

2009

Annual Report
of the Impol group



impol
Aluminium Industry

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Impol
Aluminium Industry

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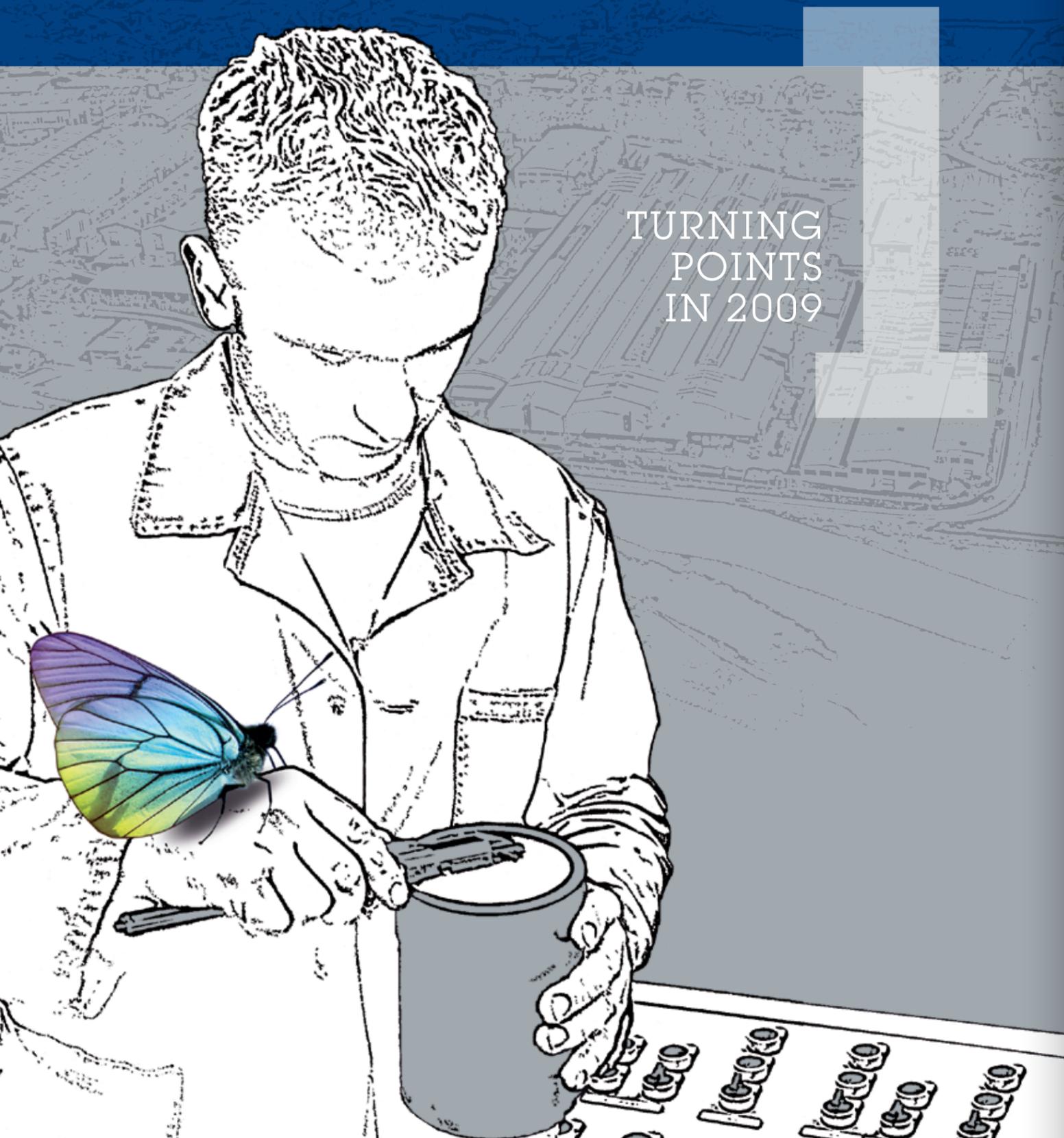
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TURNING POINTS IN 2009

- The predictions that 2008 would be just the first year of the economic crisis proved to be correct, especially with respect to the operations in the first eight months of the year. The crisis was most directly reflected in the fluctuations of aluminium prices at the London Metal Exchange (LME).

FLUCTUATIONS OF ALUMINIUM PRICES AT THE LME IN 2008 AND 2009



Figure 1

- The Impol Group remains one of the ten largest Slovenian exporters and one of the twenty largest Slovenian companies.
- As a result of the changed market conditions, the level of production was decreased by 10%, being lower than expected by 13%.
- Due to the general economic crisis – the reasons for which and the main consequences are to be found in the existing financial system – difficulties occur in the areas of insuring the purchase prices for the raw materials and of the trade receivables. The rigid requirements, according to which all the purchases have to be insured, caused a number of unexpected negative effects and risks on the purchasers' side. In addition, the increased exposure of the purchasers was reflected in the insurers' reluctance to insure our trade receivables due from such purchasers.
- The sales of aluminium products account for 98% of all the sales of the Impol Group. For this reason, the reporting on the performance of the Impol Group was based on the activities in this area.
- The financing of operations and of development was very difficult, requiring the formation of financial reserves to allow the continuity of operations.
- Production and sales focused on rolled aluminium products, while the area of extruded products underwent operational disturbances.

SHARES OF ALUMINIUM PRODUCTION BY TYPE

- Forgings - 0%
- Cast products - 1%
- Bars, rods, tubes - 14%
- Profiles - 15%
- Foils, thin strips - 20%
- Sheets, strips - 50%

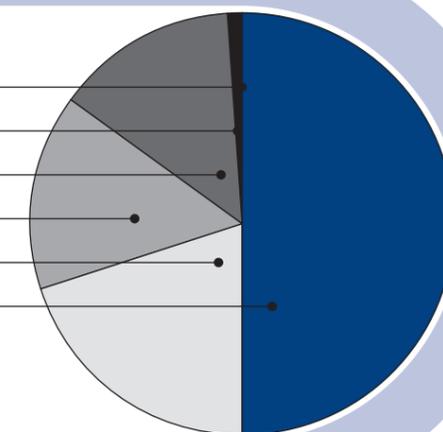


Figure 2

SHARES OF ALUMINIUM SALES BY TYPE

Forgings - 0.2%
Cast products - 0.8%
Bars, rods, tubes - 14.6%
Profiles - 15.0%
Foils, thin strips - 20.1%
Sheets, strips - 49.3%

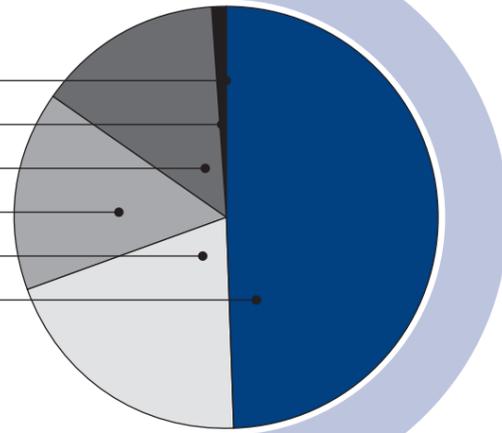


Figure 3

- Impol sells 81% of its aluminium products in the EU outside of Slovenia; if Slovenia is included in this area then 92% of the total aluminium production is sold in the EU market. The Impol Group exports to 34 countries.

SALES OF ALUMINIUM PRODUCTS BY GEOGRAPHICAL AREA



Figure 4

SALES OF ALUMINIUM PRODUCTS BY COUNTRY

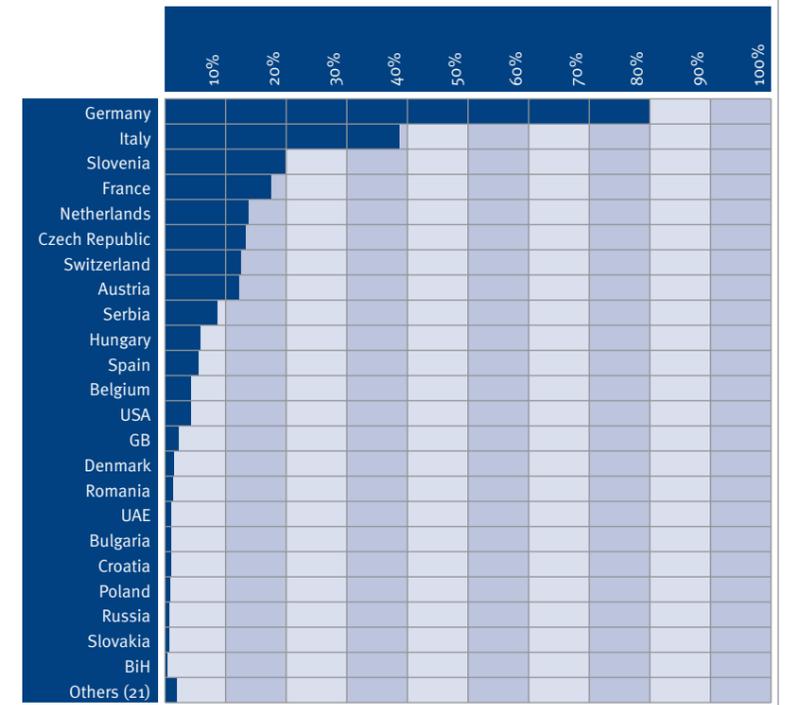


Figure 5

- Due to a drastic drop in the prices at the metal exchange and due to the mode of forming the selling prices and purchase prices, both our revenues and expenses decreased, having the mainly positive effect of reducing the expected investments in the current assets.

SALES AND THEIR TREND

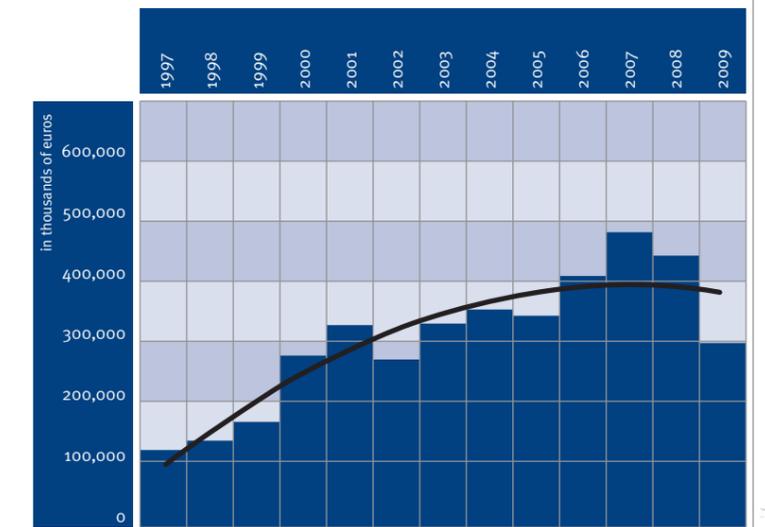


Figure 6

- Throughout 2009 the Impol Group carried out its operations in line with Impol's Code of Operating Rules.

KEY DETAILS AND INDICATORS

Table 1

REVIEW OF THE RESULTS CONSOLIDATED IN 1998-2009

IN THOUSANDS OF EUROS

	CONSOLIDATED RESULTS OF THE IMPOL, D.D., GROUP WITHOUT IMPOL 2000, D.D.										IMPOL GROUP		
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Consolidated revenues	145,130	175,295	294,977	332,472	276,174	346,394	366,708	355,372	432,112	468,309	445,927	303,783	
- without goods and services	120,680	141,002	294,977	332,472	273,979	344,339	363,818	352,392	427,707	409,119	387,216	275,254	
Expenses	135,363	164,462	283,139	321,238	266,065	337,566	364,769	343,102	419,243	429,565	428,943	292,291	
- write-offs (depreciation, etc.)	4,395	4,986	5,312	6,281	6,309	7,908	10,956	14,063	14,416	17,081	18,555	12,521	
Current operations results – consolidated	9,766	10,833	11,837	11,234	10,109	8,829	1,939	12,270	12,870	38,645	21,698	11,493	
Financial revenues/expenses difference	-3,293	-3,843	-6,107	-6,217	-5,611	-6,381	-9,365	-12,713	-6,422	-14,470	-12,644	-14,314	
Extraordinary revenues/expenses difference	-284	816	2,096	762	328	1,157	883	2,897	126	-1,137	250	583	
Profit or loss	5,052	6,337	7,690	4,926	4,581	3,381	-6,776	2,280	6,009	21,033	7,867	663	
Cash flow from current operations	9,448	11,323	13,001	11,207	10,890	11,289	4,180	16,343	20,425	38,114	26,422	13,184	
Cash	3,787	2,156	2,347	5,963	8,983	2,961	6,062	3,632	9,683	5,704	8,053	6,977	
Equity	65,929	72,861	78,592	83,459	83,802	83,465	78,411	81,650	86,558	53,545	57,080	56,269	
Share book value in euros										44.36	53.33	52.75	
Profitability	7.66%	8.70%	9.78%	5.90%	5.47%	4.05%	-8.64%	2.79%	6.94%	64.69%	13.83%	1.14%	
Number of employees in the Impol Group	839	868	899	902	2,062	1,900	1,835	1,803	1,823	1,822	1,783	1,652	
Revenues per employee in euros/year	172,979	201,953	328,116	368,594	133,935	182,276	199,806	197,100	237,034	257,030	252,743	183,888	
Revenues per employee in euros/year – products only	143,837	162,445	328,116	368,594	132,870	181,195	198,231	195,448	234,617	234,393	217,171	166,619	

A short review of the business operations (Table 2: Key indicators) shows that, already in 2007, the increase in the extent of the operations was stopped and this was immediately reflected in the trends of the cash flow and the profitability of the operations. Most of the cash flow was made with the amortisation/ depreciation costs, which affects the tax liabilities. The main reason for this trend is the drastic drop in the aluminium price, being the dominant expense, on the basis of which the selling prices were formed.¹

Table 2

KEY INDICATORS²

	CONSOLIDATED RESULTS OF THE IMPOL, D.D., GROUP WITHOUT IMPOL 2000, D.D.										IMPOL GROUP		
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Turnover ratio	1.38	1.24	1.38	1.52	1.38	1.38	1.41	1.40	1.43	1.61	1.49	1.06	
Profitability	8.00%	7.60%	8.60%	5.70%	5.52%	4.10%	-7.93%	2.96%	5.03%	64.69%	16.05%	1.14%	
Margin	3.6%	2.6%	1.6%	1.5%	1.7%	1.0%	-1.8%	0.7%	1.4%	4.33%	1.70%	0.20%	
Equity/assets	66.0%	60.0%	54.7%	59.0%	42%	33.9%	28.9%	27.3%	28.1%	16.9%	18.4%	19.1%	
Debt/equity	52%	64%	82%	74%	136%	193%	238%	259%	290%	485%	445%	420%	
Long-term loans/equity	10%	11%	13%	14%	48%	54%	53%	51%	52%	152%	127%	133%	
Employees	834	873	895	895	2,062	1,900	1,835	1,803	1,819	1,822	1,783	1,652	

¹ The purchase prices for aluminium and the selling prices for the Impol's products are formed on the basis of the aluminium price at the LME, to which a purchase or selling premium is added depending on the type of material or the type of product. In comparison with the LME price, the two premiums are almost unchangeable.

² The data for 1998-2006 is based on the consolidated financial results of the Impol, d.d., Group, without Impol 2000 that took over, at the end of 2006, the Impol, d.d., Group and set up the Impol 2000, d.d., Group.

The selected key indicators relating to the operations in 2009 (Table 2: Key indicators) show that the financial year was, with respect to the net cash flow, still satisfactory, although Impol was significantly affected by the political and business trends.

IDENTITY CARD OF THE IMPOL GROUP

The Impol Group operates within the holding company, Impol 2000, d.d., which has two directly dependent companies, Impol Servis, d.o.o., and Impol, d.d. The latter operates through thirteen subsidiaries, three sub-subsidiaries, and three associated companies (Table 3).

Table 3

COMPANIES OPERATING WITHIN THE IMPOL GROUP

	COMPANY	SHARE
	IMPOL 2000, D.D. – THE HOLDING COMPANY DIRECTLY CONTROLLING THE FOLLOWING:	
1	Impol Servis, d.o.o. (controlling 27.4% of Unidel, d.o.o.)	100.0%
2	Impol, d.o.o., with the following subsidiaries:	97.5%
2.1	Impol Seval, a.d., Srbija with its sub-subsidiaries:	
2.1.1	Impol Seval PKC, d.o.o. (100%)	
2.1.2	Impol Seval Tehnika, d.o.o. (100%)	
2.1.3	Impol Seval Final, d.o.o. (100%)	70.0%
2.2	Impol LLT, d.o.o.	100.0%
2.3	Impol FT, d.o.o.	100.0%
2.4	Impol PCP, d.o.o.	100.0%
2.5	Stampal SB, d.o.o.	100.0%
2.6	Impol R & R, d.o.o.	100.0%
2.7	Impol Infrastruktura, d.o.o.	100.0%
2.8	Impol Aluminum Corporation, New York (ZDA)	90.0%
2.9	Impol Stanovanja, d.o.o., with a subsidiary being closed down	100.0%
2.10	Štatenberg, d.o.o.	100.0%
2.11	Unidel, d.o.o.	72.6%
2.12	Impol Montal, d.o.o.	100.0%
2.13	Kadring, d.o.o.	62.5%
2.14 associated	Simfin, d.o.o.	49.5%
2.15 associated	Alcad, d.o.o.	32.0%
2.16 associated	Alureg PIN, d.o.o.	27.7%

Of the above group of twenty companies, five operate abroad. Two are organised as subsidiaries of Impol, d.o.o. – IAC New York, USA and Impol Seval, which is the sole owner of another three companies.

Impol 2000, d.d. is the controlling company of the Impol Group and is organised as a public limited company. The company's share capital is divided into 1,066,767 shares that were registered on 5 March 2007. Its shares are freely transferable, and they all belong to the same class. Impol's share register is managed by the company. At the end of the year, 1028 shareholders were registered in the share register.

The management of Impol 2000, d.d., owns a total of 15,182 shares, or 1.42 %, and it acquired no additional shares in 2009.

The members of the Supervisory Board owned 132 shares or 0.01%. During the year they sold 910 shares.

The controlled companies in the group own a total of 82,108 shares or 7.70%.

The employees in the Impol Group (including the members of the Management Board) own a total of 16.5% of the shares.

The list of the ten largest shareholders indicates that a significant diversification in the ownership remains to be in place (Sheet 1):

Table 4

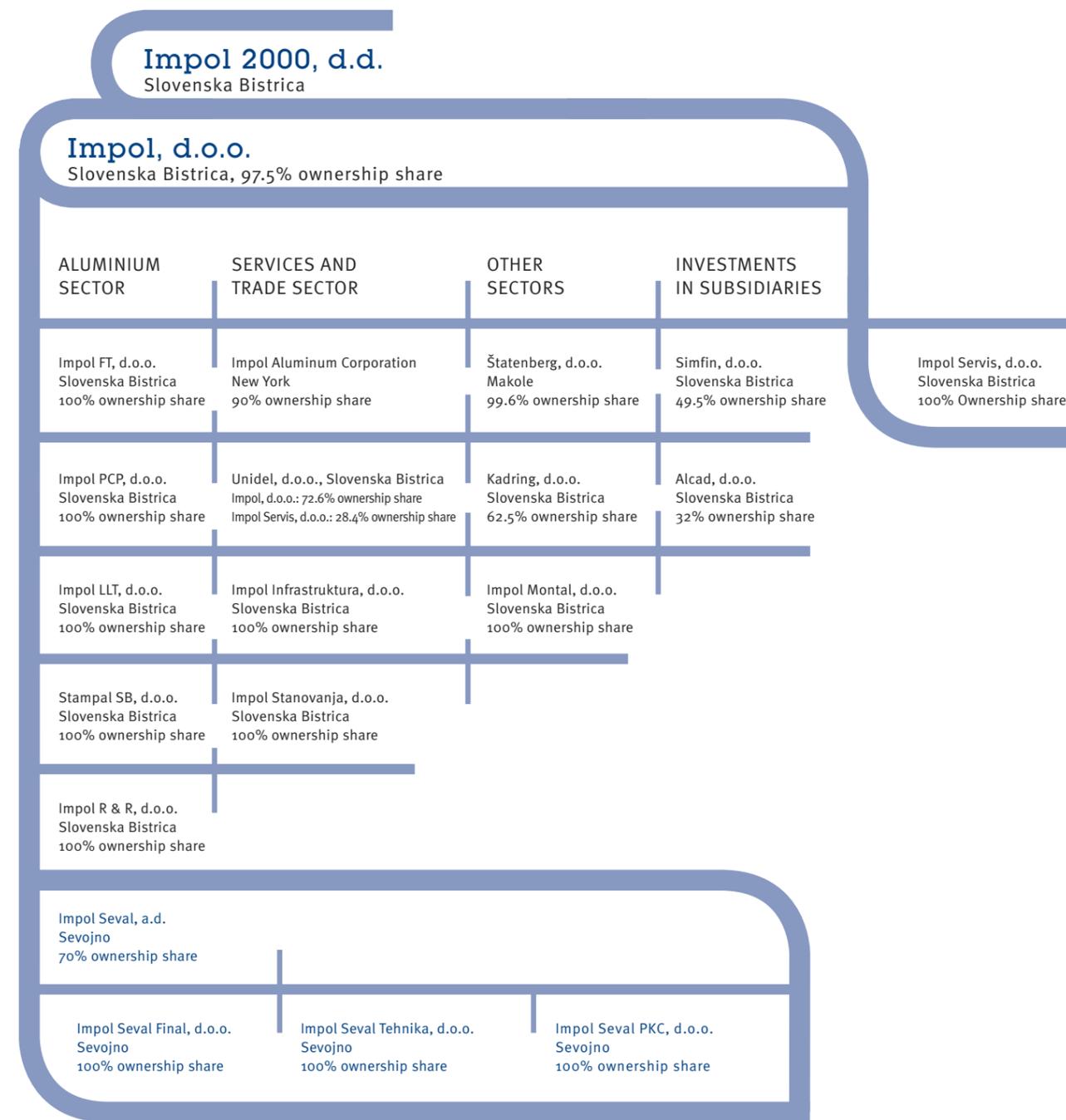
SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2009

SHAREHOLDER	NO. OF SHARES	PERCENTAGE
BISTRAL, D.O.O.	111,449	10.4474%
IMPOL MONTAL, D.O.O.	80,482	7.5445%
KARONA, D.O.O.	61,860	5.4900%
UPIMOL 2000, D.O.O.	54,787	5.1358%
ALU-TRG, D.O.O.	54,028	5.0152%
SIMPAL, D.O.O.	53,400	5.0058%
ALUMIX, D.O.O.	53,400	5.0058%
KRANJC DANILO	20,116	1.7973%
SIMFIN, D.O.O.	19,173	1.6129%
VARIMAT, D.O.O.	17,206	1.5420%
Other 1018 shareholders	548,355	50.7014%
Total	1,066,766	100.0000%

In 2009 the shareholder structure did not change significantly in comparison with the structure on 31 December 2008.

ORGANISATIONAL DIAGRAM

At the end of 2009 the group was organised in the following way:



In line with the Companies Act, Impol 2000, d.d., Slovenska Bistrica, Partizanska 38, being the holding company of the Impol Group and a large public limited company, is obliged to prepare a consolidated annual report and have its operations audited.

Impol 2000, d.d., a management company, was established in August 1998, and registered in the Register of Companies at the Regional Court in Maribor on 3 August 1998 as a public limited company, with the decision Srg. 98/01042, and with the entry number 1/10469/00. The company is classified under the activity code 74.150, i.e., the management of holding companies. The company's registration number is 1317342.

On 9 November 1998 the company's decision Srg. 98/01486 on increasing the share capital with inked contributions, i.e., with the shares of Impol, d.d., Slovenska Bistrica, was registered in the Register of Companies at the Regional Court in Maribor, with the entry number 1/10469/00.

On 1 October 1999 the company adopted a decision on increasing its share capital. The in-kind contribution of Impol, d.d., i.e., the takeover of the 100-percent share that Impol, d.d., had in Impol Servis, d.o.o., was registered in the Register of Companies at the Regional Court in Maribor on 15 February 2000, with the decision Srg. 1999/03108, and the entry number 1/10469/00.

After the registration of the increase in the share capital as of 15 February 2000, the company's share capital amounted to 4,451,540 euros.

The company's share capital is divided into 1,066,767 registered shares.

The book value of a share of Impol 2000, d.d., as of 31 December 2009 is as follows:

Table 5

BOOK VALUE OF A SHARE OF IMPOL 2000, D.D. (THE HOLDING COMPANY OF IMPOL)

YEAR	SHARE	BOOK VALUE OF A SHARE: CONSOLIDATED	
		BOOK VALUE OF A SHARE: CONSOLIDATED – INCLUDING THE EQUITY OF MINORITY SHAREHOLDERS	BOOK VALUE OF A SHARE: CONSOLIDATED – EXCLUDING THE EQUITY OF MINORITY SHAREHOLDERS
2009	individual shares	32.13	46.41
2008	individual shares	26.54	47.27
2007	individual shares	23.70	42.06

Subsidiaries in which Impol 2000, d.d., directly or indirectly holds a majority stake, include the following:

Table 6

SUBSIDIARIES OF IMPOL 2000, D.D., INCLUDED IN THE GROUP

COMPANY	REGISTRATION NUMBER	STANDARD ACTIVITY CODE	COUNTRY OF OPERATION
Impol, industrija metalnih polizdelkov, d.o.o., Partizanska 38, 2310 Slov. Bistrica	5040736	28.400	Slovenia
Impol Servis, d.o.o., Partizanska 38, 2310 Slovenska Bistrica	5482593	52.461	Slovenia
Impol-Montal, podjetje za projektiranje, izdelavo in montažo, d.o.o., Partizanska c. 38, Slovenska Bistrica	5479355	28.120	Slovenia
Impol Stanovanja, podjetje za pridobivanje, upravljanje in oddajanje stanovanj, d.o.o., Partizanska 39, Slovenska Bistrica	5598010	70.320	Slovenia
Štatenberg, turistično gostinsko podjetje, d.o.o., Štatenberg 89, 2321 Makole	5465249	55.301	Slovenia
Unidel, podjetje za zaposlovanje in usposabljanje invalidnih oseb, d.o.o., Kraigherjeva 37, Slovenska Bistrica	5764769	85.325	Slovenia
Impol Aluminum Corporation, 12305 Schenectady, New York, 155 Erie Blvd., 2nd Floor; USA		51.520	USA
Impol Seval, a.d., Sevojno, Ulica Prvomajska bb, Srbija + four sub-subsidiaries	07606265	27.423	Serbia
Stampal SB, d.o.o., Partizanska 38, Slovenska Bistrica	1317610	28.400	Slovenia
Kadring, d.o.o., Trg svobode 26, Slovenska Bistrica	5870941	74.140	Slovenia
Impol FT, d.o.o., Partizanska 38, Slovenska Bistrica	2239418	28.400	Slovenia
Impol PCP, d.o.o., Partizanska 38, Slovenska Bistrica	2239442	28.400	Slovenia
Impol LLT, d.o.o., Partizanska 38, Slovenska Bistrica	2239434	27.530	Slovenia
Impol R in R, d.o.o., Partizanska 38, Slovenska Bistrica	2239400	73.102	Slovenia
Impol Infrastruktura, d.o.o., Partizanska 38, Slovenska Bistrica	2239426	70.320	Slovenia

Other associated companies in which Impol 2000, d.d., indirectly holds more than 20% of the share capital:

Table 7

OTHER ASSOCIATED COMPANIES

NAME	ADDRESS	
Simfin, d.o.o.	Partizanska 38, Slovenska Bistrica	Slovenia
Alcad, d.o.o.	Zgornja Bistrica 4, Slovenska Bistrica	Slovenia
Alureg Pin, d.o.o.	Partizanska 38, Slovenska Bistrica	Slovenia
Almont Seval	Sevojno, Serbia	Serbia

REPORT OF THE MANAGEMENT BOARD

Dear shareholders and stakeholders,

The year 2009 was not a year of consolidation, as we had expected; due to the international crisis, this year was, until the end of August, a time of putting in place the anti-crisis measures that allowed us to survive and create the basis for further work to be carried out in the period when the crisis eases.

A review of 2009 shows us that it was a year of very demanding challenges that will affect our operations a great deal for a few more years to come. In spite of intensive activities relating to reducing the operational risks, our efforts were being, until the last quarter of the year, seriously challenged and, due to the very negative external effects, the risks were not entirely managed. Only at the end of the year did the situation become easier to control.

The effects of the financial crisis that had a very negative impact on the operational conditions until the last quarter of the year, caused the profits to be reduced to amounts below the expectations set out in the annual plans. The demand and the prices dropped significantly and the extent of the operations also decreased a lot.

As Impol mostly relies on its operations abroad – its exports account for more than 90% of all the income, and most of them are realised in the markets of the EU – it felt the recession more than the majority of Slovenian industry that, in many cases, could compensate for this loss in the domestic market.

Impol had to continually update its programme of anti-crisis measures, with which it started in 2009, mainly with respect to keeping the purchase prices of aluminium included in the selling prices, managing all the investments and providing appropriate sources of their financing, and, above all, managing the trade receivables.

Aluminium is by far the most important raw material for the production of Impol's products, as other metals account for less than 5% of the input materials. All the purchase prices for the raw materials, as well as the selling prices for aluminium products, are based on the basic exchange price that underwent strong fluctuations in 2009. In dollars, it moved between 1253 and 2256 dollars/tonne, and in euros it was between 992 and 1556 euros/tonne. Impol continued to manage the negative effects of such fluctuations with carefully carried out forward insurance; however, due to a drastic drop of the price at the beginning of the year, this management, too, was made very difficult.

Although last year the concentration of the aluminium industry came to a complete halt, due to a full globalisation of the concerned industry, the market trends from individual market segments were very quickly transferred to all the other market segments. In the first half of 2009 the predominant effects influencing the aluminium producers were extremely negative and can be characterised as the largest crisis that the industry has undergone in the whole of its history. It also affected Impol's operations, as most of its income was generated in the last three months of the year, while before that time its operations resulted in a loss.

The negative operating trends stopped, almost entirely, any further restructuring in Impol, as well as throughout the entire aluminium industry; the introduction of new development programmes was stopped as well. The investments in organic development and growth were continued only in the cases of an ongoing project, while no funds were available for new projects.

The most negative effects were noted in those business segments that are directly or indirectly associated with the automotive industry, especially the car industry, where, at the end of 2008, the production was almost completely stopped, as only vehicles from existing stocks were being sold, and where the demand reappeared only in April 2009.

The operating results of individual segments show that, in 2009, in the field of aluminium processing, the success of Impol's operations was made possible mainly by the rolling activity, into which Impol invested intensely in 2002-2006. This means that this investment has proved to be an important stabiliser of our production; if we had not carried it out, we would today be facing even greater difficulties.

2

REPORT OF THE MANAGEMENT BOARD AND REPORT OF THE SUPERVISORY BOARD



We expect that the investment in the increased extruding capacities (Alumobil) will have a similar effect, as, at the end of 2009, a demand for larger capacities in this area was noted.

The investments in fixed assets were realised in the total amount of over 10 million euros and were even a bit higher than the year before, in spite of the very unfavourable economic situation.

In spite of a relatively high debt-to-assets ratio, the investments in Impol were, with respect to the achieved results, remunerative and relatively safe, as our achieved results, presented in the table below, allowed a timely and full settlement of all the liabilities.

Table 8

RETURN ON INVESTMENTS

INDICATOR	2009	2008	2007	2006
EBITDA	23,185	40,084	50,762	29,786
annual growth	-42.3%	-21.0%	70.4%	27.2%
EBIT	11,124	24,434	34,569	15,142
annual growth	-54.7%	-29.3%	128.3%	61.7%

These results allowed us to smoothly manage the debts of the whole group. Throughout the year our debts were, thus, reduced by about 14 million euros.

This year Impol continued with its internal reorganisation, aiming at setting up new forms that allow more transparent and cheaper operations.

With respect to this change, all the necessary activities were carried out in such a way that they did not affect the market relations: the customers and strategic suppliers reach Impol in the same way as before, while all the group companies have the same trade payables to, and the same receivables due from, these partners.

Impol continues the process of safeguarding a slim organisation, aiming at maximising the profit in the given conditions. In this way, Impol ensures the following:

- a focus on generating added value for customers and attracting customers in the process of acquiring new products;
- a focus on the manufacture of products with a higher added value, stimulating it by giving appropriate incentives to all the employees;
- the use of raw materials that previously underwent the lowest possible processing level, so that the added value of Impol's final products can be enhanced, leading to an increased use of secondary raw materials;
- the continual improvement and rationalisation of the production processes, allowing a reduction in the production costs and improved customer satisfaction;
- generating a sufficient cash flow that allows the financing of development processes and the settlement of liabilities to suppliers and investors (shareholders, creditors, etc.).

In spite of the demanding business conditions in the first half of the year, Impol generated a cash flow of a good 14 million euros, reducing, by the same amount, its debts.

In spite of all the unfavourable operating conditions, in 2009 Impol increased its share of financing the investments with capital by 4%, so that this figure amounted to 19.1% at the end of the year. Such results could only be achieved with good control of all the investments and costs. In this way Impol's strategy to finance at least 30% of its investments with capital is being realised.

The objectives of the Impol Group for 2009 were as follows:

- to make 2.4 million euros of profit;
- to generate 23.2 million euros of net cash flow;
- to achieve the above by selling 153.7 thousand tonnes of aluminium products.

The following was realised:

- a total of 139 thousand tonnes of aluminium products were sold (88%),
- a net nominal amount of 13 million euros of cash flow was generated (57%),
- a nominal amount of 1 million euros of profit was made (25%).

In our assessment, Impol's objectives relating to the current operations were not entirely fulfilled for the following reasons:

- mainly, a drastic decrease in demand followed by a decreased scope for production during the whole of the first half of 2009, especially with respect to the programme of bars and rods for the automotive industry;
- a reduced scope of operations did not lead to a decrease in the fix costs, while the costs per unit products were on the increase;
- a serious problem was the cancellations of the previously ordered goods, mainly because at the time of a purchaser's order Impol would insure, with forward purchases, aluminium prices included in its own selling prices, but later could not cover them with the sales, as, in the crisis, the purchasers, too, were forced to reduce their extent of operations;
- the selling premiums added to the aluminium prices at the exchange were on a decrease.

A comparison with the previous year and a comparison of the achieved results with the expectations show the following:

- in comparison with the previous year, Impol's income was reduced from 446 million euros to 304 million euros (a 32% decrease); as a result of the reduced prices for aluminium set at the LME, the costs for raw materials were also lower than the expected figure of 359 million euros by 111 million euros (or by 31%);
- the profit was lower than in 2008, and lower than the expected figure for 2009; however, we estimate that this is still a good result, bearing in mind that a lot of our competitors made a loss;
- the net cash flows established on the basis of amortisation and the net profit, and corrected for the sake of adjustment, revaluation, dividend payments and the changes to the provisions, allowed continuous operations and the settlements of all liabilities.

Impol 2000, d.d., is not a listed company; for this reason it makes it possible for its shareholders to find the values of their investments by objectively presenting the value of the company in its financial statements. In the previous year the book value of the capital per share for Impol 2000, d.d., the holding company, increased again by almost 20%, amounting, at the end of the year, to 32.12 euros. However, due to unfavourable operating conditions, in 2009 the consolidated book value of capital per share for the Impol Group, reduced by the capital of the minority shareholders, remained the same as the year before. As a result of the achieved financial results and expectations for 2010, the Impol Group will keep the same policy for determining shareholders' dividends that applied to Impol 2000, d.d., in the previous year. The dividend will be 0.31 euro per share.

We expect that the business environment will still be exposed to turbulent changes arising mainly from the following:

- rapid changes of aluminium prices at the exchanges;
- rapid changes to the structure and size of competitive suppliers;
- rapid changes of supply sources;
- rapid and unpredictable changes relating to the customers, i.e., the demand;
- rapid changes to exchange-currency rates;
- uncertainty and shrinking of the financial support system, etc.

With this plan, the Impol Group is setting itself specific objectives and tasks, allowing the company to realise the basic aims for 2010, in the environment determined with the following restrictions:

- A persistent international financial crisis that started in 2007 and will have, according to analysts, long-term, mainly negative, effects.
- Certain operating costs are expected to undergo an exceptional increase (energy, salaries, market penetration, financing) resulting in a need to increase the added value (expressed per unit or as the total).
- The growth of operations, financed from bank sources, will be aggravated, and for this reason the scope of operations needs to be planned with regard to the available non-bank sources.

The Impol Group has set itself the following main objectives and the resulting tasks for 2010:

- The expected profit generated by the Impol Group will be at least between 4 to 6 million euros.
- Impol will focus on the production of products with a higher added value, and it will adjust to this objective its development and innovation-related activities, its financing, as well as the activities and methods relating to sales, production and technology.
- Impol will very carefully consider its customers in all the stages of its dealings with them, especially with respect to planning new products, ensuring the quality of supplies in line with agreements, and together with improved after-sales services.
- The most important area of activity continues to be the production of aluminium products and semi-manufactured products.
- The framework extent of the aluminium production is planned to amount to over 151 thousand tonnes of products.
- Due to the persisting crisis the following additional actions, helping us to reduce its negative effects, will continue to be implemented:
 - With the expected extent of operations in 2010, the Impol Group will provide for the equity growth of the shareholders and other investors, and also for the value of dividends, or interest, that will be in line with Impol's long-term operational strategy.
 - Most of the investments will be allocated for the current assets. Over the short-term period these investments will be mainly financed with the borrowed short-term funds. Investments in the Alumobil project, whose final function has been significantly extended in comparison with the initial programme, will be completed in line with the programme. Additional efforts will also be made to ensure the availability of a part of the market by the end of 2010, when the project will have been completed.

We will continue to carefully monitor, throughout the entire system, the effects of our production on the environment, and strive to minimise them, or eliminate them, in line with the environmental standard ISO 14001.

Impol will also continue to ensure that the knowledge acquired by the company will be maintained and upgraded. Impol encourages the acquisition of knowledge that helps the company increase its productivity. For this reason Impol ensures its employees that it will:

- reward them in line with the achieved profit,
- encourage their cooperation in the process of innovations, improvements, and development projects;
- pay for supplementary pensions,
- provide a safe and healthy working environment in line with the acquired standard OHSAS 18001.

Impol will continue to provide, mainly in its own environment, training for its employees, as it can only satisfy the needs of its customers with appropriately qualified staff.

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)

Vlado Leskovar
(Member of the Board)

MANAGEMENT BOARD'S STATEMENT OF RESPONSIBILITY

The Management Board assumes responsibility for the consolidated annual report representing a true value of the property of the group, and a true profit-and-loss account for 2009.

The Management Board confirms that the prescribed accounting guidelines were consistently applied, and that the accounting estimates were made in line with due diligence and care. The Management Board also confirms that the financial statements, together with the explanatory notes, were made on the basis of the plans for the future operations of the company, and in line with the current legislation and the Slovenian Accounting Standards.

The Management Board also takes responsibility for the appropriate accounting, for adopting relevant measures to secure the property, for continual monitoring of other operational risks, for adopting and implementing the measures to minimise these risks, as well as preventing and identifying frauds and other irregularities or illegalities.

The Management Board gives approval to the consolidated financial statements for the year completed on 31 December 2009 and to the observed accounting guidelines.

Jernej Čokl
(President of the Board)

Janko Žerjav
(Member of the Board)

Vlado Leskovar
(Member of the Board)



Impol 2000, d.d., Management Board: Jernej Čokl (president), Vlado Leskovar and Janko Žerjav

REPORT OF THE SUPERVISORY BOARD FOR 2009

The Supervisory Board of Impol controlled and examined, in line with the competencies from Article 281 of the Companies Act, throughout the year the management of the company's operations in the financial year 2009. The task was carried out in such a way that each member of the board promptly reviewed the reports submitted to it by the Management Board at least once per month. The most important of these documents is the annual report on the company's operations for 2009. All the meetings of the Supervisory Board, at the end of the year consisting of four members, were attended by a quorum.

Acting on the proposal of the Management Board, the Supervisory Board discussed and approved the company's business plan and business policies for 2009. During its meetings, it most frequently discussed the pricing and trading policies of the company and their role in the development strategy of the Impol system.

The Supervisory Board thoroughly examined and approved the changes concerning the realisation of the investment Alumobil project, and was actively involved in the preparation of the new strategy and the organisation of the Impol Group.

The Supervisory Board promptly monitored the operations of both the entire Impol Group and the individual companies included in the group, as well as the effectiveness of individual programmes, within which the group carries out its activities.

The Supervisory Board established that the reports of the Management Board, submitted to it throughout the year to be discussed at individual meetings, were composed clearly and transparently, giving a true and fair picture of the company's operations and its current financial situation.



Impol 2000, d.d., members of Supervisory Board: Milan Cerar (president) and Jože Kavkler

The Supervisory Board also established that the Management Board promptly and consistently implemented the decisions of the Supervisory Board. The President and the Members of the Supervisory Board were regularly, on a monthly basis, receiving written reports on the company's current operations, prepared by the Management Board.

In line with requirements, the Supervisory Board met at four regular sessions that were evenly distributed over the quarters of the year, and at eleven extraordinary sessions, discussing individual topical issues.

The Supervisory Board established that, according to the auditor's report, attached to the business report, prepared by the audit company Auditor, d.o.o., Ptuj, the financial statements give, in all respects, a true and fair picture of the financial situation of Impol 2000, d.d., the whole Impol Group and other companies from the Impol Group, as of 31 December 2009, and are in line with the Slovenian Accounting Standards. The same is true of the business results and the movement of the financial flows in the year that ended on the above-mentioned date. With respect to the operations of Impol 2000, the most important link is Impol, d.o.o., affecting crucially the success of Impol 2000. The business report of the Management Board is consistent with the financial statement. The Supervisory Board had no comments relating to the auditor's report, and gave approval to it, as well as to the proposal for the formation of the capital, balance-sheet profit, and the profit after the financial year 2009. The Supervisory Board suggested that the shareholders' meeting of the company adopt these documents and give a discharge for the financial year 2009 to the Management Board and the Supervisory Board.

Milan Cerar
President of the Supervisory Board



Impol 2000, d.d., members of Supervisory Board: Adi Žunec and Tanja Ahcuj

BUSINESS REVIEW

Impol's main activity remains as the processing of aluminium into rolled, extruded, drawn, and forged products, as well as other types of products (the main activity is registered as 25.500). The group also carries out other, less-important activities. Most of the activities in the group are organised within specific companies that do business with each other following market-based rules.

In 2009 Impol did not expand its activities to any new areas, as it focused its attention on minimising the effects of the crisis and making the best use of the existing capacities. At the same time, it was involved in the restructuring and specialisation of the production programmes. In spite of the crisis in the market, Impol continued to increase its sales of foils, which means that it continued to focus on the products with a higher added value.

Until 1950, Impol processed only copper. The processing of aluminium started in 1950 (the programme is described, in detail, at <http://www.impol.si>), when the total global annual production of primary electrolytic aluminium was only a good million tonnes. In 2008 it amounted to more than 40 million tonnes (Table 6) and would have remained about the same in 2009 if the crisis had not drastically affected the amount concerned. At the same time, the processing of secondary (i.e., scrap) aluminium is also becoming increasingly important; its estimated amount already exceeds 15 million tonnes per year (mt/y).

Table 9

GLOBAL PRODUCTION OF PRIMARY AL

PRIMARY AL - EXPECTATIONS	2006	2007	2008	2009
UPDATED FOR THE LAST TIME ON 02 OCT 2009				
Global production of primary Al in tonnes	33.93	38.14	39.68	37.02
Global consumption of primary Al in tonnes	34.40	37.85	37.81	34.71
Incurring imbalance	-0.47	0.29	1.87	2.30
LME cash price: - USD/tonne – annual average	2,566	2,639	2,571	1,667

Sources: IAI, WBMS, CRU, SG Commodities Research estimates

AL PRODUCTION IN MT/Y AND IMPOL'S SHARE OF THE CONSUMPTION OF PRIMARY AL

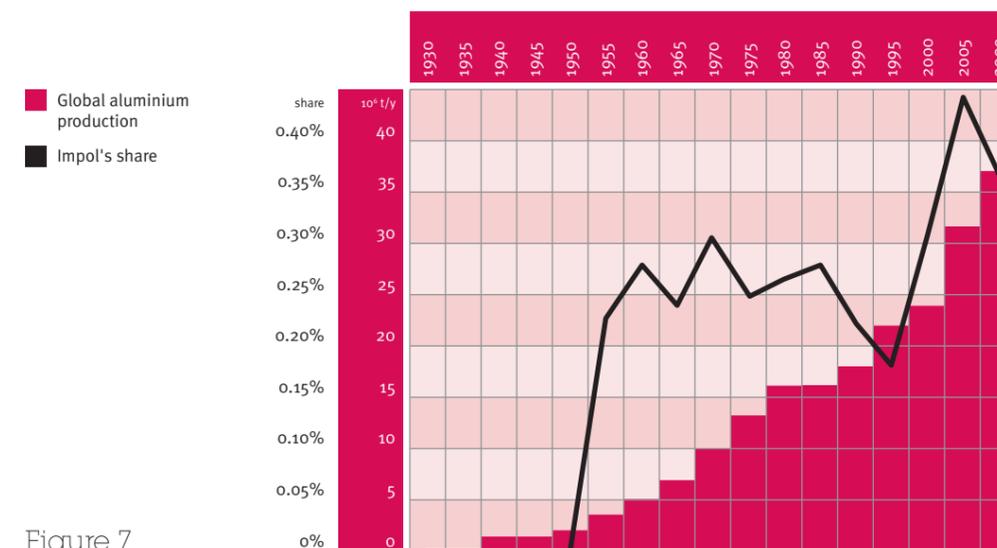


Figure 7

The Impol Group had a 0.37% share of all the newly processed aluminium. In 2009 it reduced its share by 0.01%, because it was focused, in line with Impol's strategic policies, more on the products with a high added value and less on the quantity of the production. However, the quantity of Impol's production also remains important, as in the processes of mass production Impol can only manage its fixed costs with a sufficient quantity. As the global processing of aluminium, including the processing of secondary, recycled aluminium is close to 55 million tonnes per year, Impol's share of the total processing is a little less than 0.3%.

In 2009, for the second consecutive year, the realisation scope decreased:

- 12% of this decrease was a result of the physical extent – this is also one of the reasons for the decrease of Impol's consumption share of the total global aluminium production that was reduced by 0.01%;
- the rest of the decrease was caused by the drop of the prices for aluminium raw materials, as the average annual spot price for aluminium at the LME decreased, in 2009, by 35% in comparison with the price in the previous year.

SALES AND THEIR TREND

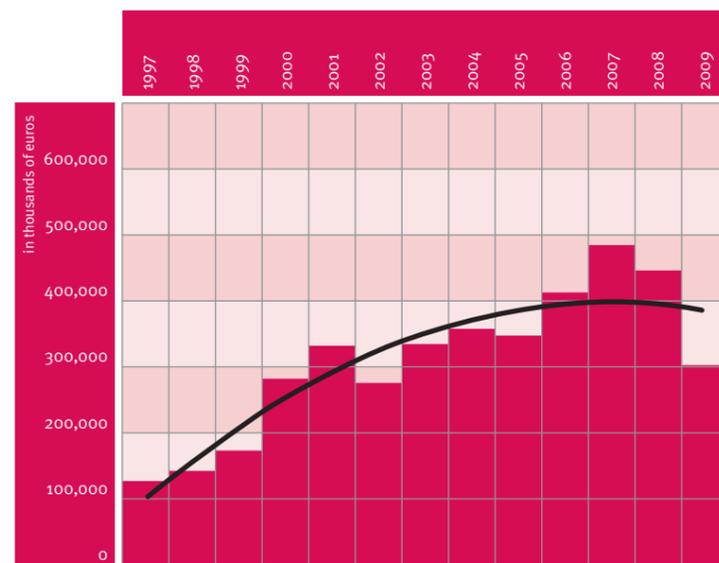


Figure 8

It is characteristic of the aluminium-processing industry that the selling prices for its products are formed by adding selling premiums, agreed with the buyers, to the LME aluminium prices. The same also applies to the purchase prices for aluminium raw materials, where the purchase prices are formed by adding the purchase premiums, negotiated with the suppliers and including all the costs for the supply in line with the Incoterms DDU sales terms, to the LME aluminium prices. In this way the LME aluminium prices directly affect the scope of realised sales and the value of direct costs. However, in the case of an appropriate forward insurance (hedging) the fluctuation of the LME price should not have a direct influence on the operating results. Consequently, it was expected that a 31% decrease in the raw-materials costs would lead to a decreased realisation, that was actually lower than the realisation in the previous year by 32%.

PRODUCTION AND MARKETING PROGRAMME

Impol's prevailing production-and-marketing programme includes the production and sale of aluminium semi-manufactured products, accounting, in all its forms, for 88% of the company's realisation. The other market-based programmes carried out outside the group's framework represent only a 12% share of the total realisation (Figure 9):

- various rolled aluminium products (strips, sheets, embossed and formed sheets);
- foils and thin strips;
- profiles (untreated, anodised),
- bars, rods, tubes;
- forgings, cast and coloured aluminium products;
- other products, trading activities and services.

SALES SHARES BY TYPE OF PRODUCTS AND SERVICES

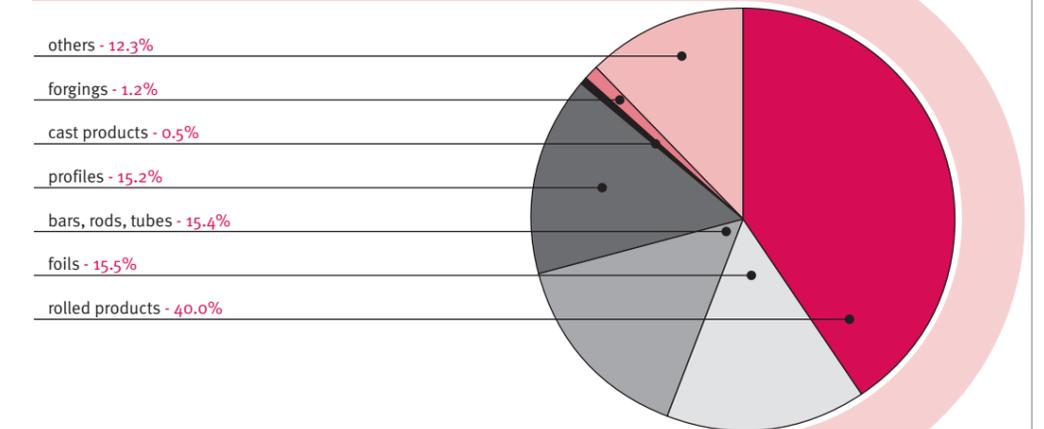


Figure 9

The entire production programme is based on orders, i.e., triggered by the orders received.

Rolled products constitute the largest share, within which the production of foils continued to increase rapidly. The share of extruded products amounts to 31% of the total production, and it is expected to be on the increase until 2010. The rest of the products and services account for a small proportion of the Impol system, and for this reason an increase in their production cannot significantly increase their share of the total operation.

MARKETS AND CUSTOMERS

Impol sells most of its aluminium products in the EU.

Table 10

SALES OF ALUMINIUM PRODUCTS

	2008	2009
South America	0.00%	0.06%
Africa	0.00%	0.11%
Australia	0.19%	0.13%
Asia	0.00%	0.46%
North America	2.88%	1.65%
Ex YU	3.73%	4.05%
the rest of Europe	4.24%	5.38%
Slovenia	7.79%	7.97%
EU without Slovenia	81.16%	80.18%
	100.0%	100.0%

SALES OF ALUMINIUM PRODUCTS BY GEOGRAPHICAL AREA



Figure 10

The most important markets are still in Germany, Italy, Slovenia, etc. (Figure 5). Customers of Impol's products are producers in the car industry and other automotive industries, the construction industry, the electricity industry, the heat-exchanger industry, and the household-appliances industry; there is also a number of other producers with small purchasing shares.

Impol supplies its customers with a wide range of rolled and extruded aluminium products, and, to a slightly lesser extent, with additionally treated products (forged, painted, anodised products, etc.) that are all made at the request of individual customers. Consequently, the entire production is based on the

demands of individual customers; however, the company uses mass production so that it can meet the price expectations of these customers.

The most realistic growth trend of Impol's production is shown by the data on the amount of aluminium products realised in tonnes. The data on the value realisation would be distorted by the price movements at the LME.

Table 11

AMOUNT AND GROWTH OF SALES OF ALUMINIUM PRODUCTS FOR THE IMPOL GROUP

YEAR	SOLD AMOUNTS IN TONNES	SALES TREND INDEX
1996	41,238	
1997	51,024	1.24
1998	56,134	1.10
1999	64,212	1.14
2000	74,092	1.15
2001	80,378	1.08
2002	84,452	1.05
2003	107,778	1.28
2004	122,233	1.13
2005	139,769	1.14
2006	144,255	1.03
2007	160,679	1.11
2008	153,620	0.96
2009	137,823	0.90
Plan 2010	151,300	1.10

In the past two years the trend of continuous growth for the physical production became negative due to the market conditions and Impol's decision to focus more on the production of the products with a high added value. However, on the basis of the received orders, we expect the physical production to grow again already in 2010.

TREND OF SOLD ALUMINIUM PRODUCTS

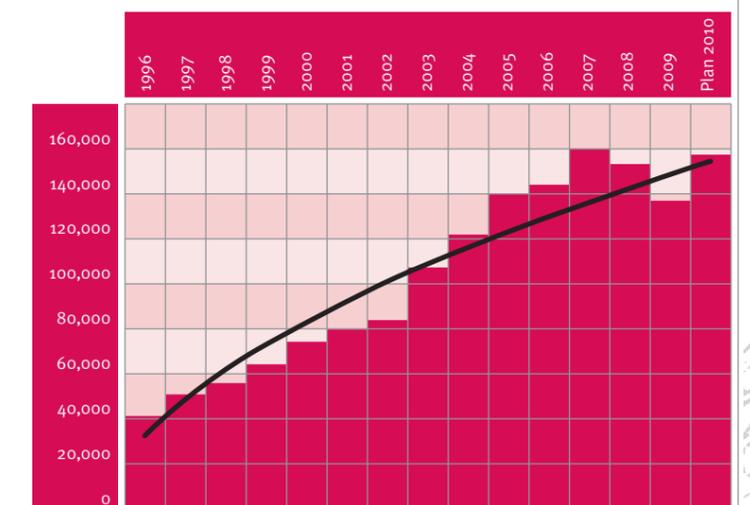


Figure 11

The majority of sales are still in the EU. Impol sells about 90 percent of all its products in the EU, including Slovenia. The market includes more than 40 countries and 400 large customers, none of which accounts for a particularly large share (Figure 5).

The year 2009 had, until the final quarter, negative market conditions and the sales were not carried out in line with the expectations; however, in the final quarter the market conditions changed, resulting in an increased demand and, consequently, increased sales. In the recession conditions it became clear that our diversification across different markets and our complex supply were appropriate approaches, allowing us, for the second consecutive year, to avoid an even larger decrease in orders and mitigate the effects of the recession.

We focused mainly on the European markets, as the sales in the dollar areas were, due to the low dollar exchange rate, rather unremunerative. In these areas we could only maintain products with a high added value.

MARKET CHARACTERISTICS

During the first three quarters of 2009 we were facing the recession that severely hit the car industry and was also reflected in the construction industry. As a result, we were forced to reduce our sales plans and adapt to the market conditions. The largest difficulties were associated with the customers with which we had long-term sales contracts setting the basic aluminium prices that the customers could not, at the time of a drastic drop of these prices, cover with their purchases, neither were they in a position to compensate Impol for the incurred costs. For this reason we had to make additional contracts with them, allowing us to solve the problems over longer periods. We were doing this in order to hold on to our customers, as we established that the costs incurred in this way were a few times lower than the costs that would have incurred if we had had to replace the existing customers that were facing problems with new customers.

The signs of the crisis were reflected in different segments of the sales operations – as a decrease in the demand, as a reduction of the processing prices, as increased stocks in the final storage capacities (delays to the customers' product recall), as customers' payment difficulties or delayed payments, as customers' bankruptcies, as customers' tendencies to extend the payment periods and as the reduced insurance limits given by insurance agencies.

Due to our supply diversification and the complex organisation of sales, we managed to mitigate the effects of the recession. At the same time we were focusing on already penetrated markets, increasing the sales in the areas that were less hit by the recession (the foodstuff industry, the pharmaceutical industry) and making additional efforts to attract the customers that were, as a result of the recession, losing their traditional suppliers. With these actions we formed the foundations that later allowed us to attract several new customers in spite of the unfavourable conditions in the past recession year.

SALES ORGANISATION

Within the Impol Group the sales of aluminium are mainly carried out through Impol, d.o.o., our central trading company, while the sales of the other products and services are done directly by the group companies that deal with the concerned market activities. Impol, d.o.o., continues to buy all the services needed for its commercial activity.

Impol's programme of aluminium production that accounts for, as mentioned above, 88% of the group's realisation, is divided into the standard programme and the specialised programme. The former includes the products intended for sale to traders and the latter includes the products to be sold directly to end customers. This type of sale is more complex, requiring a lot of cooperation between the sales team, the production team and the end customers. The time required for attracting customers is long. Each customer has to be considered with regard to different aspects (credit standing, payment capacity and long-term cooperation).

COOPERATION BETWEEN THE SALES AND THE TECHNICAL TEAMS

Due to the complexity of attracting customers, the cooperation between the sales and the technical-support team is necessary, especially with respect to the sales of specialised products. Identifying and attracting customers in the specialised markets are mainly the tasks of the sales departments of Impol PCP and Impol FT in cooperation with the technical specialists. These customers are difficult to attract, as they already have their suppliers. Thus, we have to provide competitive offers with respect to the price and quality, which means that both the sales team and the production team have to be involved in this process. The cooperation between the two is stimulated and enhanced with a number of measures and is well supported with the information technology that is being improved through various projects.

MARKET COMMUNICATION

The main activities in this area were the expansion of the Impol trademark to the Asian and South American markets, increasing our presence in the new markets through the agents, increasing the number of press releases about our company, and participation at fairs and conferences organised by the EAA (European Aluminium Association) and the EAFA (European Aluminium Foil Association).

One of the effective activities of the market communication was our participation at the aluminium fair in Dubai, where we successfully presented the Impol trademark and attracted customers from the Arabian Peninsula. With similarly forceful market presentations carried out through our agents, we managed to attract customers in other new areas: Poland, Russia, Asia and South America.

We also continue to reinforce the reputation of the Impol trademark, which has a long tradition. All the companies within the group use the same trademark – Impol – as it represents quality and stability. Our various activities aim at distancing our trademark from the less-respected position attached to goods coming from the East, and creating a reliable trademark comparable with western quality standards.

THE SALES IN THE COMPANIES OF THE IMPOL GROUP REGISTERED OUTSIDE SLOVENIA

Impol Seval, registered in Serbia, is well established in the market, as is proved by the operating results for 2009. The company produces products intended for sale to traders, i.e., dealers. These products have a wide range of use, which proved to be very useful during the crisis, as there was almost no decrease in the demand. The customers from abroad were pleased with the products received from Impol Seval. However, attracting the domestic market and the other markets in the Balkan Peninsula remains the company's challenge, as the consumption of aluminium products in this region is at a low level and no positive trend has been noted so far.

On the other hand, the company known as IAC was facing serious difficulties. It is specialised in the sales of bars, rods and tubes in the North American markets, while not supplying rolled products, because their prices would not be competitive. As the sales programme of IAC is mainly intended for the car industry and the construction industry, the drop in the demand in the past year hit them seriously. At the beginning of 2010 an increased demand was noted in the markets of the USA, and for this reason we expect to see a revival in sales, which will allow an operation with sufficient profitability.

IMPORTANT SALES ACHIEVEMENTS

- We managed to increase the sales of foils with a higher added value, strengthening our position in the foil market.
- In spite of the effects of the recession, we kept most of our customers.
- We increased our market diversification across Europe, thereby reducing our risks.
- We reduced the sales costs (the logistics costs, the brokerage costs and the costs of redeeming) by 2 million euros.
- By introducing the system of forward purchasing of aluminium as a way of securing the prices in the sales contracts, we reduced the levels of risk relating to purchasing aluminium.
- We strengthened the presence of the Impol trademark across Europe and the world, making it comparable with western quality standards.
- We improved the quality of the products and the sales services of Impol Seval.

PURCHASING

Within the Impol Group only the purchase of strategically important aluminium materials and of energy is organised centrally. Purchasing abides by the principle that these should be bought under optimum conditions (in terms of prices, deadlines, costs and quality). This purchasing amounts to 55 percent of all purchases.

In addition to the suppliers of aluminium raw materials, the providers of energy and transport are also very important to Impol. Aluminium materials are mostly of foreign origin (more than 85 percent). The conditions and prices for their purchasing are entirely set by the movements of the prices at the LME. Impol also processes a lot of secondary aluminium, with which it can reduce its purchasing costs.

ANNUAL FLUCTUATIONS OF ALUMINIUM AT THE LME

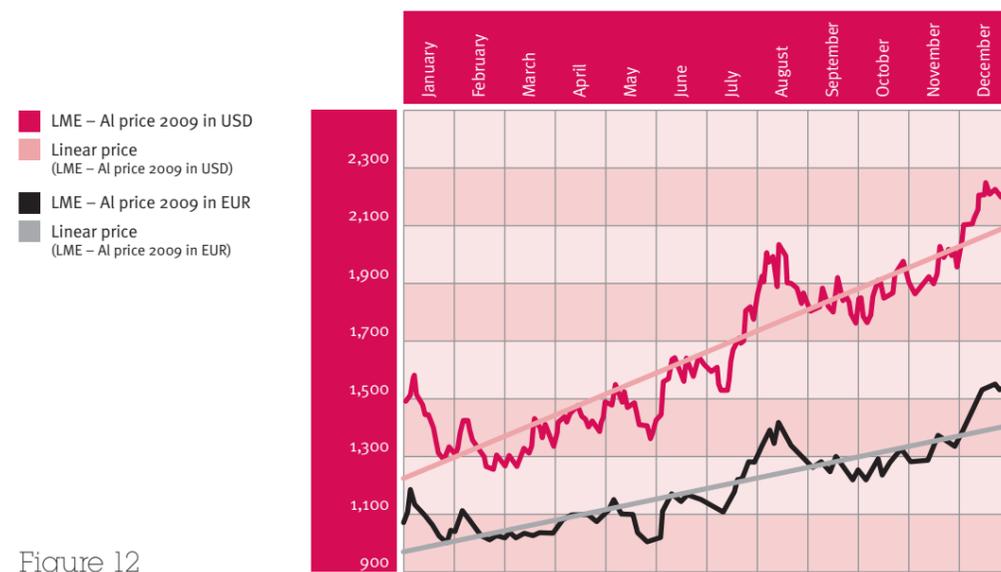


Figure 12

In comparison with the previous year, in 2009 the purchase prices for raw materials decreased to a certain extent, having a significant drop of aluminium prices in the first quarter, which is best shown with the curve indicating the aluminium price for 2009. The movement of the curve shows large volatility of the price, requiring the Impol Group to carry out demanding tasks of securing the price against unexpected market trends.

As the purchase prices for aluminium and energy are set autonomously, and Impol can exert no influence on them, the group observes the rule, according to which it selects the materials and energy products whose type and quality are satisfactory, while the prices are as low as possible (e.g., the use of secondary aluminium instead of aluminium ingots, the use of natural gas instead of propane-butane, an advance lease of energy, etc).

In 2009 the multi-annual fluctuations of aluminium prices at the LME completely changed their direction. A drastically negative situation changed into moderate growth, which was the prevailing trend throughout the year.

The Impol Group organises all the other purchasing within the companies involved in the production and services processes, causing no major problems with its realisation. In 2009 the services relating to purchasing continued to be carried out by an external company, Upimol 2000, d.o.o., because we believe that this way of organising the purchasing is the most rational. It is expected that this company will keep providing such services in the future as well.

About 25% of the materials and almost all of the services are purchased in the domestic market.

DEVELOPMENT AND INVESTMENT PROCESSES

With the investments carried out, we mainly provided for the consolidation of the group and its organic growth. The intensity of the investments was at about the same level as in the previous year. However, due to the decreased aluminium prices and the reduced scope of operations at the end of the year, the requirements to invest in the current assets decreased as well in 2009.

Table 12

EXTENT OF INVESTMENTS

MILLIONS OF EUR

	2009	2008	2007	2006
Investments in shares		3.2	44.8	
Investments in durable assets	10.2	7.0	5.9	15.7
Investments in current assets	-10.2	-2.9	-14.3	44.6
Total	0	7.3	35.5	60.3

TREND OF INVESTMENTS IN DURABLE ASSETS

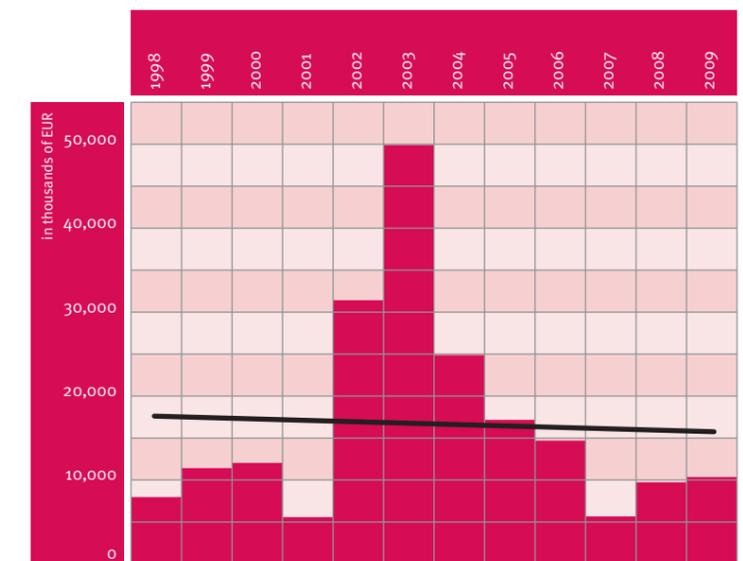


Figure 13

FINANCING AND THE DIVIDEND POLICY

In order to provide for the necessary repayments of the long-term and short-term loans acquired by all the group companies, and for a large equity share to be the source of financing investments in durable operating assets, the Impol Group will maximise the use of its profit. For this reason, it will concentrate the companies' profits to an appropriate extent and allocate the funds for the investments with maximum profits and minimum repayment terms.

In doing this, it will pay special attention to investing the funds in short-term assets (stocks, receivables, cash, etc.) reducing them as much as possible to avoid unmanageable difficulties relating to a shortage of funds or of available external short-term financial sources.

Within the group, a maximum of about 0.31 million euros per year can be allocated for the dividends and the participation of managerial staff and of employees. On the other hand, the group companies have to contribute to the controlling company up to 5 million euros of dividends. All the long-term investments will be initiated only on the basis of the Management Board's decision.

In 2010 no significant changes to the shareholders' ownership structure is expected, neither does the company expect to form a special reserve fund, or change its own ownership structure.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

In the time between 1 January 2010 and the completion of this report, there were no events that would significantly influence our business accounts and require additional disclosure and clarification.

RISK MANAGEMENT

MANAGING FINANCIAL RISKS

The financial risks of the Impol Group are monitored and managed by the Finances and Economics Department, the Risk Management Department and other appropriate departments of the group companies operating outside Slovenia. To provide for a comprehensive risk management, the Risk Management Board was organised. The board systematically and promptly monitors and discusses registered risks incurred in the operating processes within the entire Impol Group, as well as suggesting and passing decisions for their mitigation or elimination (in line with the responsibilities assigned to the board by the Management and stipulated in Impol's Code of Operating Rules). The Risk Management Board carried out its activities at regular and extraordinary sessions, holding 33 sessions and proposing/passing about 560 measures in 2009.

The risks that the group has to deal with are listed in the table below.

Table 13

RISKS

RISK AREA	RISK DESCRIPTION	MANAGEMENT METHOD	EXPOSURE
Liquidity risk	Shortage of the float for settling business or financing liabilities	Credit lines agreed in advance, planning of inflows and outflows	moderate to high
Price risk	Aluminium is a material traded at the exchange and its prices change all the time. However, customers wish to agree on a price base, set in advance.	Hedging insurance – forward purchases and sales	high
Exchange-rate risk	Financial-loss threat due to unfavourable fluctuations of exchange rates, mainly for the dollar	Use of appropriate derivative instruments, making use of the possibility to buy basic raw materials with the national currency	moderate
Interest-rate risk	Risks related to the changed terms and conditions of financing and raising loans	Following the policies of the ECB and the FED, the use of appropriate derivative instruments – interest-rate swaps, replacing the fixed interest rate with a variable rate	moderate to high
Credit risk	Risk of not getting the payments from the customers	Insuring the trade receivables – mainly foreign receivables to be insured at credit insurance companies; Following the customers' credit standing, reducing the maximum exposure with respect to certain customers	high
Risk of compensation claims and legal actions	The threat of the compensation claims of third parties due to loss events caused by the company involuntarily with its operations, property or product marketing	General liability insurance and producer's liability insurance (for the production of bars, rods and tubes)	low
Property-damage risk	The threat of property damage due to natural disasters and machinery malfunction	Property insurance, insurance against machinery malfunction and against any interruption to operations	moderate

EXCHANGE-RATE RISK

Impol mainly purchases its basic raw material in American dollars. As a result, Impol, d.o.o., has an open US-dollar position, while other companies operating in Slovenia do not have such open positions. An exception is Impol Seval, because of the large exchange-rate differences caused by the drop in the Serbian dinar. The actions taken to reduce the negative effects of the exchange-rate differences on our operations are as follows:

- All the sales to Western Europe are carried out through Impol, d.o.o.
- Impol, d.o.o., forwards aluminium to the processing sector in such a way that Impol Seval does not have to finance aluminium stocks, while financing only a small extent of the payables.

In 2009 we secured a certain part of the open US-dollar positions of Impol, d.o.o., in line with the exchange risk-management policy by using derivatives, while the rest of the positions remained unsecured. In 2009 the number of open positions was significantly smaller than the year before, as we were purchasing some of the input material from the suppliers, with which we had agreed to trade in euros. For securing positions, we used simple derivatives, such as forwards and currency options. With these instruments we created positive effects; however, we did not entirely succeed in neutralising the exchange-rate differences.

Review of dollar inflows and outflows of Impol, d.o.o.:

Table 14

REVIEW OF DOLLAR INFLOWS AND OUTFLOWS OF IMPOL, D.O.O.

IN MILLIONS OF USD

	2007	2008	2009
inflows	31	28	11,5
outflows	255	244	48,9

PRICE RISK

In addition to the sales risk, the price risk represents the most significant threat to the operations of the Impol Group.

The Impol Group observes the principle, according to which, in the case of making a sales contract or accepting an order referring to a particular LME aluminium price, we secure, either physically or with a forward purchase, the materials at the price included in the concerned sales contract or the order.

The methods for covering our costs and monitoring the stocks are also set in line with the above principle.

As a rule, stocks are primarily secured by acquiring the actual materials, and only the outstanding or exceeding amounts are bought or sold in the forward markets.

As the developments are continually monitored by a specialised department and supervised by the Risk Management Board, we can provide for a continuous process of securing the prices. This process is well supported with our own information system, allowing a continuous analytical monitoring of all the developments in the market, separately recording each event.

CREDIT RISK

The process of credit control includes an assessment of the customers' credit standing that we regularly carry out, together with the credit insurance companies and other providers of services in the area of establishing the credit standing of business partners, and by monitoring their payment discipline. By regularly monitoring the outstanding and overdue trade receivables, the age structure of receivables and average payment periods, we maintain the credit-risk exposure of the Impol Group within an acceptable framework with respect to the aggravated market conditions.

INSURANCE TO COVER THE EXTERNAL INVESTORS' RISK

Due to the changed terms and conditions set by the credit banks, in 2009 we had to provide for additional insurance to cover the already granted credits of external investors.

LIQUIDITY RISK

With respect to managing liquidity risk, we examined whether the Impol Group is capable of settling current operating liabilities and generating sufficient cash flow to settle financial liabilities.

The existence of the float is checked by weekly and monthly planning of the cash flows. Any cash shortage is covered by the credit lines opened at banks, while any short-term surpluses are invested in short-term financial assets.

INTEREST-RATE RISK

At the end of the year the Impol Group had long-term loans based on the reference interest rate of 6-month Euribor. Due to the finding that the offers for interest-rate swaps were very unfavourable, and due to the expectations that the interest rate would not increase, we did not introduce any new interest-rate insurance.

INSURANCE OF PROPERTY, INTERRUPTION TO OPERATIONS AND LIABILITY

The aim of the Impol Group is to safeguard financial compensation for the damage made to the property, a loss of profit due to an interruption of the operations and to protect the group against the compensation claims of third parties. The insurance procedures are uniform for the entire group.

The insurance of equipment is taken out on the basis of the book value of the equipment; the same applies to insurance against machinery malfunction. The insurance sum for an interruption to the operations includes the labour costs and amortisation (or its rental costs in the cases of independent companies renting the equipment).

With respect to insuring the goods in transport from our company to the customers, contracts with the transport operators are made and they are also required to insure their liability for damage.

As we are well aware of our responsibility relating to any damage incurred by selling our products in the market, we also took out the producer's liability insurance. In this way we insured our liability relating to the production of bars, rods and tubes used in the car industry. We also insured our general liability for the case of involuntarily causing damage to third parties with our operations or property ownership.

INTERNAL AUDIT

In the framework of the holding company an internal audit is in place, helping the management of the company to make decisions with the minimum risk. The internal audit operates in line with the plan set for it by the management, and in line with the current decisions of the management regarding its involvement in eliminating difficulties. In 2009 the internal audit worked on more than 15 projects and gave 59 proposals for improvement by preparing a plan for eliminating difficulties, or even a concrete solution, after identifying a shortcoming.

Internal auditors report on their activities to the management of the holding company. They operate within the entire Impol Group. In line with Serbian legislation, the Serbian fraction of the group chooses its specialised internal auditor that monitors the legality and justifiability of the operations.

SUSTAINABLE DEVELOPMENT

REVIEW OF EVENTS AND ACHIEVEMENTS

- We reduced the number of work-place accidents by 45 percent.
- In spite of the crisis in manufacturing, the gross salaries of the employees in the group companies operating in Slovenia were above the Slovenian average salary.
- We reduced the amount of sick leave.
- We improved the system of internal communication with the employees.
- We established participatory bodies – the workers' councils – in all large companies operating in Slovenia.
- We improved the working conditions for the employees.
- We reduced airborne emissions and the use of energy sources.

EMPLOYEES

NUMBERS OF EMPLOYEES IN THE IMPOL GROUP

Table 15

EMPLOYEES BY COMPANY IN THE GROUP

	2004	2005	2006	2007	2008	2009 ³
Impol 2000, d.d.				25	30	34
Impol, d.o.o.	978	971	981	15	15	23
Impol FT, d.o.o.				323	299	282
Impol PCP, d.o.o.				459	435	344
Impol LLT, d.o.o.				115	94	93
Impol R in R, d.o.o.				29	29	24
Impol Infrastruktura, d.o.o.				27	27	25
Impol Seval, a.d.	544	564	561	574	582	581
Impol Seval Finalizacija, d.o.o.	91	69	71	60		
Impol Seval PKC, d.o.o.	31	11	11	11	10	11
Impol Seval TEHNIKA, d.o.o.	76	67	68	68	105	97
Impol Seval FINAL, d.o.o.	28	29	29	29	27	29
Stampal SB, d.o.o.	38	36	35	38	37	33
Impol Aluminum Corporation	4	3	3	3	3	3
Impol Stan, d.o.o.	1	1	1	1		
Impol Stanovanja, d.o.o.	1	2	3	3	3	3
Unidel, d.o.o.	49	50	50	55	44	42
Kadring, d.o.o.			6	12	12	10
- work at the users' premises						54
- work at the users' premises*						3
Impol Servis, d.o.o.				7	7	7
Total for the Impol Group	1841	1803	1819	1854	1759	1695

* Kadring – work at the users' premises* (the employees sent to the companies outside the Impol Group, for this reason these employees are not included in the total counts).

³ The details about the number of employees in the Impol Group are comparable only for 2007, 2008 and 2009. In the previous years, 2004, 2005 and 2006, the Impol Group operated within a different ownership framework, when Impol 2000, d.d. and Impol Servis, d.o.o., were not yet part of the group.

EMPLOYEES OF THE COMPANIES WITHIN THE GROUP

Table 16

GENDER OF THE EMPLOYEES IN SLOVENIA FOR 2009 (A TOTAL OF 974 EMPLOYEES)

Male	81.6%
Female	18.4%

The employees' average age is 42.5 years.

Table 17

GENDER OF THE EMPLOYEES OUTSIDE SLOVENIA FOR 2009

Male	77%
Female	23%

The companies of Impol Seval have a total of 718 employees, while the other companies operating abroad have three employees. Their average age is 48.75 years.

Table 18

QUALIFICATION STRUCTURE FOR THE EMPLOYEES IN SLOVENIA

PH.D	Msc.	UNIV. GRAD.	HIGHER EDUC.	VOCATIONAL DEGREE	HIGH SCHOOL	SKILLED EMPLOYEE	SEMI-SKILLED	NON-SKILLED
0.10%	0.50%	5.60%	3.0%	4.80%	28.90%	39.50%	9.20%	8.40%

Most of the employees (39.5 %) completed a vocational high school; the next largest groups include the employees with a high school qualification (29 %) and the employees with a two-year vocational programme (9.2 %). The employees with university, higher-education or vocational-degree qualifications account for 14%.

Table 19

QUALIFICATION STRUCTURE FOR THE EMPLOYEES OUTSIDE SLOVENIA

PH.D	Msc.	UNIV. GRAD.	HIGHER EDUC.	VOCATIONAL DEGREE	HIGH SCHOOL	SKILLED EMPLOYEE	SEMI-SKILLED	NON-SKILLED
0%	0.97%	10.72%	3.76%	8.08%	23.12%	42.62%	4.32%	6.41%

BENEFITS FOR THE EMPLOYEES

The employees have supplementary pensions. All the employees that also pay individual premiums for the supplementary pension are included in this savings scheme. The monthly premium paid for an employee by the individual group companies is 25.04 euros.

Employees get long-service awards for 10, 20, 30 and 40 years of their loyalty to Impol. In the case of the sickness of an employee or an employee's close relative, he or she is entitled to a solidarity payment. At the end of each year the employees receive gifts. For each 8 March, the international Women's Day, we prepare, in cooperation with the trade union, a social event for our female employees.

Employees outside Slovenia get long-service awards for 10, 15, 20, 25, 30 and 35 years of loyalty to Impol. In the case of the sickness of an employee or an employee's close relative, he or she is entitled to a solidarity payment. At the end of each year the employees' children, up to seven years of age, receive gifts. For each 8 March, female employees receive small gifts.

PARTICIPATION OF THE EMPLOYEES

In all the companies within the Impol Group that employ more than 20 employees, workers' councils were set up. Each council received the Rules of Procedure of a Workers' Council, together with the annex called the Code of Ethics for the Members of Workers' Councils of the Impol Group Companies. The members of a workers' council made, with the relevant director, an Agreement Regulating the Relations between the Workers' Council and the Company Associated with the Workers' Management Participation. With respect to the operations of the workers' councils, the Impol Group offers counselling to all its companies, with respect to legal matters and staffing. In this way we provided the employees with an additional form of participation that is also valuable to the managers of the individual companies, allowing a more transparent transfer of information.

Trade unions are organised in Impol LLT, Impol FT, Impol PCP, Stampal SB and Unidel. In each of these companies two representative trade unions are operating – the Trade Union for the Slovenian Metal-Products Industry and Electrical Industry, and the Confederation of the New Slovenian Trade Unions. In the above companies social partners have concluded entrepreneurial collective agreements regulating the issues associated with the employment relations that we organise in a different, more favourable, way than stipulated by the law, or the collective contract applying to our activity area. In the companies that do not have a trade union, these issues are regulated with a general legal act.

REGULATING DISABILITY ISSUES

On 31 December 2009 the companies of the Slovenian part of the Impol Group employed 78 disabled employees, which is 8% of all employees. In 2009 a total of 29 decisions on potential disability were made by the first-instance invalidity committee (in 2008 the invalidity issue was discussed 36 times, and in 2007 it was discussed 20 times). As a result, 11 employees acquired disability status for the first time. In the remaining 18 cases the reasons for being discussed by the invalidity committee was seeking an opinion on whether an employee was able to work at another post after a deterioration of the employee's disability, or a plan to transfer an employee to another post due to organisational requirements.

All the companies reached the prescribed quota regarding the employment of disabled persons. Due to insufficient numbers of their own disabled employees, Impol FT and Stampal SB had contracts for an alternative mode of meeting the prescribed quota. In 2009 the total financial bonus obtained for exceeding the prescribed quota of disabled employees within the group amounted to 25,517 euros, while the total exemption from the social-security payments amounted to 42,064 euros.

UTILIZATION OF THE WORKING TIME IN THE SLOVENIAN PART OF THE IMPOL GROUP

Table 20

UTILIZATION OF THE WORKING TIME IN THE SLOVENIAN PART OF THE IMPOL GROUP

STRUCTURE OF THE WORKING TIME	NO. OF HOURS (2009)	HOURS IN % (2009)
Regular working hours	1,671,987.15	80.64
Overtime	29,199.00	1.41
Annual leave and compensation leave	184,731.73	8.91
Sickness benefit	131,136.17	6.32
- the employer's liability	70,392.06	3.39
- social-insurance liability	54,974.46	2.65
- the disability person's liability	5,769.65	0.28
National holidays	42,607.91	2.05
Other absences from work	320.00	0.02
Exemption from work	13,174.73	0.64
Unjustified absence from work, unpaid leave	300.43	0.01
Total	2,073,457.12	100.00

Since the introduction of the project Reducing Sick Leave, in 2009 there was a significant reduction in the amount of sick leave. In 2008 it accounted for 5.89 percent of the working time, while in 2009 it was reduced to 3.98 percent.

A favourable trend has also been noted in the other indicators of employees' sick leave:

- We managed to reduce the number of lost working days per employee: in 2008 this number was 21.51 days, while in 2009 it was 14.54 days.
- We managed to reduce the number of absences from work due to sick leave per 100 employees: in 2008 this number amounted to 217.78 days, while in 2009 it was 181.08 days.
- We managed to shorten the average duration of a sick leave: in 2008 this amounted to 9.88 days, and in 2009 it was 8.03 days.

REWARDING AND STIMULATING THE EMPLOYEES

In 2009 the employees' salaries in Slovenia decreased slightly in comparison with 2008. The reasons for this reduction were a drop in the demand and, consequently, unrealised expected results, due to which we could not pay out the incentives.

Table 21

SALARIES IN THE COMPANIES OPERATING IN SLOVENIA

	2007	2008	2009
Gross salary in euros	1,526	1,494	1,444
Net salary in euros	997	989	967

In 2009 the annual average gross salary within the companies of the Impol Group operating in Slovenia was higher than the average annual gross salary within manufacturing activities, which was 1,203.38 euros. It was also higher than the annual average gross salary in Slovenia for 2009, which was 1,438.96 euros.

Table 22

GROSS SALARIES BY TYPE OF PAYMENTS IN PERCENTAGE

	2007	2008	2009
Basic salary	43.6	48.6	55.8
Overtime work	1.2	1.1	1.3
Incentives	18.3	9.6	5.1
Project allowance	2.4	2.4	2.8
Allowance for unfavourable working time	17.6	18.7	19.5
Allowances – vacation	9.6	11.5	8.7
Allowances – holidays	2.7	2.8	2.0
Sickness benefit – the employer's liability	2.8	3.2	2.4
Sickness benefit – the liability of the Slovenian Health Insurance Institute	1.4	1.8	1.8
Other	0.4	0.3	0.6
Total	100	100	100

Employees are also encouraged to be innovative. They are rewarded for making innovations or putting forward useful proposals. In addition to financial rewards, each year we organise an event at which all our innovators receive awards and the Impol Golden Emblems.

TRAINING OF THE EMPLOYEES

Nowadays, all successful companies are fully aware of the importance of training, as qualifications and knowledge are important factors of the activities of modern society and its future. In the Impol Group we continually attempt to improve the qualification structure of our employees, as we build our competitiveness also on the basis of the employees' competences. We are aware that the race with our competitors requires knowledge from different areas and the ability to use the latest technologies. For this reason the qualification structure of the employees in the Impol Group is very varied. In a time when uncertainty is the only certainty, a company wishing to be successful has to have an appropriate training strategy, which means that it has to clearly define its aims and the methods of achieving them. In addition to the formal education that employees obtain before the start of their employment, we pay a lot of attention to job training and function-specific training, which are equally necessary for the employees' performance. At the beginning of the year we prepared, for each employee, a training programme made on the basis of the expected requirements of the unit that employs the concerned employee. In doing this we also tried to consider the wishes of the individual employees. In 2009 each employee in the Impol Group was, on average, involved in training for 6.3 hours.

COMMUNICATING WITH THE EMPLOYEES IN SLOVENIA

The area of communication represents an important support to human-resource management, allowing a transparent transfer of information from the management to the employees. However, the communication methods do not only represent the tools for managing employees, as it allows their participation as well.

When communicating with the employees, we use the following tools: the internal newsletter called Metalurg (6 issues per year), a monthly brochure called Metalurgov poročevalec (12 issues), information displays and the website. In 2009 the internal newsletter Metalurg celebrated its 45th anniversary. For this reason we organised an exhibition reminding the employees and ex-employees of the past events of the Impol Group.

ORGANISING EVENTS

We know that in order for the employees to effectively carry out their work duties and feel satisfied at work, they should, in addition to business activities, also be involved in some of the social life organised within

the group. For this reason we annually organise different events, aimed at reinforcing the loyalty of the employees, expressing our confidence in them and praising them for their good work. We also annually organise an event for our retired employees.

Even in a year marked strongly by a recession we kept up this specific tradition, as we know that a positive attitude towards the employees is an important investment in the future. In 2009 we organised sports games, on this occasion for the twelfth time. More than 500 employees from the Impol Group took part, as well as the employees from the companies that were, in the past, part of Impol. At the end of November we organised a formal gathering of the innovators and the winners of the long-service awards for 2009 held in the Knights' Hall of the Slovenska Bistrica castle. The President of the Impol 2000 Management Board presented them with the awards and the Golden, Silver or Bronze Impol Emblems, expressing, in this way, gratitude for their contribution towards the success of the Impol Group. At the beginning of December we organised the traditional gathering of the Impol's pensioners. More than 450 retired employees of the Impol Group attended the event.

HEALTH AND SAFETY OF THE EMPLOYEES

The health and safety of all the employees with access to the working environment is an asset that cannot be bought; for this reason maintaining health and safety is an important duty. All the staff working under the supervision of our organisation have to be aware of their duties relating to health and safety at work. At the Impol Group we know that health and safety at work are necessary for keeping employees and the broader public content.

We strive to continually reduce the risks arising from our operations. In addition, we are committed to preventing injuries and health problems, and to continually improving management in the area of health and safety at work, aiming at generating continually improved results and effects.

When planning new activities, we select health-friendlier technical solutions that do not threaten the safety of the employees. The system of managing health and safety is integrated in all the processes of the Impol Group and is being continually developed.

BASIC PRINCIPLES

- The permanent dedication of the management to protecting health is reflected in delegating the relevant capacities and responsibilities to the process owners, physicians and other experts. By way of regular examinations, our management provides for effective health protection, and an appropriate policy concerning the health and safety at work, taking into account the changes that take place in the group's companies.
- With respect to the health and safety at work, we aim at the gradual introduction of safer and health-friendly procedures in line with our technological and financial capacities, and taking into account the principle of economy.
- It is our duty to observe statutory provisions relating to our organisation, and the other requirements accepted by our organisation.
- We included the programme of health and safety at work in our short-term and long-term plans and provide the necessary funds. We provide for a continual improvement in this area by annually setting new tasks regarding the health and safety at work.
- All the employees are included in the health-and-safety training with regard to our respective activities within the working process. In this way we provide for a higher level of safeguarding our own health and safety. The employees are obliged to become acquainted with the principles of health and safety at work and to implement these principles.
- When doing research and solving problems relating to the health and safety at work, we at the Impol Group are open to suggestions from all interested individuals. Information about our efforts and achievements in this area is available to both the employees and the public.
- By adopting the policy concerning the health and safety at work, we commit ourselves to health protection. Our efforts are mainly reflected in:
 - the changes to technological procedures, where unsafe procedures are being replaced with safer ones;
 - reducing periods of employees' exposure to physical factors;
 - use of input materials that affect less the working environment and, consequently, the health and safety of our employees;

- a restricted, controlled and careful use of dangerous substances;
- making sure that our employees handling dangerous substances are qualified and receive all the necessary information needed to protect themselves, the others and the environment;
- the designation of unsafe, and consequently restricted, areas with special warning signs;
- periodic checks of employees' theoretical and practical knowledge relating to safety at work;
- periodic checks of the physical and ecological harmfulness in the working area;
- regular preventative medical checkups;
- monitoring of the employees' health;
- periodic checks of the working equipment;
- an effective use of the prescribed means of protection.

IMPORTANT ACHIEVEMENTS

In 2009 we were especially proud of the following achievements:

- In 2009 we managed to reduce, in the companies of the Impol Group based in Slovenska Bistrica, the number of work-place accidents by 45%. Over the past five years we reduced work-place accidents by 65%.
- We adopted a new policy regarding the health and safety at work. The crucial innovation of this policy is a larger commitment of the managerial staff to preventing accidents at work, and to a restricted, careful and controlled use of dangerous substances. In addition, the following measures are in place:
 - in line with the statutory requirements and the companies' policy, the employees are provided with a safe working environment;
 - all new projects and new technologies include the latest findings relating to the health and safety at work and the fire safety;
 - with respect to all work posts and technologies, the risks of incurring accidents and health damages are monitored, periodically assessed and, by applying safety measures, maintained at an acceptable level.
- In 2009 we periodically checked the working equipment and the working environment, as well as carrying out preventative health examinations of the employees and the training in the health and safety at work.
- With respect to the safety at work, the largest acquisition was a new briquetting line of Impol FT and the renovation of the lighting at the work posts of Impol PCP, Impol LLT and Impol R in R. Another important investment in 2009 was the construction of a covered storage facility for the bulk input material for Impol LLT, aiming at reducing the risks of incurring burns, fire or explosions caused by a wet input material being fed to the aluminium melt. The project was completed in December 2009.

FUTURE GUIDELINES

In the following period we intend to:

- Free up the production halls and increase the storage facilities.
- Additionally improve the lighting at the work posts.
- Improve noise protection on the working equipment to reduce the noise of certain production processes.
- Reduce the work-place accidents by an additional 10%.
- Reduce the number of sick leaves.
- Continue to invest in the training of the employees.
- Carry out a survey on the stress levels at work posts.
- Gradually fulfil the requirements for obtaining a Family-Friendly-Company Certificate.

PUBLIC RELATIONS

We treat public relations in a planned and focused manner. In doing this, we can divide our public into four groups of stakeholders:

- employees (future and current employees, pensioners),
- local community,
- financial and other specialist public,
- media.

Together with the employees, we have been, for some time, carrying out activities for the improvement of the working environment. For this reason we set up a well-organised network of internal communications, as well as organising various events for the employees. In 2009 we organised the following events for our employees: sports games, an awards-giving event for the innovators and the winners of the long-service awards, and a gathering of pensioners.

We are aware that we are an important organisation in our local community. For this reason we wish our operations to be as transparent as possible, carried out in synergy with the other stakeholders from the local environment. We organise guided tours around our company for interested groups and associations; if these guests wish to have additional information, the President of the Management Board meets them and conveys to them the required information. We also help local societies with sponsorship and donations.

We set up the relations with the financial and other specialist public in a professional manner. We wish to increase our cooperation with universities and enhance our exposure in the specialist media. Another important tool for communicating with our stakeholders is our website, where we regularly update the sections relating to our operations.

In the past year we strengthened our communication with the media, providing, to the interested reporters, rapid and clear information relating to the operations of the Impol Group. We also made close ties with the local media providing, in this way, for more information to be available to the local public. In future we wish to upgrade this communication.

Objectives for future activities:

- to increase our exposure in the specialist media;
- to finalise the manual that is being prepared for the employees;
- to produce a manual for communication during a crisis;
- to publish an annual brochure about the Impol Group intended for financial experts and other specialist public.

PROTECTION OF THE ENVIRONMENT

IMPORTANT ACHIEVEMENTS

In October 2009 we adopted a new policy relating to environmental management. The program of environmental management includes several measures, and in this year more than 1,500,000 euros were allocated for their realisation within the Impol Group. In the production companies, we continued to regularly monitor the air and water emissions, to measure the noise emissions and to assess the waste that is deposited.

The most important acquisitions in 2009 were as follows:

- the installation and the startup of the system for continuous measuring of HCl discharges;
- the completion of the covered storage facility for the bulk input material;
- the completion of a noise barrier, the replacement of the facade of the foundry hall and the circulation filtration of the cooling water for the N14-1 system, as well as connecting all the discharges to the municipal waste-water treatment plant;
- the renovation of the noise protection;
- the renovation of external lighting;
- the acquisition of another mordant facility;
- the preparation of the design concept for the noise-protection renovation of heavy noise polluters.

EFFICIENT USE OF ENERGY

Table 23

USE OF ENERGY SOURCES

	2005	2006	2007	2008	2009
Use of natural gas (Sm ³ /t produced)	110.12	111.03	103.7	117.83	113.4
Use of fuel oil (m ³)	349	175	184	368	338
Use of electricity (MWh/t produced)	0.995	1.023	0.998	0.993	1.097
Use of process water (m ³ / t produced)	2.04	2.58	2.24	1.90	1.35

In 2009 we managed to reduce the use of natural gas, fuel oil and process water. However, the challenge of future operations will be to reduce the use of electricity, which increased last year.

WASTE MANAGEMENT

Table 24

WASTE MANAGEMENT

TYPE OF WASTE AS DEFINED IN THE RULES ON WASTE MANAGEMENT	REFERENCE NUMBER	PLAN 2008	REALISATION 2008	PLAN 2009	REALISATION 2009	PLAN 2010
Non-chlorinated engine, gear and lubricant oils	130205	1.43	1.69	1.69	1.52	1.40
Sludge from the equipment separating oil and water	130502	0.018	0.066	0.066	0.034	0.05
Used machining emulsions that do not contain halogens	120109	4.22	4.60	4.60	4.39	4.10
Sludge and filter cakes not included in 110110	110109	1.74	1.94	1.94	2.15	2.00
Absorbents and filtering materials, cleaning cloths and protective clothing	150202	0.346	0.361	0.361	0.35	0.30
Laboratory chemicals that are compounds or contain dangerous substances including mixtures of laboratory chemicals	160506	0.002	0.0037	0.0037	0.0035	0.0035
Lyes not included elsewhere	060299	15.31	19.48	19.00	25.97	16.00
Skimmings not included in 100315	100316	17.7	26.7	26.7	29.30	29.00
Transformers and condensers containing PCB or PCT	160209	0.0011	0	0.0025	0	0.144
Oil filters	160107	0.0043	0.0056	0.0056	0.0043	0.004
Fluorescent bulbs	200121	0	0.0017	0.0017	0	0.002
Waste electrical and electronic equipment	160213	0	0.0221	0.0221	0.0009	0.018
Other wastes containing dangerous substances	110198	0.089	0	0.08	0	
Sludge from other waste-water treatment plants containing dangerous substances	190813	0.0085	0	0	0.03	0.03

In line with the set plan of waste management, we managed, to a large extent, to reduce the amount of waste. We also have a well-established system of waste separation that contributes towards the rationalisation of waste.

FIRE SAFETY

In the Impol Group we pay a lot of attention to fire safety. Our main concern is focused on preventative activities, aiming at reducing the potential danger of incurring fires and explosions. In individual facilities we have identified the places and rooms with a high fire risk.

Regular training of the employees in fire safety provided by the firemen of the professional Impol fire brigade contributes significantly to the safety at work. In 2009 a third of the employees from different companies and processes were included in such training. Its emphasis was mainly put on acquainting the employees with the prevention measures, a professional and effective conduct necessary in the case of a fire, and practical handling of different types of manual extinguishers. The employees are also involved in practical exercises simulating possible incidents – fires or environmental accidents. In the past year practical training in evacuation in the case of a fire, organised as a fire drill, was carried out for the employees in the administration building involving 125 staff members.

Over recent years the number of fires has been on a decrease. Last year one fire broke out in the Impol Group, but fortunately it did not cause any major damage. Well planned and consistent prevention activities and the resulting employees' awareness of the importance of fire safety led to a significant reduction of the fire risk, the likelihood of a fire breaking out and expanding, threatening the lives and health of our people. The efforts to acquire, maintain and upgrade our safety culture relating to fire safety remain our priorities also in the future.

ENVIRONMENT PROTECTION IN THE FUTURE

With respect to environment protection, our objectives for 2010 are as follows:

- to reduce the concentrations and emissions of negative substances;
- direct the industrial waste water to the municipal waste-water treatment plant reducing, in this way, the water pollution;
- to modernise equipment so as to reduce the sources of noise in the production halls. For this reason we prepared a modernisation proposal consisting of two phases;
- to reduce the use of energy sources by 5 percent;
- to reconstruct the external lighting in individual companies in line with the legislation.

4

GUIDELINES FOR 2010 – THE YEAR OF RENOVATION

The basic aim of the Impol Group (henceforth referred to as Impol) is to manage the crisis, and its recession, which extended into 2010 from the previous years, by implementing the measures to regain the market shares, prevent any reduction in knowledge and ownership, and provide for the value of dividends still acceptable to the shareholders, while at the same time maintaining good public relations.

In doing this, aluminium processing will remain, by far, our most important area, focusing on the processing that generates high added value and does not require significant additional investments (in the current or fixed assets).

We expect our business environment to remain turbulent, mainly due to:

- rapid changes in the aluminium prices at the exchanges;
- rapid changes to the structure and size of our competitors;
- rapid changes of the supply sources;
- rapid and unpredictable changes relating to the customers, i.e., the demand;
- rapid changes to exchange-currency rates;
- uncertainty and shrinking of the financial support system, etc.

With this plan, Impol is setting itself specific objectives and tasks, allowing the company to realise the basic aims for 2010 in the environment determined with the following restrictions:

- A serious international financial crisis started in 2007 and will, according to analysts, have long-term, mainly negative, effects.
- Certain operating costs are expected to undergo an exceptional increase (energy, salaries, market penetration, financing) resulting in a need to increase the added value (expressed per unit or as the total).
- The growth of the operations, financed from bank sources, will be aggravated, and for this reason the scope of operations needs to be planned with regard to the available non-bank sources.
- The challenges will mainly be managed with a strict cost control, an increased involvement in the sales activities, and a focus on generating an additional value for the customers.
- The plan will have to be updated at least once per month, with respect to the current situation that now cannot be realistically predicted.

Impol has set itself the following main objectives and the resulting tasks for 2010:

- The expected profit generated by Impol will be at least between 4 and 6 million euros, depending on the trend of the exchange rates of the Serbian dinar. We maintain that already in the first months the operations will reach at least the planned level.
- Impol will focus on the production of products with a higher added value, and it will adjust to this objective its development and innovation-related activities, its financing, as well as the activities and methods relating to sales, production and technology.
- Impol will very carefully consider its customers in all the stages of its dealings with them, especially with respect to planning new products, ensuring quality, and providing supplies in line with the agreements, and together with improved after-sales services.
- The most important area of activity is the production of aluminium products and semi-manufactured products. We will strive to meet, to the largest possible extent, the demand, while stimulating the operations in the areas with the best business results, and efficiently providing for a smooth transition of the employees within the company structure.

- We plan to realise the following minimum framework extent of the aluminium production for the customers outside the Impol system (in tonnes/year):

Table 25

EXTENT OF ALUMINIUM PRODUCTION BY TYPE

IN TONNES

PRODUCTION TYPE	EXTERNAL MARKETS			INTERNAL MARKETS
	TOTAL	PRODUCTS	PROCESSING	
Rolled products				
- foils, thin strips	28,400	27,200	1,200	
- ribbed products, cut blanks, strips	29,400	29,400	0	
- Seval – sheets, strips, miscellaneous	43,900	43,900		13,812
Extruded products				
- profiles	23,000	23,000		
- bars, rods, tubes	24,000	24,000		630
- Alumobil	1,000	1,000		
Forgings	350	350		
Castings				
- poles, slabs, alloys	1,250	1,250		68,355
- cast strips	0			12,375
Total	151,300	150,100	1,200	95,172

- We will prepare a wide range of tailor-made products for our customers by integrating all Impol's products into a unified supply system, and by cooperating with the other partners in the market. The Impol trademark is to guarantee high quality.
- With respect to the ongoing crisis, the following additional measures helping us to reduce its negative effects will continue to be implemented:
 - We will strictly control the stocks of aluminium materials, aiming at reducing them within the whole group to an average of 24 thousand tonnes.
 - To the greatest possible extent, we will prepare the materials suitable to be processed into end products in our own foundries using the input materials at the lowest possible processing level.
 - To the greatest possible extent, we will avoid producing input materials from pure aluminium, provided it is possible to purchase suitable input materials in the market at a price more favourable than the cost of our own production of these materials.
 - We will increase the use of secondary raw materials as much as technology allows us, reducing, as a consequence, the costs of these materials.
 - Each company in the group will prepare a programme of measures for rationalising the production processes.
 - The employees in the sales departments will continue to monitor the realisations of the responsibilities relating to the amount of sales, customers, markets, and, above all, of realised sales premiums. The stimulation system will be adapted accordingly.
 - We will especially promote the sales of the products whose input materials can be secondary materials. For this reason, Impol will obtain the appropriate technological equipment.
 - We will regularly check the cost-effectiveness of operations (the main ones and the supporting ones) and reorganise them if necessary. As a result, there will, for now, be no recruiting of new staff.
 - The actions taken anywhere in the group should aim at benefiting the whole of Impol. The success of the whole group is more important than the success of an individual company, showing off its good results that had perhaps been achieved at the expense of another company in the group or even of the whole group.

- With the expected extent of operations for 2010, Impol will provide for the equity growth of the shareholders and other investors, and also for the value of dividends, or interest, that will be in line with Impol's long-term operational strategy. Impol intends to have the following sales outside the group (in thousands of euros):

Table 26

NET SALES REVENUES

IN THOUSANDS OF EUROS

Net sales revenues	364,272
Sales of products (tangible)	328,934
In the domestic market	37,568
In the markets abroad	291,366
Sales of services	3,645
In the domestic market	3,107
In the markets abroad	538
Sales of goods and materials	31,694
In the domestic market	294
In the markets abroad	31,400
Stock revaluation	0
Other capitalised own products and services and elimination of reserves	0
Other operating revenues	1,349
GROSS OPERATING RETURN	365,621

- We will continue to expand in all our existing markets. We will reduce market risks with suitable, cost-effective and rational insurances. With the aluminium products, we still aim at attracting more than 20 percent of our market from outside the EU, while also paying special attention to the domestic market and, considering its potentials, striving to fully meet its demand.
- We will organise the entire sales through representative offices and agencies operating within the group. We will stimulate all the participants in this area, mainly on the basis of the achieved, and paid, selling premium exceeding the aluminium price at the LME.
- With our development and investment policies, we will continue to provide for a balanced growth of the company, while increasing its security by purchasing cost-effective input materials. For this reason, our priority will continue to be a reduction of the investments in the current assets.
- In line with the above objectives, we will harmonise our financial measures with Impol's development and trading guidelines and the controlling company's undertaken liabilities to long-term investors. When providing finances for long-term investments, Impol will cooperate with other investors and banks. With respect to short-term financing, Impol will use the available bank sources, while, at the same time, ensuring a sufficient dispersion of sources, and reducing the extent of the necessary investments in the current assets. To provide for an appropriate safety of financing, the policy of short-term financial investments will continue to be applied.
- Financing within the group will depend on external conditions, including the costs for acquiring the funds. Individual companies from the group can act independently in the financial markets, in line with a previously given approval from the superior company.
- Long-term investments, except for the small renovation investments already in progress, will be, in 2010, carried out within the available external financing sources.
- To reduce the risks arising from the exchange-rate fluctuations, we will strive to buy aluminium materials, as much as possible, in the euro area.

- We will obtain materials from those sources that can ensure a stable supply under the most favourable, or acceptable, price conditions and other conditions, as well as from the sources that allow Impol to supply its customers with the goods with the appropriate origin.
- We will continue to pay special attention to insurance against risks caused by the constant changing of material prices, and upgrade our knowledge that we will promptly use for risk management. In the framework of its mandate and assignment, the Risk Management Board will promptly check the adequacy of the insurance, adopt appropriate measures and delegate responsibilities.
- With customer-oriented projects, such as improvements and upgrades to the electronic commerce and daily planning, we will strive to better satisfy our customers in line with their tastes and expectations.
- Organisational changes in the company will enable us to be more efficient at satisfying customer needs, optimizing the cost-effectiveness of the operations of individual companies within the group, and upgrading the group's integrated information system.
- Impol's basic operating rules remain the same as before, the most important being as follows:
 - intra-group business relations are based on market prices, if these are available; if they cannot be determined, the business relations are based on cost calculations;
 - the operation of one part of the group should not cause any interruption to the operations of the other parts of the group – the costs of a process are covered by the programme that originally incurred the costs;
 - business processes are organised on the basis of Impol's Code of Operating Rules.
- Information systems within the group will be improved in such a way that they will be able, in the shortest time possible, to register the changes to the organisational structure and there will be no situations, when certain changes have to be disregarded, or realised in an incomplete way, due to the rigidity of ISs.
- By upgrading the Code of Operating Rules, the minimum rules for the group management will be set, aiming at minimising the risks and avoiding unnecessary costs.
- The entire system of stimulating employees will continue to be built on the basis of the performance over one year.
- Selecting and directing business programmes will be carried out uniformly for the entire group. By increasingly including our own foundries in the early stages of preparing appropriate materials from more flexible input materials (special emphasis will be given to including secondary materials as much as possible – potentially also by processing our own slag – and excluding, to the maximum possible extent, the use of the materials that were previously processed at a high level by the suppliers), we will provide for a higher added value per unit.

- We will continue to use a modular approach to introducing and implementing the process monitoring within the group, and restructure the group in such a way that similar programmes can be integrated.
- The investments in durable assets will be focused on finalising the Alumobil project and the other projects associated with it. This project is financed with long-term loans. The project is expected to be finished by September 2010, when the new investment will be activated and its amortisation will start to be accounted for.
- All the other investments, mainly the ones that Impol is financing with the funds taken from the means for the current operations, will be minimised this year, or can be realised only on the basis of obtaining new external long-term loans. Such investments also include the investment in the devices for painting the sheets.
- The list of important projects, in which we will begin to invest in 2010 provided we can be sure that they will have an appropriate level of profitability, is as follows:
 - processing of slag and less-valuable secondary materials;
 - anodising of aluminium products;
 - painting strips;
 - developing the systems of profiles for the construction industry.
- The group is expected to have 1643 employees.
- All the employments will be based on the requirements, depending on the extent of the production, i.e., the extent of the sales, and on the costs justified by the realised operations.
- Uniform procedures for stimulating good business results will be provided for. The salaries will, as a rule, be increased only in the case of results being above the values expected in this plan, and in line with the collective agreements.
- Special emphasis will be put on fostering the production training arising from the requirements of the production process within the company; self-training will also be stimulated, provided it leads to the improved results.
- We will start providing for additional supply sources, allowing us increased flexibility and price adaptability.
- As a rule, strategic sources, energy sources and imported materials will be purchased through Impol, d.o.o., while the rest of the goods will be purchase directly by the companies needing them. All the services relating to purchasing will continue to be carried out by Upimol, d.o.o., organised as agency services, as services provided on the basis of the price-list from the services contract, etc.
- The highest risks relating to the key business areas will be determined in advance, and the management, supported by the Risk Management Board, will promptly adopt the measures for reducing these risks.

ACCOUNTING REPORT⁴

ACCOUNTING GUIDELINES

The consolidated financial statements for the whole Impol Group are put together on the basis of the new Slovenian Accounting Standards (henceforth referred to as the SRS 2006) taking into account the necessary adjustments relating to the integration of dependent companies operating in the environments that use different accounting standards (USA, Serbia, Croatia). With these statements the Impol Group gives a true and fair picture of the financial situation, and of its business performance.

The financial year is the same as the calendar year, i.e., 1 January 2009 to 31 December 2009.

When establishing and distributing the net profit and the profit for appropriation, we considered the provisions from Article 230 of the Companies Act-1.

We consistently follow the two basic accounting rules:

- the course of accounting events,
- the unlimited duration of operations.

When preparing the accounting policies and financial statements we also consider the principles of clarity, adequacy, reliability and comparability. Consequently, these documents are accurate, meeting legal requirements and preventing any fraud.

As a result of considering the precautionary principle, the financial statements:

- include only the profits realised by 31 December 2009,
- take into account all the predictable risks and losses taking place by the end of 2009.

The items of assets and liabilities are valued individually.

The group keeps its accounting books on the basis of the double-entry method.

Consolidation is carried out in such a way that the following items are eliminated:

- financial investments of the controlling company in the capital, or the debts, of the sub-sidiaries, and the proportional shares of the capital or of the debts;
- other intra-group financial investments in the capital, or debts, and the proportional shares of the capital or of the debts;
- intra-group operating receivables and payables;
- intra-group unrealised net profits and net losses;
- intra-group revenues and expenses;

while the following is accounted for:

- differences arising from the elimination of financial investments;
- deferred taxes;

and minority shares of the equity and of the net profit are separately accounted for.

Consolidation was based on the method of simultaneous consolidation of all the group companies.

⁴ All accounting disclosures are recorded in euros, or in thousands of euros if indicated so in the concerned sheets.

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET⁵

Table 27

CONSOLIDATED BALANCE SHEET

	31 DEC 2009	31 DEC 2008
A) Fixed assets	140,590,284	142,708,608
I. Intangible fixed assets and long-term deferred costs	2,948,361	3,184,073
1. Long-term property rights	480,823	559,025
2. Goodwill	691,182	691,182
3. Advances for intangible fixed assets	0	0
4. Long-term deferred development expenses	519	612
5. Other long-term deferred costs	1,775,837	1,933,254
II. Tangible fixed assets	112,725,153	113,374,949
1. Land and buildings	18,210,614	18,820,280
a) Land	4,383,585	4,374,865
b) Buildings	13,827,029	14,445,415
2. Manufacturing facilities and equipment	73,168,537	77,428,879
3. Other facilities and equipment	3,408,648	3,789,068
4. Fixed assets being acquired	17,937,354	13,336,722
a) Tangible fixed assets being built or manufactured	13,841,632	11,161,993
b) Advances for tangible fixed assets	4,095,722	2,174,729
5. Livestock	0	0
6. Vineyards, orchards and other plantations	0	0
III. Investment property	21,135,437	22,096,747
IV. Financial fixed assets	1,729,775	1,749,135
1. Financial fixed assets without loans	1,500,615	1,459,093
a) Shares in group companies	0	0
b) Shares in the associated companies	791,561	706,216
c) Other shares	668,846	703,078
d) Other financial fixed assets	40,208	49,799
2. Long-term loans	229,160	290,042
a) Long-term loans to group companies	0	0
b) Long-term loans to others	229,160	290,042
c) Long-term unpaid called-up capital	0	0
V. Long-term operating receivables	122,499	122,499
1. Long-term operating receivables due from group companies	0	0
2. Long-term trade receivables	122,499	122,499
3. Other long-term operating receivables	0	0
VI. Deferred tax assets	1,929,059	2,181,205
B) Short-term assets	149,371,957	161,421,912
I. Assets held for sale (disposal groups)	0	0
II. Inventories	69,675,215	85,570,523
1. Materials	53,520,148	68,459,779
2. Work in progress	6,875,240	7,515,866
3. Products and merchandise	9,197,902	9,050,706
4. Advances for inventories	81,925	544,172
III. Short-term financial assets	11,985,956	6,618,960
1. Short-term financial assets without loans	2,584,341	2,278,307
a) Shares in group companies	0	0
b) Other shares	0	0
c) Other short-term financial assets	2,584,341	2,278,307
2. Short-term loans	9,401,615	4,340,653
a) Short-term loans to group companies	0	0

⁵ Figures in the financial statements and in the accounting report are in euros.

	31 DEC 2009	31 DEC 2008
b) Short-term loans to others	9,401,615	4,340,653
c) Short-term unpaid called-up capital	0	0
IV. Short-term operating receivables	60,733,889	61,106,710
1. Short-term operating receivables due from group companies	0	0
2. Short-term trade receivables	46,681,898	48,284,636
3. Other short-term operating receivables	14,051,991	12,822,074
V. Cash	6,976,897	8,125,719
C) Short-term deferred costs	3,728,142	3,990,576
TOTAL ASSETS	293,690,383	308,121,096
D) Off-balance-sheet assets	18,542,646	51,621,201
E) Equity	56,269,262	57,079,788
Equity of minority shareholders	6,760,349	6,949,976
I. Called-up capital	4,451,540	4,451,540
1. Share capital	4,451,540	4,451,540
2. Uncalled capital (a deduction)	0	0
II. Capital reserves	10,751,254	10,751,254
III. Profit reserves	5,732,581	5,732,581
1. Legal reserves	0	0
2. Reserves for own shares	506,406	506,406
3. Own shares (a deduction)	-506,406	-506,406
4. Statutory reserves	0	0
5. Other profit reserves	5,732,581	5,732,581
IV. Revaluation profit	523,681	505,498
V. Consolidation capital adjustment	-1,494,843	-867,236
VI. Net profit or loss from previous periods	29,250,842	21,951,093
VII. Net profit or loss for the period	293,858	7,605,082
F) Provisions and long-term accruals	1,636,807	1,755,900
1. Provisions for pensions and similar liabilities	663,592	767,159
2. Other provisions	38,258	23,480
3. Long-term accruals	934,957	965,261
G) Long-term liabilities	70,126,684	70,694,882
I. Long-term financial liabilities	69,386,518	69,981,166
1. Long-term financial liabilities to group companies	0	0
2. Long-term financial liabilities to banks	68,133,834	68,563,295
3. Long-term financial liabilities on the basis of bonds	0	0
4. Other long-term financial liabilities	1,252,684	1,417,871
II. Long-term operating liabilities	177,358	151,705
1. Long-term operating liabilities to group companies	0	0
2. Long-term operating liabilities to suppliers	0	0
3. Long-term liabilities related to bills of exchange	0	0
4. Long-term operating liabilities on the basis of advances	0	0
5. Other long-term operating liabilities	177,358	151,705
III. Deferred tax liabilities	562,808	562,011
H) Short-term liabilities	165,291,432	177,623,715
I. Liabilities included in disposal groups	0	0
II. Short-term financial liabilities	137,069,132	153,059,857
1. Short-term financial liabilities to group companies	0	0
2. Short-term financial liabilities to banks	134,939,882	147,698,413
3. Short-term financial liabilities on the basis of bonds	0	0
4. Other short-term financial liabilities	2,129,250	5,361,444
III. Short-term operating liabilities	28,222,300	24,563,858
1. Short-term operating liabilities to group companies	0	0
2. Short-term operating liabilities to suppliers	22,805,568	17,804,125
3. Short-term liabilities related to bills of exchange	0	0
4. Short-term operating liabilities on the basis of advances	459,372	809,933
5. Other short-term operating liabilities	4,957,360	5,949,800
I) Short-term accruals	366,198	966,811
TOTAL LIABILITIES	293,690,383	308,121,096
J) Off-balance-sheet liabilities	18,542,646	51,621,201

STATEMENT OF THE MINORITY SHAREHOLDERS' EQUITY

Table 28

STATEMENT OF THE MINORITY SHAREHOLDERS' EQUITY

IN EUROS

	2009	2008
Equity	6,760,348	6,949,974
I. Called-up capital	3,403,713	3,592,220
1 Share capital	3,403,713	3,592,220
2 Uncalled capital (a deduction)	0	0
II. Capital reserves	766,560	768,967
Capital reserves from capital revaluation adjustment	725,289	725,289
III. Profit reserves	870,064	870,064
1 Legal reserves	67,487	67,487
2 Reserves for own shares	0	0
3 Own shares (a deduction)	0	0
4 Statutory reserves	6,019	6,019
5 Other profit reserves	796,558	796,558
IV. Revaluation surplus + consolidated difference	3,088,251	3,283,587
V. Net profit or loss from previous periods	(1,579,282)	-2,051,159
VI. Net profit or loss for the period	211,043	486,295

ELIMINATIONS AND ADJUSTMENTS IN THE CONSOLIDATED BALANCE SHEET AS OF 31 DEC 2009

Table 29

ADJUSTMENTS IN THE CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2009

CATEGORY	ADJUSTMENT	ELIMINATION
A) Fixed assets	-7,030,139	-89,214,383
I. Intangible fixed assets and long-term deferred costs	691,182	0
II. Tangible fixed assets	-8,202,933	0
1. Land and buildings	-2,739,107	0
a) Land	-975,356	
b) Buildings	-1,763,751	
2. Manufacturing facilities and equipment	-5,463,826	0
IV. Financial fixed assets	481,612	-89,175,023
1. Financial fixed assets without loans	481,612	-85,617,139
2. Long-term loans	0	-3,557,884
V. Long-term operating receivables	0	-39,360
B) Short-term assets	-56,234	-26,734,877
II. Inventories	-56,234	0
III. Short-term financial assets	0	-8,869,030
2. Short-term loans	0	-8,869,030
IV. Short-term operating receivables	0	-17,865,847
TOTAL ASSETS	-7,086,373	-115,949,260
C) Off-balance-sheet assets		
D) Equity	15,243,520	-107,947,032
All types of equity of minority shareholders		6,760,349
I. Called-up capital	0	-32,640,626
1. Share capital		-32,640,626
II. Capital reserves		-36,498,042
III. Profit reserves	0	-46,230,937
1. Legal reserves		-3,174,523
2. Reserves for own shares	506,406	
3. Own shares (a deduction)	-506,406	
4. Statutory reserves		-16,050
5. Other profit reserves		-43,040,364
IV. Revaluation profit	523,681	-42,797
V. Net profit or loss from previous periods	21,892,981	6,068,962
VI. Net profit or loss for the period	-5,678,299	-5,363,941
VII. Consolidation capital adjustment	-1,494,843	
E) Provisions and long-term accruals	0	0
F) Long-term liabilities	0	-3,602,997
I. Long-term financial liabilities	0	-3,602,997
G) Short-term liabilities	0	-26,729,124
II. Short-term financial liabilities	0	-8,989,815
III. Short-term operating liabilities	0	-17,739,309
H) Short-term accruals		
TOTAL LIABILITIES	15,243,520	-138,279,153

CONSOLIDATED PROFIT-AND-LOSS ACCOUNT

Table 30

CONSOLIDATED PROFIT-AND-LOSS ACCOUNT

CATEGORY	2009	2008
1. Net sales revenues	303,783,930	445,927,269
a) Net domestic sales revenues	35,765,082	53,040,239
b) Net foreign sales revenues	268,018,848	392,887,030
2. Change in inventories of finished goods and work in progress	927,881	1,243,460
3. Capitalised own products and services	2,906	6,031
4. Other operating revenues (including operating revenues from revaluation)	2,789,471	3,015,795
5. Costs of goods, materials and services	248,049,031	374,623,716
a) Costs of goods and materials sold and costs of materials used	227,972,568	348,961,423
b) Costs of services	20,076,463	25,662,293
6. Labour costs	30,733,852	34,363,019
a) Costs of salaries	20,778,452	23,892,820
b) Social security costs (pension-security costs shown separately)	5,406,781	6,370,195
c) Other labour costs	4,548,619	4,100,004
7. Write-offs	12,521,195	18,557,605
a) Amortisation/depreciation	12,083,520	15,676,845
b) Operating expenses for the revaluation of intangible and tangible fixed assets	226,663	29,262
c) Operating expenses for the revaluation of current assets	211,012	2,851,498
8. Other operating expenses	986,804	1,379,060
9. Financial revenues from shares	402,495	82,553
a) Financial revenues from shares in group companies	0	0
b) Financial revenues from shares in associated companies	6,969	0
c) Financial revenues from shares in other companies	110,864	74,209
d) Financial revenues from other investments	284,662	8,344
10. Financial revenues from lending	348,505	259,199
a) Financial revenues from lending to group companies	0	0
b) Financial revenues from lending to others	348,505	259,199
11. Financial revenues from operating receivables	5,739,663	12,261,839
a) Financial revenues from operating receivables due from group companies	0	0
b) Financial revenues from operating receivables due from others	5,739,663	12,261,839
12. Financial expenses from impairment and write-offs of financial assets	136,154	772,068
13. Financial expenses for financial liabilities	12,678,713	17,350,664
a) Financial expenses for loans received from group companies	0	0
b) Financial expenses for loans received from banks	9,972,904	13,522,688
c) Financial expenses for issued bonds	0	0
d) Financial expenses for other financial liabilities	2,705,809	3,827,976
14. Financial expenses for operating liabilities	7,990,278	7,137,961
a) Financial expenses for operating liabilities to group companies	0	0
b) Financial expenses for liabilities to suppliers and for liabilities related to bills of exchange	17,484	39,100
c) Financial expenses for other operating liabilities	7,972,794	7,098,861
15. Other revenues	623,231	493,822
16. Other expenses	40,119	162,567
17. Income tax	531,989	2,996,803
18. Deferred taxes	286,825	-2,177,782
19. Net profit or loss for the period	663,122	8,124,287
20. Net profit or loss of minority shareholders	215,268	519,205
21. Net profit or loss of group companies	447,854	7,605,082

ELIMINATIONS AND ADJUSTMENTS IN THE CONSOLIDATED PROFIT-AND-LOSS ACCOUNT FOR 2009

Table 31

ADJUSTMENTS IN THE CONSOLIDATED PROFIT-AND-LOSS ACCOUNT AS OF 31 DECEMBER 2009

	ADJUSTMENT	ELIMINATION
Net sales revenues	-56,234	-215,599,761
Net domestic sales revenues	-10,191	-170,009,771
Net foreign sales revenues	-46,043	-45,589,990
Change in inventories of finished goods and work in progress	129,707	
Other operating revenues (including operating revenues from revaluation)		-4,499,684
Costs of goods, materials and services	0	-217,040,110
Costs of goods and materials sold and costs of materials used		-72,767,650
Costs of services		-144,272,460
Amortisation/depreciation	-733,129	0
Operating expenses for the revaluation of current assets		-21
Other operating expenses		-319,372
Financial revenues from shares	0	-8,196,400
Financial revenues from lending	0	-641,926
Financial revenues from operating receivables	0	-60,612
Financial expenses for financial liabilities	0	-635,626
Financial expenses for operating liabilities	0	-63,747
Net profit or loss for the period	806,602	-10,939,507

CONSOLIDATED CASH-FLOW STATEMENT

Table 32

CONSOLIDATED CASH-FLOW STATEMENT

CATEGORY	2009	2008
A) Cash flows from operating activities		
a) Profit-and-loss categories	24,631,877	44,657,111
Operating revenues (without revenues from revaluation) and financial revenues from operating liabilities	312,288,811	461,228,928
Operating expenses without depreciation (except for revaluation) and financial expenses for operating liabilities	-286,838,120	-415,752,796
Tax on profit and other taxes not included in operating expenses	-818,814	-819,021
b) Changes in net current assets (and accruals, provisions, deferred receivables and tax payables) of the balance-sheet categories	20,634,296	-386,904
Opening less closing operating receivables	167,359	5,494,176
Opening less closing deferrals	262,434	-1,854,260
Opening less closing deferred tax liabilities	252,146	-1,869,999
Opening less closing assets held for sale (disposal groups)	0	0
Opening less closing inventories	15,889,389	3,264,417
Closing less opening operating debts	4,341,173	-4,637,168
Closing less opening accruals and provisions	-279,002	-438,426
Closing less opening deferred tax liabilities	797	-345,644
c) Net cash used in operating activities (a+b)	45,266,173	44,270,207
B) Cash flows used in investing activities		
a) Revenues from investment activities	10,249,954	5,150,192
Revenues from gained interest and shares of the profit of others relating to investing activities	758,372	356,569
Revenues from the disposal of intangible fixed assets	87,611	118,805
Revenues from the disposal of tangible fixed assets	2,822,837	1,827,445
Revenues from the disposal of investment property	205,500	27,289
Revenues from the disposal of long-term financial assets	15,587	67,440
Revenues from the disposal of short-term financial assets	6,360,047	2,752,644
b) Expenses for investing activities	-25,245,348	-18,377,626
Expenses for acquiring intangible fixed assets	-291,925	-1,111,107
Expenses for acquiring tangible fixed assets	-13,240,995	-9,849,083
Expenses for acquiring investment property	-7,301	0
Expenses for acquiring long-term financial assets	-46,699	-57,619
Expenses for acquiring short-term financial assets	-11,658,428	-7,359,817
c) Net cash used in investing activities (a+b)	-14,995,394	-13,227,434
C) Cash flows used in financing activities		
a) Revenues from financing activities	365,812,068	265,179,526
Revenues from paid-up capital	0	0
Revenues from an increase in long-term financial liabilities	33,354,893	11,948,650
Revenues from an increase in short-term financial liabilities	332,457,175	253,230,876
b) Expenses for financing activities	-397,231,669	-293,800,410
Expenses for paid interest relating to financing activities	-13,335,434	-18,082,640
Expenses for reimbursement of capital	-1,063,525	-3,230,862
Expenses for payments relating to long-term financial liabilities	-5,874,478	-5,182
Expenses for payments relating to short-term financial liabilities	-376,529,988	-271,844,338
Expenses for paying dividends and other profit shares	-428,244	-637,388
c) Net cash used in financing activities (a+b)	-31,419,601	-28,620,884
D) Cash at the end of the period	6,976,897	8,125,719
x) Net cash flow in the period	-1,148,822	2,421,889
y) Cash at the beginning of the period	8,125,719	5,703,830

CONSOLIDATED PERFORMANCE INDICATORS

Table 33

CONSOLIDATED PERFORMANCE INDICATORS

	31 DEC 2009	31 DEC 2008	2009/2008
1. BASIC FINANCING INDICATORS			
a) Equity financing rate equity/liabilities	0.1916	0.1853	1.0342
b) Debt financing rate debts/liabilities	0.8016	0.8059	0.9946
c) Rate of accrued and deferred items provisions + short-term accruals + long-term accruals/liabilities	0.0068	0.0088	0.7718
2. BASIC INVESTMENT INDICATORS			
a) Operating fixed assets rate fixed assets at book value/assets	0.3878	0.3720	1.0425
b) Long-term financing rate fixed assets + long-term financial assets + long-term operating receivables/assets	0.4721	0.4561	1.0352
3. BASIC HORIZONTAL FINANCIAL STRUCTURE RATIOS			
a) Ratio of equity to fixed assets equity/fixed assets at book value	0.4940	0.4980	0.9921
b) Immediate solvency ratio liquid assets/short-term liabilities	0.5363	0.5648	0.9495
c) Quick ratio liquid assets + short-term receivables/short-term payables	0.4822	0.4270	1.1291
d) Current ratio short-term assets/short-term liabilities	0.9037	0.9088	0.9944
4. BASIC EFFICIENCY INDICATORS			
a) Operating efficiency rate operating revenues/operating expenses	1.0520	1.0496	1.0023
5. BASIC PROFITABILITY INDICATORS			
a) Net return on equity ratio net profit for the period/average equity (without the net profit for the period)	0.0119	0.1660	0.0719
b) Ratio of dividends to share capital total dividends for the period/average share capital	0.0076	0.0115	0.6571

STATEMENT OF CHANGES IN EQUITY

Table 34

YEAR 2008

IN EUROS

	CALLED-UP CAPITAL			CAPITAL OF MINORITY SHAREHOLDERS	CAPITAL RESERVES				PROFIT RESERVES		REVALUATION SURPLUS	CONSOLIDATED CAPITAL ADJUSTMENT	TRANSFERRED NET PROFIT OR LOSS		NET PROFIT OR LOSS FOR THE PERIOD		TOTAL EQUITY
	I			II	III				IV		V	VI	VII		VIII		IX
	SHARE CAPITAL	UNCALLED CAPITAL (A DEDUCTION)			LEGAL RESERVES	RESERVES FOR OWN STAKES	OWN STAKES AND BUSINESS SHARES	STATUTORY RESERVES		OTHER PROFIT RESERVES		TRANSFERRED NET PROFIT	TRANSFERRED NET LOSS	NET PROFIT FOR THE PERIOD	NET LOSS FOR THE PERIOD	TOTAL	
	I/1	I/2	II	III	IV/1	IV/2	IV/3	IV/4	IV/5	V	VI	EQUITY	VII/2	VIII/1	VIII/2	IX	
A) Balance as of 1 Jan 2008	4,451,540		9,866,328	10,751,254			-506,406		5,732,581	439,096	-91,387	3,100,015		19,802,457		53,545,478	
B) Equity inflows																	
Equity increase due to the net profit for the period	519,205											7,605,082		8,124,287			
Increase due to equity revaluation	313							66,402						66,715			
C) Transfers within equity																	
Allocation of net profit to additional reserves in line with the shareholders' decision												19,802,457		-19,802,457		0	
Formation of reserves for own stakes and business shares						506,406						-506,406				0	
D) Equity outflows																	
Dividend payments													-444,973			-637,388	
Equity refund																-2,858,911	
Other decreases in equity components																-1,160,393	
E) Balance as of 31 Dec 2008	4,451,540	0	6,949,976	10,751,254	0	506,406	-506,406	0	5,732,581	505,498	-867,236	21,951,093	0	7,605,082	0	57,079,788	
ACCUMULATED PROFIT OR LOSS												21,951,093	0	7,605,082	0	29,556,175	

Table 35

YEAR 2009

IN EUROS

	CALLED-UP CAPITAL			CAPITAL OF MINORITY SHAREHOLDERS	CAPITAL RESERVES				PROFIT RESERVES		REVALUATION SURPLUS	CONSOLIDATED CAPITAL ADJUSTMENT	TRANSFERRED NET PROFIT OR LOSS		NET PROFIT OR LOSS FOR THE PERIOD		TOTAL EQUITY
	I			II	III				IV		V	VI	VII		VIII		IX
	SHARE CAPITAL	UNCALLED CAPITAL (A DEDUCTION)			LEGAL RESERVES	RESERVES FOR OWN STAKES	OWN STAKES AND BUSINESS SHARES	STATUTORY RESERVES		OTHER PROFIT RESERVES		TRANSFERRED NET PROFIT	TRANSFERRED NET LOSS	NET PROFIT FOR THE PERIOD	NET LOSS FOR THE PERIOD	TOTAL	
	I/1	I/2	II	III	IV/1	IV/2	IV/3	IV/4	IV/5	V	VI	EQUITY	VII/2	VIII/1	VIII/2	IX	
A) Balance as of 1 Jan 2009	4,451,540		6,949,976	10,751,254		506,406	-506,406		5,732,581	505,498	-867,236	21,951,093		7,605,082		57,079,788	
B) Equity inflows																	
Equity increase due to the net profit for the period			215,268											447,854		663,122	
Increase due to equity revaluation			-62							18,183						18,121	
C) Transfers within equity																	
Other redistributions of equity components												7,605,082		-7,605,082		0	
D) Equity outflows																	
Dividend payments													-305,244			-428,244	
Other decreases in equity components													-627,607			-1,063,525	
E) Balance as of 31 Dec 2009	4,451,540	0	6,760,349	10,751,254	0	506,406	-506,406	0	5,732,581	523,681	-1,494,843	29,250,842	0	293,858	0	56,269,262	

The disclosures in the above table also relate to the disclosures in the subsections Eliminations and Adjustments in the Consolidated Balance Sheet as of 31 Dec 2009 on page 57 and Eliminations and Adjustments in the Consolidated Profit-and-Loss Account for 2009 on page 58.

ACCUMULATED PROFIT

The accumulated profit is drawn up and appropriated in Impol 2000, d.d., and it is not consolidated. Impol 2000, d.d., makes individual decisions as to how to use it in the case of each dependent company of the group, with respect to each company's financial results and the development programmes approved of by Impol 2000, d.d.

We suggested that, at the shareholders' meeting in 2009, the accumulated profit of Impol 2000, d.d., was drawn up in the following way (Table 36):

REVIEW OF BUSINESS OPERATIONS OF THE IMPOL GROUP COMPANIES

The consolidated balance sheet was established on the basis of the financial statements of Impol 2000, d.d., and dependent companies included in the consolidation of the Impol Group (the full names of these companies are listed in Table 3).

BALANCE SHEET OF GROUP COMPANIES

Table 36

ACCUMULATED PROFIT

CATEGORY	31 DEC 2009	31 DEC 2008
19. Net profit or loss for the period	5,972,157	3,681,601
20. Net profit/loss from previous periods	7,357,860	4,006,957
21. Reversal (mobilisation) of capital reserves		0
22. Reversal (mobilisation) of profit reserves by individual type of reserves		0
23. Allocation to profit reserves (reconstitution of reserves) by individual type of reserves		0
24. Accumulated profit/loss	13,330,018	7,688,558

We proposed to the shareholders that the dividend per share to be paid out was 0.31 euro. The remaining part of the accumulated profit remained undistributed.

Table 37

BALANCE SHEET OF GROUP COMPANIES AS OF 31 DEC 2009

IN EUROS

CATEGORY	IMPOL 2000	IMPOL	IMPOL LLT	IMPOL FT	IMPOL PCP	IMPOL R IN R	IMPOL INFRA-STRUKTURA	UNIDEL	STAMPAL SB	KADRING	IMPOL STANOVANJA	ŠTATENBERG	IMPOL - MONTAL	IMPOL SERVIS	IMPOL SEVAL	IMPOL ALUMINUM CORPORATION	IMPOL STAN	IMPOL SEVAL TEHNIKA	IMPOL SEVAL FINAL	Impol Seval PKC
A. Fixed assets	68,360,498	124,025,226	211,786	2,672,646	891,119	249,489	72,563	137,228	477,510	193,717	1,973,871	589,979	500,000	172,909	33,326,330	28,750	0	2,951,185	0	0
I. Intangible fixed assets and long-term deferred costs	519	2,008,016	1,572	7,400	2,832	0	0	785	1,422	0	0	0	0	0	231,823	0	0	2,810	0	0
II. Tangible fixed assets	290,542	81,807,394	199,752	1,797,057	559,997	247,051	69,316	136,443	430,397	116,370	1,820,494	506,728	0	155,303	29,821,649	21,218	0	2,948,375	0	0
1. Land and buildings	0	7,834,826	0	0	0	0	0	92,214	24	83,357	1,768,099	506,728	0	115,318	7,653,193	0	0	2,895,962	0	0
2. Manufacturing facilities and equipment	227,432	60,343,316	184,280	519,931	218,708	162,044	0	14,916	408,055	0	52,395	0	0	19,187	16,482,099	0	0	0	0	0
3. Other facilities and equipment	63,110	1,465,789	15,472	1,277,126	335,486	5,876	69,316	29,313	22,318	33,013	0	0	0	20,798	0	21,218	0	49,813	0	0
4. Fixed assets being acquired	0	12,163,463	0	0	5,803	79,131	0	0	0	0	0	0	0	0	5,686,357	0	0	2,600	0	0
III. Investment property	0	21,017,810	0	0	0	0	0	0	0	34,376	0	83,251	0	0	0	0	0	0	0	0
IV. Financial fixed assets	68,030,682	18,398,160	0	0	0	0	0	0	0	42,971	153,377	0	500,000	17,606	3,272,858	7,532	0	0	0	0
1. Financial fixed assets without loans	68,030,682	17,588,374	0	0	0	0	0	0	0	42,971	96,782	0	500,000	17,606	3,272,858	7,532	0	0	0	0
2. Long-term loans	0	809,786	0	0	0	0	0	0	0	0	56,595	0	0	0	2,920,663	0	0	0	0	0
V. Long-term operating receivables	0	161,859	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1. Long-term intra-group operating receivables	0	39,360	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Long-term trade receivables	0	122,499	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
V. Deferred tax assets	38,755	631,987	10,462	868,189	328,290	2,438	3,247	0	45,691	0	0	0	0	0	0	0	0	0	0	0
B. Short-term assets	5,739,525	125,271,572	3,630,477	9,768,265	5,576,892	209,422	393,496	1,198,221	1,694,043	438,314	1,890,392	39,082	61,032	845,996	16,977,558	1,721,106	0	501,414	98,215	108,046
I. Assets held for sale (disposal groups)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Inventories	30,294	43,699,292	2,662,755	8,387,428	3,989,407	0	0	248,020	286,464	0	0	0	0	214,328	9,750,620	223,964	0	238,877	0	0
1. Materials	0	43,677,116	1,340,922	4,274,322	1,776,103	0	0	17,359	59,758	0	0	0	0	0	2,171,810	0	0	202,758	0	0
2. Work in progress	0	0	1,318,869	2,302,503	602,522	0	0	0	226,706	0	0	0	0	0	2,433,297	0	0	0	0	0
3. Products and merchandise	30,294	14,652	0	1,810,437	1,610,624	0	0	230,661	0	0	0	0	0	214,328	5,074,400	223,964	0	36,119	0	0
4. Advances for inventories	0	7,524	2,964	166	158	0	0	0	0	0	0	0	0	0	71,113	0	0	0	0	0
III. Short-term financial assets	3,760,763	13,766,561	0	720,000	230,000	0	101,263	169,826	0	100,000	1,497,491	0	50,075	140,000	205,432	91,902	0	16,475	3,725	1,473
1. Short-term financial assets without loans	877,691	1,462,680	0	0	0	0	0	0	0	100,000	0	0	0	140,000	0	0	0	3,970	0	0
2. Short-term loans	2,883,072	12,303,881	0	720,000	230,000	0	101,263	169,826	0	0	1,497,491	0	50,075	0	205,432	91,902	0	12,505	3,725	1,473

CATEGORY	IMPOL									IMPOL										
	2000	IMPOL	LLT	FT	PCP	R IN R	INFRA-STRUKTURA	UNIDEL	STAMPAL SB	KADRING	STANOVANJA	ŠTATEN-BERG	IMPOL - MONTAL	IMPOL - SERVIS	SEVAL	ALUMINUM CORPORATION	IMPOL STAN	SEVAL TEHNIKA	SEVAL FINAL	Impol Seval PKC
IV. Short-term operating receivables	1,878,609	63,766,378	846,136	631,193	1,347,346	149,077	148,355	607,917	1,126,355	264,184	46,826	29,045	1,210	469,877	6,007,843	934,241	0	219,343	79,823	45,978
1. Short-term intra-group operating receivables	413,007	13,486,928	401,821	153,370	57,291	126,094	135,098	55,262	54,408	181,768	2,128	0	0	120,844	2,469,967	0	0	99,826	77,841	30,194
2. Short-term trade receivables	1,430,690	39,355,816	39,951	14,127	1,664	7,736	2,077	531,567	909,737	67,196	31,797	27,645	211	309,850	2,928,120	903,009	0	105,995	985	13,725
3. Other short-term operating receivables	34,912	10,923,634	404,364	463,696	1,288,391	15,247	11,180	21,088	162,210	15,220	12,901	1,400	999	39,183	609,756	31,232	0	13,522	997	2,059
V. Cash	69,859	4,039,341	121,586	29,644	10,139	60,345	143,878	172,458	281,224	74,130	346,075	10,037	9,747	21,791	1,013,663	470,999	0	26,719	14,667	60,595
C. Short-term deferred costs	36,517	172,282	1,760	11,124	17,285	55,284	1,048	7,175	2,105	465	0	0	0	356	3,420,016	0	0	2,725	0	0
TOTAL ASSETS	74,136,540	249,469,080	3,844,023	12,452,035	6,485,296	514,195	467,107	1,342,624	2,173,658	632,496	3,864,263	629,061	561,032	1,019,261	53,723,904	1,749,856	0	3,455,324	98,215	108,046
D. Off-balance-sheet assets	15,392,127	21,036,531	8,296,165	8,296,164	23,165,673	8,296,164	8,296,164	0	0	0	0	0	0	0	0	0	0	0	0	0
A. Equity	34,265,393	86,907,198	768,266	2,126,520	1,912,464	287,075	298,548	124,372	1,170,566	409,906	3,638,085	416,643	485,549	618,084	14,671,816	660,430	0	50,003	79,404	82,452
All types of equity of minority shareholders	0	2,139,047	0	0	0	0	0	0	0	153,715	0	0	0	0	4,401,545	66,043	0	0	0	0
I. Called-up capital	4,451,540	16,954,599	310,000	840,000	1,170,000	90,000	80,000	36,779	834,585	12,198	1,613,690	53,521	349,114	14,659	9,916,201	69,745	0	177,370	65,762	52,403
II. Capital reserves	10,751,254	29,467,739	0	5,000,000	0	0	0	0	702	8,565	1,446,971	380,662	57,684	8,858	126,861	0	0	0	0	0
III. Profit reserves	5,732,581	35,045,344	31,187	732	117,964	9,030	8,016	3,678	83,465	19,981	410,551	0	34,911	175,767	10,290,311	0	0	0	0	0
IV. Revaluation profit	0	42,501	0	0	0	0	0	0	0	296	0	0	0	0	0	0	0	0	0	0
V. Net profit or loss from previous periods	7,357,861	1,479,568	54,838	-3,714,212	624,500	45,618	50,313	61,740	93,537	311,611	0	0	17,998	398,545	-5,967,654	577,458	0	-135,492	7,129	25,541
VI. Net profit or loss for the period	5,972,157	3,917,447	372,241	0	0	142,427	160,219	22,175	158,277	57,255	166,873	-17,540	25,842	20,255	306,097	13,227	0	8,125	6,513	4,508
VII. Consolidation capital adjustment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B. Provisions and long-term accruals	0	92,960	83,847	2,785	383,501	24,378	32,470	885,925	20,834	617	0	0	0	0	109,490	0	0	0	0	0
1. Provisions for pensions and similar liabilities	0	0	83,847	0	348,645	24,378	32,470	43,928	20,834	0	0	0	0	0	109,490	0	0	0	0	0
2. Other provisions	0	0	0	2,785	34,856	0	0	0	0	617	0	0	0	0	0	0	0	0	0	0
3. Long-term accruals	0	92,960	0	0	0	0	0	841,997	0	0	0	0	0	0	0	0	0	0	0	0
C. Long-term liabilities	33,706,483	22,640,770	0	14,021	39,867	0	0	0	10,692	0	177,358	0	0	29,070	14,184,805	0	0	2,926,615	0	0
I. Long-term financial liabilities	33,706,483	22,640,770	0	14,021	39,867	0	0	0	10,692	0	0	0	0	29,070	13,627,949	0	0	2,920,663	0	0
2. Long-term financial liabilities to banks	33,706,483	21,533,381	0	0	0	0	0	0	0	0	0	0	0	12,893,970	0	0	0	0	0	0
4. Other long-term financial liabilities	0	1,107,389	0	14,021	39,867	0	0	0	10,692	0	0	0	0	29,070	51,645	0	0	0	0	0
II. Long-term operating liabilities	0	0	0	0	0	0	0	0	0	0	177,358	0	0	0	0	0	0	0	0	0
III. Deferred tax liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	556,856	0	0	5,952	0	0
D. Short-term liabilities	6,136,337	139,660,642	2,991,910	10,308,492	4,148,880	142,172	136,089	328,731	970,738	221,973	48,820	212,418	75,483	372,107	24,656,530	1,089,426	0	475,883	18,331	25,594
I. Liabilities included in disposal groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. Short-term financial liabilities	5,651,000	117,235,829	800,000	5,928,710	824,785	0	0	5,559	153,742	0	0	132,484	75,000	4,253	15,112,623	0	0	134,962	0	0
1. Short-term intra-group financial liabilities	0	2,892,170	0	5,012,665	0	0	0	0	0	0	0	132,484	75,000	0	742,534	0	0	134,962	0	0
2. Short-term financial liabilities to banks	5,651,000	112,268,031	800,000	900,000	800,000	0	0	0	150,762	0	0	0	0	0	14,370,089	0	0	0	0	0
3. Short-term financial liabilities on the basis of bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4. Other short-term financial liabilities	0	2,075,628	0	16,045	24,785	0	0	5,559	2,980	0	0	0	0	4,253	0	0	0	0	0	0
III. Short-term operating liabilities	485,337	22,424,813	2,191,910	4,379,782	3,324,095	142,172	136,089	323,172	816,996	221,973	48,820	79,934	483	367,854	9,543,907	1,089,426	0	340,921	18,331	25,594
1. Short-term intra-group operating liabilities	5,216	2,983,385	1,700,242	2,681,107	1,746,216	26,437	13,330	8,138	623,319	1,824	1,318	72,350	0	249,789	6,397,648	1,030,124	0	194,453	2,084	2,329
2. Short-term trade payables	55,120	17,332,986	236,700	1,029,283	905,841	31,735	42,544	235,071	128,122	19,171	10,833	7,567	467	97,997	2,566,047	2,291	0	88,646	1,342	13,805
4. Short-term operating liabilities on the basis of advances	45,903	158,903	0	0	464	0	0	4,315	0	0	213	0	0	737	190,113	57,011	0	1,706	7	0
5. Other short-term operating liabilities	379,098	1,949,539	254,968	669,392	671,574	84,000	80,215	75,648	65,555	200,978	36,456	17	16	19,331	390,099	0	0	56,116	14,898	9,460
E. Short-term accruals	28,327	167,510	0	217	584	60,570	0	3,596	828	0	0	0	0	0	101,263	0	0	2,823	480	0
TOTAL LIABILITIES	74,136,540	249,469,080	3,844,023	12,452,035	6,485,296	514,195	467,107	1,342,624	2,173,658	632,496	3,864,263	629,061	561,032	1,019,261	53,723,904	1,749,856	0	3,455,324	98,215	108,046
Off-balance-sheet liabilities	15,392,127	21,036,531	8,296,165	8,296,164	23,165,673	8,296,164	8,296,164	0	0	0	0	0	0	0	0	0	0	0	0	0

To convert the balance-sheet items from the national values into euros, the following exchange rates were used:

- Serbian dinar 95.025
- USD 1.4338
- Croatian kuna 7.3348

Impol Stan, d.o.o., is no longer included in the review of operating companies, as it was removed from the Business Register of the Republic of Croatia during its winding-up procedure.

PROFIT-AND-LOSS ACCOUNT OF THE GROUP COMPANIES

Table 38

PROFIT-AND-LOSS ACCOUNT OF THE GROUP COMPANIES

IN EUROS

CATEGORY	IMPOL 2000	IMPOL	IMPOL LLT	IMPOL FT	IMPOL PCP	IMPOL R IN R	IMPOL INFRA- STRUKTURA	IMPOL UNIDEL	STAMPAL SB	KADRING	IMPOL STANOVA- NJA	ŠTATEN- BERG	IMPOL - MONTAL	IMPOL SERVIS	IMPOL SEVAL	IMPOL ALUMINIUM CORPORATION	IMPOL STAN	IMPOL SEVAL TEHNIKA	IMPOL SEVAL FINAL	Impol Seval PKC
1. Net sales revenues	11,221,447	339,899,726	17,957,520	45,159,253	36,022,236	1,166,866	1,365,416	1,905,636	3,505,179	1,162,416	316,248	14,205	0	2,001,010	48,689,137	6,274,638	0	2,357,692	288,167	133,133
a) Net domestic sales revenues	8,961,041	77,335,275	17,957,520	45,159,253	36,022,236	1,160,219	1,365,416	1,905,636	254,083	1,161,504	294,676	14,205	0	1,861,060	9,785,538	0	0	2,126,082	288,167	133,133
Net domestic intra-group sales revenues (included in 1.a)	4,623,740	59,460,283	17,550,239	45,121,146	36,008,421	1,112,699	1,355,690	521,754	250,219	889,868	1,981	0	0	537,830	404,741	0	0	1,771,189	285,058	114,913
b) Net foreign sales revenues	2,260,406	262,564,451	0	0	0	6,647	0	0	3,251,096	912	21,572	0	0	139,950	38,903,599	6,274,638	0	231,610	0	0
Net foreign intra-group sales revenues (included in 1.b)	0	20,898,472	0	0	0	6,647	0	0	0	912	0	0	0	24,683,959	0	0	0	0	0	0
2. Change in inventories of finished goods and work in progress	0	0	652,122	188,866	-283,521	0	0	-9,604	-99,082	0	0	0	0	0	403,203	0	0	-53,810	0	0
3. Capitalised own products and services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,906	0	0	0	0	0
4. Other operating revenues (including operating revenues from revaluation)	2,094	3,273,580	21,462	0	150,696	27,815	5,922	208,264	3,660	1,750	111,490	0	0	3,896	3,476,910	0	0	1,616	0	0
Other operating revenues (including intra-group operating revenues from revaluation) (included in 4.)	0	1,405,431	0	0	43,654	0	145	0	21	0	0	0	0	0	3,050,433	0	0	0	0	0
5. Costs of goods, materials and services	6,737,893	321,483,811	15,722,284	36,949,002	29,335,495	356,564	433,310	1,287,409	2,134,799	235,594	135,913	19,241	5,473	1,783,082	40,940,129	6,063,965	18,004	1,382,590	30,687	33,896
a) Costs of goods and materials sold and costs of materials used	6,176,177	210,463,859	11,944,419	17,239,258	10,641,040	65,817	20,685	1,057,856	1,550,805	16,917	32,060	1,184	0	1,697,625	32,824,255	5,846,816	0	1,146,551	7,011	7,883
Intra-group costs of goods and materials sold and costs of materials used (included in 5.a)	6,083,084	10,751,579	11,107,754	15,233,881	8,504,366	41,900	15,465	21,254	1,189,905	1,523	0	0	0	1,070,915	13,299,391	4,802,103	0	644,530	0	0
b) Costs of services	561,716	111,019,952	3,777,865	19,709,744	18,694,455	290,747	412,625	229,553	583,994	218,677	103,853	18,057	5,473	85,457	8,115,874	217,149	18,004	236,039	23,676	26,013
Intra-group costs of services (included in 5.b)	140,193	101,406,151	2,992,283	17,923,390	16,295,141	187,281	119,674	55,925	208,064	17,911	4,253	0	0	20,184	4,702,905	912	0	158,776	21,094	18,323
6. Labour costs	1,605,581	794,314	2,381,891	6,777,403	8,105,587	656,022	721,501	718,665	818,267	855,837	88,528	0	0	167,214	5,541,364	290,928	0	868,732	250,077	91,941
a) Costs of salaries	1,264,567	586,277	1,654,188	4,870,315	5,545,117	396,616	516,939	497,112	603,015	584,830	68,785	0	0	124,322	3,095,051	290,928	0	485,668	141,629	53,093
b) Social security costs (pension-security costs shown separately)	217,027	104,782	321,709	846,230	984,767	71,197	96,897	80,357	95,870	104,249	11,170	0	0	22,150	2,006,125	0	0	317,128	92,557	34,566
c) Other labour costs	123,987	103,255	405,994	1,060,858	1,575,703	188,209	107,665	141,196	119,382	166,758	8,573	0	0	20,742	440,188	0	0	65,936	15,891	4,282
7. Write-offs	244,483	9,802,837	26,846	408,733	185,177	28,720	12,287	67,661	236,683	24,755	78,761	1,722	0	24,732	2,058,591	20,838	0	29,491	189	1,839
a) Amortisation/depreciation	115,172	9,775,689	26,545	408,378	169,741	28,665	12,287	49,596	223,787	21,181	74,254	1,722	0	23,227	1,850,873	20,838	0	14,694	0	0
b) Oper. expenses for the reval. of intangible and tang. assets	0	6,413	174	355	9,517	0	0	107	12,896	2,412	0	0	0	20	194,769	0	0	0	0	0
c) Oper. expenses for the reval. of current assets	129,311	20,735	127	0	5,919	55	0	17,958	0	1,162	4,507	0	0	1,485	12,949	0	0	14,797	189	1,839
8. Other operating expenses	27,614	544,397	37,593	144,191	143,627	4,330	11,348	32,241	11,496	7,459	3,604	6,554	0	2,716	308,339	0	0	18,047	1,175	1,445
Other intra-group operating expenses (included in 8.)	1,543	5,716	22,183	47,696	40,191	948	263	308	5,598	157	0	0	0	0	194,769	0	0	0	0	0
9. Financial revenues from shares	5,175,653	3,370,033	0	0	0	0	0	0	0	2,537	24,138	0	24,949	0	1,585	0	0	0	0	0
a) Financial revenues from intra-group shares	4,877,000	3,270,000	0	0	0	0	0	0	0	504	23,947	0	24,949	0	0	0	0	0	0	0
b) Financial revenues from shares in associated companies	0	6,969	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c) Financial revenues from shares in other companies	15,576	93,064	0	0	0	0	0	0	0	2,033	191	0	0	0	0	0	0	0	0	0
d) Financial revenues from other investments	283,077	0	0	0	0	0	0	0	0	0	0	0	0	0	1,585	0	0	0	0	0
10. Financial revenues from lending	52,393	702,183	4,057	263	121,941	4,108	11,099	137	0	3,335	53,149	0	6,930	276	27,468	0	0	0	0	3,092
a) Financial revenues from intra-group lending	43,322	428,381	1,172	0	120,809	3,227	10,887	0	0	0	12,831	0	0	0	21,297	0	0	0	0	0
b) Financial revenues from lending to others	9,071	273,802	2,885	263	1,132	881	212	137	0	3,335	40,318	0	6,930	276	6,171	0	0	0	0	3,092
11. Financial revenues from operating receivables	23,031	4,788,631	7,215	2,481	1,542	2	0	12,628	6,430	1,187	4,931	0	5	522	909,488	260	0	41,845	77	0
a) Financial revenues from intra-group operating receivables	1,724	49,717	7,019	1,093	1,034	0	0	25	0	0	0	0	0	0	0	0	0	0	0	0
b) Financial revenues from other operating receivables	21,307	4,738,914	196	1,388	508	2	0	12,603	6,430	1,187	4,931	0	5	522	909,488	260	0	41,845	77	0
12. Fin. expenses for impairment and write-offs of fin. assets	136,154	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intra-group financial expenses for impairment and write-offs of financial assets (included in 12.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13. Financial expenses for financial liabilities	1,383,057	7,279,243	56,859	274,127	21,579	0	0	127	10,274	0	0	5,757	0	6,132	4,229,227	0	0	45,783	0	2,174
a) Financial expenses for intra-group loans	5,800	184,823	40,519	253,547	0	0	0	0	0	0	0	5,757	0	4,260	119,623	0	0	21,297	0	0
b) Financial expenses for bank loans	1,377,257	7,011,979	16,340	18,383	16,340	0	0	127	9,051	0	0	0	0	248	1,523,179	0	0	0	0	0
c) Financial expenses for issued bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d) Financial expenses for other financial liabilities	0	82,441	0	2,197	5,239	0	0	0	1,223	0	0	0	0	1,624	2,586,425	0	0	24,486	0	2,174
14. Financial expenses for operating liabilities	759	7,874,814	7,350	51,985	1,317	58	25	1,657	12,219	42	176	8	0	2,845	100,505	0	0	265	0	0
a) Financial expenses for intra-group operating liabilities	42	3,324	7,317	51,004	1,142	49	25	391	395	0	0	0	0	58	0	0	0	0	0	0
b) Financial expenses for operating liabilities to suppliers and for liabilities related to bills of exchange	14	2,881	33	981	154	5	0	714	11,824	2	0	8	0	868	0	0	0	0	0	0
c) Financial expenses for other operating liabilities	703	7,868,609	0	0	21	4	0	552	0	40	176	0	0	1,919	100,505	0	0	265	0	0
15. Other revenues	704	50,490	59,962	37,126	241,692	12,870	610	13,838	1,348	22,018	3,362	1,542	0	4,634	38,790	121,504	0	11,381	1,216	144
Other intra-group revenues (included in 15.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16. Other expenses	0	1,702	1,000	190	3,814	0	311	964	0	0	0	5	0	0	30,676	0	0	1,457	0	0
Other intra-group expenses (included in 16.)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17. Income tax	93,856	196,598	78,112	0	0	22,623	43,555	0	33,236	12,301	39,463	0	569	3,362	0	7,074	0	0	733	507
16. Deferred taxes	273,768	31,599	753	225,268	-282,934	917	491	0	2,284	0	0	0	0	0	30,550	0	0	4,129	0	0
21. Net profit or loss for the period	5,972,157	4,075,328	389,650	557,090	-1,259,076	142,427	160,219	22,175	158,277	57,255	166,873	-17,540	25,842	20,255	310,106	13,597	-18,004	8,230	6,599	4,567
Net profit or loss of minority shareholders	0	100,306	0	0	0	0	0	0	0	21,471	0	0	0	0	93,032	1,360	-900	0	0	0

To convert the profit-and-loss account items from the national values into euros, the following exchange rates were used:

- Serbian dinar 93.797
- USD 1.3948
- Croatian kuna 7.3348

INTANGIBLE FIXED ASSETS

The intangible fixed assets include:

- long-term deferred costs of development;
- rights on fixed assets belonging to others;
- investments in the acquired industrial-property rights and other rights.

For the purpose of their evaluation, the acquisition-cost model is used.

The goodwill created with the purchasing of the majority share of Stampal SB, d.o.o., in the amount of 319,299 euros, remains included in the balance sheet, having the same value as on the day of the purchase. The same applies to the goodwill created with the purchasing of additional shares of Impol, d.o.o., in the amount of 371,953 euros.

In line with the SRS 2006, goodwill is not depreciated; it can only affect the profit-and-loss account after the disposal of the investment.

Table 39

INTANGIBLE FIXED ASSETS

IN EUROS

DESCRIPTION	LONG-TERM PROPERTY RIGHTS	GOODWILL	ADVANCES FOR INTANGIBLE FIXED ASSETS	LONG-TERM DEFERRED DEVELOPMENT COSTS	OTHER LONG-TERM DEFERRED COSTS	TOTAL
Acquisition costs as on 31 Dec 2008	1,734,782	691,182		930	3,346,995	5,773,889
Opening-balance adjustment						0
Acquisition costs as on 1 Jan 2009	1,734,782	691,182	0	930	3,346,995	5,773,889
Direct additions due to purchases	30,440				261,485	291,925
Transfer from investments in progress	1,130				-1,130	0
Decrease in fair value	-16,967					-16,967
Write-downs due to retirement, other write-downs	-449				-74,779	-75,228
Acquisition costs as on 31 Dec 2009	1,748,936	691,182	0	930	3,532,571	5,973,619
Value adjustment as on 31 Dec 2008	1,175,757			318	1,413,741	2,589,816
Opening-balance adjustment						0
Value adjustment as on 1 Jan 2009	1,175,757	0	0	318	1,413,741	2,589,816
Amortisation for the period	94,284			93	345,949	440,326
Decrease in fair value	-1,742					-1,742
Write-downs due to retirement, other write-downs	-186				-2,956	-3,142
Value adjustment as on 31 Dec 2009	1,268,113	0	0	411	1,756,734	3,025,258
Book value as of 31 Dec 2009	480,823	691,182	0	519	1,775,837	2,948,361
Book value as of 31 Dec 2008	559,025	691,182	0	612	1,933,254	3,184,073

TANGIBLE FIXED ASSETS

Tangible fixed assets include land, buildings, production facilities and machinery, other facilities and equipment, tangible fixed assets under construction, as well as advances paid for the tangible fixed assets that are, in the balance sheet, included in the tangible fixed assets, while they are recorded as receivables in the account books.

Tangible fixed assets are recognised at their acquisition values, which include the purchase prices, import duties and non-refundable purchase taxes, and the directly attributable costs of bringing an asset to working condition for its intended use, especially the costs of its delivery and installation. Non-refundable purchase taxes also include non-refundable value-added tax. Trade discounts and rebates are deducted from the buying price. The acquisition cost and the cumulative value adjustment of a fixed asset are separately recorded in the account books, while the balance sheet only includes the current value of a fixed asset, which is the difference between the acquisition cost and the cumulative value adjustment.

The current value of a tangible fixed asset is decreased through depreciation. The Impol Group uses the method of steady depreciation.

Disposed of or retired fixed assets are no longer recorded in the account books. However, any existing profits or losses are recorded as operating revenues/expenses from revaluation.

The property hired out to subsidiaries and other companies is recorded as investment property and is depreciated in the same way as the assets in operational use.

Table 40

TANGIBLE FIXED ASSETS

IN EUROS

DESCRIPTION	LAND	BUILDINGS	PROPERTY BEING ACQUIRED	TOTAL PROPERTY	PRODUCTION FACILITIES AND MACHINERY	OTHER FACILITIES AND EQUIPMENT	EQUIPMENT AND OTHER TANGIBLE ASSETS BEING ACQUIRED	ADVANCES FOR ACQUIRING TANGIBLE ASSETS	TOTAL	TOTAL
Acquisition costs as on 31 Dec 2008	4,374,865	28,634,511	614,450	33,623,826	247,035,248	10,892,651	10,381,420	2,174,729	270,484,048	304,107,874
Acquisition costs as on 1 Jan 2009	4,374,865	28,634,511	614,450	33,623,826	247,035,248	10,892,651	10,381,420	2,174,729	270,484,048	304,107,874
Direct additions due to purchases		274,476	1,437,593	1,712,069	1,628,650	45,002	6,436,554	3,030,276	11,140,482	12,852,551
Transfer from investments in progress		163,783	-163,783	0	3,678,378	874,340	-4,552,718		0	0
Intra-group transfer due to sales	55,854	101,001	5,214	162,069			226,375		226,375	388,444
Transfer to investment property			-332,961	-332,961					0	-332,961
Decrease in fair value	-47,134	-1,699,106		-1,746,240	-1,724,953	-11,297	-365,925		-2,102,175	-3,848,415
Write-downs due to disposals		-31,584		-31,584	-8,147	-4,849			-12,996	-44,580
Write-downs due to retirement, other write-downs		-66,397		-66,397	-114,599	-172,532		-1,109,283	-1,396,414	-1,462,811
Transfer between tangible-fixed-asset categories				0	-51,071	51,071			0	0
Acquisition costs as on 31 Dec 2009	4,383,585	27,376,684	1,560,513	33,320,782	250,443,506	11,674,386	12,125,706	4,095,722	278,339,320	311,660,102
Value adjustment as on 31 Dec 2008		14,189,096		14,189,096	169,606,369	7,103,583	-166,123		176,543,829	190,732,925
Value adjustment as on 1 Jan 2009	0	14,189,096	0	14,189,096	169,606,369	7,103,583	-166,123	0	176,543,829	190,732,925
Depreciation		680,769		680,769	8,463,779	1,313,896	64,299		9,841,974	10,522,743
Decrease in fair value		-1,253,813		-1,253,813	-691,619	-6,250	-64,113		-761,982	-2,015,795
Write-downs due to disposals				0	-1,729	-1,750			-3,479	-3,479
Write-downs due to retirement, other write-downs		-66,397		-66,397	-101,436	-144,136	10,524		-235,048	-301,445
Transfer between tangible-fixed-asset categories				0	-395	395			0	0
Value adjustment as on 31 Dec 2009	0	13,549,655	0	13,549,655	177,274,969	8,265,738	-155,413	0	185,385,294	198,934,949
Book value as of 31 Dec 2009	4,383,585	13,827,029	1,560,513	19,771,127	73,168,537	3,408,648	12,281,119	4,095,722	92,954,026	112,725,153
Book val. as of 31 Dec 2008	4,374,865	14,445,415	614,450	19,434,730	77,428,879	3,789,068	10,547,543	2,174,729	93,940,219	113,374,949

The tangible fixed assets in the amount shown in the table below are pledged as security for liabilities.

Table 41

PLEGDED FIXED ASSETS

REVIEW OF VALUES BY ASSET TYPE	PURCHASE PRICE/ FAIR VALUE	VALUE ADJUSTMENT	BOOK VALUE
1 Intangible fixed assets	0	0	0
2 Property	13,323,795	6,001,896	7,321,899
3 Equipment	143,688,545	122,968,985	20,719,561
4 Investment property	44,587,973	23,570,163	21,017,810
TOTAL	201,600,313	152,541,044	49,059,270

Depreciation is accounted for each asset individually, following the method of steady depreciation.

USED DEPRECIATION RATES

Table 42

USED DEPRECIATION RATES

DEPRECIATION RATES USED BY THE GROUP	DEPRECIATION RATES IN %	
	LOWEST	HIGHEST
Intangible fixed assets		
other investments	10.00	10.00
licences	20.00	20.00
Tangible fixed assets		
Property:		
constructed buildings	1.30	3.00
other buildings		
Equipment:	4.50	20.00
production equipment		33.00
equipment and low-value assets until 2003	20.00	25.00
low-value assets	8.00	25.00
other equipment		
IT equipment:	20.00	50.00
software	20.00	50.00
hardware		
Motor vehicles:	6.20	20.00
transport vehicles	12.50	20.00
Other tangible fixed assets:		
Investment property (acquisition-cost model)	1.30	5.00

- The non-depreciable value is recorded only for the equipment that, according to our findings, preserves its value.
- The revaluation of tangible fixed assets was not carried out because we found that the market prices for these assets did not change.
- Depreciation is charged to the acquisition values of intangible and tangible fixed assets, and of investment property. The depreciation rate depends on the determined useful life of each individual asset, considering the anticipated period of utilisation, economic aging, and legal and other limitations to its use. When checking the periods of the determined useful life of individual assets, we found that, due to a reduced use of the production equipment in 2009, the

corresponding depreciation rates had to be reduced as well. At the end of the year we set the depreciation rates for the production equipment with respect to the level of its utilisation during the year (due to a reduced production the work in shifts was being suspended). The effect of the amortisation amounted to 2,741,128 euros.

- The depreciation of intangible and tangible fixed assets is accounted for individually, and on the basis of the method of steady depreciation.
- The depreciation period for all individual assets starts when the assets are put into use.

INVESTMENT PROPERTY

In the discussed period, only the buildings that we own for the purposes of renting were included in the investment property.

Table 43

INVESTMENT PROPERTY

IN EUROS

DESCRIPTION	LAND	BUILDINGS	TOTAL
Acquisition costs as on 31 Dec 2008		45,109,048	45,109,048
Opening-balance adjustment			0
Acquisition costs as on 1 Jan 2009	0	45,109,048	45,109,048
Direct additions (+)		7,301	7,301
Transfer from tangible fixed assets (+)		332,961	332,961
Write-downs (-)		-676,364	-676,364
Acquisition costs as on 31 Dec 2009	0	44,772,946	44,772,946
Value adjustment as on 31 Dec 2008		23,012,301	23,012,301
Opening-balance adjustment			0
Value adjustment as on 1 Jan 2009	0	23,012,301	23,012,301
Depreciation/amortisation (+)		1,096,072	1,096,072
Write-downs (-)		-470,864	-470,864
Value adjustment as on 31 Dec 2009	0	23,637,509	23,637,509
Book value as of 31 Dec 2009	0	21,135,437	21,135,437
Book value as of 31 Dec 2008	0	22,096,747	22,096,747

LONG-TERM FINANCIAL ASSETS IN ASSOCIATED COMPANIES,
AND OTHER LONG-TERM FINANCIAL ASSETS

Long-term financial assets are assets with a maturity longer than one year, and are initially determined with their acquisition values that equal the values of the invested cash. The investments that are, in the course of consolidation, eliminated because they were carried out within the group, are, in the original financial statements of individual group companies, recorded on the basis of the acquisition-cost method, considering any impairment caused by the losses.

The investments in the stakes and shares of foreign public limited companies, the investments in the stakes of domestic banks and in the shares of domestic companies, and long-term loans granted on the basis of loan contracts are all recorded separately.

Long-term financial assets have been classified as the financial assets available for sale. In the consolidated balance sheet, the investments in the associated companies have been evaluated with the equity method⁶ considering the equity-revaluation surplus.

⁶ The surplus from the revaluation of financial assets is 481,612 euros, relating to the following companies:

INVESTED IN	ACQUISITION COSTS OF THE INVESTMENT	REVALUATION SURPLUS S ⁶ 2008	REVALUATION SURPLUS S ⁶ 2009
Simfin, d.o.o	61,820	192,213	220,973
Alcad, d.o.o	16,011	228,114	249,847
Alureg PIN, d.o.o	230,000	5,467	10,159
Almont Seval, d.o.o.	2,254	337	634

Table 44

**LONG-TERM FINANCIAL ASSETS IN ASSOCIATED COMPANIES,
AND OTHER LONG-TERM FINANCIAL ASSETS (LTFAS)**

IN EUROS

	PURCHASE / FAIR / AMORTISED COST OF LTFAS ON 31 DEC	LONG-TERM FINANCIAL ASSETS IN COMPANIES:		BOOK VALUE	
		ASSOCIATES	OTHERS	31 DEC 2009	31 DEC 2008
Long-term financial assets	1,729,775	791,561	938,214	1,729,775	1,833,979
Short-term portion of long-term financial assets	0	0	0	0	-84,844
TOTAL LONG-TERM FINANCIAL ASSETS	1,729,775	791,561	938,214	1,729,775	1,749,135
- of these					
Investments in stocks and shares	1,493,083	791,561	701,522	1,493,083	1,401,532
Other long-term financial assets in equity	7,532	0	7,532	7,532	57,561
TOTAL long-term financial assets without loans	1,500,615	791,561	709,054	1,500,615	1,459,093
Long-term loans to companies	229,160	0	229,160	229,160	290,042
TOTAL long-term loans	229,160	0	229,160	229,160	290,042
TOTAL LONG-TERM FINANCIAL ASSETS	1,729,775	791,561	938,214	1,729,775	1,749,135

Revaluations of long-term financial assets were minimal, occurring only in the following areas:

- a revaluation of LTFAs to their increased fair value credited to financial revenues 22 euros
- a revaluation of LTFAs to their increased fair value credited to the revaluation surplus 296 euros

LONG-TERM OPERATING RECEIVABLES

Long-term operating receivables that mature one year after the date of the balance sheet are disclosed as short-term receivables. All the long-term operating receivables are included in the other long-term trade receivables; they are not secured, and, with a total of 122,499 euros, they do not represent an important business category.

INVENTORIES

We use the following evaluation methods:

- We record the inventories of goods and materials by purchase price, increased by the accompanying costs of acquisition. We used the same method as in the previous period.
- For inventory utilization we use the FIFO method. With respect to utilizing aluminium inventories, the FIFO method is used for each sale transaction considering the basic aluminium price that is included in the transaction as specified in the corresponding sales contract.
- The inventories of finished products and of work in progress are initially evaluated according to their production costs that include: direct costs of materials, direct labour costs, direct costs of services, direct depreciation costs, and general production costs.
- We convert the amounts from foreign currencies into euros on the basis of the EBC exchange rate used by the Bank of Slovenia.

Table 45

INVENTORIES

IN EUROS

	31 DEC 2009			INVENTORIES AS ON 31 DEC 2009		31 DEC 2008
	ACQUISITION COSTS (+)	VALUE ADJUSTMENT DUE TO INVENTORY IMPAIRMENT (-)	BOOK VALUE	BROUGHT FROM GROUP COMPA- NIES	PLEGDED AS SECURITY FOR LIABILITIES	
Goods and materials	53,520,148	0	53,520,148	428,960	0	68,448,949
Low-value assets	0	0	0	0	0	10,830
Work in progress and services	6,875,240	0	6,875,240	0	0	7,515,866
Products	8,536,641	0	8,536,641	0	0	8,360,340
Goods for resale	661,261	0	661,261	468,330	0	690,366
Advances for inventories	81,925	0	81,925	0	0	544,172
TOTAL	69,675,215	0	69,675,215	897,290	0	85,570,523

We did not pledge our inventories as security for liabilities outside the group.

There were no write-downs or adjustments of the inventories due to their non-distribution, etc.

The received goods and materials used for processing were, as foreign goods, only recorded with respect to their quantity.

SHORT-TERM OPERATING RECEIVABLES

We initially disclose receivables with the amounts originating from the relevant documents taking into account that they will be settled. A later increase in receivables normally leads to an increase in the corresponding operating, or financial, revenues, while a later decrease in receivables normally leads to a decrease in the corresponding operating revenues or expenses, except for given advances. The receivables related to gained interest result in financial revenues.

We adjust the values of trade receivables due from domestic or foreign customers on the basis of our experiences and expectations.

The receivables due from customers abroad are converted into domestic currency on the basis of the middle exchange rate of the Bank of Slovenia valid on the date of the balance sheet. An exchange-rate difference generated by the settlement date of a receivable, or by the date of the balance sheet, is recorded under financial revenues or financial expenses.

Table 46

SHORT-TERM OPERATING RECEIVABLES

IN EUROS

A. SHORT-TERM OPERATING RECEIVABLES	SHORT-TERM OPERATING RECEIVABLES	VALUE ADJUSTMENT DUE TO IMPAIRMENT	31 DEC 2009	31 DEC 2008
Short-term trade receivables				
- receivables overdue by 31 Dec	20,047,180	0	20,047,180	11,243,275
Given short-term advances and collaterals	3,212,937	0	3,212,937	3,949,423
Short-term operating receivables related to foreign-currency accounts	0	0	0	26,217
Short-term receivables related to financial revenues	212,078	-60,950	151,128	173,315
Short-term receivables due from state institutions	9,843,612	0	9,843,612	8,590,533
Other short-term operating receivables	848,758	0	848,758	74,684
TOTAL short-term operating receivables	64,304,407	-3,570,518	60,733,889	61,106,710

B. VALUE ADJUSTMENT OF SHORT-TERM RECEIVABLES DUE TO IMPAIRMENT

	2009	2008
Balance as of 1 Jan (+)	3,740,075	1,238,051
Decrease in value adjustment due to the settlement of receivables (-)	-299,318	-72,424
Decrease in value adjustment due to the write-off of receivables (-)	-73	-3,821
Established value adjustments for the period due to impairment (+)	129,834	2,578,269
Intra-group transfer of established adjustments due to acquisition	0	
Balance as of 31 Dec	3,570,518	3,740,075

C. SHORT-TERM RECEIVABLES RELATING TO FINANCIAL REVENUES

	31 DEC 2009	31 DEC 2008
Short-term interest receivables relating to financial revenues from operating receivables (customers) (+)	211,096	219,299
Impairment of short-term interest receivables relating to financial revenues from operating receivables (customers) (-)	-79,412	-72,822
Short-term interest receivables relating to financial revenues from lending (+)	-55,638	26,129
Short-term dividend receivables (+)	75,000	0
Other short-term receivables relating to financial revenues (+)	82	709
TOTAL	151,128	173,315

The established value adjustment of short-term operating receivables due to impairment amounted to 3,570,518 euros.

Trade receivables are secured to the agreed amount with the Slovenian Export Corporation. During the market penetration, these receivables are, as a rule, secured only to a small extent, and at such times the exposure risks are very high. The unsettled receivables that lead to the initiation of formal court proceedings relating to their recovery, and those that will probably not be settled, or will not be fully settled, are treated as doubtful and disputable receivables.

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Table 47

DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

IN EUROS

	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES
Deferred tax assets as on 31 Dec 2008 (+)	2,181,205	562,011
Opening-balance adjustments (+/-)	0	0
Deferred tax assets as on 1 Jan 2009	2,181,205	562,011
Deductible temporary differences (+)	-272,186	
Taxable temporary differences (+)		34,232
Intra-group transfer of deferred taxes due to acquisition	0	0
Utilisation of deductible temporary differences (-)	23,925	
Cancellation of deductible temporary differences (-)	0	
Change of unused opening-balance amounts due to the tax-rate change	-3,885	-33,435
Deferred tax assets as on 31 Dec 2009	1,929,059	562,808

In 2009 deferred tax assets were formed for the written-down receivables, for the provisions relating to severance pays and to the rewards for years-long service, and for tax losses. Deferred tax liabilities were formed in Impol Seval, d.o.o, as the temporary deductible differences relating to liabilities.

SHORT-TERM FINANCIAL ASSETS

When they arise, short-term financial assets are accounted for in accordance with their acquisition values. If expressed in a foreign currency, they are converted into domestic currency on the basis of the middle exchange rate of the Bank of Slovenia valid on the balance date.

Table 48

SHORT-TERM FINANCIAL ASSETS (STFAS)

IN EUROS

	PURCHASE / FAIR / AMORTISED COST OF STFAS ON 31 DEC	STFAS IN COMPANIES:		VALUE ADJUSTMENT DUE TO IMPAIRMENT	BOOK VALUE	
		ASSOCIATES	OTHERS		31 DEC 2009	31 DEC 2008
Short-term financial assets (+)	11,988,956	136,729	11,852,227	-3,000	11,985,956	6,532,442
Short-term portion of long-term financial assets (+)	0	0	0	0	0	86,518
TOTAL SHORT-TERM FINANCIAL ASSETS	11,988,956	136,729	11,852,227	-3,000	11,985,956	6,618,960
Stakes acquired for sale	877,691	0	877,691	0	877,691	730,768
Shares acquired for sale	100,000	0	100,000	0	100,000	106,547
Other securities acquired for sale	0	0	0	0	0	0
Receivables acquired for sale	1,606,650	0	1,606,650	0	1,606,650	1,440,992
TOTAL short-term financial assets without loans	2,584,341	0	2,584,341	0	2,584,341	2,278,307
Short-term portion of long-term lending (including bonds)	61,984	0	61,984	0	61,984	86,518
Short-term lending (including bonds)	406,608	136,729	269,879	0	406,608	598,575
Received bills of exchange	0	0	0	0	0	0
Short-term deposits	8,936,023	0	8,936,023	-3,000	8,933,023	3,655,560
Short-term receivables relating to financial leasing	0	0	0	0	0	0
TOTAL short-term lending	9,404,615	136,729	9,267,886	-3,000	9,401,615	4,340,653
Short-term unpaid called-up capital	0	0	0	0	0	0
TOTAL SHORT-TERM FINANCIAL ASSETS	11,988,956	136,729	11,852,227	-3,000	11,985,956	6,618,960

Short-term financial assets include the stakes acquired for sale, short-term lending, investments in securities, short-term portions of long-term financial assets, and bank deposits. They all represent the assets that the group invests, for a short term, in order to increase its financial revenues. These assets are all classified as the financial assets intended for sale.

CASH

Table 49

CASH

IN EUROS

	31 DEC 2009	31 DEC 2008
Cash in hand and redeemable securities	3,859	1,917,662
Cash in banks and other financial institutions	6,973,038	6,208,057
TOTAL	6,976,897	8,125,719

The amount in cash is about the same as the revenue generated in two days. We maintain that such an amount is acceptable and manageable.

SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUES

Table 50

SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUES

IN EUROS

	31 DEC 2009	31 DEC 2008
Short-term deferred costs or expenses	3,555,970	3,601,662
VAT from received advances	172,172	388,914
TOTAL	3,728,142	3,990,576

Short-term deferred costs or expenses are the received invoices related to given advances, or issued invoices related to received advances charging for value-added tax, mainly incurred in Impol Seval due to advances.

PROVISIONS AND LONG-TERM ACCRUALS

Table 51

PROVISIONS AND LONG-TERM ACCRUALS

IN EUROS

	PROVISIONS			LONG-TERM ACCRUALS		TOTAL
	FOR PENSIONS, REWARDS FOR YEARS-LONG SERVICE, AND SEVERANCE PAYS	FOR GIVEN INDEMNITIES	OTHER PROVISIONS FOR LONG-TERM ACCRUED COSTS	RECEIVED STATE SUBSIDIES	OTHER LONG-TERM ACCRUALS	
Balance as of 31 Dec 2008	767,159	0	23,480	846,711	118,550	1,755,900
Formation (+)	167,534	0	19,843	199,844	0	387,221
Other increases (+)	0	0	18,826	0	0	18,826
Utilisation (-)	-139,915	0	-5,939	-204,558	0	-350,412
Disposal (-)	-124,022	0	-17,952	0	0	-141,974
Other decreases (-)	-7,164	0	0	0	-25,590	-32,754
Balance as of 31 Dec 2009	663,592	0	38,258	841,997	92,960	1,636,807

We maintain that there is no need to have other provisions, in addition to the above ones.

LONG-TERM FINANCIAL AND OPERATING LIABILITIES

Table 52

LONG-TERM FINANCIAL AND OPERATING LIABILITIES

IN EUROS

	TOTAL DEBT AS OF	THE PORTION	
	31 DEC 2009	PAYABLE IN 2010	31 DEC 2009 31 DEC 2008
Long-term financial liabilities to banks	88,719,441	-20,585,607	68,133,834 68,563,295
Long-term financial liabilities to others (without financial-leasing liabilities)	1,300,308	-112,204	1,188,104 1,307,997
Long-term financial-leasing liabilities to other companies	109,867	-45,287	64,580 109,874
Other long-term operating liabilities to other companies	177,358	0	177,358 151,705
TOTAL long-term financial and operating liabilities	90,306,974	-20,743,098	69,563,876 70,132,871
Recapitulation:			
Long-term financial liabilities	90,129,616	-20,743,098	69,386,518 69,981,166
Long-term operating liabilities	177,358	0	177,358 151,705
TOTAL long-term financial and operating liabilities	90,306,974	-20,743,098	69,563,876 70,132,871

- When they arise, long-term financial and operating liabilities are accounted for in accordance with their acquisition values. If expressed in a foreign currency, they are converted into domestic currency on the EBC exchange rate used by the Bank of Slovenia valid on the balance date.
- Long-term financial and operating liabilities are the financial and operating debts of the companies that include long-term financial liabilities to banks, long-term financial liabilities to companies, and long-term operating liabilities to others.
- The portion of long-term debts with a maturity of one year after the date of the balance sheet is shown as short-term financial and operating liabilities.
- The interest rates for the long-term loans are as follows:
 - in euros they range between 6-month Euribor + 1.5% to 3-month Euribor + 6.75% (depending on the area).

Long-term liabilities are secured with a mortgage on the property of Impol, d.d., as well as on a part of the equipment and the shares.

With respect to the consolidated financial statements, in the case of consolidating the equity, we do not establish any hidden reserves (land, equipment), that would result in a deferred tax liability.

The payments of the long-term loans by year are as follows:

- 2011: 25,819,062 euros
- 2012: 8,395,836 euros
- 2013: 7,581,251 euros
- 2014: 23,087,734 euros
- 2015: 1,742,824 euros

SHORT-TERM LIABILITIES

Table 53

SHORT-TERM OPERATING LIABILITIES

IN EUROS

	31 DEC 2009	31 DEC 2008
Short-term operating liabilities to associated companies as suppliers	229,965	272,162
Short-term operating liabilities to other companies as suppliers	22,575,603	17,531,963
Short-term operating liabilities to other companies based on advances	459,372	809,933
Other short-term operating liabilities to associated companies	0	1,110
Other short-term operating liabilities to other companies	4,957,360	5,948,690
TOTAL short-term operating liabilities	28,222,300	24,563,858
Short-term operating liabilities	28,222,300	24,563,858
Short-term portion of long-term operating liabilities	0	0
Total short-term operating liabilities	28,222,300	24,563,858
Specification of operating liabilities		
Short-term liabilities to associated companies as suppliers	229,965	272,162
Short-term liabilities to other companies as suppliers	22,575,603	17,531,963
Total short-term liabilities to suppliers	22,805,568	17,804,125
Total short-term liabilities based on advances	459,372	809,933
Short-term liabilities to employees	1,711,685	1,831,551
Short-term liabilities to the state	2,036,912	2,361,331
Short-term interest liabilities to associated companies	0	1,074
Short-term interest liabilities to other companies	633,217	1,169,569
Other short-term operating liabilities to other companies	575,546	586,275
Total other short-term operating liabilities	4,957,360	5,949,800
TOTAL short-term operating liabilities	28,222,300	24,563,858

Table 54

SHORT-TERM FINANCIAL LIABILITIES

IN EUROS

	31 DEC 2009	31 DEC 2008
Short-term portion of long-term financial liabilities to banks	20,585,607	22,006,724
Short-term portion of long-term financial liabilities to other companies (without financial-leasing liabilities)	112,204	456,209
Short-term portion of long-term financial-leasing liabilities to associated companies	0	52,582
Short-term portion of long-term financial-leasing liabilities to other companies	45,287	44,819
Short-term financial liabilities to banks	114,354,275	125,691,689
Short-term financial liabilities to other companies (without financial-leasing liabilities)	1,966,200	4,806,943
Short-term financial-leasing liabilities to other companies	5,559	891
TOTAL short-term financial liabilities	137,069,132	153,059,857
Specification:		
Short-term financial liabilities	116,326,034	130,499,523
Short-term portion of long-term financial liabilities	20,743,098	22,560,334
Total short-term financial liabilities	137,069,132	153,059,857

The interest rates for the short-term loans are as follows:

- 12-month Euribor + 1% to 6.45 %

Short-term liabilities are secured partly with a mortgage, and partly with the bills of exchange, the assignment of credit, and indemnities.

Short-term financial liabilities include the liabilities relating to received loans, whose maturity is shorter than one year.

Short-term financial liabilities stated in a foreign currency are converted into domestic currency at the EBC exchange rate used by the Bank of Slovenia valid on the date when an obligation arises. The exchange-rate difference up to the balance-sheet date is recognised as a financial expense.

Short-term operating liabilities include short-term liabilities to suppliers, liabilities based on advances, as well as short-term financial and operating liabilities to others.

Short-term liabilities are initially entered as amounts recorded in the corresponding documents, based on the assumption that the creditors will request a discharge of the debt.

Short-term liabilities to foreign parties are converted into domestic currency on the date when these obligations arise. The exchange-rate difference up to the balance-sheet date is recognised as a financial expense.

SHORT-TERM ACCRUALS

Table 55

SHORT-TERM ACCRUALS

IN EUROS

	31 DEC 2009	31 DEC 2008
Accrued costs or expenses	72,195	15,776
Short-term deferred revenues	96,266	41,244
VAT on given advances	197,737	909,791
TOTAL	366,198	966,811

Short-term accruals include received invoices for given advances, or issued invoices for received advances charging for the value-added tax, mainly for Impol Seval due to advances.

OFF-BALANCE-SHEET RECORDS

Table 56

OFF-BALANCE-SHEET RECORDS

IN EUROS

	31 DEC 2009	31 DEC 2008
Goods received for consignment	193,579	0
Other	18,349,067	51,621,201
TOTAL off-balance-sheet records	18,542,646	51,621,201

With the off-balance-sheet accounts the group follows the liabilities relating to securities and other guarantees not shown as liabilities in the balance sheet. The off-balance-sheet records for 2008 were adjusted. With the off-balance-sheet accounts we follow the balance of derivative instruments (hedgings, etc.). The effects arising from derivative instruments are initially reflected in revenues, expenses, receivables and payables.

OPERATING REVENUES

Table 57

OPERATING REVENUES

IN EUROS

	OPERATING REVENUES GAINED WITH THE COMPANIES			
	ASSOCIATES	OTHERS	2009	2008
A. OPERATING REVENUES				
Net sales revenues	302,926	303,481,004	303,783,930	445,927,269
Value adjustment of the inventories of products and work in progress		927,881	927,881	1,243,460
Capitalised own products and services		2,906	2,906	6,031
Other operating revenues	0	2,789,471	2,789,471	3,015,795
TOTAL	302,926	307,201,262	307,504,188	450,192,555
B. OTHER OPERATING REVENUES				
Revenues from the disposal of provisions			496,260	430,423
Revenues from mergers (revaluation surplus – negative goodwill)			0	9
Other revenues related to business performance (subsidies, grants, supports, compensations, premiums, etc.)			1,721,862	2,543,651
Operating revenues from revaluation			571,349	41,712
TOTAL			2,789,471	3,015,795
C. OPERATING REVENUES FROM REVALUATION				
Relating to the disposal of intangible fixed assets			300	0
Relating to the disposal of tangible fixed assets			14,413	28,384
Relating to operating receivables			420,125	2,347
Relating to operating liabilities			136,511	10,981
TOTAL			571,349	41,712

More detailed information on the net sales revenues is included in the section Markets and Customers on page 26.

Table 58

NET SALES REVENUES BY AREA

IN EUROS

	2009	2008
Slovenia	35,765,082	53,040,239
associated companies	302,926	113,769
other companies	35,462,156	52,926,470
The EU	239,025,267	355,172,569
associated companies	0	0
other companies	239,025,267	355,172,569
The rest of Europe	17,328,695	22,268,233
associated companies	0	0
other companies	17,328,695	22,268,233
Other markets	11,664,886	15,446,228
associated companies	0	0
other companies	11,664,886	15,446,228
TOTAL	303,783,930	445,927,269

OPERATING REVENUES

In principle the operating expenses for the period are the costs increased by the costs of the opening inventories of completed products and work in progress, and decreased by the accrued costs for the closing inventories. Selling costs and the costs for general activities are entirely included in the expenses as soon as they arise.

We evaluate the inventories on the basis of direct production prices (for more information, see the section Inventories on page 74). We evaluate the inventories of work in progress with respect to the degree of their completion.

For the purpose of completing the accounts for 2009 we used the FIFO method in the entire Impol Group.

COSTS BY FUNCTION GROUP

Table 59

COSTS BY FUNCTION GROUP

IN EUROS

A. ANALYSIS OF COSTS AND EXPENSES	PRODUCTION COSTS	SALES COSTS	GENERAL-ACTIVITIES COSTS	TOTAL 2009	TOTAL PURCHASE IN 2009 FROM:			TOTAL 2008
					GROUP COMPANIES	ASSOCIATED COMPANIES	OTHER COMPANIES	
PURCHASE COSTS OF GOODS AND MATERIALS SOLD	852,921	26,198,681	191	27,051,793	0	0	27,051,793	51,442,287
Costs of materials	198,056,799	2,620,698	243,278	200,920,775	0	158	200,920,617	297,519,136
Costs of services	9,963,419	6,233,671	3,879,373	20,076,463	0	1,514,097	18,562,366	25,662,293
Labour costs	24,245,009	1,330,372	5,158,471	30,733,852	0	0	30,733,852	34,363,019
Depreciation	10,554,672	59,416	1,469,432	12,083,520	0	0	12,083,520	15,676,845
Operating expenses from revaluation*	222,535	31,729	183,411	437,675	0	0	437,675	2,880,760
Provisions	33,574	3,680	18,302	55,556	0	0	55,556	137,624
Other operating expenses	537,945	39,104	354,199	931,248	0	0	931,248	1,241,436
TOTAL	244,466,874	36,517,351	11,306,657	292,290,882	0	1,514,255	290,776,627	428,923,400

B. OPERATING EXPENSES FROM REVALUATION*	2009	2008
Relating to intangible fixed assets	0	0
Relating to tangible fixed assets	226,663	29,262
Relating to non-current assets	0	0
Relating to inventories	5,919	26,205
Relating to operating receivables	205,093	2,825,293
Relating to operating payables	0	0
Relating to labour costs	0	0
Relating to investment property	0	0
TOTAL	437,675	2,880,760

C. BREAKDOWN OF LABOUR COSTS	2009	2008
Cost of salaries	20,778,452	23,892,820
Pension-security costs	3,630,829	5,005,891
Other social-security costs	1,775,952	1,364,304
Other labour costs	4,548,619	4,100,004
TOTAL	30,733,852	34,363,019

The above costs and expenses are presented, in detail, in the table entitled Consolidated Profit-and-Loss Account on page 58.

FINANCIAL REVENUES AND EXPENSES

Table 60

FINANCIAL REVENUES AND EXPENSES

IN EUROS

A. FINANCIAL REVENUES FROM FINANCIAL ASSETS	TOTAL 2009	RELATING TO		TOTAL 2008
		ASSOCIATES	OTHERS	
Financial revenues from shares – profit shares, dividends	117,833	6,969	110,864	74,209
Financial revenues from other investments	1,585	0	1,585	1,004
Financial revenues from other investments – revenues from the sale of short-term financial assets	0	0	0	7,340
Financial revenues from lending – interest	348,505	10,498	338,007	259,199
Financial revenues from lending – exchange-rate difference	0	0	0	0
Financial revenues from operating receivables – interest	173,684	440	173,244	249,727
Financial revenues from operating receivables – exchange-rate difference	5,565,979	0	5,565,979	12,012,112
Financial revenues from financial assets distributed on the basis of fair value through profit-and-loss account – other investments	283,077	0	283,077	0
TOTAL	6,490,663	17,907	6,472,756	12,603,591

B. FINANCIAL EXPENSES FOR FINANCIAL ASSETS	2009	2008
Financial expenses for loans (without bank loans) – interest	71,851	71,851
Financial expenses for loans (without bank loans) – exchange-rate difference	10,590	10,590
Financial expenses for bank loans – interest	9,972,904	9,972,904
Financial expenses for other financial liabilities – interest	12,457	12,457
Financial expenses for other financial liabilities – exchange-rate differences	2,610,911	2,610,911
Financial expenses for operating liabilities – interest	116,331	115,448
Financial expenses for operating liabilities – exchange-rate differences	7,873,947	7,873,947
Financial expenses for financial assets distributed on the basis of fair value through profit-and-loss account	136,154	136,154
Financial expenses for impairment	0	0
TOTAL	20,805,145	25,260,693

C. FINANCIAL EXPENSES FOR OPERATING LIABILITIES	2009	2008
Financial expenses relating to liabilities to suppliers – interest	5,991	5,108
Financial expenses relating to liabilities to suppliers – exchange-rate differences	11,493	11,493
Financial expenses relating to liabilities related to bills of exchange – interest	0	0
Financial expenses relating to other operating liabilities – interest	110,340	110,340
Financial expenses relating to other operating liabilities – exchange-rate differences	7,862,454	7,862,454
TOTAL	7,990,278	7,137,961

The above tables only include those categories that actually show revenues or expenses.

OTHER REVENUES AND EXPENSES

Table 61

OTHER REVENUES AND EXPENSES

IN EUROS

OTHER FINANCIAL REVENUES AND OTHER REVENUES	TOTAL 2009	RELATING TO		TOTAL 2008
		ASSOCIATES	OTHERS	
Subsidies, grants and similar revenues not related to the business performance	65,598	0	65,598	60,109
Received compensations and payments of fines	507,270	0	507,270	280,085
Recovered written-off receivables	454	0	454	1,876
Other revenues	49,909	0	49,909	151,752
TOTAL	623,231	0	623,231	493,822
OTHER FINANCIAL EXPENSES AND OTHER EXPENSES				
Fines and compensations	7,791			81,224
Other expenses	32,328			81,343
TOTAL	40,119			162,567

If the equity of the group is revaluated with respect to the increase in consumer prices (by 1.8%), the profit of the group is lower by 1,027,436 euros, excluding the effect of the corporate income tax.

INCOME TAX

Table 62

INCOME TAX

IN EUROS

	2009	2008
Impol 2000, d.d.	93,856	0
Impol, d.o.o.	196,598	1,574,772
Impol LLT, d.o.o.	78,112	14,332
Impol FT, d.o.o.	0	0
Impol PCP, d.o.o.	0	1,131,900
Impol RR, d.o.o.	22,623	16,549
Impol Infrastruktura, d.o.o.	43,555	56,533
Unidel, d.o.o.	0	0
Stampal SB, d.o.o.	33,236	116,055
Kadring, d.o.o.	12,301	15,982
Impol Stanovanja, d.o.o.	39,463	23,060
Štatenberg, d.o.o.	0	0
Impol-Montal, d.o.o.	569	1,792
Impol Servis, d.o.o.	3,362	37,057
Impol Seval, a.d.	0	0
Impol Aluminum Corporation	7,074	8,735
Impol Stan, d.o.o.	0	36
Impol Seval Tehnika	0	0
Impol Seval Final	733	0
Impol Seval PKC	507	0
Total income taxes	531,989	2,996,803

OTHER DISCLOSURES

The members of the Management Board were as follows:

- Jernej Čokl, president
- Janko Žerjav, member
- Vlado Leskovar, member

The members of the Supervisory Board were as follows:

- Milan Cerar, president
- Tanja Ahaj, deputy president
- Jože Kavkler, member
- Adi Žunec, member

Payments to Management Personnel:

Table 63

PAYMENTS TO SUPERVISORY BOARD MEMBERS, MANAGEMENT BOARD MEMBERS, AND DIRECTORS OF ALL THE GROUP COMPANIES

IN EUROS

PAYMENTS TO MEMBERS OF MANAGEMENT AND SUPERVISORY BOARDS	2009	2008
Members of the Management Board and directors of group companies	1,845,885	1,765,683
Members of the Supervisory Board	30,480	35,290
Employees with individual contracts	1,729,596	2,536,481
TOTAL	3,605,961	4,337,454

The table shows the actual income for the calendar year.

The company has no claim on the members of the Management Board and the Supervisory Board, or on the employees with individual contracts.

The amount (cost) spent for the auditor (Companies Act-1, Article 69, first paragraph, point 17)

Table 64

THE AMOUNT (COST) FOR THE AUDITOR (COMPANIES ACT-1, ARTICLE 69, FIRST PARAGRAPH, POINT 17)

IN EUROS

THE AMOUNT (COST) FOR THE AUDITOR (COMPANIES ACT-1, ARTICLE 69, FIRST PARAGRAPH, POINT 17)	2009	2008
Auditing of the annual report	90,667	72,757
Other auditing services	0	0
Taxation advisory services	0	0
Other non-auditing services	0	0
TOTAL	90,667	72,757

AUDITOR'S REPORT



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, which include the consolidated balance sheet as at December 31, 2009, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and the related notes. We have also reviewed the company's management business report.

Management's Responsibility

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with Slovene Accounting Standards. This responsibility includes maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require meeting all ethical requirements as well as planning and performing the audit to obtain reasonable assurance so that the financial statements are free from material misstatement.

The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's assessment and include assessing the risks of material misstatement of the financial statements, whether due to fraud or error. When assessing those risks, the auditor considers internal control relevant to the entity's preparation of the financial statements as a basis for designing audit procedures that are appropriate in the circumstances, rather than expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by the management, as well as evaluating the overall financial statement presentation and disclosures.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with Slovene Accounting Standards.

Company's management business report is consistent with the audited financial statements.

Without warranting a reservation we draw attention to the fact that the Company did not expose any information on payments to the members of the managing and supervision authorities in its annual report in the manner, prescribed by the fifth paragraph of Article 294 of the Companies Act.

Ptuj, April 30th 2010

General manager
DSc. Erika Turin,
Certified auditor



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

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ANNUAL REPORT OF THE IMPOL GROUP 2009

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Translated by **MIRJAM NOVAK**

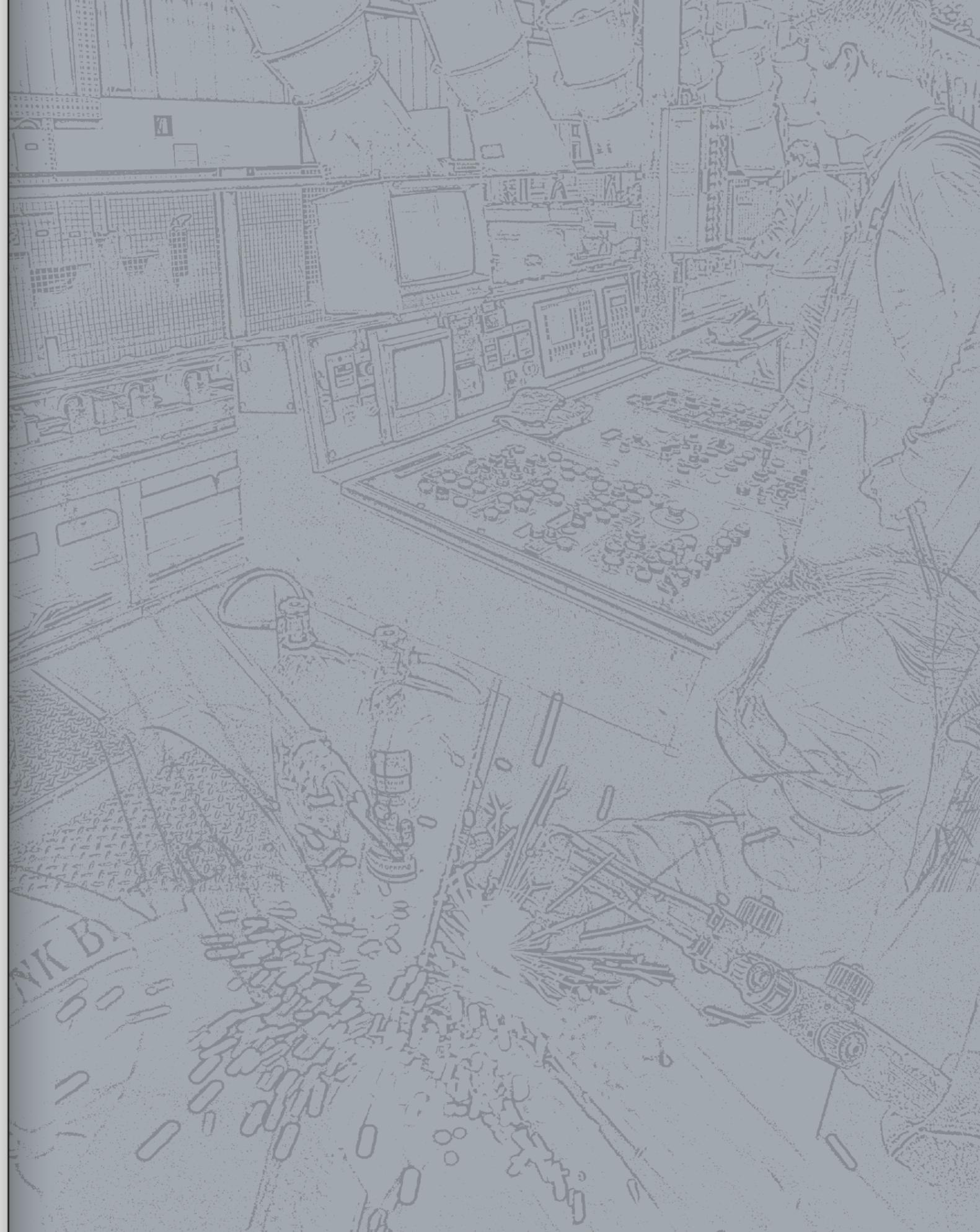
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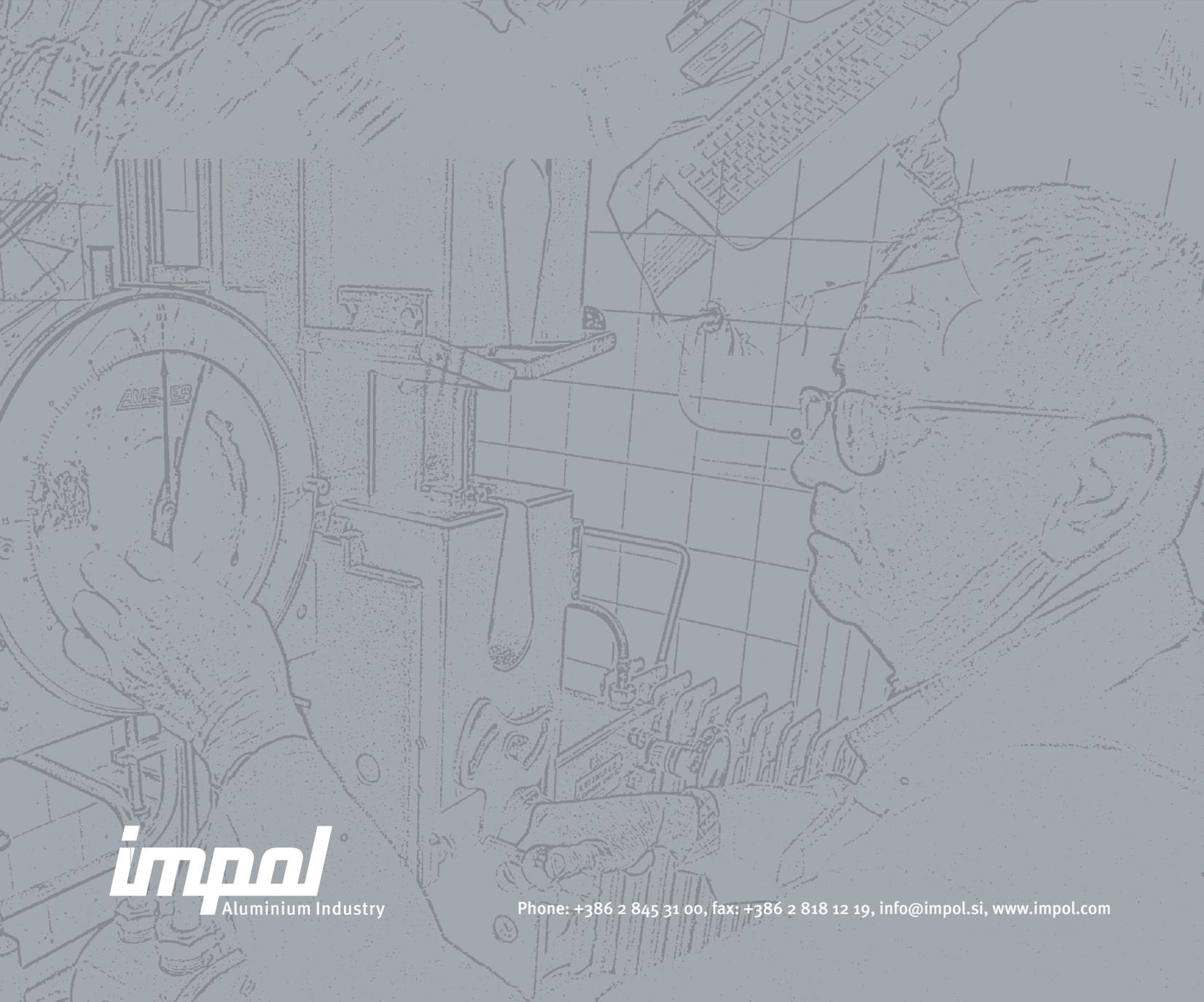
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