

OPERATIONAL RESULTS OF THE CROATIAN PRIVATIZATION FUND (CPF) IN THE PERIOD FROM I -III 2011.

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

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
- revenues from the sale of shares and business interests from the portfolio of the CPF

In the period of I - III 2010 the total realized revenue amounted to **Kn 47.383.539.00** and in the same period of 2011 realized revenues amounted to **Kn 47.605.658.00** - which represents a increase of 0,5%.

In the period of I - III 2010 realized revenue exceeds then incurred expenses by Kn 31.444.037.00.

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 31.03.2011 the Fund had 152 employees. For salaries and coverage of other costs related to the operation of the Fund in the period I - III of the year 2011 spent was **Kn 16.161.621.00.**

BALANCE SHEET

for the period from January 1, to March 31, 2011

Position 01.01.2011

Position 31.03.2011

| ASSETS | 10.755.365.847 | 10.523.930.546 |
|--|-----------------------|-----------------------|
| I. TANGIBLE ASSETS (A+B+C) | 311.945.747 | 311.436.862 |
| A LONG TERM ASSETS (1+2) | 7.585.362 | 7.556.927 |
| 1 <i>land</i> | 7.478.931 | 7.476.534 |
| 2 <i>intangible assets</i> | 106.431 | 80.393 |
| B PRODUCED LONG TERM ASSETS (1 to 4) | 303.860.716 | 303.380.266 |
| 1 <i>building structures</i> | 302.142.856 | 301.895.384 |
| 2 <i>equipment and machinery</i> | 1.635.771 | 1.411.462 |
| 3 <i>vehicles</i> | 82.089 | 73.420 |
| 4 <i>other intangible assets</i> | 0 | 0 |
| C CURRENT ASSETS (1) | 499.669 | 499.669 |
| 1 <i>Building structures in progress</i> | 499.669 | 499.669 |
| II. FINANCIAL ASSETS (1 to 5) | 10.443.420.100 | 10.212.493.684 |
| 1 CASH AT BANKS AND IN HAND | 12.794.454 | 26.350.954 |
| 2 DEPOSIT, GUARANTEES, SHARE BUYERS ETC. | 489.560.632 | 481.698.248 |
| 3 LOANS | 822.667.988 | 810.205.610 |
| 4 SHARES AND CAPITAL SHARE | 8.957.589.152 | 8.675.123.079 |
| 5 RECEIVABLES FOR OPERATIONAL INCOME | 160.807.874 | 219.115.793 |

| | Position 01.01.2011 | Position 31.03.2011 |
|--|-----------------------|----------------------|
| LIABILITIES AND RESOURCES (I + II) | 10.755.365.847 | 9.871.400.433 |
| I. LIABILITIES (A+B+C) | 4.125.276.157 | 3.168.466.474 |
| A LIABILITIES FOR OPERATIONAL EXPENDITURES (1 to 4) | 1.185.249.027 | 1.187.322.391 |
| 1 <i>liabilities for salaries</i> | 2.578.302 | 1.796.059 |
| 2 <i>liabilities for material expenditures</i> | 1.628.041 | 1.788.579 |
| 3 <i>liabilities for financial expenditures</i> | 3.189.725 | 3.082.620 |
| 4 <i>liabilities for advances, deposits and other liabilities</i> | 1.177.852.959 | 1.180.655.133 |
| B LIABILITIES FOR CREDITS AND LOANS (1 to 3) | 1.905.072.818 | 1.981.144.083 |
| 1 <i>bank loans</i> | 360.855.416 | 458.474.147 |
| 2 <i>foreign bank loans</i> | 122.324.424 | 110.185.948 |
| 3 <i>domestic loans (Ministry of Finance of the Republic of Croatia)</i> | 1.421.892.978 | 1.412.483.988 |
| C ACCRUALS AND DEFERRED INCOME (1 to 2) | 1.034.954.312 | 0 |
| 1 <i>accounts payable</i> | 0 | 0 |
| 2 <i>deferred accrued income</i> | 1.034.954.312 | 0 |
| II. OWN RESOURCES | 6.630.089.690 | 6.702.933.959 |
| 1 own resources | 6.356.697.914 | 6.398.098.145 |
| 2 income surplus | 273.391.776 | 304.835.814 |
| 3 income deficit | 0 | 0 |

PROFIT AND LOSS ACCOUNT
for the period from January 1, to March 31, 2011

| | <i>PREVIOUS YEAR</i> | <i>CURRENT YEAR</i> |
|---|----------------------|---------------------|
| INCOME | 47.383.539 | 47.605.658 |
| 1 INCOME FROM SALES AND SERVICES | 294.075 | 848.554 |
| 2 INCOME FROM ASSETS | 46.581.280 | 46.195.995 |
| - Income from financial assets | 46.006.202 | 45.013.000 |
| - Income from non-financial assets | 575.078 | 1.182.995 |
| 3 OTHER INCOME | 508.184 | 561.109 |
| EXPENDITURES | 18.209.073 | 16.161.621 |
| 1 COSTS FOR EMPLOYEES | 8.181.726 | 5.541.120 |
| 2 OPERATING CHARGES | 3.190.886 | 4.235.127 |
| - Costs for employees | 288.617 | 188.669 |
| - Cost of material and energy | 429.105 | 397.793 |
| - Cost of services | 2.315.348 | 3.614.937 |
| - Other unspecified costs | 157.816 | 33.728 |
| 3 DEPRECIATION COSTS | 44.802 | 0 |
| 4 FINANCIAL EXPENDITURES | 6.788.538 | 6.377.828 |
| 5 DONATIONS AND OTHER OPERATIONAL EXPENDITURE | 3.121 | 7.546 |
| OPERATIONAL INCOME SURPLUS | 29.174.466 | 31.444.037 |