

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

The Croatian Privatization Fund (hereinafter - Fund) keeps its accounts in compliance with the Decree on Accountancy of Non-profit Organizations and Rules on Book-keeping and Account Plan 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 - VI 2007 the total realized revenue amounted to **Kn 28.888.791.00** and in the same period of 2008 realized revenues amounted to **Kn 36.642.609.00** - which represents a decrease of 9,1 %.

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 (Kuna and foreign currency account) in the period of I –VI 2007 amounted to **Kn 38.468.572.00** while in the same period of 2008 it amounted to **Kn 52.698.163.00**.

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 - VI 2008 realized revenue was less than expenses by Kn 6.311.158.00 and for coverage of operation costs Fund used 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 30.06.2008 the Fund had 180 employees. For salaries and coverage of other costs related to the operation of the Fund in the period I-VI of the year 2008 spent was **Kn 42.953.767.00**.

BALANCE SHEET

as on 30.06.2008.

in kn

Position No.	Position name	Balance 30.06.2008.	Balance 30.06.2007.
	ASSETS	16.105.075.784	19.044.841.743
	Long-term assets (1+2+3+4+5+6+7+8)	14.731.783.729	17.954.982.260
1	Intangible assets	362.648	13.684.207
2	Tangible assets	64.768.784	63.609.380
3	Investment in course	522.034	522.034
4	Financial assets	13.714.106.035	16.824.020.726
5	Receivables from purchasers of shares	523.936.516	599.350.357
6	Real estate at disposal of CPF	108.673.133	134.380.977
7	Other receivables (HŽ and HEP)	319.414.579	319.414.579
8	Advance payments	-	
	Short-term assets (1+2+3+4+5+6+7)	1.373.292.055	1.089.859.483
1	Outstanding debts of purchasers	2.341.062	2.190.099
2	State and other institutions outstanding debts	23.994	25.510
3	Outstanding debts of employees	69.218	83.288
4	Outstanding sums for advance payments	12.596	379.834
5	Financial assets (short-term loans)	1.236.656.624	1.055.054.801
6	Other outstanding debts	69.861.430	16.431.243
7	Money on account and at hand	64.327.131	15.694.708
	LIABILITIES	16.105.075.784	19.044.841.743
	Accounts payable (1+2+3+4+5+6)	2.377.265.643	2.156.614.347
1	Long-term liabilities	160.528.035	191.265.917
2	Short-term loans liabilities	1.682.760.319	1.489.686.931
3	Short-term liabilities to suppliers	2.704.058	418.125
4	Taxes, duties and contributions	568.552	480.496
5	Short-term liabilities to employees	877.484	764.324
6	Other short term liabilities	529.827.195	473.998.554
	Funding sources (1+2+3)	13.727.810.141	16.888.227.396
1	Capital assets fund	65.653.466	64.589.751
2	Other funding sources - social capital	13.033.717.542	16.204.229.521
3	Balance of the Fund	628.439.133	619.408.124

INCOME AND EXPENDITURE ACCOUNT

01.01. – 30.06.2008.

in kn

Position No.	Position name	01.01. - 30.06.2008.	01.01. - 30.06.2007.
REVENUES			
1	Other revenues	36.642.609	28.888.791
	Revenues from dividends	18.008.882	7.804.980
	Revenues from bankruptcies	6.036.893	851.228
	Revenues from issued certificates for real estates	80.987	182.386
	Revenues from sale and lease of the real estate	7.469.777	15.112.400
	Other revenues	5.046.070	4.937.797
	TOTAL REVENUE (A)	36.642.609	28.888.791
EXPENDITURE			
1	Material costs	9.316.729	12.176.543
	Material costs	531.224	375.976
	Energy	409.773	324.637
	Services	8.375.732	11.475.930
2	Personal costs	15.948.012	17.532.826
	Salaries and compensations	15.948.012	17.532.826
3	Non-material costs	1.262.585	4.082.731
4	Investment expenditures	1.846.353	1.969.696
5	Other expenditures	14.580.088	8.469.161
	TOTAL EXPENDITURE (B)	42.953.767	44.230.957
	SURPLUS INCOME	-	-
	INCOME DEFICIT	6.311.158	15.342.166