

Annual Management report of the Group AD Plastik and of the Company AD Plastik Inc. Solin for the period January-December 2011

Temporary unaudited financial report

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# 1. Management report on business actions for the period January-December 2011

Business of AD Plastik Inc. during the period between January and December 2011, despite difficult market conditions of the global crisis, was very successful, because the company achieved greater profitability and improved the quality of the balance sheet.

In the parent company in Croatia business operations were stable and revenue growth of own realization of 2.3% was achieved compared to the year 2010.

During 2011 in the parent company we can specify a few key events:

- The ownership structure was changed during the mid-year. The package of shares of 25.8% which was owned by the Slovenian Prevent was sold at public auction, and the new owners have become pension and investment funds and physical entities. The change in the ownership structure influenced the change of two members of the Supervisory Board. Instead of the Supervisory Board members Mr. Borut Meh and Mr. Nijaz Hastor, Mr. Marijo Grgurinović and Mr. Igor Solomatin Anatoljevič were appointed.
- The dividend was paid to shareholders of AD Plastik in August to the amount of kn 7.50/share.
- In November 2011 a new ESOP program was implemented by which management and employees, including previously acquired shares, owe around 18% of shares.
- Plans of the largest customer Revoz - Novo Mesto are stable since September, after the reduced delivery of production in the period from June to August that emerged due to problems of customer with deliveries of parts from Japan.
- The series of deliveries successfully started in November for the redesigned Renault Twingo.
- In the last quarter AD Plastik has won nominations for the Edison Project, a new vehicle that Renault is developing together with Daimler Chrysler. Start of production is planned for the end of 2013, and positions of Exterior - bumpers and components, covers of hoods, fenders and fan housings for engine cooling will be produced. AD Plastik has received the total amounts that will be made on location Novo Mesto - Slovenia, and the product of fan housing will be delivered to another location of production in Hambach - France.

The most important events in subsidiaries and affiliates during 2011 were:

- In the company PHR in Russia, first half of 2011 was significantly marked by the introduction of extrusion technology of dynamic seals from EPDM, as a new technology within the Group. By this AD Plastik has created a presumption of offer for total vehicle sealing module on the Russian market. During the year the introduction of other new projects for customers of Avtoframos, Avtovaz and Nissan in PHR were made.
- In the company EURO APS in Romania the realization was above the planned, thereby ensuring the growth of profit. Thanks to the new Dacia models which are well accepted in the market the company has positive trend.
- During 2011 in the company FADP in Luga in Russia a number of new projects was introduced (new Ford Focus, new projects for Hyundai and Nissan), and production and warehouse space was expanded. Although during the last year the company recorded a loss, the realization was doubled, and the conditions for stable development in the future were created.
- In November 2011 a new company in Serbia was established - ADP Mladenovac, through which the business would be conducted for Fiat, and for other potential buyers in this region. All preparations were made for the acquisition of the assets and business activities of M-Printex in January 2012. As this company is in possession of technology and equipment for the manufacture of felts for the production of wallpapers by thermal molding technology, the premise of own competitive production and independence from the existing suppliers of raw materials in Russia who are also competitors was achieved by this takeover. Initial deliveries of felts were planned from Serbia, and at the beginning of 2013 the relocation of a production line in ADP PHR and localization of production is being planned.
- In the region of Moscow/Kaluga AD Plastik has won the positions for new Renault vehicle (Megane and Fluence) in technologies of thermal molding wallpapers, spraying, and foaming of polyurethane insulation of wallpapers and instrument panel, as new technology. This prompted the decision on establishing a new location in Kaluga. The change of registration is currently in progress, which involves changing an existing company headquarters of ADP Luga in ADP Kaluga, and tender for interior decoration on the location in Kaluga, which was planned in the first quarter of 2012.

At the end of the year 2011 Parent Company employed 872 employees, and all related subsidiaries and affiliates employed 2414 employees.

From the accompanying tables of the consolidated profit and loss account it is evident that on the level of the Group there has been a growth of revenue from sale of own products, but also significant profit growth that on the level of the Group amounts kuna 60.4 million.

The Company fully complies with the Management Code of AD Plastik Inc.

## **2. Fiancial report of Group AD Plastik**

<b>Appendix 1</b>			
Reporting period:	01.01.2011.	till	31.12.2011.
<b>Annual financial statement of the entrepreneur - GFI-POD</b>			
Register number (MB):	03440494		
Entity register number (MBS):	060007090		
Personal identification number (PIN):	48351740621		
Issuing company:	AD PLASTIK d.d.		
Post code and place:	21210	Solin	
Street and house number:	Matoševa 8		
E-mail address:	<a href="mailto:adplastik@adplastik.hr">adplastik@adplastik.hr</a>		
Internet address:	<a href="http://www.adplastik.hr">www.adplastik.hr</a>		
Municipality/city code and name:	406	Solin	
County code and name:	17	Splitsko-dalmatinska	No. of employees: 2.414 (at the end of the trimester)
Consolidated report:	YES		NCA code: 2932
Names of consolidation subjects (according to IMSF)	Seat:	REG.NO.:	
AD PLASTIK d.d.	Solin, Hrvatska	03440494	
ZAO PHR	Samara, Ruska Federacija	103630022193	
AD PLASTIK d.o.o.	Novo Mesto, Slovenija	1214985000	
ZAO ADP LUGA	Luga, Ruska Federacija	107471000032	
SG PLASTIK d.o.o.	Solin, Hrvatska	02097974	
ADP d.o.o.	Mladenovac, Srbija	20787538	
Bookkeeping service:			
Contact person:	Marica Jakelić (only the name and surname of the contact person to be entered)		
Telephone:	021/206-660	Fax:	021/275-660
E-mail address:	<a href="mailto:marica.jakelic@adplastik.hr">marica.jakelic@adplastik.hr</a>		
Name and surname:	Katija Klepo (person authorised for representation)		
<b>Documentation for publishing:</b>			
1. Unaudited annual Financial statements			
2. Interim report,			
3. Statement of the person responsible for compiling financial statements.			
Place of the seal		(signature of the person authorised for representation)	

## 2.1. Balance sheet

### Assets

<b>BALANCE SHEET</b>			
as at 31.12.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>661.659.664</b>	<b>739.094.321</b>
<b>I. INTANGIBLE ASSETS (004 up to 009)</b>	<b>003</b>	<b>43.568.093</b>	<b>42.367.412</b>
1. Development costs	<b>004</b>	40.667.371	39.917.138
2. Concessions, patents, licenses, trademarks, softwares and other rights	<b>005</b>	2.476.173	515.674
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		
6. Other intangible assets	<b>009</b>	424.549	1.934.600
<b>II. TANGIBLE ASSETS (011 up to 019)</b>	<b>010</b>	<b>515.418.758</b>	<b>537.712.619</b>
1. Land	<b>011</b>	134.619.737	135.379.260
2. Buildings	<b>012</b>	206.138.884	225.510.084
3. Plants and machinery	<b>013</b>	153.479.963	144.453.778
4. Tools, plant & office inventory, furniture & transport means	<b>014</b>	14.341.785	13.337.566
5. Biological assets	<b>015</b>		
6. Payments on account for tangible assets	<b>016</b>		9.836.323
7. Tangible assets in preparation	<b>017</b>	5.558.791	6.473.880
8. Other tangible assets	<b>018</b>	1.279.598	2.721.728
9. Investment in real estate	<b>019</b>		
<b>III. FIXED FINANCIAL ASSETS (021 up to 028)</b>	<b>020</b>	<b>101.901.260</b>	<b>158.229.878</b>
1. Shares in affiliated undertakings	<b>021</b>		
2. Loans to affiliated undertakings	<b>022</b>		
3. Participating interests (shares)	<b>023</b>	72.841.443	80.350.286
4. Given loans to companies in which exist participating interests	<b>024</b>	28.564.380	53.309.155
5. Investments in securities	<b>025</b>	63.855	63.855
6. Other loan, deposits etc	<b>026</b>	431.582	24.506.582
7. Other fixed financial assets	<b>027</b>		
8. Investment stated in equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 up to 032)</b>	<b>029</b>	<b>0</b>	<b>0</b>
1. Receivables from associated undertakings	<b>030</b>		
2. Receivables from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	<b>771.553</b>	<b>784.412</b>
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>335.680.554</b>	<b>343.959.044</b>
<b>I. INVENTORY (036 up to 042)</b>	<b>035</b>	<b>57.465.965</b>	<b>73.047.993</b>
1. Materials and supplies	<b>036</b>	42.629.395	39.899.443
2. Work in progress	<b>037</b>	2.806.050	2.523.958
3. Finished goods	<b>038</b>	8.623.623	11.065.425
4. Commercial goods	<b>039</b>	3.406.897	19.559.167
5. Advances for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 up to 049)</b>	<b>043</b>	<b>202.109.498</b>	<b>202.716.930</b>
1. Receivables from associated undertakings	<b>044</b>		
2. Trade receivables	<b>045</b>	147.150.088	144.391.722
3. Receivables from participating companies	<b>046</b>	5.244.952	11.744.719
4. Receivables from employees and members of the business	<b>047</b>	932.787	1.778.381
5. Receivables from government and other institutions	<b>048</b>	24.370.613	19.351.899
6. Other receivables	<b>049</b>	24.411.058	25.450.209
<b>III. CURRENT FINANCIAL ASSETS (051 up to 057)</b>	<b>050</b>	<b>66.543.367</b>	<b>60.674.392</b>
1. Shares in affiliated undertakings	<b>051</b>		
2. Loans to affiliates	<b>052</b>		
3. Participating interests (shares)	<b>053</b>		
4. Given loans to companies in which exist participating interests	<b>054</b>		14.977.162
5. Investments in to securities	<b>055</b>		
6. Other loan, deposits etc	<b>056</b>	66.543.367	45.697.230
7. Other financial assets	<b>057</b>		
<b>IV. CASH AT BANK AND IN HAND</b>	<b>058</b>	<b>9.561.724</b>	<b>7.519.729</b>
<b>D) PREPAYMENT AND ACCRUED INCOME</b>	<b>059</b>	<b>75.549.210</b>	<b>111.923.372</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>1.072.889.428</b>	<b>1.194.976.737</b>
<b>F) OUT-OF-BALANCE ITEMS</b>	<b>061</b>	<b>7.149.210</b>	<b>4.592.542</b>

## Liabilities

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>667.865.433</b>	<b>698.834.190</b>
<b>I. SUBSCRIBED SHARE CAPITAL</b>	<b>063</b>	<b>419.958.400</b>	<b>419.958.400</b>
<b>II. CAPITAL RESERVES</b>	<b>064</b>	<b>177.437.945</b>	<b>183.120.693</b>
<b>III. RESERVES FROM GAIN (066+067-068+069+070)</b>	<b>065</b>	<b>6.176.653</b>	<b>6.339.687</b>
1. Legal reserves	<b>066</b>	6.139.794	6.142.808
2. Reserves for own shares	<b>067</b>	11.359.719	378.455
3. Own stocks and shares (deductible item)	<b>068</b>	11.359.719	378.455
4. Statutory reserves	<b>069</b>	36.859	37.583
5. Other reserves	<b>070</b>		159.296
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	<b>10.042.847</b>	<b>10.185.354</b>
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	<b>0</b>	<b>18.790.123</b>
1. Retained earnings	<b>073</b>		18.790.123
2. Loss brought forward	<b>074</b>		
<b>VI. CURRENT YEAR PROFIT OR LOSS (076-077)</b>	<b>075</b>	<b>54.224.990</b>	<b>60.439.933</b>
1. Current year profit	<b>076</b>	54.224.990	60.439.933
2. Current year loss	<b>077</b>		
<b>VII. MINOR INTEREST</b>	<b>078</b>	<b>24.598</b>	
<b>B) PROVISIONS (080 up to 082)</b>	<b>079</b>	<b>15.619.833</b>	<b>14.164.437</b>
1. Provisions for pensions, severance pay and similar obligations	<b>080</b>	3.332.255	3.904.378
2. Provisions for tax liabilities	<b>081</b>		925.044
3. Other provisions	<b>082</b>	12.287.578	9.335.015
<b>C) LONG TERM LIABILITIES (084 up to 092)</b>	<b>083</b>	<b>92.905.027</b>	<b>109.057.560</b>
1. Liabilities to related parties	<b>084</b>		
2. Commitments for loans, deposits, etc	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	92.830.764	108.988.498
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies in which are participating interests	<b>090</b>		
8. Other long term liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>	74.263	69.062
<b>D) KRATKOROČNE OBVEZE (094 do 105)</b>	<b>093</b>	<b>294.793.799</b>	<b>369.198.318</b>
1. Liabilities to related parties	<b>094</b>		
2. Commitments for loans, deposits, etc	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	106.256.933	101.428.480
4. Liabilities for advances	<b>097</b>	82.413.732	121.247.148
5. Trade payables	<b>098</b>	93.147.767	116.175.765
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies in which are participating interests	<b>100</b>		8.971
8. Liabilities towards employees	<b>101</b>	6.553.022	7.091.380
9. Liabilities for taxes, contributions and other benefits	<b>102</b>	6.147.659	22.174.732
10. Liabilities to share in the result	<b>103</b>	16.387	1.068.177
11. Amount based on fixed assets intended to sale	<b>104</b>		
12. Other short-term liabilities	<b>105</b>	258.299	3.665
<b>E) DEFERRED PAYMENT OF COSTS AND FUTURE INCOME</b>	<b>106</b>	<b>1.705.336</b>	<b>3.722.232</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.072.889.428</b>	<b>1.194.976.737</b>
<b>G) OUT-OF BALANCE ITEMS</b>	<b>108</b>	<b>7.149.210</b>	<b>4.592.542</b>
<b>ADDENDUM TO BALANCE SHEET( filled in by the entrepreneur compiling the consolidated annual financial statement)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Ascribed to the holders of the parent company capital	<b>109</b>	667.840.835	698.834.190
2. Ascribed to minority interest	<b>110</b>	24.598	
Note 1: Appendix to Balance sheet fill companies w ho make consolidated financial statements.			



## 2.2. Profit and loss account

<b>PROFIT AND LOSS ACCOUNT</b>			
in period from 01.01.2011. till 31.12.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	5
<b>I. OPERATING TURNOVER (112+113)</b>	<b>111</b>	<b>802.277.154</b>	<b>734.811.405</b>
1. Income from sales	112	696.951.950	711.319.229
2. Other operating income	113	105.325.204	23.492.176
<b>II. OPERATING CHARGES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>764.413.660</b>	<b>679.024.921</b>
1. Changes in the value of inventories of work in progress and finished goods	115	-2.019.946	-938.678
<b>2. Material charges (117 up to 119)</b>	<b>116</b>	<b>445.883.204</b>	<b>420.204.024</b>
a) Costs of raw materials and consumables	117	320.853.730	342.925.687
b) Costs of sales	118	65.170.823	30.080.577
c) Other external charges	119	59.858.651	47.197.760
<b>3. Staff costs (121 up to 123)</b>	<b>120</b>	<b>134.634.243</b>	<b>123.999.341</b>
a) Salaries and wages	121	86.618.729	76.248.115
b) Costs of taxes and social security	122	27.430.840	26.470.879
c) Duties on wages	123	20.584.674	21.280.347
<b>4. Depreciation</b>	<b>124</b>	<b>55.207.527</b>	<b>49.470.240</b>
<b>5. Other costs</b>	<b>125</b>	<b>37.463.423</b>	<b>75.118.646</b>
<b>6. Impairment (127+128)</b>	<b>126</b>	<b>0</b>	<b>0</b>
a) fixed assets (excluding financial assets)	127		
b) current assets (excluding financial assets)	128		
<b>7. Provisions</b>	<b>129</b>	15.545.246	3.751.997
<b>8. Other operating expenses</b>	<b>130</b>	77.699.963	7.419.351
<b>III. FINANCIAL INCOME (132 up to 136)</b>	<b>131</b>	<b>46.183.564</b>	<b>30.225.217</b>
1. Interests, exchange rate differenc, dividends with affiliates	132	22.425.443	8.165.898
2. Interests, exch. rate differenc., dividends with non-affiliates	133	23.758.121	17.270.658
3. Part of income from affiliates and participated interests	134		4.610.634
4. Non-realized financial income	135		
5. Other financial income	136		178.027
<b>IV. FINANCIAL CHARGES (138 up to 141)</b>	<b>137</b>	<b>39.549.301</b>	<b>40.228.791</b>
1. Interests, exchange rate differenc, dividends with affiliates	138	7.337.600	9.807.542
2. Interests, exch. rate differenc., dividends with non-affiliates	139	32.211.701	30.190.246
3. Non-realized financial charges	140		0
4. Other financial charges	141		231.003
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>	<b>24.506.763</b>	<b>27.875.423</b>
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>	<b>9.360.783</b>	<b>4.178.033</b>
<b>VII. EXTRAORDINARY – OTHER INCOME</b>	<b>144</b>		
<b>VIII. EXTRAORDINARY – OTHER CHARGES</b>	<b>145</b>		
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>872.967.481</b>	<b>792.912.045</b>
<b>X. TOTAL CHARGES (114+137+143 + 145)</b>	<b>147</b>	<b>813.323.744</b>	<b>723.431.745</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>59.643.737</b>	<b>69.480.300</b>
1. Profit before taxation (146-147)	149	59.643.737	69.480.300
2. Loss before taxation (147-146)	150	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>	<b>5.402.332</b>	<b>9.040.367</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>54.241.405</b>	<b>60.439.933</b>
1. PROFIT FOR THE PERIOD (149-151)	153	54.241.405	60.439.933
2. LOSS FOR THE PERIOD (151-148)	154	0	0

### 2.3. Profit and loss account -continue

ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)			
<b>XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD</b>			
1. Attributable to equity holders	155	54.224.989	60.439.933
2. Attributable to minority interests	156	16.416	
<b>Report for other comprehensive income (only for the taxpayer applying IFRS)</b>			
<b>I. PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152)</b>	<b>157</b>	<b>54.241.405</b>	<b>60.439.933</b>
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>
1. Exchange differences on translation of foreign operations	159		
2. Movements in revaluation reserves of fixed and intangible assets	160		
3. Profit or loss from revaluation of financial assets available for sale	161		
4. Gains or losses on effective cash flow protection	162		
5. Gains or losses on effective hedge of a net investment abroad	163		
6. Share of other comprehensive income / loss of associated companies	164		
7. Actuarial gains / losses on defined benefit plans	165		
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD</b>	<b>166</b>		
<b>IV. OTHER COMPREHENSIVE NET PROFIT OR LOSS</b>	<b>167</b>	<b>0</b>	<b>0</b>
<b>V. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>54.241.405</b>	<b>60.439.933</b>
<b>ADDENDUM TO Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual</b>			
<b>VI. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD</b>			
1. Attributable to equity holders	169	54.224.989	60.439.933
2. Attributable to minority interests	170	16.416	0

### 2.3. Cash flow (indirect method)

<b>CASH FLOW REPORT – Indirect method</b>			
in period from 01.01.2011. till 31.12.2011.			
Taxpayer: GROUP AD PLASTIK			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	<b>001</b>	59.643.737	69.480.300
2. Depreciation	<b>002</b>	55.207.527	49.470.240
3. Increase of current liabilities	<b>003</b>	29.231.065	74.966.019
4. Decrease of current receivables	<b>004</b>	13.568.732	
5. Decrease in stocks	<b>005</b>		
6. Other increase of cash flow	<b>006</b>	1.332.380	
<b>I. Total increase of cash flow from operating activities (001 - 006)</b>	<b>007</b>	<b>158.983.441</b>	<b>193.916.559</b>
1. Decrease of current liabilities	<b>008</b>		
2. Increase of current receivables	<b>009</b>		66.063.805
3. Increase in stocks	<b>010</b>	157.583	15.582.028
4. Other decrease of cash flow	<b>011</b>	771.553	12.859
<b>II. Total decrease of cash flow from operating activities (008 – 011)</b>	<b>012</b>	<b>929.136</b>	<b>81.658.692</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>013</b>	<b>158.054.305</b>	<b>112.257.867</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of fixed intangible and tangible assets	<b>015</b>	57.347.107	
2. Cash inflows from sale of ownership and debt instruments	<b>016</b>		12.075.000
3. Cash inflows from interest	<b>017</b>		
4. Cash inflows from dividends	<b>018</b>		17.007.211
5. Other cash inflows from investment activities	<b>019</b>		
<b>III. Total cash inflows from investment activities (015-019)</b>	<b>020</b>	<b>57.347.107</b>	<b>29.082.211</b>
1. Cash expenditures for purchase of fixed tangible and intangible assets	<b>021</b>	99.626.483	70.563.420
2. Cash expenditures for acquisition of ownership and debt instruments	<b>022</b>	45.702.210	19.029
3. Other cash expenditures from investment activities	<b>023</b>		
<b>IV. Total cash expenditures from investment activities (021-023)</b>	<b>024</b>	<b>145.328.693</b>	<b>70.582.449</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>87.981.586</b>	<b>41.500.238</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflows from issuing ownership and debt financial instruments	<b>027</b>		
2. Cash inflows from credit principal, debentures, loans and other borrowings	<b>028</b>	21.649.437	16.152.533
3. Other inflows from financial activities	<b>029</b>		
<b>V. Total cash inflows from financial activities (027-029)</b>	<b>030</b>	<b>21.649.437</b>	<b>16.152.533</b>
1. Cash expenditures for the payment of credit principal and debentures	<b>031</b>	31.401.954	
2. Cash expenditures for the payment of dividends	<b>032</b>	5.837.295	30.187.327
3. Cash expenditures for financial lease	<b>033</b>	28.564.380	
4. Cash expenditures for repurchase of own shares	<b>034</b>		
5. Other cash expenditures from financial activities	<b>035</b>	29.503.518	58.764.830
<b>VI. Total cash expenditures from financial activities (031-035)</b>	<b>036</b>	<b>95.307.147</b>	<b>88.952.157</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>73.657.710</b>	<b>72.799.624</b>
Total cash flow increase (013-014+025-026+037-038)	<b>039</b>	<b>0</b>	<b>0</b>
Total cash flow decrease (014-013+026-025+038-037)	<b>040</b>	3.584.991	2.041.995
Cash and cash equivalents at the beginning of the period	<b>041</b>	13.146.715	9.561.724
Cash and cash equivalents increase	<b>042</b>		
Cash and cash equivalents decrease	<b>043</b>	3.584.991	2.041.995
Cash and cash equivalents at the end of the period	<b>044</b>	9.561.724	7.519.729

## 2.4. Report on changes to capital

<b>REPORT ON CHANGES TO CAPITAL</b>								
	for period	1.1.2011	till	31.12.2011				
<b>Taxpayer: GROUP AD PLASTIK</b>								
ITEM	AOP ind.	Preceding year	Current year					
1	2	3	4					
1. Subscribed capital	<b>001</b>	419.958.400	419.958.400					
2. Capital reserves	<b>002</b>	177.437.945	183.120.693					
3. Reserves from profit	<b>003</b>	6.201.251	6.339.687					
4. Retained profit or loss carried over	<b>004</b>		18.790.123					
5. Current year profit or loss	<b>005</b>	54.224.990	60.439.933					
6. Revalorisation of fixed material assets	<b>006</b>							
7. Revalorisation of intangible assets	<b>007</b>							
8. Revalorisation of financial assets available for sale	<b>008</b>							
9. Other revalorisation	<b>009</b>	10.042.847	10.185.354					
<b>10. Total capital and reserves (AOP 001-009)</b>	<b>010</b>	<b>667.865.433</b>	<b>698.834.190</b>					
11. Exchange rate variations from net investments into foreign business operations	<b>011</b>							
12. Current and deferred taxes (part)	<b>012</b>							
13. Cash flow protection	<b>013</b>							
14. Changes in bookkeeping policies	<b>014</b>							
15. Correction of significant mistakes from the previous period	<b>015</b>							
16. Other changes to capital	<b>016</b>							
<b>17. Total capital increase or decrease (AOP 011 - 016)</b>	<b>017</b>	0	0					
17a. Ascribed to holders of the holders company capital	<b>018</b>	667.840.835	698.834.190					
17b. Ascribed to minority interest	<b>019</b>	24.598						
Items reducing Capital are entered with negative sign.								
Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.								

## **2.5. Notes with consolidated financial reports**

### **Balance sheet:**

- Significant investment in construction projects at locations ADP Kaluga (kuna 3.8 million), ADP PHR (kuna 6 million) and ADP Mladenovac (kuna 14.8 million).
- Total loans to affiliates, subsidiaries and other companies increased while financial deposits decreased.
- In the item Merchandise value of tools for the known customer in the affiliated company PHR is included (kuna 15.3 million).
- Retained earnings in itself includes retained earnings of subsidiaries and affiliated companies from previous years.
- Due to the significant investments long-term loans are increased with simultaneous decrease of short-term loans.
- Liabilities for advances include costs of tools production that are fully covered by income from the tools.
- Increase in trade payables is mostly related to the obligations for fixed assets purchased in ADP Mladenovac (kuna 13 million) which was fully settled in January 2012.
- Taxes and similar benefits have increased mainly due to higher realized gross profit, legal obligations from and on salaries, and other tax benefits.

### **Profit and loss account**

- Other operating income decreased due to the relocation of production from subsidiary in Russia ADP LUGA to affiliate FADP Luga Russia whose business reports are included by the equity method in accordance with IAS 27 and IAS 28. The sale of assets of ADP Luga to affiliate FADP Luga is included in 2010. Accordingly, other operating expenses and cost of sold goods and other external costs in the given reporting period were lower.
- Raw material costs have increased due to increased prices of material and changes in product range.
- Other costs are higher due to rising costs of tools production for the known buyer of tools that are covered by revenues.
- Interest, foreign exchange differences, dividends and similar income from relations with non-affiliated entrepreneurs and other persons have been reduced since in the current period there has been a negative impact of exchange rate movements which negatively affected the result.

### **3. Financial report of AD Plastik Inc. Solin**

**Appendix 1**

Reporting period:

01.01.2011.

till

31.12.2011.

**Annual financial statement of the entrepreneur - GFI-POD**

Register number (MB): 03440494

Entity register number (MBS): 060007090

Personal identification  
number (PIN): 48351740621

Issuing company: AD PLASTIK d.d.

Post code and place: 21210

Solin

Street and house number: Matoševa 8

E-mail address: [adplastik@adplastik.hr](mailto:adplastik@adplastik.hr)Internet address: [www.adplastik.hr](http://www.adplastik.hr)Municipality/city code and  
name: 406 Solin

County code and name: 17 Splitsko-dalmatinska

No. of employees: 872

(at the end of the trimester)

Consolidated report: NO

NCA code: 2932

Names of consolidation subjects (according to IMSF)

Seat:

REG.NO.:

Bookkeeping service:

Contact person: Marica Jakelić

(only the name and surname of the contact person to be entered)

Telephone: 021/206-660

Fax: 021/275-660

E-mail address: [marica.jakelic@adplastik.hr](mailto:marica.jakelic@adplastik.hr)

Name and surname: Katija Klepo

(person authorised for representation)

**Documentation for publishing:**

1. Unaudited annual Financial statements
2. Interim report
3. Statement of the person responsible for compiling financial statements.

Place of the seal

(signature of the person authorised for representation)

### 3.1. Balance sheet

#### Assets

<b>BALANCE SHEET</b>			
as at 31.12.2011.			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>683.393.883</b>	<b>721.657.959</b>
<b>I. INTANGIBLE ASSETS (004 up to 009)</b>	<b>003</b>	<b>41.068.786</b>	<b>37.389.433</b>
1. Development costs	<b>004</b>	40.667.370	36.918.507
2. Concessions, patents, licenses, trademarks, softwares and other rights	<b>005</b>	401.416	470.926
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		
6. Other intangible assets	<b>009</b>		
<b>II. TANGIBLE ASSETS (011 up to 019)</b>	<b>010</b>	<b>440.520.255</b>	<b>424.973.480</b>
1. Land	<b>011</b>	134.619.737	135.379.260
2. Buildings	<b>012</b>	170.463.291	168.731.199
3. Plants and machinery	<b>013</b>	125.573.646	111.319.278
4. Tools, plant & office inventory, furniture & transport means	<b>014</b>	7.236.660	6.158.497
5. Biological assets	<b>015</b>		
6. Payments on account for tangible assets	<b>016</b>		
7. Tangible assets in preparation	<b>017</b>	2.626.921	3.385.246
8. Other tangible assets	<b>018</b>		
9. Investment in real estate	<b>019</b>		
<b>III. FIXED FINANCIAL ASSETS (021 up to 028)</b>	<b>020</b>	<b>201.138.391</b>	<b>258.617.417</b>
1. Shares in affiliated undertakings	<b>021</b>	74.678.639	74.947.666
2. Loans to affiliated undertakings	<b>022</b>	44.838.550	53.478.776
3. Participating interests (shares)	<b>023</b>	52.561.385	52.311.383
4. Given loans to companies in which exist participating interests	<b>024</b>	28.564.380	53.309.155
5. Investments in securities	<b>025</b>	63.855	63.855
6. Other loan, deposits etc	<b>026</b>	431.582	24.506.582
7. Other fixed financial assets	<b>027</b>		
8. Investment stated in equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 up to 032)</b>	<b>029</b>	<b>0</b>	<b>0</b>
1. Receivables from associated undertakings	<b>030</b>		
2. Receivables from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	<b>666.451</b>	<b>677.629</b>
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>293.731.842</b>	<b>272.940.392</b>
<b>I. INVENTORY (036 up to 042)</b>	<b>035</b>	<b>37.165.157</b>	<b>34.928.299</b>
1. Materials and supplies	<b>036</b>	27.539.443	23.698.027
2. Work in progress	<b>037</b>	2.430.497	2.327.034
3. Finished goods	<b>038</b>	7.183.788	8.822.435
4. Commercial goods	<b>039</b>	11.429	80.803
5. Advances for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 up to 049)</b>	<b>043</b>	<b>186.794.445</b>	<b>173.987.287</b>
1. Receivables from associated undertakings	<b>044</b>	80.475.302	61.634.309
2. Trade receivables	<b>045</b>	63.662.324	59.267.123
3. Receivables from participating companies	<b>046</b>	5.244.952	11.744.719
4. Receivables from employees and members of the business	<b>047</b>	929.439	1.452.544
5. Receivables from government and other institutions	<b>048</b>	15.433.186	17.011.920
6. Other receivables	<b>049</b>	21.049.242	22.876.672
<b>III. CURRENT FINANCIAL ASSETS (051 up to 057)</b>	<b>050</b>	<b>66.543.367</b>	<b>62.829.683</b>
1. Shares in affiliated undertakings	<b>051</b>		
2. Loans to affiliates	<b>052</b>		2.155.291
3. Participating interests (shares)	<b>053</b>		
4. Given loans to companies in which exist participating interests	<b>054</b>		14.977.162
5. Investments in to securities	<b>055</b>		
6. Other loan, deposits etc	<b>056</b>	66.543.367	45.697.230
7. Other financial assets	<b>057</b>		
<b>IV. CASH AT BANK AND IN HAND</b>	<b>058</b>	<b>3.228.873</b>	<b>1.195.123</b>
<b>D) PREPAYMENT AND ACCRUED INCOME</b>	<b>059</b>	<b>75.527.413</b>	<b>111.861.615</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>1.052.653.138</b>	<b>1.106.459.966</b>
<b>F) OUT-OF-BALANCE ITEMS</b>	<b>061</b>	<b>7.149.642</b>	<b>4.592.542</b>



## Liabilities

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>648.297.174</b>	<b>671.018.677</b>
<b>I. SUBSCRIBED SHARE CAPITAL</b>	<b>063</b>	<b>419.958.400</b>	<b>419.958.400</b>
<b>II. CAPITAL RESERVES</b>	<b>064</b>	<b>181.239.161</b>	<b>183.075.797</b>
<b>III. RESERVES FROM GAIN (066+067-068+069+070)</b>	<b>065</b>	<b>16.171.699</b>	<b>6.288.148</b>
1. Legal reserves	<b>066</b>	6.128.852	6.128.852
2. Reserves for own shares	<b>067</b>	11.359.719	378.455
3. Own stocks and shares (deductible item)	<b>068</b>	11.359.719	378.455
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	10.042.847	159.296
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	<b>10.185.353</b>	<b>10.185.354</b>
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	<b>0</b>	<b>0</b>
1. Retained earnings	<b>073</b>		
2. Loss brought forward	<b>074</b>		
<b>VI. CURRENT YEAR PROFIT OR LOSS (076-077)</b>	<b>075</b>	<b>20.742.561</b>	<b>51.510.978</b>
1. Current year profit	<b>076</b>	20.742.561	51.510.978
2. Current year loss	<b>077</b>		
<b>VII. MINOR INTEREST</b>	<b>078</b>		
<b>B) PROVISIONS (080 up to 082)</b>	<b>079</b>	<b>10.225.567</b>	<b>11.694.194</b>
1. Provisions for pensions, severance pay and similar obligations	<b>080</b>	3.332.255	3.388.145
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	6.893.312	8.306.049
<b>C) LONG TERM LIABILITIES (084 up to 092)</b>	<b>083</b>	<b>92.830.764</b>	<b>108.988.498</b>
1. Liabilities to related parties	<b>084</b>		
2. Commitments for loans, deposits, etc	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	92.830.764	108.988.498
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies in which are participating interests	<b>090</b>		
8. Other long term liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>		
<b>D) KRATKOROČNE OBVEZE (094 do 105)</b>	<b>093</b>	<b>299.594.297</b>	<b>311.036.365</b>
1. Liabilities to related parties	<b>094</b>	37.269.825	35.940.081
2. Commitments for loans, deposits, etc	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	106.256.933	63.774.204
4. Liabilities for advances	<b>097</b>	80.140.898	106.411.912
5. Trade payables	<b>098</b>	66.312.190	80.045.235
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies in which are participating interests	<b>100</b>	199	8.971
8. Liabilities towards employees	<b>101</b>	5.226.092	5.484.387
9. Liabilities for taxes, contributions and other benefits	<b>102</b>	4.388.160	18.303.398
10. Liabilities to share in the result	<b>103</b>		1.068.177
11. Amount based on fixed assets intended to sale	<b>104</b>		
12. Other short-term liabilities	<b>105</b>		
<b>E) DEFERRED PAYMENT OF COSTS AND FUTURE INCOME</b>	<b>106</b>	<b>1.705.336</b>	<b>3.722.232</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.052.653.138</b>	<b>1.106.459.966</b>
<b>G) OUT-OF BALANCE ITEMS</b>	<b>108</b>	<b>7.149.642</b>	<b>4.592.542</b>
<b>ADDENDUM TO BALANCE SHEET( filled in by the entrepreneur compiling the consolidated annual financial statement)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Ascribed to the holders of the parent company capital	<b>109</b>		
2. Ascribed to minority interest	<b>110</b>		
Note 1: Appendix to Balance sheet fill companies w ho make consolidated financial statements.			

### 3.2. Profit and loss account

<b>PROFIT AND LOSS ACCOUNT</b>			
in period from 01.01.2011. till 31.12.2011.			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	5
<b>I. OPERATING TURNOVER (112+113)</b>	<b>111</b>	<b>561.873.128</b>	<b>565.390.502</b>
1. Income from sales	112	541.305.176	553.732.064
2. Other operating income	113	20.567.952	11.658.438
<b>II. OPERATING CHARGES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>539.936.833</b>	<b>532.325.154</b>
1. Changes in the value of inventories of work in progress and finished goods	115	-1.925.184	-1.590.951
2. Material charges (117 up to 119)	116	344.773.452	328.284.483
a) Costs of raw materials and consumables	117	274.840.708	262.377.734
b) Costs of sales	118	23.388.252	26.226.292
c) Other external charges	119	46.544.492	39.680.457
3. Staff costs (121 up to 123)	120	92.990.206	90.429.173
a) Salaries and wages	121	55.794.123	54.257.504
b) Costs of taxes and social security	122	23.247.552	22.607.293
c) Duties on wages	123	13.948.531	13.564.376
4. Depreciation	124	41.073.153	39.613.368
5. Other costs	125	47.821.537	69.855.433
6. Impairment (127+128)	126	0	0
a) fixed assets (excluding financial assets)	127		
b) current assets (excluding financial assets)	128		
7. Provisions	129	10.225.567	2.301.818
8. Other operating expenses	130	4.978.102	3.431.830
<b>III. FINANCIAL INCOME (132 up to 136)</b>	<b>131</b>	<b>34.660.025</b>	<b>60.852.837</b>
1. Interests, exchange rate differenc, dividends with affiliates	132	13.405.071	24.956.847
2. Interests, exch. rate differenc., dividends with non-affiliates	133	21.254.954	15.337.054
3. Part of income from affiliates and participated interests	134		20.558.936
4. Non-realized financial income	135		
5. Other financial income	136		
<b>IV. FINANCIAL CHARGES (138 up to 141)</b>	<b>137</b>	<b>35.819.513</b>	<b>36.233.643</b>
1. Interests, exchange rate differenc, dividends with affiliates	138	5.325.070	8.730.801
2. Interests, exch. rate differenc., dividends with non-affiliates	139	30.494.443	27.502.842
3. Non-realized financial charges	140		
4. Other financial charges	141		
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>		
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>		
<b>VII. EXTRAORDINARY – OTHER INCOME</b>	<b>144</b>		
<b>VIII. EXTRAORDINARY – OTHER CHARGES</b>	<b>145</b>		
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>596.533.153</b>	<b>626.243.339</b>
<b>X. TOTAL CHARGES (114+137+143 + 145)</b>	<b>147</b>	<b>575.756.346</b>	<b>568.558.797</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>20.776.807</b>	<b>57.684.542</b>
1. Profit before taxation (146-147)	149	20.776.807	57.684.542
2. Loss before taxation (147-146)	150	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>	<b>34.246</b>	<b>6.173.564</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>20.742.561</b>	<b>51.510.978</b>
1. PROFIT FOR THE PERIOD (149-151)	153	20.742.561	51.510.978
2. LOSS FOR THE PERIOD (151-148)	154	0	0

### 3.2. Profit and loss account - continue

<b>ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)</b>			
<b>XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD</b>			
1. Attributable to equity holders	155		
2. Attributable to minority interests	156		
<b>Report for other comprehensive income (only for the taxpayer applying IFRS)</b>			
<b>I. PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152)</b>			
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>
1. Exchange differences on translation of foreign operations	159		
2. Movements in revaluation reserves of fixed and intangible assets	160		
3. Profit or loss from revaluation of financial assets available for sale	161		
4. Gains or losses on effective cash flow protection	162		
5. Gains or losses on effective hedge of a net investment abroad	163		
6. Share of other comprehensive income / loss of associated companies	164		
7. Actuarial gains / losses on defined benefit plans	165		
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD</b>	<b>166</b>		
<b>IV. OTHER COMPREHENSIVE NET PROFIT OR LOSS</b>	<b>167</b>	<b>0</b>	<b>0</b>
<b>V. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>0</b>	<b>0</b>
<b>ADDENDUM TO Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual</b>			
<b>VI. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD</b>			
1. Attributable to equity holders	169		
2. Attributable to minority interests	170		

### 3.3. Cash flow (indirect method)

<b>CASH FLOW REPORT – Indirect method</b>			
in period from 01.01.2011. till 31.12.2011.			
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	001	20.776.807	57.684.542
2. Depreciation	002	41.073.153	39.613.368
3. Increase of current liabilities	003	55.039.248	12.254.383
4. Decrease of current receivables	004	27.791.791	
5. Decrease in stocks	005	131.667	2.236.858
6. Other increase of cash flow	006	1.992.529	
<b>I. Total increase of cash flow from operating activities (001 - 006)</b>	<b>007</b>	<b>146.805.195</b>	<b>111.789.151</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009		23.527.044
3. Increase in stocks	010		
4. Other decrease of cash flow	011	666.451	11.178
<b>II. Total decrease of cash flow from operating activities (008 – 011)</b>	<b>012</b>	<b>666.451</b>	<b>23.538.222</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>013</b>	<b>146.138.744</b>	<b>88.250.929</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of fixed intangible and tangible assets	015	8.595.344	
2. Cash inflows from sale of ownership and debt instruments	016		12.075.000
3. Cash inflows from interest	017	9.479.291	
4. Cash inflows from dividends	018		17.007.211
5. Other cash inflows from investment activities	019		
<b>III. Total cash inflows from investment activities (015-019)</b>	<b>020</b>	<b>18.074.635</b>	<b>29.082.211</b>
1. Cash expenditures for purchase of fixed tangible and intangible assets	021	62.062.549	20.387.240
2. Cash expenditures for acquisition of ownership and debt instruments	022	34.222.399	19.025
3. Other cash expenditures from investment activities	023		
<b>IV. Total cash expenditures from investment activities (021-023)</b>	<b>024</b>	<b>96.284.948</b>	<b>20.406.265</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>8.675.946</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>78.210.313</b>	<b>0</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflows from issuing ownership and debt financial instruments	027		
2. Cash inflows from credit principal, debentures, loans and other borrowings	028	25.222.243	16.157.734
3. Other inflows from financial activities	029		
<b>V. Total cash inflows from financial activities (027-029)</b>	<b>030</b>	<b>25.222.243</b>	<b>16.157.734</b>
1. Cash expenditures for the payment of credit principal and debentures	031	31.408.408	
2. Cash expenditures for the payment of dividends	032	5.837.295	30.187.327
3. Cash expenditures for financial lease	033	28.564.380	
4. Cash expenditures for repurchase of own shares	034		
5. Other cash expenditures from financial activities	035	29.584.293	84.931.032
<b>VI. Total cash expenditures from financial activities (031-035)</b>	<b>036</b>	<b>95.394.376</b>	<b>115.118.359</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>70.172.133</b>	<b>98.960.625</b>
Total cash flow increase (013-014+025-026+037-038)	039	0	0
Total cash flow decrease (014-013+026-025+038-037)	040	2.243.702	2.033.750
Cash and cash equivalents at the beginning of the period	041	5.472.575	3.228.873
Cash and cash equivalents increase	042		
Cash and cash equivalents decrease	043	2.243.702	2.033.750
Cash and cash equivalents at the end of the period	044	3.228.873	1.195.123

### 3.4. Report to changes on capital

REPORT ON CHANGES TO CAPITAL			
for period	1.1.2011	till	31.12.2011
Taxpayer: AD PLASTIK d.d.			
ITEM	AOP ind.	Preceding year	Current year
1	2	3	4
1. Subscribed capital	001	419.958.400	419.958.400
2. Capital reserves	002	181.239.161	183.075.797
3. Reserves from profit	003	16.171.699	6.288.148
4. Retained profit or loss carried over	004		
5. Current year profit or loss	005	20.742.561	51.510.978
6. Revalorisation of fixed material assets	006		
7. Revalorisation of intangible assets	007		
8. Revalorisation of financial assets available for sale	008		
9. Other revalorisation	009	10.185.353	10.185.354
<b>10. Total capital and reserves (AOP 001-009)</b>	<b>010</b>	<b>648.297.174</b>	<b>671.018.677</b>
11. Exchange rate variations from net investments into foreign business operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow protection	013		
14. Changes in bookkeeping policies	014		
15. Correction of significant mistakes from the previous period	015		
16. Other changes to capital	016		
<b>17. Total capital increase or decrease (AOP 011 - 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
17a. Ascribed to holders of the holders company capital	018		
17b. Ascribed to minority interest	019		
Items reducing Capital are entered with negative sign.			
Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.			

### **3.5. Notes with financial reports for the Parent company**

#### **Balance sheet:**

- Total loans to affiliates, subsidiaries and other companies increased by kuna 63.7 million while financial deposits decreased by kuna 20.8 million.
- Receivables from related entrepreneurs are lower due to faster collection from the end customer.
- Item Paid expenses of the future period and accrued income includes accrued value of tools production for the specific customer.
- Due to the significant investments long-term loans increased with simultaneous reduction of short-term loans.
- Liabilities for advances include costs of tools production that are fully covered by income from the tools.

#### **Profit and loss account**

- Financial income contain dividends of related subsidiaries and affiliates in amount of 26,8 MKn.
- Other costs are higher due to rising costs of tools production for the known buyer of tools that are covered by revenues.

#### 4. Statement of the person responsible for drafting the financial report

According to my best knowledge:

1. Unaudited financial reports of Group AD Plastik and AD Plastik Inc. Solin, for the period from January 1st till December 31st were implemented with corresponding reporting standards, giving complete and truthful overview of the assets, liabilities, profit and loss, financial status and operations of the issuer and the companies that are included in the consolidation.
2. Report contains truthful overview of the development and business result and issuer status and companies who were included in the consolidation, with a description of significant risks and uncertainties to which the issuer and the companies are exposed as whole.
3. Since the process of auditing the financial statements of Group AD Plastik is still in progress submitted data are not final.

Head of accounting department

Board member for finance, accounting and controlling

Marica Jakelić

Katija Klepo

