annual report *for the group impol*
2013

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Aluminium Industry

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Mosaic of the company

Every little stone has its place in the mosaic. Its tasks and obligations. The management sees the responsibility for key moves in the company as a special challenge that demands exceptional business knowledge.

REPORT OF THE BOARD

Distinguished shareholders and all other stakeholders!

Our Annual Report for the preceding year must also begin with the observation that 2013 proved to be one of the most challenging years, as our aluminium processing operations throughout the entire year continued to experience intense price pressures in terms of increasing aluminium raw material purchase prices that were not followed in that regard by sales prices. Nevertheless, the profit generated during 2013 proved to be one of the best during the last decade of operations and is the result of great efforts made to increase the volume of quantitative sales both in terms of conquering new markets as well as in terms of increasing sales to existing customers.

All pessimistic forecasts on the expected trends in the local socio-political and business environments unfortunately did come to pass. All actors acted accordingly, as predominantly indicated by loss of mutual trust, which, ultimately, also affects the loss of a development impetus and reduces the willingness to take risks, resulting in growing idle capacity costs. In the business environment, this was reflected in mostly three significant areas: the financial, purchase and sales environments. The most drastic impacts were experienced by the financial environment by preventing business processes from taking their normal course and new development projects from being initiated, as banks became an increasingly unreliable partner to business entities such as Impol. In terms of purchase, negativistic information from the political environment affected the trust of suppliers, resulting in suppliers disappearing as a source of financing and simultaneously requiring additional collateral or including extra charges to their prices, all resulting in increased operating costs. In terms of the sales market, the tendency of customers to only select those suppliers that possess the ability to deliver ordered goods in shorter delivery periods continues to come increasingly to the fore. Impol was thus able to gain orders only by being able to guarantee their delivery within increasingly shorter delivery periods.

By making great efforts, Impol was able to respond to all the challenges listed above in a high-quality manner and was thus provided with the opportunity to meet the business objectives set in an acceptable way.

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 fixed assets, the Company also finances a major part of its current assets with non-current 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. Most importantly, however, Impol managed to reduce the level of total indebtedness by €40 million or 20 %. After a decade, it has now found itself in the situation of financing more than 30 % of its investments with equity.

In terms of provision of raw materials and energies, Impol continues to make great efforts in the provision of longer-term arrangements. New supply sources are being included. Impol invests in information system upgrades and in full control of the entire area, all in order to guarantee continuous supply and consequently a continuous manufacturing process by incurring the lowest still acceptable costs.

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. Despite that, the volume of orders as part of inventories was increased, making it more likely to gain 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 and thus improving the safety of production and the keeping of delivery periods.

Pessimistic assumptions forecast for 2013 indeed came to pass in certain markets; fortunately for Impol, however, that did not hold true for the Company's largest market, Germany. That does, however apply to a greater extent to the local market where Impol generates only about 6 % of its entire revenue. Minimum moderate growth is expected on foreign markets, providing Impol with acceptable starting points for its further operation.

The operating share of the local market continues to fall, also resulting from the fact that the local market is extremely small in terms of Impol's capacities, whereas Impol needs to continuously grow. In a shrinking local market, total manufacturing and sales growth can only be generated in imports that 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.

The rolled product programme market conditions were under strain in 2013. Impol responded to the challenges by guaranteeing higher-quality products by improving quality control with new appliances, by adjusting to new conditions with concrete organisational steps, by becoming able to complete orders in greatly shortened delivery periods, 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 contracts fell. In contrast to the developments from the year before, 2013 marked an increase in sales via intermediaries, whereas direct sales to the final customers experienced stagnation, compelling us to adjust our pricing policy accordingly.

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. The building industry market continues to experience 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.

Forecasts for a longer period of time are fairly optimistic as an increased annual GDP growth is expected for Impol's major markets so that a greater demand as in 2013 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.

In 2013, the European Union, with almost 82 % of products sold, continued to constitute Impol's main market meaning that Impol is becoming increasingly bound thereto by selling 80 % of our products thereto during the previous year. The Eastern European market also continues to grow, although growth in that area still needs to increase. As most of Impol's products are sold to other manufacturers where they are subject to processing or installation in their own products, it is important that their distance from Impol facilitates the provision of high quality sales and after-sales services. Therefore, Impol can only sell an extremely low volume of its production programme in global terms.

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 volume 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 2014:

- Impol will continue to increase its volume of sales of products with a higher added value (painted 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;
- we will continue to increase the volume of products that play a significant role in our niche programmes;
- we will increase our market share in the US;
- 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.

Parallel activities that Impol will continue to promote also contributed heavily to our business results for 2013. Operating conditions in markets outside Slovenia were somewhat stabilised, although conditions on the financial markets continued to deteriorate. As positive trends in Slovenia have not yet been observed, further regression can be 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 activity (and also the majority of its parallel activities) is bound by aluminium processing, which is why the performance of the entire Impol Group is affected by changes to quoted aluminium prices only to a limited extent. They, serving as the basis for shaping purchase and sales prices, impact the turnover generated to a greater extent than they do the actual result. Quoted aluminium 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 2013 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 purchase premiums for all types of aluminium raw materials. This pressure will pose a problem in 2014 as well, 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 2013, the aluminium market continued to experience practically no significant organisational and ownership changes. China, however, continues to establish itself as the leading manufacturer that manufactures almost half of all extracted aluminium in the world. Given that 2013 saw the production of about 1 million tons of aluminium more than 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. As a result of absolute lack of primary aluminium production, Europe experienced a rise in demand for secondary aluminium that caused a sharp rise in the purchase price thereof.

Attempting to pursue its development goals and to control the growth of aluminium operating volume and price growth in 2013, Impol invested about €12 million in fixed assets intended to complete projects that have already been started and to, most of all, eliminate minor bottlenecks. Despite a rise in production volume, no investments in current assets were required as falling quoted aluminium prices resulted in decreased investment of the Group for this purpose. By completing certain investments or by investing in projects to be completed during the first half-year of 2014, Impol is creating realistic opportunities for a minimum 15 % growth in operating volume in the years to come.

Given the results achieved, investments in Impol are profitable and safe as the results achieved enabled a timely and full settlement of all liabilities and facilitated the organisation of an unimpeded operating process. In 2013, Impol reduced its dependency on bank credits by €40 million, meaning that its total dependency on business process financing was reduced by a full 20 % during this year alone, thus proving to both banks and temporary investors that their investments are sufficiently safe.

Table 1: **Operating results**

Indicator	2013	2012	2011	2010	2009	2008	2007	2006
EBITDA[1]	36,575[1]	38,837	42,019	30,291	23,185	40,084	50,762	29,786
Change compared with the preceding year	-5.8 %	-8.1 %	38.7 %	30.6 %	–42.3 %	–21.0 %	70.4 %	27.2 %
EBIT[2]	21,140[2]	22,175	26,463	15,907	11,124	24,434	34,569	15,142
Change compared with the preceding year	-4.7 %	-19.3 %	66.4 %	43.0 %	–54.7 %	–29.3 %	128.3 %	61.7 %

The almost complete stagnation of the EBITDA ratio compared with the one achieved during the preceding year results mainly from more challenging operating conditions in the industry reflected mostly in the constant fall of quoted aluminium prices throughout the entire year, which, however, on the other hand, had a positive impact on Impol in terms of sources of financing short-term (current) investments.

1 EBITDA is calculated as the company's earnings before interest from financial and operating liabilities, taxes, depreciation and amortization.

2 EBIT is calculated as earnings before interest from financial and operating liabilities and taxes.

In 2013, Impol pursued the following basic goals:

- to generate €12.9 million in profit and
- to generate a net cash flow in the amount of €30 million
- to be achieved with the sale of 177 thousand tons of aluminium products.

In the end:

- the volume of quantitative sales was realised in the amount of 171 thousand tons,
- the Group generated a net cash flow in the amount of €28 million and
- profit in the amount of €12.6 million.

Considering the necessity to realise almost all operations outside Slovenia that results in exposure to greater risks and costs, all objectives were not met as expected. Nevertheless, the total result is as expected. Impol managed to succeed by virtue of compensating reduced demand for certain programmes compared with the proceeding year with other programmes.

Comparisons with the preceding year and with our plans show,

- jthat 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 comparable to the profit generated in the preceding year;
- that the achieved net cash flow, EBIT and EBITDA are comparable to the net cash flow, EBIT and EBITDA achieved in the preceding year.

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 5.5 % in the past year and amounts to €48/share at the end of the year. The book value of capital per share in the Impol Group rose by 14 % and amounts to as much as €89/share. Based on the business results achieved and forecasts in our plans for 2014, 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, emphasised, however, that for the purposes of comprehensively notifying shareholders and other stakeholders on the basis of a decision adopted by the Supervisory Board of Impol 2000, d. d., 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 two-tier to a one-tier corporate governance system. Intense preparations are already taking place. Foreseeably at the Annual General Meeting of the Company in July, all the necessary decisions with a period of deferment of entry into force will already be adopted and measures and tasks required for their implementation will be foreseen.

In 2013, Impol reviewed, amended and revamped its outlines for further operation at least until the end of 2020, based on which a 2014-2020 Strategy was adopted, as part of which a long-term plan for the same period of time was also adopted. The basic outlines for 2014 are as follows:

- With the planned scope of operations in 2014, the Impol Group will, by generating €464 million in turnover, achieve €41 million in EBITDA, €24 million in EBIT and over €45 thousand in added value per employee.
- In terms of aluminium product sales, the objective remains to increase the market share outside the European Union to over 20 %. Special attention will be paid to the expansion of the pre-painted coil market. The volume of sales is due to rise to 180 thousand tons per year.
- In 2014, absolute priority in our development activities will be given to the elimination of bottlenecks that will increase our aluminium processing capacities by about 15,000 tons. Investing in the market and shaping production processes, which will facilitate the utilisation of all capacities available in the periods to come, will thus be given special priority. Seeking options for profitable investments, the Company will continue to 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 in particular.
- 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 wage.

The activities of all members of the Impol 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 volume of 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 binding them to the sales premium achieved and paid above the price of aluminium at the LME less the purchase premium. Impol will strengthen all teams involved in sales and sales procedures.

In terms of development investments, the Company will mostly pursue goals that guarantee the full utilisation of all the capacities at its disposal as well as a higher level of business stability and safety. Sources of financing of non-current investments will be acquired from mostly external sources, whereas current 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.

Through the acquisition of major business shares in other companies, Impol will pursue the goals of including programmes that enhance the existing programmes or complement them in terms of a greater added value in particular, by taking into consideration that the inclusion of new programmes will not weaken the composition of sources of financing of the entire process by increasing 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 mostly be oriented towards broadening its 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.

External sources in the form of leverage will be included in the Impol Group via those Group companies that dispose of sufficient assets that can provide for sufficient collateral of the additional non-proprietary sources of financing granted. 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 in advance. Aluminium raw material purchase will continue to include all the sources available, subject to the provision of raw materials of appropriate quality.

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. Risks will continue to be monitored promptly in terms of all aspects of their incurring and causes by simultaneously adopting measures and tasks intended to eliminate them fully or at least minimise them. 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 continue to be upgraded towards an integrated information system in all companies of the Group. Through continuous verification procedures pertaining to the operation of the information system introduced during the preceding years, Impol will guarantee optimal introduction of new or improvement of existing parts of the information system in an increasingly intense manner by diligently observing the information backbone data exchange system management principle. 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 2014, during which Impol 2000 as a parent company will continue to be burdened with the liabilities incurred in the past through the acquisition of major business shares in Impol, d. o. o.

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

REPORT OF THE SUPERVISORY BOARD

The Impol Supervisory Board estimates that the operating results of the Impol Group as well as Impol 2000, d. d., in the 2013 business year also met expectations by being as planned under the majority of items. Business results were achieved in an extremely unfavourable business environment in Slovenia, which is why Impol is now almost entirely focusing on export markets. Business results are determined under the expectation that all business entities that form part of the Impol Group are continuously active, which is also foreseen in the Long-Term 2014-2020 Strategic Plan discussed by the Supervisory Board in August 2013 and also adopted as an appropriate basis for the planning of business activities and development for the years to come.

It has to be emphasised in particular that the business results achieved during the last three years provide a real basis for Impol's strategic goals that have been set relatively high for the period to come but are realistically achievable by engaging all the markets at our disposal and all potentials of the Impol Group.

The Supervisory Board further estimates that the business processes in the Group are properly organised in the current situation and that no unnecessary costs or losses are incurred in the task implementation process. Our estimate is based on observations that the Company properly safeguards all its assets including receivables within reasonable limits; raw material purchase prices including their costs in final products; production processes; customer claims and employees.

The relatively successful performance of Impol in Slovenia is also evidenced by the fact that practically no employee fluctuation was experienced during the year, meaning that the knowledge was preserved as part of the business process.

Despite an extremely disadvantageous situation in the financial environment, Impol provided for continuous financing of business processes by engaging the practically entire net cash flow generated in the financing of its operations, whereas diligent measures provided for the reduction of current business process financing needs, facilitating a significant reduction in dependence from borrowed sources of financing, reducing the total level of loans taken out and thus safeguarding a more stable basis for being present on these markets.

Impol 2000, d. d., and the Impol Group have established high standards of corporate governance operations that are continuously amended and implemented. The observance and exceedance of the prescribed, recommended and agreed standards constitutes, in compliance with the Impol Business Rule Code, a permanent task of everyone at Impol and of everyone cooperating therewith; the diligent supervision thereof constitutes one of the basic tasks of the Supervisory Board. A high level of operating transparency and correct communication with the shareholders and other stakeholders have also been recognised in our environment as an important value of Impol. Until the end of 2014, Impol will continue to organise a two-tier governance system, based on which the Management Board is responsible for running the business undertakings, whereas the Supervisory Board is in charge of supervising the operations of the Company.

The Management and Supervisory Boards jointly discuss and adopt governance policy guidelines for the entire Impol Group in the Impol Business Rule Code. In compliance with the adopted documents, all relevant information is pro-actively and promptly made public.

Members of the Management and Supervisory Boards have established a permanent method of communication via e-mail and direct contact. The Management Board makes sure that the Members of the Supervisory Board are regularly and promptly informed of the operating results achieved. The Supervisory Board is also continuously involved in the supervision and granting of sales and purchase transactions with regard to Company shares.

In compliance with its powers under the Companies Act, the Impol Supervisory Board supervised and examined the business undertakings of the company in the 2013 business year. This task was carried out by its Members promptly reviewing reports submitted thereto by the Management Board of the Company at least once a month, the most important of which being the 2012 Annual Report regarding the operations of the Company. The Supervisory Board is, at least once a month, informed of the analysis of Impol Group business trends, on the basis of which current guidelines and decisions are adopted.

A quorum was met at all sessions of the Supervisory Board that consisted of 4 members in 2013. In 2013, the Supervisory Board adopted decisions at four ordinary and nineteen extraordinary sessions.

On the basis of the proposals submitted by the Management Board of the Company and following its own initiative, the Supervisory Board adopted decisions in the following areas:

- the Supervisory Board discussed and adopted the 2012 Impol Annual Report that was submitted to the Annual General Meeting for information purposes or for approval.
- The Supervisory Board discussed and adopted the Impol Group Strategy with a Long-Term Plan for 2014-2020.
- At its sessions, it most frequently discussed the pricing and marketing policy of the Company and its role and integration in the Development Strategy of the Impol System.
- It promptly monitored the operations of the Impol Group as a whole and the individual companies that form part thereof as well as the performance of individual programmes that the Group operates under.
- It was actively involved in financial investment viability assessments, especially in the sales and purchase of shares, by adopting an obligatory instruction pertaining to implementation procedures that during the subsequent phases constituted the basis for adopting a decision regarding the implementation of sales or purchase transactions.
- It promptly supervised the implementation of development programmes and investments and established their implementation in regular production processes and the meeting of the development goals set. Special attention in that regard was focused on discussing the problems pertaining to the investment regarding the inclusion of pressure casting and the implementation of a careful assessment thereof.
- It also promptly supervised and on the spot examined the operations of all affiliates in the Impol Group.
- The Supervisory Board discussed and approved the 2014 plan of operations and business policy.
- It discussed proposals to amend the Impol Group governance system by making relevant amendments to acts and discussed the method and acts regarding the future co-governance of employees.
- It assessed conflicts of interests and adopted relevant decisions thereon.

The Supervisory Board finds that the reports of the Management Board received throughout the year to be discussed at its individual sessions were drawn up in a concise and precise manner and that they give a true and fair view of the actual operations of the Company. The Supervisory Boards also finds that its decisions were implemented by the Management Board in a prompt and diligent manner.

The Supervisory Board finds that the Business Report of the Impol Group includes an audit report drawn up by the audit company Auditor, d. o. o., Ptuj, from which it proceeds that the Financial Statements in all respects give a true and fair view of the financial situation of Impol 2000, d. d., the entire Impol Group and the other Impol Group companies as at 31 December 2013, as well as of its operating results and changes in flows for the year ending on the date listed above in compliance with Slovenian Accounting Standards. The business report of the Management complies with the Financial Statements.

Milan Cerar
President of the Supervisory Board

2 *On top*

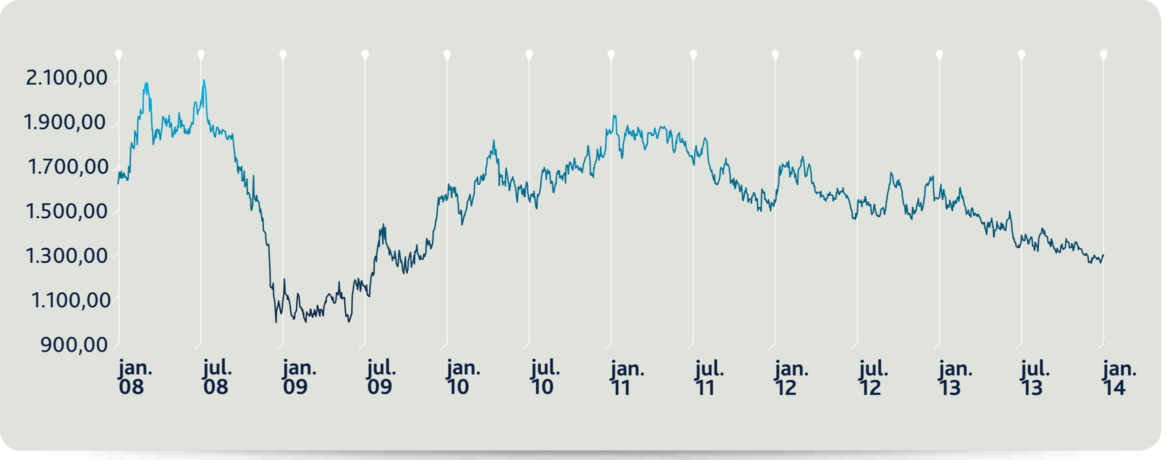
Those that find themselves in a challenging situation are not the best but actual success is demonstrated by companies that stay on top. Impol has not been resting on its laurels and is thus proud of its growth and development.

IMPOL[1] 2013 – POSITIVE TRENDS CONTINUE

The most characteristic developments of 2013 can be drawn in the following observations:

- Moderate optimism was preserved in the sales markets facilitating a quantitative increase in sales.
- In terms of aluminium raw material purchase, purchase prices were marked by continuously falling basic quoted aluminium prices with a purchase premium increase tendency that substantially facilitated production process financing.

Figure 1: **The movement of aluminium prices at the LME between 2008–2013**



- The status of orders continuously demanded they be carried out in short 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 rose during the second half of the year, thus prompt gaining of new orders facilitated the achievement of a satisfactory scale of operations in terms of quantity and value.
- Aluminium prices at the LME[1] continued to fall at an almost even rate throughout the entire year but as purchase premiums, which are added to the quoted price, were on the rise at the same time, the effect of the falling quoted prices was almost entirely cancelled out.
- Impol continues to remain in the Top 10 Slovenian export companies and among the Top 15 largest companies in the country in absolute terms.
- The Impol Group achieved an EBITDA in the amount of €36 million that also includes €13 million in profit and more than €15 million in depreciation. EBITDA fell by 4 % as compared with the preceding year.

3 All references in the document to Impol refer to the Impol Group as a whole, whereas individual business entities that form a part thereof are referred to by their abridged name.

4 LME – London Metal Exchange.

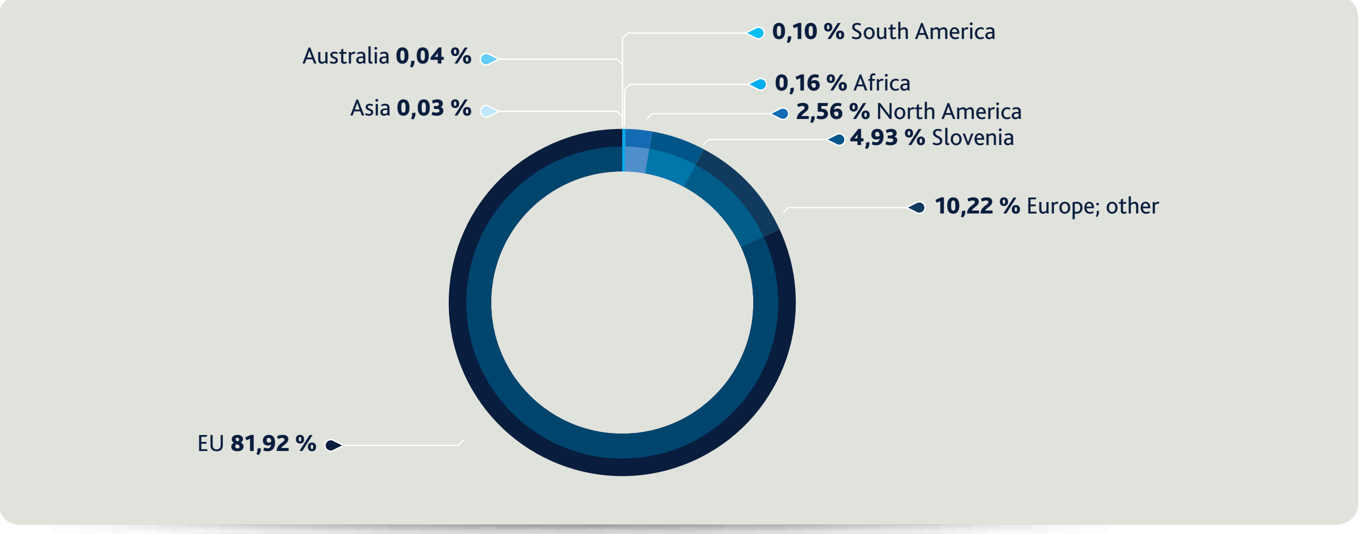
- The quantitative volume of aluminium product sales rose by 4.4 % as compared with the preceding year but did not affect the amount of sales in a way that would result in a rise thereof, as the quoted price, which serves as a basis for shaping purchase and sales prices, fell by 20 % on average.
- The aluminium product production volume for customers that are involved in means of transport production processes continues to be on the rise. Quantitatively speaking, the structure of sales by intended use of Impol products is estimated to be as follows:

Table 2: **Intended use**

Intended use	Share
Automotive industry	16 %
Engineering industry, construction	16 %
Other means of transport	9 %
Food industry	15 %
Pharmaceutical industry, cosmetics	5 %
Electrotechnology	2 %
Trade and other	37 %

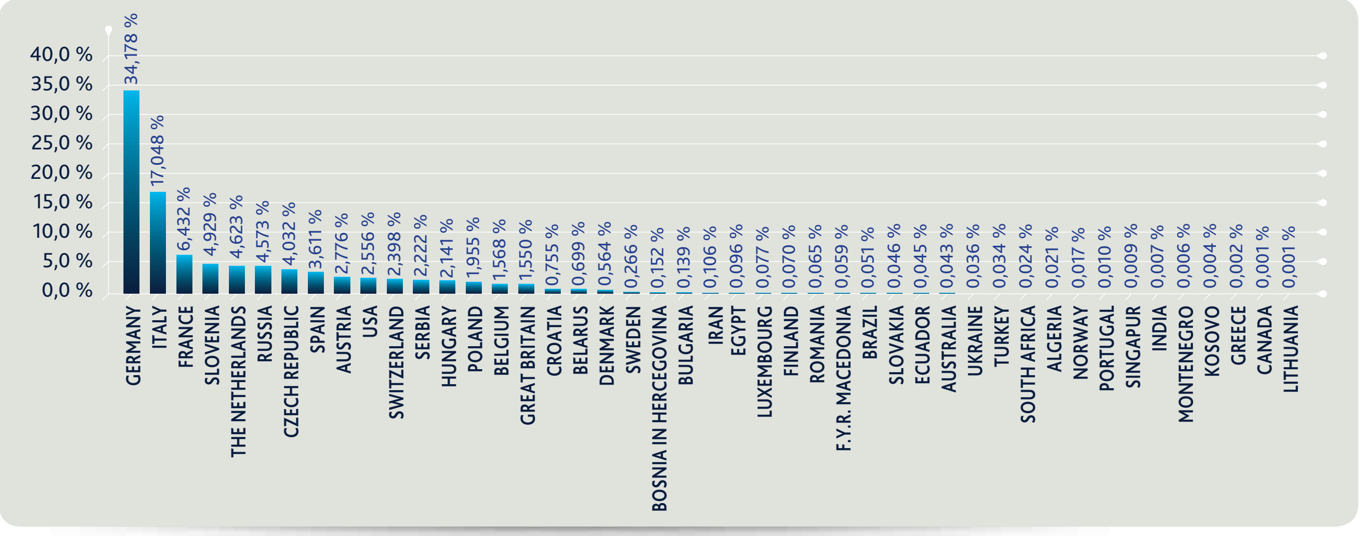
- Operations pertaining to the aluminium processing programme constitute the largest part of the entire production and sales process at Impol. Revenue pertaining thereto constitutes 99 % of all revenue generated in external markets, whereas the remaining part of revenue is generated from services rendered mostly on the local market.
- Our programme continues to be composed of a wide range of products, thus reducing our exposure to oscillations on the market.
- The impact of market oscillations continues to be reduced by a relatively great dispersal of customers, without any dominant or exclusive customers.
- 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 more difficult to provide at a larger distance.
- The share of sales outside the EU continues to rise slightly, and Germany continues to be our largest individual market. The Impol Group has established a permanent business partnership with customers from about 50 countries, although customers from the EU absolutely prevail.

Figure 2: **Sales by area**



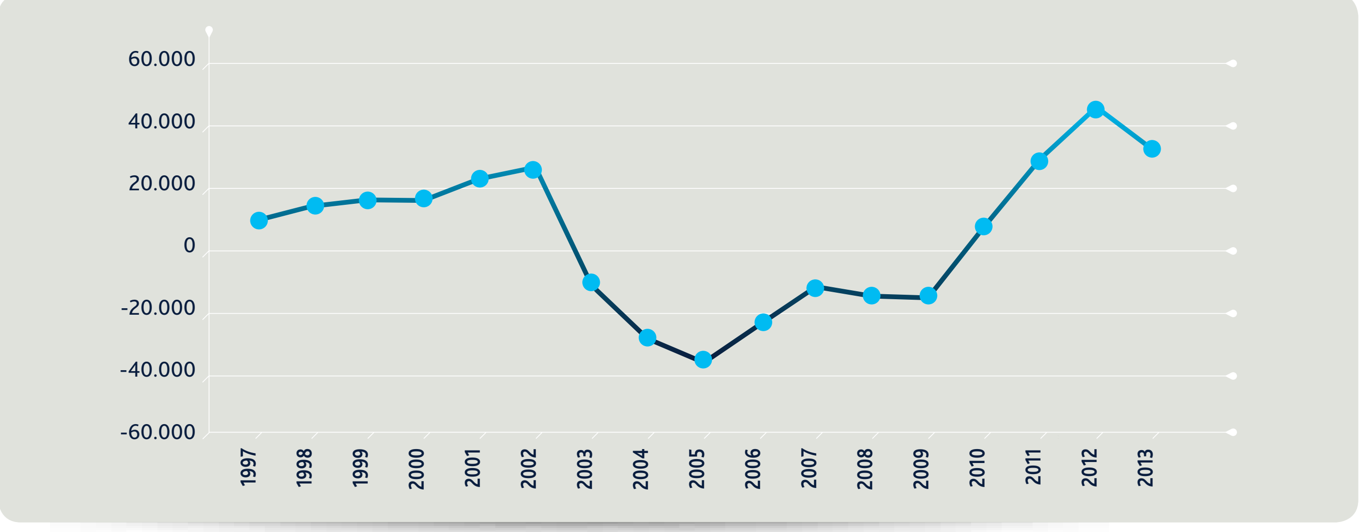
- The pre-painted aluminium coil production line continues to require intensive gaining of new production knowledge, new markets and new methods of cooperation with our customers intended to ultimately refocus the entire unfinished coils sales to the sales of pre-painted coils.

Figure 3: **Aluminium product sales by country**



- Productivity of the Group continues to grow as expected. The output of aluminium product sales per employee of the Group rose in 2013 by good 5 % compared with the preceding year.
- The casting capacity renovation works were completed by the end of August in their most significant part and the new capacities were immediately included in the production process. Minor works that are still under way will have been completed by April 2014 and will facilitate productivity growth by minimum 15 % within the periods to come.

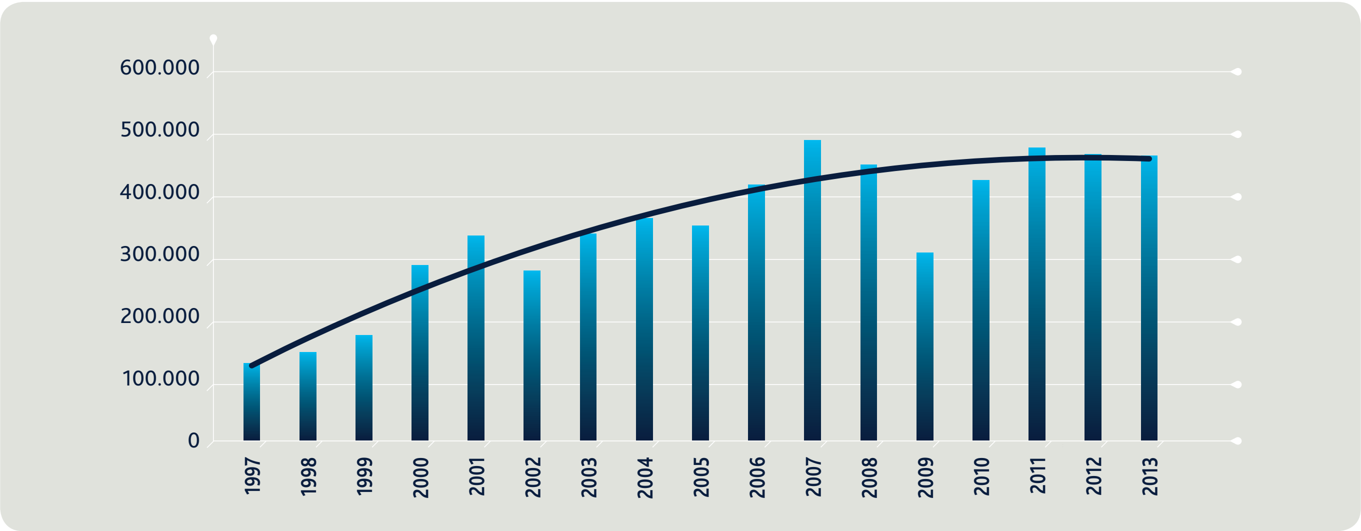
Figure 4: **Working capital by year**



- The structure of sources of financing also continues to improve by financing as much as about 31 % of all investments by equity meaning that this type of financing improved by almost 20 % compared with the preceding year. In 2013, the Impol Group continued to reduce the scope of taken out loans compared with the preceding year by 20 % meaning that the scope of taken out loans fell by €38 million, which was, to a great extent, facilitated by falling raw material prices and the consequent reduced need to finance inventory and receivables, as indicated by the figure on the required non-current equity for their financing.

- In 2013, the Impol Group invested more than €13 million in non-current assets, which fell by €5 million compared with the preceding year, but as these investments were intended for the elimination of bottlenecks, these investments facilitated an expected 6 % rise in quantitative volume of sales.
- The need for current Impol investments fell during the year, as despite the 6 % rise in output the quantitative scale of operations remained unchanged compared with the preceding year as a result of the falling basic quote aluminium raw material prices. Investments in inventories consequently also fell in value, facilitating disinvestment.
- In 2013, the Impol Group reached almost €44 thousand in added value per employee, remaining unchanged compared with the preceding year.
- In 2013, the organisation of the Impol Group remained unchanged, and the Group included the same business entities in operation as during the preceding year. The entire year was, however, marked by preparations for the shift from a two-tier into a one-tier governance system to be implemented throughout 2014.
- All operations in 2013 were organised in compliance with the Impol Business Rule Code.

Figure 5: **Value of sales and trend**



In 2013, the Impol Group drew up and adopted a revised strategy for the period until 2020 as well as a long-term 2014-2020 plan that includes ambitious goals in terms of guaranteeing permanent growth in terms of scale of operations and intense increase in the share of equity in the financing of all business processes.

IMPORTANT DATA AND INDICATORS

Table 3: Overview of consolidated results for 2002–2013

in million EUR

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Consolidated net turnover	275.3	335.4	359.5	347.6	414.4	485.9	445.9	303.8	421.1	473.6	463.2	460.8
– out of which products sold	193.5	190.8	211.9	257.5	323.4	426.7	382.9	274.7	352.7	405.7	410.8	403.8
Consolidated operating expenses	266.1	337.6	364.8	343.1	419.2	429.6	428.9	292.3	414.4	448.2	448.9	444.4
– out of which depreciation	6.3	7.9	11.0	14.1	14.4	15.1	15.7	12.1	14.4	15.6	16.6	15.4
Operating profit	10.1	8.8	1.9	12.3	12.9	38.7	21.2	15.2	16.0	26.3	23.0	21.3
Finance revenue less expenses	-5.6	-6.4	-9.4	-12.7	-6.4	-14.5	-12.7	-14.3	-9.7	-11.1	-9.0	-7.4
Other revenue less expenses	0.3	1.2	0.9	2.9	0.1	-1.1	0.3	0.6	0.5	0.8	0.2	0.3
Profit (loss)	4.6	3.4	-6.8	2.3	6.0	21.0	8.0	0.7	6.0	13.6	12.3	12.9
Cash flow from current operations	10.9	11.3	4.2	16.3	20.4	36.1	23.7	12.7	20.4	29.2	28.9	28.3
Equity	83.8	83.5	78.4	81.7	86.6	53.1	56.9	56.3	60.0	73.6	83.5	95.6
Assets	199.6	246.3	271.2	290.5	337.2	317.2	309.9	293.7	315.9	320.1	330.1	307.6
Book value per share in €						49.8	53.3	52.9	56.2	69.2	79.9	89.6
Added value per employee in €	18,807	24,971	25,180	29,888	30,764	49,786	41,556	35,111	39,381	47,441	44,077	43,241
Number of employees	2,062	1,900	1,835	1,803	1,823	1,822	1,783	1,652	1,701	1,780	1,833	1,852

A short overview of our operations (Table 1 and Table 2) shows that, in 2013, Impol managed to preserve the scale of operations in terms of value from the preceding year, followed in parallel by the achieved movement of the 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 greater volume of sales of aluminium products and the introduction of new programmes.

Table 4: The most important indicators

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Equity / all sources of operating assets	42.0 %	33.9 %	28.9 %	28.1 %	25.7 %	16.7 %	18.4 %	19.1 %	19.0 %	23.4 %	25.8 %	31.1 %
Golden rule of balance sheet = non-current assets / non-current investments	125.5 %	91.1 %	77.6 %	77.5 %	83.4 %	90.7 %	90.1 %	93.7 %	105.2 %	118.8 %	129.9 %	116.7 %
Net debt / operating income	41.7 %	48.4 %	52.1 %	59.7 %	60.1 %	54.0 %	56.3 %	78.1 %	60.4 %	51.0 %	52.6 %	45.7 %
Option to settle liabilities with property	174.0 %	151.8 %	144.8 %	140.1 %	135.4 %	120.9 %	123.3 %	124.5 %	124.2 %	131.3 %	135.7 %	146.2 %
Financial expenses / revenue	3.4 %	3.7 %	4.2 %	4.4 %	2.8 %	2.9 %	3.9 %	4.1 %	3.6 %	3.5 %	3.0 %	2.0 %
Asset turnover ratio	1.39	1.38	1.34	1.26	1.27	1.60	1.49	1.06	1.38	1.53	1.44	1.52
Net earnings / (equity - net profit/loss of the current year)	5.62 %	4.15 %	-7.96 %	2.85 %	7.28 %	70.03 %	16.36 %	1.14 %	10.96 %	22.47 %	18.98 %	15.3 %
Income / employee ratio	133.976	177.666	196.893	197.777	229.657	275.835	251.800	185.724	249.897	266.937	255.729	251.481
Economic value added (in 000 €)	600	(584)	(10,501)	(1,599)	1,898	18,511	5,317	(2,010)	3,176	10,114	9,775	8,330
EBITDA in 000 €	14,914	17,043	10,032	23,426	29,786	50,762	40,216	23,185	30,275	42,019	40,207	36,575
Changes in EBITDA compared with the preceding year	-6.8 %	14.3 %	-41.1 %	133.5 %	27.2 %	70.4 %	-20.8 %	-42.3 %	30.6 %	38.8 %	-4.3 %	-9.2 %
EBIT in €	8,605	9,135	-924	9,363	15,142	34,569	24,539	11,124	15,890	26,463	23,634	21,139
Net debt / EBITDA	5.66	7.27	15.19	7.24	6.20	4.44	5.37	8.64	6.98	4.70	4.80	4.46
Margin	1.7 %	1.0 %	-1.9 %	0.7 %	1.4 %	4.3 %	1.8 %	0.2 %	1.4 %	2.9 %	3.0 %	2.79 %
Debt / equity ratio	136 %	193 %	238 %	252 %	287 %	491 %	439 %	420 %	421 %	323 %	282 %	218 %

This list of the most relevant key performance indicators in the year shows that despite various negative impacts on the business environment and on Impol itself, 2013 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 profit is re-invested in the company and thus provides 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 5).

Table 5: **Active companies in the Impol Group**

	Company	Share
	Impol 2000, d. d. – parent company – directly controls:	
1	Impol Servis, d. o. o. (in control over a 27.4 % share of Unidel, d. o. o.)	100 %
2	Impol, d. o. o., with the following subsidiaries:	97,5 %
2.1 2.1.1 2.1.2 2.1.3 2.1.4 2.1.5	Impol Seval, a.d., Serbia with the following subsidiaries: Impol Seval PKC, d. o. o. (100 %) Impol Seval Tehnika, d. o. o. (100 %) Impol Seval Final, d. o. o. (100 %) Impol Seval President, d. o. o. (100 %) 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 %
4.	Impol Hungary Kft.	100 %
5. Associate	Impol Brazil	50 %

Out of the listed group of total 24 companies, 7 operate abroad. Impol Hungary Kft. is a direct subsidiary of Impol 2000, d. d., whereas two subsidiaries of Impol, d. o. o. also operate abroad: IAC, New York, USA, and Impol Seval, a. d., Serbia, which is the 100 % owner of four companies. Consolidated calculations include all companies in which the Impol Group holds more than 50 % management rights, meaning that Simfin, d. o. o., Alcad, d. o. o., Impol Brazil and Slobodna carinska cona are not included in the consolidation.

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 1,066,767 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 2013.

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 Management Board) own 13.1 % of shares in total.

An overview of the 10 largest shareholders continues to show a rather diversified ownership (Table 6):

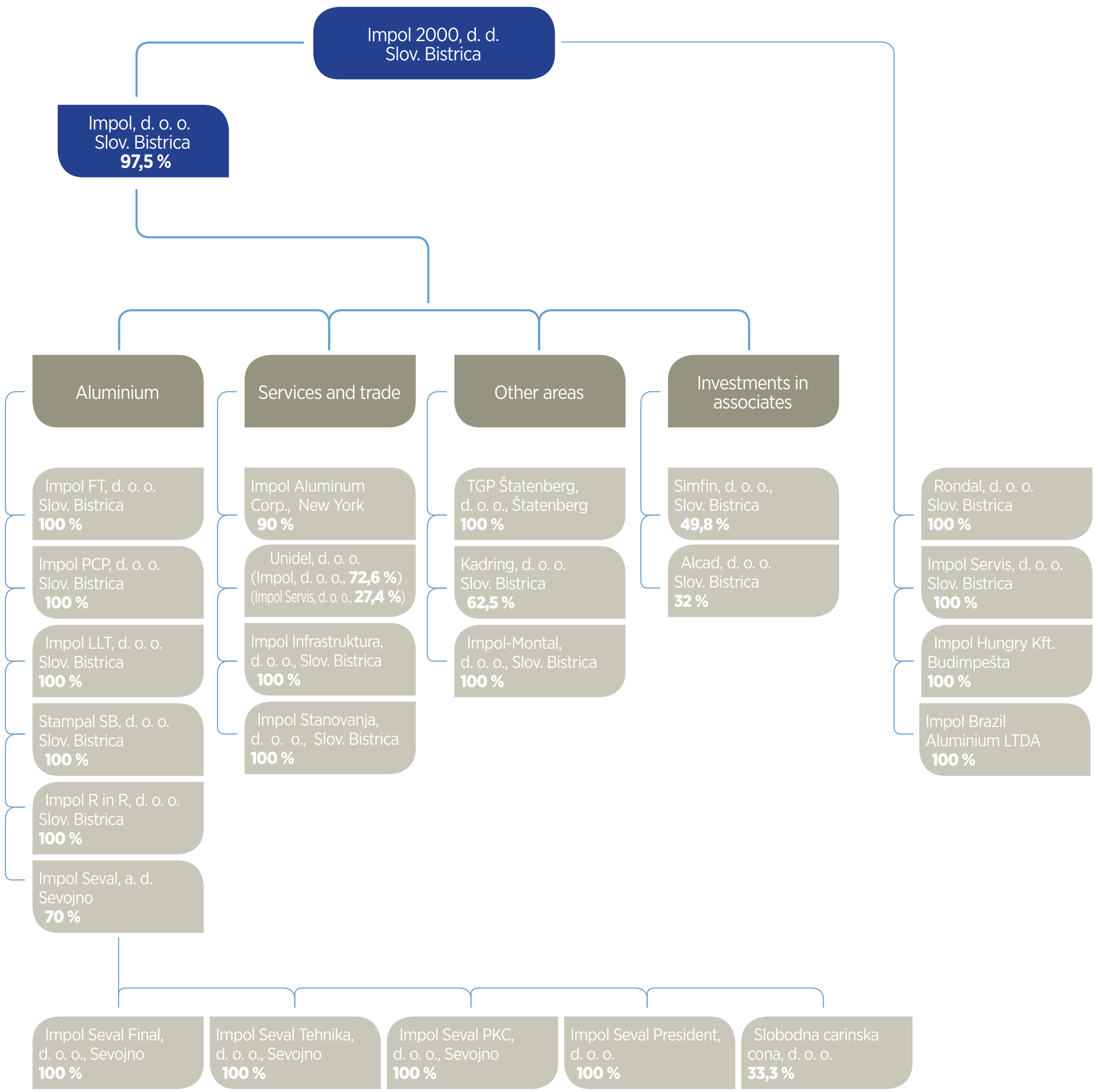
Table 6: **Overview of shareholders as at 31 December 2013**

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 Krajnc	24,911	2.3 %
Simfin, d. o. o.	19,173	1.8 %
Varimat, d. o. o.	17,206	1.6 %
Remaining 960 shareholders	521,674	48.9 %
	1,066,767	100.0 %

The share ownership structure in 2013 changed in comparison with the share ownership structure as at 31 12. 2012 predominantly as a result of a reduced number of shareholders, employed in the Impol Group.

ORGANISATIONAL CHART

In 2013, 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 8. 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. 11. 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.

1. 10. 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 2. 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 2. 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 12. 2013, the book value per share of Impol 2000, d. d. was as follows:

Table 7: **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	ook value per share – consolidated – excluding minority equity
2013	47.93	89.61	80.54
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

3

Anthill

No anthill would function if the tiny ants would not be accompanied by hundreds of other tiny ants that live for their group but none of them is invisible. Every single ant has its task that it dilligently performs.

REVIEW OF OPERATIONS

IThe predominant activity in the Group is the processing of aluminium in rolled, extruded, drawn, stamped, forged and other types of aluminium products (our predominant activity is 25.500), but the Group also includes various other activities of lesser importance. The majority of activities in the Group are organised in special companies that conduct business with one another in compliance with market rules.

In 2013, Impol continued to train in increasing the production of material intended for further processing, by forging in particular, and in parallel gained and developed markets for these products. Given the current market trends and the generated sales of these products, this focus has been determined as correct and that its realisation will continue to satisfy one of the most demanding market segments.

The processing of secondary (collectors') aluminium, whose volume is already estimated to be exceeding 22 million tons per year (out of which more than 12 million tons of actual old aluminium scrap waste) and which is supposed to, in the future, by production programme, constitute between 30 and 80 % of the entire raw material source. Secondary aluminium is of special importance in Europe, where increased amounts of secondary waste aluminium are appearing, whereas primary aluminium is becoming increasingly rare as a result of closing down electrolysis establishments (energy and environmental protection issue). It is also worth emphasising that the production of 50 million tons of primary aluminium does not utilise all the available production capacities but, for various reasons, not all of them are fully operational. By including them, global production could increase by a quarter of the current production volume.

Table 8: **Global production of primary aluminium**

Last revision: Oct. 2013 (Source: SG)	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014p**
Available aluminium production capacities				48.57	53.03	57.11	57.00	59.00	
Global production of primary aluminium in tons	33.93	38.14	40.19	37.74	42.04	45.19	47.90	50.60	54.80
Global consumption of primary aluminium in tons	34.40	37.85	37.52	34.23	40.08	44.39	46.65	49.70	53.20
Caused imbalance (+ aluminium surplus, - aluminium deficit)	−0.47	0.29	2.67	3.51	1.24	0.80	1.25	0.90	1.60
LME cash price: - $/ton – annual average	2.566	2.639	2.569	1.665	2.173	2.395	2.022	1.845	1.900

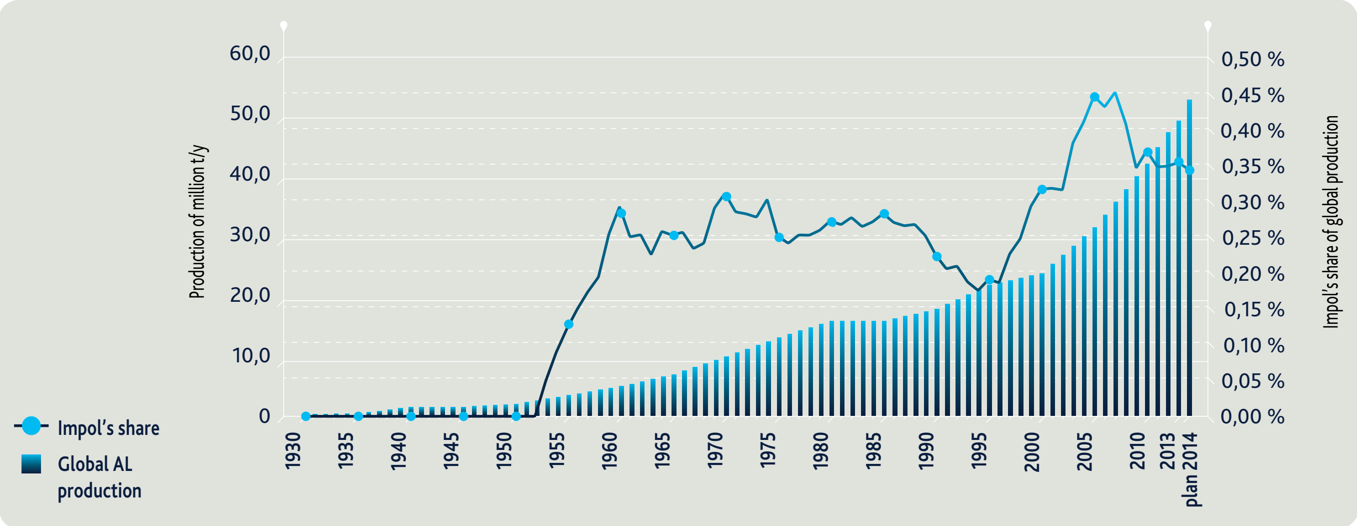
In terms of global processing of produced primary aluminium, Impol Group achieved a 0.35 % processing share compared with newly produced aluminium. In 2013, the share remained unchanged compared with the preceding year. In compliance with its strategic orientations, Impol continues to focus more heavily on the added value in the product rather than on the quantity, even though the latter continues to constitute an important focus, as the proper containment of fixed costs in a mass production process is subject to a sufficient quantity of products. As the global processing of aluminium, including the processing of secondary recyclable aluminium, already exceeds 60 million tons annually, Impol's share in total processing amounts to slightly less than three parts per thousand (3 ‰).

Compared with 2013, the turnover remained the same, even though the quantity of sold products increased.

Until 1950, Impol processed only copper; aluminium processing has been under way since 1950 (the programme is described in further detail on http://www.impol.com) when the total global annual production of primary electrolyte aluminium amounted to as little as just over 1 million tons, whereas the current figure is 48 million tons. The aluminium processing industry is characterised by shaping sales prices of its products by agreeing on a sales premium given the primary aluminium price at the LME. The turnover rises or falls independently from the quantitative volume of sales and also independently from changes in sales margins.

The same applies to aluminium raw material purchase prices whose purchase price is shaped by negotiating a purchase premium given the quoted aluminium prices, usually including all delivery costs in compliance with the Incoterms DAP, whereas the preceding year was marked by the introduction of a regional annuity as well. The quoted aluminium price does significantly impact the size of direct costs, whereas subject to appropriate hedging, its change should not have a direct impact on operating results.

Figure 6: **Impol's share in the consumption of produced primary aluminium 2013**



The industry is rather stable in terms of basic aluminium and alloy processing technology. The greatest dynamics can be observed by the process and quality control and supply chain optimisation processes. Impol spends €2-3 million annually on process control improvements, thus safeguarding the competitiveness of our products and services in the future as well. Investments are expected to result in the share of European-wide competitive B2B products rising to above 70 %. Other standard products are of relevance for utilising the remaining capacities by efficiently complementing the sales mix at a high productivity rate and low processing costs.

The significant fall in the basic quoted aluminium price (that fell by 16 %) thus resulted in parallel reduction of purchase prices and consequently of aluminium raw material costs and sales prices and thus of generated income which, subject to appropriate collateral, did not have any significant effect on the operating results.

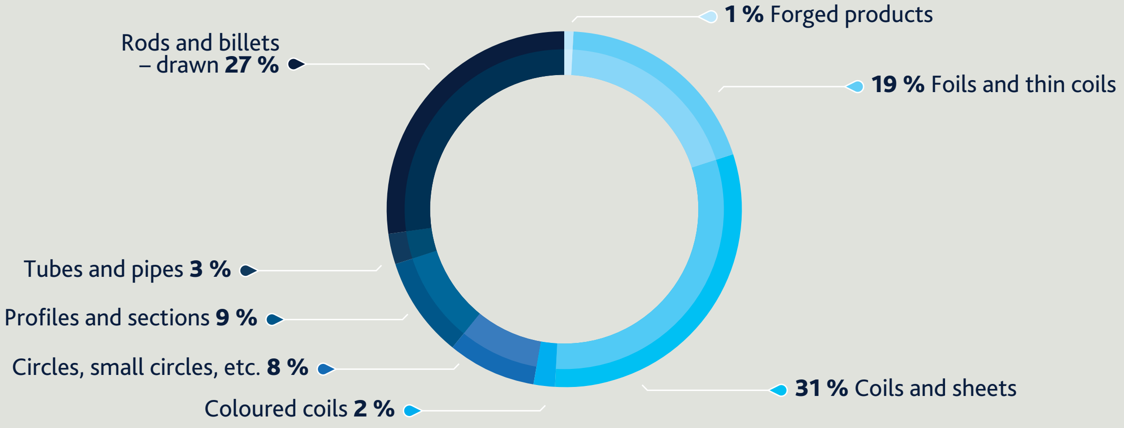
MARKETING-PRODUCTION PROGRAMME

The principal marketing-production programme of the Impol group is the production and sales of the following aluminium products:

- various rolled products (plain and pre-painted coils, sheets, embossed and moulded sheets, slugs),
- foils and thin coils,
- profiles and sections (unprocessed, anodised),
- rods, bars and tubes,
- forged products, cast and pre-painted aluminium products,
- other products, trade and service activities.

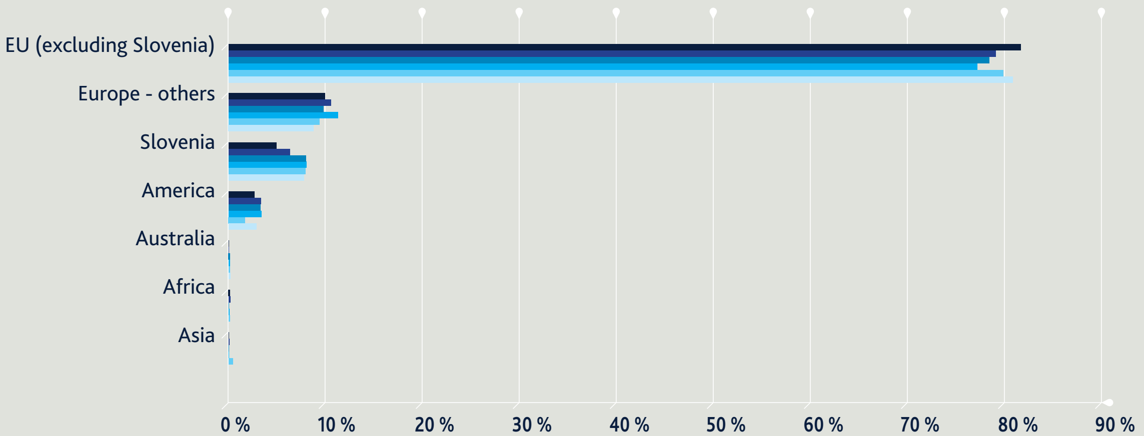
All the products listed above in all their forms constitute almost the total turnover of the Group, whereas all other programmes and constitute constitute a merely small share. The entire production programme is order-based and is triggered by sales orders.

Figure 7: **Volume of sales per production programme**



Market and customers

Figure 8: **Sales volume of aluminium products per area**



	Asia	Africa	Australia	America	Slovenia	Europe - others	EU (excluding Slovenia)
2013	0,03 %	0,16 %	0,04 %	2,66 %	4,93 %	10,22 %	81,95 %
2012	0,09 %	0,17 %	0,05 %	3,33 %	6,36 %	10,6 %	79,38 %
2011	0,01 %	0,02 %	0,16 %	3,27 %	7,98 %	9,8 %	78,72 %
2010	0,01 %	0,09 %	0,15 %	3,40 %	8,07 %	11,3 %	77,02 %
2009	0,46 %	0,11 %	0,13 %	1,71 %	7,97 %	9,4 %	80,18 %
2008	0,00 %	0,00 %	0,19 %	2,88 %	7,79 %	8,0 %	81,16 %

2013 was marked by an additional reduction of the volume of sales on the local market and a rise in the volume of share on markets outside Slovenia, dominated by other European Union Member States and other European countries. As out of various reasons (transportation costs, impact on the quality of products, various quality and technical conditions), long-distance transport of aluminium products is not practical, sales is focused on markets that are not located at excessive distances from the production site. Only certain niche products can be sold to more distant markets.

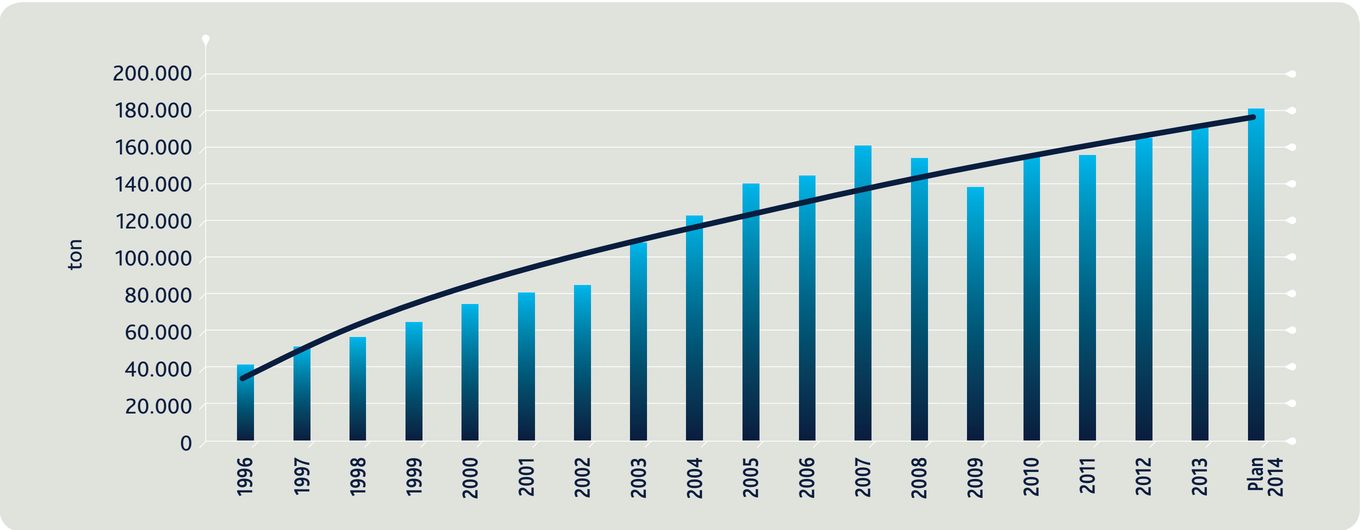
Impol supplies a wide range of aluminium rolled, extruded and, to a lesser extent, additionally processed products (forged, pre-painted, anodised, etc.) manufactured upon individual request of the customer, thus the entire production is designed and run as individual production carried out on a mass scale so as to meet the price-related expectations of our customers.

Table 9: **Sales volume by region**

Slovenia	22,554,419	4.93 %
EU	374,975,237	81.95 %
Europe - others	46,760,114	10.22 %
Asia	120,656	0.03 %
North America	11,700,925	2.56 %
South America	478,942	0.10 %
Africa	754,197	0.16 %
Oceania	204,312	0.04 %

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: **Aluminium product sold quantity movement trend**



The majority of Impol's sales is still focused on the European Union where, including sales in Slovenia, about 86 % of our products are sold. Our sales market is dispersed among 40 countries and distributed among 400 major customers, with Germany standing out at the largest market (See: Figure 3 on page 19).

Europe continues to remain our most important market as export to other continents of the majority of products would not prove cost-effective as a result of longer delivery periods and increased transport costs. Impol continues to preserve dispersal among markets, customers and industries, thus following the guideline that no customer shall achieve a dominant share. Our strategic positioning is additionally enhanced by a diverse production programme.

Customers are divided into two segments: distributors and final customers. Both segments have an equal share and an increasingly larger number of final customers are processed via distributors.

Market properties

2013 can be assessed as successful as the market demand for Impol products was relatively high. Somewhat more issues were experienced during the first half of the year as certain programmes strongly felt the impacts of the economic crises in various industries. Conditions improved during the second half of the year that impacted a rise in demand for all aluminium-based Impol products.

A detailed analysis of demand for specific aluminium products has revealed that the performance of the Group is, to a great extent, based on a wide range of products for the market that makes it easier to bear temporary negative trends in specific programmes. With its wide range of products, Impol also participates in a specific part of the market that demands a supply of smaller quantities of specific types of products in a large number of programmes, whose operating conditions are as follows:

- Foils and thin coils: The foil programme is promising and well-positioned on the market but is nevertheless, from time to time, faced with reduced demand by oscillating order volume.
- Slugs, thread plate and coils: The programme provided by Impol to the market is largely found on the mature product market, therefore, in terms of coils in particular, Impol is re-focusing on pre-painted coils, for which is has also obtained sufficient training during the recent two years. Nevertheless, product quality still remains to be improved and a larger part of the market still remains to be conquered.
- Rods, bars and tubes: Sales rose considerably during the second half of the year that also meant full utilisation of Impol's capacities. The programme is excellently designed, the market can be provided with products of exceptional quality that makes him part of the very best European providers.
- Products for further forging: Ever since the new line was launched until present day, customers have been obtained and production has been increased in compliance with the goals set. Like the years before, also 2013 was marked by a rise in production and sales thereof and an achieved desired business result.
- Profiles and sections: This programme is dealing with issues on the market, resulting from reduced demand in the solar technique, transport, construction and furnishing industries. The situation slightly improved towards the end of the year although the volume of orders still failed to reach the levels experienced during economic expansion.
- Slugs: As the programme operates in a narrow niche of satisfying customers with special needs, it continues to yield a high return, but required continuous and extremely vigilantly regulated presence on specific markets.
- Forged products: This programme also operates in a narrow niche of satisfying customers with special needs, it continues to yield a high return, but required continuous and extremely vigilantly regulated presence on specific markets.
- Thick billets: As a result of lacking capacities on external markets, the programme only appeared to a limited extent in 2013, as all their capacities were focused mainly on meeting the needs within the Group. Due to its high return it will, however, be subject to accelerated development from April 2014 onwards when appropriate production capacities will become available.

Organisation of sales

In the Impol Group, aluminium sales is carried out mainly through Impol d.o.o., whereas the sales of other products and services directly through those Group companies that are engaged in the relevant profit-oriented activity. Impol, d. o. o., continues to render all services related to the sales of products and sales departments of other business entities that form part of the Impol Group.

Impol's aluminium production programme is divided into the standard and specialised programmes with an equal share (50 %). The standard programme is intended for sales to merchants that purchase standard products for re-sale purposes. The specialised programme, on the other hand,is intended for direct sale to final customers with tailored products (specific form, alloys, mechanical and chemical properties, etc.) Such a division facilitates a high level of operating safety demonstrated positively in all market oscillations.

In terms of standard programme sales, sales agreements are concluded in the form of prompt orders, whereas contracts by specialised programmes are, as a rule, concluded on a longer-term basis for a period of one year in advance, based on which deliveries are carried out following recalls. Impol now possesses the ability to meet the majority of demand within a deadline that, as a rule, does not exceed one month, unless demand significantly exceeds the capacities available.

Sales is dispersed among a larger number of customers so that, as a rule, no individual customer exceeds 10 % of turnover. It must also be taken into consideration that Impol sells its products to industrial customers that continue to process Impol's products that are thus considered an input raw material. Customers and suppliers are not gained in accordance with traditional marketing principles but mainly on the basis of being familiar with one another in the industry and of establishing goodwill in this closed business environment.

Marketing communications

During the preceding year, Impol attended the meeting of the Association of Aluminium Manufacturers, where views concerning the future of aluminium were exchanged. Impol also attended a conference organised by Metal Bulleting.

Impol also revamped its website and published it in three languages (Slovenian, English and German).

Significant sales achievements

- The sales goals set were met as expected.
- All customers were preserved.
- Impol established a successful presence in Russia, Belarus and Ukraine.
- The image of the Impol Group in Europe and in the world was preserved and solidified.

Forecasts for 2014

- The volume of sales of high added value products will be increased.
- The efficiency of greater capacities of the extruded product programme to which a new press was added and the sales of extruded products will be increased.
- The European market will be preserved.
- Our market share on the US market will be increased.
- Our position on the Russian market will be consolidated.
- Impol will again seek to solidify the good reputation of the Impol brand as a reliable and renowned provider of a broad range of aluminium products.

SUPPLY

Organisation of purchase

The Impol Group has organised strategic purchasing for the needs of extruded and rolled products for which purchase agreements – from raw materials to services, investment goods and various types of expandable supplies and materials, thereby providing for uniform purchasing conditions for Group companies and making use of the market volume economy. All other supplies that requires the utilisation of specialised knowledge are provided for in specialised environments.

Purchasing of aluminium raw materials

Primary and secondary aluminium in various forms make up the largest share in terms of raw material purchasing. Given the fact that Impol is a processor with no raw material sources of its own, appropriate raw materials must be purchased for the production of every single product. The largest share in terms of raw material purchasing is made up by ingot primary aluminium that is, in our own foundries, jointly with alloying elements, are processed in advanced aluminium alloys. During recent years, Impol intensively promotes the consumption of secondary aluminium.

Primary aluminium is characteristic for a small number of providers thereof on the free market, resulting in lack of competition and dependency on a few major providers. Aluminium was also once purchased in larger quantities by merchants and banks seeking to profit from the financing of inventories. Regular supply of the most important sufficient raw material for Impol has been guaranteed by concluding strategic contracts and by maintaining business relationships with all global providers.

In terms of secondary aluminium, purchase premiums also rose to an unparalleled level. High demand on the market in the region has resulted in extremely limited supply thereof. In this area, Impol Group is active both on the market – by establishing loopbacks with customers – and in production – by a cost- or technology-efficient remelting method which is also why Impol invested in state-of-the-art technology and equipment in the foundry.

In 2013, secondary raw materials made up a 19 % share in the total amount of raw materials purchased, whereas a 30 % share was planned. Impol's long-term goal is to achieve a 30 % share of secondary raw materials. Given that similar goals are pursued by the majority of European processing, competition is becoming more fierce.

Purchasing challenges in 2013

The main purchasing challenges in 2013 were:

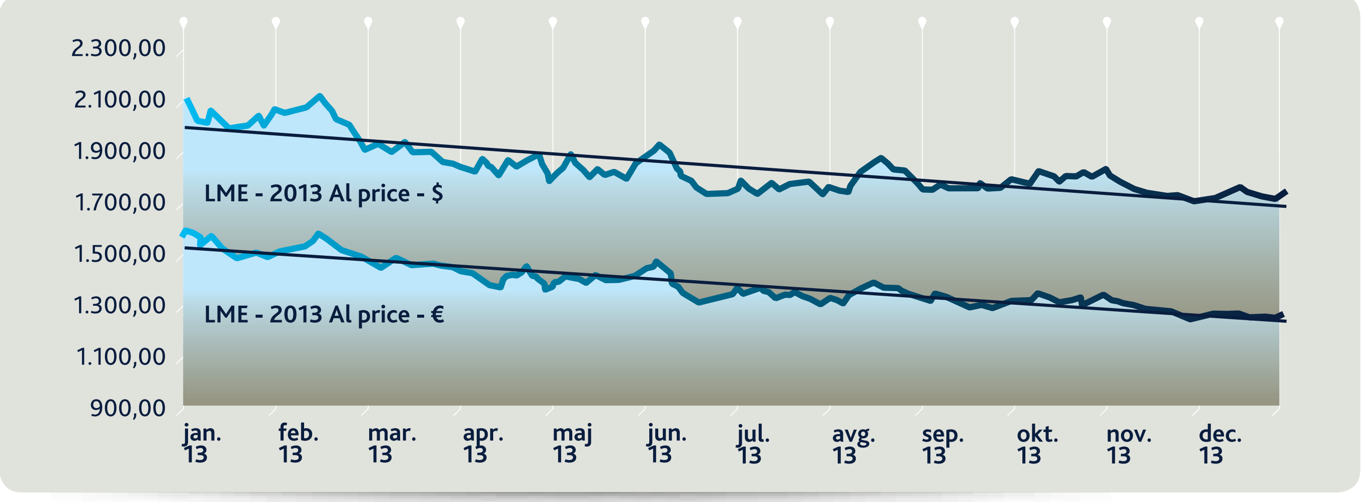
- high primary aluminium premiums that are based on no realistic background on the aluminium semi-finished product market, which was the basic reason for a reduction in realised sales margins compared with the preceding year: 2013 was predominantly marked by the conclusion of so-called "floating" agreements that facilitated changes in terms of purchase premiums in accordance with the market.
- A low price at the LME and falling trend of LME price throughout 2013: in terms of financing current assets, the facts listed above did affect Impol's operations positively, however, they also, among other, affected high premiums and a pessimistic mood on the market reflected in lower sales margins.
- Physically limited supply of primary aluminium in SE Europe: the increasing amounts of Russian aluminium that is being transferred to Asia and bound by various financial transactions has resulted in an increasingly limited supply, whereas high logistics costs make other sources in the world practically uninteresting for the region.
- Raw material, aluminium, purchasing, also provides the opportunity for cheaper foreign financing of the Impol Group: the achieved payment deadline depends exclusively on the amount of granted credit lines. The low rating of Slovenia and local banks does, however, pose a problem in that regard. Thanks to solid financial parameters of the Group and diligent settling of our liabilities, Impol managed to preserve supplier financing on the 2012 level.
- Purchasing of other materials and services: Impol took advantage of the good liquidity of the Group and given the fact that the remaining business environment in Slovenia was faced with great issues in the area, this fact could be fully taken advantage of by reducing purchase prices that reduced the cost-efficiency-related pressures experienced by the Group in its operations.

In terms of purchasing other materials and services, Impol took advantage of the good liquidity of the Group and given the fact that the remaining business environment in Slovenia was faced with great issues in the area, this fact could be fully taken advantage of by reducing purchase prices that reduced the cost-efficiency-related pressures experienced by the Group in its operations.

The raw material purchasing area was managed at a rather high level of material inventories, while surpluses were sold forward.

Most aluminium raw materials originate from outside Slovenia and their conditions and prices of purchase are basically shaped in compliance with the movement of prices at the London Metal Exchange (LME), whereas a significant portion of purchase premiums is also being shaped on the basis of prices made available to the public (Metal Bulletin). This also applies to the shaping of prices of secondary aluminium.

Figure 10: **Movements of aluminium price at the LME in 2013 in $/t and €/t as well as trends**



The aluminium movement price trend at the LME continued to fall at an even rate throughout 2013 compared with the preceding year but the fall of prices was less intense thus facilitating operations without any need to invest in current assets or despite increased scale of operations, the Group was even provided with the option of disinvesting in current assets. On the other hand, this was reflected in a rise in purchase premiums.

In terms of providing the required fuels, electricity was marked by reduced issues in 2013 as prices fell by over 40 % compared with the preceding years. As far as gas prices go, less compromises could be made and the price of this fuel rose following oil price rises by 18 %. In the future, fuel consumption will need to be planned with even greater care than before. This will be guaranteed by Impol by introducing more suitable equipment and technological procedures and by, last but not least, appropriate energy certifications.

All other purchases in the Impol System are organised by Group companies individually that are involded in production or service processes and result in no significant issues in terms of realisation. In 2013, similarly to the years before and will foreseeably continue in the future as well, purchasing services for Impol, d. o. o., were carried out by the external contractor Upimol 2000, d. o. o., as this method of purchasing continues to prove the most rational of all.

About 9 % of aluminium raw materials, the majority of fuels, about a half of the remaining materials, fuels and the majority of services are purchased at the local market. The remaining supply is based on imports that constitute over 70 % of total supply.

DEVELOPMENT AND INVESTMENT PROCESSES

R&D activities

R&D activities in the Impol Group is organised in multiple layers. Strategy including direction and development of investments is carried out by the parent company Impol 2000, that, as the owner of shares, manages the assets of the entire Impol Group. Technological development is organised by group of products at sites where they are produced. Impol, d.o.o., includes a department that coordinates development activities of the Group and also heads the registered Impol research group that carries out research tasks that are awarded to the company at tenders. Applied development is carried out at Impol LLT, Impol FT, Impol Seval, Impol PCP and Impol R in R and is run by technical managers and company CEOs, whereas the technological development department of Impol, d.o.o., is in charge of coordination, helps to form appropriate tasks and monitors the implementation of applied tasks.

Investment activity

In 2013, the Impol Group invested in fixed assets namely for the purpose of eliminating bottlenecks so as to guarantee continuous organic development. A quantitative rise in the scale of operations and a fall in prices of both input raw materials and sales prices (that are shaped on the basis of the input price of raw materials to which an agreed sales margin or premium is added) eliminated the need for any investments in current assets, quite the opposite, disinvestment was facilitated.

Table 10: **Scope of investments**

in million EUR

	2013	2012	2011	2010	2009	2008	2007	2006
Investments in the acquisition of shares/participating interests		0.1	0.1			3.2	44.8	
Investments in fixed assets	12.7	18.6	18.7	20.0	10.2	7.0	5.9	15.7
Investments in current assets (working capital)	-10.0	5.6	–0.6	20.6	–10.2	–2.9	–14.3	44.6
Total	2.7	24.3	18.2	40.6	0	7.3	35.5	60.3

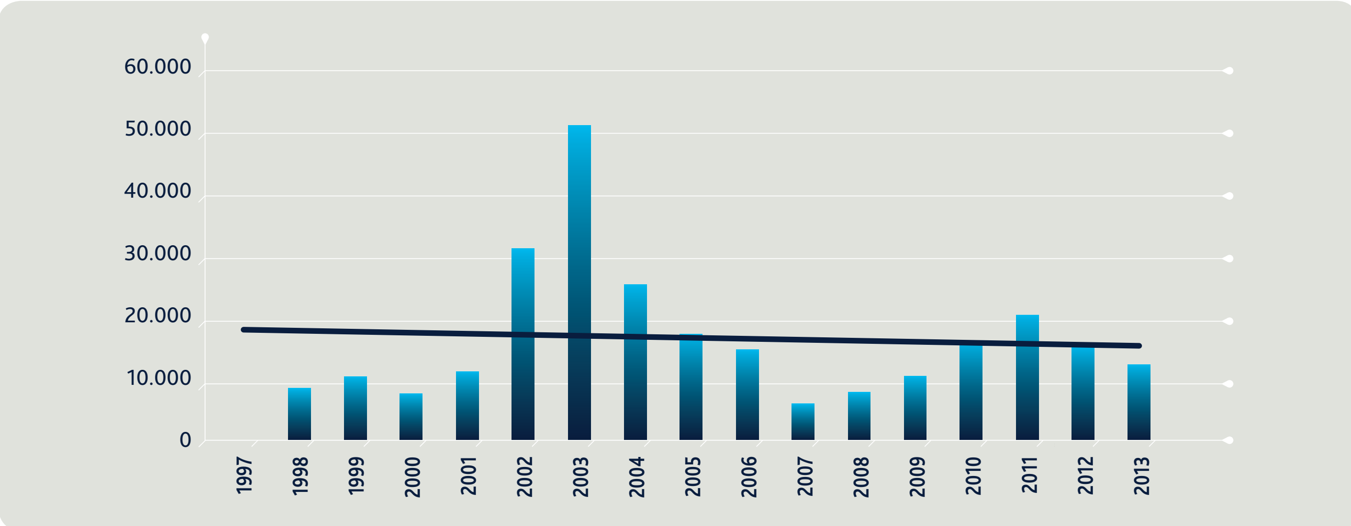
This year was marked by a partial completion of the investment project pertaining to an increase of foundry capacities. The project will be completed in full during the second quarter of 2014.

In 2013, special emphasis was placed on minor investments that guarantee a quick return on investment. This will become even more prominent in the years to come until the period of intense repayment of credit liabilities, established during the past periods, when major investment projects will become more intense.

Technological development

The greatest development achievements in 2013 were as follows:

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



- Impol completed the international EUREKIN project ESPAL (Energy Savings by Application of Electromagnetic Field in the Production of Al-alloy Billets by DC Casting Method).
- Impol developed and manufactured alloys and parts for the Slovenian-Canadian NEMO-HD satellite.
- In cooperation with Stampal SB, Impol improved and made cheaper the hot-treatment process of blanks.
- Impol was involved in the production of the bolide intended for the "Formula Student" competition attended by the students of the Faculty of Mechanical Engineering of the University of Maribor.
- Impol was successfully granted co-funding for the "Development of the Half-Continuous Electromagnetic Casting" as part of the "Research Voucher" tender.
- Impol initiated the development of a new 6xxx alloy intended for automotive industry blanks with extreme mechanical properties.
- Impol participated in R&D tasks tendered by the Slovenian Research Agency (ARRS).
- Impol successfully carried out 18 applied projects and 14 applied development projects, out of which it was involved in two major projects in 2013:
- Drawing up an anodising and powder-coating: an overview of development, novelties, anodising, powder-coating and analysis of supplier quotes.
- Drawing up technological solutions for the Impol Group:
  - analysis of company process management models, technical measurement solutions, drawing up of mathematical models to be used for analysing work in foundries and
  - introducing optimisation, processing of business information of the Company in the virtual world and actual production management.

FINANCING AND DIVIDEND POLICY

In 2013, the Impol Group continued to consolidated its structure of sources of financing by financing 31 % of total investments with equity. Compared to the preceding year, the composition thereof was improved by more than 16 %.

Because of the need to provide for appropriate repayment of non-current and current loans, taken out by all Group companies and to guarantee a larger share of equity as a source of financing investments in ongoing current assets, the Impol Group continues to maximise the use of profit for these purposes. Profit generated by Group companies is thus sufficiently concentrated and distributed for investments that yield highest profits and need to be repaid in the shortest periods of time.

The reduction of Impol's dependency on credit sources by 20 % in 2013, meaning that credit sources fell by more than €40 million, also constitutes an important achievement in terms of financing the entire business process in Impol.

Special emphasis is placed on engaging assets in current investments (inventories, receivables, cash, other) and their continuous optimisation so as to avoid hardly manageable issues pertaining to lack of funds or reduced availability thereof by external current sources of financing that are extremely hard to manage as a result of the current financial crisis in the European Union and in Slovenia in particular.

Maximum €0.33 million can be spent on dividends and participating dividends for the management in the Impol Group. Group companies must provide about €4 million in dividends to the controlling company.

Shareholders guarantee Company support by the dividend policy and by approving the operating strategy and plans, realising that, to a great extent, profit is recognised in the market as a future development cost, resulting in an appropriately developed dividend policy.

All non-current investments are initiated on the basis of a decision adopted by the Management Board and depending on their significance also on the basis of overhauling of the Supervisory Board.

No greater changes in the share ownership structure of the General Meeting of Shareholders are foreseen 2014. The Company has also not foreseen the establishment of a special reserve fund and prejudicing its own ownership structure.

IMPORTANT EVENTS AFTER THE FINANCIAL YEAR

From the period starting on 1 January 2014 until the drawing up of this report no important events that would materially affect the Financial Statements and would require additional disclosures and discussions have been perceived.

The political issues in the Ukraine and consequently in Russia could impact our operations in 2014 as relationships on these markets are based exclusively on short-term interactions between customers and suppliers.

RISK MANAGEMENT

In its business process, the Impol Group is faced with several risks:

Table 11: **Type of risks and risk management with special measures**

Type of risk	Description of risk	Management method	Exposure
Liquidity risk	Lack of liquid assets required to settle operating and financing liabilities.	Pre-agreed credit lines and drawing up of outflow and inflow plans.	Minor
Aluminium raw material prices risk	Aluminium is a quoted raw material whose prices change continuously. Customers seek to purchase products on the basis of a pre-foreseen price basis for aluminium.	Securing by means of "hedgings" – forward purchases and sales of futures.	High
Foreign exchange risk	Unfavorable currency exchange rate fluctuation risk – that applies to USD in particular.	Securing by means of carried out financial instruments (hedgings) and the optional purchase of basic raw materials in the local currency.	Moderate
Interest rate risk	Risk pertaining to changed conditions of financing and taking out loans.	Monitoring ECB and FED's policy, collateral by means of carried out financial instruments (hedgings) – interest rate swaps, shifting from a fixed to a floating interest rate.	Moderate
Credit risk	Customer non-payment risk.	Securing trade receivables – by Prva kreditna zavarovalnica and foreign insurance firms, monitoring customer ratings, limiting maximum exposure to individual customers. Operations with customers located in high-risk markets only on the basis of advance payment or prime bank guarantees.	Moderate to high
Claims for damages and lawsuit risk	Risk of claims for damages filed by third parties resulting from loss events caused inadvertently by the Company with its activities, possession of items and placement of products on the market.	General liability and product liability insurance (for the segment of products intended for the means of transport industry in particular).	Low to moderate
Damage to property risk	Damage to property risk resulting from destructive natural forces; machinery breakdown, fire, etc. risk	Conclusion of property insurance, machinery breakdown insurance, business interruption insurance, fire insurance and other specific insurances.	Moderate

Table 12: **Risks that are managed as part of the business process**

Risks	Effects and measures
Market and price	Sales: • Market prices do not follow the movements of purchases prices or adjust thereto with several months of delay resulting in intense coordination with customers. • Customer service – delays resulting from production deadlocks have a discouraging effect on customers, improperly organised logistics can result in excessive costs and delays, therefore Impol with its internal organisational measures continues to train in meeting all the accepted obligations in a high-quality and perfect manner. Purchasing: • Aluminium – unexpected price and purchase premium developments, foreign exchange rate risks (foreign exchange losses), unreliable purchase sources and consequently negative impacts on production, liquidity holes resulting from purchasing larger quantities at the same time, thus contracts for purchase periods for a lengthy period of time, for a minimum of one year, are being concluded. • Fuels – unexpected rise in prices, lack of sources available, therefore the majority of energy is purchased for at least two years in advance.
Operative department	Operative risk is a risk of loss jointly with legal risk resulting from: • 1. non-compliance of or improper implementation of internal procedures, • 2. other improper conduct of persons that form part of the inner business area of the Company, • 3. non-compliance or improper operation of systems that form part of the inner business area of the Company, or • 4. external events or actions. Impol thus continues to improve or adapt its organisational structure (resulting in changing the governance system from two-tier to one-tier) and continuously improves the entire information system that will enable the monitoring of business events in real time as they happen. Investments: • Increased fixed costs and consequently the need to increase the volume of sales, greater loss risk. • Late conquering of new technical and technological investments and markets; ignorance of thus incurred facts. • Insufficient cash flow to guarantee a return on investment. • Ignorance of investments in ongoing current assets, resulting in the financing thereof with current sources even though the investment is absolutely non-current. Planning of the required added value per employee is thus planned on the basis of the observation, that in addition to meeting demands resulting from current operations and dividend expectations of its shareholders, Impol also need to meet the need to invest minimum €10 thousand in the preservation of any existing post annually and that, subject to expected growth of vacant posts, every new post requires minimum €1 million for all types of investments to be guaranteed. Planning process: • Entrepreneur-strategic decisions that can result in wrong investments (stranded investments, sunk investments). • Conclusion of wrong purchase agreements and thus excessive binding of assets in inventories, raw materials and production, inadequate prices. • Impact of the unreliable market to the decision to increase the volume of sales, whereby customer reactions and thus arising risks pertaining to non-utilised new capacities cannot be adequately foreseen. Impol continues to improve the planning processes, mainly on the basis of current adjusting of plans to the current situation. Production: • Failing to manage technological processes (repeated issues that result in dissatisfied customers). • Excessive inventories – foreign exchange rate, cost, price, liquidity, etc. risks. • Reliability of equipment – insurance costs, deductibles. • Bottlenecks – disturbing inventories, disturbed flow resulting from logistical issues, failure to meet delivery periods, etc. Impol thus continuously monitors technological development trends that it applies as soon as possible, within its possibilities, as well. Departments in charge applied development are thus organised in production environments that facilitate fast procedures. Information system: • Failure to manage the internal control system. • Failure to provide replacements. • Repeated processing of the same data. Impol thus organises the monitoring of all databases that are exchanged among various applications in the common base (IT backbone). Employees: • Immobility and consequently greater risks than justified. • Improper provision of knowledge preservation. By introduction new information applications, Impol provides for the grasping of a broader range of knowledge of its employees and important data that thus become accessible to a broader range of employees.

Liquidity risks and cash flow risks	Liquidity risk is the risk of loss resulting from current financial insolvency.
	• 1. The Company manages the resources and investments in such a manner as to ensure fulfilment of all due obligations at all times. Specific-purpose deposits are thus established for all major liabilities.
	• 2. To be able to manage the liquidity risk, the Company must establish and implement a regular liquidity management policy approved by the Management and which includes:
	  • the planning of expected known and potential cash outflows and sufficient cash inflows by taking into consideration normal operations and any liquidity crisis situations.
	  • Regular liquidity monitoring and management.
	  • Specification of appropriate measures to prevent or eliminate causes for illiquidity and specification of other related options.

Provision of solvency margin	The Company must make sure that sufficient non-current sources of financing given the scope and types of transactions carried out are at its disposal for the risks it is exposed during the processes in question. The Management and Supervisory Boards regularly monitor and verify the solvency margin of the Company.
Exposure	Risks resulting from exposure to an entity or group of entities that constitute a uniform risk (exposure to an entity is composed of the sum of all receivables due from that entity, value of investments in securities thereof and value of Company holdings thereof) are monitored promptly, as they appear.

Management of financial risks

Group Impol financial risks are monitored and managed by the financial and business administration departments, the “Risk Management” (RM) department and all other relvant departments in Group Impol companies that operate outside of Slovenia. The Risk Management Committee has been organised to manage risks in a comprehensive manner. The Committe monitors and discusses the risks observed that incur in business processes in the Impol Group and promptly proposes or also adopts measures intended to reduce or eliminate such risks (under the delegated powrs of the Management Board and the Impol Business Rule Code).

Foreign exchange risk

The majority of sales and purchasing is carried out in the same currency, meaning that no issues resulting from foreign exchange risks incur.

The Group is, however, exposed to such risks in two major areas, that is the purchasing of aluminium raw materials and the taking out of loans nominated in a different currency than the accounting one.

A major part of raw materials, imported by Impol from outside the European Union, is purchased in US Dollars that constitute an open currency position in Impol, d. o. o., and Impol Seval, a. d., in Serbia, the latter being subject to great exchange differences resulting from the falling rate of the Serbian Dinar. The Group has adopted two measures intended to reduce the impact of foreign exchange losses on the profit/loss of the Serbian part of the group, which are:

- the majority of sales in the European Union is carried out via Impol, d. o. o.,
- Impol, d. o. o., has aluminium processed in a way that Impol Seval does not purchase it, thus eliminating the foreign exchange risk.

In 2013, a certain part of open positions in US Dollars, was secured by Impol, d. o. o., in compliance with the foreign exchange risk management policy by using carried out financial instruments, while the other part remained unsecured. The share of open positions in US Dollars was, else, somewhat increased resulting from a rise in aluminium price at the exchange and major purchases, yet an increasingly greater share of input raw material was purchased from suppliers with whom operations in Euros had been agreed upon. Open positions were secured by simple carried out instruments, such as forward financial instruments and hedged currency options. These instruments resulted in positive effects although foreign exchange losses incurred by failing to cover the outflows with inflows could not neutralised in full.

Table 13: **Overview of US Dollar inflows, outflows and open positions in Impol, d.o.o.**

In million $	2008	2009	2010	2011	2012	2013
Inflows	28	11.5	15.5	21.4	19.0	15.0
Outflows	244	48.9	79.7	102.2	58.0	36.0

Aluminium raw material prices risk

The aluminium raw material prices risk constitutes the greatest risk for the operations of the Impol Group in addition to the sales market risk.

The Impol Group follows the principle that, as soon as a sales agreement is concluded or a sales order is received that is concluded by referring to a specific aluminium raw material price at the LME, aluminium raw materials are provided either physically or by means of either forward financial instruments, at the same prices included in the basis of the conclusion of the sales agreement or order

Cost and inventory management inclusion methods are established accordingly.

Collateral is usually provided primarily by guaranteeing adequate actual raw material sources, only the missing or superfluous difference is subject to forward purchases or sales on forward markets.

In terms of quoted aluminium prices risk management, it must be emphasised that quote aluminium prices move completely haphazardly but that these prices serve as the basis for establishing daily purchase and sales prices of aluminium and aluminium products.

The developments at the commodity exchange are illustrated by Figure 10: Movements of aluminium price at the LME in 2013 in $/t and €/t as well as trends on page 33.

Given the large share of LME prices in purchase and sales prices, the movement of quoted aluminium prices constitute one of the greatest risks faced by the Group in its operations. Therefore, a trading in futures department was established as early as five years ago and an IT-supported system of connecting sales and purchase agreements from the viewpoints of prices at the LME that automatically connects all "back-to-back" transactions and the established difference constitutes the daily risk on the physical market that is secured on the forward market assisted by brokers directly at the London Metal Exchange.

The fact remains, that Impol needs to operate flexibly on the market and to facilitate all "pricing" alternatives to its customers, but at the same time to make sure that the contractually agreed sales margin remains unchanged. In 2013, operations with prices at the LME on the Group level were efficient, successful and profitable, achieved by appropriate forward sales of all excess raw material inventories and by successful liquidation of these forward positions.

Table 14: **Forward purchases / sales in 2013**

	Amount in t	Average price in €/t
Forward purchases	8,000	1513
Forward sales	-8,000	1619
Open forward transactions	0	

Active forward transactions generated €781,044 in forward profit.

Table 15: **Balance of open forward transactions as at 31 12. 2013**

	Amount in t	Average price in €/t
Forward purchases	6,550	1,343.46
Forward sales	0	
Open forward transactions	6,550	

By continuously monitoring developments in the specialised department and the continuous control of the Risk Management Committee (RMC), the Group guarantees continuity and constancy of the securities process.

Credit risk

The credit control process include customer rating assessment regularly carried out in cooperation with Prva kreditna zavarovalnica and foreign insurance firms as well as our system that monitors the financial solvency of our customers. By regularly monitoring outstanding receivables due from customers, age structure of receivables and average payment deadlines, Impol Group preserves its credit exposure within acceptable limits given the strained conditions on the market. In 2013, the Group managed to preserve receivables due from customers on the same level as in 2012, although €0.4 million in allowance needed to be established.

External investor risk collateral

Changed bank lending terms and conditions required additional collateral for all newly taken out loans.

Liquidity risk

In terms of managing the liquidity risk, the Impol Group examines whether it is able to settle all current operating liabilities and whether a sufficiently large cash flow is generated for the settling of financing liabilities.

Floating weekly and monthly planning of cash flows establishes the needs for liquid assets. Any lack of cash is rectified by credit lines, open with banks, whereas any short-term surpluses are invested in liquid current financial investments.

Interest rate risk

At the end of 2013, the Impol Group had non-current loans bound by the 6-month EURIBOR reference interest rate. Having established that all quotes intended to change the interest rate proved to be cost-inefficient and having foreseen that the interest rate would not be rising, new interest rate collaterals were not concluded.

Property, business interruption and liability insurance

The key of the Impol Group is to provide for financial reimbursement of damage incurred on property, for profit loss resulting from business interruption and for the Group to be third-party insured. The procedures have been harmonised for the entire Group.

Property insurance has been concluded on the basis of the carrying amount of equipment, the same also applies for machinery breakdown insurance. The insurance sum for the business interruption insurance amounts to a sum of labour and depreciation costs (equipment lease by subsidiaries that have leased equipment).

In terms of product insurance from Impol to the customer, Impol has concluded agreements with hauliers that require them to conclude their damage liability insurance.

As Impol is aware of its liability with regard to any potential damage that could result from the sales of its products on the market, it has also adjusted its product liability insurances accordingly. Product liability insurance has been concluded for the rods, bars and tubes used in the automotive industry. Impol has also concluded general liability for inadvertently caused damage to third parties by its operations or possession of items.

INTERNAL AUDIT SERVICE

Two internal audit services are organised in the Impol Group.

An internal audit service operates in the parent company that provides assistance to the Management and Supervisory Boards in the decision-making process intended to minimise risks. Internal audit services operate in compliance with the plan specified by the Management Board and in compliance with prompt decisions adopted by the Management Board regarding the inclusion of the troubleshooting process. In 2013, internal audit service was engaged in 56 projects and proposed 69 improvements by specifying shortcomings and creating a troubleshooting plan or by drawing up direct solutions, on the basis of which adequate proposed decisions to be adopted by the responsible bodies were drawn up.

The internal audit service reports to the Management Board of the parent company. It operates within the entire Impol Group.

In compliance with Serbian legislation, the Serbian part of the Group appoints a special internal auditors that has resulted in the organisation of a special internal auditing department in the Impol Seval, a. d., subsidiary as well.

Internal auditing service operates in compliance with standards and widely accepted guidelines of its operations and has been further upgraded by being able to carry out certain controlling tasks that allows for immediate and high-quality implementation of the internal auditing service findings that also directly impacts the reduction of operating costs and improves profit.

4 *Our investments*

The human factor constitutes the most valuable part of a company which is why Impol nurtures the development, safety and well-being of its employees. It also resolves environmental issues, thus returning to nature.

EMPLOYEES

Achievements of greater importance:

- Our employees were granted a thirteenth salary.
- The total sick-leave was reduced.
- Events for our employees were successfully organised and re-organised a meeting of children of up to 10 years of age whose parents work for the Impol Group.
- Employee training investments were increased.
- The satisfaction of Slovenian employees was enhanced.

Plans for the future:

- To preserve the current number of employees and to, simultaneously, guarantee that contractual and other obligations are met to the agreed extent or in compliance with the law.
- Non-material forms of stimulating employees shall continue to be developed.
- A new employee co-governance system will be introduced that will, however, enter into force in 2015.
- Production training, arising from the needs of the business process, will be promoted in particular.

Number of employees in the Impol Group

Table 16: **Number of employees by Group company**

Company	2007[5]	2008	2009	2010	2011	2012	2013
Impol 2000, d. d.	25	30	34	33	32	32	32
Impol, d. o. o.	15	15	23	32	12	12	12
Impol FT, d. o. o.	323	299	282	285	296	295	276
Impol PCP, d. o. o.	459	435	344	336	374	422	382
Impol LLT, d. o. o.	115	94	93	92	101	101	101
Impol R in R, d. o. o.	29	29	24	23	23	26	24
Impol Infrastruktura, d. o. o.	27	27	25	25	26	26	27
Stampal SB, d. o. o.	38	37	33	32	33	37	37
Rondal, d. o. o.						53	55
Impol Stanovanja, d. o. o.	3	3	3	2	2	2	2
Unidel, d. o. o.	55	44	42	39	36	34	35
Kadring, d. o. o.	12	12	10	11	11	13	16

5 Data related to the number of employees in the Impol Group can only be compared between 2007 and 2013, as, in 2004, 2005 and 2006, the Group operated under a different ownership framework.

Company	2007[3]	2008	2009	2010	2011	2012	2013
– user (Impol)			54	97	97	59	119
– working for the user (externally)			3	23	9	10	10
Impol Servis, d. o. o.	7	7	7	7	7	7	7
Impol-Montal, d. o. o.				1	1	1	
Slovenian companies in total	1,108	1,032	974	1,015	1,051	1,104	1,125
Impol Seval, a. d.	574	582	581	580	576	587	598
Impol Seval Finalizacija, d. o. o.	60						
Impol Seval PKC, d. o. o.	11	10	11	12	11	11	11
Impol Seval Tehnika, d. o. o.	68	105	97	92	92	92	87
Impol Seval Final, d. o. o.	29	27	29	24	26	26	24
Impol Seval President, d. o. o.					10	10	10
Serbian companies in total	742	724	718	708	715	726	722
Impol Aluminum Corporation, NY	3	3	3	3	3	3	3
Impol Stan, d. o. o.	1						
Impol Hungary Kft.							2
Employees in total	1,854	1,759	1,695	1,726	1,769	1,833	1,852

Table 17: **Gender structure of the Impol Group**

	Slovenia	Serbia	USA	Hungary	Impol Group
Men	82 %	79 %	67 %	50 %	81 %
Women	18 %	21 %	33 %	50 %	19 %

Table 18: **Average age of employees**

	Slovenia	Serbia	Impol Group
Average age	43 years	47 years	44 years

Table 19: **Education and qualification structure**

	PhD graduates	MSc./MA graduates	BA/BSc graduates	College graduates	Short-cycle college graduates	High school graduates	Skilled workers	Semi-skilled workers	Low-skilled workers
Impol Group	0.1 %	0.6 %	8.2 %	4.0 %	5.8 %	26.7 %	42.0 %	5.8 %	6.8 %

Employee benefits

Supplementary pension insurance has been set up for Impol's employees. The savings scheme includes all employees that can pay the insurance premium on an individual basis as well. The monthly premium spent on individual Group Impol companies per employee amounts to €25.04.

Employees also receive jubilee benefits for 10, 20, 30 and 40 years of loyalty to Impol. Employees that fall ill or who experience illness of a member of their immediate family are entitled to solidarity aid. A gift is also given to them at the end of the year. On the 8 March, on the International Women's Day, a social event is organised for women in cooperation with the trade union. At the end of each year, employees receive gifts for their children of up to 10 years of age.

Employees in Serbia receive jubilee benefits for 10, 20, 30 and 35 years of loyalty. Employees that fall ill or who experience illness of a member of their immediate family are entitled to solidarity aid. A cultural event is organised for women on 8 March. Children of up to 10 years of age also receive a New Year's gift. Employees are also provided with financial aid for heating, winter and school supplies. In 2013, all employees were awarded a jubilee benefit on the anniversary of the beginning of operations of Impol Seval.

Employee participation

Works councils have been established in all Impol Group companies that employ more than 20 workers. All works councils have adopted the Rules of Procedure of the Works Council that includes an appendix: Code of Ethics of Members of Works Councils in Impol Group Companies. Members of Works Councils have concluded Agreements that Regulate the Relations Between the Works Council and Company With Regard to Worker Participation with company CEOs. A Central Works Council intended mainly to provide for joint representation of works councils in the Impol Group in the Republic of Slovenia during discussions held with the Management Board related to issues that concern workers in the whole Impol Group. The Impol Group provides all companies with legal and human resource counselling with regard to the operation of works councils. Employees are thus granted additional participation that is valuable for both sides, both employees and employers, facilitating a more transparent mutual exchange of information.

Impol Group companies with organised trade unions are marked by collective agreements concluded with social partners that regulate employment relations that are regulated for the employees in a different and more favourable manner as laid down by the law or collective agreement of the industry. Where such a trade union is not organised, these issues are regulated by a general act.

Disabled issue regulation

As at 31 December 2013, the companies of the Slovenian part of the Impol Group employed 77 persons with disabilities or 7.7 % of the total number of Impol Group employees. In 2013, 12 workers were considered at sessions held by the Disability Commission in the First Instance. Our Serbian companies employ 59 persons with disabilities or 8.17 % of the total number of employees.

All disabled employees are dealt with separately and, by means of a professional evaluation, work duties corresponding to their health condition are assigned thereto.

Employee remuneration and stimulation

In 2013, costs of salaries rose by 7 %, which is a partial reflection of an increased number of employees and a partial reflection of real growth of wages on the basis of business results achieved.

The average gross monthly salary in Impol Group companies in Slovenia annually for 2013 was higher than the average gross monthly salary in the processing industry and also higher than the average gross monthly salary in Slovenia in 2013 as well.

Impol Group follows the principle that every employee should be fairly paid for the work they do, which is why employee remuneration depends on their contribution to the operations and the efforts they make at their working place. Salaries are harmonised with the operating trends and, if the Group operates well and achieves the planned business results, bonuses are awarded to employees as well. As the Group business results for 2013 were in accordance with the expected results, the employees received their thirteenth salary.

Employees are also stimulated by other mechanisms. They are also encouraged to undertake innovation activities. They are thus awarded for designing innovation and making useful proposals. In addition to a financial bonus, an event is organised on an annual basis during which the best innovators are awarded with a certificate and Impol's golden sign.

Employee education and training

The Impol Group continuously seeks to improve the educational structure of its personnel, building its competitive advantage on their competence as well. In addition to formal education, obtained by all personnel before they are employed, Impol pays a great deal of attention to work-learn trajectories and functional trainings that are also of vital importance for performing one's duties. At the beginning of the year, an educational and training programme is drawn up for every single personnel member on the basis of foreseen needs in the organisational unit whereby Impol seeks to observe the wishes of the individual in question to the greatest extent possible.

In 2013, employees in the Slovenian part of the Impol Group, spent 13.3 hours on average in training (rising by over 40 % compared with the preceding year), employees in the other parts 7.6 hours.

One of the most important goals of the Impol Group is to enhance the education structure of employees that would enable it to keep up with the increasingly challenging technological trends. Part-time courses are thus facilitated to employees and our human resources are educated by providing them with scholarships.

Employee innovation

In 2013, employees in the Slovenian part of the Impol Group reported 125 useful proposals and 3 innovations (rising by 60 % compared with the preceding year).

The entire innovation handling procedure and the prescribed employee benefit are laid down in the rules. At the end of the year, the most innovative employees were awarded the Innovator of the Year Award at a solemn event.

Communication with the employees

Internal communication plays a special role in the Impol Group and is supported by a long-standing tradition. Communication with employees is carried out via two internal newspapers (Metalurg and Seval), monthly information publications (Metalurgov poročevalec and Informator), message boards and displays containing up-to-date information and notification, our website, works council meetings and meetings held with trade unions.

Organising events

Various events intended to promote commitment of our personnel towards the organisation, to demonstrate how much we trust them and to recognise them for their good work are organised on an annual basis. The already 16th sports games in a row were organised in 2013, attended by over 600 employees of the Impol Group and other companies that used to form part of Impol.

In November, a research symposium of the Impol Group, to which employees engaged in R&D were invited, was organised during which they presented their work and learnt of new development guidelines. At the end of November, a solemn meeting of people celebrating their jubilee and innovators of 2013 was organised at the Knight's Hall of the Slovenska Bistrica Castle. They were thanked by the President of the Management Board with a note of gratitude or award as well as a golden, silver or bronze Impol sign, who thus expressed his gratitude for their contribution to the great performance of the Impol Group.

The Group also remembers its retired employees on an annual basis, which is why, at the end of 2013, another traditional meeting of Impol retired employees was organised and attended by the majority of former Impol Group employees. Children of employees working for the Impol Group also received New Year's gifts. All children of up to 10 years of age were invited to the event. An animation was prepared and the children were also visited by Santa Claus that had a gift for every child. Almost 500 children were invited to the event.

EMPLOYEE HEALTH AND SAFETY

Basic principles

- The permanent commitment of our management to protect health is reflected in conferring competencies and responsibilities to process owners, professional associates and a doctor. Regular inspections provide for efficient implementation of health protection activities and adequacy of occupational health and safety policy principles, bearing in mind changes in Impol Group companies.
- Impol's occupational health and safety objectives aim to progressively introduce safer and more health-friendly procedures in compliance with our technological and financial capacities and by observing the principle of economy.
- Our duty is to observe legal provisions referring to the organisation and other requirements it has consented to.
- The implementation of the occupational health and safety programme has been included in our short- and long-term plans.
- All personnel are trained based on their activities in the working process, All personnel are bound to be familiar with and to implement occupational health and safety principles.
- Information on our efforts and achievements are available to our personnel and the public.
- An occupational health and safety policy has been adopted.

Occupational accidents

37 occupational accidents occurred in 2013, falling by 24 % compared with the preceding year when 46 occupational accidents occurred.

87 incidents were reported in 2013, compared to 101 in 2012.

Activities related to prevention warning of the need for a healthy lifestyle and occupational safety were on the rise. 2013 was marked by continued activities of the Impol Health Promotion Association that promotes a healthy lifestyle among employees.

Achievements of greater importance

In 2013, Impol was engaged in the following areas:

- The number of members of the Health Promotion Association rose to 400.
- A weight-loss school for employees that wish to improve their self-image and health was successfully carried out.
- Occupational health and safety awareness was raised.
- Workspace lighting at the working place in various production processes was improved, thus improving working conditions for our employees.
- Working premises were renovated with the expectation that better working results can be achieved by improving the well-being of employees.

Further guidelines for 2014

During the period to come, Impol intends:

- To reduce the occupational accident rate by 10 %.
- To increase prevention action activities by diligently reporting occupational incidents.

PUBLIC RELATIONS

Impol notifies all interested stakeholders and the remaining public of the business results achieved by means of its Annual Report and monthly report published via its website, newsletters and written documents.

In 2013, its website was revamped and published in Slovenian, English and German. Internal newsletters and information bulletins were also revamped.

Impol seeks to make its operations as transparent as possible and to be carried out in synergy with other stakeholders in the local environment.

PROTECTION OF THE ENVIRONMENT

Acquisitions of greater importance in 2013:

- Optimised operation of the air treatment plant in Impol LLT managed to reduce dioxin concentration below 0.1 nbTE/m.
- The waste separation system was improved and separate collection of plastic coils and big bags was introduced.
- The solar power plant generated 1.4 % more energy than planned.
- Noise levels were successfully reduced.
- The consumption of waste process water was successfully reduced.

Environmental management programme and new goals

Projects planned for 2014:

- to install new power meters and calibrate and install new waste process water meters,
- to upgrade the FIX measurement-control system by adding new measuring points,
- to continue the renovation of the hot water system,
- to rehabilitate the boiler rooms.

Waste management

In compliance with the set waste management plan, Impol managed to reduce the level of waste materials. Waste material levels have also been rationalised thanks to an established waste separation system to which regular trainings of employees - that are informed in detailed of the waste separation issues on an annual basis, that contribute to a higher environmental awareness of employees - also contribute.

Impol Seval is also involved in the waste management process. Hazardous waste is properly stored and disposed of in compliance with instructions. All waste is recorded.

Atmospheric emissions

Metal emissions were somewhat reduced in 2013.

Impol is subject to CO_2 emission trading. Emissions are caused by the combustion of natural gas and fuel oil on the installations.

Our trading account currently contains 3,117 EUA permits that remained from the 2008-2012 trading period and which will be made use of during the 2013-2020 trading period.

Renewable energy sources

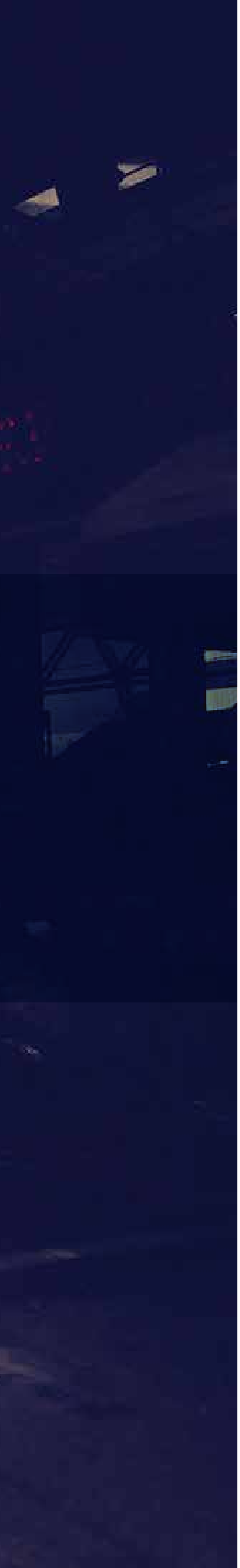
1,037,364 kWh of power generated by our solar power plant (MFE IMPOL 999kWp) was sent to the public distribution electricity grid. The energy generated exceeded our annual plan by 1.4 %. Our total profit in 2013 amounts to €366,625.18. The power plant operated flawlessly and experienced no extraordinary events.

From the outset of its operations in 2011 until today it has generated 3,430,400 kWh in power that could meet the needs of 1,906 single-family houses. The generation of the amount of energy listed above from gas would require 524,526 m3 of gas that would result in generated 1,000 tons of CO_2 emissions. The use of solar energy reduces the consumption of natural resources and greenhouse gas emissions.

2020

We look ahead, not loiter. Our thoughts are focused on every single step that will, with commitment, 125 % invested efforts and a bit of courage, lead us to the goals set for 2020.

5



2014 PLAN OF OPERATIONS

The 2014 plan for the entire Impol Group is based on the 2014-2020 Strategy and Plan. All policies listed in the plan for 2014 are thus subordinated to meeting the goals listed in the Impol 2014-2020 Strategy.

Aluminium product production that are almost entirely used for further processing continue to constitute the major part of Impol's business activities. Other activities are supplementary but are also heavily bound by the aluminium activity.

Goals:

- To generate about €16 million in profit.
- To increase the level of self-sufficient supply with adequate input raw materials required to complete the foundry capacity increase programme.
- To develop new purchase sources of aluminium raw materials and to the greatest extent guarantee the acquisition of waste material from Impol product customers.
- To continue to increase the level of use of cheaper forms of aluminium raw materials by simultaneously increase the use of already established capacities.
- To facilitate additional utilisation of new and existing extruding capacities by introducing new products.
- To examine the viability of the existing pricing policy and to change it in a way that the sales prices reflect the challenging nature of the production process of every single process to the greatest extent possible. To pay special attention to pure aluminium products that must, as a result of more expensive and challenging access to specific raw materials, achieve higher prices or to discontinue the production thereof in the future.
- To increase the sales of pre-painted coils and sheets on the Eastern European markets in particular.
- To achieve a minimum framework[6] quantitative aluminium production for customers outside the system (in t/year)[7]:

6 In terms of total external income of the Impol Group, the revenue from various aluminium processing species makes up the absolutely greatest share (98 %) in terms of total revenue and accordingly the greatest attention is paid thereto.

7 Given the changes of quoted aluminium raw material prices that cannot be controlled, the more relevant indicator of business activities is the volume expressed in quantity and not in monetary units.

Table 20: **Quantitative volume of aluminium production by type**

in tons

	External markets			Internally
	Total	**Products**	**Processing**	
Rolled products				
• foils, thin coils	31,900	30,900	1,000	
• thread plates, slugs, coils, alloys	23,398	23,398		2,402
• sheets, pre-painted and other coils	50,000	50,000		9,000
Extruded products				
• profiles and sections	23,000	23,000		
• rods, bars and tubes	24,291	24,291		1,710
• alumobil	20,000	20,000		
Forged products	634	634		
Slugs	6,520	6,520		
Cast				
• billets, rolling slabs, alloys	1,000	1,000		92,000
• cast coils	0			11,000
Total	180,742	179,742	1,000	116,112

- Independently of the point of sale in the Group, to provide customers with a supply and access to the entire selection of Group products, all under the Impol brand.
- To enable and optimise production processes to facilitate delivery of products within the desired deadlines.
- To guarantee higher coil finishing phases (painting, advanced alloys, reshaping, etc.). To develop niche products for niche markets.
- For the non-aluminium programmes to not disturb the aluminium programmes and to generate a positive net cash flow.

Measures:

- To exercise stricter control on the binding of assets in inventories. To minimise investments in fixed assets. To foresee the urgency to invest in current assets.
- To start the business year with minimum inventories and thus with minimum binding of assets in current assets.
- To purchase input materials on the lowest finishing level.
- To minimise the use of pure aluminium as an ingot input raw material. Pure aluminium products can be sold if their price covers the significantly greater raw material purchase costs on which such a production is based.
- To increase the consumption of secondary sources to the maximum level of our technical abilities and thus adequately reduce the related costs. Accordingly complement technological procedures to facilitate the production of products of appropriate quality.

Table 21: **Recapitulation of purchases outside the Impol Group**

Recapitulation of purchases outside the Impol Group	in tons
RFS	15,000
Rolling slabs – pure	14,500
Rolling slabs – AF12 alloys	500
Billets	21,300
Ingots	83,540
Secondary materials	29,052
Total external purchasing via Impol, d.o.o.	163,892
Purchasing in Seval (secondary materials)	14,160
Purchasing directly by Rondal (ingots)	5,244
Total purchased aluminium raw materials by the Impol Group	183,296

- Every single company that forms part of the Impol Group will revamp the programme of production process rationalisation measures. To adjust the processes, required quality of input raw materials and products to the demands of the customer in question by observing minimum process costs.
- Every Group company or every programme that forms part of a Group company with lower or negative results (RRT, profiles and sections) must immediately adopt radical measures intended to improve their operations.
- The performance, sales conditions and volume will be monitored by points of sales and involved individuals.
- To continue to organise the operations of Group companies so that the results of their operations will yield maximum results for the Impol Group.
- To continue to promote the sales of products that can utilise secondary raw materials as input materials.
- To continue the process pertaining to changed governance (from two-tier into one-tier).
- As all additional investments are financed with additionally borrowed funds, the majority of investments shall be limited to or focused on short-term investments in current assets.

All measures that will be directed in all parts of the Group at contributing to improved results of the entire Impol Group. Accordingly, policy, measures and methods for the shaping of criteria with regard to bonuses, premiums, project bonuses, etc., will continue to be designed.

Policies:

With the planned scale of operations in 2014, the Impol Group will guarantee growth of assets of its shareholders and other financial stakeholders and simultaneously guarantee dividends or interest rates that are balanced with the policies listed in Impol's long-term operating strategy. In terms of sales, the following sales outside the group (in 000 €) will be achieved[8]:

Table 22: **Planned realisation by type and market**

Net revenue from sales	464,449
From the sale of products	421,011
In the domestic market	34,532
In the foreign market	386,478
From the sale of services	3,616
In the domestic market	3,174
In the foreign market	442
From the sale of merchandise and materials	39,822
In the domestic market	15,307
In the foreign market	24,515
Change in value of inventories	-5
Other capitalised products	2
Other operating revenue	1,546
GROSS OPERATING PROFIT	465,991

Table 23: **Planned 2014 indicators**

Added value per employee in €	45,215
EBITDA[9] in 000 €	38,973
EBIT[10] in 000 €	21,981

- The continuous expansion of the market will be guaranteed on all markets where Impol is already present. Market risks will be reduced by appropriate, cost-efficient and rational securities. In terms of aluminium sales, Impol continues to pursue the goal of achieving an over 20 % share of the market outside the EU, whereas in terms of the EU, pay special attention to the local market and to satisfy its need as comprehensively and fully as possible given its potential size.
- Special attention will continue to be paid to expanding the pre-painted coil and other product markets that attain a high net sales premium.
- By reducing less profitable programme, Impol will pay special attention to have the fixed costs borne by every single of such programmes properly borne by other new programmes before reducing or minimising the programme in question. Given the strong interdependence of practically all programmes (especially in terms of covering joint management costs), an analysis of the comprehensive impact of every programme on the comprehensive operations of the Group as a whole will be carried out before any measures are taken.
- Sales within the Group will continue to be organised in its entirety on the basis of agents; 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.
- The development and investment policy will pursue a balanced growth of the Company by simultaneously guaranteeing a higher level of security in the provision of input raw materials at an acceptable price in particular, which is why further emphasis will be placed on minimising investments in current assets.
- In compliance with the starting points listed above, financial measures will be harmonised with Impol's development and marketing policies as well as the liabilities taken upon by the controlling company towards long-term investors.

8 In contract to the illustration Table 16 service activities of the Group Impol are now included as well. Generated revenue is largely dependent on the aluminium price at the LME and the gross operating profit is determined at a price €1,400/ton, whereas a change in price of €1/t changes revenue and expenses by €180 thousand annually.

9 EBITDA is calculated as the company's earnings before interest from financial and operating liabilities, taxes, depreciation and amortization.

10 EBIT is calculated as earnings before interest from financial and operating liabilities and taxes.

- With regard to the provision of funds for non-current financial investments, Impol will establish connections with other investors and banks by individual investments. In terms of current financing, it will include the existing bank funds and continue to provide for sufficient dispersal of funds and reduce the scope of investments needed in current assets. Impol continues to find that there are no appropriate opportunities to gain any funds by increasing equity on the financial market.
- As the preservation of jobs and the development and opening of vacancies is directly dependent on sufficiently generated profit, the majority of the generated profit will be reinvested to ensure that €10 thousand are invested in every single post annually to thus continue to preserve jobs.
- To continue to guarantee the appropriate level of financing security, the Group will continue to pursue its current financial investment policy. In terms of non-current investments, priority will be given to further diversification of investment portfolio namely by making sure that new investments do not interfere with the existing programmes but seek to upgrade them (several possible investments with regard to providing more secure sources of input raw materials for the production of foils and investments intended to gain the opportunity for further finishing of existing Group Impol products into high added value products will be examined).
- 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, Tehnikia SET and Ates for current maintenance, etc.). Special attention will be paid to the fact that no part of the Group becomes dependent on an external contractor as a monopolist.
- 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.
- Non-current investments, except for ongoing minor renovation investments, will be carried out in 2014 within the available external sources of financing. Net cash flows will be used in their entirety to repay funds borrowed during the previous period. To provide for the liquidation of such liabilities and the financing of new investments, between €28 million and €34 million additional non-current loans will be taken out and about €50 million current loans will be renewed.
- To reduce foreign exchange risks, purchasing will continue to have as many aluminium raw material purchases done in EUR as possible.
- In terms of raw material supply, Impol will seek sources that facilitate the financing of purchasing and which will facilitate a lower binding of current assets and a higher level of security in the provision of an unimpeded business process.
- 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.
- Customer-oriented projects (deepening and upgrading of e-business, daily planning, etc.) will continue to provide customers with services of a higher quality, tailored to their needs and expectations.
- Changes with regard to organising the operations of the Company will be focused on examining the introduction of a one-tier governance system in particular.
- The information system will be upgraded towards an integrated information system in all companies of the Group. Information systems in the Group will be improved to enable them to monitor changes in the organisational structure as soon as possible and to prevent situations in which a rigid information system would compel us to ignore a change or carry it out in an incomplete way. Impol will continue to carry out permanent internal auditing of the information system by promptly introducing improvements that rectify the deficiencies established.

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

- relations among business entities in the Group can only be established on the basis of market prices if such prices exist. If they cannot be established, relations must be established on the basis of other methods, as a rule, as follows: cost plus method profit split method and transactional net margin method
- the operations of one part of the Group cannot disturb the operations of the other parts thereof – costs of a process are borne by the programme as a result of which they have been originally incurred,
- business processes are organised on the basis of the Impol Business Rule Code.
- The entire employee stimulation system will still build upon their success throughout the entire year.

Selection of programmes of operation

Impol will dedicate 2014 to the continuous conquering of the new product market for the Alumobil project (advanced extruded products), comprehensive conquering of pre-painted coils and sheet markets, refocusing on managing the drawn rod, profile and section programmes and on increasing the volume of production and sales of foils in particular. The remaining programmes will continue to be developed conditions on the market permitting.

New financial investments will be, as a rule, focused on solidifying business relationships, guaranteeing synergistic effects, opening sources of financing, protecting purchase channels or to provide for the complementarity of its programmes and sufficiently high return or pursue high goals of a socially responsible company.

Highlights of greater importance from the foreseen results

The expected operating results of the entire Impol Group (consolidated) are expected as follows (only selected indicators, all value indicators will be determined in 000 € unless otherwise specified):

Table 24: **INCOME STATEMENT**

INCOME STATEMENT	CONSOLIDATED
Net revenue from sales	464,449
From the sale of products	421,011
- in the domestic market	34,532
- in the foreign market	386,478
From the sale of services	3,616
- in the domestic market	3,174
- in the foreign market	442
From the sale of merchandise and materials	39,822
- in the domestic market	15,307
- in the foreign market	24,515
Change in value of inventories	-5
Other capitalised products and services and reversal of provisions)	2
Other operating revenue	1,546
GROSS OPERATING PROFIT	465,991
Costs of goods, materials and services	382,604
Purchase value of the sold goods	58,643
Costs of materials used	290,756
- direct (raw materials)	243,716
- direct (other)	48,913
- other	429
Costs of services	33,204
- direct	30,017
- other	3,184
Labour costs	40,495
- direct total	
- other total	

INCOME STATEMENT	CONSOLIDATED
Costs of salaries	28,417
Social security costs	7,197
Other labour costs	4,881
- out of which for supplementary pension insurance	18
Writedowns	17,822
Depreciation	16,992
- out of which for intangible fixed assets	397
Operating expenses from revaluation of intangible assets and tangible assets	128
Revaluation operating expenses for current assets	702
Other operating expenses	373
TOTAL OPERATING COSTS AND EXPENSES	441,293
OPERATING PROFIT	24,698
TOTAL FINANCIAL REVENUE	2,626
Financial revenue from participating interests	93
Financial revenue from participating interests in other companies	93
Financial revenue from other investments	0
Financial revenue from loans granted	364
a) Financial revenue from loans to others	364
Financial revenue from operating receivables	2,169
a) Financial revenue from operating receivables from others	2,169
– from interest rates due from associates	18
– from interest rates due from others	89
Foreign exchange gains	654
– other financial revenue (discounts and forward transactions)	1,407
TOTAL FINANCIAL EXPENSES	11,152
Financial expenses from the impairment and write-offs of investments	82
– Other financial expenses from revaluation	82
– Expenses from the sale of investments	0
Financial expenses from financial liabilities	10,345
a) Financial expenses from loans received from associates	0
a) Financial expenses from loans received from banks	7,804
– interest rates due for current loans	4,200
– interest rates due for non-current loans	3,604
d) Financial expenses from bonds issued	0

INCOME STATEMENT	CONSOLIDATED
e) Financial expenses from other financial liabilities	2,542
out of which foreign exchange losses	2,375
Financial expenses from operating liabilities	725
b) Financial expenses from trade payables and bills of exchange payable	7
out of which to associates	
a) Financial expenses from other operating liabilities	717
out of which foreign exchange losses	399
Net earnings before taxes	16,171
Other revenue	64
– Compensation, etc.	40
– Other revenue	25
Other expenses	10
– Financial expenses from investment property	0
– Other expenses – compensation	10
Profit / loss before taxes	16,226
Income tax	2,088
Deferred taxes	0
Net profit / loss for the financial year	14,138
OPERATING INFLOWS	29,617
INFLOWS AFTER COVERING INVENTORIES	29,622
Number of employees	1,836

Table 25: **BALANCE SHEET**

BALANCE SHEET	CONSOLIDATED
ASSETS	
Fixed assets	155,770
Intangible fixed assets and non-current deferred costs and accrued revenue	2,145
- cost	337
Non-current property rights	830
- acquired by means of pecuniary interest	830
- acquired by means of own development	0
Goodwill	0
Advances for intangible fixed assets	0
Non-current deferred development costs	0
Other non-current deferred costs and accrued revenue	1,314
Tangible fixed assets	146,338

BALANCE SHEET	CONSOLIDATED
- cost	412,126
Land and buildings	35,503
a) Land	4,739
b) Buildings	30,764
- cost	71,219
Production equipment and machinery	70,258
- cost	324,333
Other machinery and equipment	4,345
- cost	16,573
Tangible fixed assets being acquired	36,233
a) Tangible fixed assets under construction or in production	11,494
b) Advances for tangible fixed assets	24,738
Investment property	4,623
- cost	9,156
Non-current investments	1,318
Non-current investments, excluding loans	1,207
a) Shares and participating interests in Group companies	0
b) Shares and participating interests in associates	113
c) Other shares and participating interests	899
d) Other non-current investments	195
Non-current loans	110
a) Non-current loans to Group companies	
b) Non-current loans to others	110
- Non-current financial receivables due from associates	0
- Other non-current financial receivables (loans, ...)	110
c) Non-current unpaid called-up capital	0
Non-current operating receivables	0
Non-current operating receivables due from Group companies	
Non-current operating receivables due from customers	0
- non-current operating receivables due from customers	0
- non-current operating receivables due from associates	0
Non-current operating receivables due from others	0
Deferred tax receivables	1,347
CURRENT ASSETS	177,942
Assets (groups for disposal) for sale	0
Inventories	78,709
Material	58,602
Work in process	9,419
Products and merchandise	4,513

BALANCE SHEET	CONSOLIDATED
- Products	3,916
- Merchandise	597
Advances for inventories	6,176
- in the domestic market	48
- in the foreign market	6,128
Current investments	1,982
Current investments, excluding loans	1,520
a) Shares and participating interests in Group companies	
b) Other shares and participating interests	0
- out of which to associates	0
c) Other current investments	1,520
Current loans	462
a) Current loans to Group companies	
a) Current loans to others	462
- out of which to associates	0
c) Current unpaid called-up capital	0
Current operating receivables	79,347
Current operating receivables due from Group companies	
- in the domestic market	
- in the foreign market	
Current operating receivables due from customers	60,878
- in the domestic market	3,774
- in the foreign market	57,103
- out of which current receivables due from associates	0
Current operating receivables due from others	18,470
- in the domestic market	4,460
- in the foreign market	0
- other advances paid	21
- other receivables (VAT ...)	13,990
Cash and cash equivalents	17,903
Current deferred costs and accrued revenue	5,538
TOTAL ASSETS	339,250
OFF-BALANCE SHEET ASSETS	0
LIABILITIES	
Equity	104,851
out of which equity owned by Group affiliates	
Minority equity (including profit of the current year)	10,989

BALANCE SHEET	CONSOLIDATED
Called-up capital	4,452
Share capital	4,452
Uncalled-up capital (as deduction)	0
Capital surplus	10,786
adjustment from revaluation of capital	10,755
Reserves from profit	5,846
Legal reserves	0
Reserves for treasury shares and own participating interests	0
Treasury shares and own participating interests (as deductions)	0
Statutory reserves	112
Other reserves from profit	5,734
Revaluation surplus + consolidation difference	8,545
Net profit or loss carried forward	51,609
Net profit/loss for the financial year	12,625
of minority equity	0
Provisions and long-term accrued costs and deferred revenue	1,494
Provisions for pensions and similar liabilities	810
Other provisions	0
Out of which: Provisions for benefits ...	0
Other provisions	0
Non-current accrued costs and deferred revenue	684
NON-CURRENT LIABILITIES	88,071
Non-current financial liabilities	86,639
Non-current financial liabilities to Group companies	
Non-current financial liabilities to banks	86,158
Non-current liabilities from bonds payable	0
Other non-current financial liabilities	481
Non-current operating liabilities	672
Non-current operating liabilities to Group companies	
Non-current trade payables	0
out of which to associates	0
Non-current bills of exchange payable	0
Non-current operating liabilities from advance payments	0
Other non-current operating liabilities	672
Deferred tax liabilities	760
CURRENT LIABILITIES	140,029
Liabilities included in groups for disposal	0
Current financial liabilities	96,866

BALANCE SHEET	CONSOLIDATED
Current financial liabilities to Group companies	
Current financial liabilities to banks	90,461
- out of which current part of non-current financial liabilities to banks	44,541
Current financial liabilities from bonds payable	0
Other current financial liabilities	6,405
a) to other external parties	6,405
b) to associates	0
Current operating liabilities	43,163
Current operating liabilities to Group companies	
- in the domestic market	
- in the foreign market	
Current trade payables	31,831
a) in the domestic market	11,769
- out of which to associates	280
b) in the foreign market	20,062
- out of which to associates	0
Current bills of exchange payable	0
Current operating liabilities from advance payments	265
a) in the domestic market	13
b) in the foreign market	252
Other current operating liabilities	11,068
a) to employees	2,306
b) tax liabilities	7,929
c) other liabilities	832
Current accrued costs and deferred revenue	4,804
LIABILITIES	339,250

Table 26: **NET CASH FLOW**

NET CASH FLOW	
Inflows	
- net profit	12,625
- depreciation	16,992
- additionally taken out loans	84,000
– dividends received	
- difference in provisions	1,491
Outflows	
- repayments of loans	94,743
– disbursement of dividends	410

NET CASH FLOW	
Planned investments	9,197
– out of which non-current (fixed assets and financial investments)	9,197
– out of which current (current assets)	0
Required additional external sources of financing of investments	-11,168
Changes in sources of financing (current and non-current)	
Repayments of non-current loans taken out during the previous period	44,664
Repayments of additionally taken out loans	0
Additionally taken out non-current loans	34,000
Repayments of current loans	50,079
Additionally taken out current loans	50,000
All loans (non-current + current loans)	183,505

Table 27: **INDICATORS**

INDICATORS	CONSOLIDATED
FINANCIAL STABILITY AND LIQUIDITY RATIOS	
Cost recovery ratio	
(equity/provisions)/(inventories + material investments + non-material investments)	44.7 %
Financial reliability ratios	
Equity/all sources of operating assets	30.9 %
Net earnings / (equity - net profit/loss of the current year)	17.59 %
Total dividends/capital	0.33 %
Total dividends/called-up capital	7.86 %
Cash flow from current operations (in 000€)	34,712
Economic value added (in 000 €)	11,245
Added value per employee in €	45,215
EBITDA	41,021
EBIT	24,029
Margin	3.5 %
Net debt/EBITDA	4.05
Disbursement of dividends	350

- To facilitate unimpeded repayment of non-current loan instalments, Impol will renew between €27 million and €36 million non-current loans.
- All new investments in fixed assets will be reduced to the minimum, whereas the most urgent investments will be financed with new debts.
- No investments in current assets are foreseen as no significant changes in aluminium prices are foreseen, an increased scale of operations will be financed by reducing inventories to the technically required level.

Numeric tables

6

Efforts are of extreme importance but raw results, which are again more than satisfactory according to all criteria, always count in the end.

Financial report[11]

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 (1/1 to 31/12/2013).

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

The basic accounting assumptions that underlie these Statements are:

- accrual basis and
- going concern.

The 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 31/12/2013 and
- all foreseeable risks and losses incurred until the end of 2013 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.

Basis of consolidated financial statements

In compliance with Article 56 of ZGD-1 (Companies Act) all companies with their head office in the Republic of Slovenia or outside the country (subsidiaries) shall draw up a consolidated report if the parent company or one of the subsidiaries is organised as a company with share capital, as a double partnership or as any other equal legal organisational form in compliance with the law of the country where the company has its head office.

In the Group Financial Statement, the Group is presented as a single economic entity, which is why balances arising from transactions within and outside the Group as well as resulting unrealised profits or losses are eliminated.

The Impol Group is composed of the controlling company Impol 2000, d. d., and 21 direct or indirect subsidiaries in Slovenia and abroad.

Group Financial Statements shall be drawn up subject to uniform accounting policies, meaning that the controlling company shall ensure that uniform policies, principles, assessments as well as evaluation criteria pertaining to individual Balance Sheet items are applied in bookkeeping records that form part of the consolidation database.

11 All accounting disclosures are listed in € or in 000 € where specified.

Consolidation procedures are defined by:

- 2006 Slovenian Accounting Standards (that do not contain a specific standard but the consolidation procedures are dealt with by specific standards that refer to Balance Sheet and Income Statement items or the form of these two statements),
- International Accounting Standard 27 that governs issues pertaining to consolidated financial statements.

The following companies are subject to consolidation.

- the controlling company within the Group, Impol 2000, d. d.
- direct and indirect subsidiaries of the controlling company, namely:
  - Impol, d. o. o.,
  - Impol LLT, d. o. o.,
  - Impol FT, d. o. o.,
  - Impol PCP, d. o. o.,
  - Impol Infrastruktura, d. o. o.,
  - Impol R in R, d. o. o.,
  - Rondal, d. o. o.,
  - Impol-Montal, d. o. o.,
  - 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.

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.

Exclusions and adjustments taken into consideration by the determination of consolidated financial statements are as follows:

Exclusions and Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet as at 31 Dec2013

Table 28: **Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet 31/12/2013**

Item		Adjustments	Exclusions
A.	Fixed assets	1,228,407	-96,820,136
I.	Intangible assets and non-current deferred costs and accrued revenue	691,182	0
1.	Non-current property rights		
2.	Goodwill	691,182	
II.	Tangible fixed assets	0	-5,101,587
1.	Land and buildings	0	-2,562,731
a)	Land		-975,356
b)	Buildings		-1,587,375
2.	Production equipment and machinery		-2,538,520
	Production equipment and machinery of the Group (from A.II.3)		0
3.	Other machinery and equipment	0	-336
	Other machinery and equipment of the Group (from A.II.3)		0
4.	Fixed assets being acquired	0	0
III.	Investment property		
IV.	Non-current investments	537,225	-91,718,549
1.	Non-current investments, excluding loans	537,225	-85,834,317
a)	Shares and participating interests in the Group		-85,834,317
b)	Shares and participating interests in associates	537,225	
2.	Non-current loans	0	-5,884,232
B.	Current assets	0	-61,927,761
I.	Assets (groups for disposal) for sale		
II.	Inventories	0	-164,215
1.	Material		-7,861
2.	Work in process		144,129
3.	Products and merchandise		-300,483
III.	Current investments	0	-20,550,697
1.	Current investments, excluding loans	0	0
2.	Current loans	0	-20,550,697
IV.	Current operating receivables	0	-41,212,849
	TOTAL ASSETS	1,228,407	-158,747,897
Č.	Off-balance sheet assets		-42,815,405
A.	Equity	38,519,905	-128,391,618
	All types of minority equity		9,682,262

Item			Adjustments	Exclusions
I.		Called-up capital	0	-31,237,573
	1.	Share capital		-31,237,573
	2.	Uncalled-up capital (as deduction)		
II.		Capital surplus		-36,458,138
III.		Reserves from profit	0	-46,033,900
	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		-369,080
	5.	Other reserves from profit		-42,507,596
IV.		Revaluation surplus	537,225	
V.		Net profit brought forward	28,488,967	-9,974,816
VI.		Net profit/loss for the financial year	9,493,713	-10,634,413
VII.		Consolidated adjustment of capital		-3,735,040
B.		Provisions and non-current accrued costs and deferred revenue	0	-32,024
C.		Non-current liabilities	0	-5,852,208
I.		Non-current financial liabilities	0	-5,852,208
Č.		Current liabilities	0	-61,763,545
I.		Liabilities included in groups for disposal		
II.		Current financial liabilities	0	-20,550,697
III.		Current operating liabilities	0	-41,212,848
		TOTAL LIABILITIES	38,519,905	-196,039,395
		Off-balance sheet assets		-42,815,405

Exclusions and Adjustments in the Cumulative Income Statement for 2013 with regard to the Consolidated Income Statement for 2013

Table 29: **Adjustments in the Cumulative Income Statement with regard to the Consolidated Income Statement 31/12/2013**

Item			Adjustments	Exclusions
1.		Net revenue from sales	-164,215	-380,155,532
	a)	Net revenue from sales in the domestic market	134,437	-270,932,281
		Net revenue from sales to Group companies in the domestic market (from 1.a)		-270,932,281
	b)	Net revenue from sales in the foreign market	-298,652	-109,223,251
		Net revenue from sales to Group companies in the foreign market (from 1.b)		-109,223,251
2.		Change in the value of product inventories and unfinished production	214,718	
3.		Capitalised own products and services		
4.		Other operating revenue (including operating revenue from revaluation)		-1,310,580
		Other operating revenue (including operating revenue from revaluation of Group companies) (from 4.)		-1,310,580
5.		Costs of goods, materials and services	0	-381,169,606
	a)	Cost of sold goods and materials and costs of materials used		-199,421,438
		Cost of sold goods and materials and costs of materials used of Group companies (from 5.a)		-199,421,438
	b)	Costs of services		-181,748,168
		Costs of services of Group companies (from 5.b)		-181,748,168
6.		Labour costs	0	0
7.		Writedowns	-773,170	0
	a)	Depreciation	-773,170	0
8.		Other operating expenses		-296,285
9.		Financial revenue from participating interests	0	-1,421,046
10.		Financial revenue from loans granted	0	-461,741
11.		Financial revenue from operating receivables	0	-98,173
12.		Financial expenses from the impairment and write-offs of investments		0
13.		Financial expenses from financial liabilities	0	-559,914
14.		Financial expenses from operating liabilities	0	0
15.		Other revenue		0
16.		Other expenses		0
17.		Income tax		
16.		Deferred taxes		
21.		Net profit/loss for the financial year	823,673	-1,421,267
		Out of which minority equity profit/loss		
		Profit/loss of Group companies		

FINANCIAL STATEMENTS

Balance Sheet of the Group

Table 30: **Balance Sheet of the Group**

in EUR

			31. 12. 2013	31. 12. 2012
A.		**Fixed assets**	**142,402,591**	**151,258,155**
I.		Intangible assets and non-current deferred costs and accrued revenue	2,745,738	3,158,040
	1.	Non-current property rights	848,165	1,076,889
	2.	Goodwill	691,182	691,182
	3.	Advances for intangible assets	0	0
	4.	Non-current deferred development costs	3,879	4,539
	5.	Other non-current deferred costs and accrued revenue	1,202,512	1,385,430
II.		Tangible fixed assets	132,446,883	133,855,198
	1.	Land and buildings	33,709,883	34,265,022
	a)	Land	3,766,843	3,697,167
	b)	Buildings	29,943,040	30,567,855
	2.	Production equipment and machinery	66,490,271	69,022,251
	3.	Other machinery and equipment	4,363,850	4,238,313
	4.	Fixed assets being acquired	27,882,879	26,329,612
	a)	Tangible fixed assets under construction and manufacture	26,113,400	24,412,506
	b)	Advances to acquire tangible fixed assets	1,769,479	1,917,106
	5.	Breeding stock	0	0
	6.	Land improvement	0	0
III.		Investment property	4,576,140	4,609,466
IV.		Non-current investments	1,293,115	8,192,752
	1.	Non-current investments, excluding loans	1,040,575	1,791,781
	a)	Shares and participating interests in the Group	0	0
	b)	Shares and participating interests in associates	650,576	642,951
	c)	Other shares and participating interests	389,999	1,114,403
	č)	Other non-current investments	0	34,427
	2.	Non-current loans	252,540	6,400,971
	a)	Non-current loans to Group companies	0	0
	b)	Non-current loans to others	252,540	6,400,971
	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	1,340,715	1,442,699

			31. 12. 2013	31. 12. 2012
B.		**Current assets**	**162,465,424**	**175,297,760**
I.		Assets (groups for disposal) for sale	0	0
II.		Inventories	90,120,127	91,262,605
	1.	Material	61,244,456	67,232,085
	2.	Work in process	7,940,103	7,710,279
	3.	Products and merchandise	15,419,982	14,718,468
	4.	Advances for inventories	5,515,586	1,601,773
III.		Current investments	1,789,971	7,991,477
	1.	Current investments, excluding loans	912,230	224,806
	a)	Shares and participating interests in the Group	0	0
	b)	Other shares and participating interests	0	0
	c)	Other current investments	912,230	224,806
	2.	Current loans	877,741	7,766,671
	a)	Current loans to Group companies	0	0
	b)	Current loans to others	877,741	7,766,671
	c)	Current unpaid called-up capital	0	0
IV.		Current operating receivables	61,550,380	66,515,295
	1.	Current operating receivables due from Group companies	0	0
	2.	Current operating receivables due from customers	45,452,319	49,257,981
	3.	Current operating receivables due from others	16,098,061	17,257,314
V.		Cash and cash equivalents	9,004,946	9,528,383
C.		**Current deferred costs and accrued revenue**	**2,694,803**	**3,562,224**
		TOTAL ASSETS	307,562,818	330,118,139
Č.		**Off-balance sheet assets**	**13,977,150**	**12,765,716**
A.		**Equity**	**95,597,978**	**83,476,740**
		Minority equity	9,682,262	8,977,859
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	6,109,738	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	377,157	0
	5.	Other reserves from profit	5,732,581	5,732,581
IV.		Revaluation surplus	537,225	529,594
V.		Consolidated adjustment of capital	-3,735,040	-3,569,914
VI.		Net profit brought forward	56,170,060	45,455,970

			31. 12. 2013	31. 12. 2012
VII.		Net profit/loss for the financial year	11,630,939	11,147,856
B.		**Provisions and non-current accrued costs and deferred revenue**	**1,548,921**	**1,570,389**
	1.	Provisions for pensions and similar liabilities	882,563	861,742
	2.	Other provisions	2,213	1,700
	3.	Non-current accrued costs and deferred revenue	664,145	706,947
C.		**Non-current liabilities**	**70,628,551**	**104,169,293**
I,		Non-current financial liabilities	69,648,133	103,258,260
	1.	Non-current financial liabilities to Group companies	0	0
	2.	Non-current financial liabilities to banks	69,170,257	102,961,368
	3.	Non-current financial liabilities from bonds payable	0	0
	4.	Other non-current financial liabilities	477,876	296,892
II.		Non-current operating liabilities	159,031	143,690
	1.	Non-current operating liabilities to Group companies	0	0
	2.	Non-current operating trade liabilities	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	159,031	143,690
III.		Deferred tax liabilities	821,387	767,343
Č.		**Current liabilities**	**137,667,255**	**137,893,622**
I.		Liabilities included in groups for disposal	0	0
II.		Current financial liabilities	92,757,685	98,946,043
	1.	Current financial liabilities to Group companies	0	0
	2.	Current financial liabilities to banks	85,605,616	92,621,613
	3.	Current financial liabilities from bonds payable	0	0
	4.	Other current financial liabilities	7,152,069	6,324,430
III.		Current operating liabilities	44,909,570	38,947,579
	1.	Current operating liabilities to Group companies	0	0
	2.	Current trade payables	33,027,960	28,052,506
	3.	Current bills of exchange payable	0	0
	4.	Current operating liabilities from advance payments	2,996,011	2,088,490
	5.	Other current operating liabilities	8,885,599	8,806,583
D.		**Current accrued costs and deferred revenue**	**2,120,113**	**3,008,095**
		TOTAL LIABILITIES	307,562,818	330,118,139
E.		**Off-balance sheet assets**	**13,977,150**	**12,765,716**

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)

Vlado Leskovar
(Member of the Board)

Group Income Statement

Table 31: **Group Income Statement**

in EUR

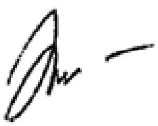
Item			2013	2012
1.		Net revenue from sales	460,749,931	463,155,333
	a)	Net revenue from sales in the domestic market	31,478,350	39,605,333
	b)	Net revenue from sales in the foreign market	429,271,581	423,550,000
2.		Change in the value of product inventories and unfinished production	1,491,220	3,116,187
3.		Capitalised own products and services	1,036	4,270
4.		Other operating revenue (including operating revenue from revaluation)	3,483,796	5,608,569
5.		Costs of goods, materials and services	384,885,897	389,525,483
	a)	Cost of sold goods and materials and costs of materials used	354,162,911	358,156,565
	b)	Costs of services	30,722,986	31,368,918
6.		Labour costs	42,381,097	39,920,547
	a)	Costs of salaries	30,094,427	28,044,850
	b)	Social security costs (pension insurance costs are shown separately)	7,447,002	6,915,868
	c)	Other labour costs	4,839,668	4,959,829
7.		Writedowns	16,156,825	17,744,326
	a)	Depreciation	15,435,733	16,561,971
	b)	Operating expenses from revaluation of intangible assets and tangible fixed assets	170,912	144,233
	c)	Operating expenses from revaluation associated with current operating assets	550,180	1,038,122
8.		Other operating expenses	1,016,572	1,338,803
9.		Financial revenue from participating interests	44,904	140,540
	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	44,904	96,769
	č)	Financial revenue from other investments	0	43,771
10.		Financial revenue from loans granted	471,008	375,662
	a)	Financial revenue from loans granted to Group companies	0	0
	b)	Financial revenue from loans to others	471,008	375,662
11.		Financial revenue from operating receivables	3,605,040	5,695,231
	a)	Financial revenue from operating receivables due from Group companies	0	0
	b)	Financial revenue from operating receivables due from others	3,605,040	5,695,231
12.		Financial expenses from the impairment and write-offs of investments	824,084	537,042
13.		Financial expenses from financial liabilities	9,160,794	13,984,233
	a)	Financial expenses from loans received from Group companies	0	0
	b)	Financial expenses from loans from banks	7,113,760	8,761,929
	c)	Financial expenses from bonds issued	0	0
	č)	Financial expenses incurred in connection with other financial liabilities	2,047,034	5,222,304

14.	Financial expenses from operating liabilities	1,561,532	990,111
a)	Financial expenses from operating liabilities to Group companies	0	0
b)	Financial expenses from trade payables and bills of exchange payable	28,386	28,382
c)	Financial expenses from other operating liabilities	1,533,146	961,729
15.	Other revenue	436,032	263,956
16.	Other expenses	115,386	33,419
17.	Income tax	1,147,933	1,146,838
18.	Deferred taxes	161,698	831,643
19.	Net profit/loss for the financial year	12,871,149	12,307,303
	Out of which minority equity profit/loss	863,053	1,159,447
	Profit/loss of Group companies	12,008,096	11,147,856

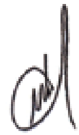
The Income Statement is drawn up in compliance with Version I.

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)



Vlado Leskovar
(Member of the Board)



Statement of Minority Equity and Changes Thereto

Table 32: **Statement of Minority Equity and Changes Thereto**

in EUR

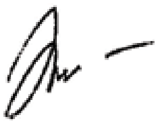
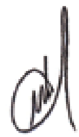
		2013	2012
A)	Equity	9,682,262	8,977,859
1	Share capital	2,905,790	2,922,500
2	Uncalled-up capital (as deduction)	0	
II.	Capital surplus	760,186	760,396
	Adjustment from revaluation of capital	728,501	728,501
III.	Reserves from profit	975,973	932,188
1	Legal reserves	67,487	67,487
2	Reserves for treasury shares and own participating interests	0	
3	Treasury shares and own participating interests (as deductions)	0	
4	Statutory reserves	111,928	68,143
5	Other reserves from profit	796,558	796,558
IV.	Revaluation surplus + consolidation difference	2,570,098	2,587,099
V.	Net profit brought forward	1,615,010	620,259
VI.	Net profit/loss for the financial year	855,204	1,155,418

Group Statement of Total Comprehensive Income

Table 33: **Group Statement of Total Comprehensive Income**

in EUR

	2013	2012
Net profit / loss for the financial year	12,871,149	12,307,303
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 (+/-)	7,631	16
Gains and losses resulting from the conversion of Financial Statements of foreign companies (effects of changes to the exchange rate)	-223,812	-1,760,796
Actuarial gains and losses of defined benefit plans (employee benefits) (+/-)		
Other items of total comprehensive income (+/-)		
Total comprehensive income in the financial year	**12,654,968**	**10,546,523**
- out of which total comprehensive income of minority equity	804,367	628,409
- out of which total comprehensive income of Group companies	11,850,601	9,918,114

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

Group Cash Flow Statement

Table 34: **Group Cash Flow Statement**

in EUR

Item			**2013**	**2012**
A.		**Cash flows from operating activities**		
	a)	Items of the Income Statement	38,105,953	41,077,065
		Operating revenue (except from revaluation) and financial revenue from operating receivables	467,866,868	471,781,623
		Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities	-428,451,284	-428,726,077
		Income and other tax not included in operating expenses	-1,309,631	-1,978,481
	b)	Changes to net operating current assets (and accruals and deferrals, provisions and deferred tax receivables and liabilities) of the Balance Sheet operating items	11,970,205	-1,178,154
		Opening less closing operating receivables	4,311,152	1,085,193
		Opening less closing deferred costs and accrued revenue	867,421	-1,920,823
		Opening less closing deferred tax receivables	101,984	582,615
		Opening less closing assets (groups for disposal) for sale	0	0
		Opening less closing inventories	1,136,857	-60,905
		Closing less opening operating liabilities	6,087,496	-2,613,743
		Closing less opening accrued costs and deferred revenue and provisions	-588,749	1,500,412
		Closing less opening deferred tax liabilities	54,044	249,097
	c)	**Net cash from operating activities (a+b)**	**50,076,158**	**39,898,911**
B.		**Cash flows from investing activities**		

Item			2013	2012
	a)	Cash proceeds from investing activities	15,829,581	23,296,455
		Inflows from interest and participation in others` profits relating to investing activities	625,116	393,517
		Cash proceeds from disposal of intangible assets	0	71,065
		Cash proceeds from disposal of tangible fixed assets	35,819	6,186,466
		Cash proceeds from disposal of investment property	5,120	0
		Cash proceeds from disposal of non-current investments	6,456,056	366,183
		Cash proceeds from disposal of current investments	8,707,470	16,279,224
	b)	Cash payments from investing activities	-16,726,260	-41,856,675
		Cash disbursements to acquire intangible assets	-302,112	-525,169
		Cash disbursements to acquire tangible fixed assets	-13,624,703	-20,357,710
		Cash payments for the acquisition of investment property	-16,522	0
		Cash disbursements to acquire non-current investments	-214,653	-3,429,869
		Cash disbursements to acquire current investments	-2,568,270	-17,543,927
	c)	**Net cash from investing activities (a+b)**	**-896,679**	**-18,560,220**
C.		**Cash flows from financing activities**		
	a)	Cash proceeds from financing activities	92,050,135	169,931,065
		Cash proceeds from paid-in capital	0	0
		Cash proceeds from increase in non-current financial liabilities	25,250,725	63,043,406
		Cash proceeds from increase in current financial liabilities	66,799,410	106,887,659
	b)	Cash payments from financing activities	-141,753,051	-188,921,884
		Interest paid on financing activities	-9,039,615	-14,688,950
		Cash repayments of equity	-129,137	-1,755,217
		Cash repayments of non-current financial liabilities	-15,815,433	-16,043,230
		Cash repayments of current financial liabilities	-116,364,273	-155,952,589
		Dividends and other profit shares paid	-404,593	-481,898
	c)	**Net cash from financing activities (a+b)**	**-49,702,916**	**-18,990,819**
Č.		**Closing balance of cash**	**9,004,946**	**9,528,383**
	x)	**Net cash flow for the period**	**-523,437**	**2,347,872**
	y)	**Opening balance of cash**	**9,528,383**	**7,180,511**

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

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

The Group Cash Flow Statement was drawn up using the indirect method for the Group Balance Sheet data as at 31 December 2013, Group Balance Sheet data as at 31 December 2012, Group Income Statement data for 2013 and additional data required for adjustments to revenues and expenses.

Consolidated performance ratios

Table 35: **Consolidated performance ratios**

		2013	2012	2013 / 2012
1.	BASIC FINANCING STATE RATIOS			
a.	Equity financing rate			
	Equity / Liabilities	0.3108	0.2529	1.2292
b.	Debt financing rate			
	Debts / Liabilities	0.6772	0.7333	0.9236
c.	Accruals and deferrals financing rate			
	Provisions + Current accrued costs and deferred revenue + Non-current accrued costs and deferred revenue / Liabilities	0.0119	0.0139	0.8601
2.	INVESTMENT UTILISATION RATIOS			
a.	Operating fixed assets rate			
	Fixed assets (at carrying amount) / Assets	0.4357	0.4108	1.0604
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	0.4586	0.4538	1.0106
3.	BASIC HORIZONTAL FINANCIAL STRUCTURE RATIOS			
a.	Equity to operating fixed assets			
	Equity / Operating fixed assets at carrying amount	0.7135	0.6155	1.1592
b.	Doomsday ratio			
	Liquid assets / Current liabilities	0.7330	0.7889	0.9292
c.	Quick ratio			
	Liquid assets + Current receivables / Current liabilities	0.5255	0.6094	0.8623
d.	Current ratio			
	Current assets / Current liabilities	1.1801	1.2713	0.9283
4.	BASIC OPERATING EFFICIENCY RATIOS			
a.	Operating efficiency ratio			
	Operating revenue / Operating expenses	1.0479	1.0521	0.9960
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))	0.1556	0.1729	0.8997
b.	Dividend to share capital			
	(Total dividends for the financial year / Average share capital)	0.0045	0.0061	0.7341

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

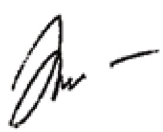
Table 36: **Group Statement of Changes in Equity in 2013**

		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 own participating interests (as deductions)
		I/1	I/2	II	III	IV/1	IV/2	IV/3
A.1	Balance at the end of the previous financial year at 31/12/2012	4,451,540		8,977,859	10,751,254		506,406	-506,406
a)	Backcasting							
b)	Retroactive adjustments							
A.2	Opening balance of the financial year at 01/01/2013	4,451,540		8,977,859	10,751,254		506,406	-506,406
B.1	Changes in equity – transactions with owners			-97,162				
	Disbursement of dividends			-95,849				
	Disbursement of bonuses to the Board and the Supervisory Board			-1,313				
	Other changes in equity							
B.2	Total comprehensive income in the financial year			804,367				
	Entry of net profit/loss in the financial year			863,053				
	Changes in the surplus from revaluation of intangible assets							
	Changes in the surplus from revaluation of tangible assets							
	Changes in the surplus from revaluation of investments							
	Other items of the total comprehensive income in the financial year			-58,686				
B.3	Changes in equity			-2,802				
	Reallocation of a part of the net profit from the comparative financial year to other equity items							
	Reallocation of a part of the net profit from the financial year to other equity items following decisions of the Board and Supervisory Board							
	Reallocation of a part of the net profit from the financial year for setting up additional reserves following a decision of the General Meeting							
	Settlement of loss as a deductible equity item							
	Setting up reserves for treasury shares and own participating interests from other equity items							
	Release of reserves for treasury shares and own participating interests toother equity items							
	Other changes in equity			-2,802				
E.	Closing balance of the financial year at 31/12/2013	4,451,540		9,682,262	10,751,254		506,406	-506,406

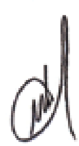
Disclosures in this Table also refer to disclosures under Items Exclusions and Adjustments in the Cumulative Balance Sheet with regard to the Consolidated Balance Sheet as at 31 Dec on page 67 and Group Income Statement on page 73.

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)



Vlado Leskovar
(Member of the Board)



in EUR

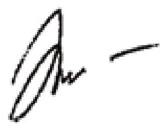
		Revaluation surplus	Consolidated adjustment of capital	Net profit brought forward		Net profit/loss for the financial year		Total equity
		V	IV	VII		VIII		IX
Statutory reserves	Other reserves from profit			Retained net profit	Retained net loss	Net profit of the financial year	Net loss of the financial year	Total equity
IV/4	IV/5	V	IV	VII/1	VII/2	VIII/1	VIII/2	IX
	5,732,581	529,594	-3,569,914	45,455,970		11,147,856		83,476,740
								0
								0
	5,732,581	529,594	-3,569,914	45,455,970		11,147,856		83,476,740
				-307,431				-404,593
				-305,244				-401,093
				-2,187				-3,500
								0
		7,631	-165,126			12,008,096		12,654,968
						12,008,096		12,871,149
								0
								0
		7,631						7,631
			-165,126					-223,812
377,157				11,021,521		-11,525,013		-129,137
				11,147,856		-11,147,856		0
								0
377,157						-377,157		0
								0
								0
								0
				-126,335				-129,137
377,157	5,732,581	537,225	-3,735,040	56,170,060		11,630,939		95,597,978

Table 37: **Group Statement of Changes in Equity in 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

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)



Vlado Leskovar
(Member of the Board)

DISCLOSURES TO THE FINANCIAL STATEMENTS

Distributable profit

Distributable profit is allocated and set up for shareholders outside the Impol Group in Impol 2000, d. d. and Impol Seval a. d. and not in a consolidated manner. How to use it by company 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 2013 General Meeting to set up the distributable profit of Impol 2000, d. d., as follows:

in EUR

		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 of the financial year	Net loss of 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 38: **Distributable profit**

in EUR

Item	2013	2012
Net profit/loss for the financial year	2,514,328.92	5,713,069.77
- part of the net profit generated in the 2013 financial year, allocated to statutory reserves	377,157.44	
- part of the net profit generated in the 2013 financial year, allocated to distributable profit	2,137,225.48	
Profit/loss brought forward	27,681,093.84	22,298,721.84
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	**29,818,319.32**	**28,011,791.61**

Out of €29,818,319.32 in undistributed distributable profit in total, €330,697.77, that is €0.31 / share, shall be used for shareholder dividends.

€29,487,621.55 in undistributed distributable profit shall continue to form part of distributable profit brought forward.

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 Table 5 Companies Operating in Impol Group on page 22).

BALANCE SHEET

Separate Financial Statements - Group companies

Table 39: **BALANCE SHEET - Group companies at 31/12/2013**

			Impol 2000, d. d.	Impol, d. o. o.	Impol LLT, d. o. o.	Impol FT, d. o. o.	Impol PCP, d. o. o.	Impol Infrastruk-tura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
A.		Fixed assets	68,221,169	110,183,486	408,657	2,304,372	512,855	54,194	282,335	624,673	2,970,911
I.		Intangible assets and non-current deferred costs and accrued revenue	3,879	1,920,474	820	13,253	17,715	453	24,646	3,205	0
	1.	Non-current property rights	0	717,962	820	13,253	17,715	453	24,646	3,205	0
	4.	Non-current deferred development costs	3,879	0	0	0	0	0	0	0	0
	5.	Other non-current deferred costs and accrued revenue	0	1,202,512	0	0	0	0	0	0	0
II.		Tangible fixed assets	223,466	83,261,213	345,097	1,388,459	456,998	49,961	255,696	489,092	2,470,911
	1.	Land and buildings	0	25,977,308	0	0	0	0	0	0	0
	a)	Land	0	3,437,504	0	0	0	0	0	0	0
	b)	Buildings	0	22,539,804	0	0	0	0	0	0	0
	2.	Production equipment and machinery	175,110	45,379,782	229,518	262,905	214,409	0	206,594	452,966	2,470,094
	3.	Other machinery and equipment	48,356	2,507,152	115,579	1,125,554	242,589	49,961	49,102	3,003	817
	4.	Fixed assets being acquired	0	9,396,971	0	0	0	0	0	33,123	0
	a)	Tangible fixed assets under construction and manufacture	0	8,032,568	0	0	0	0	0	33,123	0
	b)	Advances to acquire tangible fixed assets	0	1,364,403	0	0	0	0	0	0	0
III.		Investment property	0	3,681,425	0	0	0	0	0	0	0
IV.		Non-current investments	67,970,271	21,015,769	0	0	0	0	0	132,376	500,000
	1.	Non-current investments, excluding loans	67,970,271	17,417,808	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	0	376,287	0	0	0	0	0	0	0

in EUR

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.
437,921	1,680,289	133,392	850,166	607,207	106,136	26,241	46,286,584	2,303,732	0	0	0	0
0	0	0	514	0	518	0	67,463	1,616	0	0	0	0
0	0	0	514	0	518	0	67,463	1,616	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
420,316	1,634,888	101,683	846,410	513,477	105,618	18,410	42,664,659	2,302,116	0	0	0	0
410,775	1,631,774	72,073	0	506,728	34,178	0	5,390,158	2,249,620	0	0	0	0
16,237	0	0	0	111,488	18,793	0	299,663	858,514	0	0	0	0
394,538	1,631,774	72,073	0	395,240	15,385	0	5,090,495	1,391,106	0	0	0	0
4,464	3,086	0	505,841	0	36,352	0	19,087,670	0	0	0	0	0
5,077	28	29,610	76,780	6,749	35,088	18,410	0	50,331	0	0	0	0
0	0	0	263,789	0	0	0	18,186,831	2,165	0	0	0	0
0	0	0	47,789	0	0	0	17,997,755	2,165	0	0	0	0
0	0	0	216,000	0	0	0	189,076	0	0	0	0	0
0	0	20,614	0	93,730	0	0	780,371	0	0	0	0	0
17,605	45,401	11,095	0	0	0	7,831	2,774,091	0	0	0	0	0
17,605	0	11,095	0	0	0	7,831	413,057	0	0	0	0	0
17,605	0	6,407	0	0	0	0	410,990	0	0	0	0	0
0	0	0	0	0	0	0	874	0	0	0	0	0
0	0	4,688	0	0	0	7,831	1,193	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 Infrastruk-tura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
	2.	Non-current loans	0	3,597,961	0	0	0	0	0	132,376	0
	a)	Non-current loans to Group companies	0	3,584,391	0	0	0	0	0	132,376	0
	b)	Non-current loans to others	0	13,570	0	0	0	0	0	0	0
V.		Non-current operating receivables	0	0	0	0	0	0	0	0	0
V,		Deferred tax receivables	23,553	304,605	62,740	902,660	38,142	3,780	1,993	0	0
B.		Current assets	2,929,505	141,823,832	3,868,437	14,243,215	10,675,232	463,102	328,907	6,921,164	99,450
II.		Inventories	19,640	49,793,165	2,063,003	10,903,578	5,927,438	921	0	1,189,313	48,813
	1.	Material	0	45,295,066	2,013,484	5,837,011	3,145,584	0	0	780,167	48,813
	2.	Work in process	0	0	49,519	2,072,885	821,521	0	0	147,367	0
	3.	Products and merchandise	19,640	4,355	0	2,949,845	1,928,517	0	0	261,779	0
	4.	Advances for inventories	0	4,493,744	0	43,837	31,816	921	0	0	0
III.		Current investments	13,795	18,201,900	0	653	0	100,000	0	1,221,760	0
	1.	Current investments, excluding loans	0	912,230	0	0	0	0	0	0	0
	c)	Other current investments	0	912,230	0	0	0	0	0	0	0
	2.	Current loans	13,795	17,289,670	0	653	0	100,000	0	1,221,760	0
	a)	Current loans to Group companies	0	16,684,729	0	0	0	100,000	0	1,221,760	0
	b)	Current loans to others	13,795	604,941	0	653	0	0	0	0	0
IV.		Current operating receivables	2,622,710	71,763,997	1,680,467	3,081,343	4,431,871	172,615	295,107	3,553,252	16,601
	1.	Current operating receivables due from Group companies	687,125	28,818,806	1,379,762	2,248,373	3,833,476	152,082	277,653	63,453	0
	2.	Current operating receivables due from customers	1,788,880	33,609,073	82,502	16,950	552	3,283	4,718	3,169,514	16,366
	3.	Current operating receivables due from others	146,705	9,336,118	218,203	816,020	597,843	17,250	12,736	320,285	235
V.		Cash and cash equivalents	273,360	2,064,770	124,967	257,641	315,923	189,566	33,800	956,839	34,036
C.		Current deferred costs and accrued revenue	21,373	313,601	1,196	38,299	29,402	3,319	166	102,863	146
		TOTAL ASSETS	71,172,047	252,320,919	4,278,290	16,585,886	11,217,489	520,615	611,408	7,648,700	3,070,507
Č.		Off-balance sheet assets	12,891,123	21,992,206	2,764,210	2,762,500	9,286,628	2,762,500	2,762,527	0	0
A.		Equity	51,130,851	89,630,323	548,535	1,404,121	2,484,514	336,682	378,401	5,866,521	631,736
		All types of minority equity	0	2,206,071	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

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	45,401	0	0	0	0	0	2,361,034	0	0	0	0	0
0	0	0	0	0	0	0	2,167,465	0	0	0	0	0
0	45,401	0	0	0	0	0	193,569	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
651,647	1,742,499	941,916	3,050,719	23,797	1,406,004	3,624,466	26,555,965	826,287	108,515	83,767	22,301	4,002,458
189,817	0	0	639,219	0	201,786	2,014,266	16,821,614	457,915	508	0	13,346	0
0	0	0	52,220	0	21,079	0	3,656,078	390,022	0	0	12,793	0
0	0	0	586,999	0	0	0	4,117,683	0	0	0	0	0
189,817	0	0	0	0	180,707	1,259,593	8,874,114	52,098	0	0	0	0
0	0	0	0	0	0	754,673	173,739	15,795	508	0	553	0
0	1,362,686	212,000	434,288	0	518,820	758	230,314	11,146	3,658	27,510	1,380	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	1,362,686	212,000	434,288	0	518,820	758	230,314	11,146	3,658	27,510	1,380	0
0	1,261,172	200,000	434,288	0	500,000	0	148,748	0	0	0	0	0
0	101,514	12,000	0	0	18,820	758	81,566	11,146	3,658	27,510	1,380	0
374,008	73,826	633,272	1,806,527	21,941	377,347	997,030	6,479,264	298,888	75,379	38,945	4,318	3,964,521
19,843	3,161	497,321	62,528	0	140,128	0	2,690,552	231,024	72,519	34,732	311	0
351,972	47,582	114,829	1,593,462	21,476	191,664	938,461	3,408,657	53,699	235	202	2,698	35,544
2,193	23,083	21,122	150,537	465	45,555	58,569	380,055	14,165	2,625	4,011	1,309	3,928,977
87,822	305,987	96,644	170,685	1,856	308,051	612,412	3,024,773	58,338	28,970	17,312	3,257	37,937
1,691	0	353	627	6,000	1,354	0	2,129,594	39,056	470	635	4,658	0
1,091,259	3,422,788	1,075,661	3,901,512	637,004	1,513,494	3,650,707	74,972,143	3,169,075	108,985	84,402	26,959	4,002,458
111	1,566,023	0	0	0	4,727	0	0	0	0	0	0	0
781,312	3,221,014	598,581	2,386,012	413,917	640,773	987,494	23,843,244	33,611	80,507	71,549	-14,541	14,534
0	0	224,468	0	0	0	98,749	7,152,973	0	0	0	0	0
14,659	1,613,690	12,198	834,585	53,521	36,779	72,511	8,255,537	147,666	54,749	43,627	164,948	1,683
14,659	1,613,690	12,198	834,585	53,521	36,779	72,511	8,255,537	147,666	54,749	43,627	164,948	1,683

			Impol 2000, d. d.	Impol, d. o. o.	Impol LLT, d. o. o.	Impol FT, d. o. o.	Impol PCP, d. o. o.	Impol Infrastruktura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
II.		Capital surplus	10,751,254	29,467,740	0	5,000,000	0	0	0	1,843	57,684
III.		Reserves from profit	6,109,738	35,045,344	11,927	0	117,964	8,016	9,030	1,402,587	34,911
	1.	Legal reserves	0	2,723,350	11,927	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	377,157	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
V.		Net profit brought forward	27,681,093	3,256,689	0	-4,435,879	928,871	171,128	136,452	3,092,651	110,569
VI.		Net profit/loss for the financial year	2,137,226	4,905,951	226,608	0	267,679	77,538	142,919	1,231,733	79,458
VII.		Consolidated adjustment of capital									
B.		Provisions and non-current accrued costs and deferred revenue	0	3,117	107,150	0	448,727	41,692	23,445	85,971	0
	1.	Provisions for pensions and similar liabilities	0	0	107,150	0	448,727	41,692	23,445	53,947	0
	2.	Other provisions	0	0	0	0	0	0	0	0	0
	3.	Non-current accrued costs and deferred revenue	0	3,117	0	0	0	0	0	32,024	0
		Non-current accrued costs and deferred revenue to Group companies (from B.3)	0	0	0	0	0	0	0	32,024	0
C.		Non-current liabilities	0	44,223,072	0	0	0	0	0	72,111	2,202,136
I.		Non-current financial liabilities	0	44,223,072	0	0	0	0	0	72,111	2,202,136
	1.	Non-current financial liabilities to Group companies	0	132,376	0	0	0	0	0	0	0
	2.	Non-current financial liabilities to banks	0	43,723,899	0	0	0	0	0	0	2,202,136
	4.	Other non-current financial liabilities	0	366,797	0	0	0	0	0	72,111	0
II.		Non-current operating liabilities	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	20,027,700	118,120,592	3,622,605	15,137,928	8,252,434	141,321	208,392	1,498,937	236,635
I.		Liabilities included in groups for disposal	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.
8,858	1,446,971	8,565	702	360,159	0	0	105,616	0	0	0	0	0
175,767	213,132	19,981	83,465	0	3,678	0	8,920,025	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	353,030	0	0	0	0	0
174,301	51,763	2,711	6	0	0	0	8,566,995	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
519,387	31,924	498,507	423,068	0	482,650	813,665	4,221,822	-220,352	14,354	24,152	-102,969	8,127
62,641	-84,703	59,330	1,044,192	237	117,666	101,318	2,340,244	106,297	11,404	3,770	-76,520	4,724
0	0	2,224	28,492	0	703,742	0	136,385	0	0	0	0	0
0	0	0	28,492	0	42,725	0	136,385	0	0	0	0	0
0	0	2,213	0	0	0	0	0	0	0	0	0	0
0	0	11	0	0	661,017	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0	0
23,841	157,936	0	37,571	0	1,095	0	24,040,299	2,172,054	0	0	0	3,550,644
23,841	0	0	37,571	0	0	0	23,223,501	2,167,465	0	0	0	3,550,644
0	0	0	0	0	0	0	0	2,167,465	0	0	0	3,552,367
0	0	0	26,471	0	0	0	23,217,751	0	0	0	0	0
23,841	0	0	11,100	0	0	0	5,750	0	0	0	0	-1,723
0	157,936	0	0	0	1,095	0	0	0	0	0	0	0
0	157,936	0	0	0	1,095	0	0	0	0	0	0	0
0	0	0	0	0	0	0	816,798	4,589	0	0	0	0
284,826	42,090	474,856	1,449,437	217,087	167,017	2,663,213	25,445,329	925,739	27,970	12,323	37,121	437,248
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 Infrastruk-tura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
II.		Current financial liabilities	18,440,942	78,666,430	0	7,012,665	0	0	0	16,088	214,466
	1.	Current financial liabilities to Group companies	9,096,579	3,717,220	0	7,012,665	0	0	0	0	15,000
	2.	Current financial liabilities to banks	9,344,363	67,821,448	0	0	0	0	0	0	199,466
	4.	Other current financial liabilities	0	7,127,762	0	0	0	0	0	16,088	0
III.		Current operating liabilities	1,586,758	39,454,162	3,622,605	8,125,263	8,252,434	141,321	208,392	1,482,849	22,169
1.		Current operating liabilities to Group companies	1,187,613	8,979,195	2,722,755	6,120,728	5,813,932	16,414	88,173	336,261	976
2.		Current trade payables	124,467	24,187,820	630,670	1,386,071	1,426,207	36,629	43,061	992,906	6,698
4.		Current operating liabilities from advance payments	32,656	1,508,518	0	0	0	0	0	33,844	0
	5.	Other current operating liabilities	242,022	4,778,629	269,180	618,464	1,012,295	88,278	77,158	119,838	14,495
E.		Current accrued costs and deferred revenue	13,496	343,815	0	43,837	31,814	920	1,170	125,160	0
		TOTAL LIABILITIES	71,172,047	252,320,919	4,278,290	16,585,886	11,217,489	520,615	611,408	7,648,700	3,070,507
		Off-balance sheet assets	12,891,123	21,992,206	2,764,210	2,762,500	9,286,628	2,762,500	2,762,527	0	0

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

Currency	31/12/2013 (Bank of Slovenia)
USD	1,3791
HUF	297,04
RSD	114,14

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.
52,776	0	0	111,325	125,485	0	0	8,134,457	148,748	0	0	0	385,000
50,000	0	0	0	125,485	0	0	0	148,748	0	0	0	385,000
0	0	0	105,882	0	0	0	8,134,457	0	0	0	0	0
2,776	0	0	5,443	0	0	0	0	0	0	0	0	0
232,050	42,090	474,856	1,338,112	91,602	167,017	2,663,213	17,310,872	776,991	27,970	12,323	37,121	52,248
190,669	1,896	3,621	856,496	84,786	10,392	2,614,458	11,656,925	507,581	1,691	1,352	11,934	5,000
13,250	21,127	81,881	322,282	368	85,330	6,240	3,516,568	129,505	3,536	306	12,368	670
1,828	66	3,188	0	6,000	936	0	1,378,345	25,775	0	636	4,219	0
26,303	19,001	386,166	159,334	448	70,359	42,515	759,034	114,130	22,743	10,029	8,600	46,578
1,280	1,748	0	0	6,000	867	0	1,506,886	37,671	508	530	4,379	32
1,091,259	3,422,788	1,075,661	3,901,512	637,004	1,513,494	3,650,707	74,972,143	3,169,075	108,985	84,402	26,959	4,002,458
111	1,566,023	0	0	0	4,727	0	0	0	0	0	0	0

INCOME STATEMENT

Separate Financial Statements - Group companies

Table 40: **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 Infrastruk-tura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
1.		Net revenue from sales	14,798,329	517,738,102	27,177,746	56,950,319	68,661,071	1,393,019	1,639,294	17,466,428	421,465
	a)	Net revenue from sales in the domestic market	13,227,958	111,398,471	27,177,746	56,950,319	68,661,071	1,393,019	1,637,671	754,712	370,405
		Net revenue from sales to Group companies in the domestic market (from 1.a)	5,393,428	101,525,121	26,580,035	56,913,123	68,652,850	1,384,750	1,604,597	606,470	45
	b)	Net revenue from sales in the foreign market	1,570,371	406,339,631					1,623	16,711,716	51,060
		Net revenue from sales to Group companies in the foreign market (from 1.b)		63,136,965							
2.		Change in the value of product inventories and unfinished production			-156,213	511,455	-367,746			-52,465	
3.		Capitalised own products and services									
4.		Other operating revenue (including operating revenue from revaluation)	17,309	3,110,906	262,064	374,386	197,834	7,250	20,216	60,193	220
		Other operating revenue (including operating revenue from revaluation of Group companies) (from 4.)		1,303,052			564			824	220
5.		Costs of goods, materials and services	9,518,339	497,723,395	23,687,313	48,901,461	56,947,985	426,346	622,059	14,157,204	79,108
	a)	Cost of sold goods and materials and costs of materials used	8,883,520	345,964,272	20,743,104	33,412,268	29,405,120	26,626	118,972	12,999,457	33,211
		Cost of sold goods and materials and costs of materials used of Group companies (from 5.a)	8,794,406	42,365,972	20,486,747	30,609,470	26,611,428	11,472	72,577	2,812,759	24,721
	b)	Costs of services	634,819	151,759,123	2,944,209	15,489,193	27,542,865	399,720	503,087	1,157,747	45,897
		Costs of services of Group companies (from 5.b)	128,128	138,591,942	1,602,258	12,986,734	23,925,593	140,947	382,491	320,679	9,141
6.		Labour costs	2,046,804	956,903	3,076,536	7,900,984	10,931,248	864,632	825,288	1,608,436	
	a)	Costs of salaries	1,500,497	744,939	2,321,978	5,946,944	8,080,268	618,009	551,825	1,223,350	
	b)	Social security costs (pension insurance costs are shown separately)	245,162	120,337	388,407	1,002,243	1,360,049	160,470	95,701	203,155	
	c)	Other labour costs	301,145	91,627	366,151	951,797	1,490,931	86,153	177,762	181,931	
7.		Writedowns	85,501	12,792,883	99,672	689,965	260,970	17,202	56,874	243,671	206,745
	a)	Depreciation	65,355	12,552,050	99,631	689,680	256,771	16,873	56,792	132,779	206,745
		Depreciation of assets of Group companies (from 7.b)									
	b)	Operating expenses from revaluation of intangible assets and tangible fixed assets	3,750	47,821		285	297	227			
	c)	Operating expenses from revaluation associated with current operating assets	16,396	193,012	41		3,902	102	82	110,892	
8.		Other operating expenses	92,605	576,363	3,312	156,588	68,322	1,384	7,370	30,086	

in EUR

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.
1,782,479	284,492	3,182,031	7,266,223	12,175	1,573,973	12,754,853	103,611,068	3,401,955	327,628	144,620	141,500	340,908
1,656,142	264,372	3,182,031	814,116	12,175	1,569,103		9,413,861	3,179,274	327,628	144,620	141,500	
251,785		2,668,446	786,798		699,903		1,038,220	2,351,451	323,663	142,081	9,515	
126,337	20,120		6,452,107		4,870	12,754,853	94,197,207	222,681				340,908
							46,081,533	4,753				
			218,330		-11,612		1,121,790	12,963				
											1,036	
753	10,025	39,689	33,589	400	249,779		396,043	13,084	515		121	
								5,920				
1,449,305	125,734	529,909	5,029,382	6,946	940,365	12,277,088	91,360,897	2,108,794	36,078	19,110	104,535	4,150
1,371,536	22,385	48,426	3,672,984	268	742,039	12,054,727	82,237,874	1,771,573	11,357	86	64,411	133
1,037,504	60	3,686	2,855,092		22,317	11,290,530	50,841,154	1,581,543				
77,769	103,349	481,483	1,356,398	6,678	198,326	222,361	9,123,023	337,221	24,721	19,024	40,124	4,017
16,098	8,850	18,945	276,619		37,847	73,303	3,044,866	125,679	21,559	17,322	19,167	
232,993	76,224	2,603,130	1,086,413		688,847	337,644	7,469,535	1,035,031	277,132	122,282	105,678	135,357
179,525	60,884	1,920,167	825,569		488,799	337,644	4,315,759	589,450	156,777	69,594	59,382	103,067
31,230	9,863	311,483	132,419		85,739		2,730,320	381,468	102,395	45,562	38,561	2,438
22,238	5,477	371,480	128,425		114,309		423,456	64,113	17,960	7,126	7,735	29,852
24,508	76,260	25,980	140,977	4,685	41,836	3,898	1,976,402	62,098	308		1,035	118,525
24,015	69,035	25,980	140,310	4,685	30,193	3,898	1,779,683	53,800				628
50			667		25		117,790					
443	7,225				11,618		78,929	8,298	308		1,035	117,897
2,112	26,515	2,318	7,140	2,695	29,409		278,316	6,995	1,036	254	9,332	10,705

			Impol 2000, d. d.	Impol, d. o. o.	Impol LLT, d. o. o.	Impol FT, d. o. o.	Impol PCP, d. o. o.	Impol Infrastruk-tura, d. o. o.	Impol R in R, d. o. o.	Rondal, d. o. o.	Impol-Montal, d. o. o.
		Other operating expenses of Group companies (from 8.)	19,251		700	128,570	34,313	200	1,101	7,742	
9.		Financial revenue from participating interests	702,288	720,235							24,949
	a)	Financial revenue from participating interests in Group companies	702,288	677,298							24,949
	c)	Financial revenue from participating interests in other companies		42,937							
10.		Financial revenue from loans granted	350,526	308,590	105	74	208	1,931	77	17,438	360
	a)	Financial revenue from loans granted to Group companies	1,161	220,453				1,852		16,207	
	b)	Financial revenue from loans to others	349,365	88,137	105	74	208	79	77	1,231	360
11.		Financial revenue from operating receivables	40,286	2,073,754	263	145	274		3	1,352	
	a)	Financial revenue from operating receivables due from Group companies									
	b)	Financial revenue from operating receivables due from others	40,286	2,073,754	263	145	274		3	1,352	
12.		Financial expenses from the impairment and write-offs of investments	696,774	19,461							
13.		Financial expenses from financial liabilities	525,296	5,481,758	4,023	104,241		12	1,354		70,259
	a)	Financial expenses from loans received from Group companies	106,423	57,906	4,023	104,241			1,335		2,133
	b)	Financial expenses from loans from banks	418,873	5,192,319							68,126
	č)	Financial expenses incurred in connection with other financial liabilities		231,533				12	19		
14.		Financial expenses from operating liabilities	34	1,402,529	481	1,984	1,407		11	21,778	
	b)	Financial expenses from trade payables and bills of exchange payable	18	1,785	478	1,968	1,407		11	21,778	
	c)	Financial expenses from other operating liabilities	16	1,400,744	3	16					
15.		Other revenue	3,013	107,178	533	105,503	19,810	534	4,220	49,341	
		Other revenue from Group companies (from 15.)									
16.		Other expenses	37,978	9,415	4,407	15,831	17,546	617		1,703	4
17.		Income tax	393,019	140,611			15,582	14,731	7,787	247,676	11,420
16.		Deferred taxes	1,018	49,496	32,963	17,374	712	272	148		
21.		Net profit/loss for the financial year	2,514,383	4,905,951	375,791	153,454	267,679	77,538	142,919	1,231,733	79,458
		Out of which minority equity profit/loss		120,750							

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

Currency	average annual in 2013 (IS)
USD	1,3281
HUF	296,87
RSD	112,94

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.
		265	6,012		63		98,068					
	767	1,704					16,007					
		504					16,007					
	767	1,200										
35	21,561	3,572	9,373		7,106	124	209,737	14		1,433	485	
	21,333	3,441	9,166		5,907		182,221					
35	228	131	207		1,199	124	27,516	14		1,433	485	
2,224	6	1,907			7,628		1,466,249	106,467			30	2,625
								98,173				
2,224	6	1,907			7,628		1,466,249	8,294			30	2,625
	96,782	213					10,854					
2,517	393		8,867	2,310			3,277,222	185,973			12	56,471
1,149				2,310			98,173	182,221				
			7,419				1,427,023					
1,368	393		1,448				1,752,026	3,752			12	56,471
	8	2	3,887		9,840		118,354	1,097			120	
		2					939					
	8		3,887		9,840		117,415	1,097			120	
1,206	583	1,635	192	4,320	4,569	9,841	112,521	9,674	15	99	1,245	
36	221	2,298	2,551		86		16,382	5,274			1,037	
12,585		7,358	204,298	22	3,394	40,980		32,095	2,079	696		13,600
							60,343	-628				
62,641	-84,703	59,330	1,044,192	237	117,666	105,208	2,365,110	107,428	11,525	3,810	-77,332	4,725
		22,249				10,521	709,533					

Intangible assets and non-current deferred costs and accrued revenue

Intangible assets and non-current deferred costs and accrued revenue are:

- non-current deferred development costs,
- investments in rights obtained in relation to industrial property and other rights.
- Pri njihovem vrednotenju se uporablja model nabavne vrednosti.

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 41: **Intangible assets and non-current deferred costs and accrued revenue**

in EUR

Description	Non-current property rights	Goodwill	Advances for intangible assets	Non-current deferred development costs	Other intangible assets and non-current deferred costs and accrued revenue	TOTAL
Cost at 31/12/2012	2,964,758	691,182		6,600	4,345,763	8,008,303
Adjustments after the opening balance	-1,638				-12,981	-14,619
Cost at 01/01/2013	2,963,120	691,182	0	6,600	4,332,782	7,993,684
Direct increases – acquisitions	27,590				274,522	302,112
Exchange rate changes	-1,987					-1,987
Decreases – exclusions, other decreases	-1,370				-68,584	-69,954
Cost at 31/12/2013	2,987,353	691,182	0	6,600	4,538,720	8,223,855
Value adjustment at 31/12/2012	1,887,869			2,061	2,960,333	4,850,263
Adjustment after the opening balance	-3,781				-10,838	-14,619
Value adjustment at 01/01/2013	1,884,088	0	0	2,061	2,949,495	4,835,644
Depreciation during the year	257,684			660	386,713	645,057
Exchange rate changes	-1,214					-1,214
Decreases – exclusions, other decreases	-1,370					-1,370
Value adjustment at 31/12/2013	2,139,188	0	0	2,721	3,336,208	5,478,117
Carrying amount at 31/12/2013	848,165	691,182	0	3,879	1,202,512	2,745,738
Carrying amount at 31/12/2012	1,076,889	691,182	0	4,539	1,385,430	3,158,040

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 42: **Tangible fixed assets**

in EUR

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 to acquire tangible fixed assets	Total equipment	TOTAL
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
Adjustments after the opening balance	-1			0	-100,409	-45,591			-146,000	-146,000
Cost at 01/01/2013	3,697,167	54,509,265	1,897,002	60,103,435	277,009,939	15,213,967	22,515,504	1,917,106	316,656,516	376,759,951
Direct increases – acquisitions	77,291	30,232	2,171,230	2,278,753	1,807,910	79,132	9,604,615	3,126,007	14,617,664	16,896,417
Direct increases – financial lease				0	126,000				126,000	126,000
Transfer from investments under way	1,434	972,296	-973,730	0	7,531,883	1,291,426	-8,823,309		0	0
Transfer between Group companies – acquisition				0			1,920		1,920	1,920
Transfer between Group companies – sales				0		-4,559			-4,559	-4,559
Transfer to investment property			-163,738	-163,738					0	-163,738
Exchange rate changes	-7,161	-90,026	-268	-97,455	-195,622	-5,971	-115,826		-317,419	-414,874
Decreases – sales				0	-233,230	-37,590			-270,820	-270,820
Decreases – exclusions, other decreases	-1,888	-1,263		-1,263	-531,797	-173,578		-3,273,634	-3,979,009	-3,980,272
Transfers between categories of tangible fixed assets			-304,828	-304,828			304,828		304,828	0
Cost at 31/12/2013	3,766,843	55,420,504	2,625,668	61,814,904	285,515,083	16,362,827	23,487,732	1,769,479	327,135,121	388,950,025
Value adjustment at 31/12/2012	1	23,941,410		23,941,411	208,088,097	11,021,245			219,109,342	243,050,753
Adjustments after the opening balance	-1			0	-100,409	-45,591			-146,000	-146,000

Value adjustment at 01/01/2013	0	23,941,410	0	23,941,411	207,987,688	10,975,654	0	0	218,963,342	242,904,753
Depreciation		1,583,842		1,583,842	11,710,730	1,235,998			12,946,728	14,530,570
Transfer between Group companies – sales				0		-2,640			-2,640	-2,640
Exchange rate changes		-46,525		-46,525	-70,057	-5,195			-75,252	-121,777
Decreases – sales				0	-78,667	-34,139			-112,806	-112,806
Decreases – exclusions, other decreases		-1,263		625	-524,882	-170,701			-695,583	-694,958
Value adjustment at 31/12/2013	0	25,477,464	0	25,479,353	219,024,812	11,998,977	0	0	231,023,789	256,503,142
Carrying amount at 31/12/2013	3,766,843	29,943,040	2,625,668	36,335,551	66,490,271	4,363,850	23,487,732	1,769,479	96,111,332	132,446,883
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

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

Table 43: **Pledged tangible fixed assets**

in EUR

	Overview of value by type of asset	Cost or fair value	Value adjustment	Carrying amount
1	Intangible assets	0	0	0
2	Property	56,553,873	31,090,924	25,462,949
3	Equipment	107,328,546	78,268,984	29,059,562
TOTAL		163,882,419	109,359,908	54,522,511

Assets are pledged as security for the settlement of liabilities by the following companies: Impol, d. o. o., Stampal SB, d. o. o., and Impol Montal, d. o. o. The carrying amount of assets acquired by means of financial lease at 31/12/2013 amounts to €154,318.

Depreciation rates applied

Table 44: 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		
Property		
- masonry buildings	1.30 %	3.00 %
- other buildings	1.30 %	2.50 %
Equipment		
- production equipment	1.50 %	20.00 %
- equipment until 2003		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 %
- software		
- hardware		
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 and their corresponding land whose purpose is to generate revenue from rents.

Table 45: **Investment property**

in EUR

Description	Land	Buildings	TOTAL
Cost at 31/12/2012	398,712	8,587,593	8,986,305
Adjustments after the opening balance		-148	-148
Cost at 01/01/2013	398,712	8,587,445	8,986,157
Direct increases (+)		16,522	16,522
Transfer from tangible fixed assets (+)		163,738	163,738
Transfer from inventory accounts (+)			0
Transfer of investment property of Group companies upon acquisition			0
Reductions (-)	-2,619	-2,854	-5,473
Transfer to tangible fixed assets (-)			0
Transfer to non-current assets (-)			0
Transfer to inventories (-)			0
Cost at 31/12/2013	396,093	8,764,851	9,160,944
Value adjustment at 31/12/2012		4,376,839	4,376,839
Adjustments after the opening balance		-148	-148
Value adjustment at 01/01/2013	0	4,376,691	4,376,691
Depreciation (+)		208,466	208,466
Direct increases (+)			0
Transfer from tangible fixed assets (+)			0
Transfer of investment property of Group companies upon acquisition			0
Reductions (-)		-353	-353
Transfer to tangible fixed assets (-)			0
Transfer to non-current assets (-)			0
Transfer to inventories (-)			0
Value adjustment at 31/12/2013	0	4,584,804	4,584,804
Carrying amount at 31/12/2013	396,093	4,180,047	4,576,140
Carrying amount at 31/12/2012	398,712	4,210,754	4,609,466

It is estimated that the carrying amount of investment property equals its fair value. The carrying amount of inventory property pledged as security for the settlement of liabilities is evident from Table 35.

Table 46: **Pledged inventory property of the Impol Group as at 31/ 12/ 2013**

in EUR

	Cost (+)	Value adjustment (+)	Carrying amount (=)
Investment property	8,112,767	4,431,342	3,681,425
TOTAL	8,112,767	4,431,342	3,681,425

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 47: **Non-current investments in associates and other non-current investments**

in EUR

	Cost/fair value/amortised cost of non-current investments	Out of which non-current investments in companies:			Adjustment of value at 31/12	Carrying amount	
		Group	associates	other	impairment	31/12/2013	31/12/2012
	=	+	+	+	-	=	
Investments in shares and participating interests	1,129,526	0	650,576	478,950	-96,782	1,032,744	1,749,167
Investments in precious metals, precious stones, works of art and similar	0	0	0	0	0	0	
Other non-current investments in capital	7,831	0	0	7,831	0	7,831	42,614
TOTAL non-current investments, excluding loans	1,137,357	0	650,576	486,781	-96,782	1,040,575	1,791,781
Non-current loans to companies	386,449	0	0	386,449	-133,909	252,540	100,971
Non-current loans from redemption of bonds	0	0	0	0	0	0	
Other non-currently invested assets	0	0	0	0	0	0	0
Non-current deposits granted	0	0	0	0	0	0	6,300,000
Non-current receivables from financial lease	0	0	0	0	0	0	0
TOTAL non-current loans	386,449	0	0	386,449	-133,909	252,540	6,400,971
Non-current unpaid called-up capital	0	0	0	0	0	0	0
TOTAL NON-CURRENT INVESTMENTS	1,523,806	0	650,576	873,230	-230,691	1,293,115	8,192,752

Revaluation of non-current investments

Table 48: **Revaluation of non-current investments**

in EUR

	2013	Out of which revaluation of non-current investments in companies:			2012
		Group	associates	other	
Revaluation of non-current investments to an increased fair value credited to the profit/loss	7,631	0	7,631	0	16
Revaluation of non-current investments to a decreased fair value debited from the profit/loss	0	0	0	0	5,579
Revaluation of non-current investments for impairment debited from financial expenses	616,446	0	0	616,446	8,605

Non-current operating receivables

In 2013, 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 reference exchange rate published by the Bank of Slovenia.

Table 49: **Inventories**

in EUR

	31/12/2013		Out of which inventories at 31/12:		31/12/2012
	Cost (+)	Carrying amount	purchased from Group companies	given as a guarantee for liabilities	
Materials and raw materials	61,147,527	61,147,527	997,119	0	67,248,466
Small tools	96,929	96,929	0	0	-16,381
Work in process	7,940,103	7,940,103	0	0	7,710,279
Products	13,980,817	13,980,817	0	0	12,682,387
Merchandise	1,439,165	1,439,165	27,192	0	2,036,081
Advances for inventories	5,515,586	5,515,586	0	0	1,601,773
TOTAL	90,120,127	90,120,127	1,024,311	0	91,262,605

Write-offs and adjustments of non-movable and other inventories are irrelevant and amount to €5,621 for merchandise. Inventory surpluses or deficits are as follows:

Table 50: **Inventory surpluses or deficits**

in EUR

Type of inventory	2013	Surpluses	Primanjkljaji
Materials and raw materials	192,466	169,600	22,866
Small tools	0	0	0
Work in process	0	0	0
Products	-93	0	-93
Merchandise	1,093	2,036	-943
TOTAL	193,466	171,636	21,830

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 are measured off-balance but there were no inventories of this kind held by Impol in 2013.

Table 51: **Off-balance sheet**

in EUR

Off-balance sheet	31/12/2013	31/12/2012
TOTAL	0	1,517,614

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 ECB exchange rate published by the Bank of Slovenia. 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.

€19,796 million in operating receivables were pledged as security for the settlement of financial liabilities. Receivables are secured with SID-Prva kreditna zavarovalnica, d. d., in Slovenia and the Agencija za osiguranje izvoza in Serbia.

Table 52: **Current operating receivables**

in EUR

	Current operating receivables	Current operating receivables due from companies:			Allowance for impairment	31/12/2013	31/12/2012
		of Group	of associates	of others		05,07,1905	04,07,1905
Current trade receivables	50,841,407	0	10,711	50,830,696	-5,389,089	45,452,318	49,077,425
- out of which already outstanding at 31/12	18,997,820	0	452	18,997,368	-10,387	18,987,433	19,524,310
Current advances and securities paid	624,440	0	0	624,440	0	624,440	59,036
Current receivables associated with operations on behalf of a third party	145	0	0	145	0	145	0
Current receivables associated with financial revenue**	342,548	0	0	342,548	-91,879	250,669	353,856
Current receivables from State institutions	10,891,859	0	0	10,891,859	0	10,891,859	11,922,769
Other current operating receivables	4,448,778	0	0	4,448,778	-117,829	4,330,949	5,102,209
TOTAL other current operating receivables	67,149,177	0	10,711	67,138,466	-5,598,797	61,550,380	66,515,295

Allowance for current operating receivables for impairment

Table 53: **Allowance for current operating receivables for impairment**

in EUR

	2013	2012
Balance at 01/01	5,660,000	4,701,881
Decreased allowance resulting from the settlement of receivables (-)	-502,661	-120,499
Decreased allowance resulting from the complete writing off of liabilities (-)	-8,701	-30,306
Setting up allowances during the year for impairment (+)	450,159	678,605
Transfer of allowances set up for Group companies upon acquisition	0	430,319
Balance at 01/01	5,598,797	5,660,000

An allowance in the total amount of €5,598,797 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 54: **Deferred tax receivables and liabilities**

in EUR

	Deferred tax receivables	Deferred tax liabilities
Deferred tax balance at 31/12/2012	1,442,699	767,343
Deductible temporary differences	409	
Taxable temporary differences		59,709
Transfer of deferred tax of Group companies upon acquisition	0	0
Utilisation of deductible temporary differences	-102,392	
Releases of taxable temporary differences		-622
Change to non-utilised amounts from the opening balance resulting from changes to the tax rate	-1	-5,043
Deferred tax balance at 31/12/2013	1,340,715	821,387

Changes to deferred tax receivables and liabilities are recognised		
– in the profit/loss	-161,698	-831,643
– in the capital – revaluation surplus		
– in the capital – profit/loss brought forward	5,670	-69
TOTAL	-156,028	-831,712

Deferred tax receivables were set up in 2013 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 55: **Current investments**

in EUR

	Cost/fair value/ amortised cost of current investments as at 31/12	Allowance for impairment	Carrying amount 31. 12. 2013	Carrying amount 31. 12. 2012
Current investments (+)	1,932,492	-202,945	1,729,547	7,921,637
Current part of non-current investments (+)	60,424	0	60,424	69,840
TOTAL CURRENT INVESTMENTS	1,992,916	-202,945	1,789,971	7,991,477
Out of which:				
Shares acquired for sale – impairment debited from financial expenses	0	0	0	100,000
Participating interests acquired for sale	0	0	0	0
Other securities acquired for sale	0	0	0	0
Receivables acquired for sale	912,230	0	912,230	124,806
TOTAL current investments, excluding loans	912,230	0	912,230	224,806
Current part of non-current loans given (including bonds)	49,278	0	49,278	69,905
Current loans granted (including bonds)	477,017	-202,945	274,072	254,503
Bills of exchange received	0	0	0	0
Current deposits	554,391	0	554,391	7,442,263
Current receivables from financial lease	0	0	0	
TOTAL current loans granted	1,080,686	-202,945	877,741	7,766,671
Current unpaid called-up capital	0	0		0
TOTAL CURRENT INVESTMENTS	**1,992,916**	**-202,945**	**1,789,971**	**7,991,477**

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 their 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.

Table 56: **Revaluation of current investments**

	2013	Out of which revaluation of current investments in companies: of Group	associates	other	2012
Revaluation of current investments for impairment debited from financial expenses	100,000	0	0	100,000	0

Cash and cash equivalents

Table 57: **Cash and cash equivalents**

in EUR

	31. 12. 2013	31. 12. 2012
Cash in hand and promptly cashable securities	8,035	5,128
Cash in banks and other financial institutions	8,996,911	9,523,255
TOTAL	9,004,946	9,528,383

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 58: **Current deferred costs and accrued revenue**

in EUR

	31. 12. 2013	31. 12. 2012
Current deferred costs or expenses	712,002	795,510
Current accrued revenue	0	5,250
Securities	0	0
VAT from advances received	1,982,801	2,761,464
TOTAL	2,694,803	3,562,224

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

Equity

Table 59: **Equity**

in EUR

Equity	31. 12. 2013	31. 12. 2012
Minority equity	9.682.262	8.977.859
Share capital	4.451.540	4.451.540
Capital surplus	10.751.254	10.751.254
Legal reserves	0	0
Reserves for treasury shares and own participating interests	506.406	506.406
Treasury shares and own participating interests (as deductions)	-506.406	-506.406
Statutory reserves	377.157	0
Other reserves from profit	5.732.581	5.732.581
Revaluation surplus	537.225	529.594
Consolidated adjustment of capital	-3.735.040	-3.569.914
Net profit or loss carried forward	56.170.060	45.455.970
Net profit/loss for the financial year	11.630.939	11.147.856
Total	95.597.978	83.476.740

€10,751,254 in capital surplus are composed of €9,586,803 in paid-in capital surplus and €1,164,451 in general adjustment from revaluation of capital. Treasury shares constitute €500,000 in investment by Impol Montal, d. o. o., in Impol 2000, d. d., and €6,406 in investment by Kadring, d. o. o., in Impol 2000, d. d., shares.

Provisions and non-current accrued costs and deferred revenue

Table 60: Provisions and non-current accrued costs and deferred revenue

in EUR

	Provisions		Non-current accrued costs and deferred revenue		TOTAL
	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	
Balance as at 31/12/2012	861,742	1,700	689,611	17,336	1,570,389
Balance as at 01/01/2013	861,742	1,700	689,611	17,336	1,570,389
Provisions set up (+)	70,045	2,213	253,964	1,529	327,751
Other increases (+)	14,611	0	9,743	0	24,354
Utilisation (-)	-4,895	0	0	0	-4,895
Releases (-)	-58,135	-1,700	-292,290	-15,748	-367,873
Other decreases (-)	-805	0	0	0	-805
Balance as at 31/12/2013	882,563	2,213	661,028	3,117	1,548,921

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 61: Non-current financial and operating liabilities

in EUR

	Balance of all liabilities as at 31/12/2013	Liabilities due in 2014	31/12/2013	31/12/2012
Non-current financial liabilities to banks	112,370,718	-43,200,461	69,170,257	102,961,368
Non-current financial liabilities to others (excluding liabilities from financial lease)	464,178	-69,513	394,665	280,349
Non-current financial liabilities from financial lease – other companies	104,742	-21,531	83,211	16543
Other non-current operating liabilities – other companies	159,031	0	159,031	143,690
TOTAL non-current financial and operating liabilities	113,098,669	-43,291,505	69,807,164	103,401,950
Non-current financial liabilities	112,939,638	-43,291,505	69,648,133	103,258,260
Non-current operating liabilities	159,031	0	159,031	143,690
TOTAL non-current financial and operating liabilities	113,098,669	-43,291,505	69,807,164	103,401,950

a. 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.

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 + 1.5 % to fixed 5.9 % interest rate (depending on the area, maturity, collateral and scope of cooperation with creditors).
- 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 taxes by year are as follows:

Table 62: **Non-current taxes by year**

year	Repayment in €
2014	43,291,505
2015	31,391,096
2016	14,518,673
2017	8,343,234
2018	3,381,252
2019	2,812,917
2020	2,726,252
2021	2,464,345
2022	2,411,966
2023	1,199,466
2024	199,466
2025	199,466
TOTAL	112,939,638

Current liabilities

Table 63: **Current operating and financial liabilities**

in EUR

	31/12/2013	31/12/2012
Current trade payables – associates	350,654	228,313
Current trade payables – other companies	32,677,306	27,824,193
Current liabilities from advance payments – other companies	2,996,011	2,088,490
Other current operating liabilities – other companies	8,885,599	8,806,583
TOTAL current operating liabilities	44,909,570	38,947,579
Current part of non-current financial liabilities – banks	43,200,461	35,576,152
Current part of non-current financial liabilities (excluding liabilities from financial lease) – other companies	69,513	66,271
Current part of non-current financial liabilities from financial lease – other companies	21,531	5,051
Current financial liabilities – banks	42,405,155	57,045,461
Current financial liabilities (excluding liabilities from financial lease) – other companies	7,043,313	6,246,402
Current financial liabilities related to the distribution of net profit/loss	17,712	6,706
TOTAL current financial liabilities	92,757,685	98,946,043
Current trade payables to associates	350,654	228,313
Current trade payables to other companies	32,677,306	27,824,193
Total current trade payables	33,027,960	28,052,506

	31/12/2013	31/12/2012
Current part of non-current trade payables from advances	0	0
Current liabilities for advances	2,996,011	2,088,490
Total current liabilities for advances	2,996,011	2,088,490
Current liabilities to employees	2,398,624	2,075,828
Current liabilities to the State	1,649,386	2,830,337
Current interest liabilities	423,366	487,203
Other current operating liabilities – other companies	4,414,223	3,413,215
Total other current operating liabilities	8,885,599	8,806,583
SKUPAJ kratkoročne poslovne obveznosti	44,909,570	38,947,579
TOTAL current financial and operating liabilities	137,667,255	137,893,622
Specification of current financial and operating liabilities by origin:		
Current financial liabilities	49,466,180	63,298,569
Current part of non-current financial liabilities	43,291,505	35,647,474
Total current financial liabilities	92,757,685	98,946,043
Current operating liabilities	44,909,570	38,947,579
Current part of non-current operating liabilities	0	0
Total current operating liabilities	44,909,570	38,947,579
TOTAL current financial and operating liabilities	137,667,255	137,893,622

Interest rates for current loans from credit institutions from EURIBOR 6M + 2.85 % and upwards until fixed 6.5 %.

Current liabilities are partially secured with a mortgage, whereas the remaining current liabilities are secured with equipment, 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 ECB exchange rate. 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 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 64: **Current accrued costs and deferred revenue**

in EUR

Current accrued costs and deferred revenue	31/12/2013	31/12/2012
Accrued costs or expenses	2,700	19,758
Current deferred revenue	1,508,056	1,700,130
VAT from advances received	609,357	1,288,207
TOTAL	2,120,113	3,008,095

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

Off-balance sheet

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. €13,977,150 in off-balance sheet items are composed of €8,799,650 in carried out financial instruments, €2,610,000 in pledged import duty securities, €2,473,052 in received guarantees and €94,448 in liabilities resulting from the initiation of insolvency proceedings.

Operating revenue

Table 65: **Operating revenue**

in EUR

	2013	2012
Net revenue from sales	460,749,931	463,155,333
Change in value of product inventories and work in process	1,491,220	3,116,187
Capitalised own products and services	1,036	4,270
Other operating revenue	3,483,796	5,608,569
a) Revenue from release of provisions	320,701	340,679
b) Revenue from business mergers (revaluation surplus - badwill)	0	3,068,565
c) Other revenue associated with products and services (subsidies, grants, reimbursements, compensations, premiums, etc.)	2,640,138	2,040,880
d) Operating revenue from revaluation	522,957	158,445
- of disposed of tangible fixed assets	35,118	27,748
- of the reversed decrease of revalued tangible fixed assets	0	200
- of operating receivables	435,727	107,317
- of operating liabilities	52,112	23,180
TOTAL	465,725,983	471,884,359

Net sales revenue from the sales of aluminium products is specified in further detail under Market and customers on page 29. The non-aluminium activity is realised only in the Slovenian market.

Net sales revenue by business segment

Table 66: **Net sales revenue by business segment**

in EUR

	2013	2012
Revenue from sales in Slovenia	31,478,350	39,605,333
Group companies	0	0
associates	79,357	79,671
other companies	31,398,993	39,525,662
Revenue from sales in the EU	376,926,013	386,017,676
Group companies	0	0
associates	0	0
other companies	376,926,013	386,017,676
Revenue from sales in other European countries	15,010,142	17,533,902
Group companies	0	0
associates	0	0
other companies	15,010,142	17,533,902
Revenue from sales in other markets	37,335,426	19,998,422
Group companies	0	0
associates	0	0
other companies	37,335,426	19,998,422
TOTAL	460,749,931	463,155,333

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 100). Work in process inventories are valued subject to the level of completeness.

The calculation for 2013 for the entire Impol group is carried out by means of the FIFO method.

Table 67: **Costs by function group**

in EUR

	Production costs	Sales costs	Costs of general activities	Total 2013	Total in 2013 purchased from:		Total 2012
					associates	other companies	
Cost of merchandise and materials sold	0	69,747,707	0	69,747,707	0	69,747,707	69,370,268
Costs of materials	279,570,205	4,442,615	402,384	284,415,204	0	284,415,204	288,786,297
Costs of services	11,759,386	17,399,291	1,564,309	30,722,986	2,113,098	28,609,888	31,368,918
Labour costs	31,496,005	2,176,023	8,709,069	42,381,097	0	42,381,097	39,920,547
Depreciation	12,229,858	43,966	3,161,909	15,435,733	0	15,435,733	16,561,971
Operating expenses from revaluation	34,265	544,559	142,268	721,092	0	721,092	1,182,355
a) of tangible fixed assets				170,912			144,233

	Production costs	Sales costs	Costs of general activities	Total 2013	Total in 2013 purchased from: associates	Total in 2013 purchased from: other companies	Total 2012
b) of inventories				5,621			34,464
c) of operating receivables				544,559			1,003,658
Provisions	0	0	0	0	0	0	74,470
Other operating expenses	392,537	31,541	592,494	1,016,572	0	1,016,572	1,264,333
TOTAL	335,482,256	94,385,702	14,572,433	444,440,391	2,113,098	442,327,293	448,529,159

Costs and expenses are presented in further detail in Table Group Income Statement on page 73.

Financial revenue and expenses

Table 68: **Financial revenue and expenses**

in EUR

	Total	of companies		Total
	2013	of associates	of others	2012
Financial revenue from investments				
Financial revenue from participating interests – shares on profit, dividends	44,904	0	44,904	96,769
Financial revenue from other investments	0	0	0	43,771
Financial revenue from loans to others – interest	443,492	0	443,492	375,662
Financial revenue from loans – exchange rate changes	27,516	0	27,516	0
Financial revenue from operating receivables – interest	112,043	0	112,043	70,796
Financial revenue from operating receivables – exchange rate changes	3,492,997	0	3,492,997	5,624,435
TOTAL revenue from investments	4,120,952	0	4,120,952	6,211,433

v EUR

	Total	of companies		Total
Financial expenses from loans (excluding loans from banks) – interest	2013	of associates	of others	2012
Financial expenses from loans (excluding loans from banks) – exchange rate changes	231,533	0	231,533	116,459
Financial expenses from loans received from banks – interest	0	0	0	0
Financial expenses from loans received from banks – exchange rate changes	7,113,760	0	7,113,760	8,761,929
Financial expenses from bonds – interest	0	0	0	0
Financial expenses from bonds – exchange rate changes	0	0	0	0
Financial expenses incurred in connection with other financial liabilities – interest	0	0	0	0
Financial expenses incurred in connection with other financial liabilities – exchange rate changes	2,847	0	2,847	4,302
Financial expenses from operating liabilities – interest*	1,812,654	0	1,812,654	5,101,543
Financial expenses from operating liabilities – exchange rate changes**	51,703	0	51,703	47,522
Financial expenses from the sale of non-current investments	1,509,829	0	1,509,829	942,589
Financial expenses from the sale of current investments	0	0	0	0
Financial expenses from assets distributed at fair value through the profit/loss	0	0	0	0

	Total	of companies		Total
	2013	of associates	of others	2012
Financial expenses from impairment	0	0	0	176,154
TOTAL expenses from investments	824,084	0	824,084	360,888
TOTAL expenses from investments	11,546,410	0	11,546,410	15,511,386

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

Other revenue and expenses

Table 69: **Other revenue and expenses**

in EUR

Other revenue and expenses	2013	2012
Subsidies, grants and other revenue not associated with products and services	12,697	17,072
Compensation and fines received	400,999	213,321
Collected written-off receivables	9,841	6,131
Other revenue	12,495	27,432
TOTAL	436,032	263,956

v EUR

Other financial expenses and other expenses	2013	2012
Fines and compensation	4,077	18,508
Other expenses	111,309	14,911
TOTAL	115,386	33,419

If the equity of the Group had been revalued for the growth of retail prices (0.7%), its net profit / loss would have decreased by €587,134, excluding effects of corporate income tax.

Income tax

Table 70: **Income tax**

in EUR

Income tax	2013	2012
Revenue determined in compliance with accounting regulations	853,679,536	856,135,415
Adjustment of revenue to the level of tax deductible revenue – decrease (-)	-1,925,628	-6,669,775
Adjustment of revenue to the level of tax deductible revenue – increase (+)	90,379	42,783
Tax deductible revenue	851,844,287	734,999,281
Expenses determined in compliance with accounting regulations (+)	838,901,162	839,205,717
Adjustment of expenses to the level of tax deductible expenses – decrease (-)	-684,395	-1,667,314
Adjustment of expenses to the level of tax deductible expenses – increase (+)	-143,751	-139,800
Tax deductible expenses	838,073,016	726,810,899
TAX DEDUCTIBLE REVENUE LESS TAX DEDUCTIBLE EXPENSES	13,771,271	8,188,382
Tax base change associated with tax base changes from changes to accounting policies, corrections of errors and revaluations (+/-)	1,568	-117

Income tax	2013	2012
Increase of tax base for pre-determined tax relief (+)	72,459	320,712
TAX BASE	14,010,656	8,820,869
TAX LOSS	-165,358	-311,892
Decrease of tax base and tax relief (that does not exceed the tax base) (-)	-5,037,314	-2,801,826
BASIS OF TAX ASSESSMENT	8,973,342	9,989,138
TAX	1,147,933	1,146,838

Overview of the current corporate income tax by Impol Group company for the 2013 calendar year.

Table 71: **Current corporate income tax by Group company**

in EUR

Company	Income tax for 2013
Impol 2000, d. d.	393,019
Impol, d. o. o.	140,611
Impol LLT, d. o. o.	0
Impol FT, d. o. o.	0
Impol PCP, d. o. o.	15,582
Impol Infrastruktura, d. o. o.	14,731
Impol R in R, d. o. o.	7,787
Rondal, d. o. o.	247,676
Impol-Montal, d. o. o.	11,420
Impol Servis, d. o. o.	12,585
Impol Stanovanja, d. o. o.	0
Kadring, d. o. o.	7,358
Stampal SB, d. o. o.	204,298
Štatenberg, d. o. o.	22
Unidel, d. o. o.	3,394
Impol Aluminum Corporation	40,980
Impol Seval, a. d.	0
Impol Seval Tehnika, d. o. o.	32,095
Impol Seval Final, d. o. o.	2,079
Impol Seval PKC, d. o. o.	696
Impol Seval President, d. o. o.	0
Impol Hungary Kft.	13,600
TOTAL	1,147,933

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 72: **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	
	2013	2012	2013	2012
Members of the Impol 2000, d.d. Board combined – out of which separately	755,762	734,476	3	3
Jernej Čokl, President of the Board	278,587	270,669		
Vladimir Leskovar, Member of the Board	233,420	227,706		
Janko Žerjav, Member of the Board	243,754	236,101		
Members of the Board or CEOs of subsidiaries	1,738,848	1,749,442	17	19
Members of the Supervisory Board	73,417	71,741	4	4
Employees employed on the basis of individual contracts of employment	2,651,494	2,546,066	43	42
Total	5,219,520	5,101,725	67	68

Table 73: **Recapitulation of remuneration**

Recapitulation of remuneration of Members of the Board and Supervisory Board	2013	2012
Members of the Board	2,494,609	2,483,918
Members of the Supervisory Board	73,417	71,741
Employees employed on the basis of individual contracts of employment	2,651,494	2,546,066
Total	5,219,520	5,101,725

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 auditors (Article 69, Paragraph 1, Indent 20 of ZGD-1)

Table 74: **Auditor Cost**

Amount (cost) used for the auditor (Article 69, Paragraph 1, Indent 17 of ZGD-1)	2013	2012
Auditing of the Annual Report	86,950	88,350
Other audit services	0	0
Tax consultation services	0	0
Other non-audit services	0	0
TOTAL	86,950	88,350

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 75: **Impol 2000, d. d., subsidiaries, included in the Group**

Company	Registration Number	Standard Classification of Activities	Country of the Company
Impol, d. o. o., Partizanska u. 38, Slovenska Bistrica	5040736	25,500	Slovenia
Impol Aluminum Corporation, 155 Erie Blvd., 2nd Floor, 12305 Schenectady, New York		46,720	USA
Impol FT, d. o. o., Partizanska u. 38, Slovenska Bistrica	2239418	25,500	Slovenia
Impol Hungary Kft., Vecsey Karoly u. 7, Budapest			Hungary
Impol Infrastruktura, d. o. o., Partizanska u. 38, Slovenska Bistrica	2239426	68,320	Slovenia
Impol LLT, d. o. o., Partizanska u. 38, Slovenska Bistrica	2239434	24,530	Slovenia
Impol-Montal, d. o. o., Partizanska u. 38, Slovenska Bistrica	5479355	25,120	Slovenia
Impol PCP, d. o. o., Partizanska u. 38, Slovenska Bistrica	2239442	25,500	Slovenia
Impol R in R, d. o. o., Partizanska u. 38, Slovenska Bistrica	2239400	72,190	Slovenia
Impol Servis, d. o. o., Partizanska u. 38, Slovenska Bistrica	5482593	52,461	Slovenia
Impol Seval, a. d., Prvomajska b.b., Sevojno + 3 pododvisne družbe	07606265	25,500	Serbia
Impol Stanovanja, d. o. o., Partizanska u. 39, Slovenska Bistrica	5598010	68,320	Slovenia
Kadring, d. o. o., Trg svobode 26, Slovenska Bistrica	5870941	70,220	Slovenia
Rondal, d. o. o., Partizanska u. 38, Slovenska Bistrica	5888859	25,990	Slovenia
Stampal SB, d. o. o., Partizanska u. 38, Slovenska Bistrica	1317610	25,500	Slovenia
Štatenberg, d. o. o., Štatenberg 89, Makole	5465249	56,101	Slovenia
Unidel, d. o. o., Kraigherjeva u. 37, Slovenska Bistrica	5764769	14,120	Slovenia

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 76: **Other Affiliates**

Name	Address	Country	Share
Simfin, d. o. o.	Partizanska u. 38, Slovenska Bistrica	Slovenia	49.79 %
Alcad, d. o. o.	Partizanska u. 38, Slovenska Bistrica	Slovenia	32.07 %
Slobodna zona Užice	Prvomajska b.b., Sevojno	Serbia	33.33 %
Impol Brazil		Brazil	50.00 %

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

BOARD LIABILITY DECLARATION

The Board is responsible for drawing up a Group Annual Report so that it gives a true and fair view of the financial situation of the Group as well as of its operating results for 2013.

The Board hereby confirms to have diligently applied the appropriate accounting policies and that accounting estimates have been prepared following the principle of prudence and good management. The Board also confirms that the Financial Statements including notes are drawn up on the basis of going concern and in compliance with the legislation in force and Slovenian Accounting Standards.

The Board is also responsible to manage accounting appropriately, to take appropriate measures for safeguarding the property of the Group, to continuously monitor other operating risks and to adopt measures intended to minimise them as well as to prevent and detect any fraud and any other irregularities or unlawful undertakings.

The Board hereby confirms Group Financial Statements for the year ending on 31 December 2013 and for the accounting policies applied. This Annual Report was adopted by the Board at its session held on 24/4/2014.

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

AUDITOR'S OPINION

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, 2013, 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, 2013, 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, Markova 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, May 15th 2014

Simon Pregl, univ. dipl. ekon.
Certified auditor

Simon Pregl

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. Ptuj
managing director
dr. Erika Turin,
Certified auditor

Erika Turin

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

IMPOL GROUP

Impol 2000, d. d. - management process

JERNEJ ČOKL,

President of the Board

phone: +386 2 845 31 01

JANKO ŽERJAV,

Member of the Board, Marketing

phone: +386 2 845 31 03

VLADO LESKOVAR,

Member of the Board, Finances

phone: +386 2 845 31 05

Finance

IRENA ŠELA,

Head of finance

phone: +386 2 845 39 30

fax: +386 2 818 01 78

e-mail: irena.sela@impol.si

Strategic purchasing and risk management

MAG. TANJA BRKLJAČIČ,

Executive director of purchasing and forward transaction

phone: +386 2 845 31 40

fax: +386 2 818 12 45

e-mail: tanja.brkljacic@impol.si

Companies of the Impol Group

Impol, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

EDVARD SLAČEK,
director

phone: +386 2 845 31 00
fax: +386 2 818 12 19
e-mail: info@impol.si

Impol FT, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

TOMAŽ SMOLAR,
director

phone: +386 2 845 31 00
fax: +386 2 818 12 19
e-mail: info@impol.si

Impol PCP, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

MIRO SLATINEK,
director

phone: +386 2 845 31 00
fax: +386 2 818 12 19
e-mail: info@impol.si

Impol LLT, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

RAJKO ŠAFHALTER,
director

phone: +386 2 845 31 00
fax: +386 2 845 32 68
e-mail: info@impol.si

Impol R in R, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

DR. VARUŽAN KEVORKIJAN,
director

phone: +386 2 845 37 35
fax: +386 2 845 37 35
e-mail: varuzan.kevorkijan@impol.si

Stampal SB, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica
spletna stran: www.stampal-sb.si

MAG. URH KNUPLEŽ,
director

phone: +386 2 805 54 40
fax: +386 2 805 54 49
e-mail: stampal@stampal-sb.si

Kadring, d. o. o.
Trg svobode 26
SI 2310 Slovenska Bistrica

BRIGITA JUHART,
director

phone: +386 2 845 39 17
fax: +386 2 845 32 12
e-mail: brigita.juhart@impol.si

Unidel, d. o. o.
Kraigherjeva ulica 37
SI 2310 Slovenska Bistrica

MARTA BAUM,
director

phone: +386 2 805 52 30
fax: +386 2 805 52 32
E-mail: info@unidel.si

Impol Infrastruktura, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

DOMINIK STRMŠEK,
director

phone: +386 2 845 31 00
fax: +386 2 845 32 17
e-mail: info@impol.si

Impol Stanovanja, d. o. o.
Partizanska ulica 39
SI 2310 Slovenska Bistrica

MOJCA GRIČNIK,
director

phone: +386 2 818 40 88
fax: +386 2 818 40 89
e-mail: stanovanja_doo@siol.net

Rondal, d. o. o.
Partizanska ulica 39
SI 2310 Slovenska Bistrica

SONJA KREMAVC,
director

phone: +386 2 805 56 00
fax: +386 2 805 56 25
e-mail: sonja.kremavc@rondal.si

Impol Servis, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

TEODOR KOROŠEC,
director

phone: +386 2 818 41 54
fax: +386 2 818 41 53
e-mail: impol.servis@impol.si

Impol-Montal, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

JANKO ŽERJAV,
director

phone: +386 2 845 31 00
fax: +386 2 818 12 19

Štatenberg, d. o. o.
Štatenberg 89
SI 2321 Makole

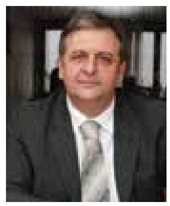
VLADO LESKOVAR,
director

phone: +386 2 803 02 16

Impol Aluminum Corporation
Schenectady, 155 Erie
Boulevard
New York 12305, ZDA

MIRO ŠKRLJ,
director

phone: 001 914 636 26 06
fax: 001 518 393 21 36
e-mail: sales@impolaluminum.com



Impol Seval, a. d.
Valjarna aluminija, a. d.
Prvomajska b. b.
31205 Sevojno, Srbija

NINKO TESIĆ,
director

phone: +381 031 591 100,
+381 031 591 101
fax: +381 031 532 086,
+381 031 532 962
e-mail: ofiice@seval.rs

Associated members

Simfin, d. o. o.
Partizanska ulica 38
SI 2310 Slovenska Bistrica

VLADO LESKOVAR,
director

phone: +386 2 845 31 05
fax: +386 2 818 01 78
e-mail: info@simfin.si

Alcad, d. o. o.
Mroževa ulica 5
SI 2310 Slovenska Bistrica

BRANKO HMELAK,
director

phone: +386 2 805 56 51
fax: +386 2 805 56 65
e-mail: alcad@alcad.si

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ANNUAL REPORT 2013 FOR THE GROUP IMPOL

Edited by: Nina Juhart Potočnik

Photographs by: Nino Verdnik, Samo Mikulič

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Slovenska Bistrica, May 2014

impol group
Partizanska cesta 38, 2310 Slovenska Bistrica
phone: +386 2 845 31 00, fax: +386 2 818 12 19
info@impol.si, www.impol.si