

OPERATIONAL RESULTS OF THE CROATIAN PRIVATIZATION FUND (CPF) IN THE PERIOD FROM I - XII 2008.

The Croatian Privatization Fund (hereinafter - Fund) keeps its accounts in compliance with the Decree on Accountancy of Non-profit Organizations.

1. REVENUES + INFLOWS

A REVENUES

Revenues of the Fund as per Article 10 of the Law on the Fund include:

- dividends on shares i.e. business interests owned by the Fund
- revenues from the sale and lease of state property transferred to the Fund
- funds transferred to the Fund upon finalization of bankruptcy or liquidation procedure
- other revenues in compliance with the Law

In the period of I - XII 2007 the total realized revenue amounted to **Kn 92.909.417** and in the same period of 2008 realized revenues amounted to **Kn 218.195.848** - which represents a increase of **134,8** %.

B FUNDS FROM THE SALE OF SHARES AND BUSINESS INTERESTS FROM THE PORTFOLIO OF THE CPF

Realized inflow from the sale of shares and interests paid to the accounts of the CPF in the period of I -XII 2007 amounted to **Kn 84.558.057** while in the same period of 2008 it amounted to **Kn 169.139.398**.

C COVERAGE OF EXPENDITURES FROM THE FUNDS FROM THE SALE OF SHARES

If revenues are not sufficient for coverage of operation costs, the Fund uses funds for incorporation and activity of the Fund and in compliance with the Article 10 of the Law on the CPF they consist of:

- shares i.e. business interests transferred to the Fund
- fund realized by the sale of shares i.e. interests of the Fund in companies
- loans.

In the period of I - XII 2008 realized revenue exceeds incurred expenses by Kn 126.792.670 and for coverage of operation costs Fund did not use funds from the sale of shares and interests.

2. OPERATIONAL COSTS

For implementation of its tasks in accordance with the Law on Transformation of Socially-owned Enterprises and Privatization Law as on the 31.12.2008 the Fund had 180 employees. For salaries and coverage of other costs related to the operation of the Fund in the period I-XII of the year 2008 spent was **Kn 91.403.178**.

BALANCE SHEET 31 December 2008

	Position 01.01.2008	Position 31.12.2008
ASSETS	16.094.224.560	15.884.681.676
I. TANGIBLE ASSETS (A+B+C)	172.480.246	259.199.578
A LONG TERM ASSETS (1+2)	7.780.774	7.684.708
1 <i>land</i>	7.418.126	7.417.411
2 <i>intangible assets</i>	362.648	267.297
B PRODUCED LONG TERM ASSETS (1 to 4)	164.177.438	250.992.836
1 <i>building structures</i>	160.279.639	247.936.543
2 <i>equipment and machinery</i>	3.883.078	2.904.852
3 <i>vehicles</i>	14.721	151.441
4 <i>other intangible assets</i>	0	0
C CURRENT ASSETS (1)	522.034	522.034
1 <i>Building structures in progress</i>	522.034	522.034
II. FINANCIAL ASSETS (1 to 5)	15.921.744.314	15.625.482.098
1 CASH AT BANKS AND IN HAND	26.035.522	235.881.464
2 DEPOSIT, GUARANTEES, SHARE BUYERS ETC.	598.522.271	583.243.404
3 LOANS	1.506.509.735	1.565.021.770
4 SHARES AND CAPITAL SHARE	13.702.119.645	13.115.964.756
5 RECEIVABLES FOR OPERATIONAL INCOME	88.557.141	125.370.704

	Position 01.01.2008	Position 31.12.2008
LIABILITIES AND RESOURCES (I + II)	16.094.224.560	15.884.681.676
I. LIABILITIES (A+B+C)	2.317.765.590	3.582.500.354
A LIABILITIES FOR OPERATIONAL EXPENDITURES (1 to 4)	476.363.552	1.655.524.428
1 <i>liabilities for salaries</i>	1.372.322	1.428.077
2 <i>liabilities for material expenditures</i>	1.052.850	1.933.556
3 <i>liabilities for financial expenditures</i>	1.481.231	2.734.589
4 <i>liabilities for advances, deposits and other liabilities</i>	472.457.149	1.649.428.206
B LIABILITIES FOR CREDITS AND LOANS (1 to 3)	1.762.909.049	1.804.730.172
1 <i>bank loans</i>	229.345.276	289.210.937
2 <i>foreign bank loans</i>	126.174.331	108.192.154
3 <i>domestic loans (Ministry of Finance of the Republic of Croatia)</i>	1.407.389.442	1.407.327.081
C ACCRUALS AND DEFERRED INCOME (1 to 2)	78.492.989	122.245.754
1 <i>accounts payable</i>	0	86.365
2 <i>deferred accrued income</i>	78.492.989	122.159.389
II. OWN RESOURCES	13.776.458.970	12.302.181.322
1 own resources	13.776.458.970	12.175.388.652
2 income surplus	0	126.792.670
3 income deficit	0	0

PROFIT AND LOSS ACCOUNT
for the period from January 1, to December 31, 2008

	<i>PREVIOUS YEAR</i>	<i>CURRENT YEAR</i>
INCOME		218.195.848
1 INCOME FROM SALES AND SERVICES		2.067.508
2 INCOME FROM ASSETS		216.123.050
- Income from financial assets		69.821.068
- Income from non-financial assets		146.301.982
3 OTHER INCOME		5.290
EXPENDITURES		91.403.178
1 COSTS FOR EMPLOYEES		33.602.468
2 OPERATING CHARGES		22.285.615
- Costs for employees		1.107.641
- Cost of material and energy		1.981.383
- Cost of services		18.535.056
- Other unspecified costs		661.535
3 DEPRECIATION COSTS		2.620.218
4 FINANCIAL EXPENDITURES		32.485.387
5 DONATIONS		18.000
6 OTHER OPERATIONAL EXPENDITURE		391.490
 OPERATIONAL INCOME SURPLUS		 126.792.670