum repayment terms.

In doing so, special attention is paid to investing the funds in current assets (stocks, receivables, cash, etc.), constantly optimising them as much as possible in order to avoid serious difficulties relating to a shortage of funds or of available external current financial sources, which are one of the most challenging in terms of management amid the current financial crisis in the EU and especially in Slovenia.

Within the group, a maximum of about 0.33 million euros a year can be earmarked for the dividends and the participation of the managerial staff and of employees. On the other hand, the group companies have to contribute up to 4 million euros of dividends to the controlling company.

All the long-term investments can only be initiated on the basis of the Management Board's preliminary decision and, if they are of crucial importance, also on the basis of a preliminary assessment by the Supervisory Board.

In 2013, no major changes to the shareholders' ownership structure are expected, nor does the company envisage forming a special reserve fund or changing its ownership structure.

# Significant Events after the End of the Financial Year

In the time between 1 January 2013 to the completion of this report, there were no major events that would significantly influence our business accounts or require additional disclosure and clarification.

# Risk Management

The risks that the Impol Group has to deal with in its business process are listed below:

**TABLE 10:** Types of risk and their management with special actions

| Risk area | Risk description | Management method | Exposure |
|---|---|---|---|
| Liquidity risk | Shortage of liquid assets for settling business or financing liabilities. | Credit lines agreed in advance, planning of inflows and outflows.. | Low |
| Risk of price fluctuation for aluminium raw material | Aluminium is a material traded at the stock exchange and its price changes all the time. Customers wish to agree on a price base, set in advance. | Hedging insurance – forward sales and purchases of futures. | High |
| Exchange-rate risk | Risk of financial loss threat due to unfavourable fluctuations of exchange rates – USD in particular. | Protection by using appropriate derivative financial instruments and making use of the possibility of buying basic raw materials with the national currency. | Moderate |
| Interest-rate risk | Risks related to the changed terms of financing and raising loans. | Following the policies of the ECB and the FED, the use of appropriate derivative financial instruments – interest-rate swaps, transition from the fixed to a variable interest rate. | Moderate |
| Credit risk | Risk of not receiving payments from customers. | Insuring the trade receivables – mainly foreign receivables to be insured at First Credit Insurance Company and other foreign insurance companies, following the customers' credit rating, reducing the maximum exposure with respect to certain customers. | Moderate to high |
| Risk of compensation claims and legal actions | The threat of compensation claims of third parties due to loss events caused by the company inadvertently through its operation, property or product marketing. | General liability insurance and producer's liability insurance (for the production of rods, tubes and pipes). | Low |
| Property-damage risk | The threat of property damage due to natural disasters and machinery malfunction. | Conclusion of a property insurance, insurance against machinery malfunction and insurance against any interruption to operations. | Moderate |

**TABLE 11:**
Risks managed as a part of the business process

| | |
|---|---|
| Market and price risks | Sale<br>• market prices do not follow the fluctuation of purchase prices and adapt with a delay of several months,<br>• customer service – delays due to production standstills deter customers, inadequately organised logistics causes too extensive costs and delays (non-realised solution of the optimisation of the shipping office), etc.<br>Purchase:<br>• Aluminium – unexpected events in the area of prices and purchase premiums, currency risks (negative exchange differences), unreliable sources of supply having negative impacts on production, causing liquidity gaps due to purchasing large amounts at once,<br>• energy sources – unexpected price increase, shortage of sources available. |
| Operational risks | Operational risk is a risk of loss including the legal risk due to:<br>1. inadequate or incorrect implementation of internal procedures,<br>2. other irregular actions by people involved in the company's internal business area,<br>3. inappropriate or incorrect operation of systems included in the company's internal business area or<br>4. external events and actions.<br>Investments:<br>• increase in fixed costs resulting in the need of increasing the extent of sale, threat of an increase in loss,<br>• untimely winning of new investments and markets in terms of technology; neglecting costs incurred,<br>• too low cash flow to provide for the repayment of invested resources,<br>• neglecting investments in durable operating assets and their financing with short-term resources although the investment is absolutely long-term.<br>Planning process::<br>• corporate-strategic decisions that may be reflected in failed investments (stranded investments, submerged investments),<br>• making wrong purchase contracts resulting in too high commitment of the assets in material stock and production, inadequate prices,<br>• an unpredictable market influencing the decision to extend the volume of sale, while the customer reactions cannot be adequately foreseen, resulting in the threat of unoccupied new capacities.<br>Production<br>• uncontrollable technological processes (difficult reproducibility and unsatisfied customers),<br>• too large material stock - currency, cost, price, liquidity and other risks,<br>• equipment reliability – insurance costs, deductible items,<br>• bottlenecks – obtrusive stocks, disrupted flow including logistics problems, delays in customer delivery, etc.<br>Information system<br>• uncontrollable internal controls,<br>• non-assured deputisation,<br>• multiple processing of the same information.<br>Employees<br>• immobility incurring higher costs than justified,<br>• inappropriate provision of knowledge maintenance. |
| Liquidity and cash-flow risks | Liquidity risk is a risk of loss due to a short-term insolvency.<br>• The company has to manage the resources and investments in such a manner that it will be capable to meet all its outstanding obligations at any time.<br>• In order to manage the liquidity risk, the company has to form and implement the policy of regular liquidity management approved by the managerial staff including: poslovodstvo in vključuje:<br>  • planning expected and eventual cash outflows and sufficient cash inflows while taking into account the normal business operations and eventual liquidity crises,<br>  • regular monitoring and managing of liquidity,<br>  • defining appropriate actions to prevent or eliminate the reasons for illiquidity and determining other options for them. |
| Capital adequacy provision | (1) The company has to provide for availability of long-term financial assets<br>relating to the volume and types of business operations carried out, and the risks exposed to in this regard.<br>(2) The managerial staff has to monitor and check regularly whether the company attains the capital adequacy. |
| Exposure | Risks due to exposure to individual person or group of people representing a unified risk (exposure to an individual person is the sum of all claims to this person, the value of investment in securities and the value of the company's capital shares in this person). |

## Managing Financial Risks

The financial risks of the Impol Group are monitored and managed by the Finances and Economics Department, the Risk Management Department and other appropriate departments of the group companies operating outside Slovenia. To provide for a comprehensive risk management, the Risk Management Board was organised. The board systematically and promptly monitors and discusses registered risks incurred in the operating processes within the entire Impol Group as well as suggests and passes decisions for their mitigation or elimination (in line with the responsibilities assigned to the board by the Management and stipulated in Impol's Code of Operating Rules). The Risk Management Board carried out its activities at regular and extraordinary sessions, holding 30 sessions.

## Exchange-rate Risk

Most of the purchases and sales are carried out in the same currency, so that in these cases we do not have to deal with the exchange-rate risks.

However, the group is exposed to these risks in two other large areas, i.e. in the cases of purchasing aluminium raw material and taking out loans that are denominated in a currency other than the accounting currency.

Impol mainly purchases its basic raw material imported from outside the EU in U.S. dollars. As a result, Impol, d.o.o. has an open foreign currency position; so does the Serbian company Impol Seval, where large exchange-rate differences are incurred due to a fall of the Serbian dinar. The actions taken by the group to reduce the negative effects of the exchange-rate differences on the operations of the Serbian company are as follows:

- most of the sales to the EU are carried out through Impol, d.o.o.
- Impol, d.o.o. forwards aluminium to the processing sector in such a way that Impol Seval does not have to finance aluminium stocks, thus eliminating the exchange-rate risk.

In 2012, we secured a certain part of the open U.S. dollar positions of Impol, d.o.o. in line with the exchange-rate risk management policy by using derivatives, while the rest of the positions remained unsecured. In 2012, our open positions were slightly increased due to an increase in the aluminium price at the exchange and due to larger purchases. However, we also purchased an increased amount of the input material from suppliers with which we had agreed to trade in euros. For securing positions, we used simple derivatives such as forwards and currency options. With these instruments, we created positive effects; however, we did not entirely succeed in neutralising the exchange-rate differences arising from our inability to match the outflows with inflows.

**TABLE 12:**
Review of dollar inflows and outflows and open positions of Impol, d.o.o.

| In millions of USD | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| Inflows | 28,0 | 11,5 | 15,5 | 21,4 | 19,0 |
| Outflows | 244,0 | 48,9 | 79,7 | 102,2 | 58,0 |

## Aluminium Price Risk

In addition to the sales risk, the price risk represents the most significant single threat to the operation of the Impol Group.

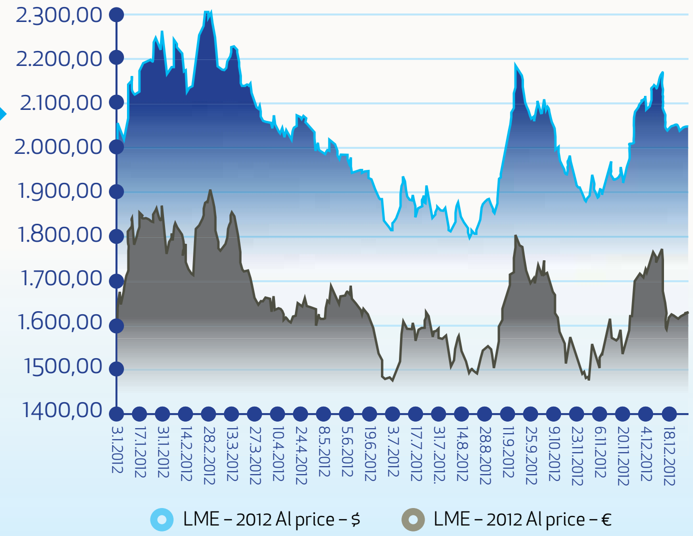
The Impol Group observes the principle according to which, in the case of making a sales contract or accepting an order referring to a particular LME aluminium price, it secures, either physically or with a forward purchase, the materials at the price included in the concerned sales contract or the order.

The methods of covering costs and monitoring the stocks are determined accordingly.

As a rule, the costs are primarily secured by acquiring the appropriate actual sources of raw materials, and only the outstanding or surplus amounts are bought or sold in the forward markets.

In order to manage the price risk of fluctuation of aluminium exchange prices, it has to be stressed that the aluminium exchange price fluctuations are completely random; however, these prices do form a basis for the formation of the daily purchase and sale prices of aluminium and Impol's aluminium products.

Figure 12:
**Fluctuation of aluminium exchange prices in € and $**




Considering the high share of the LME prices within the sale and purchase prices, the fluctuation of aluminium exchange prices poses one of the highest risks to the company's operations. Therefore, we have five years ago founded the Forward Trade Department and developed an information-supported system connecting sale and purchase contracts in terms of LME prices, through which all transactions are automatically mutually connected back-to-back, and the established difference represents the daily risk on the physical market protected on the forward market through brokers directly on the London Metal Exchange.

The fact is that our operations on the market have to be flexible and allow customers all the pricing variants. Here, we have to ensure that the contractually agreed sale margin does not change. In 2012, the operations with LME prices at the group level were efficient, successful and profitable resulting from the appropriate forward sales of all surpluses of material stock and successful liquidation of forward positions.

**TABLE 13:**
Forward purchases/sales in 2012

| | amount in tonnes | Average price in EUR/t |
|---|---|---|
| forward purchase | 6.000 | 1.593,75 |
| forward sale | -6.000 | 1.734,42 |
| open forward positions | 0 | |

With the activity of forward business, we incurred 884,020 euros of forward profit.

**TABLE 14:**
Situation of open forward position as of 31.12.2012

| | amount in tonnes | average price in EUR/t |
|---|---|---|
| forward purchase | 3.375 | 1.522,59 |
| forward sale | -7.250 | 1.634,66 |
| open forward positions | -3.875 | |

As the developments are continually monitored by a specialised department and supervised by the Risk Management Board, we provide for the insurance process to be continuous and constant.

## Credit Risk

The process of credit control includes an assessment of the customers' credit rating that we regularly carry out together with the First Credit Insurance Company and other foreign insurance companies and by monitoring their ability to pay. By regularly monitoring the outstanding and overdue trade receivables, the age structure of receivables and average payment periods, we maintain the credit-risk exposure of the Impol Group within an acceptable framework with respect to aggravated market conditions. In 2012, we managed to retain our trade receivables at about the same level as in 2011, but we had to make adjustments to trade receivables amounting to 1.3 million euros.

### Insurance to Cover the External Investors' Risk

Due to the changed terms and conditions set by the credit banks, in 2012 we had to provide for additional insurance to cover all the newly granted loans.

### Liquidity Risk

In managing the liquidity risk, we examine whether the Impol Group is capable of settling current operating liabilities and generating sufficient cash flow to settle financial liabilities.

The need for liquid assets is determined by current weekly and monthly planning of cash flows. Any cash shortage is covered by the credit lines opened at banks, while short-term surpluses are invested in liquid short-term financial assets.

### Interest-rate Risk

At the end of the year, the Impol Group had long-term loans based on the reference interest rate of 6-month Euribor. Due to the finding that the offers for interest-rate swaps were unfavourable regarding costs and due to predictions that the interest rate would not increase, we did not introduce any new interest-rate insurance.

### Insurance of Property, Interruption to Operation and Liability

The objective of the Impol Group is to safeguard the financial compensation for damage to property, loss of profit due to an interruption of operation and to protect the group against the compensation claims of third parties. The insurance procedures are uniform for the entire group.

The insurance of equipment is concluded on the basis of the book value of the equipment; the same applies to insurance against machinery malfunction. The insurance sum for an interruption to operations includes the labour costs and amortisation of the equipment (rental costs in the cases of dependent companies renting the equipment).

With respect to insuring goods transported from Impol to customers, contracts with the transport operators are made and they are also required to insure their liability for damage.

As we are well aware of our responsibility relating to any damage incurred by selling our products on the market, we also took out producer's liability insurance. This way, we insured the producer's liability relating to the production of rods, tubes and bars used in the automotive industry. Additionally, we insured our general liability for the case of involuntarily causing damage to third parties through our operations or property ownership.

## Internal Audit

In the framework of the holding company, an internal audit is in place, assisting the management of the company to make decisions with minimum risk. The internal audit operates according to the plan set by the management and in line with the current decisions of the management regarding its involvement in the process of eliminating difficulties. In 2012, the internal audit worked on more than 40 projects (29% more than in the previous year) and gave 89 proposals for improvements (35% more than in the previous year) by preparing a plan for eliminating difficulties or even a concrete solution after identifying a problem.

The internal audit reports on its activities to the management of the holding company. It operates within the entire Impol Group.

In line with Serbian legislation, the Serbian fraction of the group appoints its specialised internal auditor who monitors the legality and justifiability of the operations.

The internal audit work method is in line with standards and generally accepted guidelines for its operation and is enhanced with qualifications for performing certain controlling activities, thus ensuring an immediate and quality implementation of internal audit conclusions. This directly reduces operating costs, leading to better business results.

In compliance with Serbian legislation, an internal audit department was also established at the affiliated company "Seval, a.d."

# 4

SUSTAINABLE DEVELOPMENT

**WE CARE**
WE INVEST IN OUR ASSETS. WE STRIVE TO CREATE THE BEST POSSIBLE CONDITIONS FOR OUR EMPLOYEES.

# Employees

## Most important achievements

- Employees were rewarded with a Christmas bonus.
- We have reduced the total sick leave.
- We have successfully organised events for our staff and re-organised a meeting of children aged up to ten years whose parents are employees of the Impol Group.
- We have increased investments in staff training.
- We have increased employee satisfaction in Slovenia.

## Plans for the future:

- We will maintain the current scope of employment.
- We will introduce a comprehensive system of career management.
- We will introduce employee evaluations.
- A management system will be introduced with objectives for key personnel.
- In Serbia, we will prepare the methodology of human resource development for key jobs.

## Number of employees in the Impol Group

**TABLE 15:**
Employees according to companies in the Group

| Country | Company | 2004 | 2005 | 2006 | 2007 | 2008 | 2009[5] | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| | Impol 2000, d. d. | | | | 25 | 30 | 34 | 33 | 32 | 32 |
| | Impol, d. o. o. | 978 | 971 | 981 | 15 | 15 | 23 | 32 | 12 | 12 |
| | Impol FT, d. o. o. | | | | 323 | 299 | 282 | 285 | 296 | 295 |
| | Impol PCP, d. o. o. | | | | 459 | 435 | 344 | 336 | 374 | 422 |
| | Impol LLT, d. o. o. | | | | 115 | 94 | 93 | 92 | 101 | 101 |
| | Impol R in R, d. o. o. | | | | 29 | 29 | 24 | 23 | 23 | 26 |
| | Impol Infrastruktura, d. o. o. | | | | 27 | 27 | 25 | 25 | 26 | 26 |
| | Stampal SB, d. o. o. | 38 | 36 | 35 | 38 | 37 | 33 | 32 | 33 | 37 |
| Slovenia | Rondal, d. o. o. | | | | | | | | | 53 |
| | Impol Stanovanja, d. o. o. | 1 | 2 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| | Unidel, d. o. o. | 49 | 50 | 50 | 55 | 44 | 42 | 39 | 36 | 34 |
| | Kadring, d. o. o. | | | 6 | 12 | 12 | 10 | 11 | 11 | 13 |
| | – work at the user | | | | | | 54 | 97 | 97 | 59 |
| | – work at the user* | | | | | | 3 | 23 | 9 | 10 |
| | Impol Servis, d. o. o. | | | | 7 | 7 | 7 | 7 | 7 | 7 |
| | Impol-Montal, d. o. o. | | | | | | | 1 | 1 | 1 |
| | Slovenian companies - total | 1.066 | 1.059 | 1.075 | 1.108 | 1.032 | 974 | 1.015 | 1.051 | 1.130 |

[5] Data on the number of employees in the Impol Group are only comparable between the years 2007 and 2012. In the years 2004, 2005 and 2006, the Impol Group operated under a different ownership framework.

| Country | Company | 2004 | 2005 | 2006 | 2007 | 2008 | 2009[5] | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|---|---|
| Serbia | Impol Seval, a. d. | 544 | 564 | 561 | 574 | 582 | 581 | 580 | 576 | 587 |
| | Impol Seval Finalizacija, d. o. o. | 91 | 69 | 71 | 60 | | | | | |
| | Impol Seval PKC, d. o. o. | 31 | 11 | 11 | 11 | 10 | 11 | 12 | 11 | 11 |
| | Impol Seval TEHNIKA, d. o. o. | 76 | 67 | 68 | 68 | 105 | 97 | 92 | 92 | 92 |
| | Impol Seval FINAL, d. o. o. | 28 | 29 | 29 | 29 | 27 | 29 | 24 | 26 | 26 |
| | Impol Seval President, d. o. o. | | | | | | | | 10 | 10 |
| | Serbian companies - total | 770 | 740 | 740 | 742 | 724 | 718 | 708 | 715 | 726 |
| USA | Impol Aluminum Corporation | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Croatia | Impol Stan, d. o. o. | 1 | 1 | 1 | 1 | | | | | |
| Hungary | Impol Hungary Kft. | | | | | | | | | 2 |
| Impol Group | Seštevek vseh zaposlenih | 1.841 | 1.803 | 1.819 | 1.854 | 1.759 | 1.695 | 1.726 | 1.769 | 1.861 |

**Kadring – work at the user** (workers posted in companies that are not a part of the Impol Group).*

**TABLE 16:**
Gender structure of the Impol Group

| | Slovenia | Serbia | USA | Hungary | Impol Group |
|---|---|---|---|---|---|
| Male | 83 % | 79 % | 67 % | 50 % | 81 % |
| Female | 17 % | 21 % | 33 % | 50 % | 19 % |

**TABLE 17:**
Average employee age

| | Slovenia | Serbia | USA | Impol Group |
|---|---|---|---|---|
| Average age | 40 years | 47 years | 52 years | 43 years |

**TABLE 18:**
Education and qualification structure

| | DR | MAG | UN | VS | VIŠ | S | KV | PK | NK |
|---|---|---|---|---|---|---|---|---|---|
| Slovenia | 0,2 % | 0,4 % | 6,4 % | 4,9 % | 5,9 % | 28,3 % | 40,8 % | 7,0 % | 6,3 % |
| Serbia | / | 1,0 % | 10,5 % | 2,7 % | 5,8 % | 24,4 % | 44,1 % | 4,0 % | 7,6 % |
| USA | / | / | 100,0 % | / | / | / | / | / | / |
| Impol Group | 0,2 % | 0,6 % | 8,2 % | 4,0 % | 5,8 % | 26,7 % | 42,0 % | 5,8 % | 6,8 % |

## Benefits for employees

Employees have supplementary insurance. All employees who pay their premium individually are also included in the savings scheme. The monthly premium for an employee paid by the individual companies in the Impol Group is 25.04 euro.

Employees receive long-service awards for 10, 20, 30 and 40 years of loyalty to Impol. In case of an illness of an employee or a member of their immediate family, employees are entitled to solidarity aid. Also, at the end of the year, employees receive a gift. On March 8, International Women's Day, a social event is arranged in cooperation with the trade union. At the end of every year, employees receive gifts for children aged up to ten years.

Employees in Serbia receive long-service awards for 10, 15, 20, 25, 30 and 35 years of loyalty. In case of an illness of an employee or a member of their immediate family, employees are entitled to solidarity aid. A cultural event for women is held on March 8. Children aged up to 10 years receive a gift at the end of every year. Employees also receive financial assistance for the purchase of heating, stores for the winter and children's textbooks. In 2012, all employees received the jubilee award at the 10th anniversary of Impol Seval.

## Employee participation

All Impol Group companies employing more than 20 employees have established work councils. Each work council adopted the Rules of Procedure of the Work Council with annexed Code of Ethics of the work council members in the companies of the Impol Group. The members of the work council have made agreements regulating relations between the work council and the company with the directors of the companies for workers' participation in the management. The Central Works Council is also operating, and it serves mainly to provide a common appearance of work councils of the companies in the Impol Group in the Republic of Slovenia in talks with the management relating to the issues that affect workers in the whole Impol Group. The Impol Group provides all companies with legal and personnel advice to help work councils operate optimally. We have enabled our employees an additional participation, which is valuable for both employers and employees since it allows for a more transparent transfer of information.

The companies in the Impol Group, which also have trade unions organised, have made entrepreneurial collective agreements regulating the issues of employment that are regulated differently and more beneficially for the employees than is stated by the law or collective agreements. In companies where a trade union is not organised, these issues are governed by the general legal act.

## Regulation of disability issues

Slovenian companies of the Impol Group have on 31 December 2012 been employing 78 people with disabilities, representing 7.1 percent of all employees of the Impol Group. In 2012, the sessions of disability commission of the first instance have dealt with 22 employees. Six people have acquired disability status, of whom two were approved for disability retirement. Seven requirements for the recognition of disability were rejected by the commission, but on the re-reading in 2012, one worker was sent to disability retirement. Two workers are currently in the process of obtaining the status. The remaining employees have been involved in hearings with the purpose of obtaining opinions on the adequacy of work at another work place because of their worsened disability condition, transfer to another job or because of reconsideration at the hearing of the commission in terms of controlled medical examination. The most common cause of disability is a disease or injury outside of work. In 2012, the number of cases decreased. Over the past year, there has been no case of disability due to occupational disease.

All employees with a disability status are individually addressed and are assigned tasks that correspond to their condition with the help of expert reviews.

## Rewarding and encouraging employees

The average wage in 2012 was about the same as in 2010 and 2011, which reflects similar business results over the course of years.

The average gross monthly salary in the companies of the Impol Group on an annual basis for 2012 was higher than the annual average gross wage in the manufacturing sector, while it was also higher than the average gross wage in Slovenia in 2012.

The Impol Group believes that every employee should be paid fairly for their work, so the salaries of the employees are also dependent on their contribution to business and their efforts in the workplace. Salaries are in line with the trend of the business and employees receive stimulations if the group is doing well and achieving planned business results. Since business results were in accordance with expectations, the employees have received a thirteenth salary.

Employees are also stimulated by other mechanisms. They are encouraged to implement innovation activities. They are rewarded for innovation design and for making useful suggestions. In addition to financial awards, each year an event is organised where the best innovators are given awards and a golden Impol emblem.

## Employee education and training

The Impol Group constantly strives to improve the educational structure of the employees as our competitive advantage is also built on their competence. In addition to formal education that is obtained by each worker before their employment, Impol also places great emphasis on job training and functional training, which are also necessary for the job. For each employee, we have prepared a program of education and training at the beginning of the year on the basis of the projected needs of the organisational unit of the employee, and we have tried as much as possible to take into account the wishes of the individual worker.

In 2012, the employees in the Slovenian part of the Impol Group were in training for an average of 9.2 hours, while a total of 170,721 euro were spent for training. For those employees without appropriate professional education, we have in 2012 organised an acquisition of national vocational qualification for machine operator. 53 employees have acquired the national vocational qualification.

Employees in the Serbian part of the Impol Group had an average of 7.6 hours of individual training. Employees of the IAC Group from the United States were also regularly trained. Their training is integrated into their working hours.

One of the important goals of the Impol Group is to increase the educational structure of all employees to follow increasingly more demanding trends in the field of technology. We also enable our employees to study part-time.

Our staff is also educated by awarding scholarships.

## Employee innovation

In 2012, the employees in the Slovenian part of the Impol Group reported 125 suggestions and three innovations. Economic benefit from proposals and innovations amounted to EUR 336,999. The Rules of Inventions, Useful Suggestions and Workshops for Continuous Improvement define the entire procedure of handling innovation. The rules also state that the employees are awarded for their innovations. The most innovative employees were rewarded at the end of the year with the Innovator of the Year Award, which was awarded to them at a ceremony.

## Organisational climate and employee satisfaction

Every two years, the organisational climate and employee satisfaction in the Slovenian part of the group is measured. In 2012, 678 employees were included in the measurement. The satisfaction of employees has improved in most areas as well the satisfaction with their salary, working conditions, opportunities for educations and work. We have also found out that in certain areas (satisfaction with superiors and with opportunities for education and advancement), employee satisfaction has remained at the same level. So we decided on a pilot project under which we will develop our staff, improve governance and create a transparent promotion system.

## Communication with employees

Internal communication has a special place in the Impol Group and is also supported by a long-standing tradition. When communicating with the employees in the Slovenian part of the Group, we use the following tools: internal magazines (Metalurg and Seval), monthly bulletins (Metalurgov reporter and Informator), bulletin boards and a website, work council meetings and meetings with the trade unions.

## Organisation of events

Employees spend almost one third of their life at work, so it is very important that the workplace feels good, which is achieved also with the help of friendly ties between colleagues at work. In this way, job satisfaction and loyalty to the company are also increased. Every year, we organise a variety of events aimed at promoting employee loyalty and demonstrate our faith and praise for good work. In 2012, we organised various sporting events for the 15th time in a row. They were attended by more than 600 employees of the Impol Group and other companies that were a part of Impol in the past.

In November, we organised a research symposium of the Impol Group, where we invited employees involved in research and development activities. At the symposium, the employees presented their work and learned about new development guidelines. At the end of November, we held a solemn anniversary celebration and meeting of innovators of 2012 in the Great Hall of the castle in Slovenska Bistrica. Our CEO awarded them with gratitude and recognition and with gold, silver and bronze Impol emblems, thus thanking them for their contribution to the success of the Impol Group.

Every year, we also remember our pensioners, and in the past year we organised traditional meetings of the now retired employees of Impol Group. We again organised New Year's gifts for children of our employees. All children aged up to ten years were invited to the event. We prepared a show, and they were also visited by Santa Clause, who gave each of them a present. Practically all who were invited attended this event.

# Employee safety and health

The health and safety of all personnel who have access to the work area are values that cannot be obtained or purchased, so concern for the preservation of health and safety is an important responsibility. The Impol Group is aware that health and safety at the workplace are necessary to maintain satisfaction of the employees and the general public.

We also continually strive to reduce the risks resulting from our operations. We are also committed to the prevention of injury and ill health and to continual improvement of management in the field of health and safety at work, which always tends to generate better results and impacts.

When planning new activities, we choose such technical solutions that are friendly to the health and the safety of the employees. The management system of occupational health and safety is integrated in all the processes of the Impol Group, and it still continues to develop.

## The basic principles

- Continued commitment of the management to public health is reflected in the granting of powers and responsibilities to the process owners, experts and physicians. Management ensures effective implementation of activities in the field of health policy and the appropriateness of principles of occupational health and safety with respect to changes in the companies of the Impol Group through regular examinations.
- Our goals for occupational health and safety are aimed at the gradual introduction of safer and health-friendly processes, consistent with technological and financial capabilities, while taking into account the principle of economy.
- Compliance with legal requirements that relate to the organisation, and with other requirements to which the organisation has agreed, is our duty.
- Implementation of the program of occupational health and safety were included in the short-term and long-term plans to which we allocate resources. With each year, a new set of tasks in the field of occupational health and safety ensure continuous improvement.
- All employees receive training in regard to their activities in the work process. This ensures a higher level of care for their own health and safety. Knowledge and implementation of the principles of occupational health and safety are necessary for employees.
- When researching and resolving issues in the field of occupational health and safety, the Impol Group is open to suggestions by all stakeholders. Employees and the public have information about our efforts and achievements in this field.
- By adopting the policy of occupational health and safety, we are committing to preserving health. Our efforts are reflected primarily in:
  - amending the technological processes so that unsafe practices are replaced by less hazardous;
  - reducing the time of exposure of workers to physical factors;
  - the use of input materials that are less harmful to the environment and consequentially to the health and safety of our workers;
  - limited and carefully controlled use of dangerous substances;
  - ensuring that our employees who work with hazardous materials are trained and receive the information necessary to protect themselves, others and the environment;
  - establishing danger zones and zones of restricted movements with specific labels;
  - periodical examination of the implementation of theoretical and practical competence of the employees for greater work safety;
  - the implementation of periodic physical examinations and environmental hazards in the workplace;
  - the implementation of regular preventive medical examinations;
  - monitoring the health status of the employees;
  - periodic inspections of the work equipment;
  - effective use of the prescribed protective equipment.

### Work-related accidents

In 2012, 45 accidents at work occurred; all were evaluated as minor. In comparison with the 47 work-related accidents in 2011, we managed to decrease the number of accidents.

In 2012, employees reported 100 incidents; 117 incidents in 2011. The employees are regularly encouraged to report incidents to prevent numerous accidents through preventive treatment.

We increased the activities of preventive alerts related to healthy lifestyle and safe work. In 2012, we published six posters highlighting work safety. In the past year, we also founded the Impol Association for the Promotion of Health, through which employees are encouraged to lead healthy lifestyles.

### Significant achievements

In 2012, we are especially proud of the following accomplishments:

- We established the Impol Society for the Promotion of Health.
- We increased awareness of health and safety at work. Every month, we hung posters in all workplaces with content that encourages safe work. To this end, we have also designed our mascot called “Impolko”.
- We bought two automatic cardiac defibrillators and trained staff to handle them.
- We improved the lighting in the workplace in many manufacturing processes, thus improving the working conditions for employees.
- We have provided protective glasses on prescription for employees with vision problems who perform maintenance work.
- We improved the lighting in workplaces in production processes.
- We renovated bathrooms, wardrobes and brightened workspaces for the well-being of employees.
- For employees in Serbia, we conducted training in the field of safe means of transport and first aid.

### Further directives for 2013

In the next period, we intend to:

- Reduce the number of accidents by ten percent.
- Increase the activities of preventive action through consistent reporting of incidents at work.
- Organise weight loss training for employees who want to improve their self-esteem and health.
- Continue to rehabilitate lighting
- Carry out a risk assessment for a new colouring line at Impol Seval.
- Update the operating equipment and improve the working environment in Serbian companies.

## Public relations

Special attention was paid to improve the content of our internal newsletters. In 2012, our internal newspaper participated in the Papyrus contest, where the experts ranked us among the top three internal magazines in Slovenia.

Impol is involved in the broader social environment also through organising sports games, celebrations for innovators and those who have reached a certain anniversary of working for Impol, traditional meetings for retired employees, giving gifts to workers’ children up to ten years of age and organising research symposiums.

We are aware that we are an important organisation for our local community. To this end, we want our business to be as transparent as possible and to take place in synergy with other stakeholders in the local environment. We offer tours of our company to interested parties where the CEO meets with the groups and provides them with the desired information when further clarification is desired. We also help local associations through sponsorship and donations.

Relationships with the financial and expert public were designed on a professional level. In the past year, we organised an event called Impol in space, where we acquainted the expert public with development achievements of Impol researchers. An important tool for communicating with these stakeholders is also our website, where we timely update all the content relating to our business.

We are also aware of communication with the media in a sense that we give interested journalists concise and illustrative explanations regarding the business of the Impol Group. We are closely connected with the local media and are thus taking care for the local community to be better informed. In the future, we want to upgrade this communication.

### Significant achievements:

- Internal newspaper Metalurg has at the Papyrus contest ranked among the top three internal magazines in Slovenia.
- Redesign of the monthly bulletin Metalurgov poročevalec.
- Increased promotional activities for raising awareness of employees about healthy lifestyle and work.
- Organising events for the children of our employees.

### Goals for the future:

- Redesigning the website impol.si.
- Increasing communication activities with the expert public.

# Protecting the environment

Most significant acquisitions in 2012:

- By optimising the operation of air treatment plants, we have managed to decrease the concentrations of dioxins to under 0.1 ngTE/m.
- We improved the system of waste separation in 2012 and introduced a separate collection of cardboard tubes.
- With solar power, we produced 20 percent more energy than initially planned.
- We managed to decrease the noise.
- We remedied the lighting in virtually all manufacturing processes of Impol.

### Environment management program and new goals

We prepared an investment program for the period between the years 2010 and 2012 and thus reduced the impact on the environment.

The most important investments in 2011 and 2012:

- We are introducing a treatment of input and closed water systems and TDS. To this end, we will introduce the sedimentation of sludge in the settler and filtration in the filter press. We will additionally lower the concentration of heavy metals in waste water and thus ensure compliance with the law also after 1 January 2013. At the same time, we will also connect with the municipal sewerage plant.
- Continued rehabilitation of noise sources (construction of closed production facilities, modification of loading ramps).
- In the field of cooling water supply, we carried out a technical solution to automate the supply of cooling waters to cooling systems of the Impol Group (above 100m3/h) along with the system for notification/alert in the case of over-consumption.
- Under construction is the reservoir, which will be incorporated into a comprehensive supply of cooling water to the Impol industrial zone.
- We are implementing an automation of boiler and heating substations with the objective of precise monitoring of energy consumption for heating individual customers and economical heating behaviour of service users (at the end of 2015).
- We are updating the cooling systems and coordinating them with technical and legal requirements.

We are implementing priority projects; their implementation is a priority on the basis of legal requirements, potential incidents and complaints from the public. Many environmental programs being implemented are targeted to reduce consumption of energy and natural resources. Activities that will not be completed in time are transferred to the next period. In addition, new goals are prepared and adopted to ensure continuous improvement of the environmental management system.

Investments for environmental protection have been specially planned within the program of environmental management for the years 2011 and 2012. Major investments, which are carried out within the framework of larger investment programs, are integral to this framework and do not appear separately.

## Trainings

Trainings took place through education plans by companies, where trainings are planned for all employees whose work is related to actual and/or potential environmental issues. Great emphasis is given to raising awareness of the issue of waste and waste packaging in order to achieve the most efficient separation of waste.

The results of effective training are shown in higher environmental awareness of employees in the Group. Being aware of the need to constantly encourage staff and set good examples to guide them to effective environmental management, the implementation of functional trainings is an ongoing task of the supervisors of environmental management in the processes.

## Efficient use of energy

In 2012, we carried out a number of projects for a more rational use of energy:

- We provided an efficient and accurate energy consumption measuring system using calibration and installation of new meters for monitoring consumption of process water, potable water and natural gas.
- We carried out energy reviews in some of the companies of the Impol Group.
- We completed the project of interior lighting in the Impol industrial zone.
- We reduced the use of process water with the help of a circulating cooling system.
- We initiated the automation of boilers.
- We redesigned the hot water system with anticipated annual savings to the extent of at least 10,000 euro.
- We installed control valves in the hot water piping system to allow hydraulic balancing of the entire water network; this resulted in the reduced consumption of thermal energy.

## Consumption of energy

**TABLE 19:**
Consumption of energy

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|---|---|---|
| Consumption of energy gas (Sm3/t of production) | 110,1 | 111,0 | 103,7 | 117,8 | 113,4 | 103 | 106,5 | 106,4 |
| Consumption of fuel oil (m3) | 349 | 175 | 184 | 368 | 338 | 247 | 231 | 226 |
| Consumption of electricity (MWh/t of production) | 0,995 | 1,023 | 0,998 | 0,993 | 1,097 | 1,118 | 1,239 | 0,940 |
| Consumption of process water (m3/t of production) | 2,04 | 2,58 | 2,24 | 1,90 | 1,35 | 1,28 | 1,41 | 1,70 |

Specific consumption of natural gas in 2012 is slightly lower when compared with the previous year.

In comparison to last year, the production has increased by 6 percent, while the consumption of electricity was reduced by 1.7 percent and consequentially the specific use of electricity was also reduced. Efficient management of electricity in 2012 is evidential.

## Waste management

Waste is monitored by all statutory types:

- Non-chlorinated engine, gear and lubricating oils
- Sludge from equipment for separation of oil and water
- Machining emulsions and solutions free of halogens
- Sludge and filter cakes other than those mentioned in 110110
- Absorbents and filter materials, wiping cloths and protective clothing
- Laboratory chemicals consisting of or containing dangerous substances, including mixtures of laboratory chemicals
- Other bases
- Oil filters.

- Waste electrical and electronic equipment
- Sludge from other treatment of industrial wastewater containing dangerous substances

In accordance with our plan of waste management, we have largely succeeded in reducing the level of waste material.

The established system of waste separation also helps with the rationalisation of waste material. Regular training of employees, who are each year acquainted in detail with the problem of waste separation, also contributes to higher environmental awareness of the staff.

## Emissions to air

Emissions of TOC, CO, NOx, SO2 and metals were slightly reduced in 2012 and are within regulations.

## $CO_2$ emissions

Impol is subject to CO2 emissions handling. Emissions are caused by the combustion of natural gas and fuel oil in the devices. We assume that in the current trading period, we will not spend any emission coupons and the surplus will be transferred to the next period.

## Renewable energy

Our solar power plant has from January through September 2012 transferred 1.2 MWh of electricity into the public distribution system. Production in the annual plan was exceeded by 18.9 percent. Since the beginning of operation, the production of energy has covered the needs of 1,245 single-family houses. In the event that this energy would be obtained from natural gas, we would need 342.632 $m^3$ of natural gas, which would in turn generate 747 tons of CO2. Using solar energy reduces the consumption of natural resources and greenhouse gas emissions.

## Fire safety

The companies of the Impol Group follow basic objectives of fire safety, especially protection of employees, property and the environment from fire and explosion. Areas and spaces posing higher fire risk are identified in individual processes and facilities. Consideration of preventive measures for protection against fire is very important, especially in planning, construction, reconstruction, use of facilities and in implementation of technological processes. Preventive organisational measures are of key importance and include training and education of employees, maintenance of equipment and facilities that are designed for protection against fire, the implementation of fire guard in fire-risk areas and carrying out preventive inspections. Despite the measures described above, the risk of a fire or other disasters still exists.

## Protecting the environment in the future

We have set ourselves the following objectives in the field of environment protection for 2013:

- A lot of attention will be paid to air emissions; part of the project to increase casting capacity is also the construction of a new air treatment plant. Due to the intended use of starting materials with higher content of impurities, a lot of energy will be devoted to operation optimisation.
- Reducing the consumption of process water.
- Construction of new warehouse racking will reduce noise at billet manipulation.
- We will initiate the collection of plastic forms.

5

IMPOL BUSINESS PLAN FOR 2013

# WHERE DOES THE PATH LEAD US?

GREAT EVENTS BRING ABOUT A GREAT DEAL OF REFLECTION ON FURTHER FEATS. MANY EXPECTATIONS HAVE BEEN TRANSFORMED INTO GOALS THAT WILL HELP US REACH EVEN GREATER HEIGHTS.

## Objectives:

- To make a profit of around 13 million euro.
- To increase the levels of self-sufficiency with the appropriate starting materials by updating and improving casting capacities.
- To develop new Al supply sources and to ensure to the maximum extent possible the purchase of aluminium scrap from buyers of Impols products.
- To qualify for the use of cheaper forms of Al materials through the construction of adequate facilities and through adoption of new processing technologies.
- To provide an additional increase in the exploitation of new production pressing capacities with the acceleration of market measures.
- To evaluate the adequacy of the existing pricing policy and alter it so that the sale prices will reflect to the greatest extent possible the complexity of the manufacturing process of a product.
- To boost the sales of coloured coils and sheets particularly in the markets of Eastern Europe.
- To achieve the minimum indicative volumes of aluminium production for customers outside of the system (in tonnes per year)[6]:

**TABLE 20:**
Volume capacity of aluminium production by types in tonnes

| | External markets | | | Internal |
|---|---|---|---|---|
| | **Total** | **products** | **processing** | |
| *Rolled products* | | | | |
| • -foils, thin coils | 31.000 | 30.400 | 600 | |
| • tread plates, circles, coils, alloys | 24.774 | 24.774 | | 1.226 |
| • sheets, coloured and other coils | 50.000 | 50.000 | | 13.745 |
| *Moulded products* | | | | |
| • profiles and sections | 23.000 | 23.000 | | |
| • rods, tubes and pipes | 23.917 | 23.917 | | 1.083 |
| • alumobil | 18.500 | 18.500 | | |
| Forged products | 440 | 440 | | |
| Small circles | 6.612 | 6.612 | | |
| *Foundry products* | | | | |
| • billets, rolling slabs, alloys | 0 | | | 77.000 |
| • cast coils | 0 | | | 11.500 |
| Total | 178.243 | 177.643 | 600 | 104.554 |

- To provide customers with offers and access to the full range of products of the Impol Group, regardless of the place of sale.
- To ensure higher phases of coil finishing (colouring, complex alloys, transformation, etc.). To develop niche products for niche markets.

[6] Because of unmanageable change in prices of raw aluminum, the more relevant indicator of business activity is expressed in terms of volume and not in monetary units.

## Measures:

- Minimise investment in fixed assets. To foresee the necessity of investment in current assets.
- Start the business year with minimum possible stocks and thus with minimal possible combinations of resources in current assets.
- Purchase starting materials in the lowest possible stage.
- Minimise the use of pure Al as a starting material in the form of ingots. Products made of pure aluminium can be sold if their price is such that it covers the significantly higher purchase costs for raw materials such production is based on.
- Increase the consumption of secondary raw materials to the limit of technical capabilities and consequentially lower their costs. Accordingly, complement technological processes to facilitate the production of products that comply with the quality standards.
- Each company in the Impol Group again renews the program of measures for rationalisation of manufacturing processes. Adapt the processes, required quality of starting materials and quality of products to the requirements of each customer, taking into account the minimisation of process expenses.
- Each company in the Group and each program within a certain company showing worse or negative results must immediately start implementing radical measures to improve the business.
- Performance, conditions and sales volume will be monitored at individual outlets as well as the individuals involved.
- Continue to promote the sale of products where secondary raw materials can be used as input.
- Continue with the process of changing management (from dual-tier to one-tier)
- Since all additional investments are financed with additional borrowed resources, the investments are mainly limited or directed towards short-term investments in current assets.

All measures anywhere in the group are designed in a way that each measure contributed to the improvement of results of the entire Impol Group. The entire Impol Group is important and not its individual parts, which could show good results achieved at the expense of others in the Group or all of Impol. Accordingly, policies, measures and methods of establishing measures in the field of remuneration in the form of stimulations, premiums, design benefits, etc. are continually developed in this sense.

## Guidelines:

The Impol Group will, with the planned volume of business in 2013, ensure the stakeholders and other financial investors a growth of their assets and at the same time provide them with a sufficient amount of dividends or interests to enable balance with guidelines in Impol's long-term business strategy. In the field of sales, it will reach the following sales outside the group (in 000 €[7]):

**TABLE 21:** Realisation plan by type and market

| | |
|---|---|
| Net revenues from sales | 518.789 |
| From product sales | 461.874 |
| On the domestic market | 39.091 |
| On the foreign market | 422.783 |
| From sales of services | 5.324 |
| On the domestic market | 4.656 |
| On the foreign market | 668 |
| From sales of goods and materials | 51.591 |
| On the domestic market | 16.783 |
| On foreign market | 34.808 |
| Other capitalised goods and services and the elimination of cut. | 1 |
| Other operating income | 809 |
| GROSS INCOME FROM OPERATIONS | 519.599 |

[7] Service activites of Impol are also included here, as opposed to Table 20

**TABLE 22:** Planned indicators for 2013

| | |
|---|---|
| Value added per employee in euro | 48.502 |
| EBITDA v 000 € | 41.729 |
| EBIT v 000 € | 24.396 |

Further expansion of the market will be ensured on all the markets where Impol is already present. Market risks will be decreased through appropriate, cost-justifiable and rational methods of insurance. In the area of sales of aluminium products, the goal is still to achieve over 20% of the market outside the EU and in the context of this market to pay particular attention to the domestic market in order to satisfy it in the most comprehensive and complete way in regard to its potential size.

In 2013, Impol will focus primarily on continued conquest of the market of new products in the framework of the project of production of complex extruded products and on comprehensive conquest of the market of coloured coils and sheets. Impol will again focus on managing the programs of extruded rods, profiles and sections and upgrading rolled programs. Other programs will be developed further within the framework of market capabilities. Special attention will be devoted to expand the market of coloured coils and markets of other products that meet a high net sales premium.

In reducing less profitable programs, special attention will be paid to ensure that the fixed costs covered by such program will be covered by other new programs even before the reduction or cancellation of a certain program. Due to the strong interdependence of virtually all programs (especially through covering the common costs of management), a comprehensive analysis will be made to determine the influence of each individual program on the overall performance of the Group

Sales within the Group will continue to be organised on the principles of intermediary and agencies, and all involved will be stimulated mainly by binding to the achieved and paid sales premium above the Al prices on LME, minus the cost of the premium.

Nabava aluminijskih surovin bo obsegala:

**TABLE 23:** Recap of purchases outside the Impol Group

| | Quantity in tonnes |
|---|---|
| RFS | 10.500 |
| Rolling slabs – pure | 10.745 |
| Rolling slabs – alloys AF12 | 4.255 |
| Billets | 31.000 |
| Ingot | 73.167 |
| Secondary | 28.784 |
| Total foreign purchases through Impol | 158.451 |
| Purchases directly in Seval – secondary | 15.600 |
| Purchases directly in Rondal – ingot | 5.244 |
| Total purchases of raw materials to the Impol group | 179.295 |

Strategic raw materials, energy and imported materials will be purchased through Impol, d.o.o. and the rest directly to other members in the Group. All services related to the procedures and implementation of the purchase will be carried out by Upimol, d.o.o. in the form of agency services or services priced in a mutual services contract, etc.

Aluminium raw materials are purchased on the basis of pre-agreed contractual obligations in accordance with the following guidelines:

- Due to the high purchase prices for ingots, their use is minimised at the cost of integration of secondary raw materials,
- The manufacture of products of pure aluminium starting materials is minimised, except in the case of strongly increased prices of such products.

Further special attention is paid to the total quantity of materials in all forms of stocks where the target amount is defined for the entire Impol Group.

Through the development and investment policy, a balanced growth of the company will be pursued along with a provided higher level of security in the provision of affordable starting raw materials. The focus will therefore be continually put into minimising investments in current assets.

In accordance with the previously stated starting points, the actions in the financial fields will be coordinated with the development and market directions of Impol and with accepted obligations by the parent company to long-term investors.

When providing funding for long-term financial investments, Impol will connect with other investors and banks for individual investments. In the field of long-term financing, the Group will include available bank sources and at the same time ensure adequate dispersion of resources and decrease the volume of necessary investments in current assets. Further, it is estimated that the financial market does not provide adequate opportunities to obtain funds from the capital increase.

To ensure an adequate level of security in the financing, the policy of short-term financial investments will be continued. For long-term investments, further diversification of the investment portfolio will be prioritised, but in a way where new investments will not interfere with existing programs but will only upgrade them (possible investment into a takeover of a part of the MLM program will be examined).

In order to optimise the costs, the implementation of most of the services outside the group is promoted – outsourcing (e.g.: Alcad – IT, Simfin – finance and accounting, Upimol 2000 – purchasing, Tehnika SET and Ates for current maintenance, etc.).

Funding under the group will be made according to external conditions with included costs of providing resources. In doing so, each company in the Group can also act independently on the financial market, on the basis of the prior consent of the parent company.

Long term investments, other than minor renovation investments in progress, are carried out in 2013 within the framework of available external financing resources.

To reduce the risk from variable exchange rates, most of the purchases of raw aluminium will try to be redirected to EUR.

Special attention will continue to be paid to insurance against risks arising from permanent changes of raw material prices. Therefore, deepening the knowledge and its immediate use in the field of risk management are prioritised.

With projects focused on the customer (deepening and upgrading of e-commerce, daily planning, etc...), we will continue our training to achieve higher quality of satisfying our customers according to their needs and expectations.

Changes in the organisation of the company's operations will focus mainly on examining the possibility of introducing a one-tier management system.

IS will be upgraded in the direction of an integrated information system in all companies in the group.

The basic rules of the Impol Group continue to remain the same. Some of the most important are the following:

- Mutual relations between business entities in the group are established on the basis of market prices only if these exist; if they are not possible to define, they are established on the basis of other methods. In general, the following methods will be applied: method of adding to the cost, method of apportionment of profit and method of net profit.
- Operation of one part of the Group should not cause disruption of business in other parts – cost of the process is covered by the program it was initially made for.
- The organisation of business processes is decided on the basis of the Impol Code of Business Rules.

The entire system of stimulation of employees will continue to be built on the basis of success throughout the entire year.

## Organisation

Potential new activities will be included in the Impol Group in the form of direct involvement of Impol 2000, d.d in the Group together with Rondal, Impol Servis and Impol Hungary.

Impol shall, in the year 2013, in the event that it will be included in the issue of solving MLM, establish a new company where all business processes related to this program will be organised.

## Important highlights from the expected results

We expect to see the following results of operations (consolidated)[8]:

**TABLE 24:**
Income statement

| INCOME STATEMENT | |
|---|---|
| Net revenues from sales | 518.789 |
| From product sales | 461.874 |
| From service sales | 5.324 |
| From sales of goods and materials | 51.591 |
| Other operating income | 810 |
| **Gross profit from operations** | 519.599 |
| Costs of goods, materials and services | 434.829 |
| Purchase value of sold goods | 72.710 |
| Costs of materials used | 331.442 |
| Service costs | 30.677 |
| Labour costs | 38.743 |
| Write-off | 17.506 |
| Amortisation | 17.334 |
| Other operating expenses | 716 |
| TOTAL COSTS AND EXPENSES OF OPERATIONS | 491.794 |
| **PROFIT** | 27.806 |
| | |
| TOTAL FINANCIAL INCOME | 2.131 |
| TOTAL FINANCIAL EXPENSES | 14.871 |
| - interest | 9.300 |
| **Čisti poslovni izid iz rednega poslovanja pred obdavčitvijo** | 15.065 |
| Other income | 50 |
| Other expenses | 20 |
| **Profit before income tax** | 15.096 |
| Income taxes | 2.141 |
| Deferred taxes | 0 |
| Net profit for the period | 12.955 |

[8] Only selected ratios - all value ratios are determined in EUR 000, unless otherwise specified.

**TABLE 25:**
Balance sheet

| BALANCE SHEET | |
|---|---|
| **ASSETS** | |
| Non-current assets | 179.251 |
| Intangible assets and long-term AR | 2.638 |
| Tangible fixed assets | 161.388 |
| Investment property | 2.408 |
| Long-term investments | 10.791 |
| CURRENT ASSETS | 170.444 |
| Inventories | 88.079 |
| Short-term investments | 10.510 |
| Short-term receivables | 65.936 |
| Monetary assets | 5.919 |
| Short-term active accrual | 54 |
| TOTAL ASSETS | 349.749 |
| **LIABILITIES TO SOURCES OF FINANCE** | |
| Capital | 83.694 |
| Provisions and long-term provisions | 1.372 |
| LONG-TERM LIABILITIES | 115.411 |
| Long-term financial liabilities | 114.891 |
| CURRENT LIABILITIES | 148.200 |
| Liabilities, included in disposal groups | 0 |
| Short-term financial liabilities | 98.610 |
| Short-term payables | 49.589 |
| Short-term passive accrual | 1.073 |
| LIABILITIES TO SOURCES OF FINANCE | 349.749 |

**TABLE 26:**
Indicators

| INDICATORS | |
|---|---|
| Rate of self-financing | 31,3 % |
| Golden rule = long-term sources/long-term investments | 111,1 % |
| Rate of financial independence in % | 132,1 % |
| Coverage rate liabilities with long-term sources | 74,1 % |
| Net business profit (capital – net profit from plan) | 21,34 % |
| Cash flow from current operations (in EUR 000) | 33.802 |
| Economic value added (in 000 euro) | 11.120 |
| Value added per employee in Euro | 45.558 |
| EBITDA | 41.729 |
| EBIT | 24.396 |

To ensure a smooth repayment of instalments of long-term loans, we will renew 7 million euro in long-term loans.

We will minimise all new investments in fixed assets. The most urgent investments will be financed in full with new tasks.

We do not anticipate investments in current assets, since we expect that the prices of aluminium will not change significantly. The increase in business will be financed with the reduction of stocks to a technically necessary level.

Investments in the next period will be focused mainly on providing a stable supply of raw materials and in programs with higher added value.

All other forms of long-term investments (organic growth, long-term financial investments, etc.), and especially investments financed by Impol with funds collected from financing current operations, will be minimised this year or may be carried out only when based on the acquisition of new external resources for their long-term financing. Investments in short forms (inventories, receivables, short-term investments, etc.) will be financed mainly from current liabilities (loans, obligations, etc.) and will also be limited in their options in obtaining resources.

These investments will be minimised by greater rigor in forming stocks.

In the processes of research and development activities, special emphasis will be placed on projects that will enable lower costs in production processes, lowering energy consumption per unit of value added, reducing negative impact on the environment, etc.

List of major projects with completed investments in 2013:

- completion of update and expansion of casting capacities,
- update of information system.

In the event that projects demonstrate an appropriate level of profitability and feasibility, we will also approach the implementation of projects for production of casting products, mainly for the industry of transport resources.

Due to the need to ensure an adequate return of long-term and short-term loans taken out in all companies in the Group and to ensure a greater share of the capital as a source of finance for investment in permanent current assets, the Impol Group will continue to maximise the use of profit to finance them. Therefore, the profits of companies in the Group will be appropriately concentrated and distributed mainly to the repayment of loans that have pre-funded the investments.

For dividends and participation of management and employees, the Group can be allocated with around 0.33 million euro per year. Companies in the group have to provide the parent company with around 4 million euro in dividends.

Impol will direct a part of financial investments into foundations or purchases of those shares of companies where a 100% share can be achieved with a long-term investment, if so decided. Impol will invest in only those companies that will provide Impol with the production program that will enable achieving higher added value and greater security in the supply of aluminium raw materials. A more detailed strategy for action will be formed as an adaptation to actions and events in the environment.

Special attention will be paid to all forms of insurance (in the purchase prices of raw materials, accounts receivable, currency relations, producer responsibility, material assets, etc.) Since such insurances result in high costs, Impol will constantly look for forms that will be cheaper but in a way so as not to deteriorate the level of insurance.

For all additional long-term investments, an additional 5 million euro of long-term loans is anticipated to finance existing programs. If the investment into MLM programs will be realised, additional long-term loans are planned for the year in a minimum amount of 7 million euro (4 million for current purposes and 3 million for investments in equipment).

In 2013, we do not expect any major changes in the ownership structure of shareholders. The company itself does not anticipate the creation of a special reserve fund or interfering in its own ownership structure. The number of shareholders will continue to remain around 1000. If necessary, reserves will be formed for purchase of own shares, which will be bought only for legally required purposes of the allocation of shares from the profits, if so required by law.

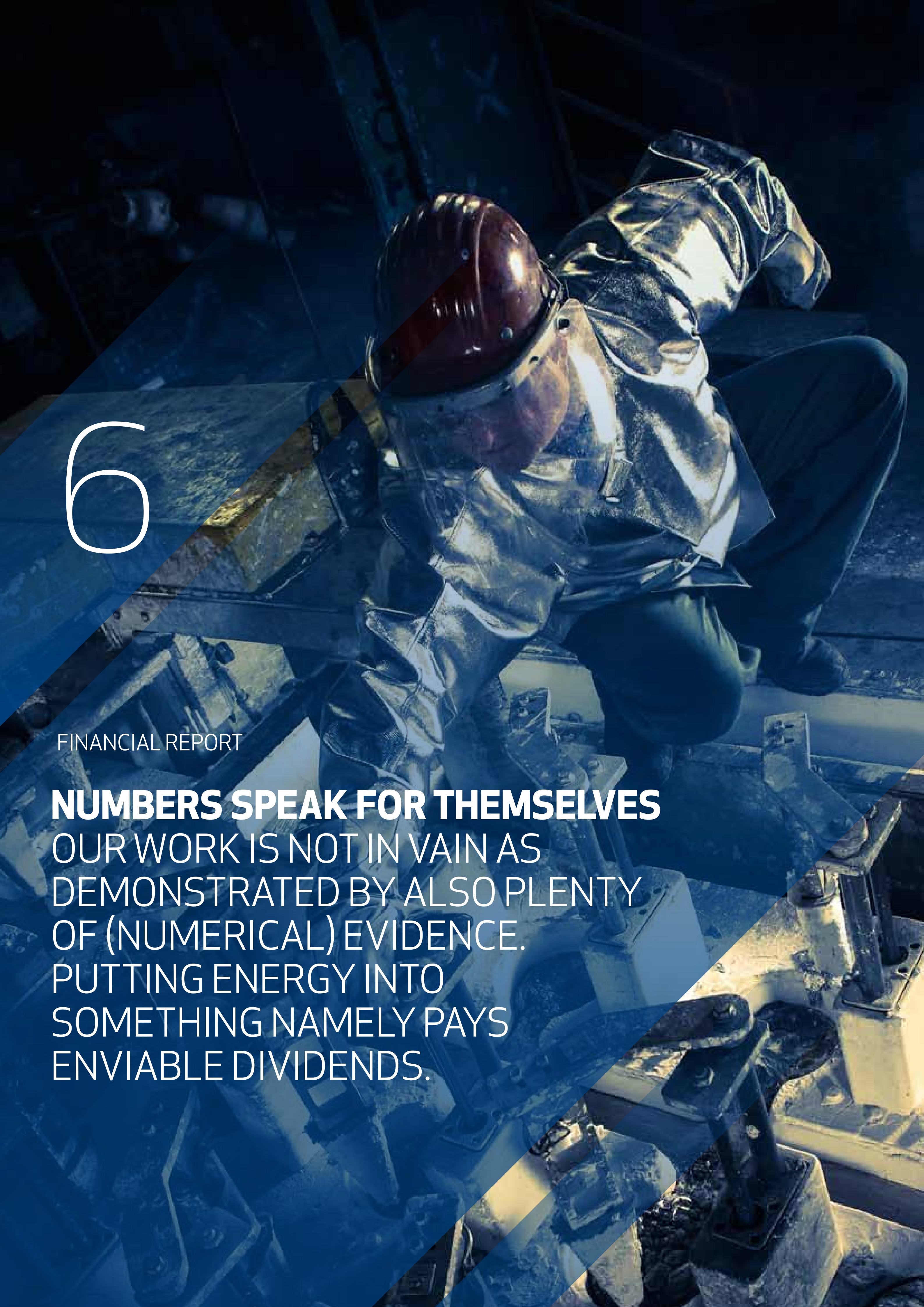
The share register is monitored through a fiduciary account with a lawyer.

In concluding sale and purchase transactions with shares, the buyer and the seller will take note of the book value of a stock before approval of individual transactions by the Supervisory Board. The value of stocks will be regularly published on the website and in the company's newsletter.

Impol will provide a high level of protection of health and safety at work, which will be confirmed with maintenance and upgrading of the OHSAS 18001 and ISO 14001 certificates in all major parts of the Group, while the umbrella company will ensure uniformity of systems, integrity of approaches and monitoring of implementation.

Impol will continue to allow assessments of its operations, mainly to customers, and in case of the strategic importance of an individual supplier, to suppliers. All will be kept informed on the financial position of the Impol Group or, if necessary, also on financial state of an individual company in the Group.

All other business entities operating in the industrial zones, in which the companies of the Impol Group operate, will also be included in the field of environmental protection.



# 6

FINANCIAL REPORT

## NUMBERS SPEAK FOR THEMSELVES

OUR WORK IS NOT IN VAIN AS DEMONSTRATED BY ALSO PLENTY OF (NUMERICAL) EVIDENCE. PUTTING ENERGY INTO SOMETHING NAMELY PAYS ENVIABLE DIVIDENDS.

Financial report[9]

# Accounting policies

Group Financial Statements of the entire Impol Business Group are drawn up in compliance with the Slovenian Accounting Standards (hereinafter referred to as “SRS 2006”), taking into account necessary adjustments with regard to the inclusion of affiliates from environments where different accounting standards apply (USA, Serbia, Hungary). In compliance therewith, the Impol Group gives a real and fair view of its financial situation and operating results.

The financial year equals the calendar year (1 January to 31 December 2012).

Net and distributable profit are determined and used in compliance with the provisions of Article 230 of ZGD-1.

The basic accounting assumptions that underlie these Statements are

- accrual basis and
- going concern.

Accounting policies and Financial Statements are also drawn up by taking into account the principles of understandability, relevance, reliability and comparability that guarantee their accuracy and compliance with legal obligations and prevention of fraud.

To take the principle of prudence into account:

- Financial Statements include only revenue realised no later than 31 December 2012 and
- all foreseeable risks and losses incurred until the end of 2012 are taken into account.

All items of assets and funds are accounted for separately.

Books of account of the Group are kept in compliance with the double-entry bookkeeping system.

## Bases for the consolidated financial statements

Consolidation is carried out by excluding:

- investments of the parent company in the capital or liabilities of subsidiaries and the proportional share of equity or liabilities,
- other mutual investments and capital or liability shares of other Group companies and the proportional share of capital or liabilities,
- mutual operating receivables and liabilities,
- unrealised net profits and net losses that result from transactions between Group companies,
- revenue and expenses realised within the business group
- and charged
- differences thus incurred by excluding investments,
- accrued tax
- and separately reported capital and net profit minority equity.
- Consolidation was carried out using the simultaneous consolidation of all Group companies method.

[9] All accounting disclosures are listed in € or, if specified, in 000€.

# Financial Statements

## Exclusions and Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet as at 31 Dec 2012

**TABLE 27:**
Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet 31/12/2012

| ITEM | | ADJUSTMENTS | EXCLUSIONS |
|---|---|---|---|
| A. | Fixed assets | 1.220.776 | -98.090.023 |
| I. | Intangible assets and non-current deferred costs and accrued revenue | 691.182 | 0 |
| 2. | Goodwill | 691.182 | |
| II. | Tangible fixed assets | 0 | -5.874.537 |
| 1. | Land and buildings | 0 | -2.606.825 |
| a) | Land | | -975.356 |
| b) | Buildings | | -1.631.469 |
| 2. | Production equipment and machinery | | -3.267.511 |
| 3. | Other machinery and equipment | 0 | -201 |
| IV. | Non-current investments | 529.594 | -92.215.486 |
| 1. | Non-current investments, excluding loans | 529.594 | -85.786.664 |
| a) | Shares and participating interests in the Group | | -85.786.664 |
| b) | Shares and participating interests in associates | 529.594 | |
| 2. | Non-current loans | 0 | -6.428.822 |
| a) | Shares and participating interests in the Group | | -6.428.822 |
| B. | Current assets | 0 | -46.327.140 |
| II. | Inventories | 0 | -214.718 |
| 1. | Material | | -16.381 |
| 2. | Work in process | | 135.231 |
| 3. | Products and merchandise | | -333.568 |
| III. | Current investments | 0 | -12.795.896 |
| 2. | Current loans | 0 | -12.795.896 |
| a) | Current loans to Group companies | | -12.795.896 |
| IV. | Current operating receivables | 0 | -33.316.526 |
| 1. | Current operating receivables due from Group companies | | -33.316.526 |
| | TOTAL ASSETS | 1.220.776 | -144.417.163 |
| D. | Off-balance sheet assets | | -46.880.150 |
| A. | Equity | 25.551.714 | -116.206.857 |
| | All types of minority equity | | 8.977.859 |
| I. | Called-up capital | 0 | -31.247.834 |
| 1. | Share capital | | -31.247.834 |
| II. | Capital surplus | | -36.461.799 |
| III. | Reserves from profit | 0 | -45.944.619 |
| 1. | Legal reserves | | -3.157.224 |
| 2. | Reserves for own participating interests | 506.406 | -4.900.000 |
| 3. | Treasury shares and own participating interests (as deductions) | -506.406 | 4.900.000 |
| 4. | Statutory reserves | | -223.134 |
| 5. | Other reserves from profit | | -42.564.261 |
| IV. | Revaluation surplus | 529.594 | |
| V. | Net profit brought forward | 23.157.248 | -2.183.254 |
| VI. | Net profit/loss for the financial year | 5.434.786 | -9.347.210 |
| VII. | Consolidated adjustment of capital | -3.569.914 | |
| B. | Provisions and non-current accrued costs and deferred revenue | 0 | -40.792 |
| 3. | Non-current accrued costs and deferred revenue | | -40.792 |
| | Non-current accrued costs and deferred revenue to Group companies (from B.3) | | -40.792 |
| C. | Non-current liabilities | 0 | -6.388.030 |
| I. | Non-current financial liabilities | 0 | -6.388.030 |
| 1. | Non-current financial liabilities to Group companies | | -6.388.030 |
| D. | Current liabilities | 0 | -46.112.422 |
| II. | Current financial liabilities | 0 | -12.795.896 |
| 1. | Current financial liabilities to Group companies | | -12.795.896 |
| III. | Current operating liabilities | 0 | -33.316.526 |
| 1. | Current operating liabilities to Group companies | | -33.316.526 |
| | TOTAL LIABILITIES | 25.551.714 | -168.748.101 |
| | Off-balance sheet assets | | -46.880.150 |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

## Exclusions and Adjustments in the Cumulative Income Statement for 2012 with regard to the Consolidated Income Statement for 2012

**TABLE 28:**
Adjustments in the Cumulative Income Statement with regard to the Consolidated Income Statement 31/12/2012

| ITEM | | | ADJUSTMENTS | EXCLUSIONS |
|---|---|---|---|---|
| 1. | | Net revenue from sales | -214.719 | -372.007.367 |
| | a) | Net revenue from sales in the domestic market | 114.478 | -259.040.490 |
| | | Net revenue from sales to Group companies in the domestic market (from 1.a) | | -259.040.490 |
| | b) | Net revenue from sales in the foreign market | -329.197 | -112.966.877 |
| | | Net revenue from sales to Group companies in the foreign market (from 1.b) | | -112.966.877 |
| 2. | | Change in value of product inventories and work in process | 140.443 | |
| 4. | | Other operating revenue (including operating revenue from revaluation) | 3.068.565 | -1.329.285 |
| | | Other operating revenue (including operating revenue from revaluation of Group companies) (from 4.) | | -1.329.285 |
| 5. | | Costs of goods, materials and services | 0 | -372.330.409 |
| | a) | Cost of sold goods and materials and costs of materials used | | -198.276.525 |
| | | Cost of sold goods and materials and costs of materials used of Group companies (from 5.a) | | -198.276.525 |
| | b) | Costs of services | | -174.053.884 |
| | | Costs of services of Group companies (from 5.b) | | -174.053.884 |
| 7. | | Writedowns | 0 | -777.705 |
| | a) | Depreciation | | -777.705 |
| | | Depreciation of assets of Group companies (from 7.b) | | -777.705 |
| 8. | | Other operating expenses | | -1.006.000 |
| | | Other operating expenses of Group companies (from 8.) | | -1.006.000 |
| 9. | | Financial revenue from participating interests | 0 | -6.415.665 |
| | a) | Financial revenue from participating interests in Group companies | | -6.415.665 |
| 10. | | Financial revenue from loans granted | 0 | -1.017.639 |
| | a) | Financial revenue from loans granted to Group companies | | -1.017.639 |
| 13. | | Financial expenses from financial liabilities | 0 | -1.016.629 |
| | a) | Financial expenses from loans received from Group companies | | -1.016.629 |
| 14. | | Financial expenses from operating liabilities | 0 | -1.010 |
| | a) | Financial expenses from operating receivables due from Group companies | | -1.010 |
| 21. | | Net profit/loss for the financial year | 2.994.289 | -5.638.203 |

## Balance Sheet of the Group[10]

**TABLE 29:**
Balance Sheet of the Group

| | | | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|---|---|
| **A.** | | **Fixed assets** | **151.258.155** | **150.092.462** |
| I. | | Intangible assets and non-current deferred costs and accrued revenue | 3.158.040 | 3.395.399 |
| | 1. | Non-current property rights | 1.076.889 | 1.239.855 |
| | 2. | Goodwill | 691.182 | 691.182 |
| | 3. | Advances for intangible assets | 0 | 0 |
| | 4. | Non-current deferred development costs | 4.539 | 5.199 |
| | 5. | Other non-current deferred costs and accrued revenue | 1.385.430 | 1.459.163 |
| II. | | Tangible fixed assets | 133.855.198 | 114.952.182 |
| | 1. | Land and buildings | 34.265.022 | 15.006.469 |
| | a) | Land | 3.697.167 | 4.236.083 |
| | b) | Buildings | 30.567.855 | 10.770.386 |
| | 2. | Production equipment and machinery | 69.022.251 | 70.853.920 |
| | 3. | Other machinery and equipment | 4.238.313 | 5.003.769 |
| | 4. | Fixed assets being acquired | 26.329.612 | 24.088.024 |
| | a) | Tangible fixed assets under construction and manufacture | 24.412.506 | 19.708.005 |
| | b) | Advances to acquire tangible fixed assets | 1.917.106 | 4.380.019 |
| | 5. | Breeding stock | 0 | 0 |
| | 6. | Land improvement | 0 | 0 |
| III. | | Investment property | 4.609.466 | 24.717.230 |
| IV. | | Non-current investments | 8.192.752 | 5.002.337 |
| | 1. | Non-current investments, excluding loans | 1.791.781 | 2.000.218 |
| | a) | Shares and participating interests in the Group | 0 | 0 |
| | b) | Shares and participating interests in associates | 642.951 | 832.363 |
| | c) | Other shares and participating interests | 1.114.403 | 1.130.185 |
| | č) | Other non-current investments | 34.427 | 37.670 |
| | 2. | Non-current loans | 6.400.971 | 3.002.119 |
| | a) | Non-current loans to Group companies | 0 | 0 |
| | b) | Non-current loans to others | 6.400.971 | 3.002.119 |
| | c) | Non-current unpaid called-up capital | 0 | 0 |
| V. | | Non-current operating receivables | 0 | 0 |
| | 1. | Non-current operating receivables due from Group companies | 0 | 0 |
| | 2. | Non-current operating receivables due from customers | 0 | 0 |
| | 3. | Non-current operating receivables due from others | 0 | 0 |
| VI. | | Deferred tax receivables | 1.442.699 | 2.025.314 |
| **B.** | | **Current assets** | **175.297.760** | **168.375.026** |
| I. | | Assets (groups for disposal) for sale | 0 | 0 |
| II. | | Inventories | 91.262.605 | 89.713.614 |
| | 1. | Material | 67.232.085 | 67.215.093 |
| | 2. | Work in process | 7.710.279 | 8.050.726 |
| | 3. | Products and merchandise | 14.718.468 | 13.912.671 |
| | 4. | Advances for inventories | 1.601.773 | 535.124 |
| III. | | Current investments | 7.991.477 | 6.640.014 |
| | 1. | Current investments, excluding loans | 224.806 | 722.525 |
| | a) | Shares and participating interests in the Group | 0 | 0 |
| | b) | Other shares and participating interests | 0 | 0 |
| | c) | Other current investments | 224.806 | 722.525 |
| | 2. | Current loans | 7.766.671 | 5.917.489 |
| | a) | Current loans to Group companies | 0 | 0 |
| | b) | Current loans to others | 7.766.671 | 5.917.489 |
| | c) | Current unpaid called-up capital | 0 | 0 |
| IV. | | Current operating receivables | 66.515.295 | 64.840.887 |
| | 1. | Current operating receivables due from Group companies | 0 | 0 |
| | 2. | Current operating receivables due from customers | 49.257.981 | 56.004.448 |
| | 3. | Current operating receivables due from others | 17.257.314 | 8.836.439 |

[10] Data contained in the financial analysis and the Financial Report is listed in euros.

| | | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|---|
| V. | Cash and cash equivalents | 9.528.383 | 7.180.511 |
| **C.** | **Current deferred costs and accrued revenue** | **3.562.224** | **1.635.059** |
| | TOTAL ASSETS | 330.118.139 | 320.102.547 |
| **Č.** | **Off-balance sheet assets** | **12.765.716** | **4.032.327** |
| **A.** | **Equity** | **83.476.740** | **73.647.391** |
| | Minority equity | 8.977.859 | 8.528.215 |
| I. | Called-up capital | 4.451.540 | 4.451.540 |
| 1. | Share capital | 4.451.540 | 4.451.540 |
| 2. | Uncalled-up capital (as deduction) | 0 | 0 |
| II. | Capital surplus | 10.751.254 | 10.751.254 |
| III. | Reserves from profit | 5.732.581 | 5.732.581 |
| 1. | Legal reserves | 0 | 0 |
| 2. | Reserves for treasury shares and own participating interests | 506.406 | 506.406 |
| 3. | Treasury shares and own participating interests (as deductions) | -506.406 | -506.406 |
| 4. | Statutory reserves | 0 | 0 |
| 5. | Other reserves from profit | 5.732.581 | 5.732.581 |
| IV. | Revaluation surplus | 529.594 | 529.441 |
| V. | Consolidated adjustment of capital | -3.569.914 | -2.340.019 |
| VI. | Net profit brought forward | 45.455.970 | 33.918.008 |
| VII. | Net profit/loss for the financial year | 11.147.856 | 12.076.371 |
| **B.** | **Provisions and non-current accrued costs and deferred revenue** | **1.570.389** | **1.565.115** |
| 1. | Provisions for pensions and similar liabilities | 861.742 | 758.100 |
| 2. | Other provisions | 1.700 | 1.164 |
| 3. | Non-current accrued costs and deferred revenue | 706.947 | 805.851 |
| **C.** | **Non-current liabilities** | **104.169.293** | **92.297.274** |
| I, | Non-current financial liabilities | 103.258.260 | 91.677.272 |
| 1. | Non-current financial liabilities to Group companies | 0 | 0 |
| 2. | Current financial liabilities to banks | 102.961.368 | 91.101.885 |
| 3. | Non-current financial liabilities from bonds payable | 0 | 0 |
| 4. | Other non-current financial liabilities | 296.892 | 575.387 |
| II. | Non-current operating liabilities | 143.690 | 101.756 |
| 1. | Non-current operating liabilities to Group companies | 0 | 0 |
| 2. | Non-current trade payables | 0 | 0 |
| 3. | Non-current bills of exchange payable | 0 | 0 |
| 4. | Non-current operating liabilities from advance payments | 0 | 0 |
| 5. | Other non-current operating liabilities | 143.690 | 101.756 |
| III. | Deferred tax liabilities | 767.343 | 518.246 |
| **D.** | **Current liabilities** | **137.893.622** | **150.918.388** |
| I. | Liabilities included in groups for disposal | 0 | 0 |
| II. | Current financial liabilities | 98.946.043 | 112.560.188 |
| 1. | Current financial liabilities to Group companies | 0 | 0 |
| 2. | Current financial liabilities to banks | 92.621.613 | 111.183.683 |
| 3. | Current financial liabilities from bonds payable | 0 | 0 |
| 4. | Other current financial liabilities | 6.324.430 | 1.376.505 |
| III. | Current operating liabilities | 38.947.579 | 38.358.200 |
| 1. | Current operating liabilities to Group companies | 0 | 0 |
| 2. | Current trade payables | 28.052.506 | 29.414.483 |
| 3. | Current bills of exchange payable | 0 | 0 |
| 4. | Current operating liabilities from advance payments | 2.088.490 | 1.736.633 |
| 5. | Other current operating liabilities | 8.806.583 | 7.207.084 |
| **D.** | **Current accrued costs and deferred revenue** | **3.008.095** | **1.674.379** |
| | LIABILITIES IN TOTAL | 330.118.139 | 320.102.547 |
| **E.** | **Off-balance sheet assets** | **12.765.716** | **4.032.327** |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

## Group Income Statement

**TABLE 30:**
Group Income Statement

| POSTAVKA | | | 2012 | 2011 |
|---|---|---|---|---|
| 1. | | Net revenue from sales | 463.155.333 | 473.611.543 |
| | a) | Net revenue from sales in the domestic market | 39.605.333 | 50.035.844 |
| | b) | Net revenue from sales in the foreign market | 423.550.000 | 423.575.699 |
| 2. | | Change in value of product inventories and work in process | 3.116.187 | -2.273.446 |
| 3. | | Capitalised own products and services | 4.270 | 891 |
| 4. | | Other operating revenue (including operating revenue from revaluation) | 5.608.569 | 3.136.658 |
| 5. | | Costs of goods, materials and services | 389.525.483 | 389.560.022 |
| | a) | Cost of sold goods and materials and costs of materials used | 358.156.565 | 360.767.646 |
| | b) | Costs of services | 31.368.918 | 28.792.376 |
| 6. | | Labour costs | 39.920.547 | 38.758.718 |
| | a) | Costs of salaries | 28.044.850 | 27.353.472 |
| | b) | Social security costs (pension insurance costs are shown separately) | 6.915.868 | 7.051.114 |
| | c) | Other labour costs | 4.959.829 | 4.354.132 |
| 7. | | Writedowns | 17.744.326 | 19.176.944 |
| | a) | Depreciation | 16.561.971 | 15.567.670 |
| | b) | Operating expenses from revaluation of intangible assets and tangible fixed assets | 144.233 | 177.199 |
| | c) | Operating expenses from revaluation associated with current operating assets | 1.038.122 | 3.432.075 |
| 8. | | Other operating expenses | 1.338.803 | 664.867 |
| 9. | | Financial revenue from participating interests | 140.540 | 83.215 |
| | a) | Financial revenue from participating interests in Group companies | 0 | 0 |
| | b) | Financial revenue from participating interests in associates | 0 | 0 |
| | c) | Financial revenue from participating interests in other companies | 96.769 | 83.215 |
| | d) | Financial revenue from other investments | 43.771 | 0 |
| 10. | | Financial revenue from loans granted | 375.662 | 185.528 |
| | a) | Financial revenue from loans granted to Group companies | 0 | 0 |
| | b) | Financial revenue from loans to others | 375.662 | 185.528 |
| 11. | | Financial revenue from operating receivables | 5.695.231 | 7.519.501 |
| | a) | Financial revenue from operating receivables due from Group companies | 0 | 0 |
| | b) | Financial revenue from operating receivables due from others | 5.695.231 | 7.519.501 |
| 12. | | Financial expenses from the impairment and write-offs of investments | 537.042 | 542.600 |
| 13. | | Financial expenses from financial liabilities | 13.984.233 | 16.103.578 |
| | a) | Financial expenses from loans received from Group companies | 0 | 0 |
| | b) | Financial expenses from loans from banks | 8.761.929 | 10.173.701 |
| | c) | Financial expenses from bonds issued | 0 | 0 |
| | d) | Financial expenses incurred in connection with other financial liabilities | 5.222.304 | 5.929.877 |
| 14. | | Financial expenses from operating liabilities | 990.111 | 2.250.283 |
| | a) | Financial expenses from operating liabilities to Group companies | 0 | 0 |
| | b) | Financial expenses from trade payables and bills of exchange payable | 28.382 | 8.844 |
| | c) | Financial expenses from other operating liabilities | 961.729 | 2.241.439 |
| 15. | | Other revenue | 263.956 | 817.139 |
| 16. | | Other expenses | 33.419 | 21.581 |
| 17. | | Income tax | 1.146.838 | 2.408.247 |
| 18. | | Deferred tax | 831.643 | -18.501 |
| 19. | | Net profit/loss for the financial year | 12.307.303 | 13.612.690 |
| | | Out of which minority equity profit/loss | 1.159.447 | 1.536.319 |
| | | Profit/loss of Group companies | 11.147.856 | 12.076.371 |

The Income Statement is drawn up in compliance with Version I.

| | | |
|---|---|---|
| Janko Žerjav<br>(Member of the Board) | Jernej Čokl<br>(President of the Board) | Vlado Leskovar<br>(Member of the Board) |

## Statement of Minority Equity and Changes Thereto

**TABLE 31:**
Statement of Minority Equity and Changes Thereto

| | | 2012 | 2011 |
|---|---|---|---|
| A) | Equity | 8.977.859 | 8.528.214 |
| I. | Called-up capital | 2.922.500 | 3.157.447 |
| 1 | Share capital | 2.922.500 | 3.157.447 |
| 2 | Uncalled-up capital (as deduction) | | 0 |
| II. | Capital surplus | 760.396 | 763.399 |
| | adjustment from revaluation of capital | 728.501 | (722.078) |
| III. | Reserves from profit | 932.188 | 870.064 |
| 1 | Legal reserves | 67.487 | 67.487 |
| 2 | Reserves for treasury shares and own participating interests | | 0 |
| 3 | Treasury shares and own participating interests (as deductions) | | 0 |
| 4 | Statutory reserves | 68.143 | 6.019 |
| 5 | Other reserves from profit | 796.558 | 796.558 |
| IV. | Revaluation surplus + consolidation difference | 2.587.099 | 2.830.892 |
| V. | Net profit brought forward | 620.259 | (606.999) |
| VI. | Net profit/loss for the financial year | 1.155.418 | 1.513.411 |

## Statement of Total Comprehensive Income

**TABLE 32:**
Statement of Total Comprehensive Income

| | 2012 | 2011 |
|---|---|---|
| Net profit/loss for the financial year | 12.307.303 | 13.612.690 |
| Changes in the surplus from revaluation of intangible assets and tangible fixed assets (+/-) | | |
| Changes in the surplus from revaluation of financial assets available for sale (+/-) | 16 | -12.878 |
| Gains and losses resulting from the conversion of Financial Statements of foreign companies (effects of changes to the exchange rate) | -1.760.796 | 502.304 |
| Actuarial gains and losses of defined benefit plans (employee benefits) (+/-) | | |
| Other items of total comprehensive income (+/-) | | |
| **Total comprehensive income in the financial year** | **10,546,523** | **14.102.116** |
| - out of which total comprehensive income of minority equity | 628,409 | 1.684.306 |
| - out of which total comprehensive income of Group companies | 9,918,114 | 12.417.810 |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

# Consolidated Cash Flow Statement

**TABLE 33:**
Consolidated Cash Flow Statement

| ITEM | | 2012 | 2011 |
|---|---|---|---|
| A. | Cash flows from operating activities | | |
| a) | Items of the Income Statement | 41.077.065 | 48.916.229 |
| | Operating revenue (except from revaluation) and financial revenue from operating receivables | 471.781.623 | 484.810.874 |
| | Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities | -428.726.077 | -433.504.899 |
| | Income and other tax not included in operating expenses | -1.978.481 | -2.389.746 |
| b) | Changes to net operating current assets (and accruals and deferrals, provisions and deferred tax receivables and liabilities) of the Balance Sheet operating items | -1.178.154 | 4.923.553 |
| | Opening less closing operating receivables | 1.085.193 | 5.160.286 |
| | Opening less closing deferred costs and accrued revenue | -1.920.823 | 2.419.642 |
| | Opening less closing deferred tax receivables | 582.615 | -23.168 |
| | Opening less closing assets (groups for disposal) for sale | 0 | 0 |
| | Opening less closing inventories | -60.905 | -4.006.152 |
| | Closing less opening operating liabilities | -2.613.743 | 1.497.492 |
| | Closing less opening accrued costs and deferred revenue and provisions | 1.500.412 | -147.752 |
| | Closing less opening deferred tax liabilities | 249.097 | 23.205 |
| c) | Net cash from operating activities (a+b) | 39.898.911 | 53.839.782 |
| B. | Cash flows from investing activities | | |
| a) | Cash proceeds from investing activities | 23.296.455 | 19.316.230 |
| | Inflows from interest and participation in others` profits relating to investing activities | 393.517 | 284.969 |
| | Cash proceeds from disposal of intangible assets | 71.065 | 131.305 |
| | Cash proceeds from disposal of tangible fixed assets | 6.186.466 | 0 |
| | Cash proceeds from disposal of investment property | 0 | 0 |
| | Cash proceeds from disposal of non-current investments | 366.183 | 0 |
| | Cash proceeds from disposal of current investments | 16.279.224 | 18.899.956 |
| b) | Cash payments from investing activities | -41.856.675 | -42.530.826 |
| | Cash disbursements to acquire intangible assets | -525.169 | -466.676 |
| | Cash disbursements to acquire tangible fixed assets | -20.357.710 | -19.941.547 |
| | Cash disbursements to acquire investment property | 0 | -19.264 |
| | Cash disbursements to acquire non-current investments | -3.429.869 | -3.310.146 |
| | Cash disbursements to acquire current investments | -17.543.927 | -18.793.193 |
| c) | Net cash from investing activities (a+b) | -18.560.220 | -23.214.596 |
| C. | Cash flows from financing activities | | |
| a) | Cash proceeds from financing activities | 169.931.065 | 202.868.382 |
| | Cash proceeds from paid-in capital | 0 | 502.304 |
| | Cash proceeds from increase in non-current financial liabilities | 63.043.406 | 42.423.744 |
| | Cash proceeds from increase in current financial liabilities | 106.887.659 | 159.942.334 |
| b) | Cash payments from financing activities | -188.921.884 | -230.605.807 |
| | Interest paid on financing activities | -14.688.950 | -17.242.963 |
| | Cash repayments of equity | -1.755.217 | 0 |
| | Cash repayments of non-current financial liabilities | -16.043.230 | -366.272 |
| | Cash repayments of current financial liabilities | -155.952.589 | -212.581.927 |
| | Dividends and other profit shares paid | -481.898 | -414.645 |
| c) | Net cash from financing activities (a+b) | -18.990.819 | -27.737.425 |
| D. | Closing balance of cash | 9.528.383 | 7.180.511 |
| x) | Net cash flow for the period | 2.347.872 | 2.887.761 |
| y) | Opening balance of cash | 7.180.511 | 4.292.750 |

The Cash Flow Statement has been drawn up in compliance with Version II.

| Janko Žerjav | Jernej Čokl | Vlado Leskovar |
|---|---|---|
| (Member of the Board) | (President of the Board) | (Member of the Board) |

# Consolidated performance ratios

**TABLE 34:**
Consolidated performance ratios

| | | 2012 | 2011 | 2012/2011 |
|---|---|---|---|---|
| 1. | BASIC FINANCING STATE RATIOS | | | |
| a. | Equity financing rate | | | |
| | Equity/Liabilities | 0,2529 | 0,2301 | 1,0991 |
| b. | Debt financing rate | | | |
| | Debts/Liabilities | 0,7333 | 0,7598 | 0,9651 |
| c. | Accruals and deferrals financing rate | | | |
| | Provisions + Current accrued costs and deferred revenue + Non-current accrued costs and deferred revenue/ Liabilities | 0,0139 | 0,0101 | 1,3705 |
| 2. | INVESTMENT UTILISATION RATIOS | | | |
| a. | Operating fixed assets rate | | | |
| | Fixed assets (at carrying amount)/Assets | 0,4108 | 0,3652 | 1,1251 |
| b. | Non-current investment rate | | | |
| | Fixed assets + Non-current deferred costs and accrued revenue (at carrying amount) + Investment property + Non-current investments + Non-current operating receivables/Assets | 0,4538 | 0,4626 | 0,9811 |
| 3. | BASIC HORIZONTAL FINANCIAL STRUCTURE RATIOS | | | |
| a. | Equity to operating fixed assets | | | |
| | Equity/Operating fixed assets at carrying amount | 0,6155 | 0,6301 | 0,9769 |
| b. | Doomsday ratio | | | |
| | Liquid assets/Current liabilities | 0,7889 | 0,6860 | 1,1499 |
| c. | Quick ratio | | | |
| | Liquid assets + Current receivables/Current liabilities | 0,6094 | 0,5212 | 1,1692 |
| d. | Current ratio | | | |
| | Liquid assets + Current receivables/Current liabilities | 1,2713 | 1,1157 | 1,1395 |
| 4. | BASIC OPERATING EFFICIENCY RATIOS | | | |
| a. | Operating efficiency ratio | | | |
| | Operating revenue/Operating expenses | 1,0521 | 1,0587 | 0,9937 |
| 5. | RATE OF RETURN AND INCOME RATIOS | | | |
| a. | Net return on equity | | | |
| | Net profit in the financial year/Average value of equity (excluding the net profit/loss of the year under review) | 0,1729 | 0,2267 | 0,7627 |
| b. | Dividend to share capital | | | |
| | Total dividends for the financial year/Average share capital | 0,1075 | 0,0924 | 1,1634 |

| Janko Žerjav<br>(Member of the Board) | Jernej Čokl<br>(President of the Board) | Vlado Leskovar<br>(Member of the Board) |
|---|---|---|

## Statement of Changes in Equity

**TABLE 35:**
Statement of changes in Equity in 2012

| | Year 2012 | Called-up capital | | Minority equity | Capital surplus | Reserves from profit | | |
|---|---|---|---|---|---|---|---|---|
| | | I | | II | III | IV | | |
| | | Share capital | Uncalled-up capital | | | Legal reserves | Reserves for treasury shares and own participating interests | Treasury shares and participating interests |
| | | I/1 | I/2 | II | III | IV/1 | IV/2 | IV/3 |
| A.1 | Balance at the end of the previous financial year at 31/12/2011 | 4.451.540 | | 8.528.215 | 10.751.254 | | 506.406 | -506.406 |
| A.2 | Opening balance of the financial year at 01/01/2012 | 4.451.540 | | 8.528.215 | 10.751.254 | | 506.406 | -506.406 |
| B.1 | Changes in equity – transactions with owners | | | -174.465 | | | | |
| | Disbursement of dividends | | | -173.153 | | | | |
| | Disbursement of bonuses to the Board and the Supervisory Board | | | -1.312 | | | | |
| | Other changes in equity | | | | | | | |
| B.2 | Total comprehensive income in the financial year | | | 628.409 | | | | |
| | Entry of net profit/loss in the financial year | | | 1.159.447 | | | | |
| | Changes in the surplus from revaluation of investments | | | -137 | | | | |
| | Other items of the total comprehensive income in the financial year | | | -530.901 | | | | |
| B.3 | Changes in equity | | | -4.300 | | | | |
| | Reallocation of a part of the net profit from the comparative financial year to other equity items | | | | | | | |
| | Other changes in equity | | | -4.300 | | | | |
| E. | Closing balance of the financial year at 31/12/2012 | 4.451.540 | | 8.977.859 | 10.751.254 | | 506.406 | -506.406 |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

Disclosures in this Table also refer to disclosures under Items Exclusions and Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet as at 31 Dec on page 63 and Group Income Statement on page 64.

| | | Revaluation surplus | Consolidated adjustment of capital | Net profit brought forward | | Net profit/loss for the financial year | | Total EQUITY |
|---|---|---|---|---|---|---|---|---|
| | | V | IV | VII | | VIII | | IX |
| Statutory reserves | Other reserves from profit | | | Retained net profit | Retained net loss | Net profit for the financial year | Net loss for the financial year | TOTAL EQUITY |
| IV/4 | IV/5 | V | IV | VII/1 | VII/2 | VIII/1 | VIII/2 | IX |
| | 5.732.581 | 529.441 | -2.340.019 | 33.918.008 | | 12.076.371 | | 73.647.391 |
| | 5.732.581 | 529.441 | -2.340.019 | 33.918.008 | | 12.076.371 | | 73.647.391 |
| | | | | -307.433 | | | | -481.898 |
| | | | | -305.245 | | | | -478.398 |
| | | | | -2.188 | | | | -3.500 |
| | | | | | | | | 0 |
| | | 153 | -1.229.895 | | | 11.147.856 | | 10.546.523 |
| | | | | | | 11.147.856 | | 12.307.303 |
| | | 153 | | | | | | 16 |
| | | | -1.229.895 | | | | | -1.760.796 |
| | | | | 11.845.395 | | -12.076.371 | | -235.276 |
| | | | | 12.076.371 | | -12.076.371 | | 0 |
| | | | | -230.976 | | | | -235.276 |
| | 5.732.581 | 529.594 | -3.569.914 | 45.455.970 | | 11.147.856 | | 83.476.740 |

**TABLE 36:**
Group statement of changes in equity in 2011

| | Year 2011 | Called-up capital | | Minority equity | Capital surplus | Reserves from profit | | |
|---|---|---|---|---|---|---|---|---|
| | | I | | II | III | IV | | |
| | | Share capital | Uncalled-up capital (as deduction) | | | Legal reserves | Reserves for treasury shares and own participating interests | Treasury shares and participating interests |
| | | I/1 | I/2 | II | III | IV/1 | IV/2 | IV/3 |
| A.1 | Balance at the end of the previous financial year at 31/12/2010 | 4.451.540 | | 6.951.121 | 10.751.254 | | 506.406 | -506.406 |
| A.2 | Opening balance of the financial year at 01/01/2011 | 4.451.540 | | 6.951.121 | 10.751.254 | | 506.406 | -506.406 |
| B.1 | Changes in equity – transactions with owners | | | -107.212 | | | | |
| | Disbursement of dividends | | | -105.900 | | | | |
| | Disbursement of bonuses to the Board and the Supervisory Board | | | -1.312 | | | | |
| B.2 | Total comprehensive income in the financial year | | | 1.684.306 | | | | |
| | Entry of net profit/loss in the financial year | | | 1.536.319 | | | | |
| | Changes in the surplus from revaluation of investments | | | -1.133 | | | | |
| | Other items of the total comprehensive income in the financial year | | | 149.120 | | | | |
| B.3 | Changes in equity | | | | | | | |
| | Reallocation of a part of the net profi t from the comparative financial year to other equity items | | | | | | | |
| E. | Closing balance of the financial year at 31/12/2011 | 4.451.540 | | 8.528.215 | 10.751.254 | | 506.406 | -506.406 |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

| | | Revaluation surplus | Consolidated adjustment of capital | Net profit brought forward | | Net profit/loss for the financial year | | Skupaj KAPITAL |
|---|---|---|---|---|---|---|---|---|
| | | V | IV | VII | | VIII | | IX |
| Statutory reserves | Other reserves from profit | | | Retained net profit | Retained net loss | Net profit for the financial year | Net loss for the financial year | Total EQUITY |
| IV/4 | IV/5 | V | IV | VII/1 | VII/2 | VIII/1 | VIII/2 | IX |
| | 5.732.581 | 529.441 | -2.693.203 | 29.240.391 | | 4.985.050 | | 59.959.920 |
| | 5.732.581 | 529.441 | -2.693.203 | 29.240.391 | | 4.985.050 | | 59.959.920 |
| | | | | -307.433 | | | | -414.645 |
| | | | | -305.245 | | | | -411.145 |
| | | | | -2.188 | | | | -3.500 |
| | | -11.745 | 353.184 | | | 12.076.371 | | 14.102.116 |
| | | | | | | 12.076.371 | | 13.612.690 |
| | | -11.745 | | | | | | -12.878 |
| | | | 353.184 | | | | | 502.304 |
| | | | | 4.985.050 | | -4.985.050 | | 0 |
| | | | | 4.985.050 | | -4.985.050 | | 0 |
| | 5.732.581 | 529.441 | -2.340.019 | 33.918.008 | | -4.985.050 | | 73.647.391 |

## Distributable profit

Distributable profit is allocated and set up in Impol 2000, d. d. and not in a consolidated manner. How to use it is decided by Impol 2000, d. d. on an individual basis with each subsidiary in the Group separately subject to its operating results and development programmes approved by Impol 2000, d. d.

It has been proposed to the 2012 General Meeting to set up the distributable profit of Impol 2000, d. d. as follows:

**TABLE 37:**
Distributable profit

| Item | 2012 | 2011 |
|---|---|---|
| Net profit/loss for the financial year | 5.713.069,77 | 5.317.892,37 |
| Profit/loss brought forward | 22.298.721,84 | 17.311.527,24 |
| Decrease (release) of capital surplus | | |
| Decrease (release) of reserves from profit separately by type of reserve | | |
| Decrease (additional set-up) of reserves from profit separately by type of reserve | | |
| Distributable profit/Distributable loss | 28.011.791,61 | 22.629.419,61 |

It has been proposed to the General Meeting to disburse dividends in the amount of €0.31 per share. The remaining distributable profit will remain undistributed.

# Impol Group operating review

The Consolidated Balance Sheet is determined on the basis of the Financial Statements of Impol 2000, d. d. and its subsidiaries included in the consolidation of the Impol Group (their full names can be found under Point Table 3: Active companies in the Impol Groupon page 12).

# Balance sheet – Group companies

**TABLE 38:**
Balance sheet – Group companies at 31/12/2012

| | | Impol 2000, d. d. | Impol, d. o. o. | Impol LLT, d. o. o. | Impol FT, d. o. o. | Impol PCP, d. o. o. | Impol Infras-truktura, d. o. o. | Impol R in R, d. o. o. | Rondal, d. o. o. | Impol-Montal, d. o. o. |
|---|---|---|---|---|---|---|---|---|---|---|
| A. | Fixed assets | 75.138.793 | 113.167.090 | 468.844 | 2.663.791 | 633.065 | 60.547 | 323.223 | 493.124 | 3.179.575 |
| I. | Intangible assets and non-current deferred costs and accrued revenue | 4.539 | 2.238.849 | 5.453 | 23.464 | 36.432 | 2.143 | 28.294 | 7.954 | 0 |
| 1. | Non-current property rights | 0 | 855.562 | 5.453 | 23.464 | 36.432 | 0 | 28.294 | 7.954 | 0 |
| 2. | Goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Advances for intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Non-current deferred development costs | 4.539 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Non-current deferred development costs | 0 | 1.383.287 | 0 | 0 | 0 | 2.143 | 0 | 0 | 0 |
| II. | Tangible fixed assets | 242.638 | 85.382.345 | 367.688 | 1.720.293 | 557.779 | 54.352 | 292.788 | 331.034 | 2.679.575 |
| 1. | Land and buildings | 0 | 26.442.210 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) | Land | 0 | 3.436.070 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) | Buildings | 0 | 23.006.140 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Production equipment and machinery | 204.897 | 48.170.777 | 244.018 | 381.200 | 266.915 | 0 | 240.686 | 328.660 | 2.676.088 |
| | Production equipment and machinery of the Group (from A.II.3) | | | | | | | | | |
| 3. | Other machinery and equipment | 37.741 | 2.107.766 | 123.670 | 1.339.093 | 290.864 | 54.352 | 52.102 | 2.374 | 3.487 |
| | Other machinery and equipment of the Group (from A.II.3) | | | | | | | | | |
| 4. | Fixed assets being acquired | 0 | 8.661.592 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) | Tangible fixed assets under construction and manufacture | 0 | 6.744.486 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) | Advances to acquire tangible fixed assets | 0 | 1.917.106 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Breeding stock | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. | Land improvement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III. | Investment property | 0 | 3.710.015 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IV. | Non-current investments | 74.867.045 | 21.481.779 | 0 | 0 | 0 | 0 | 0 | 154.136 | 500.000 |
| 1. | Non-current investments, excluding loans | 68.567.045 | 17.437.269 | 0 | 0 | 0 | 0 | 0 | 0 | 500.000 |
| a) | Shares and participating interests in the Group | 67.935.624 | 16.963.691 | 0 | 0 | 0 | 0 | 0 | 0 | 500.000 |
| b) | Shares and participating interests in associates | 34.647 | 77.830 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) | Other shares and participating interests | 596.774 | 395.748 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) | Other non-current investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Non-current loans | 6.300.000 | 4.044.510 | 0 | 0 | 0 | 0 | 0 | 154.136 | 0 |
| a) | Non-current loans to Group companies | 0 | 3.983.159 | 0 | 0 | 0 | 0 | 0 | 154.136 | 0 |
| b) | Non-current loans to others | 6.300.000 | 61.351 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) | Non-current unpaid called-up capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Impol Servis, d. o. o. | Impol Stano-vanja, d. o. o. | Kadring, d. o. o. | Stampal SB, d. o. o. | Štatenberg, d.o.o. | Unidel, d. o. o. | Impol Aluminum Corpora-tion | Impol Seval, a. d. | Impol Seval Tehnika, d. o. o. | Impol Seval Final, d. o. o. | Impol Seval PKC, d. o. o. | Impol Seval President, d. o. o. | Impol Hungary Kft |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 460.972 | 1.821.117 | 136.548 | 682.574 | 611.892 | 124.298 | 17.269 | 45.777.142 | 2.367.538 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 741 | 0 | 1.359 | 0 | 115.501 | 2.129 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 741 | 0 | 1.359 | 0 | 115.501 | 2.129 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 443.367 | 1.684.715 | 101.185 | 678.591 | 515.773 | 122.939 | 9.083 | 42.180.181 | 2.365.409 | 0 | 0 | 0 | 0 |
| 427.810 | 1.677.830 | 72.923 | 0 | 506.728 | 34.228 | 0 | 5.405.013 | 2.305.105 | 0 | 0 | 0 | 0 |
| 16.237 | 0 | 0 | 0 | 111.488 | 18.793 | 0 | 225.743 | 864.192 | 0 | 0 | 0 | 0 |
| 411.573 | 1.677.830 | 72.923 | 0 | 395.240 | 15.435 | 0 | 5.179.270 | 1.440.913 | 0 | 0 | 0 | 0 |
| 6.716 | 6.838 | 0 | 608.656 | 0 | 44.984 | 0 | 19.109.327 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | |
| 8.841 | 47 | 28.262 | 69.935 | 9.045 | 43.727 | 9.083 | 0 | 58.125 | 0 | 0 | 0 | 0 |
| | | | | | | | | | | | | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17.665.841 | 2.179 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17.665.841 | 2.179 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 24.055 | 0 | 96.119 | 0 | 0 | 779.277 | 0 | 0 | 0 | 0 | 0 |
| 17.605 | 136.402 | 11.308 | 0 | 0 | 0 | 8.186 | 2.702.183 | 0 | 0 | 0 | 0 | 0 |
| 17.605 | 96.782 | 11.308 | 0 | 0 | 0 | 8.186 | 410.656 | 0 | 0 | 0 | 0 | 0 |
| 17.605 | 0 | 6.407 | 0 | 0 | 0 | 0 | 363.337 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 880 | 0 | 0 | 0 | 0 | 0 |
| 0 | 96.782 | 4.901 | 0 | 0 | 0 | 8.186 | 12.012 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34.427 | 0 | 0 | 0 | 0 | 0 |
| 0 | 39.620 | 0 | 0 | 0 | 0 | 0 | 2.291.527 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.291.527 | 0 | 0 | 0 | 0 | 0 |
| 0 | 39.620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | Impol 2000, d. d. | Impol, d. o. o. | Impol LLT, d. o. o. | Impol FT, d. o. o. | Impol PCP, d. o. o. | Impol Infras-truktura, d. o. o. | Impol R in R, d. o. o. | Rondal, d. o. o. | Impol-Montal, d. o. o. |
|---|---|---|---|---|---|---|---|---|---|---|
| V. | Non-current operating receivables | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1. | Non-current operating receivables due from Group companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Non-current operating receivables due from customers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Non-current operating receivables due from others | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| V, | Deferred tax receivables | 24.571 | 354.102 | 95.703 | 920.034 | 38.854 | 4.052 | 2.141 | 0 | 0 |
| B. | Current assets | 3.045.755 | 143.831.145 | 4.490.403 | 12.490.492 | 9.062.824 | 402.686 | 228.983 | 5.693.347 | 256.287 |
| I. | Assets (groups for disposal) for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II. | Inventories | 32.049 | 52.958.340 | 1.925.698 | 10.109.703 | 5.898.293 | 921 | 0 | 1.587.765 | 34.845 |
| 1. | Material | 0 | 51.481.558 | 1.719.966 | 5.598.428 | 2.780.509 | 0 | 0 | 1.212.082 | 34.845 |
| 2. | Work in process | 0 | 0 | 205.732 | 2.544.749 | 945.283 | 0 | 0 | 176.056 | 0 |
| 3. | Products and merchandise | 32.049 | 25.968 | 0 | 1.966.526 | 2.172.501 | 0 | 0 | 199.627 | 0 |
| 4. | Advances for inventories | 0 | 1.450.814 | 0 | 0 | 0 | 921 | 0 | 0 | 0 |
| III. | Current investments | 213.795 | 16.236.435 | 0 | 650 | 0 | 100.000 | 0 | 23.574 | 96.752 |
| 1. | Current investments, excluding loans | 100.000 | 124.806 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| a) | Shares and participating interests in the Group | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) | Other shares and participating interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) | Other current investments | 100.000 | 124.806 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Current loans | 113.795 | 16.111.629 | 0 | 650 | 0 | 100.000 | 0 | 23.574 | 96.752 |
| a) | Current loans to Group companies | 100.000 | 10.642.625 | 0 | 0 | 0 | 100.000 | 0 | 23.574 | 0 |
| b) | Current loans to others | 13.795 | 5.469.004 | 0 | 650 | 0 | 0 | 0 | 0 | 96.752 |
| c) | Current unpaid called-up capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| IV. | Current operating receivables | 2.625.373 | 69.671.202 | 2.530.783 | 2.119.627 | 2.813.264 | 285.129 | 225.472 | 3.855.698 | 13.461 |
| 1. | Current operating receivables due from Group companies | 515.576 | 23.536.750 | 2.083.942 | 1.484.670 | 1.720.389 | 268.402 | 209.041 | 91.684 | 0 |
| 2. | Current operating receivables due from customers | 1.918.572 | 36.569.476 | 85.391 | 12.513 | 5.510 | 3.570 | 5.396 | 3.510.591 | 12.861 |
| 3. | Current operating receivables due from others | 191.225 | 9.564.976 | 361.450 | 622.444 | 1.087.365 | 13.157 | 11.035 | 253.423 | 600 |
| V. | Cash and cash equivalents | 174.538 | 4.965.168 | 33.922 | 260.512 | 351.267 | 16.636 | 3.511 | 226.310 | 111.229 |
| C. | Current deferred costs and accrued revenue | 27.030 | 1.051.584 | 2.302 | 5.961 | 7.055 | 3.735 | 626 | 645 | 9.088 |
| | TOTAL ASSETS | 78.211.578 | 258.049.819 | 4.961.549 | 15.160.244 | 9.702.944 | 466.968 | 552.832 | 6.187.116 | 3.444.950 |
| D. | Off-balance sheet assets | 17.145.007 | 7.908.040 | 4.145.460 | 4.452.905 | 13.341.123 | 4.143.750 | 4.143.777 | 0 | 2.812.820 |
| A. | Equity | 48.947.167 | 85.561.633 | 172.744 | 1.250.667 | 2.216.835 | 259.143 | 235.482 | 4.634.789 | 552.278 |
| | All types of minority equity | 0 | 2.105.928 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| I. | Called-up capital | 4.451.540 | 16.954.599 | 310.000 | 840.000 | 1.170.000 | 80.000 | 90.000 | 137.707 | 349.114 |
| 1. | Share capital | 4.451.540 | 16.954.599 | 310.000 | 840.000 | 1.170.000 | 80.000 | 90.000 | 137.707 | 349.114 |
| 2. | Uncalled-up capital (as deduction) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II. | Capital surplus | 10.751.254 | 29.467.740 | 0 | 5.000.000 | 0 | 0 | 0 | 1.843 | 57.684 |
| III. | Reserves from profit | 5.732.581 | 35.045.344 | 0 | 0 | 117.964 | 8.016 | 9.030 | 1.402.587 | 34.911 |
| 1. | Legal reserves | 0 | 2.723.350 | 0 | 0 | 117.000 | 8.000 | 9.000 | 13.771 | 34.911 |
| 2. | Reserves for own participating interests | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4.900.000 | 0 |
| 3. | Treasury shares and own participating interests (as deductions) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -4.900.000 | 0 |
| 4. | Statutory reserves | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Other reserves from profit | 5.732.581 | 32.321.994 | 0 | 0 | 964 | 16 | 30 | 1.388.816 | 0 |
| IV. | Revaluation surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Impol Servis, d. o. o. | Impol Stano-vanja, d. o. o. | Kadring, d. o. o. | Stampal SB, d. o. o. | Štatenberg, d.o.o. | Unidel, d. o. o. | Impol Aluminum Corpora-tion | Impol Seval, a. d. | Impol Seval Tehnika, d. o. o. | Impol Seval Final, d. o. o. | Impol Seval PKC, d. o. o. | Impol Seval President, d. o. o. | Impol Hungary Kft |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 3.242 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 740.715 | 1.655.218 | 737.382 | 2.405.951 | 21.715 | 1.328.431 | 3.380.445 | 26.717.370 | 752.886 | 97.093 | 98.549 | 45.781 | 4.141.442 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 264.126 | 0 | 0 | 407.216 | 0 | 234.345 | 1.534.735 | 15.976.183 | 498.805 | 512 | 0 | 13.787 | 0 |
| 0 | 0 | 0 | 35.909 | 0 | 18.725 | 0 | 3.905.267 | 447.419 | 0 | 0 | 13.758 | 0 |
| 0 | 0 | 0 | 368.669 | 0 | 0 | 0 | 3.334.559 | 0 | 0 | 0 | 0 | 0 |
| 264.126 | 0 | 0 | 0 | 0 | 191.140 | 1.534.735 | 8.625.833 | 39.531 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 2.638 | 0 | 24.480 | 0 | 110.524 | 11.855 | 512 | 0 | 29 | 0 |
| 0 | 1.365.931 | 200.000 | 350.000 | 0 | 378.451 | 792 | 1.731.217 | 12.763 | 3.528 | 54.458 | 19.027 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 1.365.931 | 200.000 | 350.000 | 0 | 378.451 | 792 | 1.731.217 | 12.763 | 3.528 | 54.458 | 19.027 | 0 |
| 0 | 1.031.172 | 200.000 | 350.000 | 0 | 200.000 | 0 | 148.525 | 0 | 0 | 0 | 0 | 0 |
| 0 | 334.759 | 0 | 0 | 0 | 178.451 | 792 | 1.582.692 | 12.763 | 3.528 | 54.458 | 19.027 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 424.169 | 64.910 | 387.494 | 1.507.362 | 21.642 | 394.494 | 1.726.278 | 6.667.668 | 232.110 | 84.779 | 43.382 | 9.322 | 4.128.202 |
| 101.409 | 3.382 | 232.509 | 33.595 | 0 | 139.055 | 0 | 2.657.813 | 114.564 | 83.208 | 40.537 | 0 | 0 |
| 320.122 | 42.711 | 126.512 | 1.202.735 | 20.925 | 205.239 | 1.711.946 | 3.417.817 | 52.799 | 296 | 400 | 3.489 | 29.110 |
| 2.638 | 18.817 | 28.473 | 271.032 | 717 | 50.200 | 14.332 | 592.038 | 64.747 | 1.275 | 2.445 | 5.833 | 4.099.092 |
| 52.420 | 224.377 | 149.888 | 141.373 | 73 | 321.141 | 118.640 | 2.342.302 | 9.208 | 8.274 | 709 | 3.645 | 13.240 |
| 2.598 | 0 | 671 | 4.618 | 5.250 | 23.458 | 0 | 2.403.561 | 11.860 | 474 | 0 | 1.708 | 0 |
| 1.204.285 | 3.476.335 | 874.601 | 3.093.143 | 638.857 | 1.476.187 | 3.397.714 | 74.898.073 | 3.132.284 | 97.567 | 98.549 | 47.489 | 4.141.442 |
| 111 | 1.548.146 | 0 | 0 | 0 | 4.727 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 718.671 | 3.305.717 | 562.751 | 1.841.820 | 413.679 | 523.107 | 925.395 | 21.894.531 | -73.167 | 69.561 | 84.171 | 12.017 | 22.892 |
| 0 | 0 | 211.032 | 0 | 0 | 0 | 92.540 | 6.568.359 | 0 | 0 | 0 | 0 | 0 |
| 14.659 | 1.613.690 | 12.198 | 834.585 | 53.521 | 36.779 | 75.792 | 8.310.142 | 148.643 | 55.111 | 43.916 | 115.667 | 1.711 |
| 14.659 | 1.613.690 | 12.198 | 834.585 | 53.521 | 36.779 | 75.792 | 8.310.142 | 148.643 | 55.111 | 43.916 | 115.667 | 1.711 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8.858 | 1.446.971 | 8.565 | 702 | 363.122 | 0 | 0 | 106.314 | 0 | 0 | 0 | 0 | 0 |
| 175.767 | 213.132 | 19.981 | 83.465 | 0 | 3.678 | 0 | 8.830.744 | 0 | 0 | 0 | 0 | 0 |
| 1.466 | 161.369 | 1.220 | 83.459 | 0 | 3.678 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 16.050 | 0 | 0 | 0 | 0 | 207.084 | 0 | 0 | 0 | 0 | 0 |
| 174.301 | 51.763 | 2.711 | 6 | 0 | 0 | 0 | 8.623.660 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | Impol 2000, d. d. | Impol, d. o. o. | Impol LLT, d. o. o. | Impol FT, d. o. o. | Impol PCP, d. o. o. | Impol Infras-truktura, d. o. o. | Impol R in R, d. o. o. | Rondal, d. o. o. | Impol-Montal, d. o. o. |
|---|---|---|---|---|---|---|---|---|---|---|
| V. | Net profit brought forward | 22.298.722 | 1.338.381 | 0 | -4.519.763 | 680.050 | 40.164 | 50.589 | 1.626.428 | 34.282 |
| VI. | Net profit/loss for the financial year | 5.713.070 | 2.755.569 | -137.256 | -69.570 | 248.821 | 130.963 | 85.863 | 1.466.224 | 76.287 |
| VII. | Consolidated adjustment of capital | | | | | | | | | |
| B. | Provisions and non-current accrued costs and deferred revenue | 0 | 17.336 | 101.501 | 0 | 457.109 | 35.304 | 25.192 | 93.731 | 0 |
| 1. | Provisions for pensions and similar liabilities | 0 | 0 | 101.501 | 0 | 457.109 | 35.304 | 25.192 | 52.939 | 0 |
| 2. | Other provisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Non-current accrued costs and deferred revenue | 0 | 17.336 | 0 | 0 | 0 | 0 | 0 | 40.792 | 0 |
| | Non-current accrued costs and deferred revenue to Group companies (from B.3) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40.792 | 0 |
| C. | Non-current liabilities | 21.357.483 | 55.704.130 | 0 | 0 | 0 | 0 | 0 | 0 | 2.401.602 |
| I. | Non-current financial liabilities | 21.357.483 | 55.704.130 | 0 | 0 | 0 | 0 | 0 | 0 | 2.401.602 |
| 1. | Non-current financial liabilities to Group companies | 0 | 154.136 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Non-current financial liabilities to banks | 21.357.483 | 55.286.808 | 0 | 0 | 0 | 0 | 0 | 0 | 2.401.602 |
| 3. | Non-current financial liabilities from bonds payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Other non-current financial liabilities | 0 | 263.186 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II. | Non-current operating liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1. | Non-current operating liabilities to Group companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. | Non-current trade payables | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. | Non-current bills of exchange payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Non-current operating liabilities from advance payments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. | Other non-current operating liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III. | Deferred tax liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| D. | Current liabilities | 7.887.729 | 115.531.543 | 4.687.304 | 13.909.577 | 7.029.000 | 171.601 | 292.158 | 1.458.596 | 491.070 |
| I. | Liabilities included in groups for disposal | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| II. | Current financial liabilities | 7.040.230 | 85.465.936 | 500.000 | 7.012.665 | 0 | 0 | 155.000 | 200.000 | 314.466 |
| 1. | Current financial liabilities to Group companies | 2.533.524 | 1.704.746 | 500.000 | 7.012.665 | 0 | 0 | 155.000 | 200.000 | 115.000 |
| 2. | Current financial liabilities to banks | 4.500.000 | 77.451.293 | 0 | 0 | 0 | 0 | 0 | 0 | 199.466 |
| 3. | Current financial liabilities from bonds payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Other current financial liabilities | 6.706 | 6.309.897 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| III. | Current operating liabilities | 847.499 | 30.065.607 | 4.187.304 | 6.896.912 | 7.029.000 | 171.601 | 137.158 | 1.258.596 | 176.604 |
| 1. | Current operating liabilities to Group companies | 235.560 | 6.264.431 | 3.571.881 | 4.660.716 | 4.961.502 | 22.885 | 38.114 | 887.748 | 2.372 |
| 2. | Current trade payables | 224.049 | 19.368.713 | 397.638 | 1.278.378 | 1.208.208 | 58.679 | 24.471 | 204.457 | 159.089 |
| 3. | Current bills of exchange payable | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | Current operating liabilities from advance payments | 43.041 | 121.377 | 0 | 0 | 0 | 0 | 0 | 38.496 | 0 |
| 5. | Other current operating liabilities | 344.849 | 4.311.086 | 217.785 | 957.818 | 859.290 | 90.037 | 74.573 | 127.895 | 15.143 |
| E. | Current accrued costs and deferred revenue | 19.199 | 1.235.177 | 0 | 0 | 0 | 920 | 0 | 0 | 0 |
| | TOTAL LIABILITIES | 78.211.578 | 258.049.819 | 4.961.549 | 15.160.244 | 9.702.944 | 466.968 | 552.832 | 6.187.116 | 3.444.950 |
| | Off-balance sheet assets | 17.145.007 | 7.908.040 | 4.145.460 | 4.452.905 | 13.341.123 | 4.143.750 | 4.143.777 | 0 | 2.812.820 |

Items of the Income Statement are translated from national currencies to € according to the following exchange rates:

| | |
|---|---|
| Serbian dinar | 113,39 |
| USD | 1,3194 |
| HUF | 290,30 |

| Impol Servis, d. o. o. | Impol Stano-vanja, d. o. o. | Kadring, d. o. o. | Stampal SB, d. o. o. | Štatenberg, d.o.o. | Unidel, d. o. o. | Impol Aluminum Corpora-tion | Impol Seval, a. d. | Impol Seval Tehnika, d. o. o. | Impol Seval Final, d. o. o. | Impol Seval PKC, d. o. o. | Impol Seval President, d. o. o. | Impol Hungary Kft |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 455.062 | 0 | 475.897 | 191.207 | 6.059 | 306.102 | 706.832 | 1.127.241 | -307.891 | 12.175 | 15.598 | -55.159 | 0 |
| 64.325 | 31.924 | 46.110 | 731.861 | -9.023 | 176.548 | 142.771 | 3.520.090 | 86.081 | 2.275 | 24.657 | -48.491 | 21.181 |
| | | | | | | | | | | | | |
| 0 | 0 | 1.700 | 25.961 | 0 | 730.768 | 0 | 122.579 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 25.961 | 0 | 41.157 | 0 | 122.579 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 1.700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 689.611 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25.248 | 142.595 | 0 | 148.896 | 0 | 1.095 | 0 | 24.551.361 | 2.296.773 | 0 | 0 | 0 | 3.928.140 |
| 25.248 | 0 | 0 | 148.896 | 0 | 0 | 0 | 23.789.264 | 2.291.527 | 0 | 0 | 0 | 3.928.140 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.291.527 | 0 | 0 | 0 | 3.942.367 |
| 0 | 0 | 0 | 132.353 | 0 | 0 | 0 | 23.783.122 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25.248 | 0 | 0 | 16.543 | 0 | 0 | 0 | 6.142 | 0 | 0 | 0 | 0 | -14.227 |
| 0 | 142.595 | 0 | 0 | 0 | 1.095 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 142.595 | 0 | 0 | 0 | 1.095 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 762.097 | 5.246 | 0 | 0 | 0 | 0 |
| 458.360 | 28.023 | 310.150 | 1.071.126 | 220.803 | 194.791 | 2.472.319 | 26.629.472 | 896.221 | 27.494 | 14.378 | 33.919 | 190.410 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 121.727 | 0 | 0 | 110.934 | 132.485 | 0 | 0 | 10.364.971 | 148.525 | 0 | 0 | 0 | 175.000 |
| 118.951 | 0 | 0 | 0 | 132.485 | 0 | 0 | 0 | 148.525 | 0 | 0 | 0 | 175.000 |
| 0 | 0 | 0 | 105.883 | 0 | 0 | 0 | 10.364.971 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2.776 | 0 | 0 | 5.051 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 336.633 | 28.023 | 310.150 | 960.192 | 88.318 | 194.791 | 2.472.319 | 16.264.501 | 747.696 | 27.494 | 14.378 | 33.919 | 15.410 |
| 240.659 | 1.765 | 2.335 | 505.210 | 82.476 | 6.548 | 2.310.199 | 9.100.843 | 407.846 | 2.206 | 1.629 | 4.601 | 5.000 |
| 71.967 | 7.793 | 42.040 | 186.436 | 576 | 96.670 | 27.859 | 4.460.537 | 221.360 | 121 | 0 | 13.465 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 54 | 100 | 0 | 0 | 5.250 | 2.327 | 0 | 1.870.104 | 4.735 | 0 | 0 | 3.006 | 0 |
| 23.953 | 18.365 | 265.775 | 268.546 | 16 | 89.246 | 134.261 | 833.017 | 113.755 | 25.167 | 12.749 | 12.847 | 10.410 |
| 2.006 | 0 | 0 | 5.340 | 4.375 | 26.426 | 0 | 1.700.130 | 12.457 | 512 | 0 | 1.553 | 0 |
| 1.204.285 | 3.476.335 | 874.601 | 3.093.143 | 638.857 | 1.476.187 | 3.397.714 | 74.898.073 | 3.132.284 | 97.567 | 98.549 | 47.489 | 4.141.442 |
| 111 | 1.548.146 | 0 | 0 | 0 | 4.727 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

# Income statement – Group companies

**TABLE 39:**
Income statement – Group companies

| | | | Impol 2000, d. d. | Impol, d. o. o. | Impol LLT, d. o. o. | Impol FT, d. o. o. | Impol PCP, d. o. o. | Impol Infras- truktura, d. o. o. | Impol R in R, d. o. o. | Rondal, d. o. o. | Impol-Montal, d. o. o. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | | Net revenue from sales | 15.845.514 | 516.115.862 | 26.492.724 | 56.780.227 | 62.254.748 | 1.397.176 | 1.450.881 | 18.367.575 | 594.756 |
| | a) | Net revenue from sales in the domestic market | 14.314.282 | 111.260.734 | 26.492.724 | 56.780.227 | 62.254.748 | 1.397.176 | 1.448.590 | 974.139 | 531.794 |
| | | Net revenue from sales to Group companies in the domestic market (from 1.a) | 5.207.788 | 96.421.372 | 25.744.110 | 56.730.195 | 62.220.210 | 1.388.674 | 1.417.026 | 867.749 | 42 |
| | b) | Net revenue from sales in the foreign market | 1.531.232 | 404.855.128 | 0 | 0 | 0 | 0 | 2.291 | 17.393.436 | 62.962 |
| | | Net revenue from sales to Group companies in the foreign market (from 1.b) | 0 | 65.413.121 | 0 | 0 | 0 | 0 | 2.291 | 0 | 0 |
| 2. | | Change in value of product inventories and work in process | 0 | 0 | -1.022.625 | -659.718 | 223.646 | 0 | 0 | -161.408 | 0 |
| 3. | | Capitalised own products and services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4. | | Other operating revenue (including operating revenue from revaluation) | 8.353 | 2.623.439 | 239.414 | 216.437 | 186.483 | 3.108 | 16.728 | 45.956 | 0 |
| | | Other operating revenue (including operating revenue from revaluation of Group companies) (from 4.) | 0 | 1.253.697 | 0 | 0 | 28.814 | 0 | 0 | 0 | 0 |
| 5. | | Costs of goods, materials and services | 10.748.957 | 496.870.149 | 22.615.606 | 47.073.952 | 51.938.684 | 453.204 | 552.366 | 14.735.513 | 196.743 |
| | a) | Cost of sold goods and materials and costs of materials used | 10.091.743 | 351.442.779 | 20.010.739 | 30.727.262 | 25.326.283 | 37.478 | 93.116 | 13.750.034 | 142.609 |
| | | Cost of sold goods and materials and costs of materials used of Group companies (from 5.a) | 10.018.628 | 43.439.688 | 19.574.220 | 28.357.705 | 22.754.717 | 10.274 | 49.088 | 3.833.533 | 115.874 |
| | b) | Costs of services | 657.214 | 145.427.370 | 2.604.867 | 16.346.690 | 26.612.401 | 415.726 | 459.250 | 985.479 | 54.134 |
| | | Costs of services of Group companies (from 5.b) | 146.710 | 131.497.316 | 1.363.024 | 13.415.144 | 22.830.987 | 137.277 | 346.620 | 304.188 | 9.671 |
| 6. | | Labour costs | 2.070.720 | 886.288 | 2.882.664 | 7.753.256 | 10.011.874 | 768.307 | 756.922 | 1.525.229 | 34.614 |
| | a) | Costs of salaries | 1.495.590 | 682.856 | 2.162.101 | 5.624.397 | 7.409.453 | 581.386 | 510.589 | 1.149.594 | 22.838 |
| | b) | Social security costs (pension insurance costs are shown separately) | 253.358 | 113.038 | 369.448 | 963.154 | 1.194.034 | 100.061 | 88.966 | 196.545 | 2.282 |
| | c) | Other labour costs | 321.772 | 90.394 | 351.115 | 1.165.705 | 1.408.387 | 86.860 | 157.367 | 179.090 | 9.494 |
| 7. | | Writedowns | 114.620 | 14.253.992 | 117.216 | 807.396 | 292.760 | 20.999 | 60.397 | 162.195 | 207.122 |
| | a) | Depreciation | 52.838 | 13.361.109 | 101.579 | 805.589 | 286.709 | 20.999 | 60.397 | 162.104 | 207.122 |
| | b) | Operating expenses from revaluation of intangible assets and tangible fixed assets | 300 | 73.706 | 15.637 | 1.807 | 6.051 | 0 | 0 | 91 | 0 |
| | c) | Operating expenses from revaluation associated with current operating assets | 61.482 | 819.177 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8. | | Other operating expenses | 52.007 | 775.629 | 410.134 | 414.848 | 241.346 | 3.924 | 11.464 | 33.957 | 277 |
| | | Other operating expenses of Group companies (from 8.) | 1.044 | 7.897 | 394.636 | 399.762 | 152.672 | 931 | 1.095 | 0 | 0 |
| 9. | | Financial revenue from participating interests | 3.992.903 | 2.531.713 | 0 | 0 | 0 | 0 | 0 | 2.468 | 24.949 |
| | a) | Financial revenue from participating interests in Group companies | 3.951.600 | 2.438.612 | 0 | 0 | 0 | 0 | 0 | 0 | 24.949 |
| | b) | Financial revenue from participating interests in associates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | c) | Financial revenue from participating interests in other companies | 0 | 93.101 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d) | Financial revenue from other investments | 41.303 | 0 | 0 | 0 | 0 | 0 | 0 | 2.468 | 0 |
| 10. | | Financial revenue from loans granted | 195.528 | 483.031 | 359 | 126 | 29.897 | 2.992 | 184 | 15.946 | 1.425 |
| | a) | Financial revenue from loans granted to Group companies | 30.488 | 332.739 | 0 | 0 | 27.428 | 2.768 | 0 | 9.618 | 0 |

| Impol Servis, d. o. o. | Impol Stanovanja, d. o. o. | Kadring, d. o. o. | Stampal SB, d. o. o. | Štatenberg, d. o. o. | Unidel, d. o. o. | Impol Aluminum Corporation | Impol Seval, a. d. | Impol Seval Tehnika, d. o. o. | Impol Seval Final, d. o. o. | Impol Seval PKC, d. o. o. | Impol Seval President, d. o. o. | Impol Hungary Kft |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2.510.801 | 290.378 | 2.706.892 | 5.861.217 | 7.573 | 1.879.797 | 17.392.506 | 100.549.061 | 4.067.997 | 320.447 | 143.235 | 173.515 | 174.537 |
| 2.429.214 | 268.108 | 2.706.892 | 716.452 | 7.573 | 1.879.797 | 0 | 10.515.170 | 3.916.528 | 320.447 | 143.235 | 173.515 | 0 |
| 847.974 | 534 | 2.207.787 | 682.659 | 0 | 681.300 | 0 | 584.009 | 3.537.083 | 317.449 | 141.200 | 43.329 | 0 |
| 81.587 | 22.270 | 0 | 5.144.765 | 0 | 0 | 17.392.506 | 90.033.891 | 151.469 | 0 | 0 | 0 | 174.537 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 47.551.465 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 53.162 | 0 | 16.860 | 0 | 4.517.576 | 8.251 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 3.338 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 932 | 0 |
| 1.437 | 7.799 | 15.390 | 25.657 | 0 | 306.599 | 0 | 124.119 | 18.769 | 0 | 0 | 0 | 29.601 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40.405 | 6.369 | 0 | 0 | 0 | 0 |
| 2.183.038 | 141.265 | 395.624 | 3.899.447 | 5.200 | 1.161.328 | 16.811.748 | 89.355.603 | 2.544.238 | 33.343 | 19.261 | 114.860 | 5.763 |
| 2.102.426 | 27.522 | 30.710 | 2.996.773 | 1.647 | 933.783 | 16.544.144 | 80.348.623 | 1.748.218 | 8.181 | 56 | 68.747 | 217 |
| 1.201.616 | 0 | 1.175 | 2.459.847 | 0 | 59.355 | 14.754.632 | 49.108.190 | 2.537.983 | 0 | 0 | 0 | 0 |
| 80.612 | 113.743 | 364.914 | 902.674 | 3.553 | 227.545 | 267.604 | 9.006.980 | 796.020 | 25.162 | 19.205 | 46.113 | 5.546 |
| 16.373 | 8.734 | 18.172 | 279.563 | 0 | 36.827 | 1.800 | 3.517.438 | 65.032 | 22.107 | 17.240 | 19.661 | 0 |
| 222.862 | 72.765 | 2.230.502 | 998.352 | 0 | 681.521 | 340.497 | 7.092.646 | 1.040.701 | 282.507 | 110.463 | 101.735 | 56.122 |
| 171.319 | 57.838 | 1.574.695 | 752.775 | 0 | 484.571 | 340.497 | 4.102.192 | 598.610 | 161.687 | 63.324 | 56.451 | 42.087 |
| 27.613 | 9.372 | 254.917 | 121.323 | 0 | 78.187 | 0 | 2.581.656 | 376.549 | 106.102 | 41.630 | 36.839 | 794 |
| 23.930 | 5.555 | 400.890 | 124.254 | 0 | 118.763 | 0 | 408.798 | 65.542 | 14.718 | 5.509 | 8.445 | 13.241 |
| 24.232 | 80.478 | 47.870 | 152.936 | 4.677 | 137.299 | 2.891 | 1.975.355 | 58.830 | 368 | 0 | 273 | 125 |
| 21.956 | 74.539 | 25.164 | 147.880 | 4.677 | 41.665 | 2.891 | 1.907.199 | 55.134 | 0 | 0 | 0 | 125 |
| 186 | 5.939 | 1.716 | 5.056 | 0 | 0 | 0 | 33.744 | 0 | 0 | 0 | 0 | 0 |
| 2.090 | 0 | 20.990 | 0 | 0 | 95.634 | 0 | 34.412 | 3.696 | 368 | 0 | 273 | 0 |
| 2.602 | 2.729 | 8.002 | 15.611 | 3.073 | 27.811 | 0 | 274.892 | 21.865 | 1.915 | 709 | 8.917 | 33.091 |
| 0 | 0 | 1.071 | 6.064 | 0 | 316 | 0 | 0 | 40.338 | 174 | 0 | 0 | 0 |
| 0 | 0 | 4.172 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 504 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 3.668 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 64 | 36.086 | 6.102 | 11.003 | 0 | 8.719 | 149 | 452.792 | 147.498 | 0 | 3 | 1.397 | 0 |
| 0 | 18.788 | 485 | 6.801 | 0 | 41 | 0 | 441.009 | 147.474 | 0 | 0 | 0 | 0 |

| | | | Impol 2000, d. d. | Impol, d. o. o. | Impol LLT, d. o. o. | Impol FT, d. o. o. | Impol PCP, d. o. o. | Impol Infras-truktura, d. o. o. | Impol R in R, d. o. o. | Rondal, d. o. o. | Impol-Montal, d. o. o. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | b) | Financial revenue from loans to others | 165.040 | 150.292 | 359 | 126 | 2.469 | 224 | 184 | 6.328 | 1.425 |
| 11. | | Financial revenue from operating receivables | 45.158 | 1.906.032 | 250 | 7.859 | 474 | 0 | 11 | 5.193 | 0 |
| | a) | Financial revenue from operating receivables due from Group companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | b) | Financial revenue from operating receivables due from others | 45.158 | 1.906.032 | 250 | 7.859 | 474 | 0 | 11 | 5.193 | 0 |
| 12. | | Financial expenses from the impairment and write-offs of investments | 176.154 | 360.583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | Financial expenses from the impairment and write-offs of investments of Group companies (from 12.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 13. | | Financial expenses from financial liabilities | 764.694 | 6.406.788 | 42.165 | 210.509 | 4.436 | 7 | 2.956 | 45.747 | 100.407 |
| | a) | Financial expenses from loans received from Group companies | 78.956 | 64.878 | 38.347 | 203.289 | 0 | 0 | 2.956 | 27.975 | 3.126 |
| | b) | Financial expenses from loans from banks | 685.738 | 6.225.451 | 3.818 | 7.220 | 3.858 | 0 | 0 | 17.739 | 97.281 |
| | c) | Financial expenses from bonds issued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | d) | Financial expenses incurred in connection with other financial liabilities | 0 | 116.459 | 0 | 0 | 578 | 7 | 0 | 33 | 0 |
| 14. | | Financial expenses from operating liabilities | 43 | 920.859 | 247 | 1.003 | 75 | 0 | 28 | 5.278 | 0 |
| | a) | Financial expenses from operating liabilities to Group companies | 0 | 1.010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | b) | Financial expenses from trade payables and bills of exchange payable | 16 | 2.998 | 247 | 688 | 0 | 0 | 0 | 5.278 | 0 |
| | c) | Financial expenses from other operating liabilities | 27 | 916.851 | 0 | 315 | 75 | 0 | 28 | 0 | 0 |
| 15. | | Other revenue | 5.979 | 58.682 | 28.137 | 19.597 | 48.775 | 0 | 2.302 | 9.451 | 0 |
| | | Other revenue from Group companies (from 15.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. | | Other expenses | 250 | 915 | 0 | 10.775 | 1.606 | 111 | 0 | 3.218 | 0 |
| | | Other expenses of Group companies (from 16.) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17. | | Income tax | 448.584 | 49.686 | 0 | 0 | 1.823 | 26.286 | 0 | 307.820 | 5.680 |
| 16. | | Deferred tax | 4.336 | 438.301 | -67.012 | 162.359 | 2.598 | -525 | 110 | 0 | 0 |
| 21. | | Net profit/loss for the financial year | 5.713.070 | 2.755.569 | -262.761 | -69.570 | 248.821 | 130.963 | 85.863 | 1.466.224 | 76.287 |
| | | Out of which minority equity profit/loss | 0 | 67.823 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Items of the Income Statement are translated from national currencies to € according to the following exchange rates:

| | |
|---|---|
| Serbian dinar | 113,00 |
| USD | 1,2848 |
| HUF | 289,25 |

| | Impol Servis, d. o. o. | Impol Stano-vanja, d. o. o. | Kadring, d. o. o. | Stampal SB, d. o. o. | Štatenberg, d. o. o. | Unidel, d. o. o. | Impol Aluminum Corpora-tion | Impol Seval, a. d. | Impol Seval Tehnika, d. o. o. | Impol Seval Final, d. o. o. | Impol Seval PKC, d. o. o. | Impol Seval President, d. o. o. | Impol Hungary Kft |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 64 | 17.298 | 5.617 | 4.202 | 0 | 8.678 | 149 | 11.783 | 24 | 0 | 3 | 1.397 | 0 |
| | 2.486 | 2.552 | 1.695 | 8.161 | 0 | 11.308 | 0 | 3.691.548 | 8.058 | 220 | 844 | 1.032 | 2.350 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2.486 | 2.552 | 1.695 | 8.161 | 0 | 11.308 | 0 | 3.691.548 | 8.058 | 220 | 844 | 1.032 | 2.350 |
| | 0 | 0 | 305 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 4.706 | 0 | 0 | 13.617 | 3.644 | 0 | 0 | 6.818.910 | 494.134 | 0 | 2.279 | 4 | 85.859 |
| | 3.268 | 0 | 0 | 0 | 3.644 | 0 | 0 | 149.181 | 441.009 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 13.617 | 0 | 0 | 0 | 1.654.082 | 53.125 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 1.438 | 0 | 0 | 0 | 0 | 0 | 0 | 5.015.647 | 0 | 0 | 2.279 | 4 | 85.859 |
| | 4 | 32 | 33 | 9.060 | 2 | 18.061 | 0 | 36.174 | 128 | 0 | 0 | 94 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 33 | 9.060 | 2 | 0 | 0 | 10.060 | 0 | 0 | 0 | 0 | 0 |
| | 4 | 32 | 0 | 0 | 0 | 18.061 | 0 | 26.114 | 128 | 0 | 0 | 94 | 0 |
| | 1.105 | 700 | 5.136 | 1.127 | 0 | 1.474 | 6.131 | 50.966 | 7.641 | 2 | 16.122 | 629 | 0 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 6.886 | 7.630 | 0 | 1 | 279 | 1.744 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 14.124 | 8.322 | 10.941 | 146.019 | 0 | 22.189 | 97.034 | 0 | 2.949 | 254 | 2.749 | 0 | 2.378 |
| | 0 | 0 | 0 | -3.242 | 0 | 0 | 0 | 293.357 | 1.361 | 0 | 0 | 0 | 0 |
| | 64.325 | 31.924 | 46.110 | 731.861 | -9.023 | 176.548 | 146.616 | 3.532.239 | 86.378 | 2.282 | 24.742 | -48.657 | 21.406 |
| | 0 | 0 | 17.291 | 0 | 0 | 0 | 14.662 | 1.059.672 | 0 | 0 | 0 | 0 | 0 |

## Intangible fixed assets

Intangible fixed assets comprise:

- non-current deferred development costs,
- investments in rights obtained in relation to industrial property and other rights.

They are valued using the cost model.

Goodwill established with the acquisition of the majority share in Stampal, d. o. o. in the amount of €319,229 will remain in the Balance Sheet in the amount on the day of acquisition. The same also applies to the acquisition of additional shares in Impol, d. o. o. in the amount of €371,953.

**TABLE 40:**
Intangible fixed assets

| DESCRIPTION | Non-current property rights | Goodwill | Non-current deferred development costs | Other non-current deferred costs and accrued revenue | TOTAL |
|---|---|---|---|---|---|
| Cost at 31/12/2011 | 2.853.227 | 691.182 | 6.600 | 3.979.109 | 7.530.118 |
| Adjustments after the opening balance | | | | | 0 |
| Cost at 01/01/2012 | 2.853.227 | 691.182 | 6.600 | 3.979.109 | 7.530.118 |
| Direct increases – acquisitions | 103.496 | | | 421.673 | 525.169 |
| Transfer of intangible assets of Group companies upon acquisition | 36.324 | | | | 36.324 |
| Exchange rate changes | -28.289 | | | | -28.289 |
| Decreases – exclusions, other decreases | | | | -55.019 | -55.019 |
| Cost at 31/12/2012 | 2.964.758 | 691.182 | 6.600 | 4.345.763 | 8.008.303 |
| | | | | | |
| Value adjustment at 31/12/2011 | 1.613.372 | | 1.401 | 2.519.946 | 4.134.719 |
| Adjustment after the opening balance | | | | | 0 |
| Value adjustment at 01/01/2012 | 1.613.372 | 0 | 1.401 | 2.519.946 | 4.134.719 |
| Depreciation during the year | 264.602 | | 660 | 440.387 | 705.649 |
| Transfer of intangible assets of Group companies upon acquisition | 22.138 | | | | 22.138 |
| Exchange rate changes | -12.243 | | | | -12.243 |
| Value adjustment at 31/12/2011 | 1.887.869 | 0 | 2.061 | 2.960.333 | 4.850.263 |
| | | | | | |
| Carrying amount at 31/12/2012 | 1.076.889 | 691.182 | 4.539 | 1.385.430 | 3.158.040 |
| Carrying amount at 31/12/2011 | 1.239.855 | 691.182 | 5.199 | 1.459.163 | 3.395.399 |

## Tangible fixed assets

Tangible fixed assets comprise land, buildings, production equipment and machinery, other equipment and machinery, tangible fixed assets under construction and manufacture and advances paid for tangible fixed assets reported as tangible fixed assets in the Balance Sheet and as receivables in the books of account.

Tangible fixed assets are measured at cost, made up of the purchase price, import and non-refundable purchase duties as well as costs that are directly attributable to preparing the asset for its intended use, costs of pre-carriage and placement in particular. Non-refundable purchase duties also include irrecoverable VAT. Any trade and other discounts are subtracted from the purchase price. In the books of account, cost and accumulated value adjustment are reported separately, whereas in the Balance Sheet tangible fixed assets are reported at the carrying amount, which is the difference between the cost and accumulated value adjustment.

Investments in foreign fixed assets also comprise tangible fixed assets.

Investment interest is capitalised and increases the value of the fixed asset.

The carrying amounts of tangible fixed assets are reduced by means of depreciation. Depreciation is calculated on a straight-line basis.

Disposed of or demolished tangible fixed assets are no longer subject to bookkeeping records. Profits or losses incurred are entered in the books of accounts as operating revenue or expenses from revaluation.

Property leased to affiliated and non-affiliated companies is monitored in the form of investment property and is depreciated in the same way as assets under commercial usage.

Fixed assets leased in the form of financial lease are kept according to the same criteria as all other fixed assets.

**TABLE 41:**
Tangible fixed assets

| Description | Land | Buildings | Property being acquired | Total property | Production equipment and machinery | Other machinery and equipment | Equipment and other tangible fixed assets being acquired | Advances made to acquire tangible fixed assets | Total equipment | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|
| Cost at 31/12/2011 | 4.236.084 | 22.721.069 | 6.326.863 | 33.284.016 | 269.633.068 | 14.991.830 | 14.513.426 | 4.380.019 | 303.518.343 | 336.802.359 |
| Adjustments after the opening balance | | | | 0 | | -4.170 | | | -4.170 | -4.170 |
| Cost at 01/01/2012 | 4.236.084 | 22.721.069 | 6.326.863 | 33.284.016 | 269.633.068 | 14.987.660 | 14.513.426 | 4.380.019 | 303.514.173 | 336.798.189 |
| Direct increases – acquisitions | | 16.343 | 2.038.272 | 2.054.615 | 141.124 | 86.812 | 15.745.769 | 2.329.590 | 18.303.295 | 20.357.910 |
| Transfer from investments under way | | 1.731.866 | -1.731.866 | 0 | 8.097.757 | 468.815 | -8.566.572 | | 0 | 0 |
| Transfer between Group companies – acquisition | | | | 0 | | 58.340 | -58.340 | | 0 | 0 |
| Transfer to investment property | -398.712 | -434.323 | -2.820 | -835.855 | | | | | 0 | -835.855 |
| Transfer from investment property | | 43.532.080 | | 43.532.080 | | | | | 0 | 43.532.080 |
| Transfer of intangible fixed assets of Group companies upon acquisition | | | | 0 | 2.584.217 | 29.996 | | | 2.614.213 | 2.614.213 |
| Exchange rate changes | -140.204 | -2.287.175 | -459.263 | -2.886.642 | -2.465.941 | -13.856 | -826.275 | -365.223 | -3.671.295 | -6.557.937 |
| Decreases – sales | | | | 0 | -127.571 | -21.880 | | | -149.451 | -149.451 |
| Decreases – exclusions, other decreases | | -15.044.779 | | -15.044.779 | -752.306 | -336.329 | 1.707.496 | -4.427.280 | -3.808.419 | -18.853.198 |
| Transfers between categories of tangible fixed assets | | 4.274.184 | -4.274.184 | 0 | | | | | 0 | 0 |
| Cost at 31/12/2012 | 3.697.168 | 54.509.265 | 1.897.002 | 60.103.435 | 277.110.348 | 15.259.558 | 22.515.504 | 1.917.106 | 316.802.516 | 376.905.951 |
| Value adjustment at 31/12/2011 | 1 | 11.950.683 | 1.132.284 | 13.082.968 | 198.779.148 | 9.988.061 | | | 208.767.209 | 221.850.177 |
| Adjustments after the opening balance | | | | 0 | | -4.170 | | | -4.170 | -4.170 |
| Value adjustment at 01/01/2012 | 1 | 11.950.683 | 1.132.284 | 13.082.968 | 198.779.148 | 9.983.891 | 0 | 0 | 208.763.039 | 221.846.007 |
| Depreciation | | 1.396.522 | | 1.396.522 | 12.602.842 | 1.322.567 | | | 13.925.409 | 15.321.931 |
| Transfer to investment property | | -53.758 | | -53.758 | | | | | 0 | -53.758 |
| Transfer from investment property | | 23.063.969 | | 23.063.969 | | | | | 0 | 23.063.969 |
| Transfer of intangible fixed assets of Group companies upon acquisition | | | | 0 | 2.103.191 | 27.048 | | | 2.130.239 | 2.130.239 |
| Exchange rate changes | | -1.649.811 | -97.461 | -1.747.272 | -1.236.411 | -8.942 | | | -1.245.353 | -2.992.625 |
| Decreases – sales | | | | 0 | -125.261 | -9.372 | | | -134.633 | -134.633 |
| Decreases – exclusions, other decreases | | -11.801.018 | | -11.801.018 | -4.035.412 | -293.947 | | | -4.329.359 | -16.130.377 |
| Transfers between categories of tangible fixed assets | | 1.034.823 | -1.034.823 | 0 | | | | | 0 | 0 |
| Value adjustment at 31/12/2012 | 1 | 23.941.410 | 0 | 23.941.411 | 208.088.097 | 11.021.245 | 0 | 0 | 219.109.342 | 243.050.753 |
| Carrying amount at 31/12/2012 | 3.697.167 | 30.567.855 | 1.897.002 | 36.162.024 | 69.022.251 | 4.238.313 | 22.515.504 | 1.917.106 | 97.693.174 | 133.855.198 |
| Carrying amount at 31/12/2011 | 4.236.083 | 10.770.386 | 5.194.579 | 20.201.048 | 70.853.920 | 5.003.769 | 14.513.426 | 4.380.019 | 94.751.134 | 114.952.182 |

Tangible fixed assets are pledged as security for the settlement of liabilities in the total amount.

**TABLE 42:**
Pledged tangible fixed assets

| Overview of value by type of asset | Cost or fair value | Value adjustment | Carrying amount |
|---|---|---|---|
| Intangible assets | 0 | 0 | 0 |
| Property | 55.783.437 | 29.854.152 | 25.929.285 |
| Equipment | 104.036.272 | 71.185.689 | 32.850.583 |
| Investment property | 7.949.029 | 4.239.014 | 3.710.015 |
| SKUPAJ | 167.768.738 | 105.278.855 | 62.489.883 |

The carrying amount of assets acquired by means of financial lease at 31/12/2012 amounts to €0.

## Depreciation rates applied

**TABLE 43:**
Depreciation rates applied

| DEPRECIATION RATES APPLIED IN THE GROUP | DEPRECIATION RATE in % | |
|---|---|---|
| | minimum | maximum |
| Intangible assets | | |
| software | 20,00 % | 50,00 % |
| non-material investments | 20,00 % | 20,00 % |
| Tangible fixed assets | | |
| masonry buildings | 1,30 % | 3,00 % |
| other buildings | 1,30 % | 2,50 % |
| Equipment: | | |
| production equipment | 1,50 % | 20,00 % |
| production equipment | | 33,00 % |
| equipment and small tools until 2007 | 20,00 % | 25,00 % |
| other equipment as of 01/01/2007 | 5,50 % | 20,00 % |
| Computer equipment | 50,00 % | 50,00 % |
| Motor vehicles: | | |
| transport vehicles | 6,20 % | 20,00 % |
| passenger cars | 12,50 % | 15,50 % |
| Other tangible fixed assets | 10,00 % | 10,00 % |
| Investment property (cost model) | 1,30 % | 3,00 % |

- Depreciation is calculated separately and on a straight-line basis.
- Non-depreciating value is taken into account only for equipment deemed to maintain that value.
- Tangible fixed assets were not subject to revaluation in compliance with the finding that prices of these assets remain unchanged in the market.
- Depreciation is calculated on the basis of cost of intangible fixed assets, tangible fixed assets and investment property that serve an economic function. The depreciation rate is subject to the anticipated useful life of the asset by taking into account the expected physical wear and technical obsolescence, the expected economic obsolescence and the expected legal or other limitations to its use.
- Intangible fixed assets and tangible fixed assets are depreciated separately on a straight-line basis.
- All assets become subject to depreciation as soon as they are available for use.

## Investment property

In the financial year under consideration, investment property comprises only buildings whose purpose is to generate revenue from rents.

**TABLE 44:**
Investment property

| Description | Land | Buildings | TOTAL |
|---|---|---|---|
| Cost at 31/12/2011 | | 51.682.530 | 51.682.530 |
| Cost at 01/01/2012 | 0 | 51.682.530 | 51.682.530 |
| Transfer from tangible fixed assets (+) | 398.712 | 437.143 | 835.855 |
| Transfer to tangible fixed assets (-) | | -43.532.080 | -43.532.080 |
| Cost at 31/12/2012 | 398.712 | 8.587.593 | 8.986.305 |
| | | | |
| Value adjustment at 31/12/2011 | | 26.965.300 | 26.965.300 |
| Value adjustment at 01/01/2012 | 0 | 26.965.300 | 26.965.300 |
| Depreciation (+) | | 421.750 | 421.750 |
| Transfer from tangible fixed assets (+) | | 53.758 | 53.758 |
| Transfer to tangible fixed assets (-) | | -23.063.969 | -23.063.969 |
| Value adjustment at 31/12/2012 | 0 | 4.376.839 | 4.376.839 |
| | | | |
| Carrying amount at 31/12/2012 | 398.712 | 4.210.754 | 4.609.466 |
| Carrying amount at 31/12/2011 | 0 | 24.717.230 | 24.717.230 |

It is estimated that the carrying amount of investment property equals its fair value.

## Non-current investments in associates and other non-current investments

Non-current investments are investments for a period that exceeds one year and are initially reported at cost that equals the cash invested. Investments that are excluded in the consolidation because they appear within the Group are kept in the Financial Statements of individual companies at cost, whereby impairment losses are taken into account.

Investments in shares and participating interests in foreign public limited companies, investments in shares in domestic banks and participating interests in domestic companies and non-current loans received on the basis of loan contracts are reported separately.

Non-current investments have been classified as financial assets available for sale. Investments in associates are valued in the consolidated Balance Sheet on a one-line consolidation basis through the surplus from revaluation of capital.

**TABLE 45:** Non-current investments in associates and other non-current investments

| NON-CURRENT INVESTMENTS | Out of which non-current investments in companies: | | Cost/fair value/amortised cost of non-current investments/ Carrying amount at 31/12 | |
|---|---|---|---|---|
| | pridružene | druge | 31. 12. 2012 | 31. 12. 2011 |
| Investments in shares and participating interests | 642.951 | 1.106.216 | 1.749.167 | 1.954.200 |
| Other non-current investments in capital | 0 | 42.614 | 42.614 | 46.018 |
| TOTAL non-current investments, excluding loans | 642.951 | 1.148.830 | 1.791.781 | 2.000.218 |
| Non-current loans to companies | 0 | 100.971 | 100.971 | 302.119 |
| Non-current deposits granted | 0 | 6.300.000 | 6.300.000 | 2.700.000 |
| TOTAL non-current loans | 0 | 6.400.971 | 6.400.971 | 3.002.119 |
| TOTAL NON-CURRENT INVESTMENTS | 642.951 | 7.549.801 | 8.192.752 | 5.002.337 |

## Revaluation of non-current investments

**TABLE 46:** Revaluation of non-current investments

| | 2012 |
|---|---|
| Revaluation of non-current investments to an increased fair value credited to the profit/loss | 16 |
| Revaluation of non-current investments to a decreased fair value debited from the profit/loss | 5.579 |
| Revaluation of non-current investments for impairment debited from financial expenses | 8.605 |

## Non-current operating receivables

In 2012, the Group does not report any non-current operating receivables.

## Inventories

Valuation methods:

- Inventories of materials and materials are measured at cost plus costs associated with the acquisition thereof. The method has not been changed in comparison to the previous period.
- Inventories are drawn on in compliance with the FIFO method. Inventories of aluminium are drawn on in compliance with the FIFO method for every single transaction in conformity with the basic price included in the transaction when the sales contract is concluded.
- Inventories of work in process and finished products are originally valued using production costs that comprise direct costs of material, direct labour costs, direct costs of services, direct depreciation costs and general production costs.
- Items are translated from foreign currencies to € using the ECB exchange rate published by the Bank of Slovenia.

**TABLE 47:**
Inventories

| | 31. 12. 2012 | | Out of which inventories at 31/12 | | 31. 12. 2011 |
|---|---|---|---|---|---|
| | Cost (+) | Carrying amount | purchased from Group companies | pledged | |
| Materials and raw materials | 67.248.466 | 67.248.466 | 1.042.774 | 0 | 67.215.093 |
| Small tools | -16.381 | -16.381 | 0 | 0 | 0 |
| Work in process | 7.710.279 | 7.710.279 | 0 | 0 | 8.050.726 |
| Products | 12.682.387 | 12.682.387 | 0 | 0 | 9.620.813 |
| Merchandise | 2.036.081 | 2.036.081 | 1.509.033 | 0 | 4.291.858 |
| Advances for inventories | 1.601.773 | 1.601.773 | 0 | 0 | 535.124 |
| TOTAL | 91.262.605 | 91.262.605 | 2.551.807 | 0 | 89.713.614 |

Write-offs and adjustments of non-movable and other inventories are irrelevant and amount to €34,463 for merchandise. Inventory surpluses or deficits are as follows:

**TABLE 48:**
Type of inventory

| Type of inventory | 2012 | Surpluses (+) | Deficits (-) |
|---|---|---|---|
| Materials and raw materials | 1.129 | 1.235 | -106 |
| Products | -377 | 0 | -377 |
| Merchandise | -1.001 | 646 | -1.647 |
| TOTAL | -249 | 1.881 | -2.130 |

No inventories were pledged as security for the settlement of liabilities outside the Group.

Goods and materials received for processing purposes are monitored as third party goods only in terms of quantity.

Inventories of goods received or given for consignment purposes:

**TABLE 49:**
Inventories of goods received or given for consignment purposes

| | 31/12/2012 | 31/12/2011 |
|---|---|---|
| TOTAL | 1.517.614 | 1.215.347 |

## Current operating receivables

Receivables are reported initially at amounts recorded in the relevant documents under the assumption that they will be collected. Subsequent increases in general increase the relevant operating or financial revenue, whereas subsequent decreases in general decrease the relevant operating revenue or expenses, except for advances given. Interest receivables constitute financial revenue.

An allowance for domestic and foreign trade receivables is set up on the basis of experience and expectations.

Foreign trade receivables are translated to the domestic currency using the medium exchange rate of the Bank of Slovenia at the Balance Sheet date. The exchange rate change that arises by the date the receivables in question are settled or by the Balance Sheet date shall be deemed as an item of financial revenue or expenses.

**TABLE 50:**
Current operating receivables

| | Current operating receivables | due from associates | due from others | Allowance for impairment* | 31/12/2012 | 31/12/2011 |
|---|---|---|---|---|---|---|
| | = | + | + | - | = | + |
| Current trade receivables | 54.627.244 | 7.109 | 54.620.135 | -5.549.819 | 49.077.425 | 56.009.794 |
| - out of which already outstanding at 31/12 | 19.652.881 | 571 | 19.652.310 | -128.571 | 19.524.310 | 17.919.336 |
| Current advances and securities paid | 59.036 | 0 | 59.036 | 0 | 59.036 | 37.136 |
| Current receivables associated with operations on behalf of a third party | 0 | 0 | 0 | 0 | 0 | 0 |
| Current receivables associated with financial revenue** | 437.916 | 0 | 437.916 | -84.060 | 353.856 | 179.175 |
| Current receivables from State institutions | 11.922.769 | 0 | 11.922.769 | 0 | 11.922.769 | 8.157.465 |
| Other current operating receivables | 5.128.105 | 0 | 5.128.105 | -25.896 | 5.102.209 | 457.317 |
| TOTAL OTHER CURRENT OPERATING RECEIVABLES | 72.175.070 | 7.109 | 72.167.961 | -5.659.775 | 66.515.295 | 64.840.887 |

**TABLE 51:**
Allowance for current operating receivables for impairment

| | 2012 |
|---|---|
| Balance at 01/01 (+) | 4.701.881 |
| Decreased allowance resulting from the settlement of receivables (-) | -120.499 |
| Decreased allowance resulting from the complete writing off of liabilities (-) | -30.306 |
| Setting up allowances during the year for impairment (+) | 678.605 |
| Transfer of allowances set up for Group companies upon acquisition | 430.094 |
| BALANCE AT 01/01 | 5.659.775 |

An allowance in the amount of €5,659,775 has been set up for current operating receivables.

Trade receivables are secured with insurance companies to the maximum agreed amount. During the market conquering process, such receivables are usually secured to a lesser degree and the exposure risk is very high. Disputed and contingent debts are receivables for which formal court proceedings intended to collect them have already been initiated and which are likely to remain unsettled at least in part.

## Deferred tax receivables and liabilities

**TABLE 52:** Current receivables associated with financial revenue

| | 2012 | 2011 |
|---|---|---|
| Deferred tax balance at 31/12/2011 (+) | 2.025.314 | 518.246 |
| Deferred tax balance at 01/01/2012 | 2.025.314 | 518.246 |
| Deductible temporary differences (+) | 74.628 | |
| Taxable temporary differences (+) | | 293.704 |
| Utilisation of deductible temporary differences (-) | -487.110 | |
| Change to non-utilised amounts from the opening balance resulting from changes to the tax rate | -170.133 | -44.607 |
| Deferred tax balance at 31/12/2012 | 1.442.699 | 767.343 |

| Changes to deferred tax receivables and liabilities are recognised: | | |
|---|---|---|
| – in the profit/loss (+/-) | -831.643 | 18.501 |
| – in the capital – revaluation surplus (+/-) | | |
| – in the capital – profit/loss brought forward (+/-) | -69 | -18.538 |
| TOTAL | -831.712 | -37 |

Deferred tax receivables were set up in 2012 for written off receivables and for provisions for jubilee and termination benefits and for tax losses, whereas deferred tax liabilities are set up as temporary deductible differences for liabilities.

## Current investments

When they are established, these are kept at cost. If they are expressed in a foreign currency, they are translated using the ECB exchange rate published by the Bank of Slovenia.

**TABLE 53:**
Current investments

| | Cost/fair value/amortised cost of current investments | | Carrying amount |
|---|---|---|---|
| | at 31/12 | 31/12/2012 | 31/12/2011 |
| Current investments (+) | 7.921.637 | 7.921.637 | 6.548.371 |
| Current part of non-current investments (+) | 69.840 | 69.840 | 91.643 |
| TOTAL CURRENT INVESTMENTS | 7.991.477 | 7.991.477 | 6.640.014 |
| Shares acquired for sale | 100.000 | 100.000 | 243.077 |
| Participating interests acquired for sale | 0 | 0 | 0 |
| Other securities acquired for sale | 0 | 0 | 330.003 |
| Receivables acquired for sale | 124.806 | 124.806 | 149.445 |
| TOTAL current investments, excluding loans | 224.806 | 224.806 | 722.525 |
| Current part of non-current loans given (including bonds) | 69.905 | 69.905 | 91.812 |
| Current loans granted (including bonds) | 254.503 | 254.503 | 586.528 |
| Bills of exchange received | 0 | 0 | 0 |
| Current deposits | 7.442.263 | 7.442.263 | 5.239.149 |
| Current receivables from financial lease | 0 | 0 | |
| TOTAL current loans granted | 7.766.671 | 7.766.671 | 5.917.489 |
| Current unpaid called-up capital | 0 | | 0 |

Current investments comprise reports on shares acquired for sale, current loans granted, security investments and the current part of non-current investments and bank deposits. They comprise assets invested by the Group for a short period of time in order to increase its financial revenue and are all classified in financial assets available for sale. Their cost is deemed equal to their fair value. Current investments in affiliates are excluded.

## Cash and cash equivalents

**TABLE 54:**
Cash and cash equivalents

| | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|
| Cash in hand and promptly cashable securities | 5.128 | 4.562 |
| Cash in banks and other financial institutions | 9.523.255 | 7.175.949 |
| TOTAL | 9.528.383 | 7.180.511 |

Cash and cash equivalents are set up subject to the scale of current operations and must ensure undisturbed settlements of payments for a period between one week and ten days.

## Current deferred costs and accrued revenue

**TABLE 55:**
Current deferred costs and accrued revenue

| | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|
| Current deferred costs or expenses | 795.510 | 209.174 |
| Current accrued revenue | 5.250 | 0 |
| Securities | 0 | 0 |
| VAT from advances received | 2.761.464 | 1.425.885 |
| TOTAL | 3.562.224 | 1.635.059 |

Current deferred costs or expenses comprise invoices received for advances paid or invoices issued for advances received resulting from the accounted for VAT.

## Provisions and non-current accrued costs and deferred revenue

**TABLE 56:**
Provisions and non-current accrued costs and deferred revenue

| | Provisions | | Non-current accrued costs and deferred revenue | | |
|---|---|---|---|---|---|
| | Provisions for jubilee and termination benefits at retirement | Other provisions in the form of non-current accrued costs | Government grants received | Other non-current accrued costs and deferred revenue | TOTAL |
| Balance as at 31/12/2011 | 758.100 | 1.164 | 761.553 | 44.298 | 1.565.115 |
| Balance as at 01/01/2012 | 758.100 | 1.164 | 761.553 | 44.298 | 1.565.115 |
| Provisions set up (+) | 84.873 | 12.008 | 246.024 | 0 | 342.905 |
| Other increases (+) | 0 | 536 | 0 | 0 | 536 |
| Entry of provisions of Group companies upon acquisition | 54.411 | 0 | 0 | 0 | 54.411 |
| Utilisation (-) | -24.938 | -1.503 | -317.966 | 0 | -344.407 |
| Releases (-) | -140 | -10.505 | 0 | 0 | -10.645 |
| Other decreases (-) | -10.564 | 0 | 0 | -26.962 | -37.526 |
| Balance as at 31/12/2012 | 861.742 | 1.700 | 689.611 | 17.336 | 1.570.389 |

It is estimated that no other provisions, except for those listed above, must be set up. All provisions refer to business entities outside the Group.

## Non-current financial and operating liabilities

**TABLE 57:** Non-current financial and operating liabilities

| A. NON-CURRENT FINANCIAL AND OPERATING LIABILITIES | Balance of all liabilities as at 31/12/2012 | Liabilities due in 2013 | 31/12/2012 | 31/12/2011 |
|---|---|---|---|---|
| Non-current financial liabilities to banks | 138.537.520 | -35.576.152 | 102.961.368 | 91.101.885 |
| Non-current financial liabilities to others (excluding liabilities from financial lease) | 346.620 | -66.271 | 280.349 | 571.505 |
| Non-current financial liabilities from financial lease – other companies | 21.594 | -5.051 | 16.543 | 3882 |
| Other non-current operating liabilities – other companies | 143.690 | 0 | 143.690 | 101.756 |
| TOTAL non-current financial and operating liabilities | 139.049.424 | -35.647.474 | 103.401.950 | 91.779.028 |
| Non-current financial liabilities | 138.905.734 | -35.647.474 | 103.258.260 | 91.677.272 |
| Non-current operating liabilities | 143.690 | 0 | 143.690 | 101.756 |

a. When they are established, these are kept at cost. If they are expressed in a foreign currency, they are translated using the medium exchange rate of the Bank of Slovenia at the Balance Sheet date.

b. Non-current financial and operating liabilities include reports on financial and operating liabilities of the company that comprise non-current financial liabilities to banks, non-current financial liabilities to companies and non-current operating liabilities to others.

c. A part of non-current liabilities due within one year after the Balance Sheet date are reported as current financial and operating liabilities.

d. Interest rates for non-current loans

- in EUR from 6m Euribor + 1.4% to fixed 6.9% interest rate (depending on the area).
- Non-current liabilities are secured with a mortgage entered on real estate owned by Impol, d. o. o. and on a part of the equipment and with shares.

Group Financial Statements do not include the determination of hidden reserves (land, equipment) with regard to the consolidation of capital that would result in the obligatory determination of deferred tax liabilities.

Repayments of non-current loans by year are as follows

**TABLE 58:** Repayments of non-current loans

| YEAR | REPAYMENT IN € |
|---|---|
| 2013 | 33.107.803 |
| 2014 | 50.113.574 |
| 2015 | 21.732.160 |
| 2016 | 13.304.439 |
| 2017 | 3.943.948 |
| 2018 | 2.411.966 |
| 2019 | 2.411.966 |
| 2020 | 2.411.966 |
| 2021 | 2.411.966 |
| 2022 | 2.411.966 |
| 2023 | 1.199.466 |
| 2024 | 199.466 |
| 2025 | 199.466 |

A separate deposit will be set up for repayments of larger amounts in 2014 that will facilitate the management of repayments in October of that year.

## Current liabilities

**TABLE 59:**
Current operating and financial liabilities

| A. Current financial and operating liabilities | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|
| Current trade payables – associates | 228.313 | 278.412 |
| Current trade payables – other companies | 27.824.193 | 29.136.071 |
| Current liabilities from advance payments – other companies | 2.088.490 | 1.736.633 |
| Other current operating liabilities – other companies | 8.806.583 | 7.207.084 |
| TOTAL other current operating liabilities | 38.947.579 | 38.358.200 |
| Current part of non-current financial liabilities – banks | 35.576.152 | 39.337.535 |
| Current part of non-current financial liabilities (excluding liabilities from financial lease) – other companies | 66.271 | 96.248 |
| Current part of non-current financial liabilities from financial lease – other companies | 5.051 | 0 |
| Current financial liabilities – banks | 57.045.461 | 71.846.148 |
| Current financial liabilities (excluding liabilities from financial lease) – other companies | 6.246.402 | 1.261.274 |
| Current financial liabilities related to the distribution of net profit/loss | 6.706 | 0 |
| Current financial liabilities from financial lease – other companies | 0 | 18.983 |
| TOTAL current financial liabilities | 98.946.043 | 112.560.188 |
| TOTAL current financial and operating liabilities | 137.893.622 | 150.918.388 |

| B. Current financial and operating liabilities | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|
| Current financial liabilities | 63.298.569 | 73.126.405 |
| Current part of non-current financial liabilities | 35.647.474 | 39.433.783 |
| Total current financial liabilities | 98.946.043 | 112.560.188 |
| Current operating liabilities | 38.947.579 | 38.358.200 |
| Current part of non-current operating liabilities | 0 | 0 |
| Total current operating liabilities | 38.947.579 | 38.358.200 |
| TOTAL current financial and operating liabilities | 137.893.622 | 150.918.388 |

| C. Current operating liabilities | 31. 12. 2012 | 31. 12. 2011 |
|---|---|---|
| Current part of non-current trade payables | 0 | 0 |
| Current trade payables to Group companies | 0 | 0 |
| Current trade payables to associates | 228.313 | 278.412 |
| Current trade payables to other companies | 27.824.193 | 29.136.071 |
| **Total current trade payables** | 28.052.506 | 29.414.483 |
| **Total current liabilities for advances** | 2.088.490 | 1.736.633 |
| Current liabilities to employees | 2.075.828 | 1.747.755 |
| Current liabilities to the State | 2.830.337 | 3.802.163 |
| Current interest liabilities** – other companies | 487.203 | 675.125 |
| Other current operating liabilities – other companies | 3.413.215 | 982.041 |
| **Total other current operating liabilities** | 8.806.583 | 7.207.084 |
| TOTAL current operating liabilities | 38.947.579 | 38.358.200 |

Interest rates for current loans

- from EURIBOR 6M + 2.85% and upwards until fixed 7.7% interest rate.

Current liabilities are partially secured with a mortgage, whereas the remaining current liabilities are secured with bills of exchange, released receivables and guarantees.

Current financial liabilities comprise liabilities from loans received that must be repaid within less than a year.

Current financial liabilities, expressed in a foreign currency, are translated to the domestic currency using the exchange rate on the day they are established. The exchange rate change until the balance date is deemed a financial expense.

Current operating liabilities include the reporting of current trade payables, liabilities from advance payments and current financial and operating liabilities to others.

Current liabilities are initially reported at amounts recorded in the relevant documents under the assumption that creditors will demand the settlement thereof.

Current liabilities to foreign entities are translated to the domestic currency on the day they are established. The exchange rate change until the balance date is deemed a financial expense.

## Current accrued costs and deferred revenue

**TABLE 60:**
Current accrued costs and deferred revenue

| | 31/12/2012 | 31/12/2011 |
|---|---|---|
| Accrued costs or expenses | 19.758 | 154.834 |
| Current deferred revenue | 1.700.130 | 1.411.688 |
| VAT from advances received | 1.288.207 | 107.857 |
| TOTAL | 3.008.095 | 1.674.379 |

Current accrued costs and deferred revenue comprise invoices received for advance payments made or invoices issued for advance payments received with regard to the accounted for VAT, which to the greatest extent applies to advances with regard to Impol Seval.

## Off-balance sheet

**TABLE 61:**
Off-balance sheet

| | 31/12/2012 | 31/12/2011 |
|---|---|---|
| Securities given as a guarantee for liabilities | 0 | 0 |
| Securities received as a guarantee for liabilities | 0 | 0 |
| Value of foreign intangible fixed assets in use | 0 | 0 |
| Goods received for consignment purposes | 0 | 0 |
| Materials received for processing purposes | 0 | 0 |
| Creditor lawsuits | 0 | 0 |
| Debtor lawsuits | 0 | 0 |
| Other | 12.765.716 | 4.032.327 |
| TOTAL off-balance sheet | 12.765.716 | 4.032.327 |

On off-balance sheet accounts, the Group monitors liabilities associated with pledges and other guarantees not reported as liabilities in the Balance Sheet. The status of carried out financial instruments (hedgings) is also monitored. Products and services that derive from the carried out financial instruments are, when they are established, reflected in revenue, expenses, receivables and liabilities.

## Operating revenue

**TABLE 62:**
Operating revenue

| | | Operating revenue generated with companies | | 2012 | 2011 |
|---|---|---|---|---|---|
| | | pridruženimi | drugimi | | |
| Net revenue from sales | | 79.671 | 463.075.662 | 463.155.333 | 473.611.543 |
| Change in value of product inventories and work in process | | | 3.116.187 | 3.116.187 | -2.273.446 |
| Capitalised own products and services | | | 4.270 | 4.270 | 891 |
| Other operating revenue | | | 5.608.569 | 5.608.569 | 3.136.658 |
| a) Revenue from release of provisions | | | | 340.679 | 251.998 |
| b) Revenue from business mergers (revaluation surplus - badwill) | | | | 3.068.565 | 0 |
| c) Other revenue associated with products and services (subsidies, grants, reimbursements, compensations, premiums, etc.) | | | | 2.040.880 | 2.841.048 |
| d) Operating revenue from revaluation** | | | | 158.445 | 43.612 |
| i. of disposed of tangible fixed assets | | | | 27.748 | 6.025 |
| ii. of the reversed decrease of revalued tangible fixed assets | | | | 200 | 0 |
| iii. of operating receivables | | | | 107.317 | 21.643 |
| iv. of operating liabilities | | | | 23.180 | 15.944 |
| TOTAL | 0 | 79.671 | 471.804.688 | 471.884.359 | 474.475.646 |

Net sales revenue is specified in further detail under Point Markets and Customers on page 27.

## Net sales revenue by business segment

**TABLE 63:**
Net sales revenue by business segment

| | 2012 | 2011 |
|---|---|---|
| Revenue from sales in Slovenia | 39.605.333 | 50.035.844 |
| associates | 79.671 | 80.301 |
| other companies | 39.525.662 | 49.955.543 |
| Revenue from sales in the EU | 386.017.676 | 382.665.127 |
| associates | 0 | 0 |
| other companies | 386.017.676 | 382.665.127 |
| Revenue from sales in other European countries | 17.533.902 | 23.709.972 |
| associates | 0 | 0 |
| other companies | 17.533.902 | 23.709.972 |
| Revenue from sales in other markets | 19.998.422 | 17.200.600 |
| associates | 0 | 0 |
| other companies | 19.998.422 | 17.200.600 |
| TOTAL | 463.155.333 | 473.611.543 |

## Operating expenses

In general, operating expenses in the financial year equal costs plus costs of initial inventories of work in process and finished products less accrued costs in closing inventories. Costs of sale and costs of general activities are immediately included in expenses when they are established.

Inventories are valued at direct production prices (which can also be found in Chapter Inventories on page 87). Work in process inventories are valued subject to the level of completeness.

The calculation for 2012 for the entire Impol group is carried out by means of the FIFO method.

**TABLE 64:**
Costs by function group

| | Production costs | Sales costs | Costs of general activities | TOTAL 2012 | TOTAL in 2012 purchased from | | TOTAL 2011 |
|---|---|---|---|---|---|---|---|
| | | | | | associates | other companies | |
| Cost of merchandise and materials sold | 0 | 69.370.268 | 0 | 69.370.268 | 0 | 69.370.268 | 78.876.737 |
| Costs of materials | 283.488.383 | 4.539.765 | 758.149 | 288.786.297 | 22.637 | 288.763.660 | 281.890.909 |
| Costs of services | 5.830.983 | 17.619.938 | 7.917.997 | 31.368.918 | 1.699.603 | 29.669.315 | 28.792.376 |
| Labour costs | 28.215.418 | 2.091.780 | 9.613.349 | 39.920.547 | 0 | 39.920.547 | 38.758.718 |
| Depreciation | 14.678.030 | 450.469 | 1.433.472 | 16.561.971 | 0 | 16.561.971 | 15.567.670 |
| Operating expenses from revaluation* | 56.221 | 1.017.787 | 108.347 | 1.182.355 | 0 | 1.182.355 | 3.609.274 |
| a) of tangible fixed assets | | | | 144.233 | | | 177.199 |
| b) of inventories | | | | 34.464 | | | 1.785 |
| c) of operating receivables | | | | 1.003.658 | | | 3.430.290 |
| Provisions | 8.675 | 1.009 | 64.786 | 74.470 | 0 | 74.470 | 86.398 |
| Other operating expenses | 0 | 388.712 | 875.621 | 1.264.333 | 0 | 1.264.333 | 578.469 |
| TOTAL | 332.277.710 | 95.479.728 | 20.771.721 | 448.529.159 | 1.722.240 | 446.806.919 | 448.160.551 |

Costs and expenses are presented in further detail in Table 24: Group Income Statement on page 64.

## Financial revenue and expenses

**TABLE 65:**
Financial revenue

| | Total | of companies | | Total |
|---|---|---|---|---|
| A. Financial revenue from investments | 2012 | of associates | of others | 2011 |
| Financial revenue from participating interests – shares on profit, dividends | 96.769 | 0 | 96.769 | 83.215 |
| Financial revenue from other investments | 43.771 | 0 | 43.771 | 0 |
| Financial revenue from loans to others – interest | 375.662 | 0 | 375.662 | 185.528 |
| Financial revenue from operating receivables – interest | 70.796 | 0 | 70.796 | 2.376.692 |
| Financial revenue from operating receivables – exchange rate changes | 5.624.435 | 4 | 5.624.431 | 5.142.809 |
| TOTAL | 6.211.433 | 4 | 6.211.429 | 7.788.244 |

**TABLE 66:**
Financial expenses

| | Total | of companies | | Total |
|---|---|---|---|---|
| B. Financial expenses from investments | 2012 | pridruženih | drugih | 2011 |
| Financial expenses from loans (excluding loans from banks) – interest | 116.459 | 0 | 116.459 | 297.869 |
| Financial expenses from loans received from banks – interest | 8.761.929 | 0 | 8.761.929 | 10.173.701 |
| Financial expenses incurred in connection with other financial liabilities – interest | 4.302 | 0 | 4.302 | 191.171 |
| Financial expenses incurred in connection with other financial liabilities – exchange rate changes | 5.101.543 | 0 | 5.101.543 | 5.440.837 |
| Financial expenses from operating liabilities – interest* | 47.522 | 0 | 47.522 | 44.127 |
| *Financial expenses from trade payables – interest | 14.070 | 0 | 14.070 | 8.844 |
| *Financial expenses incurred in connection with other operating liabilities – interest | 33.452 | 0 | 33.452 | 35.283 |
| Financial expenses from operating liabilities – exchange rate changes** | 942.589 | 0 | 942.589 | 2.206.156 |
| **Financial expenses from trade payables – exchange rate changes | 14.312 | 0 | 14.312 | 0 |
| **Financial expenses incurred in connection with other operating liabilities – exchange rate changes | 928.277 | 0 | 928.277 | 2.206.156 |
| Financial expenses from assets distributed at fair value through the profit/loss | 176.154 | 0 | 176.154 | 541.538 |
| Financial expenses from impairment | 360.888 | 0 | 360.888 | 1.062 |
| TOTAL | 15.511.386 | 0 | 15.511.386 | 18.896.461 |

The reports include only those types of revenue and expenses that are present.

## Other revenue and expenses

**TABLE 67:**
Other revenue and expenses

| | 2012 | 2011 |
|---|---|---|
| Other financial revenue and other revenue | | |
| Subsidies, grants and other revenue not associated with products and services | 17.072 | 35.782 |
| Compensation and fines received | 213.321 | 313.585 |
| Collected written-off receivables | 6.131 | 160.324 |
| Other revenue | 27.432 | 307.448 |
| Other revenue | 263.956 | 817.139 |
| Other financial expenses and other expenses | | |
| Fines and compensation | 18.508 | 12.115 |
| Other expenses | 14.911 | 9.466 |
| TOTAL | 33.419 | 21.581 |

If the equity of the Group had been revalued for the growth of retail prices (2%), its net profit/loss would have decreased by €1,194,865, excluding effects of corporate income tax.

## Income tax

**TABLE 68:**
income tax

| Income tax | 2012 | 2011 |
|---|---|---|
| Revenue determined in compliance with accounting regulations | 856.135.415 | 891.964.178 |
| Adjustment of revenue to the level of tax deductible revenue – decrease (-) | -6.669.775 | -5.896.496 |
| Adjustment of revenue to the level of tax deductible revenue – increase (+) | 42.783 | -120 |
| Tax deductible revenue | 849.508.423 | 787.106.394 |
| Expenses determined in compliance with accounting regulations (+) | 839.205.717 | 870.788.974 |
| Adjustment of expenses to the level of tax deductible expenses – decrease (-) | -1.667.314 | -2.992.924 |
| Adjustment of expenses to the level of tax deductible expenses – increase (+) | -139.800 | -78.343 |
| Tax deductible expenses | 837.398.603 | 771.386.939 |
| TAX DEDUCTIBLE REVENUE LESS TAX DEDUCTIBLE EXPENSES | 12.109.820 | 15.719.455 |
| Tax base change associated with tax base changes from changes to accounting policies, corrections of errors and revaluations (+/-) | -117 | 893 |
| Increase of tax base for pre-determined tax relief (+) | 320.712 | 289.943 |
| TAX BASE | 12.790.964 | 16.010.291 |
| TAX LOSS | -360.549 | 0 |
| Decrease of tax base and tax relief (that does not exceed the tax base) (-) | -2.801.826 | -2.027.832 |
| BASIS OF TAX ASSESSMENT | 9.989.138 | 16.674.231 |
| TAX | 1.146.838 | 2.408.247 |

# Other disclosures

**Members of the Board**

- Jernej Čokl, President
- Janko Žerjav, Member
- Vlado Leskovar, Member

**Members of the Supervisory Board:**

Milan Cerar, President

Tanja Ahaj, Deputy President

Jože Kavkler, Member

Adi Žunec, Member

Remuneration of the management:

**TABLE 69:**
Remuneration of the Members of the Board, Supervisory Board and CEOs of all Group companies

| | Salaries and all other proceeds (allowance, reimbursement of costs, participation in the profit, etc.) | | Number of individuals included per day | |
|---|---|---|---|---|
| | 2012 | 2011 | 31. 12. 2012 | 31. 12. 2011 |
| Members of the Impol 2000, d. d. Board combined – out of which separately | 734.476 | 659.659 | 3 | 3 |
| Jernej Čokl, President of the Board | 270.669 | 240.061 | | |
| Vladimir Leskovar, Member of the Board | 227.706 | 208.383 | | |
| Janko Žerjav, Member of the Board | 236.101 | 211.215 | | |
| Members of the Board or CEOs of subsidiaries | 1.749.442 | 1.557.015 | 19 | 17 |
| Members of the Supervisory Board | 71.741 | 47.813 | 4 | 4 |
| Employees employed on the basis of individual contracts of employment | 2.546.066 | 2.471.166 | 42 | 37 |
| Total | 5.101.725 | 4.735.653 | 68 | 61 |

**TABLE 70:**
Recapitulation

| Recapitulation | 2012 | 2011 |
|---|---|---|
| Members of the Board | 2.483.918 | 2.216.674 |
| Members of the Supervisory Board | 71.741 | 47.813 |
| Employees employed on the basis of individual contracts of employment | 2.546.066 | 2.471.166 |
| TOTAL | 5.101.725 | 4.735.653 |

The table illustrates the remuneration for the calendar year.

The Company does not have any outstanding receivables towards the Members of the Board, the Supervisory Board or employees employed on the basis of individual contracts of employment.

Amount (cost) used for the auditor (Article 69, Paragraph 1, Indent 17 of ZGD-1)

**TABLE 71:**
Auditor costs

| | 2012 | 2011 |
|---|---|---|
| Auditing of the Annual Report | 88.350 | 78.370 |
| Other audit services | 0 | 0 |
| Tax consultation services | 0 | 0 |
| Other non-audit services | 0 | 0 |
| TOTAL | 88.350 | 78.370 |

# About Impol Group companies

Affiliates in which IMPOL 2000, d. d. has a direct or indirect dominant influence are engaged in the following areas:

**TABLE 72:**
IMPOL 2000, d. d. subsidiaries included in the Group

| Company | Registration Number | Standard Classification of Activities | Country of the Company |
|---|---|---|---|
| Impol, d. o. o., industrija metalnih polizdelkov, Partizanska 38, 2310 Slovenska Bistrica | 5040736 | 25.500 | Slovenia |
| Impol Servis, d. o. o, Partizanska 38, 2310 Slovenska Bistrica | 5482593 | 52.461 | Slovenia |
| Rondal, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 5888859 | 25.990 | Slovenia |
| Impol-Montal, podjetje za projektiranje, izdelavo in montažo, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 5479355 | 25.120 | Slovenia |
| Impol Stanovanja, podjetje za pridobivanje, upravljanje in oddajanje stanovanj, d. o. o., Partizanska 39, 2310 Slovenska Bistrica | 5598010 | 68.320 | Slovenia |
| Štatenberg, turistično gostinsko podjetje, d. o. o., Štatenberg 89, 2321 Makole | 5465249 | 56.101 | Slovenia |
| Unidel, podjetje za zaposlovanje in usposabljanje invalidnih oseb, d. o. o., Kraigherjeva 37, 2310 Slovenska Bistrica | 5764769 | 14.120 | Slovenia |
| Impol Aluminum Corporation, 12305 Schenectady, New York, 155 Erie Blvd., 2nd Floor; USA | | 46.720 | USA |
| Impol Seval, a. d., Sevojno, Prvomajska b. b., Srbija + 3 pododvisne družbe | 07606265 | 25.500 | Serbia |
| Stampal SB, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 1317610 | 25.500 | Slovenia |
| Kadring, d. o. o., Trg svobode 26, 2310 Slovenska Bistrica | 5870941 | 70.220 | Slovenia |
| Impol FT, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 2239418 | 25.500 | Slovenia |
| Impol PCP, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 2239442 | 25.500 | Slovenia |
| Impol LLT, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 2239434 | 24.530 | Slovenia |
| Impol R in R, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 2239400 | 72.190 | Slovenia |
| Impol Infrastruktura, d. o. o., Partizanska 38, 2310 Slovenska Bistrica | 2239426 | 68.320 | Slovenia |
| Impol Hungary Kft, Vecsey Karoly u. 7, Budapest | | | Hungary |
| Impol Brazil Aluminium LTDA | | | Brazil |

Other affiliates with regular operations and in which Impol 2000, d. d. directly or its subsidiaries indirectly have over 20% of share capital are as follows:

**TABLE 73:**
Other affiliates

| Name | Address | Država | Share |
|---|---|---|---|
| Simfin, d. o. o. | Partizanska 38, 2310 Slovenska Bistrica | Slovenia | 49,79 % |
| Alcad, d. o. o. | Partizanska 38, 2310 Slovenska Bistrica | Slovenia | 32,07 % |
| Slobodna zona Užice | Prvomajska b. b., Sevojno | Serbia | 33,33 % |
| Impol Brazil | | Brazil | 50,00 % |

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

# Statement of Compliance by the Management Board

Management is responsible for the preparation of the group annual report so that it gives a true and fair view of the financial position of the Group and the results of its operations for the year 2011.

Management confirms that the consistent application of appropriate accounting policies and accounting estimates has been made based on the principle of prudence. The Management Board confirms that the financial statements have been prepared on the basis of going concern and in accordance with applicable law and with the Slovenian Accounting Standards.

Management is also responsible for keeping proper accounting records, for taking reasonable steps to secure the property, for the continuous monitoring of other business risks and for the adoption and implementation of measures to minimise and to prevent and detect fraud and other irregularities.

**Management confirms the consolidated financial reports for the year that ended on 31 December 2012 and the accounting policies used. This annual report was adopted by the Management Board at its meeting held on 15.04.2013.**

Janko Žerjav
(Member of the Board)

Jernej Čokl
(President of the Board)

Vlado Leskovar
(Member of the Board)

# Auditor's Report

AUDITOR

REVIZIJSKA DRUŽBA d.o.o. PTUJ

## *INDEPENDENT AUDITOR'S REPORT*

*To the shareholders of IMPOL 2000 d.d.,
Slovenska Bistrica*

*We have audited the accompanying consolidated financial statements of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2012, consolidated income statement and statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have also reviewed the company's management business report.*

*Management's Responsibility for the Financial Statements*

*Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Slovene Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

*Auditor's Responsibility*

*Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.*

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.*

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*

*Opinion*

*In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, and its subsidiaries as December 31, 2012, and their financial performance and cash flows for the year then ended in accordance with Slovene Accounting Standards.*

AUDITOR REVIZIJSKA DRUŽBA d.o.o. PTUJ, podjetje za revizijo, vrednotenje in svetovanje, Murkova 4, 2250 Ptuj

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

*Other Matter paragraph*

*Company's management business report is consistent with the audited consolidated financial statements.*

*Ptuj, April 19th 2013*

General manager
DSc. Erika Turin,
Certified auditor

AUDITOR REVIZIJSKA DRUŽBA d.o.o. PTUJ, podjetje za revizijo, vrednotenje in svetovanje, Markova 4, 2250 Ptuj

# Impol Group

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| | |
|---|---|
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| **Štatenberg, d. o. o.**<br>Štatenberg 86<br>SI 2321 Makole | **VLADO LESKOVAR, DIRECTOR**<br>Phone: +386 2 803 02 16 |
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| **Impol Aluminum Corporation**<br>Schenectady, 155 Erie Boulevard<br>New York 12305<br>USA | **MIRO ŠKRLJ, DIRECTOR**<br>Phone: 001 914 636 26 06<br>Fax: 001 518 393 21 36<br>E-mail: sales@impolaluminum.com |

## Associated members

| | |
|---|---|
| **Simfin, d. o. o.**<br>Partizanska ulica 38<br>SI 2310 Slovenska Bistrica | **VLADO LESKOVAR, DIRECTOR**<br>Phone: +386 2 845 31 05<br>Fax: +386 2 818 01 78<br>E-mail: info@simfin.si |
| **Alcad, d. o. o.**<br>Mroževa ulica 5<br>SI 2310 Slovenska Bistrica | **BRANKO HMELAK, DIRECTOR**<br>Phone: +386 2 805 56 51<br>Fax: +386 2 805 56 65<br>E-mail: alcad@alcad.si |

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**ANNUAL REPORT 2012 FOR THE GROUP IMPOL**

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Slovenska Bistrica, May 2013

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