2015

STEADILY TOWARDS THE TOP

ANNUAL REPORT OF THE IMPOL GROUP AND OF IMPOL 2000 D.D.

impol
Aluminium Industry

Growth in consolidated net sales revenues

Net debt to EBITDA ratio

Net profit


Volume of export
EUR 520 million
Added value per employee
EUR 54,712
6th
largest Slovenian exporter

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We have achieved …

23%

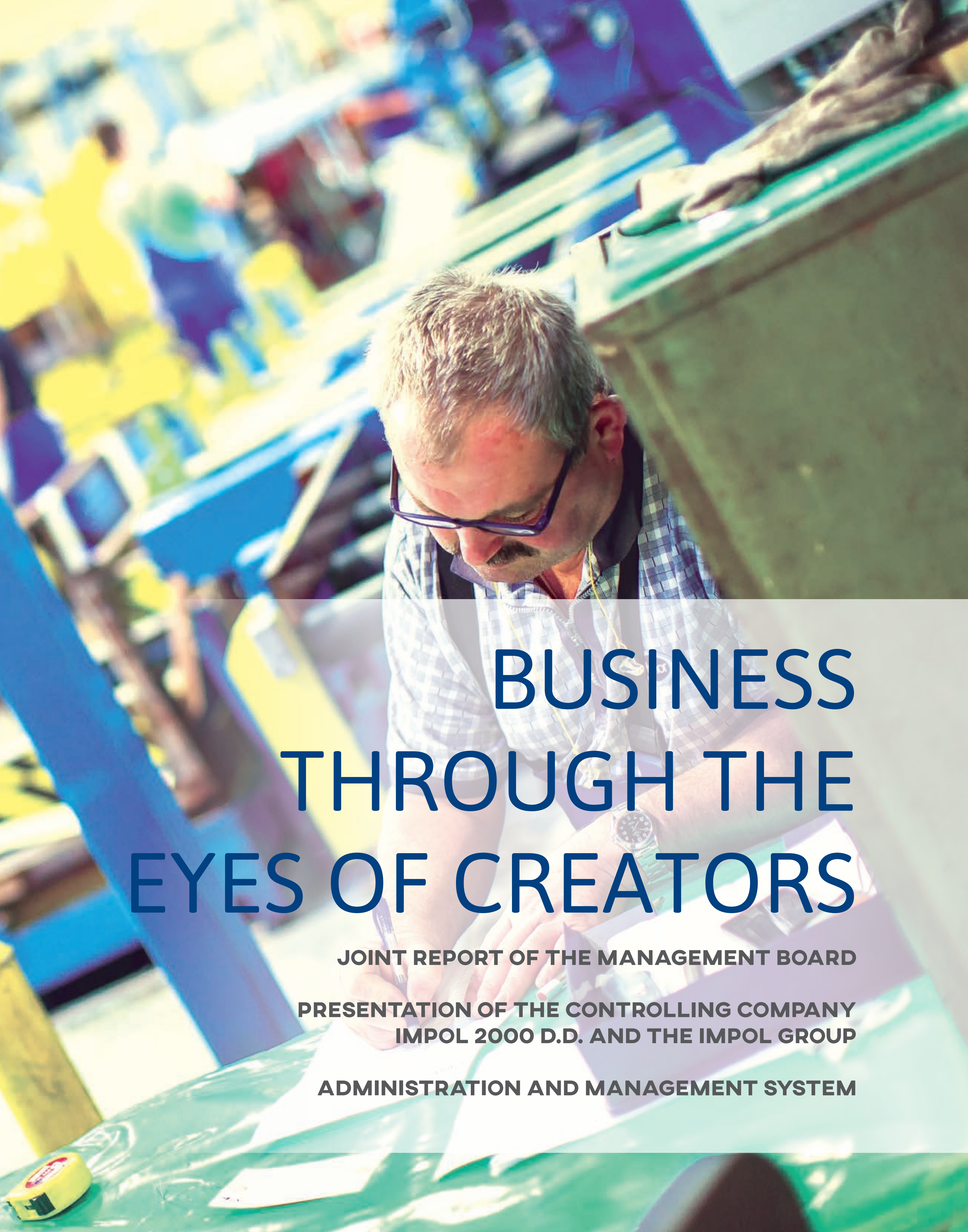
increase in EBITDA

12%

increase in net sales revenue as compared to 2014

19%

growth in added value per employee as compared to the previous year



BUSINESS THROUGH THE EYES OF CREATORS

JOINT REPORT OF THE MANAGEMENT BOARD

PRESENTATION OF THE CONTROLLING COMPANY IMPOL 2000 D.D. AND THE IMPOL GROUP

ADMINISTRATION AND MANAGEMENT SYSTEM

JOINT REPORT OF THE MANAGEMENT BOARD AND EXECUTIVE DIRECTORS ON THE OPERATIONS OF IMPOL 2000 D.D. AND THE IMPOL GROUP IN 2015

Distinguished Shareholders and all other Stakeholders!

In 2015, Impol celebrated its 190th anniversary of continuous operations – of which 70 years under the name of Impol. Since this was the year of its anniversary, Impol commemorated it appropriately. With its successful operations, Impol remains one of the companies in Slovenia with the longest continuous operations. For the very first time, the revenues exceeded half a billion.

As at 1 January 2015, the Impol Group changed the form of governance in its holding company Impol 2000 d.d. from two-tier governance which was in place at the time to one-tier governance. Thus, during the whole year the one-tier system of governance was in place and the Management Board assesses that this mode of the company governance allowed them to quickly adopt adequate business measures, which to some extent contributed to the fact that in 2015 Impol achieved the best business results in its long history. With its permanent presence, the Management Board ensured constant control of operations and adopted measures in line with the needs, and defined the guidelines for further operations in the form of amendments to plans and strategies. In 2015, the Management Board adopted 106 resolutions at nine meetings and numerous correspondence meetings.

In the organisation of its business processes, the Impol Group ensures transparency by consistently adhering to the Impol Code of Business Conduct revised in 2015 and adopted by the Management Board. The activities of the Management Board also ensure consistent provision of the Code provisions.

In areas which have a significant negative impact on the results of Impol's operations, there were fewer fluctuations in individual periods of 2015 than in the previous years. Throughout the year, a tendency of falling prices of aluminium raw materials was present, both of the base stock price as well as of purchase premiums. However, as sales premiums remained stable throughout the year, the increasing difference between the sales premium and purchase premium translated in a better operating result.

Even the financial environment saw significant changes throughout the year. The access to additional leverage continued to be available on a limited scale, the procedures for obtaining additional funds for the financing of the business process continued to be lengthy, requiring additional collaterals; however, the costs of additional external financial resources became increasingly lower and towards the end of the year probably already reached the very bottom. Due to limitations, Impol decided to issue bonds and towards the end of the year successfully conducted the sale of EUR 50 million and thus created the basis for increasing the maturity of funding with the credit leverage, and acquired long-term resources to finance the next cycle of investments which will support long-term growth and development.

On the sales market, the tendency of customers to only select those suppliers that possess the ability to deliver ordered goods in shorter delivery periods is still present. Impol was thus able to obtain orders only by being able to guarantee their delivery within increasingly shorter delivery periods. The segment of technically more demanding customers, and thus the share of products with higher added value, is steadily increasing. More demanding customers expect that the Impol Group manages the entire production process of an individual product and they stipulate this as a condition for further cooperation.

In terms of purchases, negative information from the political environment affects the trust of suppliers, resulting in suppliers being present as a source of financing only to a limited extent. We only cooperate with those suppliers who consider the operation of the Impol Group successful, as evidenced by most comprehensive and completely credible disclosures.

Concurrently with the provision of the best possible conditions for operations, Impol intensively focused on new strategies in all areas of its activities throughout the year, especially in the field of rolled product programme.

Diligent risk monitoring and constant attempts to optimise sources of finance improved the structure of sources of finance in such a way that, in addition to all investments in fixed assets, the Company also finances 50% of its current assets with non-current sources of finance, which is a significant improvement in comparison with the previous years. Thus the safety of operations has significantly improved and the reaction time which in some cases plays a decisive role when entering sales and also purchase markets has shortened. Most importantly, Impol finances more than 35% of its investments with equity.

In the provision of raw materials and energy, Impol continues to make great efforts in the provision of long-term arrangements. New supply sources are being included. Considerable efforts were made throughout the year to ensure new sources of input raw materials to meet the needs of the rolled product programme. On the basis of a continuously updated programme, Impol prudently invests in the information system upgrades to fully control the entire field of operations, all in order to guarantee continuous control over the entire business process at the lowest acceptable costs.

Impol undertook training in all programmes that enabled it to react to demands made by customers with regard to delivery periods as an important element in the selection of a supplier, thus facilitating the delivery of ordered goods in shorter delivery periods. Shorter delivery periods also constituted one of the conditions for continuous ordering. Therefore, the volume of orders as part of inventories remains relatively unchanged. It is, however, more likely to gain new orders in a timely fashion. Such an orientation is also regarded as acceptable for our future operations. Impol also made progress in terms of quality by providing its customers with more technological routes and thus improving the safety of production and guaranteeing delivery periods.

In general, Impol finds that moderate optimism prevails in most markets and to some extent this atmosphere also continues in 2016.

The share of operations on the domestic market remains at a low level, resulting from the fact that the domestic market is extremely small compared to Impol's capacities, whereas Impol needs to continuously grow. Taking into account small domestic market, production and sales growth can therefore only be generated in exports that are playing an increasingly important role. In 2015, Impol generated 94% of revenues in external markets, and even 95% regarding the aluminium programmes.

Impol's production portfolio continues to be diversified, with several product programmes, and this is continuously proven as a market niche advantage that can guarantee a more comprehensive range of products to a certain group of customers, and also reduces our susceptibility to fluctuations in the market, as it happens very rarely for a crisis to take place in all programmes at the same time.

In 2015, market conditions regarding the extruded, forged and stamped product programmes were normal, in the rolled product programme; however, they considerably improved compared to the previous years. Impol kept providing higherquality products on the basis of improved quality control and new machines, adjusted to new conditions with concrete organisational steps, and it was able to complete orders in significantly shortened delivery periods. It also monitored the developments in all programmes and acted accordingly, eliminating bottlenecks in production processes through minor dedicated investments, and updating the methods of organisation and management.

As input materials, most of our products are intended for the means of transport industry, pharmaceutical industry, food industry, electrical industry, construction business and retail. The building industry market is still experiencing recession, whereas the market of customers engaged in the means of transport industry is strongly increasing. Impol is more focused on the technically demanding programme. Problems in the market segments in recession are neutralised successfully by shifting to areas with greater potential.
Forecasts for a longer period of time are fairly optimistic as increased annual GDP growth is expected for Impol's major markets, meaning that greater demand than that seen in 2015 can be expected. These forecasts exclude the domestic market for which no significant growth potential can be identified. Impol is thus slowly turning into an almost entirely export-oriented company.

In 2015, the European Union, where more than 83% of all our products are sold, continued to constitute Impol's main market. The Eastern European market grows slowly. As most of Impol's products are sold to other manufacturers where they are subject to processing or installation in their own products, it is very important that their distance from Impol enables the provision of high quality sales and after-sales services. Therefore, only sell an extremely low volume of Impol's production programme can be sold globally. Impol has thus decided to act globally only with a selected part of the production programme and to continue with its present organisational forms.

Impol continues to intensively implement changes in sales channels by increasing the volume of sales that requires both direct connections and integration of Impol's development and production processes in the processes of our customers. This type of sales already reaches 55% of total sales.

According to the forecasts for 2016:

- the volume of sales of our products with a higher added value (pre-painted strips and sheets, difficult-to-work alloy foils and rods) will continue to increase,
- the volume of the sales of strips, sheet and foils will continue to increase by including the additional programme of Impol-TLM, a company established at the end of last year,
- the capacities of our extruded product programme will further enhance,
- the European market will be retained,
- the volume of products that play a significant role in our niche programmes will increase,
- volume of sales in the USA will increase by reorganising the sales,
- we will continue to conquer the Eastern European markets despite the crisis, and
- the good reputation of the Impol brand will be additionally strengthened as a reliable and renowned provider of a broad range of aluminium products.

If we examine the contribution to the achieved business results for 2015 from the viewpoint of achieved net cash flows by individual programmes of operations, we can establish that the rolled product programme created 44% of total net cash flow of the Impol Group, whereas the extruded product programme contributed 49%; other activities also made a significant contribution by providing 7% of total net cash flow of the Group and we will, therefore, continue to promote programme diversification. Operating conditions on sales and financial markets as well as on the domestic market have mainly stabilised. The Company will continue to establish appropriate provisions for periods of negative cyclical fluctuations and develop those activities that will provide the Group with advantages in selected niches.

The movement in aluminium purchase prices which fell over the year in both parts, the one formed on the stock exchange as well as purchase premiums which are formed depending on market trends. Both had a significant impact on business results in 2015. In both areas, prices decreased, while the decline in stock prices directly reflected in the sales prices. The purchase premiums affected the selling prices of Impol's products a bit later.

In 2015, the aluminium market continued to experience practically no significant organisational and ownership changes. China, however, continues to establish itself as the leading manufacturer in this field, producing almost half of all extracted aluminium in the world. Given that in 2015 as well aluminium production exceeded aluminium consumption, Impol estimates that there is no risk of experiencing a lack of aluminium globally, although there are still interruptions in its supply on the European market. As a result of an absolute lack of primary aluminium production, Europe continued to experience a rise in demand for secondary aluminium that is causing a continuous rise also in the purchase price thereof.

Attempting to pursue its development goals and to control the growth of the volume of operations and the rise in aluminium prices in 2015, Impol invested about EUR 14 million in fixed assets intended to complete projects that were already started in previous years, and most of all to eliminate minor bottlenecks. This year, the implementation of a number of important development projects was prepared in parallel, which will be fully implemented in 2016 and 2017 in the amount exceeding EUR 50 million and for which the funds have been provided with the successfully conducted issue of bonds of a total value of EUR 50 million before the end of 2015. Due to the fall in aluminium raw material prices, Impol did not have to invest in fixed assets.
Given the results achieved, investments in Impol are profitable and safe since the results achieved enabled a timely and full settlement of all liabilities, and facilitated the organisation of uninterrupted operations. In 2015, Impol maintained its dependency on bank loans at the level of the previous year, and Impol additionally obtained the sources to finance long-term development investments with the issue of bonds.

Table 1: Trends in EBITDA and EBITDA

*EBITDA = operating profit + depreciation
**Net debt = non-current financial liabilities + current financial liabilities – cash and cash equivalents – short-term financial assets

Year / Indicator	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EBITDA *	27,425	53,859	36,841	27,297	30,343	41,883	39,579	36,721	39,429	48,382
Change in EBITDA	1.04	1.96	0.68	0.74	1.11	1.38	0.94	0.93	1.07	1.24
Net debt**	181,453	220,494	208,197	187,493	204,338	190,417	184,684	151,611	156,704	117,962
Net debt / EBITDA	6.65	4.09	5.65	6.87	6.73	4.55	4.67	4.13	4.00	2.44

Impol decided to adjust the debt level to the needs for investment in development projects and projects intended to increase the volume of operations on the one hand, and to the requirement that liabilities arising from debt should be settled in accordance with the expectations of creditors on the other hand. This is one of the main concerns of Impol, which is demonstrated by the long-term movement of ratio between net debt and the achieved EBITDA.

In 2015, Impol pursued the following basic goals:

- **generation of EUR 16.2 million in profit and**
- **generation of net cash flow in the amount of EUR 33 million,**
- **sales of 184 thousand tonnes of aluminium products.**

In the end:

- **the volume of quantitative sales was realised in the amount of 189 thousand tonnes,**
- **the Group nominally generated a net cash flow* in the amount of EUR 38.3 million and**
- **net profit after tax in the nominal amount of EUR 22.5 million.**

*Cash flow = net profit/loss after tax + depreciation + difference between the balance of provisions and accrued expenses and deferred income at the end of 2015 compared to 2014

Although almost all sales are realised outside Slovenia and consequently the exposure to risks and costs is greater, all objectives were met as expected and the result matches the anticipations and total result is as expected. Impol managed to succeed by restructuring its programmes to focus more on the products with a higher value added and by actually increasing the sales by more than 3 percent.

Comparisons with the preceding year and with our plans show:

- that Impol increased total revenue compared to the revenue achieved in the preceding year by 12%,
- that 2015 saw some more favourable effects on the Group's operations, evidenced by
- reduction in prices of input raw materials, which did not have to be fully reflected in the sales prices,
- growth of markets in technologically advanced fields,
- more stable cross-currency relations and thus less negative exchange rate differences,
- possibility of quality collaterals,
- the profit generated was higher than planned and the one generated in the preceding year, which enables Impol to plan more ambitious development projects,
- that the achieved net cash flow, EBIT and EBITDA are higher than those achieved in the previous year, and higher than planned.

The shares of Impol 2000 d.d. are not quoted on a regulated market and Impol 2000 d.d. enables its shareholders to determine the value of their investment by objectively showing the value of the company in its financial statements. The book value of capital per share in the holding company of the Group, Impol 2000 d.d. rose by almost 4.1% in the past year as well and amounted to almost EUR 51.66/share at the end of the year. The consolidated book value of capital, excluding minority owners, per share in the Impol Group rose by 20% and amounts to as much as EUR 108.57/share. Based on the business results achieved, orientations in the strategy until 2020 and forecasts in our plans for 2016, the Impol Group will establish dividends for its shareholders in the amount of EUR 1.41 per share with the changed policy on dividends. It must be emphasised, however, that in order to provide comprehensive information to the shareholders and other stakeholders on the basis of a decision adopted by the Management Board of Impol 2000 d.d. data is provided in accordance with the Impol Code of Business Conduct and the Rules on communications in the Impol Group.

The fundamental orientations of the Impol Strategy 2014-2020 shall also be followed in 2016. However, fast changes in the environment require certain adjustments to the changed circumstances. The guidelines for 2016 are therefore as follows:

- The development activities in 2016 will prioritise the resolution of problems regarding the two hot rolling mills by integrating the programme of the former TLM Šibenik, and the renewal of a hot rolling mill in Impol Seval and the beginning of launching a new programme of cast rods. Preference will be given to the investments in the market and design of production processes which will enable Impol to utilise the available capacities in subsequent periods. In search of profitable investment opportunities we will especially carefully monitor developments in the market of products for the industry of means of transport.
- With the planned scope of operations in 2016, the Impol Group should, by generating EUR 606 million in total revenue, achieve EUR 48 million in EBITDA, EUR 31 million in EBIT and almost EUR 46,606 in annual added value per employee.
- In terms of aluminium product sales, the majority of sales is still focused on the markets within the European Union. Special attention will continue to be paid to the expansion of the pre-painted strip

market and the acquisition of additional markets for the Impol-TLM programmes. The volume of sales is due to increase by 30,000 tonnes to 218,815 tonnes per year.

- We will continue to pay special attention to insurance against risks caused by changes in raw material prices, exchangerate fluctuations and the conditions on financial markets, and we will upgrade our knowledge which we will promptly apply to manage risks. Due to decreased risks of foreign exchange differences, the already established hedging against exchange rate fluctuations and other fluctuations will be preserved and new methods will also be included. Regarding the risks occurring due to changes in raw material prices, new knowledge will be acquired and immediately used in risk management. We will continue to monitor the risks promptly in terms of all aspects of their occurrence and causes, and will simultaneously adopt measures and perform tasks to eliminate them fully or at least minimise them.
- Changes in the organisation of activities will serve to integrate new programmes causing least possible disturbance.
- A systematic process of training and education of the employees will be set up in order to increase productivity and decrease accidents at work.
- The entire employee stimulation system will still build upon their performance throughout the year. The Company will, however, assume that the net starting salary for even the least challenging jobs enables every single employee to earn a socially acceptable wage.

The activities of all members of the Impol Group will be set in a way that every single measure promotes better results in the Group as a whole.

The greatest attention will still be paid to our regular customers, although a significant part of our efforts will also be directed towards gaining new customers. Impol will pay special attention to products that bring a higher net value added and will simultaneously guarantee the achievement of the quantitative volume of sales as foreseen in our plans, which will ensure the adequate coverage of our fixed expenses.
Sales will continue to be organised mainly on the principles of agents and agencies within the Group; all those engaged will mostly be stimulated by binding them to the sales premium achieved and paid above the price of aluminium on the LME, reduced by the purchase premium. Impol will strengthen all teams involved in the sales and sales procedures.

Investments will mostly pursue the goals which guarantee full utilisation of all available capacities as well as a higher level of business stability and safety of operations. Sources for financing investments of long-term character will be acquired mostly from external sources, whereas shortterm investments will be in compliance with the movement in raw material prices and the need to guarantee day-to-day liquidity.
Impol will continue to optimise and upgrade the comprehensive information system which will be used at the Group level.

When acquiring major business stakes in other companies, Impol will pursue the goals of including especially those programmes that upgrade the existing programmes or supplement them in terms of a higher added value, while taking into consideration the fact that the integration of new programmes must not weaken the composition of sources for financing the entire process as in this case the share of liabilities would increase. Impol will also continue to form stronger alliances in the aluminium industry, especially in the Balkans, whereas investments outside this area will mostly concentrate on extending the sales net-work.

In order to optimise its costs, Impol will continue to promote outsourcing of a large part of its services outside the Group such as: Alcad – informatics, Ates, Simfin – finance and accounting, Tehnika-SET – maintenance, etc.

External sources in a form of leverage will be included into the Impol Group through the Group companies with sufficient assets to provide for adequate collateral for obtained additional non-proprietary sources of financing. Financing within the Group will be carried out under external conditions and will include the costs of providing funds. Individual companies of the Group can also participate in financial markets independently, subject to a prior consent of Impol's Management Board.

Supply of raw materials will continue to give priority to those purchase sources that guarantee long-term business cooperation with Impol under conditions agreed upon in advance. When purchasing aluminium raw materials, we will continue to include all available sources if the provided raw materials are of appropriate quality. In order to ensure the highest level of autonomy in providing adequate input raw materials with a higher value added achieved within the Impol Group, Impol will pay special attention to improvements in this field, and will start with the introduction of a uniform and comprehensive information system to support the purchasing in most parts of the Group.

Regarding the information system management, we will continue to guarantee the consistency of data with the inclusion of the IT Supervisory Board.

The information system will be upgraded towards an integrated information system in all companies of the Group. Through continuous audit procedures of functioning of the information system which were introduced during the previous years, Impol will guarantee optimal introduction of new or improvement of the existing parts of the information system mainly by consistently observing the principle of management of the data exchange system through its information backbone. Economic viability will be at the forefront in that regard.

The basic rules of the functioning of the Impol Group laid down in Impol Code of Business Conduct remain unchanged. They will be amended if necessary, but only on the basis of carefully verified needs resulting from the changed conditions on the market.

The dividend policy in 2016 will be applied in accordance with the guidelines laid down in the long-term strategy so that the shareholders will be provided with higher dividend yields, which will, however, not represent a significant additional burden for the holding company of the Impol Group.

Jernej Čokl
(President of the Management Board)

Vladimir Leskovar
(Vice President of the Management Board)

Janko Žerjav
(Member of the Management Board)

Milan Cerar
(Member of the Management Board)

Bojan Gril
(Member of the Management Board)

Edvard Slaček
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

PRESENTATION OF THE PARENT COMPANY IMPOL 2000 D.D. AND THE IMPOL GROUP

Parent Company

In compliance with the Companies Act, Impol 2000 d.d. with the registered office in 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. With the issue of bonds at the end of 2015 the company was transformed to a public limited company.

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 70.100, 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 in-kind 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 at 15 February 2000, the Company's share capital amounted to EUR 4,451,540.

The Company's share capital is divided into 1,066,767 registered pro rata shares.
The book value of a share of Impol 2000 d.d., as at 31 December 2015 is as follows:

Table 2: Book value of a share of Impol 2000 d.d. (the holding company of the Impol Group) in EUR

Year	Book value of a share of Impol 2000 d.d. (the holding company)	Book value of a share: consolidated – including the equity of minority shareholders	Book value of a share: consolidated – excluding the equity of minority shareholders
2015	51.66	119.58	108.57
2014	49.61	99.88	91.04
2013	47.93	89.61	80.54
2012	45.88	77.78	69.83
2011	40.85	69.21	61.21
2010	36.19	56.46	49.90
2009	32.13	52.75	46.41
2008	26.54	53.33	47.27
2007	23.70	50.19	42.06

Companies in the Impol Group

Consolidated accounts include all companies in which the Impol Group holds more than 50% management rights, meaning that Simfin d.o.o., Alcad d.o.o., Impol Brazil and Slobodna carinska cona are not included in the consolidation. The latter are included as associated companies using the equity method.

The Impol Group operates within the holding company, Impol 2000 d.d. with its direct subsidiaries Impol d.o.o., Rondal d.o.o., Impol Hungary Kft. and Impol Servis d.o.o. and from 15 September 2015 also a company in Croatia which was named Imaginacija Aluminium d.o.o. with a 65-percent equity stake, and from 10 March 2016 it has been called Impol-TLM d.o.o. and the ownership is now 100% and from 2 March 2016 it also owns Adrial Ulaganja d.o.o. with its registered office in Croatia, and Impol d.o.o. operates with thirteen active subsidiaries, four active subsubsidiaries, and two active associated companies (Table 3).

Table 3: Active companies in the Impol Group

	Company	Share
Impol 2000 d.d. – the holding company – directly controlling the following:		
1	Impol Servis d.o.o. (controls 27.4% of Unidel d.o.o.)	100%
2	Impol d.o.o. with the following subsidiaries:	97.5%
2.1	Impol Seval a. d., Srbija with the subsidiaries:	70%
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%)	
2.1.4	Impol Seval President d.o.o. (100%)	
2.1.4	Slobodna carinska cona (33,33%)	
2.2	Impol LLT d.o.o.	100%
2.3	Impol FT d.o.o.	100%
2.4	Impol PCP d.o.o.	100%
2.5	Stampal SB d.o.o.	100%
2.6	Impol R in R d.o.o.	100%
2.7	Impol Infrastruktura d.o.o.	100%
2.8	Impol Aluminum Corporation, New York (ZDA)	90%
2.9	Impol Stanovanja d.o.o.	100%
2.10	Štatenberg d.o.o.	100%
2.11	Unidel d.o.o. (27.4% owned by Impol Servis d.o.o.)	72.6%
2.12	Impol-Montal d.o.o.	100%
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%
3.	Rondal d.o.o.	100%
4.	Impol Hungary Kft.	100%
5. associated	Impol Brazil	50%
6.	Imaginacija Aluminium d.o.o., in March 2016 it was renamed into Impol-TLM d.o.o.	65.0%, since 2 March 2016 100%

Of 26 Group companies, 9 operate abroad (eight in 2015). Impol Hungary Kft. and Impol-TLM d.o.o. are direct subsidiaries of Impol 2000 d.d. whereas two subsidiaries of Impol d.o.o. also operate abroad: IAC, New York, USA, and Impol Seval a. d., Serbia, which is the 100% owner of four companies. Consolidated calculations include all companies in which the Impol Group holds more than 50% management rights, meaning that Simfin d.o.o., Alcad d.o.o., Impol Brazil and Slobodna carinska cona are not included in the consolidation.

Table 4: Subsidiaries where Impol 2000 d.d. exercises direct influence

Subsidiary – direct influence	Balance of the investment as at 31 Dec 2015	Balance of the investment as at 31 Dec 2014	Stake in %	Capital as at 31. Dec 2015 in EUR	Net profit or loss in 2015 in EUR
Impol Servis d.o.o, Partizanska ulica 38, Slovenska Bistrica	245,037	245,037	100	900,493	42,444
Impol d.o.o., Partizanska ulica 38, Slovenska Bistrica	67,588,863	67,588,863	97,5387	98,702,781	6,414,366
Rondal d.o.o., Partizanska ulica 38, Slovenska Bistrica	100,000	100,000	100*	7,681,123	601,715
Impol Hungary Kft., Vecsey Karoly ulica 7, Budapest, Hungary	0	1,724	100	-3,513,134	-2,446,88
Imaginacija Aluminium d.o.o., Đorđićeva 19, Zagreb, Croatia**	1,745	0	65	-99,232	-102,175

*At the end of 2011 Impol 2000 d.d. signed a contract on the purchase of a 100-percent stake of Rondal d.o.o. which then became its subsidiary. The transfer was registered in January 2012. As at 31 December 2015, Rondal d.o.o. has a 99-percent own share in the equity of the company, and Impol 2000 d.d., a 1-percent stake, which implies an effective ownership of Rondal d.o.o. by Impol 2000 d.d. (100 percent).
** In September 2015, a company was established in Croatia. At the beginning of March 2016, it was renamed to Impol-TLM d.o.o.

Table 5: Subsidiaries where Impol 2000 d.d. exercises indirect influence

Subsidiary – indirect influence	Registration number	Standard Industrial Classification	Country of the company	Capital as at 31 Dec 2015 in EUR	Net profit or loss in 2015 in EUR
Impol-Montal d.o.o., Partizanska ulica 38, Slovenska Bistrica	5479355	28,120	Slovenia	867,484	163,905
Impol Stanovanja d.o.o., Partizanska ulica 39, Slovenska Bistrica	5598010	70,320	Slovenia	3,296,267	26,102
Štatenberg d.o.o., Štatenberg 86, Makole	5465249	55,301	Slovenia	419,176	241
Unidel d.o.o., Kraigherjeva ulica 37, Slovenska Bistrica	5764769	85,325	Slovenia	927,682	109,228
Impol Aluminum Corporation,New York, USA		51,520	USA	1,546,366	199,312
Impol Seval a. d., Sevojno, Serbia with 4 subsidiaries:	7606265	27,423	Serbia	29,733,460	7,484,391
Impol Seval PKC d.o.o., Sevojno, Serbia	1761824	70,220	Serbia	43,512	1,780
Impol Seval Final d.o.o., Sevojno, Serbia	1761826	69,200	Serbia	82,555	4.294
Impol Seval Tehnika d.o.o., Užice, Serbia	1761825	33,120	Serbia	169,911	19,079
Impol Seval President d.o.o., Zlatibor, Serbia	2070184	55,100	Serbia	-59,353	-44,129
Stampal SB d.o.o., Partizanska ulica 38, Slovenska Bistrica	1317610	28,400	Slovenia	4,647,142	1,019,085
Kadring d.o.o., Trg svobode 26, Slovenska Bistrica	5870941	74,140	Slovenia	727,651	137,788
Impol FT d.o.o., Partizanska ulica 38, Slovenska Bistrica	2239418	28,400	Slovenia	4,948,188	2,513,589
Impol PCP d.o.o., Partizanska ulica 38, Slovenska Bistrica	2239442	28,400	Slovenia	6,679,572	3,426,647
Impol LLT d.o.o., Partizanska ulica 38, Slovenska Bistrica	2239434	27,530	Slovenia	2,042,120	971,287
Impol R in R d.o.o., Partizanska ulica 38, Slovenska Bistrica	2239400	73,102	Slovenia	596,542	107,593
Impol Infrastruktura d.o.o., Partizanska ulica 38, Slovenska Bistrica	2239426	70,320	Slovenia	624,948	159,221

Table 6: Associated companies where Impol 2000 d.d. has indirect influence

*Equity stake in possession of a subsidiary - Impol d.o.o.
**Equity stake in possession of a subsidiary - Impol d.o.o.
***Equity stake in possession of a subsidiary - Impol Seval a. d., majority held by Impol d.o.o.

Associated companies – indirect influence	Country	Stake in %
Simfin d.o.o., Partizanska ulica 38, Slovenska Bistrica*	Slovenia	49.5
Alcad d.o.o., Partizanska ulica 38, Slovenska Bistrica**	Slovenia	32
Slobodna carinska cona	Serbia	33.33

Table 7: Associated companies where Impol 2000 d.d. has direct influence

Associated company – direct influence	Country	Stake in %
Impol Brazil Aluminium Ltda, Rio de Janeiro, Brazil	Brazil	50

Impol 2000 d.d. is the holding company of the Impol Group and is organised as a public limited company. Its capital is divided into 1,066,767 pro rata shares, issued in non-materialised form and registered as such on 5 March 2007. The shares are transferable and are all of the same class. The central share register is kept by the Company on a lawyer trust account. At the end of the year, 960 shareholders were registered.

The entire Board of Impol 2000 d.d. owns 15,182 shares or 1.42% in total. No shares were either acquired or disposed of in 2015.

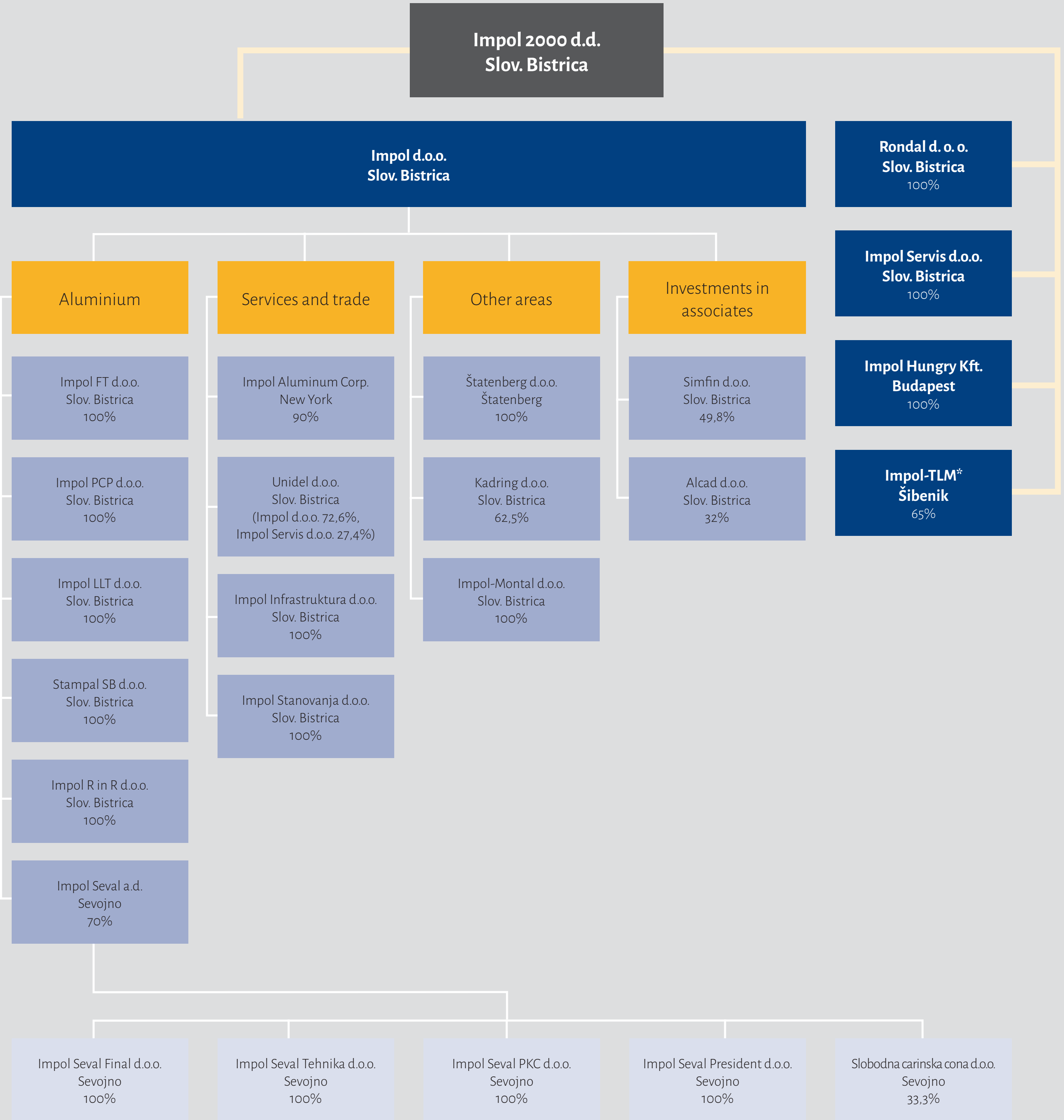
As at 31 December 2015, natural persons held 544,959 shares or 51.085% of the shares.
An overview of the 10 largest shareholders of total 948 shareholders continues to show adequately diversified ownership:

Table 8: Overview of the shareholders as at 31 December 2015

Shareholder	Number of share	Percentage (%)
Bistral d.o.o.	111,449	10.45
Impol-Montal d.o.o.	80,482	7.54
Karona d.o.o.	71,403	6.69
Alu-Trg d.o.o.	58,882	5.52
Upimol 2000 d.o.o.	54,787	5.14
Simpal d.o.o.	53,400	5.01
Alumix d.o.o.	53,400	5.01
Danilo Kranjc	29,993	2.81
Simfin d.o.o.	19,173	1.80
Varimat d.o.o.	17,206	1.61
Others (mainly natural persons)	516,592	48.43

The share ownership structure in 2015 changed in comparison with the share ownership structure as at 31 December 2014 predominantly as a result of a reduced number of shareholders employed in the Impol Group.

Figure 1: The Impol Group organisation



*In 2015, Impol-TLM d.o.o. was called Imaginacija Aluminium d.o.o.

MANAGEMENT AND GOVERNANCE SYSTEM

Management Statement

Statement on the management Impol 2000 d.d. in accordance with paragraph 5 Article 70 of the Companies Act ZGD-1.

1. Reference to a valid Code

Until 14 December 2015, the code of governance entitled the Code of Business Rules of Impol adopted on 19 January 2009 which was never published. Impol 2000 d.d. became a public limited company in December 2015 and as it is a listed company, the Impol Code of Business Conduct was published on 14 December 2015 on the website at http://www.impol.com/about-us/organization/2764. The governance is in line with the provisions of the ZGD-1 and the aforementioned Code. The Company fully respects the above Code.

2. Description of the main features of the internal control systems and risk management in the Company in relation to the financial reporting process

The Company's management is responsible for keeping proper accounts and the establishment of internal controls, ensuring the functioning of internal controls, the selection and application of accounting policies.

To make the systems of internal controls and risk management function, the Impol Group performs the following:

- Unification of accounting policies and their consistent application.
- Introduction of a uniform accounting system that allows maintenance of uniform accounting policies.
- Introduction of a single business information system, which increases the efficiency of operational processes and at the same time provides the possibility of controlling all the Group companies.
- Introduction of adequate accounting and business reporting.
- Reporting in accordance with the International Financial Reporting Standards at the level of all Group companies.
- Implementation of internal controls.
- Implementation of regular external assessment.
- Establishment of the IT Supervisory Board which supervises the procedures for the integration of new information solutions in the Group, supervises the implementation of IT projects and takes care of a uniform approach to IT construction.
- Establishment of a Risk Management Committee which monitors all the risks identified at the Group level and, where appropriate, is engaged in individual processes where certain risks may occur or have occurred.
- Implementation of its own system of managing risks regarding aluminium operations.

Risk management is presented in detail in the section on risks.

We believe that the current system of internal controls in Impol 2000 d.d and the Impol Group was effectively established in 2015 and that the operation was in accordance with the legal provisions and ensured the possibility of achieving business goals.

3. Data on the functioning of the General Meeting in its key competences, and the description of the rules for the shareholders and the method of their enforcement

The shareholders shall exercise their rights on the Company matters for which responsibility is given to the General Meeting in accordance with the ZGD-1. The convocation of a General Meeting is regulated by the Statute. The General Meeting is convened by the Management Board. A General Meeting shall also be convened if members whose shares represent one-twentieth of the new equity require it and state the purpose and reasons.

If the Management Board refuses to give effect to the request, the minority may request the court to authorize it to convene the General Meeting. The same applies when the majority requests the extension of the agenda after the General Meeting has been convened.

The Management Board shall convene the General Meeting one month before the meeting by publishing the notice on AJPES and the Company's website. The publication by the Management Board shall also indicate the time and place of the General Meeting.

The General meeting can only be attended and the right to cast votes may be exercised by the shareholders who announce their participation at the General Meeting no later than the end of the fourth day prior to the General Meeting (cut-off date) and who are registered in the central securities register at the end of the fourth day before the General Meeting.

General Meeting shall decide on:
- adoption of the Annual Report,
- use of the distributable profit,
- appointment and recall of the Management Board members,
- granting discharge to the Management Board members,
- amendments to the Statute,
- measures to increase and decrease equity,
- dissolution of the Company and status transformation,
- auditor appointment,
- other matters if stipulated by the Statute in accordance with the law or regarding other matters laid down in the Act.

The General Meeting is responsible for the adoption of the annual report only if the Management Board fails to approve it, or if the Management Board leaves a decision on the approval of the Annual Report to the General Meeting.

At the General Meeting held on 17 July 2015 the shareholders took note of the Annual Report and the Report of the Management Board on the results of the verification of the Annual Report for 2014, and of the remuneration of the members of the management and supervisory bodies. The shareholders adopted a resolution on using the accumulated profit and granting discharge to the Management board and Supervisory Board, and the resolution on the appointment of the auditor for 2015.

4. Data on the composition and functioning of the management and supervisory bodies and their committees

As of 1 January 2015, the Impol Group changed the form of governance in its holding company Impol 2000 d.d. from two-tier governance which was in place until 31 December 2014 to one-tier governance.

The Management Board which represents the Company is composed of non-executive directors. The President of the Management Board is the legal representative of the Company. The Management Board therefore runs the Company, whereas the two Executive Directors run the ongoing operations. The Executive Directors who are not members of the Management Board also represent the Company in accordance with the law and are independent representatives of the company. In accordance with the resolution adopted by the Management Board, the Executive Directors must obtain the approval for specific areas of operations:
- the acquisition, takeover and cessation of shareholdings in other companies and the establishment of new companies,
- acquisition, disposal or encumbrance of real estate,
- pledge or other forms of encumbering of other assets,
- taking out short-term loans, leasing, emission of bills or commercial papers and acquisition of other liquid assets from external sources,
- provision of guarantees,
- granting loans to employees and third parties,
- investments into fixed capital.

Composition of the Management Board:
- Jernej Čokl, President of the MB
- Vladimir Leskovar, Vice President of the MB
- Janko Žerjav, Member of the MB
- Milan Cerar, Member of the MB
- Bojan Gril, Member of the MB

Jernej Čokl, Vladimir Leskovar, Janko Žerjav and Milan Cerar are members of the Management Board appointed by the General Meeting. Their term of office expires on 31 December 2020. Bojan Gril is a Management Board member appointed by the RBEIG and his term of office expires on 20 January 2017.

The Management Board appointed two Executive Directors who are not members of the MB:
- Edvard Slaček, Chief Executive Officer
- Irena Šela, Executive Director of Finance

The term of office of the Executive Directors will run from 1 January 2015 to 31 December 2017.

The MB also appointed the Audit Committee as the standing committee of the MB in accordance with Articles 280 and 289 of the Companies Act ZGD-1, comprising of:
- Vladimir Leskovar, Chair of the Committee,
- Bojan Gril, Member of the MB,
- Tanja Ahaj, external member.

5. Data provided in accordance with paragraph 6 Article 70 of the ZGD-1

5.1. Structure of the share capital
The Company's share capital amounts to EUR 4,451,539.81 and is divided into:
- 23,951 par value shares of the first issue,
- 1,029,297 par value shares of the second issue,
- 13,513 par value shares of the third issue.

The shares are held by named persons and are of the same class. The largest shareholders of Impol 2000 d.d. as at 31 December 2015 are as in Table 8.

As at 31 December 2015, natural persons held 544,959 shares or 51.085% of shares, the remaining shares are held by legal entities.

5.2. Restrictions on transfer of shares
The transfer of shares shall request a written consent of the Management Board.

5.3. Point 3 paragraph 6 Article 70 of the ZGD-1 – Qualified holdings according to the ZPre-1
On 31 December 2015, qualified holdings on the basis of the first paragraph Article 77 of the Takeovers Act were as follows in Table 9.

Table 9: Shareholders with qualifying holdings as at 31 December 2015

Shareholder	Number of shares	%	
Bistral d.o.o.	111,449	10.45	Direct holder
Impol-Montal d.o.o.	80,482	7.54	Direct holder
Karona d.o.o.	71,403	6.69	Direct holder
Alu-Trg d.o.o.	58,882	5.52	Direct holder
Upimol 2000 d.o.o.	54,787	5.14	Direct holder
Simpal d.o.o.	53,400	5.01	Direct holder
Alumix d.o.o.	53,400	5.01	Direct holder

5.4. Point 4 paragraph 6 Article 70 of the ZGD-1
The Company did not issue any securities that would carry special control rights.

5.5. Point 5 paragraph 6 Article 70 of the ZGD-1 – the employee share scheme
The Company has no employee share scheme.

5.6. Point 6 paragraph 6 Article 70 of the ZGD-1 – Restrictions related to voting rights
In the Statute, Impol 2000 d.d. has a restriction of voting rights, namely a shareholder who holds more than 10% of the shares of the Company cannot exercise the voting right for the shares exceeding 10% of the shares of the Company.

5.7 Point 7 paragraph 6 Article 70 of the ZGD-1 - All agreements among shareholders known to the company that could result in the restriction of the transfer of securities or voting rights
The Company is not aware of any such agreements.

5.8. Point 8 paragraph 6 Article 70 of the ZGD-1 – Rules of the Company
Executive Directors are appointed by the Management Board. The term of office of the Executive Directors

shall be three years with the possibility of reappointment. The Executive Director must meet the conditions laid down in the Companies Act ZGD-1, additional conditions may be determined by the Management Board. The Management Board shall decide on the conclusion, approval and termination of the contract on the performance of a function of the Executive Director.

The company has a Management Board which runs the company, supervises the implementation of operations and performs other tasks in accordance with the law and statute. The Management Board consists of five members. Four members are elected by the General Meeting, and a representative body of workers of the Impol Group (hereinafter: RBEIG) shall have the right to elect one member in accordance with the statutory provisions and the agreement concluded between the Management Board and employee representatives - the Group electors.

A member of the Board elected by the RBEIG has a position of a non-executive director in the Management Board and represents the interests of all the employees in the companies affiliated to the Group. The term of the member of the Management Board appointed by the RBEIG is two years with the possibility of reappointment.

The term of office of the Management Board members elected by the General Meeting is up to six years with the possibility of reappointment. The term of office of each member of the Management Board is finally decided by the General Meeting by adopting a resolution. If the term of office of a Management Board member is subject to early termination, the next General Meeting will elect a new member for the remainder of the term of office.

The Statute may be amended by the General Meeting requiring a majority of at least three quarters of the share capital represented.

5.9 Point 9 paragraph 6 Article 70 of the ZGD-1 – Authorisations of the members of the management, especially on the basis of authorisations for issuing or purchasing own shares
The authorisations are defined in point 5 - Information on the composition and functioning of the management and supervisory bodies and their committees. The Management Board and Executive Directors have no special powers in connection with the issue or purchase of treasury shares.

5.10 Point 10 paragraph 6 Article 70 of the ZGD-1 – All important agreements in which the company is a party and which take effect, change or are cancelled on the basis of the change in the control over the company as a result of a bid, as stipulated by the act regulating acquisitions. The Company is not aware of any such agreements.

5.11 Point 11 paragraph 6 Article 70 of the ZGD-1 – All agreements between the company and the members of its management or supervision bodies or the employees which foresee compensation should such persons, due to a bid as stipulated by the act regulating acquisitions: resign, be fired without cause, or their employment relationship be terminated.

In the event of resignation, recall or termination of the employment contract without good reason, the management is not entitled to compensation.

Jernej Čokl (President of the Management Board)	Vladimir Leskovar (Vice President of the Management Board)	Janko Žerjav (Member of the Management Board)	Milan Cerar (Member of the Management Board)	Bojan Gril (Member of the Management Board)

Edvard Slaček (Chief Executive Officer)	Irena Šela (Executive Director of Finance)

Our plans for 2016:

EUR 22 million

of pre-tax profit

EUR 48 million

of EBITDA value

EUR 46,600

added value per employee

STANDING ON FIRM GROUND, BUILDING A STABLE FUTURE

STRATEGIC ORIENTATION

STRATEGIC ORIENTATION

Vision, Mission and Values

Vision
Manufacture of aluminium products, constantly increasing the level of processing and finishing.

Impol's Mission
Processing of aluminium into products that meet our customers' highest possible expectations of value and satisfying the needs of the customers, employees, owners, environment and other stakeholders. This also includes best service provided to our customers.

Values
- **Innovation** – products are developed jointly with our customers to satisfy their needs; innovation and constant training of personnel are provided for.
- **Diligence** – provision of the participation of all the employees by means of team work, thus establishing confidence in Impol on the market, and reliable services.
- **Flexibility** – our services are distinguished by speed, efficiency and transparency, which are provided for by being in direct contact with our customers.
- **Excellence** – quality assurance, generation of ideas and implementation of sales activities and environmentally sound production processes.
- **Loyalty** – to society, owners, surroundings, colleagues and the environment by observing legal provisions and ethical norms.

The currently applicable Strategy until 2020 defines the basis strategic orientations of the Impol Group:
- high growth of production and consequently of the sales,
- increasing net profit,
- increasing value added per employee,
- long-term financial stability,
- decreasing the net debt/EBITDA ratio,
- increasing value of the property for our shareholders.

Plan of Operations for the Impol Group in 2016

The 2016 plan for the entire Impol Group is based on the 2014-2020 Strategy and Plan supplemented by the new opportunities identified in 2015 and carried out at the beginning of 2016. It was the establishment of a new company for the production of rolled products in Croatia.

The production of aluminium products which are almost entirely used for further processing continue to constitute nearly all of Impol's business activities. Other activities are supplementary, yet also strongly connected to the aluminium activity.

Goals:
- To generate at least EUR 22 million in profit, EBITDA in the amount of EUR 48 million and value added per employee in the amount of EUR 46.6 thousand;
- To increase the level of self-supply with adequate input raw materials for the production of rolled products with the integration of new capacities in Croatia;
- To continuously develop new purchase sources of aluminium raw materials and to the greatest extent guarantee the acquisition of waste material from Impol product customers;
- To continue increasing the use of cheaper forms of aluminium raw materials by simultaneously increasing the use of capacities already established and to ensure the segmentation of products by quality of input raw materials needed for their production. Based on this it is necessary to begin selecting production programmes and mainly consider the criteria of their contribution to a collectively achieved contribution for covering fixed costs;
- To ensure, irrespective of the point of sale within the Group, that the customers have access to the entire range of Impol's products, all being sold under the Impol trademark;
- To enable and optimise production processes to facilitate the delivery of products within the desired deadlines and if these are unattainable due to any limitations, within the deadlines set by Impol and accepted by the customers at the latest;
- To guarantee higher product finishing phases (painting, advanced alloys, reshaping, cutting, anodisation, etc.). To develop products by the specifications and needs of the buyer.

Policy:

- With the planned scale of operations in 2016, the Impol Group will guarantee the growth of its shareholders and other financial stakeholders' assets and simultaneously guarantee dividends and/or interest rates that are balanced with the policies listed in Impol's long-term operating strategy. In terms of sales, the following sales outside the group (in EUR thousand) will be achieved:

Table 10: Planned realisation by type and market

Estimate of gross profit for 2016	in EUR 000
Net revenue from sales	606,442
From the sale of products (tangible)	547,088
· In the domestic market	34,040
· In the foreign market	513,048
From the sale of services	2,182
· In the domestic market	1,701
· In the foreign market	481
From the sale of merchandise and materials	57,172
· In the domestic market	15,251
· In the foreign market	41,922
Change in inventories	0
· Opening inventories	10,373
· Closing inventories	10,373
Own products and services	0
Other operating revenue	1,348
GROSS OPERATING PROFIT	607,791

Table 11: Planned indicators 2016

Planned indicators	
Cash flow from current operations (in EUR 000)	41,043
Added value per employee in EUR	46,606
EBITDA (in EUR 000)	47,802
EBIT (in EUR 000)	31,612
Net debt / EBITDA	3.20

- The continuous expansion of the market will be guaranteed on any market where Impol is already present. Priority will be given to the markets with lower input costs where greater dispersal of market risks is enabled. Market risks will be reduced by means of appropriate, cost-effective and rational insurance. In terms of aluminium sales, Impol continues to pursue the goal of achieving an over 20% share of the market outside the EU, whereas in terms of the EU, it continues to pay special attention to the local market and to satisfy its need as comprehensively and fully as possible given its potential size.
- Special attention will continue to be paid to expanding the pre-painted strips and other product markets that attain a high net sales premium (sale premium above the aluminium price at the LME less the purchase premium).
- The development and investment policy will pursue the mainly balanced growth of the Company by simultaneously guaranteeing a higher level of security in the provision of input raw materials at an acceptable price, which is why further emphasis will be placed on minimising investments in current assets.
- In compliance with the starting points listed above, financial measures will be harmonised with Impol's development and marketing policies as well as the liabilities taken upon by the controlling company towards long-term investors.

- With regard to the provision of funds for non-current financial investments, Impol will establish connections with other investors and banks for individual investments. In terms of current financing, it will include the existing bank funds and continue to provide sufficient dispersal of funds and reduce the scope of investments needed in current assets.
- As the preservation and development of the existing jobs and the creation of new jobs are directly dependent on sufficiently generated profit, the majority of the generated profit will be reinvested to ensure that EUR 10 thousand are invested in every single post annually to thus continue to preserve jobs.
- In order to optimise its costs, Impol will also continue with as much outsourcing as possible (Alcad – informatics, Simfin – finance and accounting, Tehnika-SET and Ates for current maintenance, etc.). Special attention will be paid to the fact that no part of the Group becomes dependent on an external contractor as a monopolist.
- Long-term investments, except for ongoing minor renovations, will be carried out in 2016 within the available external sources of financing. Own net cash flows will be used in their entirety to repay funds borrowed during the previous period. To provide for the settlement of such liabilities and the financing of new investments, up to EUR 30 million in additional long-term loans will be taken out and short-term loans on the level of the already granted amounts will be renewed.
- To minimise foreign exchange risks arising from exchange differences, purchasing will continue to have as many Aluminium raw material purchases carried out in EUR as possible.
- In terms of raw material supply, Impol will seek sources which will facilitate purchase financing, cause a lower tying up of current assets and guarantee a higher level of security in the provision of an uninterupted business process.
- Special attention will continue to be paid to protection against risks incurred by constant changes in raw material prices. The Company will thus continue to deepen its risk management knowledge and apply it immediately. Within the framework of the assigned mandates and duties the Risk Management Committee (RME) will check the relevance of hedging, take appropriate measures and assign duties if necessary.
- Customer-oriented projects (deepening and upgrading of e-business, daily planning, etc.) will continue to provide customers with services of a high quality, tailored to their needs and expectations.
- The information system (IT) will be upgraded towards an integrated information system in all companies of the Group. Information systems in the Group will be improved to enable them to monitor changes in the organisational structure as soon as possible and to prevent situations in which a rigid information system would compel us to ignore a change or carry it out incompletely. Impol will continue to carry out permanent internal auditing of the information system by promptly introducing improvements that rectify the deficiencies established. The IT Supervisory Board will continue to supervise the information system operation.
- The basic rules of operation of the Impol Group continue to remain the same. Some of the most important ones are:
  - Relations among business entities in the Group can only be established on the basis of market prices if such prices exist. If they cannot be established, relations must be established on the basis of other methods: cost plus method, profit split method and transactional net margin method.
  - The operations of one part of the Group cannot disturb the operations of the other parts thereof – costs of a process are borne by the programme originally incurring them.
  - Business processes are organised on the basis of the Impol Code of Business Conduct.
  - EUR 1.41 will be spent on dividends per share.
- The entire employee stimulation system will continue to build upon their performance throughout the entire year.

Selection of Programmes of Operations

The development activities in 2016 will prioritise the resolution of problems regarding the two hot rolling mills by integrating the programme of the former TLM Šibenik, and the renewal of a hot rolling mill in Impol Seval and the beginning of launching a new programme of cast bars. Preference will be given to the investments in the market and design of production processes which will enable Impol to utilise the available capacities in subsequent periods. In search of profitable investment opportunities we will especially carefully monitor developments in the market of products for the industry of means of transport.

Highlights of Greater Importance from the Foreseen Results

The expected operating results of the entire Impol Group (consolidated) are as follows (only selected indicators – all value indicators will be determined in EUR thousand unless otherwise specified):

Table 12: Expected results in 2016

ESTIMATE OF PROFIT OR LOSS ACCOUNT FOR 2016	1 Jan 2016–31 Dec 2016 (in 000 EUR)
Net revenue from sales	606,442
From the sale of products (tangible)	547,088
• In the domestic market	34,040
• In the foreign market	513,048
From the sale of services	2,182
• In the domestic market	1,701
• In the foreign market	481
From the sale of merchandise and materials	57,172
• In the domestic market	15,251
• In the foreign market	41,922
Change in value of inventories	0
• Opening inventories	10,373
• Closing inventories	10,373
Own products and services	0
Other operating revenue	1,348
GROSS OPERATING PROFIT	607,791
Costs of goods, material and services	508,618
Purchase value of goods sold	45,297
Costs of materials used	427,407
Costs of services	35,913
Labour costs	50,078
Costs of salaries	36,169
Social security costs	7,125
Other labour costs	6,785
• Of which for supplementary pension insurance	173
Write-downs	16,229
Depreciation	16,190
• Of which for intangible fixed assets	14,103
Operating expenses from revaluation of intangible assets and tangible assets	1
Revaluation of operating expenses for current assets	38
Other operating expenses	1,254
TOTAL OPERATING COSTS AND EXPENSES	576,179
Profit/loss from regular operations	31,612
TOTAL FINANCIAL REVENUE	1,372
Financial revenue from participating interests	45
a) Financial revenue from participating interests in other companies	39
b) Financial revenue from other investments	0
Financial revenue from loans granted	11
a) Financial revenue from loans to others	11
Financial revenue from operating receivables due from others	1,317
a) From interest rates due from others	45
b) Foreign exchange gains	975
Other financial revenue (discounts and forward transactions)	297

TOTAL FINANCIAL EXPENSES	10,297
Financial expenses from the impairments and write-offs of investments	0
Other financial expenses from revaluation	0
Expenses from sale of financial investments	0
Financial expenses from financial liabilities	8,745
a) Financial expenses from loans received from associate companies	35
b) Financial expenses from loans received from banks	5,412
• Interest rates due for current loans	2,124
• Interest rates due for non-current loans	3,288
c) Financial expenses from bonds issued	1,830
d) Financial expenses incurred in connection with other financial liabilities	1,468
• Of which foreign exchange losses	938
Financial expenses from operating liabilities	1,552
a) Financial expenses from operating liabilities to trade	9
b) Financial expenses from other operating liabilities	1,543
• Of which foreign exchange losses	927
Net earnings before taxes	22,687
Income tax	3,313
Deferred taxes	0
Net profit/loss for the financial year	**19,374**

Table 13: Estimated balance sheet

ESTIMATE OF BALANCE SHEET as at 31 December 2016	in EUR 000
ASSETS	
Fixed assets	151,277
Intangible fixed assets and non-current deferred costs and accrued revenue	2,373
• Cost	325
Non-current property rights	490
• Acquired by means of pecuniary interest	490
• Acquired by means of own development	0
Goodwill	691
Advances for intangible fixed assets	0
Non-current deferred development costs	0
Other non-current deferred costs and accrued revenue	1,192
• Tangible fixed assets	141,149
• Cost	401,090
Land and buildings	33,713
a) Land	3,825
b) Buildings	29,887
• Cost	75,600
Production equipment and machinery	95,038
• Cost	307,056
Other machinery and equipment	3,073
• Cost	18,433
Fixed assets being acquired	9,326
a) Tangible fixed assets under construction and manufacture	7,527
b) Advances to acquire tangible fixed assets	1,799

Investment property	5,355
• Cost	10,664
Non-current investments	1,281
Non-current investments, excluding loans	1,184
a) Shares and participating interests in the Group	0
b) Shares and participating interests in associate companies	616
c) Other shares and participating interests	391
d) Other non-current investments	177
Non-current loans	97
a) Non-current loans to Group companies	
b) Non-current loans to others	97
• Other non-current financial receivables (loans, etc.)	97
c) Non-current unpaid called-up capital	0
Non-current operating receivables	0
Non-current operating receivables due from customers	0
Non-current operating receivables due from others	0
Deferred tax receivables	1,119
CURRENT ASSETS	271,197
Assets (groups for disposal) for sale	0
Inventories	106,465
Material	84,325
Work in process	12,571
Products and merchandise	6,820
• Products	4,659
• Merchandise	2,160
Advances for inventories	2,749
• In the domestic market	5
• In the foreign market	2,744
Current financial investments	9,029
Current financial investments, excluding loans	2,822
a) Other shares and participating interests	0
• Of which to associate companies	0
b) Other current financial investments	2,822
Short-term loans	6,207
a) Short-term loans to others	6,207
• Of which to associate companies	0
b) Current unpaid called-up capital	0
Current operating receivables	126,575
Current operating receivables due from customers	95,397
• In the domestic market	4,231
• In the foreign market	91,166
• Of which current receivables due from associate companies	0
Current operating receivables due from others	31,178
• In the domestic market	493
• In the foreign market	2
• Other advances given	273
• Other receivables (VAT, etc.)	30,410
Cash and cash equivalents	29,127
Current deferred costs and accrued revenue	2,876
TOTAL ASSETS	425,349

TOTAL LIABILITIES	
Equity	153,883
Minority equity (including profit from the current year)	13,772
Called-up capital	4,452
Share capital	4,452
Uncalled-up capital (as deductions)	0
Capital reserves	10,751
Adjustment from revaluation of capital	10,751
Reserves from profit	6,428
Legal reserves	0
Reserves for treasury shares and own participating interests	0
· Treasury shares and own participating interests (as deductions)	0
· Statutory reserves	695
Other reserves from profit	5,733
Revaluation surplus + consolidation difference	-240
Net profit brought forward	96,355
Net profit/loss for the financial year	22,365
Minority equity profit/loss	
Provisions and non-current accrued costs and deferred revenue	2,166
Provisions for pensions and similar liabilities	1,481
Other provisions	0
· Of which: Provisions for benefits	0
Non-current accrued costs and deferred revenue	685
NON-CURRENT LIABILITIES	126,477
Non-current financial liabilities	124,944
Non-current financial liabilities to banks	89,052
Non-current financial liabilities from bonds payable	30,000
Other non-current financial liabilities	5,892
Non-current operating liabilities	224
Non-current operating trade liabilities	0
Non-current bills of exchange payable	0
Non-current operating liabilities from advance payments	0
Other non-current operating liabilities	224
Deferred tax liabilities	1,309
CURRENT LIABILITIES	140,194
Liabilities included in groups for disposal	0
Current financial liabilities	66,165
Current financial liabilities to banks	55,758
· Of which the current part of non-current liabilities	38,323
Current financial liabilities from bonds payable	10,000
Other current financial liabilities	408
a) To other external parties	408
Current operating liabilities	74,028
Current trade payables	54,925
a) In the domestic market	19,006
b) In the foreign market	35,919
Current bills of exchange payable	0

Current operating liabilities from advance payments	542
a) In the domestic market	19
b) In the foreign market	523
Other current operating liabilities	18,562
a) To employees	3,032
b) Tax liabilities	14,356
c) Other liabilities	1,174
Current accrued costs and deferred revenue	2,630
TOTAL LIABILITIES	425,350

Table 14: Estimate of net cash flow

NET CASH FLOW – RECAPITULATION	Total (in EUR 000) 31 Dec 2016
Inflows	
• Net profit	22,365
• Depreciation	16,190
• Additionally taken out loans	56,700
• Dividends received	
• Difference in provisions	
• Cash at bank	70,000
Outflows	0
• Repayments of loans	84,675
• Dividend payment	1,580
Available for investments	79,000
Planned investments	49,262
• Of which non-current (fixed assets and financial investments)	34,262
• Of which current (current assets)	15,000

Table 15: Anticipated indicators for 2016

Anticipated indicators for 2016	
Cost recovery ratio	
(equity + provisions)/(inventories + material investments + non-material investments)	59.7%
Financial reliability ratios	
a) Equity/all sources of operating assets	36.2%
b) Equity + non-current liabilities/business liabilities	65.9%
c) Equity/fixed assets (carrying amounts)	103.4%
Creditworthiness level	
a) Equity + non-current liabilities/fixed assets + inventories	108.8%
b) Golden balance rule = non-current sources/non-current investments	185.3%
c) Net debt/operating revenue	44.4%
Level of financial independence in %	
(possibility of liability reimbursement with property)	157.9%
General liquidity indicator–current ratio	
(current assets/current liabilities)	193.4%

Day-to-day liquidity indicator–quick ratio	
(current assets–inventories) / current liabilities	117.5%
Current liquidity indicator–doomsday ratio	
Rapid test = (cash + securities) / current liabilities	20.8%
Financing cost indicators	
a) Financial expenses / expenses	1.5%
b) Current liabilities / (current liabilities + non-current liabilities)	52.6%
Level of liabilities covered with non-current sources	49.9%
Level of inventories covered with non-current sources	37.9%
Equity/fixed assets	101.7%
Total assets turnover ratio	1.43
• (Net profit/loss) / business assets	5.33%
• Net earnings / (equity–net profit/loss of the current year)	17.25%
Level of reproductive capacity	25.26%
Ratio of depreciation to intangible and tangible assets	10.70%
Total dividends / capital	1.03%
Total dividends / called-up capital	35.49%
Total revenue / total expenses	104.37%
Operating revenue / operating expenses	105.49%
Operating revenue / capital	394.97%
Revenue/employees (annual criterion) (in EUR 000)	289
Average number of employees (2,088 paid hours/ employee)	2,101
Oper. revenue/(fixed and current assets + labour costs)	143.86%
Ratio (operating revenue / costs)	105.49%
Ratio (financial revenue / financial expenses)	13.3%
Cash flow from current operations (in EUR 000)	41,043
Economic value added (in EUR 000)	15,378
Revenue profitability in %	3.7%
Operating revenue/(equity + non-current liabilities)	2.2
AV / tonne (in EUR thousand/ t)	0.22
Labour costs in % of realisation (revenue from the sale of merchandise excluded)	9.12%
Added value per employee in EUR	46,606
EBITDA	47,802
EBIT	31,612
Margin	3.7%
Debt / equity	173%
Long-term loans / equity	82%
Equity / assets	36.2%
Net debt / EBITDA	3.39
Revenue generated from operation (in EUR million)	607.8
Depreciation	16,190
WACC	
• Weighted average cost of borrowed capital	4.1%
• Weighted average cost of total asset sources (dividend=cost)	3.3%
ROC (return of capital = net profit / loss / (equity + equity from the previous year)/2)	15.9%

We have exceeded …

The planned net profit by

38%

The planned net cash flow by

16%

The planned scope of production by

3%

YEAR OF SURPLUSES

PERFORMANCE ANALYSIS

IMPOL 2015 – YEAR OF GROWTH

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

ANALYSIS OF THE PERFORMANCE

Impol Group Performance

In 2015, the Impol Group generated net sales revenue of EUR 546.1 million, which is 12% more than in 2014. The revenues generated in the domestic market account for 6.4% in the structure of sales revenues, and compared to the previous year they increased by 11.4%. Revenues generated in foreign markets accounted for 93.6 percent of total revenues and in comparison with 2014 they rose by 12.4%. Most of the revenues generated by the Impol Group in foreign markets are achieved in the markets of the European Union, which is presented in the report later.

- Operating expenses of the Impol Group amounting to EUR 518.6 million are by 11.2% higher than in the previous year. The costs of goods, material and services rose by 11.5% and account for 86.8% in the structure.
- The most important category of operating expenses is the cost of material which amounted to EUR 360.9 million in 2015. Their proportion in total operating expenses equals 69.6%. The largest share of costs of material represents the costs of raw materials, and the remaining costs are the costs of energy products, water, disposal of packaging and other materials.
- Costs of services which account for 7.0% of total operating expenses amounted to EUR 36.3 million in 2015 and increased by 13.7% compared to 2014.
- Labour costs of EUR 46.4 million increased by 8.5% compared to 2014.
- Write-offs in the amount of EUR 20.7 million are 11.7% higher than in the previous year, mainly as a result of higher operating expenses from revaluation of current assets. Depreciation charge in 2015 amounted to EUR 15.1 million, which is almost 7% less than in 2014.
- Other operating expenses in 2015 amounted to EUR 1.2 million, which is approximately at the level of the previous year. The biggest proportion of other operating expenses is the cost associated with the environmental taxes (concession for water, land use fee, etc.).
- In the 2015 financial year, the Impol Group generated EUR 33.3 million of earnings before interest and taxes (EBIT) and EUR 48.3 million of earnings before interest, tax, depreciation and amortisation (EBITDA).
- In 2015, the Impol Group generated EUR 7.2 million of loss from financing (2014: EUR -8.4 million).
- Financial expenses mainly include liabilities to bank and amounted to EUR 5.2 million (2014: EUR 6.0 million).
- In 2015, the Impol Group generated net profit of EUR 22.5 million.

Notes on the Statement of Financial Position of the Impol Group

At the end of 2015, the assets of the Impol Group equalled EUR 362.4 million, which is EUR 35.2 million more than total assets of the Group at the end of 2014. The changes in assets were primarily influenced by the increase of liquid assets.

Non-current assets decreased by EUR 4.0 million, primarily as a result of less investment compared to depreciation charge.

As at 31 December 2015, current assets amount to EUR 229.3 million, which is EUR 40.2 million more than as at 31 December 2014. Inventories dropped by EUR 11.0 and million, operating receivables by EUR 12.3 million, resulting from the decreased value of aluminium on the stock exchange, whereas liquid assets increased by EUR 58.3 million as a result of the issue of bonds at the end of the year and a favourable result of the Group.

As at 31 December 2015, total liabilities of the Impol Group amounted to EUR 362.4 million and increased in 2015 by EUR 35.2 million. Compared to 2014, the group reduced its current liabilities by EUR 25.0 million and increased non-current liabilities by EUR 38.9 million. The increase of non-current liabilities was the result of the issue of bonds.

Total capital of the Impol Group increased in 2015 by EUR 21.4 million. Net profit after tax contributed most to this result.

Performance of Impol 2000 d.d.

Impol 2000 d.d. (hereinafter: the Company) generated net sales revenues of EUR 15.9 million (the sales of products, services and merchandise), which is 12.7% more than in 2014. In the domestic market, the Company generated net revenues arising from the sales of products, services and merchandise of EUR 13.5 million, which is 0.4% more than in the previous year. In foreign markets, it generated net revenues of EUR 2.4 million, which is 100.0% less than in 2014. In 2015, operating expenses increased by 29.8% compared to 2014 and stood at EUR 14.6 million. Costs of goods and material sold account for 68.5% of total operating expenses and are followed by labour costs equalling 21.7%, and costs of services with 7.8%.

In 2015, the Company recorded EUR 1.38 million of operating profit. In 2014, operating profit amounted to EUR 2.9 million.

Operating cash flow (EBITDA) in the amount of EUR 1.4 million was positive. In 2015, the Company generated EUR 1.9 million of profit from financing resulting from financial revenues, financial revenues from participating interests in Group. Financial expenses of EUR 1.0 million are EUR 0.6 million higher than in 2014 as a result of financial expenses from other financial liabilities. In 2015, the Company generated net profit after tax of EUR 3.1 million while in 2014 it amounted to EUR 2.1 million.

Notes on the Statement of Financial Position of Impol 2000 d.d.

At the end of 2015, the assets of Impol 2000 d.d. equalled EUR 107.6 million, which is 44.2% more than total assets of the Company at the end of 2014. Non-current assets remained at the same level as in 2014. The increase in assets was a result of the increase of cash and cash equivalents.

As at 31 December 2015, total liabilities of the Company stood at EUR 107.6 million and were EUR 33.0 million higher than the liabilities of the previous year. The increase is the result of the issue of bonds in the amount of EUR 50.0 million and the repayment of comercial papers of EUR 20.0 million.

The capital of the Company of EUR 55.1 million was 4.0% or EUR 2.1 million higher than in 2014.
As at 31 December 2015, net debt, calculated as a difference between total financial liabilities and cash and cash equivalents and short-term financial investments, amounted to EUR 14.5 million, which is EUR 2.5 million less than in 2014.

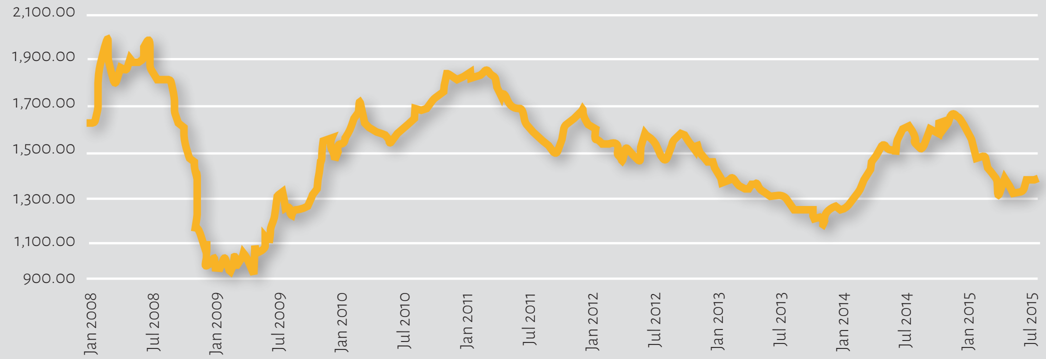
IMPOL 2015 – A YEAR OF GROWTH

Events in 2015

The most characteristic developments in 2015 can be drawn in the following observations:

- Moderate optimism was preserved in the sales markets facilitating a quantitative increase in sales.
- In terms of the purchase of aluminium raw material at the LME, purchase prices were marked by a drop in basic quoted aluminium prices, including a tendency of purchase premium decreasing.

Figure 2: The movement of aluminium prices on the LME in 2008–2015

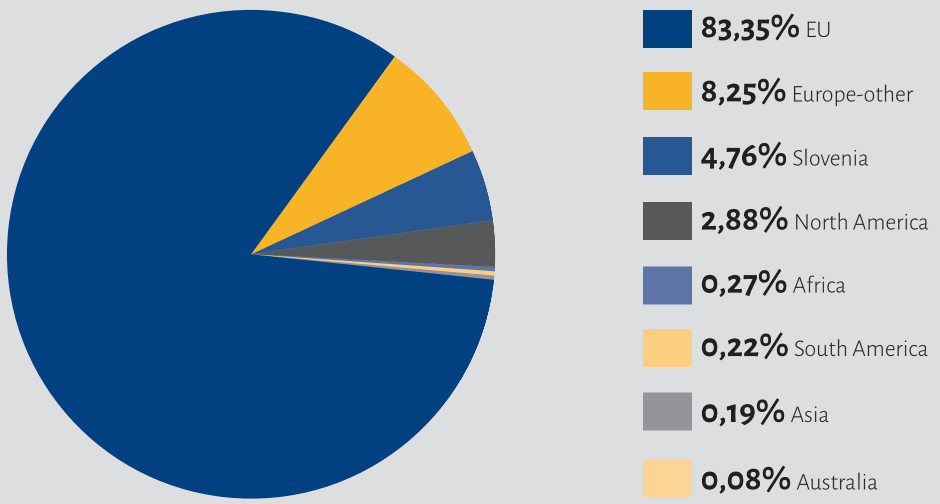


- The status of orders continuously demanded to carry them out in short delivery periods. Such a method of executing orders requires an adjustment of measures pertaining to the purchase of raw materials, stock financing, the adjustment of technological and technical procedures and internal organisational solutions, which is why special attention was paid thereto throughout the entire business year. The number of orders rose during the first half of the year, thus prompt gaining of new orders facilitated the achievement of a satisfactory scope of operations in terms of quantity and value.
- Impol remains in the top 10 Slovenian export companies and among the top 15 largest companies in the country in absolute terms.
- The Impol Group achieved an EBITDA of EUR 48.4 million that also includes almost EUR 33.3 million of operating profit and EUR 15.1 million in depreciation. EBITDA rose by 24% compared to the previous year.
- The quantitative volume of aluminium product sales of Impol rose by 3% in 2015 compared to the previous year.
- The production volume of aluminium product for customers that are involved in means of transport production processes continues to be on the rise. Quantitatively speaking, the structure of sales by intended use of Impol products is estimated to be as in Table 16.
- Operations pertaining to the aluminium processing programme constitute the largest part of the entire production and sales process at Impol. Revenue pertaining thereto constitutes 99% of all revenue generated on external markets, whereas the remaining part of revenue is generated from services carried out mostly on the domestic market.
- The programme includes a broad range of products, which reduces Impol's exposure to market fluctuations.
- The impact of market fluctuations continues to be reduced also by a relatively large-scale dispersal of customers, without any dominant or exclusive customers.
- Our sales continue to be concentrated mostly on nearby markets in Europe, as only a small number of products of the Impol Group programme can tolerate higher costs of transportation. It is also more difficult to provide high-quality sales and after-sales services at a larger distance.

Table 16: Intended use of products

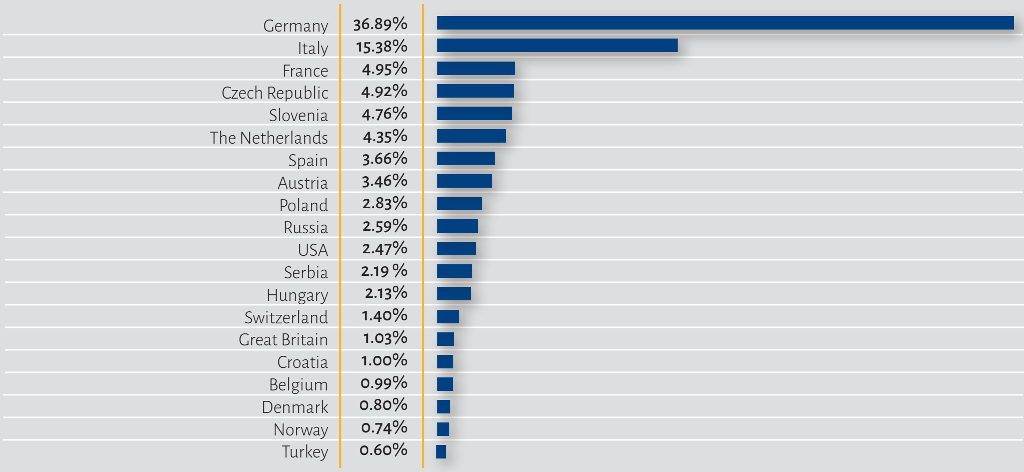
Intended use	Share
Retail	45.18%
Automotive industry	20.98%
Construction business, constructions	13.46%
Consumer goods	8.42%
Food industry	6.41%
Pharmaceutical industry	2.12%
Electrical industry	1.88%
Other	0.90%
Machinery and equipment	0.65%

Figure 3: Sales of products by region



- The share of sales outside the EU continues to rise slightly, and Germany continues to be our largest individual market. The Impol Group has established a permanent business partnership with customers from about 50 countries, although customers from the EU prevail.

Figure 4: Sales of products by country



- The pre-painted aluminium strip production line continues to require intensive acquisition of new production knowledge, new markets and new methods of cooperation with our customers intended to ultimately refocus the entire area of unfinished strip sales to the sales of pre-painted strips.
- The productivity of the Group continues to grow as expected. The aluminium product sales volume per employee of the Group rose in 2015 by a good 1% compared to the preceding year.
- Casting capacity renovation works were continued and a project to increase homogenisation capacities started and is expected to complete in the first quarter of 2016.
- The structure of sources of finance also continues to improve by financing as much as about 35% of all investments by equity, meaning that this type of financing improved by 8% compared with the preceding year. In 2015, the Impol Group managed to reduce the scope of bank loans taken out compared with the preceding year by 5%. However, financial liabilities rose by 15% compared to 2014. In 2015, Impol issued bonds amounting to EUR 50 million for the first time in order to finance a cycle of investments for further long-term growth and development.
- In 2015, the Impol Group invested almost EUR 12 million in non-current assets.
- The need for short-term investments of the Group decreased during the year, as the value of the volume of operations dropped due to the decrease of basic quoted aluminium raw material prices and despite the rise in the sales volume. The largest percentage decrease in short-term investments related to the decrease of investments in inventories and receivables.
- In 2015, the Impol Group reached almost EUR 54 thousand in added value per employee, which is an 18% rise compared with the preceding year.
- In 2015, a new company in Croatia was established in order to extend the rolling programmes and the possibility of the supply of raw materials at a more favourable price. The company will start its operations in 2016.
- All operations in 2015 were organised in compliance with the renewed Code of Business Conduct of the Impol Group.

Figure 5: Working capital by year

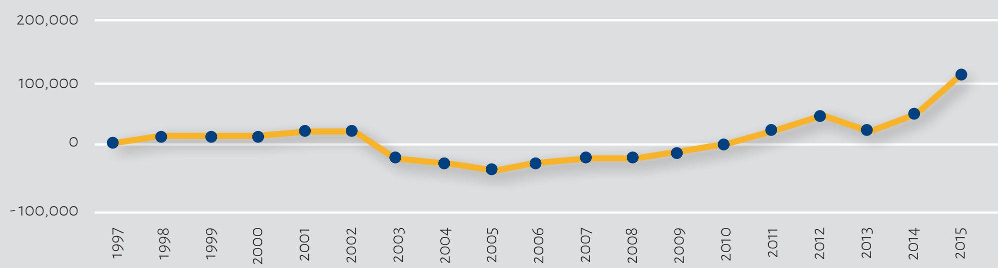


Figure 6: Value of sales and trend

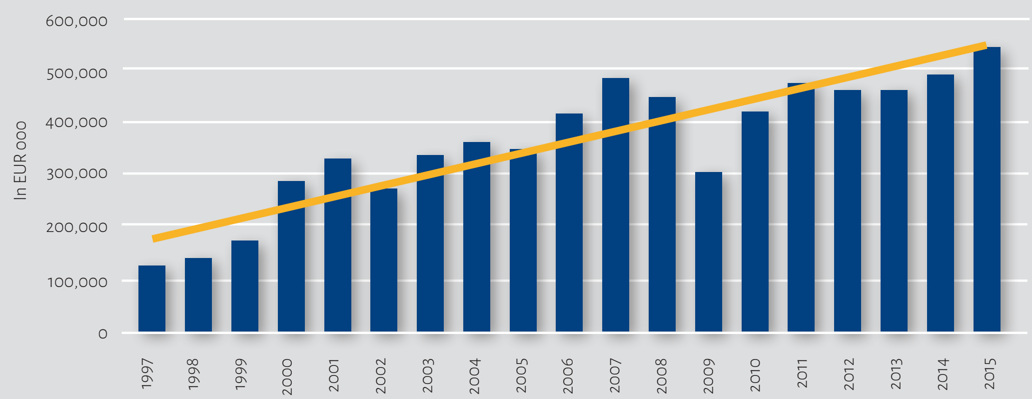


Table 17 presents key data and indicators.

Table 17: Overview of results of the Impol Group (consolidated for the period 2002–2015) in EUR million

Year/indicator	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Consolidated net sales revenue	275.3	335.4	359.5	347.6	414.4	485.9	445.9	303.8	421.1	473.6	463.2	460.8	486.3	546.1
– From sold products	193.5	190.8	211.9	257.5	323.4	426.7	382.9	274.7	352.7	405.7	410.8	403.8	426.9	481.4
Consolidated operating expenses	266.1	337.6	364.8	343.1	419.2	429.6	428.9	292.3	414.4	448.2	448.9	444.4	466.2	518.575
– Depreciation	6.3	7.9	11	14.1	14.4	15.1	15.7	12.1	14.4	15.6	16.6	15.4	16.2	15.1
Operating profit	10.1	8.8	1.9	12.3	12.9	38.7	21.2	15.2	16	26.3	23	21.3	22.8	33.2
Financial revenues/ expenses difference	-5.6	-6.4	-9.4	-12.7	-6.4	-14.5	-12.7	-14.3	-9.7	-11.1	-9	-7.4	-8.4	-7.3
Profit or loss	4.6	3.4	-6.8	2.3	6	21	8	0.7	6	13.6	12.3	12.9	12.4	22.5
Cash flow from current operations	10.9	11.3	4.2	16.3	20.4	36.1	23.7	12.7	20.4	29.2	28.9	28.3	28.5	38.3
Equity	83.8	83.5	78.4	81.7	86.6	53.1	56.9	56.3	60	73.6	83.5	95.6	106.5	127.6
Assets	199.6	246.3	271.2	290.5	337.2	317.2	309.9	293.7	315.9	320.1	330.1	307.6	327.6	362.4
Share book value in EUR (including the equity of minority owners)						49.8	53.3	52.9	56.2	69.2	79.9	89.61	99.88	119.6
Added value per employee in EUR	18.807	24.971	25.180	29.888	30.764	49.786	41.556	35.111	39.381	47.441	44.077	43.241	45.815	54.712

A short overview of our operations in Table 17 and 18 shows that, in 2015, Impol significantly increased the scope of its operations in terms of value from the previous year, followed in parallel by the movement of the cash flow and economic viability of our operations. Less than half of the cash flow from current operations was achieved from depreciation and approximately 60% from profit. An increase in revenue was achieved mainly due to a greater volume of sales of aluminium products.

Table 18: Key indicators

Year/indicator	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equity/all sources of operating assets	42.00%	33.90%	28.90%	28.10%	25.70%	16.70%	18.40%	19.10%	19.00%	23.40%	25.80%	31.10%	32.50%	35.2%
Golden rule of balance sheet = non-current assets/ non-current investments	125.50%	91.10%	77.60%	77.50%	83.40%	90.70%	90.10%	93.70%	105.20%	118.80%	129.90%	116.70%	135.00%	184.5%
Net debt/operating revenues	41.70%	48.40%	52.10%	59.70%	60.10%	54.00%	56.30%	78.10%	60.40%	51.00%	52.60%	45.70%	45.10%	42.6
Option to settle liabilities with property	174.00%	151.80%	144.80%	140.10%	135.40%	120.90%	123.30%	124.50%	124.20%	131.30%	135.70%	146.20%	149.40%	155.9%
Financial expenses/ expenses	3.40%	3.70%	4.20%	4.40%	2.80%	2.90%	3.90%	4.10%	3.60%	3.50%	3.00%	2.00%	2.10%	1.3%
Asset turnover ratio	1.39	1.38	1.34	1.26	1.27	1.6	1.49	1.06	1.38	1.53	1.44	1.52	1.5	1.52
Net earnings/(equity - net profit/loss of the current year)	5.62%	4.15%	-7.96%	2.85%	7.28%	70.03%	16.36%	1.14%	10.96%	22.47%	18.98%	15.30%	13.20%	20.87%
Income/employee ratio	133.976	177.666	196.893	197.777	229.657	275.835	251.8	185.724	249.897	266.937	255.729	255.074	262.77	299.84
Economic value added (in EUR thousand)	600	-584	-10,501	-1,599	1,898	18,511	5,317	-2,010	3,176	10,114	9,775	8,330	7,391	16,474
Margin	1.70%	1.00%	-1.90%	0.70%	1.40%	4.30%	1.80%	0.20%	1.40%	2.90%	3.00%	2.79%	2.56%	4.13%
Debt/equity	136%	193%	238%	252%	287%	491%	439%	420%	421%	323%	282%	218%	205%	182%

This list of key performance indicators shows that the 2015 financial year was one of the more successful years in a comparable period.

It has also been found that the Impol Group managed to somewhat improve its financing structure. This is mostly due to the highly conservative actions of our shareholders in relation to the payment of dividends, since based on their decisions the majority of profit is re-invested in the company and thus provides it with an important portion of resources for continuous development.

IMPORTANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Through Impol-TLM* d.o.o. in Croatia which the Impol Group established in 2015, the Group managed to purchase Adrial Ulaganja d.o.o. on 2 March 2016 and leased production assets to set up the programme of rolled aluminium products in Šibenik. Impol-TLM d.o.o. employed 208 persons who started preparations for the start of the production on 10 March 2016.

* In September 2015, a company was established in Croatia. At the beginning of March 2016, it was renamed to Impol-TLM d.o.o.

OVERVIEW OF OPERATIONS

The predominant activity in the Impol Group is the processing of aluminium into rolled, extruded, drawn, stamped, forged and other types of aluminium products (the main activities are registered as 24.530 and 25.500), but the Group also performs various other, less important activities. The majority of activities in the Group are organised within specific companies that conduct business with one another in compliance with the market rules.

In 2015, Impol was upgrading its sales programme towards the development of products with a higher added value which are of great interest to customers from more demanding industries. For this purpose, new products, alloys and test procedures were developed, which was enabled by the past investments into production capacities focusing on the products intended for the markets with a long-term growth potential. Given the current market trends and the generated sales of these products, we can conclude that this was the right decision, enabling Impol to meet the demands of one of the more demanding market segments. Investment in increasing the casting capacity contributed to the increase in the share of own production of input materials, maintenance and achievement of higher quality products, the development of sophisticated alloys and increase in the share of secondary aluminium processing.

In 2015, Impol set the foundations to ensure the continued growth of the company in two key programmes – rolling and extrusion. In the field of rolling we are faced with the challenge of adequate management of economies of scale, while the extrusion programmes aim at increasing the complexity of manufactured products.

Table 19: Global production of primary aluminium

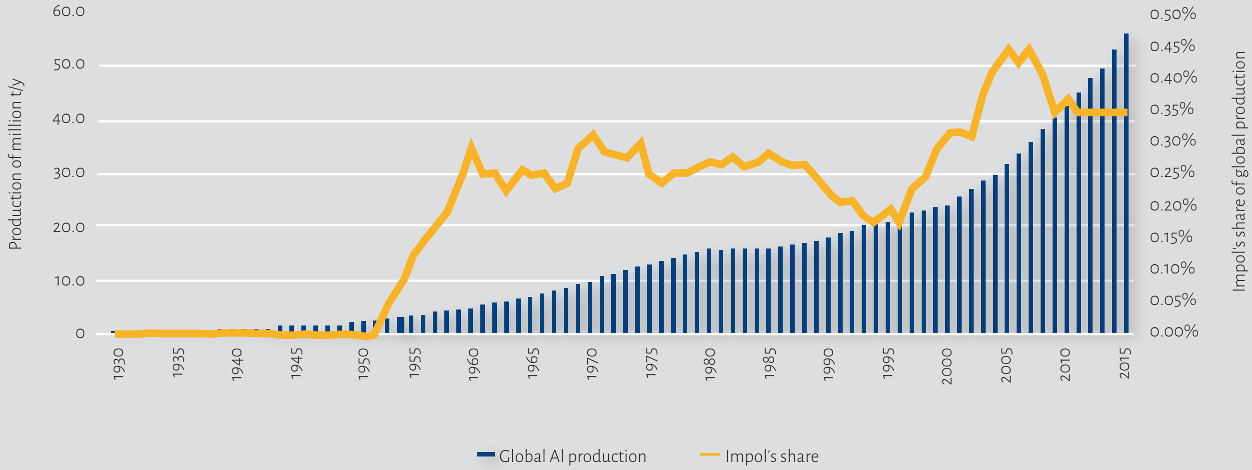
(Source: SG 2006–2009, DB AG / London 4. 3. 2015 2010–2015, http://www.reportlinker.com, http://www.world-aluminium.org)

Year/Indicator	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016p
Available aluminium production capacities in millions of tonnes				48.57	50.20	52.90	5.60	62.30	66.90	71.91	Data not available
Global production of primary aluminium in millions of tonnes	33.94	38.13	39.97	37.71	42.35	45.79	47.79	50.60	53.06	57.36	60.29
Global consumption of primary alumin-ium in millions of tonnes	34.40	37.85	37.52	34.23	40.70	44.50	47.30	49.90	53.30	57.08	60.42
Incurred imbalance (+ aluminium surplus, – aluminium deficit) in millions of tonnes	-0.46	0.28	2.45	3.48	1.65	1.29	0.49	0.70	-0.24	0.29	0.14
LME cash price: USD/tonne – annual average	2.566	2.639	2.569	1.665	2.191	2.423	2.052	1.889	1.867	1.662	1.475

In terms of global processing of produced primary aluminium, the Impol Group achieved a 0.31% processing share compared to newly produced aluminium. In 2015, the share fell from 0.32% in 2014. In compliance with its strategic orientations, Impol continues to focus more on the added value in the product rather than on the quantity, even though the latter continues to constitute an important focus, since fixed costs in a mass production process can only be properly contained with a sufficient quantity of products. As the global processing of aluminium, including the processing of secondary recyclable aluminium already exceeds 70 million tonnes annually, Impol's share in total processing amounts to slightly less than three parts per thousand (3‰).

In 2015, the turnover in terms of value increased compared to the previous year.

Figure 7: The share of Impol in the use of produced primary aluminium in 2015



Until 1950, Impol processed only copper; aluminium processing has been under way since 1950 (the programme is described in further detail at http://www.impol.com) when the total global annual production of primary electrolyte aluminium amounted to as little as just over 1 million tonnes, whereas the current figure is 60 million tonnes. The aluminium processing industry is characterised by shaping the sales prices of its products in such a way that sales premiums are negotiated with customers given the primary aluminium price on the LME. The turnover in terms of value rises or falls independently from the quantitative volume of sales and also independently from changes in sales margins.

The same also applies to the purchase prices for aluminium raw materials, which are shaped by negotiating a purchase premium with suppliers given the quoted aluminium prices, usually including all delivery costs under the conditions of Incoterms DDP; the preceding year was marked by the introduction of a regional annuity or purchase premium, which is becoming constant and normal by making its amount public in Metal Bulletin. The aluminium price significantly impacts the size of direct costs; however, subject to appropriate forward collateral (hedging), its fluctuation should not have a direct impact on the operating results.

The industry is rather stable in terms of basic aluminium and alloy processing technology. The greatest dynamics can be observed in the field of process control, quality and supply chain optimisation processes. Impol spends EUR 2–3 million annually on process control improvements. In such a way we are safeguarding the competitiveness of our products and services in the future as well. Investments are expected to result in the share of European-wide competitive B2B products rising to above 70%. Other standard products are of particular importance for utilising the remaining capacities which efficiently complement the sales mix at a high productivity rate and low processing costs.

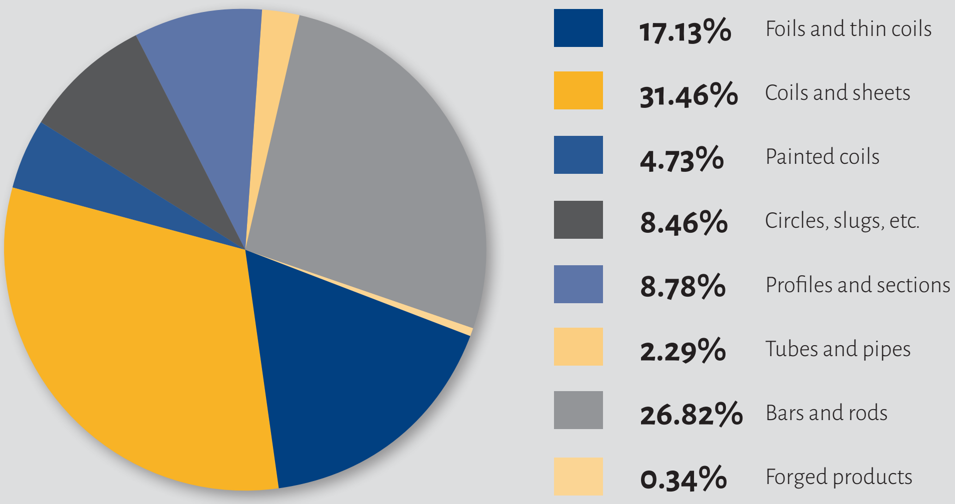
SALE

Products and Services

The prevailing sales programme of the Impol Group is focused on the production and sales of aluminium products. Two basic groups of aluminium products are covered – rolled and extruded products. We also manufacture two niche programmes (forgings and slugs). Other products and services of the Impol Group account for less than 1% of the sales.
The entire production programme is based on orders and is triggered by sales orders. Customers are divided into two segments: distributers and final customers, whereby the share of sales to final customers has been increasing in recent years in order to maintain the stability of operations and the transparency of management of the production, sales and purchasing.

Impol supplies a wide range of aluminium rolled, extruded and, to a lesser extent, additionally processed products (forged, pre-painted, anodised, etc.) manufactured upon the individual request of the customer, thus the entire production is designed and run as individual production carried out on a mass scale so as to meet the price-related expectations of our customers.

Figure 8: Shares of sales by product programme

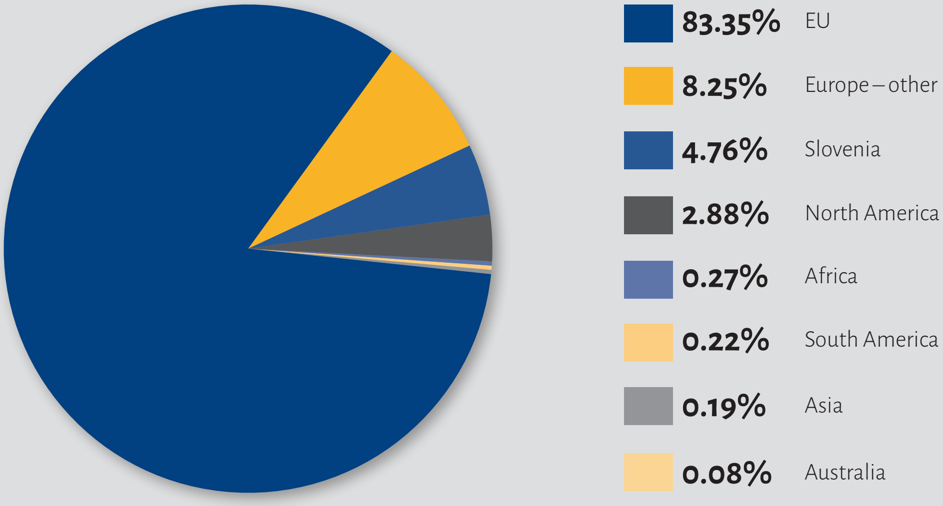


Market and Customers

In 2015, the majority of Impol's sales were still focused on the European Union where, including sales in Slovenia, about 83% of our products are sold. Last year, a share of sales to Germany additionally strengthened accounting for more than a third of the entire market of the Impol Group. The second largest market is Italy with a 15-percent share. The sales in other countries is more dispersed as none of these countries reaches more than a 5-percent market share.

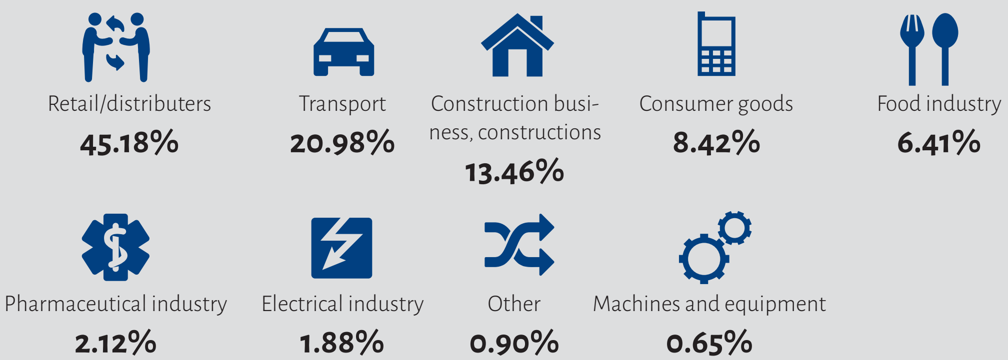
In 2015, the share of sales in the domestic market slightly increased, suggesting a slow recovery of the Slovenian economy. For various reasons, long-distance transport of aluminium products (costs of transport, impact on the product quality, various quality and technical conditions) is not profitable and the sales are focused on markets that are not located at excessive distances from the production site. Only certain niche products can be sold to more distant markets. The sales to the USA strengthened in the previous year owing to a favourable euro/dollar exchange rate.

Figure 9: Sales by region expressed in percentage



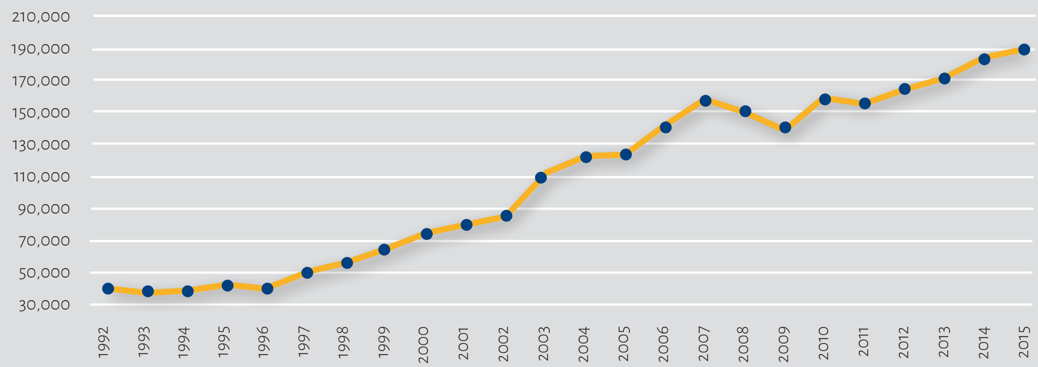
Impol continues to preserve dispersal among markets, customers and industries, thus following the guideline that no customer shall achieve a dominant share. The sales are dispersed to a big number of customers, an individual customer as a rule does not exceed 10% of total production. Our strategic positioning is additionally enhanced by a diversified production programme. The customers of Impol products are from various segments. The largest shares represent transport (21%), construction business (13%) and consumer goods (8%).

Figure 10: Customer by market segment



The most realistic presentation of the trends of growth is based on the quantities of aluminium products in tonnes. The data on turnover in terms of value is distorted by the price movements on the LME.

Figure 11: Trend of the sales of sold quantities of products



Organisation of Sales

Within the Impol Group, the sales of aluminium are mainly carried out through Impol d.o.o. while the sales of other products and services are done directly by the Group companies that deal with the concerned market activities. Impol d.o.o. continues to carry out all services related to the sales of products and sales departments of other business entities that form part of the Impol Group.

Impol's aluminium production programme is divided into the standard and specialised programmes. The standard programme is intended for sales to retailers (43%) that purchase standard products for re-sale purposes. The specialised programme, on the other hand, is intended for direct sales to final customers (57%), for whom products are made on the basis of specific designs (specific forms, alloys, mechanical and chemical properties, etc.). Such a division facilitates a high level of operating safety and has proved to be appropriate in all market fluctuations.

In terms of standard programme sales, sales agreements are concluded in a form of prompt orders, whereas contracts for specialised programmes are, as a rule, concluded on a longer-term basis for a period of one year in advance, based on which deliveries are carried out following recalls. Impol now possesses the ability to meet the majority of demand within a deadline that, as a rule, does not exceed one month, unless demand significantly exceeds the capacities available.

Impol sells its products to industrial customers who continue to process Impol's products which are thus considered an input raw material. Customers and suppliers are not gained in accordance with the traditional marketing principles but mainly on the basis of being familiar with one another in the industry and the established goodwill in this closed business environment.

Significant achievements in sales

- The sales of extruded products managed to increase and excellent utilisation of available production capacities was achieved.
- We increased the sales of profiles based on orders and achieved a higher value added of products.
- The demand for foils increased in 2015.
- An effective and geographically evenly distributed network was developed.
- Price ratios in the market were successfully managed.
- The risks caused by market development in terms of fluctuations of input raw material prices were mitigated by improving the formula in the conclusion of contracts.
- We managed to retain all customers and even increase sales to some of them.

PURCHASING

The Impol Group has organised strategic purchasing which includes the conclusion of purchase agreements for raw materials and services, investment goods and various types of consumables. By doing this, we provide for uniform purchasing conditions for the companies in the Group and make use of the economies of scale on the market.

Purchasing of Aluminium Raw Materials

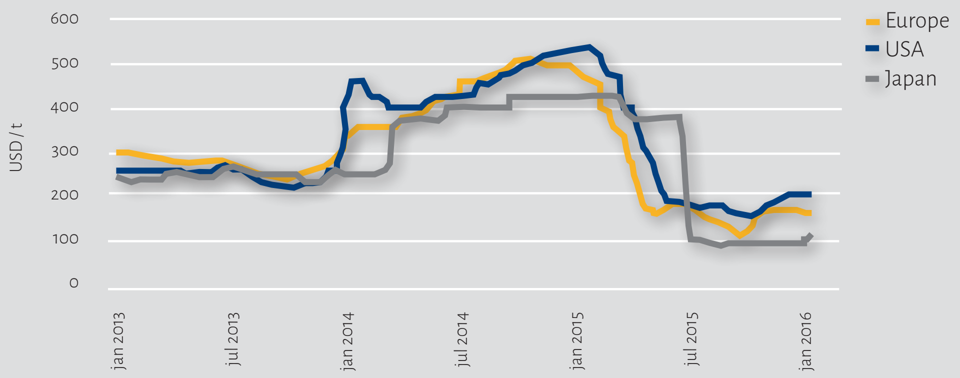
Primary and secondary aluminium in various forms make up the largest share in terms of raw material purchasing. Given the fact that Impol is a processor with no raw material sources of its own, appropriate raw materials must be purchased for the production of every single product. The largest share in terms of raw material purchasing is made up by primary aluminium ingots (50%) and secondary aluminium in a form of aluminium scrap (17%) which are, together with alloying elements, processed in our own foundries in advanced aluminium alloys. During recent years, Impol has intensively promoted the consumption of secondary aluminium. The field of primary aluminium is characterised by a small number of providers thereof on the free market, resulting in reduced competition and greater dependency on a few major providers. Aluminium is also a very interesting raw material on the market for large merchants and banks seeking to profit from the financing of inventories, which hinders the process of purchasing of our most important raw material. We have managed to ensure a regular supply by concluding strategic purchase contracts and by maintaining business relationships with all of our global providers.

In the field of secondary aluminium, the Impol Group is active both on the market – by establishing loop-backs with customers – and in production management – with a cost- or technology-efficient re-melting method. To this end Impol started and concluded the investment in state-of-the-art technology and equipment in the foundry.

Main Characteristics of Purchasing in 2015

Purchase premiums for all forms of aluminium experienced a downward trend in 2015. All our purchasing contracts for 2015 were concluded on the so-called »floating« MB basis so that favourable market developments were fully reflected in the operations of the Impol Group.

Figure 12: Movement in purchase premium



Low LME price: in terms of financing working capital, it positively affected our operations; however this is also one of the reasons why the selection of the providers of primary aluminium in the SE Europe has shrunk. The negative trend in LME-prices also leads to pessimistic atmosphere on the market, and despite the fact that the contango increasingly narrowed and moved into backwardation in early 2016, the global stocks of aluminium are still enormous, causing concern in the markets, which is reflected in the falling LME-prices.

Purchase of other materials and services: due to good liquidity of the Group, standing out in the difficult Slovenian business environment, we were able to achieve lower purchase prices, which mirrored in effective cost control in 2015.

DEVELOPMENT AND INVESTMENT PROCESSES

R&D Activities

R&D activities at the Impol Group are organised in multiple layers. Investment development is carried out by the parent company Impol 2000, which has been the coordinator of the Group's development activities since 2015 and it also heads the registered Impol research group. The group carries out research assignments that are awarded to the company through tenders. Applied development is carried out at Impol LLT, Impol FT, Impol Seval, Impol PCP and Impol R in R, whereas the Technological Development Department of the parent company Impol 2000 d.d. (Impol d.o.o. until 2015) is in charge of coordination, it assists in the formulation of appropriate assignments and supervises the implementation of applied assignments.

In 2015, 32 research-development assignments were carried out generating a total of EUR 1.8 million of economic gain. In addition, the cost controlling method used for research projects was updated, being more transparent now. 16 new technologies were introduced into the production processes and 6 new alloys customised to the specific needs of our customers were developed, and the properties of 6 existing alloys were improved. To meet the needs of our customers, 13 new products were developed last year.

In the past year we did not apply for funding of research projects to be granted subsidies, since the calls were prepared so that large companies had practically no possibility to apply. We took part in the implementation of the Slovenian Research Agency's project "Simulation of industrial solidification processes under the influence of electromagnetic field".

In October 2015 the 11th research symposium was organised where Impol's researchers presented their achievements and we got acquainted with the examples of good practice in other Slovene companies.

Investment Activity

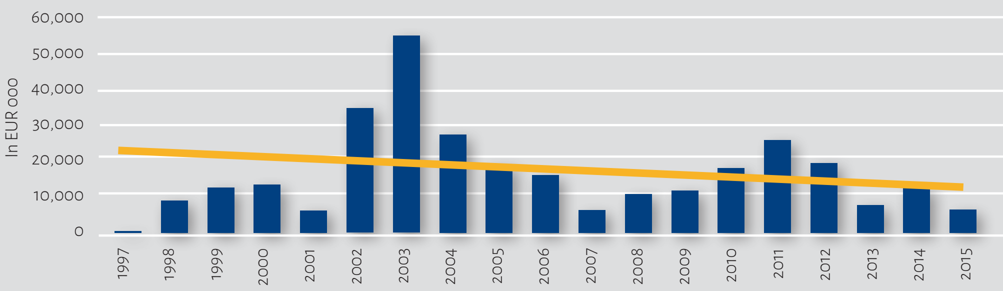
In 2015, the modernization of foundry and hot-rolling capacities continued and a project to increase the homogenization and forging capacities started.

The table below presents also the investments into current assets amounting to EUR 40 million; however this is reflected in the increase in cash and cash equivalents at the end of 2015 due to the issue of bonds. The investments in inventories and receivables as a significant proportion of current assets dropped.

Table 20: Volume of investments (in EUR million)

	2015	2014	2013	2012	2011	2010
Investment in acquisition of shares / stakes				0.1	0.1	
Investment in fixed assets	12.0	14.0	12.7	18.6	18.7	20
Investment in current assets	40.8	25.5	-10	5.6	-0.6	20.6
Total	52.8	29.5	2.7	24.3	18.2	40.6

Figure 13: Volume of investment in fixed assets



In 2015, special emphasis was placed on minor investments and the preparations for a major investment cycle in 2016 and 2017.

FINANCING AND DIVIDEND POLICY

In 2015, the Impol Group continued to consolidate the structure of its financing sources by financing 35% of total investments with equity. Compared to the preceding year, it improved the structure of its financing sources on account of an increase in long-term sources as compared to short-term sources.

Owing to the need to ensure adequate repayment of long-term and short-term loans taken out by all Group companies and to guarantee a higher share of equity as a source for the financing of investments in durable current assets, the Impol Group continues to maximise the use of profit for these purposes. Profit generated by Group companies is thus sufficiently concentrated and allocated to investments that yield the highest profits and feature the shortest repayment periods.

In 2015, the Group also included alternative financing sources - bonds - in its financing and thus managed to reduce its liabilities to banks.

The company devotes special attention to the engagement of assets in short-term investments (inventories, receivables, cash, other) and their continuous optimisation so as to avoid problems that are difficult to manage such as a shortage of funds or reduced availability of said funds from external short-term financing sources.
Dividends are determined in accordance with the adopted long-term strategy.

Shareholders provide support to the company through the dividend policy and by approving the operating strategy and plans as they are aware that profit is to a great extent recognised as a future development cost only in the marketplace, which is why the dividend policy is formulated correspondingly.

All long-term investments were initiated solely on the basis of a prior decision of the Management Board. No significant changes in the ownership structure within the General Meeting are expected in 2015. The company has also not foreseen the establishment of a special reserve fund nor an intervention in its own ownership structure.

Basic guidelines

Risk management in the Impol Group is based on the principle that assessment and management of risk is an integral part of all business activities.

RISK MANAGEMENT – PRESERVING STABILITY

RISK TYPES AND THEIR MANAGEMENT THROUGH THE APPLICATION OF SPECIAL MEASURES

RISK MANAGEMENT

The exposure to various risks is regularly monitored in the Impol Group and measures to manage these risks are adopted accordingly. In the Impol Group, risk management is based on the principle that the risk assessment and management is the integral part of all business activities.

Active risk management is the primary responsibility of individual business areas which are responsible for the establishment of appropriate and effective internal controls and the implementation of business activities in accordance with prescribed restrictions and given strategic objectives:
The second level comprises of the Risk Management Committee whish is tasked to:

1. determine the most important areas of risks in the Impol system, identify risks and draft proposals to decrease them and submit the proposals to the Management Board;
2. address important business events and identify the most significant risks in advance and the measures to decrease;
3. examine potential methods and procedures for risk minimisation, propose their use and monitor the implementation of measures aiming at risk reduction together with the assessment of the results of this process.

The third level is the Internal Audit which periodically reviews the effectiveness and reliability of the internal control environment in accordance with the regulatory requirements.

The Impol Group faces several risks within the scope of its business process.

Table 21: Types of risks and their management through the application of special measures

Business risks	Risk description	Management method employed	Exposure
Market and price risks	Sales: · Market prices do not keep in step with changes in purchase prices or they only adjust to the latter with a lag of several months, which is why we perform intensive coordination in this respect with our customers. · Customer service – delays resulting from production stoppages, inadequately organised logistics cause excessive costs and delays. Purchasing: · Aluminium – unexpected events in the areas of prices and purchase premiums, exchange rate risk (negative exchange rate differences), unreliable supply sources and associated negative effects on production, liquidity gaps caused by the need to purchase large quantities all at once. · Energy products – unexpected increase in prices, shortage of readily available sources.	· Conclusion of contracts by determining sales premiums so that the changes in purchase premiums are translated in the sales premiums. · Continuous training for quality and full compliance with all the obligations. · Conclusion of contracts for longer, at least one year delivery periods. · Integration of suppliers as financers. · Majority of energy is purchased for a period of at least two years in advance.	Moderate
Investment risks	· Increase in fixed costs and the resulting need to increase the volume of sales coupled with the threat of an increase in losses. · Being late in mastering the technical-technological aspects of new investments, new markets; neglecting the costs resulting from the above. · Cash flow being too weak to ensure the return of invested assets. · Neglect of investments into durable current assets and their subsequent financing with short-term sources of financing despite the investment definitely being a long-term one.	· When planning the required added value per employee, Impol starts from the finding that the said value must, in addition to meeting the requirements arising from current operations and the dividend-related expectations of the shareholders, also meet the need of investing no less than EUR 10 thousand in order to preserve the existing position of employment and that at least a total of EUR 1 million must be earmarked for all types of investments for each new position of employment taking into account the expected growth in the number of new positions of employment.	Moderate
Human resources	· Lack of mobility and the associated costs that are higher than would be justified. · Inadequate assurance of knowledge retention. · Risk associated with the acquisition of key personnel.	· By introducing new IT applications, the company ensures the capture of a broader scope of employee knowledge and important data that are thus made available to a broader circle of employees, working with the key personnel, introduction of the governance standards, permanent education and training.	Moderate
Research and development	· Research and development	· Introduction of a comprehensive system of applicative and technological development, integration as a development supplier to customers.	Moderate
Environmental protection	· Discharges of hazardous substances.	· Constant monitoring of emissions, integration of devices to prevent or reduce risks.	Moderate

Financial risks	Risk description	Management method employed	Exposure
Liquidity risks	· Lack of liquid assets required to settle operating and financing liabilities. · Liquidity risk is a risk of incurring loss owing to short-term insolvency.	· Pre-agreed credit lines and drawing up of outflow and inflow plans.	Minor
Risk of a change in the prices of aluminium raw materials	· Aluminium is a commodity and its prices change continuously. Customers seek to purchase products based on the pre-arranged price basis for aluminium.	· Hedging – forwards and futures contracts.	Moderate
Foreign exchange risk	· The threat of loss on account of unfavourable exchange rate fluctuations – this applies to USD in particular.	· Hedging by means of appropriate derivative financial instruments and the option of purchasing basic raw materials in the local currency.	Moderate
Interest rate risk	· Risk associated with changes in the terms and conditions for financing and borrowing.	· Monitoring of the ECB's and FED's policies, hedging using appropriate derivative financial instruments · interest rate swaps, shifting from a fixed to a floating interest rate.	Moderate
Credit risk	· Risk of customer failure to settle their liabilities.	· Securing trade receivables -primarily receivables from foreign debtors - through Prva kreditna zavarovalnica and foreign insurance firms, monitoring of customer credit ratings, limiting maximum exposure to individual customers. Transactions with customers located in high-risk markets are only performed on the basis of advance payments or prime bank guarantees.	Moderate to high
Claims for damages and lawsuit risk	· Risk of claims for damages being filed by third parties as a result of loss events caused inadvertently by the company through its activities, possession of items and placement of products on the market.	· General liability and product liability insurance (mainly for the segment of the manufacture of products intended for the means of transport industry).	Low to moderate
Damage to property risk	· The threat of damage to property resulting from destructive natural forces; machinery break-down, fire, etc.	· Conclusion of property insurance, machinery breakdown insurance, business interruption insurance, fire insurance and other specific insurance types.	Moderate

Operational risk is the risk of incurring losses coupled with legal risk arising from:
- inadequate or incorrect implementation of internal procedures,
- other incorrect actions by the people belonging to the company's internal business area,
- inadequate or incorrect functioning of systems within the company's internal business area,
- external events or acts.

This is why Impol constantly improves or adapts its organisational structure (this is also why the governance system is being changed in 2015 from a two-tier to a one-tier system) and also continuously improves the entire IT system in order to ensure that business events are monitored in real time.

Operational risks	Risk description	Management method employed	Exposure
Risks in production	· Failure to manage the technological processes (recurring problems and associated dissatisfaction of customers). · Excessive inventories – foreign exchange, cost, liquidity and other risks. · Equipment reliability – insurance costs, deductibles, · bottlenecks – disruptive inventories, disrupted flow with logistical difficulties, failures to meet delivery deadlines, etc.	· Planning of the entire supply chain and the provision of sufficient production capacities.	Moderate
Information technology risks	· Failure to manage internal controls, · failure to ensure substitution of absent workers, · multiple processing of the same data, · disruptions in the production process due to disturbances in the field of information sources.	· Security measures, a plan for uninterrupted operation of information technology.	Moderate
Risks associated with employees	· Occurrence of accidents and injuries, unplanned absence.	· Measures in the field of risk assessment at the workplace, continuous education and training in the working environment, a system of replacement.	Moderate

Business Risks

Market and price risks
The Impol Group has established a permanent business partnership with customers from about 50 countries. The key advantages of the Impol Group are quick response to business condition changes and the provision of a wide range of products. By constantly monitoring the changes in dealing in a metal listed on the LME, aluminium, as well as the changes in the formation of the purchase and sales prices of aluminium we are able to integrate them into our operations.

Investment risk
The risks arising from the implementation of investments are in particular the risks associated with investment planning in fixed assets in terms of their value, performance, schedules, and on the other hand, investments in the provision of permanent working capital granted by the investment in fixed assets. The risks associated with the investments in fixed assets are minimised on the basis of an adequate policy of obtaining and directing external sources of financing. Also these types of investments are financed by non-current assets, as well as we strive to finance a considerable portion of current assets with long-term sources of funding.

Risks associated with human resources
The education and training of our employees is planned and regularly monitored. Their responsibility at workplaces is strengthened by introducing a system of governance standards. The risks related to a lack of adequate professional labour force on the market is managed by our scholarship policy thus ensuring future availability of labour.

Risks associated with R&D
Impol's products are used in industries where exceptional quality and safety are required. Therefore, our procedures are constantly renewed through development tasks and research. We build on our cooperation with our customers, development suppliers and prevent risks in technical and technological procedures.

Risks associated with environmental protection
Exceptional events such as fires, failure of energy supply, spilling or leaking of hazardous substances can have adverse effects on the environment. Preventive checks, equipment maintenance, training and education of the staff can reduce the probability of such events.

Management of Financial Risks

According to the probability of occurrence and relevance, the financial risks of the Impol Group are ranked high. Therefore, attention is placed to different categories of risks. They are monitored and managed by the Finance and Business Administration Department, the Risk Management Department and all other relevant departments at Impol Group companies that operate outside Slovenia.

Liquidity risks
When it comes to liquidity risk management, the Impol Group examines whether it is able to settle all current operating liabilities and whether it is generating sufficient cash flow to settle financing liabilities.
Floating weekly and monthly planning of cash flows allows us to establish the liquid asset requirements. Potential shortages of cash are covered by bank credit lines, whereas any short-term surpluses are invested in liquid current financial assets. The Impol Group is able to settle all of its outstanding liabilities at any time. Well-performing operations grant solvency and increase in capital.

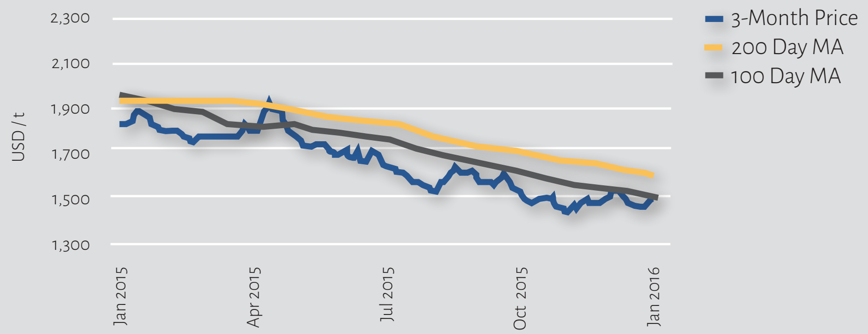
Risk of changes in aluminium prices
The risk of changes in aluminium prices constitutes the greatest risk for the operations of the Impol Group alongside the sales market risk.

The Impol Group follows the principle stating that as soon as a sales agreement is concluded or a sales order is received that is concluded by referring to a specific aluminium raw material price on the LME, aluminium raw materials are secured either physically or by means of forward contracts at the same price as that included in the basis for the conclusion of the sales agreement or order.
The methods for the inclusion of costs and inventory management are established accordingly.

Collateral is usually provided primarily by guaranteeing adequate actual raw material sources with only the missing or excess difference being subject to forward purchases or sales on forward markets respectively.

As regards the management of the price risk arising from changes in quoted aluminium prices, it should be emphasised that quoted aluminium prices move completely randomly, but they serve as the basis for establishing daily purchase and sales prices of aluminium and of Impol's aluminium products.

Figure 14: Changes in the prices of aluminium on the LME



Given the large share of LME prices in the purchase and sales prices, the movement of quoted aluminium prices constitutes one of the greatest risks faced by the Group in its operations. We, therefore, established the Futures Trading Department as early as nine years ago and developed an IT system that links sales and purchase agreements from the point of view of LME prices which automatically links all "back-to-back" transactions, whereby the established difference constitutes the daily risk on the physical market that is hedged on the forward market with the help of brokers directly on the London Metal Exchange.

The fact is that Impol needs to operate with great flexibility on the market and provide all pricing alternatives to its customers. In doing so, however, we must make sure that the contractually agreed sales margin remains unchanged. In 2015, operations involving LME prices were efficient, successful and profitable on the Group level, which we achieved through appropriate forward sales of all excess raw material inventories and by successfully closing these forward positions.

By continuously monitoring developments at the specialised department and continuous control by the Risk Management Committee (RMC), the Group ensures the continuity and stability of the hedging process.

Foreign Exchange Risk

The majority of sales and purchasing are performed in the same currency, meaning that changes in foreign exchange rates do not bring about difficulties in these areas.

The Group is, however, exposed to such changes in two major areas, i.e. the purchasing of aluminium raw materials and when taking out loans denominated in a currency that is different than the currency of the company's accounts.

A major part of raw materials imported by Impol from outside the European Union is purchased in US Dollars, which represents an open FX position of Impol d.o.o.

Table 22: Values of key exchange rate in 2015 and 2014

Exchange rate EUR	Value as at 31 Dec 2014	Value as at 31 Dec 2015	% of a change in value (2015 / 2014)	Lowest value in 2015	Highest value in 2015	% of a change between the lowest and highest value	Average value in 2014	Average value in 2015	% of a change between the average values (2015 / 2014)
USD	1,216	1,089	-10%	1,056	1,210	15%	1,329	1,110	-16%
RSD	120,60	121,23	1%	119,51	123,59	3%	116,87	120,56	3%

In 2015, a certain portion of open USD positions was hedged by Impol d.o.o. in compliance with the foreign exchange risk management policy by using derivative financial instruments, while the remaining part was left unsecured. Open positions were hedged using simple derivative instruments, such as forward contracts.

Foreign exchange risk is also present in Serbia due to the EUR/RSD exchange rate. The aim of the measure adopted by the Group so as to reduce the impact of exchange differences on operating profit in the Serbian part of the Group is to minimise the need to finance a considerable share of raw materials by organising a large part of the sales in the European Union through Impol d.o.o. providing aluminium to be processed, which eliminates the risk of major foreign exchange differences.

Interest Rate Risk

At the end of the year, the Impol Group had long-term loans remunerated at the 6-month EURIBOR reference interest rate. At the end of the year, the Impol Group had long-term loans tied to EURIBOR. The Impol Group has 33% of long-term financial liabilities with a fixed interest rate. EURIBOR remains at a historically low level.

Table 23: Values of the interest rate - EURIBOR in 2015 and 2014

EURIBOR	Value as at 31 Dec 2014	Value as at 31 Dec 2015	Change in the interest rate expressed in percentage points (31 Dec 2014 – 31 Dec 2015)	Lowest value in 2015	Highest value in 2015	Change between the lowest interest rate and the highest interest rate expressed in percentage points	Average value in 2014	Average value in 2015	Change in the average interest rate expressed in percentage points (2015–2014)
6-month	0.171%	-0.042%	-0.213	-0.042%	0.169%	0.211	0.308%	0.053%	-0.255
3-month	0.078%	-0.132%	-0.210	-0.192%	0.110%	0.302	0.209%	0.047%	-0.162
1-month	0.018%	-0.202%	-0.220	-0.206%	0.016%	0.222	0.101%	-0.072%	-0.173

Total interest rate at which the Impol Group was borrowing was lower than in 2014. In 2015, a part of the loan portfolio which is linked to the variable rate was changed to a variable interest rate through the use of a derivative, namely the interest rate swap.

Credit Risk

The credit control process encompasses customer credit rating which is carried out regularly in cooperation with the selected insurance company and foreign insurance firms as well as our customer solvency monitoring system. The Group has secured the majority of customers, in particular the large ones. The Group policy is that no single customer should exceed seven percent of total sales.

By regularly monitoring open and past due trade receivables, the ageing structure of receivables and average payment deadlines, the Impol Group maintains its credit exposure within acceptable limits given the strained conditions on the market. In 2015, the Group managed to reduce trade receivables compared to 2014 owing to a drop in aluminium prices on the stock exchange which serves as the basis for the determination of selling prices, and due to the advanced information system for managing trade receivables by individual customer. In 2015, value adjustments of EUR 5.4 million to trade receivables were made whereby the amount of compensations received was EUR 0.3 million.

Claims for Damages and Lawsuit Risk and Damage to Property Risk

The aim of the Impol Group is to ensure financial compensation for damage incurred on the property, for lost profit resulting from business interruption as well as for the Group to be insured against third-party claims for damages. Procedures for this purpose have been made uniform for the entire Group.

Property insurance for equipment has been concluded based on the carrying amount of the equipment and the same applies for machinery breakdown insurance. The sum insured under machinery breakdown insurance equals the sum of labour costs and depreciation costs.

As regards product insurance from Impol to the customer, Impol has concluded agreements with transport providers that require them to conclude their own damage liability insurance.

As Impol is aware of its liability from any potential damage that could result from the sales of its products on the market, it has also adjusted its product liability insurance policies accordingly. Product liability insurance has been concluded for the automotive industry rods, tubes and profiles programme. Impol has also insured general liability for damage to third parties caused inadvertently by its operations or possession of items.

Risks in Production

Impol, therefore, continuously monitors technological development trends and applies them within the shortest time possible and insofar as this is within its possibilities. This is also why departments tasked with applied development are organised in production environments, which enables rapid procedures.

Information Technology Risks

Impol organises the monitoring of all databases that are exchanged between different applications in a common database (IT backbone). Impol manages the information technology at the operational transactional level with the available hardware and by taking care of sufficient capacities and performance. Key components are duplicated and interoperable redundantly. Applied solutions are compatible with the IT infrastructure and standards.

Impol saves data on a daily basis (backup of all databases) by introducing data protection policies and the associated management processes. The Company strives to minimise risks and therefore uses consolidated data infrastructure, separated solutions to protect data from other infrastructure, two location-independent copies of protected data and the support for the archived copy of the data.

Internal Audit

Two Internal Audit departments are organised at the Impol Group.

An Internal Audit Department operates at the parent company and provides assistance to the Management and Supervisory Boards in the decision-making process so as to minimise risks. The Internal Audit Department operates in compliance with the plan specified by the Management Board and in compliance with prompt resolutions adopted by the Management Board in respect of the department's engagement in the process for the resolution of problems. In 2015, the Internal Audit Department was engaged in 57 projects and proposed 116 improvements by specifying shortcomings and drawing up a problem resolution plan or by drawing up direct solutions, which it used as the basis for the preparation of relevant resolution proposals to be adopted by the bodies responsible.

The Internal Audit Department reported on its work to the Management Board and the two executive directors for 2015. It operates within the scope of the entire Impol Group.

In compliance with Serbian legislation, the Serbian part of the Group appoints a special internal auditor who monitors the legality and efficiency of operations, which is why a special Internal Audit Department was established at the Impol Seval a.d. subsidiary.

The method of work of the Internal Audit Department complies with the standards and the generally accepted guidelines for its operations, and has been further upgraded by qualifications for the performance of certain controlling tasks which in turn ensures immediate and high-quality implementation of the findings of internal audits. This in turn directly affects the reduction of operating costs and improves operating profit.

We are committed to the establishment of sound working conditions for our employees, the preservation of their health and safety, the establishment of a fair relationship with our associates, and to the promotion of motivation and willingness to work.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

RESPONSIBLE TO EMPLOYEES

RESPONSIBLE TO NATURE

RESPONSIBLE TO THE ENVIRONMENT

SUSTAINABLE DEVELOPMENT

Commitment to Sustainable Development

We are committed to the establishment of sound working conditions for our employees, the preservation of their health and safety, the establishment of a fair relationship with our associates, and to the promotion of motivation and willingness to work.

All of our activities are geared towards minimising the negative effects on the environment and the promotion of coexistence with nature.

Our operations are transparent, fair and comply with high moral and ethical standards. Operations are organised in accordance with the Impol Code of Business Conduct (available at: http://www.impol.si/files/default/certifikati/Kodeks_splet.pdf) that sets out our values, method of work, the company's expectations vis-à-vis employees and the rules on cooperation between the companies in the Impol Group.

Because of our involvement in the local environment, we continuously foster care for coexistence with the local residents, contribute to the development of social activities, promote the development of high-potential activities and contribute to a higher quality of life.

Table 24: Our responsibilities

Responsible to ...		year 2015	year 2020
... the employees	Payment	· Higher than the Slovenian and industry averages. · All employees received a 13th month's pay. · The employees received a special bonus on the occasion of the 190th anniversary and a Christmas bonus at the end of the year.	· Higher than the Slovenian and industry averages. · If objectives are attained, employees are entitled to a 13th month's pay.
	Health and safety	· 39 industrial accidents (Slovenia) · 21 industrial accidents (Serbia)	· No accidents.
	Loyalty	· Employee turnover at the Impol Group was 3.27 percent.	· Employee turnover is 4 percent.
	Knowledge and understanding	· An employee undergoes 10.4 hours of training per year on average. · Employees have submitted 196 useful proposals.	· An employee undergoes 25 hours of training per year and the management receives 40 hours of training per year. · Each employee submits at least one useful proposal per year.
	Self-actualization	· 5% of employees receive an annual feedback assessment of progress.	· 75% of employees receive an annual feedback assessment of progress.
... nature	Recycling	· Separate waste collection has been introduced at all levels at the Impol Group. · Regular monitoring and planning of waste creation.	· Ensure the processing of 98% of the waste created.
	Efficient energy consumption	· The consumption of natural gas came in at 127.71 Sm^3/t. · The consumption of process water came in at 1.48 m^3/t.	· Overhaul of energy distribution infrastructure to achieve the lowest loss rates. · Introduction of energy management and an energy supervision system. · Introduction of BAT techniques to maintain low specific consumption of energy and process water, which we achieved with the projects implemented in previous years.
	Emission reduction	· CO_2 emissions came in at 31,514 tonnes.	· Continuation of projects for the reduction of natural gas consumption by replacing plants with more modern (efficient) ones. · Introduction of the use of waste heat.
... local environment	Noise reduction	· Regular implementation of activities for the reduction of noise.	· No noise complaints from local residents.
	Local community development	· The biggest and most successful employer in the region.	· The biggest and most successful employer in the region Active participation in the promotion of entrepreneurship in the region.

RESPONSIBLE TO THE EMPLOYEES

Our almost 200-year long tradition is based on a fair attitude towards employees that gave rise to the growth and development of the Impol Group. The Group focuses on satisfying all employee need groups, while employee wellbeing is demonstrated by the numerous indicators that we keep track of.

A programme for the sustainable development of employees according to the needs pyramid (Maslow) aims to comprehensively develop employee potentials.

Activities of the Impol Group

Fair wages
- Employees in Slovenia and Serbia earn wages that are higher than the average in the industry and the national average.
- Employees receive the maximum permissible holiday pay.
- As the business objectives were attained, employees were entitled to a 13th month's pay.
- Employees received a bonus on the occasion of the 190th anniversary celebration.
- Employees received Christmas bonus.

Health and safety
- The occupational health and safety system is continuously improved.
- Working conditions have improved.
- Training in the field of safety and health at work was renewed.
- We take part in national projects aimed at the reduction of sick leave absences and the reduction of industrial accidents.
- The Impol Health Promotion Society has been established helping improve the quality of life of our employees.
- The company pays supplementary pension insurance for its employees. The savings scheme includes all employees who also pay an insurance premium on an individual basis. The monthly premium spent by individual Group Impol companies per employee amounts to EUR 25.04.

Loyalty
- Every year, events are organised to promote Impol Group employee loyalty and sense of belonging.
- Employees receive awards for 10, 20, 30 or 40 years of service at the Impol Group in Slovenia and for 10, 20, 30 and 35 years of service at Impol Seval (Serbia).
- Internal newsletters Metalurg (in Slovenia) and Seval (in Serbia) are regularly published so as to build the culture of belonging and mutual respect.
- Works councils are established in all Impol Group companies employing more than 20 persons.

Knowledge and understanding
- We develop the competences of managers and expect them to have a positive attitude towards their associates.
- Our employees are provided with education and training in accordance with the requirements of the Impol Group.

Self-actualization
- A system for the rewarding of innovation and useful proposals has been set up.
- Employees are engaged in project teams and provided with opportunities to prove their abilities.

Ensuring Diversity

The Impol Group is committed to equality of opportunity in employment and career development. Belonging to heavy industry where traditionally male occupations are dominant, a balanced gender structure of employees is a major challenge. In total, we employ 83% men and 17% women. The share of female employees has been increasing in middle management where 29% of managers are female. The top management consists of (Management Board and Executive Directors) consists of six men and one woman (women accounting for 17%). In the Impol Code of Business Conduct, the Group committed to equal treatment of the employees whereas the policy of diversity in the management and supervisory bodies has not been drafted yet.

Statistical Data on the Employees

Statistical data on the employees is presented in Tables 25 - 32. The data is managed on the basis of the personnel information system which has not been fully integrated. Its integration between companies at various locations will form a development project in 2016.

Table 25: Employees by Group company

Country	Company	2009	2010	2011	2012	2013	2014	2015
	Impol 2000 d.d.	34	33	32	32	32	33	41
	Impol d.o.o.	23	32	12	12	12	11	18
	Impol FT d.o.o.	282	285	296	295	276	290	294
	Impol PCP d.o.o.	344	336	374	422	382	455	451
	Impol LLT d.o.o.	93	92	101	101	101	133	138
	Impol R in R d.o.o.	24	23	23	26	24	32	34
	Impol Infrastruktura d.o.o.	25	25	26	26	27	24	23
	Stampal SB d.o.o.	33	32	33	37	37	41	41
Slovenia	Rondal d.o.o.				53	55	60	61
	Impol Stanovanja d.o.o.	3	2	2	2	2	2	2
	Unidel d.o.o.	42	39	36	34	35	35	37
	Kadring d.o.o.	10	11	11	13	16	15	14
	– Work at the user	54	97	97	59	119	0	0
	– Work at the user	3	23	9	10	10	0	0
	Impol Servis d.o.o.	7	7	7	7	7	7	7
	Impol-Montal d.o.o.		1	1	1			0
	Total Slovenian companies	974	1,015	1,051	1,104	1,125	1,138	1,161
	Impol Seval a.d.	581	580	576	587	598	569	553
	Impol Seval Finalizacija d.o.o.							
	Impol Seval PKC d.o.o.	11	12	11	11	11	12	12
Serbia	Impol Seval Tehnika d.o.o.	97	92	92	92	87	86	85
	Impol Seval Final d.o.o.	29	24	26	26	24	26	25
	Impol Seval President d.o.o.			10	10	10	9	9
	Total Serbian companies	718	708	715	726	722	702	684
USA	Impol Aluminum Corporation	3	3	3	3	3	3	3
Hungary	Impol Hungary Kft.					2	2	2
Impol Group	**Total number of employees**	**1,695**	**1,726**	**1,769**	**1,833**	**1,852**	**1,845**	**1,850**

Table 26: Staff turnover at the Group level

	Arrivals	Departures	% of total turnover	% of turnover due to consensual termination of employment
Slovenia	64	41	3.53%	0.69%
Serbia	3	21	3.03%	0.29%
USA	0	0	0	0
Hungary	0	0	0	0
Impol Group	67	62	3.35%	0.49%

Table 27: Employee gender structure at the Impol Group

	Slovenia	Serbia	USA	Hungary	Impol Group
Men	968 (83%)	542 (79%)	2 (66%)	0	1,512 (81.73%)
Women	193 (17%)	142 (21%)	1 (34%)	2 (100%)	338 (18.27%)
Total	1,161	684	3	2	1,850

Table 28: Age structure of the employees

	Less than 25 years of age	From 26 to 35 years of age	From 36 to 45 years of age	From 46 to 55 years of age	Above 56 years of age	Average age
Slovenia	6%	25%	28%	33%	8%	41.5
Serbia	5%	21%	14%	32%	28%	46.19
Total	5.5%	23%	21%	32.5%	18%	43.85

Table 29: Education and qualification structure

	PhD	MSc	University	Higher education	College	Secondary	Qualified	Semi-qualified	Non-qualified
Slovenia	0.3%	0.3%	7.5%	6.2%	6.3%	32.7%	35%	6.5%	5.2%
Serbia	0%	1%	11.6%	3.8%	4.2%	25.3%	45.2%	3.4%	5.6%
Impol Group	0.2%	0.6%	9.6%	5%	5.2%	29%	40%	5%	5.4%

Table 30: Share of sheltered employees and the disabled

	Share of sheltered employees (age)	Share of the disabled
Slovenia	10%	6.2%
Serbia	24%	10.7%

Table 31: Utilisation of working time

	Utilisation of working time	% absence due to sickness, paid by the company
Slovenia	80.74%	3.18%
Serbia	82.33%	3.67%

Table 32: Training and education of the employees

	Slovenia	Serbia	Impol Group
Number of hours of training per employee	10.4 hours	9.6 hours	10.1
Costs of training per employee	EUR 159.35	EUR 70.3	EUR 102
Number of employees – part-time students	6	0	6
Number of beneficiaries of grants	9	5	14

Further Guidelines in the Field of Human Resources for 2016

Planned activities:
- prepare standards of leadership,
- measure the organisational climate and the employee satisfaction,
- run activities to increase the number of useful proposals and innovation of the employees,
- introduce line supervision in all production processes,
- introduce a pilot project of lean production into one part of an individual production process,
- prepare a new manual for the employees,
- develop additional IT support for the staff development activities.

RESPONSIBLE TO NATURE

Environmental Management Programme and New Objectives

Our lasting commitment to environmental protection is reflected in the efficient implementation of environmental programmes aimed at the reduction of negative impacts on the environment. Our environmental protection efforts are reflected mainly in the prevention of pollution in the Bistrica stream, reduction of emissions into the atmosphere as well as limited, controlled and prudent use of hazardous substances, the use of alternative energy sources and contribution to global energy efficiency, all of which we achieve by using and processing our own and external sources of secondary aluminium. The investments were planned within the Environmental Management Programme. Within water protection activities, the cooling system was renovated and the pumping station in Impol LLT was renewed. In the field of air protection, the most important investments aimed at fire protection of the purification plant in LLT.

Table 33: Projects planned for 2016

Field	Projects
Air	Construct an additional air treatment plant for new sources and the sources from the production of cast strips.
Hazardous substances, waste	To reduce specific quantities of certain types of waste.
Energy products	Gradual renewal of the electricity system infrastructure and the introduction of the methods of efficient energy product management.
Water	Prudent management of water which circulates in the system in all production processes. To maintain water quality and prolong the cycles of changing water by controlling industrial water processing.
Noise	To continue the projects which reduce the generation of noise in the vicinity.

Fire Protection

Impol Group companies strive for the attainment of the basic objective of fire protection, especially protection of employees and assets. In 2015, the works on the extension of the fire detection and alarm system continued. The main substation and the new plant for the homogenisation of bars in the foundry production process were connected to the system. The system extension is will continue also in the future until all the facilities in the industrial zone offering this type of technical protection are covered. A practical firefighting drill was carried out last year which included the evacuation of the employees from the administrative building and a demonstration of fighting a fire in a solar power plant. In this drill, our firefighting unit cooperated with external firefighting units, emergency services and the employees in the administrative building and in the Foil B facility.

RESPONSIBLE TO LOCAL ENVIRONMENT

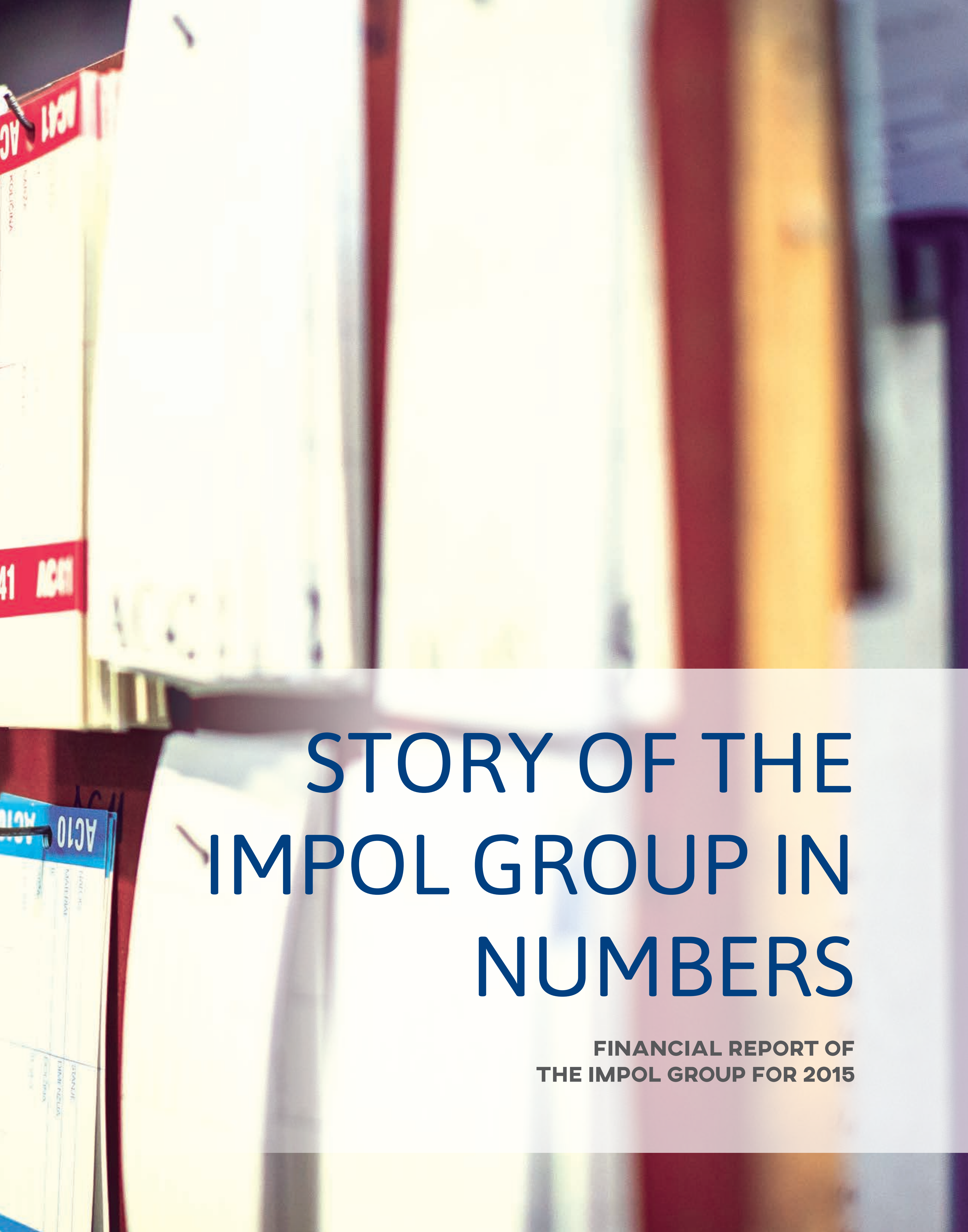
Impol seeks to make its operations as transparent as possible and for them to be carried out in synergy with other stakeholders in the local environment. The Impol Group is the largest employer and the most important company in the Slovenska Bistrica Municipality. It is the sixth largest Slovenian exporter. Impol Seval and its subsidiaries together are also one of the most important exporters in Serbia.

We contribute to the development of the local environment through numerous activities:
- support for sporting, cultural and other societies from the local environment through sponsorships and donations in Slovenia and Serbia,
- sponsorship of important local events,
- cooperation with local companies and the search for synergies,
- search for new business opportunities and the creation of new jobs.

On the occasion of the 190th anniversary, the following activities were carried out:
- renovation of a hiking trail to Bistriški vintgar,
- building awareness about the importance of recycling – in cooperation with Oton Župančič Kindergarten,
- production of a documentary on the history of the Impol Group,
- production of a publication providing the overview of the history of the Impol Group.

Activities planned for 2016 include:
- continuation of the support to high-potential sports, cultural and other societies through sponsorships,
- building awareness of the importance of recycling at kindergartens and primary schools,
- maintaining cooperation with the local media,
- investment in the restoration of the hiking trail along the Bistriški vintgar gorge.

Key information



STORY OF THE IMPOL GROUP IN NUMBERS

FINANCIAL REPORT OF THE IMPOL GROUP FOR 2015

FINANCIAL REPORT OF THE IMPOL GROUP

Executive Directors' Liability Declaration

The Executive Directors are responsible for drawing up an Annual Report of the Impol Group so that it gives a true and fair view of the financial situation of the Impol Group as well as of its operating results for 2015.

The Executive Directors hereby confirm to have diligently applied the appropriate accounting policies and that accounting estimates have been prepared following the principle of prudence and good management. The Executive Directors also confirm that the Financial Statements including notes are drawn up based on the assumption of future operations of the Company and in compliance with the legislation in force and the International Financial Reporting Standards.

The Executive Directors are also responsible for managing accounting appropriately, to take appropriate measures to safeguard the property, to continuously monitor other operating risks and to adopt measures intended to minimise them as well as to prevent and detect any fraud and any other irregularities or unlawful undertakings.

Edvard Slaček
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

Slovenska Bistrica, 8 April 2016

Management Boards' Liability Declaration

The Management Board hereby confirms the Group Financial Statements and Financial statements for Impol 2000 d.d. for the year ending on 31 December 2015 and for the accounting policies applied. This Annual Report was adopted by the Board at its session held on 20 April 2016.

Jernej Čokl
(President of MB)

Vladimir Leskovar
(Vice President of the MB)

Janko Žerjav
(Member of the MB)

Milan Cerar
(Member of the MB)

Bojan Gril
(Member of the MB)

Slovenska Bistrica, 20 April 2016

Independent Auditor's Report for the Impol Group

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

This is a translation of the original report in Slovene language

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, and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2015, consolidated income statement and statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have also reviewed the company's management business report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, and its subsidiaries as December 31, 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter paragraph

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

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. Ptuj

Simon Pregl, univ. dipl. ekon.
Certified auditor

Ptuj, 18.4.2016

Simon Pregl

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

CONSOLIDATED FINANCIAL STATEMENTS OF THE IMPOL GROUP

The accounting policies and notes are an integral part of the financial statements presented below and should be read in conjunction with them.

Table 34: Cumulative Income Statement for 2015 in EUR

Item			Note	2015	2014
1.		Net revenue from sales	1	546,146,705	486,290,565
	a)	Net revenue from sales in the domestic market		34,947,271	31,378,501
	b)	Net revenue from sales in the foreign market		511,199,434	454,912,064
2.		Change in the value of product inventories and unfinished production		1,347,967	270,832
3.		Capitalised own products and services		247,960	873
4.		Other operating revenue (including operating revenue from revaluation)		4,099,165	2,998,933
5.		Costs of goods, materials and services	2	450,117,088	403,793,935
	a)	Cost of sold goods and materials and costs of materials used		413,787,562	371,856,006
	b)	Costs of services		36,329,526	31,937,929
6.		Labour costs	2	46,412,251	42,755,264
	a)	Costs of salaries		32,011,539	30,277,196
	b)	Costs of social insurance (separately disclosed costs of pension insurance)		7,612,872	7,323,180
	c)	Other labour costs		6,787,840	5,154,888
7.		Write-downs	2	20,770,680	18,587,135
	a)	Depreciation		15,116,688	16,243,337
	b)	Operating expenses from revaluation of intangible and tangible fixed assets		261,080	14,972
	c)	Operating expenses from revaluation of current assets		5,392,912	2,328,826
8.		Other operating expenses	2	1,275,768	1,239,349
9.		Financial revenue from participating interests	3	183,025	65,291
	a)	Income from investments in associated companies		31,083	14,483
	b)	Income from investments in other companies		32,702	50,808
	c)	Income from other investments		119,240	0
10.		Financial revenue from loans granted	3	11.720	27,665
	a)	Financial revenue from loans granted to Group companies		0	0
	b)	Financial revenue from loans to others		11,720	27,665
11.		Financial revenue from operating receivables	3	2.053.289	2,674,715
	a)	Financial revenue from operating receivables due from others		2,053,289	2,674,715
12.		Financial expenses from the impairment and write-offs of investments	3	105.066	1,165
13.		Financial expenses from financial liabilities	3	6.659.163	9,862,439
	a)	Financial expenses from loans received from banks		5,253,653	6,089,868
	b)	Financial expenses from issued bonds		385,205	0
	c)	Financial expenses from other financial liabilities		1,020,305	3,772,571
14.		Financial expenses from operating liabilities	3	2.744.452	1,326,724
	a)	Financial expenses for trade payables and bills payable		18,637	13,827
	b)	Financial expenses from other operating liabilities		2,725,815	1,312,897
15.		Income tax	4	2.975.456	1,838,522
16.		Deferred taxes	5	496.275	457,665
17.		Net profit for the period		22.533.632	12,466,676
	a)	Of this profit / loss attributable to non-controlling interest		2,439,035	199,645
	b)	Profit / loss attributable to owners of the parent company		20,094,597	12,267,031
		Result of continuing operations		22,533,632	12,466,676
		Result of discontinued operations		0	0

Table 35: Group statement of other comprehensive income in EUR

	Note	2015	2014
Net profit/loss for the financial year		22,533,632	12,466,676
Changes in surplus from revaluation of intangible and tangible fixed assets (+ / -)			0
Changes in the fair value of hedging against risk (interest rate swaps) (+ / -)	19	-73,355	0
Gains and losses arising from the translation of financial statements of foreign operations (impact of changes in exchange rates) (+ / -)	14	33,708	-1,106,990
Actuarial gains and losses of defined benefit plans (employee benefits) (+/-)	15	-90,667	-7,721
Other items of total comprehensive income (+/-)			0
Total comprehensive income in the financial year		22,403,318	11,351,965
• Of which total comprehensive income of minority equity		2,405,170	-171,356
• Of which total comprehensive income attributable to owners of the parent company		19,998,148	11,523,321

Table 36: Balance Sheet of the Group in EUR

					Note	31 Dec 2015	31 Dec 2014
A.				Non-current assets		**133,040,860**	**137,050,627**
	I.			Intangible assets and non-current deferred costs and accrued revenue	6	1,786,630	2,338,571
		1.		Non-current property rights		1,467,401	1,972,719
		2.		Goodwill		319,229	319,229
		3.		Other non-current deferred costs and accrued revenue		0	46,623
	II.			Tangible fixed assets	7	125,043,592	129,684,051
		1.		Land and buildings		36,795,864	39,111,609
			a)	Land		3,740,137	3,723,907
			b)	Buildings		33,055,727	35,387,702
		2.		Production equipment and machinery		72,068,086	76,519,479
		3.		Other machinery and equipment		3,599,838	4,080,208
		4.		Fixed assets being acquired		12,579,804	9,972,755
			a)	Tangible fixed assets under construction and manufacture		11,502,974	8,933,289
			b)	Advances to acquire tangible fixed assets		1,076,830	1,039,466
	III.			Investment property	8	3,696,605	2,450,752
	IV.			Non-current investments	9	1,554,417	1,316,187
		1.		Non-current investments, excluding loans		1,169,046	1,054,882
			a)	Shares and participating interests in associate companies		656,633	665,012
			b)	Other shares and participating interests		512,413	389,870
		2.		Non-current loans		385,371	261,305
			a)	Non-current loans to others		385,371	261,305
	V.			Non-current operating receivables		1,250	0
		1.		Non-current operating receivables due by others		1,250	0
	VI.			Deferred tax receivables		958,366	1,261,066
B.				Current assets		**229,328,199**	**189,082,187**
	I.			Assets (groups for disposal) for sale		0	235,947
	II.			Inventories	10	97,858,243	108,914,530
		1.		Material		72,182,684	85,214,988
		2.		Work in process		9,830,248	6,844,456
		3.		Products and merchandise		14,521,829	16,245,367
		4.		Advances for inventories		1,323,482	609,719
	III.			Current financial investments	11	6,179,902	612,648
		1.		Current financial investments, excluding loans		0	333,808
			a)	Other current financial investments		0	333,808

					Note	31 Dec 2015	31 Dec 2014
		2.		Current loans		6,179,902	278,840
			a)	Current loans to others		6,179,902	278,840
	IV.			Current operating receivables	12	54,452,700	66,823,853
		1.		Current operating receivables due from Group companies		47,453,396	51,631,520
		2.		Current operating receivables due from customers		6,999,304	15,192,333
	V.			Cash and cash equivalents	13	70,837,354	12,495,209
C.				Current deferred costs and accrued revenue		**109,974**	**1,093,157**
				TOTAL ASSETS		**362,479,033**	**327,225,971**
A.				Equity	**14**	**127,562,535**	**106,177,138**
				Minority equity		11,742,184	9,427,165
	I.			Called-up capital		4,451,540	4,451,540
		1.		Share capital		4,451,540	4,451,540
	II.			Capital reserves		10,751,254	10,751,254
	III.			Reserves from profit		6,906,327	6,427,553
		1.		Reserves for treasury shares and own participating interests		506,406	506,406
		2.		Treasury shares and own participating interests (as deductions)		-506,406	-506,406
		3.		Statutory reserves		1,173,746	694,972
		4.		Other reserves from profit		5,732,581	5,732,581
	IV.			Revaluation surplus		-169,318	-7,721
	V.			Consolidated adjustment of capital		-670,221	-735,989
	VI.			Net profit brought forward		74,934,946	63,914,120
	VII.			Net profit/loss for the financial year		19,615,823	11,949,216
B.				Provisions and non-current accrued costs and deferred revenue	**15**	**2,414,420**	**1,747,281**
		1.		Provisions for pensions and similar liabilities		1,752,717	977,091
		2.		Other provisions		1,251	2,134
		3.		Non-current accrued costs and deferred revenue		660,452	768,056
C.				Non-current liabilities	**16**	**117,899,807**	**78,921,833**
	I,			Non-current financial liabilities		116,274,737	77,579,438
		1.		Non-current financial liabilities to banks		75,616,919	76,695,107
		2.		Non-current financial liabilities from bonds payable		40,000,000	0
		3.		Other non-current financial liabilities		657,818	884,331
	II.			Non-current operating liabilities		294,767	198,659
		1.		Other non-current operating liabilities		294,767	198,659
	III.			Deferred tax liabilities		1,330,303	1,143,736
D.				Current liabilities	**17**	**113,687,948**	**139,537,525**
	I.			Current financial liabilities		78,704,151	92,232,252
		1.		Current financial liabilities to banks		63,074,607	69,421,725
		2.		Current financial liabilities from bonds payable		10,000,000	0
		3.		Other current financial liabilities		5,629,544	22,810,527
	II.			Current operating liabilities		34,983,797	47,305,273
		1.		Current trade payables		26,711,391	38,367,426
		2.		Current operating liabilities from advance payments		1,834,256	1,140,967
		3.		Other current operating liabilities		6,438,150	7,796,880
E.				Current accrued costs and deferred revenue	**17**	**914,323**	**842,194**
				TOTAL LIABILITIES		**362,479,033**	**327,225,971**

Table 37: Group Statement of Changes in Equity in 2015 in EUR

		Called-up capital	Minority equity	Capital reserves	
		I	II	III	IV
		Share capital			Reserves for treasury shares and own participating interests
		I/1	II	III	IV/2
A.1	Balance at the end of the previous financial year at 31 Dec 2014	4,451,540	9,427,165	10,751,254	506,406
A.2	Opening balance of the financial year at 01 Jan 2015	4,451,540	9,427,165	10,751,254	506,406
B.1	Changes in equity – transactions with owners		-90,151		
	Disbursement of dividends		-88,837		
	Disbursement of bonuses to the management and supervisory boards		-1,314		
B.2	Total comprehensive income in the financial year		2,405,170		
	Entry of net profit/loss in the financial year		2,439,035		
	Changes in the surplus from revaluation of investments		-1,805		
	Other items of the total comprehensive income in the financial year		-32,060		
B.3	Changes in equity				
	Reallocation of a part of the net profit from the comparative financial year to other equity items				
	Reallocation of a part of the net profit from the financial year to other equity items following decisions of the management and supervisory boards				
C.	Closing balance of the financial year at 31 Dec 2015	4,451,540	11,742,184	10,751,254	506,406

Table 38: Group Statement of Changes in Equity in 2014 in EUR

		Called-up capital	Minority equity	Capital reserves	
		I	II	III	IV
		Share capital			Reserves for treasury shares and own participating interests
		I/1	II	III	IV/2
A.1	Balance at the end of the previous financial year at 31 Dec 2013	4,451,540	9,682,262	10,751,254	506,406
a)	Retrospective restatement				
b)	Transition to IFRS				
A.2	Opening balance of the financial year at 01 Jan 2014	4,451,540	9,682,262	10,751,254	506,406
B.1	Changes in equity – transactions with owners		-83,497		
	Disbursement of dividends		-82,185		
	Disbursement of bonuses to the management and supervisory boards		-1,312		
B.2	Total comprehensive income in the financial year		-171,356		
	Entry of net profit/loss in the financial year		199,645		
	Other items of the total comprehensive income in the financial year		-371,001		
B.3	Changes in equity		-244		
	Reallocation of a part of the net profit from the comparative financial year to other equity items				
	Reallocation of a part of the net profit from the financial year for setting up additional reserves following a decision of the General Meeting				
	Other changes in equity		-244		
C.	Closing balance of the financial year at 31 Dec 2014	4,451,540	9,427,165	10,751,254	506,406

		Reserves from profit	Revaluation surplus	Currency translation adjustment	Net profit brought forward	Net profit/loss for the financial year	Total EQUITY
			V	IV	VII	VIII	IX
Treasury shares and own participating interests (as deductions)	Statutory reserves	Other reserves from profit			Net profit brought forward	Net loss brought forward	TOTAL EQUITY
IV/3	IV/4	IV/5	V	IV	VII/1	VIII/1	IX
-506,406	694,972	5,732,581	-7,721	-735,989	63,914,120	11,949,216	106,177,138
-506,406	694,972	5,732,581	-7,721	-735,989	63,914,120	11,949,216	106,177,138
					-927,770		-1,017,921
					-925,580		-1,014,417
					-2,190		-3,504
			-161,597	65,768	-620	20,094,597	22,403,318
						20,094,597	22,533,632
			-71,550				-73,355
			-90,047	65,768	-620		-56,959
	478,774				11,949,216	-12,427,990	0
					11,949,216	-11,949,216	0
	478,774					-478,774	0
-506,406	1,173,746	5,732,581	-169,318	-670,221	74,934,946	19,615,823	127,562,535

		Reserves from profit	Revaluation surplus	Currency translation adjustment	Net profit brought forward	Net profit/loss for the financial year	Total EQUITY
			V	IV	VII	VIII	IX
Treasury shares and own participating interests (as deductions)	Statutory reserves	Other reserves from profit			Net profit brought forward	Net loss brought forward	TOTAL EQUITY
IV/3	IV/4	IV/5	V	IV	VII/1	VIII/1	IX
-506,406	377,157	5,732,581	537,225	-3,735,040	56,170,060	11,630,939	95,597,978
							0
			-537,225	3,735,040	-3,577,399	7,631	-371,953
-506,406	377,157	5,732,581			52,592,661	11,638,570	95,226,025
					-307,432		-390,929
					-305,244		-387,429
					-2,188		-3,500
			-7,721	-735,989		12,267,031	11,351,965
						12,267,031	12,466,676
			-7,721	-735,989			-1,114,711
	317,815				11,628,891	-11,956,385	-9,923
					11,638,570	-11,638,570	0
	317,815					-317,815	0
					-9,679		-9,923
-506,406	694,972	5,732,581	-7,721	-735,989	63,914,120	11,949,216	106,177,138

Table 39: Group Cash Flow Statement in EUR

Item			Notes	2015	2014
A.		Cash flows from operating activities			
	a)	Items of the Income Statement		49,397,703	40,468,744
		Operating revenue (except from revaluation) and financial revenue from operating receivables	1	551,840,168	491,637,444
		Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities	2	-498,970,734	-448,872,513
		Income and other tax not included in operating expenses	4	-3,471,731	-2,296,187
	b)	Changes to net operating current assets (and accruals and deferrals, provisions and deferred tax receivables and liabilities) of the Balance Sheet operating items		8,466,596	-21,341,519
		Opening less closing operating receivables	12	6,982,314	-6,193,581
		Opening less closing deferred costs and accrued revenue	12	983,183	1,601,646
		Opening less closing deferred tax receivables	5	302,700	79,649
		Opening less closing assets (groups for disposal) for sale		1,226	0
		Opening less closing inventories	10	11,053,048	-18,801,809
		Closing less opening operating liabilities	17	-12,089,661	2,417,876
		Closing less opening accrued costs and deferred revenue and provisions	17	1,047,219	-767,649
		Closing less opening deferred tax liabilities	5	186,567	322,349
	c)	Net cash from operating activities (a + b)		57,864,299	19,127,225
B.		Cash flows from investing activities			
	a)	Cash receipts from investing activities		7,201,119	2,659,861
		Inflows from interest and participation in others` profits relating to investing activities	3	44,906	78,848
		Cash receipts from the disposal of tangible fixed assets	1	1,550,860	5,559
		Cash receipts from the disposal of non-current investments	3	144,345	11,785
		Cash receipts from the disposal of current investments	3	5,461,008	2,563,669
	b)	Cash disbursements from investing activities		-24,247,279	-15,400,638
		Cash disbursements to acquire intangible assets	6	-216,143	-683,126
		Cash disbursements to acquire tangible fixed assets	7	-12,665,274	-13,293,607
		Cash disbursements to acquire non-current financial investments	9	-266,834	-30,953
		Cash disbursements to acquire current financial investments	11	-11,099,028	-1,392,952
	c)	Net cash from investing activities (a + b)		-17,046,160	-12,740,777
C.		Cash flows from financing activities			
	a)	Cash receipts from financing activities		145,445,237	130,682,966
		Cash receipts from increase in non-current financial liabilities	16	98,937,787	51,268,595
		Cash receipts from increase in current financial liabilities	17	46,507,450	79,414,371
	b)	Cash payments from financing activities		-127,921,231	-133,579,151
		Interest paid on financing activities	3	-6,600,195	-11,563,413
		Cash repayments of equity		0	-9,923
		Cash repayments of non-current financial liabilities	16	-6,334,025	-217,036
		Cash repayments of current financial liabilities	17	-113,969,090	-121,380,138
		Dividends and other profit shares paid	14	-1,017,921	-408,641
	c)	Net cash from financing activities (a + b)		17,524,006	-2,896,185
D.		Closing balance of cash		70,837,354	12,495,209
	a)	Net cash flow for the period		58,342,145	3,490,263
	b)	Opening balance of cash		12,495,209	9,004,946

Notes to the Financial Statements

Controlling undertaking

In compliance with the Companies Act, Impol 2000 d.d. headquartered in Slovenska Bistrica, Partizanska 38, and being a large public limited company, is obliged have its operations audited. The Company is classified under the activity code 70.100, i.e., the management of companies. The share capital of the Company amounted to EUR 4,451,540 and was divided into 1,066,767 ordinary registered no-par value shares. The shares are held by 948 shareholders.

The consolidated financial statements for the financial year that ended on 31 December 2015 are presented hereafter. The consolidated financial statements include the company Impol 2000 d.d. and its subsidiaries and participations in associates.

Introductory note on reporting standards

For the financial year 2015, the Impol Group for the first time prepared its financial statement in accordance with the International Financial Reporting Standards as they were adopted by the European Union. The transition to IFRS, as they were adopted by the European Union, was implemented based on IFRS 1 First-time Adoption of International Financial Reporting Standards and using the allowed transitional exceptions. The effective transition date was 1 January 2014, after which the Group prepared the opening statement of financial position according to IFRS. Until 2015, the Group prepared group financial statements in accordance with the Slovenian Accounting Standards (2006) and the notes of the Slovenian Audit Institute. The explanation of the impact of the transition to IFRS to the financial situation, economic outcome and the amount of group equity is presented in detail in the chapter Comparable data and the impact of the transition to IFRS.

Statement of compliance with IFRS

The Management Board confirmed the financial statements and the consolidated financial statements on 20 April 2016. Financial statements of the company Impol 2000 d. d. and the consolidated financial statements of the group were prepared in accordance with the International Financial Reporting Standards (IFRS), as they were adopted by the European Union, including the notes that were adopted by the International Financial Reporting Interpretations Committee (IFRIC) and that were also adopted by the European Union, and in accordance with the Slovenian Companies Act (ZGD). All companies of the group (except the company IAC, USA) also changed their financial reporting in 2015 according to the IFRS requirements that apply in the European Union.

At the balance sheet date, regarding the standard-setting process in the European Union and the financial reporting guidelines of the company Impol 2000 d.d. and the Impol Group, there are no differences between the IFRS used and the IFRS adopted by the European Union.

New standards and notes that do not yet apply

Standards and notes presented hereafter did not yet apply on the date of the consolidated/separate financial statements. The Group will use these standards and notes for preparing financial statements after their implementation.

IFRS 9, Financial Instruments

In July 2014, the International Accounting Standards Board published the final version of the IFRS 9 standard Financial Instruments that includes the requirements of all individual phases of the IFRS 9 renewal project and replaces the IAS 39 Financial Instruments: Recognition and Measurement, and all previous versions of IFRS 9. The renewed standard introduces new requirements regarding the classification and measurement of financial assets and liabilities, the recognition of their impairment, and financial hedging. The renewed IFRS 9 applies to financial years starting on 1 January 2018 or later. An early use of the standard is allowed. Changes of the standard shall be used by companies retrospectively, whereby a presentation of comparable data is not obligatory. An early use of previous versions of IFRS 9 that were published in years 2009, 2010 and 2013 is allowed under the condition that the company performed the transition to IFRS any time before 1 February 2015. The standard was not yet confirmed by the European Union. The Group assumes that this change will not have a significant impact on financial statements.

IFRS 14, Regulatory Deferral Accounts

IFRS 14 is an optional standard that enables companies during their first implementation of International Financial Reporting Standards to largely continue with their deferral accounts based on regulatory services in accordance to previously generally accepted accounting principles. Companies that decide to use the new standard have to separately recognise regulatory deferrals in the statement of financial situation, and to show all changes on these accounts in separate items in the profit-and-loss statement and the other comprehensive income statement. The standard requires companies to disclose regulatory characteristics, their connected risks, and their impact on financial statement of companies. IFRS 14 applies to all financial years starting on 1 January 2016 or later. The standard was not yet confirmed by the European Union. The Group assumes that this change will not have a significant impact on financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board published a new version of IFRS 15 that introduces a new five-stage model for recognising revenue from contracts with customers. According to the IFRS 15 provisions, a company recognises revenue in the amount that reflects the amount of the purchase that the company expects from the transition of goods or the provision of services to the buyer. Financial principles from IFRS 15 thus offer a more structured approach to measuring and recognising revenue. The new standard applies to all companies and replaces the existing requirements of the International Financial Reporting Standards regarding recognising revenue. Full usage of the new standard applies to financial years starting on 1 January 2017 or later, but an adjusted version of the standard shall be used by the companies retrospectively. AN early use of the standard is allowed. The standard was not yet confirmed by the European Union. The Group is currently reviewing the impact of the new standard and will start to use it after its implementation.

IFRS 11 amendment, Joint Arrangements: Acquisition of Shares
According to the IFRS 11 amendment, a company that takes part in joint arrangements has to apply the accounting principles of the IFRS 3 standard that apply to acquisitions of shares in case of acquisition of shares of joint ventures of which activity represents conducting business. The amendment additionally explains that in case of acquisition of additional shares in the same joint venture, the existing shares may not be measured again until the joint arrangement still exists. The Board also included exceptions in IFRS 11, which stipulate that the amendment does not apply in cases where parties that are included in the joint arrangement (including the reporting company) control the parent undertaking.

The amendment thus applies to both acquiring original shares in the joint venture and additional shares in the same joint venture. The amendment applies to financial years starting on 1 January 2016 or later. An early use of the standard is allowed. The amendment of the standard was not yet confirmed by the European Union. The Group assumes that this change will not have a significant impact on financial statements.

Amendments to IAS 16 and IAS 38, Note on acceptable methods of depreciation and amortisation
With these amendments, the Board explains the accounting principles of IAS 16 and IAS 38, which stipulate that revenue represents the generation of expected economic benefits (part of which is also the means) rather than the consumption of economic benefits. Therefore, a company cannot use revenue-based methods for the amortisation of fixed tangible assets, but in some limited circumstances a company can use them for the amortisation of intangible assets.

These changes apply to financial years starting on 1 January 2016 or later. An early use is allowed. The changes were not yet confirmed by the European Union. The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants
The amendments change the requirements of accounting biological assets that fulfil the definition of bearer plants. According to these amendments, biological assets that fulfil the definition of bearer plants no longer fall under the requirements of IAS 41, but under IAS 16. Thus, according to the requirements of IAS 16, a company has to measure the recognised total cost of bearer plants (before maturity) after their first recognition, and by using the cost model or the revaluation model (after maturity).

The amendments of IAS 16 and IAS 41 also require companies to measure the produce growing on bearer plants at fair value, reduced by sales costs, in accordance with the provisions of IAS 41. Government grants related to bearer plants need to be accounted for under IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The amendments are applicable to annual periods beginning on or after 1 January 2016, and companies shall use them retrospectively. An early use is allowed. The changes were not yet confirmed by the European Union. The Group assumes that these changes will not have a significant impact on financial statements.

Changes of IAS 27: Equity method in separate financial statements
The amendments of IAS 27 enable companies to use the equity method for recognising investments in subsidiaries, joint ventures and associates in separate financial statements. Companies that already prepare their financial statements in accordance with the International Financial Reporting Standards (IFRS) and want to move to using the equity method, have to consider these amendments also in financial statements during the transitional period. The amendments also explain that companies that move to using IFRS standards and the equity method, have to start using the equity method from the date of moving to IFRS. These amendments apply to financial years starting on 1 January 2016 or later. An early use is allowed. These changes do not affect consolidated financial reports of the group.

Amendments to IFRS 10 and IAS 28: Sales or contributions of assets between an investor and its associate or joint venture
The amendments address conflicts between the requirements of IFRS 10 and IAS 28 regarding recognising the loss of control over a subsidiary after selling or transferring the subsidiary to an associate or joint ven-

ture. The amendments explain that the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. The gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 to an associate or joint venture is recognised only to the extent of unrelated investors' interests in the associate or joint venture. Amendments apply to financial years starting on 1 January 2016 or later. An early use is allowed. The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to standards and notes adopted in the 2012–2014 period
In the 2012–2014 period, the International Accounting Standards Board published a set of changes of standards listed hereafter, which apply to financial years starting on 1 January 2016 or later. An early use of the changed and amended standards is allowed.

Amendments to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal
The amendment explains that the changes in the method of disposal (held for sale or distribution) do not represent a new sales plan but a continuation of the original sales plan without discontinuing to comply with the requirements of IFRS 5. The changed standard applies to financial years starting on 1 January 2016 or later.

The amendments include specific guidance for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued. The amendments specify that:

- Such reclassifications do not constitute a new held-for-sale or distribution plan and that companies have to meet all the requirements regarding reclassification, presentation an measuring that apply to the new method of disposal.
- Assets that do not meet the requirements for being recognised as assets held for distribution (and also do not meet the criteria for being recognised as assets held for sale) shall be treated equally as assets that discontinue to meet the criteria for being recognised as assets held for sale.

The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to IFRS 7, Financial Instruments: Disclosures in connection with servicing contracts and using the amendments in separate financial statements of the company with a consequential impact on the amendments to IFRS 1
The amendments add additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset. The amendments also explain that in condensed interim financial statements, recognitions in accordance with IFRS 7 regarding offsetting disclosures are not required.

The amendments also add additional guidance regarding disclosures that are required in connection with the transfer of assets and clarify whether a servicing contract is continuing involvement in a transferred asset. Article 42C(c) of IFRS 7 states that an indirect arrangement within a servicing contract does not constitute continuing involvement from the prospective of disclosures at the transfer of financial assets.

Using changes of and amendments to IFRS 7 for preparing financial statements
The amendments explain the usage of amendments to and changes of IFRS 7 regarding offsetting disclosures to condensed interim financial statements. Amendments to and changes of IFRS 7 were adopted by the International Accounting Standards Board with the intention to eliminate the uncertainty regarding whether companies need to include disclosures based on the requirements that were published in December 2011, and apply to financial years starting on 1 January 2013 or later, in offsetting disclosures in their condensed interim financial statements.

Changes and amendments of the standard apply to future periods in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to IAS 19, Employee Benefits: Discount rate – regional market issue
The amendments clarify Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high quality corporate bonds should be assessed at currency level).

The amendments of the standard apply from the beginning of the first comparative period which is presented in the first financial statements prepared based on the renewed and amended standard. All initial adjustments have to be recognised within retained earnings in the opening balance of this period. The amended standard applies to financial years starting on 1 January 2016 or later. The Group assumes that these changes will not have a significant impact on financial statements.

Amendment to IAS 34, Interim Financial Reporting: disclosure of information 'elsewhere in the interim financial report'

The amendment explains that disclosures in accordance with IAS 34 have to be included in interim financial reports and not in interim financial statements, and that interim financial statements have to include references to the corresponding chapters of interim financial reports. Additionally, companies have to submit interim financial reports to users on the same grounds as interim financial statements.

The amended standard applies to future periods in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to IAS 1, Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify but not significantly change the existing requirements of the standard. The amendments clarify:

- The requirements of IAS 1 regarding importance.
- An entity may disregard certain items in the statement of financial position and the statement of profit or loss and other comprehensive income.
- An entity may freely choose the order of presenting notes to financial statements.
- An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

The amendments also clarify the requirements regarding an additional presentation of interim amounts in the statement of financial position and the statement of profit or loss and other comprehensive income. The amendments apply to financial years starting on 1 January 2016 or later. An early use of the amendments is permitted. The Group assumes that these changes will not have a significant impact on financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28, Investment Entities: Applying the Consolidation Exception

The amendments clarify the issues that entities face regarding the exemption from consolidation for investment entities based on the provisions of IFRS 10. The amendments clarify that the exemptions from presenting consolidated financial statements apply to an entity parent that is a subsidiary of an investment entity, if the investment entity measures its shares in all subsidiaries at fair value.

The amendments also explain that the consolidation only includes subsidiaries that are not investment entities and that provide supporting services to an investment entity. All other subsidiaries of the investment entity have to be measured at fair value. The amendments of IAS 28 Investments in Associates and Joint Ventures enable investors when using the equity method to keep the fair value method used by associates and joint ventures of an investment entity for measuring their shares in subsidiaries. The amendments apply to financial years starting on 1 January 2016 or later. An early use of the amendments is permitted. The Group assumes that these changes will not have a significant impact on financial statements.

New adopted standards and notes that entered into force on 1 January 2015

The accounting policies used for consolidated financial statements are the same as the accounting policies used for the consolidated financial statements for the financial years ending on 31 December 2014, with the exception of newly adopted or changed notes that entered into force on 1 January 2015 and are presented hereafter.

Amendments to IAS 19, Employee Benefits – Defined Benefit Plans: Employee Contributions

The amendments clarify the contributions from employees or third parties within defined benefit plans. If the amount of the contributions depends on the number of years of service, those contributions must be attributed to periods of service and be recognised as negative benefits. If the amount of the contributions is independent of the number of years of service, contributions may be recognised as a reduction in the service cost in the period in which the related service is rendered, and not distributed over the whole period of service. . The amendments apply to financial years starting on 1 July 2014 or later. These changes did not significantly impact the statements of the group.

Amendments to Standards and Notes Adopted in the 2010–2012 period

Amendments to IFRS 2, Share-based Payment

The amendments clarify different definition of the requirements in connection with performance or requirements that require employees to stay employed by the entity. The amendments apply to future periods. These changes did not significantly impact the statements of the group.

Amendments to IFRS 3, Business Combinations

The amendments that apply to future periods clarify that after initial recognition, all contingent payments classified as liabilities (or assets), originating from business combinations, shall be measured at fair value at each reporting date, regardless if they fall under the requirements of IAS 39 Financial Instruments. These changes did not significantly impact the statements of the group.

Amendments to IFRS 8, Operating Segments

The amendments that apply to future periods clarify that entities are required to:

- Disclose the judgements made by management in applying the criteria from IFRS 8 and add a short description of group operating segments and economic indicators like sales and gross margin, based on which the entity decided whether operating segments are similar or not.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosures for segment liabilities.

These changes did not significantly impact the statements of the group.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendments that apply to future periods clarify in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. These changes did not significantly impact the statements of the group since its assets are not revalued under the revaluation model.

Amendments to MRS 24, Related Party Disclosures

The amendments that apply to future periods clarify that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. In addition, an entity that uses a management entity is required to disclose the expenses of management services. These changes did not significantly impact the statements of the group.

Amendments to Standards and Notes Adopted in the 2011–2013 period

Amendments to IFRS 3, Business Combinations

The amendments that apply to future periods clarify that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3.
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

These changes did not significantly impact the statements of the group.

Amendments to IFRS 13, Fair Value Measurement

The amendments that apply to future periods clarify that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39 Financial Instruments: Recognition and measurement. These changes did not significantly impact the statements of the group.

Amendments to IAS 40, Investment Properties

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. These changes did not significantly impact the statements of the group.

Basis and estimates for preparing financial statements

Financial statements of the Group and financial statements of the company Impol 2000 d.d. were prepared at historical cost basis, except in case of derivatives.

In accordance with the legislation, the company Impol 2000 d.d. shall ensure independent auditing of these financial statements.

The consolidated financial statements are presented in EUR (without cents), and EUR is also the functional currency of the Group.

Use of estimates and judgements

The preparation of financial statements requires the management of the controlling company to make judgements, estimates and assumptions that affect the carrying amounts of assets and liabilities of the Group as well as the reported income and expenses. Estimates and assumptions are based on previous experiences and many other factors which are considered in given circumstances as justified and based on which we can determine the carrying amount of assets and liabilities that are not clearly evident from other sources. Actual results can differ from these estimates. Estimates and assumptions have to be regularly reviewed. Changes in accounting estimates may only be recognised for the period in which the estimates were changed, if the changes apply only to this period, or both for the current and future periods, if the changes affect both the current and future periods.

Assessments and assumptions are mostly present in the following estimates:

- Estimate of useful life of depreciable assets

For estimating the useful life of assets, the company considers the expected physical wear, technical ageing, economical ageing, and the expected legal and other restrictions of use. The company annually reviews the useful life of more significant assets. If the expected pattern of using future economic gains based on depreciable assets changes significantly, the depreciation method shall also change to meet the changes of the pattern. These changes are regarded as changes in accounting estimates.

- Impairment testing of assets

Impairment testing of assets is performed by the management to ensure that the carrying amount does not exceed the replacement value. On every reporting date, the management estimates if there are any signs of impairment. Critical estimates were used for the following assessments of value:
  - investment property (Note 8),
  - goodwill (Note 6),
  - investments in associates (Note 9),
  - financial claims (Notes 9, 11, 19).

- Estimate of fair value of assets (Note 19)

Fair value is used in case of financial assets measured by fair value through profit or loss, and in case of derivatives. All other items in financial statements represent the purchase or the amortised value. All assets and liabilities that are measured by fair value in financial statements are classified in a hierarchy of fair value based on the lowest level of inputs that are important for measuring the total fair value:
  - Level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities.
  - Level two includes inputs that besides quoted prices from level one is also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities.
  - Level three includes inputs for assets or liabilities that are not based on observable market data.

Quoted prices are used as the basis for determining fair value of financial instruments. If a financial instrument is placed on an organised marked or if the market is estimated as not functioning, inputs from levels two and three are used for determining the fair value.

- Estimate of fair value of available-for-sale financial assets

Available-for-sale financial investments are presented at fair value or at purchase value if fair value cannot be reliably determined. Profit or loss is recognised in equity as net unrealised gains from available-for-sale financial investments until the investment is sold or disposed of. Purchase and sale of available-for-sale investments are recognised on the day of purchase.
Equity investment in subsidiaries, associates and other companies are measured at fair value.

- Estimate of net recoverable value of inventories

At least at the end of the financial year, the net recoverable value of inventories and the need for inventories to be written down is assessed. Partial write-down of inventories under their original value or costs to their net recoverable value is in accordance with the policy that assets cannot be carried at a value higher that the value expected at their sale or use. Inventories are usually partially written down to the net recoverable value of individual line items.

- Estimate of recoverable value of claims

At least once annually, namely before preparing the annual statement of account, the suitability of recognised amounts of individual claims is assessed. Claims that are not settled within the agreed period are recognised as 'doubtful' and 'at issue', and a correction of their value is recognised to debit of the revaluated operating charges, and usually legal proceedings are brought about (lawsuit or enforcement).

- Estimate of the possibility of utilising deferred tax assets and tax liabilities

The Group forms deferred tax assets for provisions for jubilee and retirement benefits, impairments of financial investments, impairment of claims, and tax losses. Deferred tax liabilities are formed as temporary deductible differences between the carrying value and the tax value of fixed assets.

At the end of a financial year, the amount of the recognised deferred tax assets and tax liabilities is estimated. Deferred tax assets are recognised in case of a probable available future profit against which the deferred tax assets can be utilised.

- Assessment of provisioning

Within the requirements regarding certain post-employment and other benefits, the present value of retirement and jubilee benefits is recognised based on the actuarial assessment. The actuarial assessment is based on the assumptions and estimates valid at the time of the assessment and can differ from actual assumptions in the future due to certain changes (discount levels, assessment of turnover of staff, assessment of mortality, and assessment of wage growth). The Group had no other provisioning.

Important Accounting Policies of the Group

Foreign currency transactions

Transactions in foreign currencies are converted to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the prevailing exchange rate at that date. Positive or negative foreign currency differences are differences between the purchase value in the functional currency at the beginning of the period, adjusted by the amount of effective interest and payments during the period, and the purchase value in foreign currency converted at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate at the date when the fair value was determined. Non-cash items measured at historical costs in foreign currency are translated into the functional currency by applying the exchange rate valid at the date of the transaction. Foreign currency differences are recognised in profit or loss.

Financial statements of companies in the Group

The consolidated financial statements are presented in EUR. Items of every company in the Group that are included in financial statements are converted into the reporting currency for the purpose of the consolidated financial statements as follows:

- Assets and liabilities in the balance sheet are converted according to ECB exchange rates on the date of reporting.

For converting balance sheet items from national currencies into EUR, the following reference ECB exchange rates were used:

Table 40: Reference ECB exchange rates for converting balance sheet items

Currency	31 Dec 2015
USD	1.0887
HUF	315.98
RSD	121.23
HK	7.638

- Revenue and expenditure of foreign companies are converted into EUR according to average annual exchange rates of the financial year.

For converting balance sheet items from national currencies into EUR, the following exchange rates were used:

Table 41:Exchange rates for converting profit or loss

Currency	Average annual in 2015
USD	1.1095
HUF	310.00
RSD	120.56
HK	7.6137

Currency differences are recognised under other comprehensive income and reported under the item exchange differences in equity. If a foreign entity is disposed of in a way that there is no longer a controlling or significant influence, the corresponding cumulative amount in the exchange difference in equity is translated into gains and losses on disposal. If the Group disposes of only part of its share in a subsidiary that includes a foreign company, while maintaining a controlling influence, the corresponding share of the cumulative amount is reclassified as non-controlling share. If the Group disposes of only part of its investment in a subsidiary of joint venture that includes a foreign company, while maintaining a controlling influence, the corresponding share of the cumulative amount is reclassified as profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the parent company Impol 2000 d.d. Control exists when the controlling company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries are harmonised with the accounting policies of the company Impol 2000 d.d.

After loss of control, the Group recognises assets and liabilities of the subsidiary, non-controlling shares and other components of equity in connection with the subsidiary. Any surpluses or deficits that arise at the loss of control are recognised in profit or loss. If the Group retains a share in a previous subsidiary, this share is measured at fair value at the date of the loss of control. Later, this share is recognised in equity as an investment in a subsidiary (using the equity method) or as available-for-sale financial assets, depending on the level of control. Investments in subsidiaries are measured at cost. Costs that can be connected with purchasing a subsidiary increase the value at cost of the equity investment. Sharing in profit of the subsidiary is recognised in profit or loss after the subsidiary acquires the right to profit-sharing. Consolidated financial statements do not include revenue/expenditure and loss based on transaction within the Group.

Investments in associates

Associates are entities where the Group has a significant influence but does not control their financial and business policies. A significant influence exists if an entity owns 20 to 50 percent of voting rights in another entity. Investments in associates are recognised in individual statements at cost and in consolidated statements using the equity method. Consolidated financial statements include the share of the entity in profit or loss, using the equity method, from the date of the beginning ant until the date of the end of the significant influence. Accounting policies of associates are harmonised with the accounting policies of the company Impol 2000 d.d.

If the share of the company in the loss of the associate is bigger than its share, the carrying value of the share in the associate is reduced to zero, and it is no longer recognised in future losses. Costs that can be connected with the purchase increase the value at cost of the equity investment.

Intangible assets

Intangible assets include:

- Investments in licences and other non-current property rights (IT, software).
- Goodwill.

At initial recognition, intangible assets are valued at cost. The carrying value of intangible assets with a finite useful life is reduced with amortisation. Later expenditure in connection with intangible assets are only capitalised if they increase future economic gain. All other costs are recognised in profit and loss as expenditure at the moment they arise.

Among intangible assets with a finite useful life, the Group recognises software and licences. For the acquired software, the value at cost also includes the costs of acquisition and training for use, and for material rights, only the costs of acquisition. Within the whole useful life of individual intangible assets, the company consistently allocates its depreciable amount to individual financial periods as the current amortisation. Amortisation is calculated using the straight-line method, while considering the useful life of the intangible asset. Amortisation starts at the value of cost, after the asset is made available for use. Amortisation methods, useful life and other values are reviewed and, when necessary, adjusted at the end of every financial year. Depreciation rates based on the estimated useful life of individual types of intangible assets:

Table 42: Depreciation rates used for intangible fixed assets

Depreciation rates used in the Group	Depreciation rate in %	
	Lowest	Highest
Intangible assets		
Software	20.00%	50.00%
Intangible investments	20.00%	20.00%

Goodwill, which occurred at consolidation, represents the excess of the cost of an acquisition over the entity's share in fair value of the acquired identifiable assets, liabilities and contingent liabilities of subsidiaries at the date of acquisition. Negative goodwill is recognised immediately in the consolidated profit and loss account. Goodwill is considered as an asset with a finite useful life and is tasted at least once a year regarding possible impairment.

Every impairment is recognised immediately in the consolidated profit and loss account and is not removed later. At a disposal of a subsidiary, the corresponding amount of goodwill is included in profit and loss.

Property, plant and equipment

Property, plant and equipment are recognised using the cost model. At initial recognition, they are measured at cost, reduced by amortisation and impairment loss, except land, which is not subject to amortisation and are recognised at cost, reduced by all impairments. Value at cost includes costs that can be directly attributed to individual assets.

Important parts of fixed assets that have different useful lives are recognised as individual tangible fixed assets.

Borrowing costs that are directly connected with purchasing, building or creating an asset in acquisition are recognised within the value at cost of this asset.

Value at cost of assets created in the Group includes material costs, direct costs of labour, indirect production costs, and (it required) the initial assessment of costs of decommissioning, removal and restoring the site where the asset is held. Immovable property that was built for future use as investment property are considered as tangible fixed assets and are recognised at cost at the date of completion of construction when immovable property becomes investment immovable property.

Positive or negative differences between the net recoverable value and the carrying value of the disposed asset are recognised in profit or loss. The costs of replacing a part of a tangible fixed asset are recognised at the carrying value of this asset, if it is probable that future economic gains of this part of the asset will flow into the Group and if the value at cost can be reliably measured.

All other costs (repairs, maintenance) for preserving or renewing future economic gain are recognised in the profit and loss account as expenditures immediately after they occur. Amortisation is calculated using the straight-line method, considering the useful life of individual tangible fixed assets and the residual value,

while residual value is only determined for significant assets. Land is not subject to amortisation. Amortisation starts after the asset is made available for use.
Depreciation rates based on the estimated useful life of individual types of tangible fixed assets:

Table 43: Depreciation rates used for intangible and tangible fixed assets

Depreciation rates used in the Group	Depreciation rate in %	
	Lowest	Highest
Intangible assets		
Software	20.00%	50.00%
Intangible investment	20.00%	20.00%
Tangible fixed assets		
Immovable property		
Buildings	1.30%	3.00%
Other constructions	1.30%	2.50%
Equipment		
Production equipment	1.50%	20.00%
Equipment until 2003		33.00%
Equipment until 2007	20.00%	25.00%
Other equipment after 01 Jan 2007	5.50%	20.00%
Computer equipment	50.00%	50.00%
Motor vehicles		
Transport vehicles	6.20%	20.00%
Personal vehicles	12.50%	15.50%
Other tangible fixed assets	10.00%	10.00%
Investment property (cost model)	1.30%	3.00%

Investment property

Investment property is property that is owned with the intention to collect rent (land, buildings or parts of buildings or both). They are recognised at cost, reduced by amortisation and impairment loss. Amortisation is calculated using the straight-line method, considering the useful life of the investment property. Depreciation rates are between 1.3 and 3 percent.

For reporting and disclosure in annual statements fair value of investment property is valued using the cash flow capitalisation method, where cash flow mostly consists of rent received from renting investment property. Investment property that is rented within the Group is reclassified as tangible fixed assets, except in cases where ancillary services are so insignificant that the property does not meet the reclassification criteria.

Financial instruments

Financial instruments include:
- Non-derivative financial assets,
- Non-derivative financial liabilities,
- Derivative financial instruments.

At initial recognition, financial instruments are recognised at fair value. Fair value is the amount that can be obtained by selling the asset or exchanging the liability well-informed and willing parties in an arm's length transaction. After the initial recognition, they are measured according to value as described hereafter.

After determining the fair value of financial instruments, the following hierarchy of determining fair value is taken into account:
- Level one includes quoted prices (unadjusted) on functioning markets for the same assets and liabilities.
- Level two includes inputs that besides quoted prices from level one are also noted directly (i.e. prices) or indirectly (i.e. derived from prices) as assets or liabilities.
- Level three includes inputs for assets or liabilities that are not based on observable market data.

Quoted prices are used as the basis for determining fair value of financial instruments. If a financial instrument is placed on an organised marked or if the market is estimated as not functioning, inputs from levels two and three are used for determining the fair value.

Non-derivative financial assets

Non-derivative financial assets include cash and cash equivalents, claims and loans, and investments.

Financial assets at fair value through profit or loss

Financial assets intended for trade are classified as assets at fair value through profit or loss. At initial recognition, assets are valued at fair value, which is the same as the paid amount. Changes in fair value of assets are recognised directly in profit or loss. The Group has no such assets recognised in its financial statements.

Financial assets held to maturity

If the Group has the intention and possibility to hold debit securities to maturity, these are classified as financial assets held to maturity, which are carried at amortised cost using the effective interest method. The Group has no such assets recognised in its financial statements.

Loans and receivables

Loans and receivables are non-derivative financial assets that are not quoted in an active market. They are included in current assets, except with maturity longer than 12 months after the date of the financial statement, in which case they are classified as non-current assets. In the balance sheet, loans and receivables are recognised under business, financial and other receivables at amortised value, considering the current interest rate.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are classified as available-for-sale or are not classified as loans and receivables or financial assets at fair value through profit or loss. Available-for-sale financial investments are presented at fair value or at purchase value if fair value cannot be reliably determined. Profit or loss is recognised in equity as net unrealised gains from available-for-sale financial investments until the investment is sold or disposed of. Purchase and sale of available-for-sale investments are recognised on the day of purchase.

Equity investment in subsidiaries, associates and other companies are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits up to three months, and other short-term, highly liquid investments with initial maturity of three months or less. They are carried at cost. Overdrafts are included under current financial liabilities.

Non-derivative financial liabilities

Non-derivative financial liabilities include business, financial and other liabilities. Financial liabilities are initially recognised at fair value, increased by costs directly attributable to the transaction. After initial recognition, financial liabilities are measured at amortised value using the effective interest method. Financial liabilities are classified under non-current liabilities, except with maturity shorter that 12 months after the date of the consolidated statement of financial position, in which case liabilities are classified as current liabilities.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value. Costs connected with the transaction are recognised in profit or loss after they arise. After initial recognition, derivative financial instruments are measured at fair value, while changes are recognised as described hereafter.

When a derivative financial instrument is used as a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss, the effective part of changes in fair value of derivative financial instruments is recognised under the comprehensive income of the period and disclosed under the revaluation surplus. The ineffective part of changes in fair value of derivative financial instruments is recognised directly in profit or loss. The Group usually stops using the instrument as a hedge of the exposure to variability in cash flows if the financial instrument no longer meets the criteria for hedging or if the financial instrument is sold, terminated or exercised. The accumulated profit or loss recognised under other comprehensive income remains recognised under the revaluation surplus, until the forecasted transaction does not affect profit or loss. If the forecasted transaction can no longer be expected, the amount in other comprehensive income has to be recognised directly in profit or loss. In other cases, the amount recognised under other comprehensive income is transferred to profit or loss of the same period in which the hedged item affects profit or loss.

The effects of other derivative financial instruments that are not used as a hedge of the exposure to variability in cash flows or that cannot be attributed to individual risks in connection with a recognised asset or liability are recognised in profit or loss.

The Group uses the following derivative financial instruments:

- Forwards

Effective management of the whole raw material field of the Impol Group is focused on two areas: currency risk management and management of risks regarding changes in aluminium prices. Both areas are closely linked and are managed by the Group with forwards and futures.

In case of aluminium raw materials or hedging of LME risks, the Impol Group follow the principle that profit or loss from a forward is recognised in profit or loss at liquidation or after settling individual forwards on the stock market on the day of maturity, which is usually the same as the period of the realisation of the sale transaction on the physical market, or after realising the actual processing margin, which is the subject of hedging. In the presented manner, possible fluctuations in the achieved processing margin of sales on the physical market due to changes in prices of aluminium raw material at the time of sale, which are used as the base for determining the sales price (LME + sales premium), are balanced or neutralised by the effects of the realised forward, both being recognised in profit or loss of the same period. With this principle, the Impol Group provides profitability, which mostly depends on the difference between the purchase premium and the achieved sales premium and not on the fluctuations of aluminium prices. Profit or loss from these forwards is recognised in profit and loss under other financial income and revenue.

Currency risk management through forward currency contracts is also directly connected with managing aluminium prices and fluctuations of LME prices of aluminium. The Group purchases aluminium in US dollars and realises most of sales in EUR. Purchasing and selling in different currencies leads to inconsistencies between purchase and sales prices, which is harmonised by the Group by using forwards. Profit or loss from forward currency transactions is recognised in profit or loss under other financial income and revenue.

Forwards include fair value of open transactions on the date of the statement of financial position, which is determined based on publically available information on the value of forwards on the organised market on the date of reporting for all open transactions.

- Interest rate swaps

Interests of received loans bear the interest rate change risk, against which the Group uses interest rate swaps. Interest rate swaps value the fair value of open swaps on the date of the balance sheet with discounting of future cash flows in connection with variable interest (receipt of interest from swaps) and fixed interest (payment of interest from swaps). When interest rate swaps are defined as a safety instrument against the variability of cash flows of recognised assets or liabilities or the intended transaction, profit or loss resulting from the instrument that is defined as an successful safety against risk is recognised directly under other comprehensive income and the revaluation surplus item in the balance sheet. Profit or loss resulting from the instrument that is defined as unsuccessful is recognised in profit or loss under other financial expenditure.

Inventories

The Group follows the following inventories:

- inventory of raw materials,
- inventory of materials,
- inventory of incomplete production,
- inventory of finished goods and merchandise.

Inventories are measured at the lower of cost and net recoverable value. Net recoverable value is the estimated selling price at the reporting date less sales expenses and other possible administrative expenses, which are usually connected with the sale.

Inventories of materials and merchandise are valued at cost including the purchase price, import duties and other non-refundable purchase taxes, and the direct costs of purchase. For valuing inventories of merchandise and measuring use, the FIFO method is used.

Inventories of incomplete production are valued at cost of production depending on the percentage of completion.

In consolidation, unrealised profit or loss in inventories purchased within the Group are excluded by reducing the corresponding part of inventories and increasing operational expenditure. The calculation of profit is performed based on the achieved EBIT margin of the financial year.

Impairment of inventories is described in detail under in chapter on impairment

Capital

Called-up capital
Called-up capital of the controlling company is present as share capital, which is nominally defined in the statute of the company registered with the court and paid-in by the company's owners.

Initial share capital of the company Impol 2000 d.d. as of 31 December 2015 is EUR 4,451,540 and is divided into 1,066,767 registered pro rata shares. Dividends are paid in accordance with the decisions of the General Meeting.

Capital reserves
Capital reserves include all amounts of payments that exceed the lowest emission amounts of shares, and the amounts based on eliminating the general revaluation adjustment. Capital reserves of the company Impol 2000 d.d. include paid-in capital surplus and the general revaluation adjustment.

Own shares
If the controlling company or its subsidiaries buy shares of the controlling company, the paid amounts, including transaction costs and excluding taxes, are deducted from the total capital as own shares, until these shares are cancelled, reissued or sold. If own shares are reissued or sold, all the received payments excluding transaction costs and connected tax affects are included in capital reserves.

Statutory reserves
Statutory reserves of the controlling company are formed based on the statute of the company in the amount of 15 percent of net profit of the financial year.

Revaluation surplus and capital revaluation adjustment
Revaluation surplus includes actuarial gains or losses based on provisions for retirement allowances and the effects of fair value changes of derivative financial instruments that are classified as hedging instruments (currency swaps). Capital revaluation adjustment includes the effects based on revaluations of financial statements of foreign companies.

Provisions and non-current accrued costs and deferred revenue
Provisions are formed for present obligations that are the outcome of past events and that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for jubilee and retirement benefits
In accordance with legal requirements and its internal rules, the Group is bound to pay jubilee and retirement benefits to its employees, for which it formed long term provisions. There are no other retirement obligations. Provisions are formed in the amount of the expected future payments of jubilee and retirement benefits discounted on the date of the statement of financial position. Calculations are made for individual employees by including the costs of all expected retirement and jubilee benefits.

Actuarial calculation is based on assumptions and assessments applicable at the time of the calculation that due to changes in the following year may differ from actual assumptions that will apply at that time. This mostly considers the discount rate, assessment of turnover of staff, assessment of mortality, and assessment of wage growth.

Non-current accrued costs and deferred revenue
Non-current accrued costs and deferred revenue consider received grants for cofinancing equipment for

improving the working conditions for the disabled. Grants related to assets are recognised as income in the statement of comprehensive income and in the useful life of the asset.

Impairments

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from that asset. A financial asset is impaired if its carrying value is higher than the estimated replacement value. The financial asset is revaluated if there is an objective evidence of impairment. The replacement value represents the present value of the estimated future cash flows discounted at the original effective interest rate of this instrument. All impairment losses are recognised in profit or loss.

A financial investment is assessed at each reporting date by the accounting department to determine its suitability. If a financial investment is losing value (e.g. due to unsuccessful operations of the entity where the company has its equity participation, insufficient solvency etc.), what kind of corrections have to be made to the initially recognised value of cost and debited to revaluation financial expenditures. The person responsible also has to order a partial or total cancellation of the financial investment as soon as reasons for this occur.

Impairment of receivables and loans granted

Impairments of receivables are formed based on the assessment of recoverability time analysis.
If it is assessed that the carrying value of a receivable exceeds its fair value, which is its recoverable value, the receivable is impaired. Receivables that are assessed not to be collected within the regular deadline or in the whole amount are considered as doubtful. If proceedings were already brought before the court, receivables are considered as disputed. Impairment of loans granted is valuated for every individual loan. Impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised in profit or loss.

Impairment of available-for-sale financial assets

An impairment loss in respect of an available-for-sale financial asset is recognised by transferring the possible cumulative loss, previously recognised under other comprehensive income of the financial period and carried under reserves at fair value, to profit or loss. A later increase of fair value of impaired available-for-sale equity securities is recognised under other comprehensive income or fair value reserves. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss.

Non-financial Assets

Tangible and intangible assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit is the smallest group of assets that generate financial income that are significantly independent from financial income from other assets and groups of assets. Impairment losses are recognised in profit or loss. The recoverable amount of an asset or cash-generating unit is the higher of its value in use and its fair value, less costs to sell. In assessing value in use, estimated future cash flows are discounted to their present value by using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment loss of goodwill is not reversed.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the assets' recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in the previous periods.

Inventories

Inventories are impaired if their carrying amount exceeds their estimated recoverable amount. Additionally, individual types of inventories are also analysed regarding their time structure. Depending on the group of inventories, the amount of impairment loss according to their age is determined as a percentage of their value. Impairment also includes expert judgement on possible utilisation or sale of such inventories. At least at the end of every financial period, the company measures the net recoverable amount of inventories and the need for write-offs. Costs of inventories are not reversible if inventories are damaged, partially or completely obsolete, or if their sales price is reduced. Costs of inventories are also not reversible if the estimated costs of completion or costs in connection with sales increase. Partial write-offs of inventories under their original value or costs up to the net recoverable value is in accordance with the policy that assets cannot be recognised at values higher than expected from their sale or utilisation. Inventories are usually partially written off to their net recoverable value under individual items.

Recognition of income and expenses

Income is recognised if the increase of economic gain in the financial year is connected with an increase of an asset or a decrease of a liability, and if this increase can be reliably measured.

Operating income includes:

- Income from sale of products, merchandise and material is measured based on sales prices stated on invoices or other documents, reduced by discounts given at sale or later, also due to early payments. Income from sale of products is recognised in profit or loss after the company transfers significant risks and gains in connection with the ownership of products to the buyer.
- Income from sale of services, except services that lead to financial income, are measured according to sales prices of completed services. They are recognised in the period in which the service is performed.
- Incomplete production and complete products at warehouse are valued at production costs. The degree of completion of performed services in case of incomplete production is assessed with an inventory.
- Other operating income occurs in case of disposal of property, devices, equipment and intangible assets, compensations received, subventions, removal of provisions, payment of previously written off receivables, liability write offs and other.

Operating expenses in a financial period are in principle the same as costs increased by costs of initial inventories of uncompleted production and complete products, and reduced by accrued charges of final inventories. Costs of sales and costs of general activities are immediately after their occurrence included in income. For calculating consumption, the Group uses the FIFO method.

Financial income and expenses

Financial income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and foreign exchange gains and gains on hedging instruments that are recognised in profit or loss, interest from receivables not paid on time and positive currency differences. Interest income is recognised as it accrues in profit or loss by using the effective interest method. Dividend income is recognised on the date that the shareholder's right to receive payment is established.

Financial expenses comprise interest expenses on borrowings (part of borrowing costs can be capitalised under property, devices and equipment), foreign exchange losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, losses on hedging instruments that are recognised in profit or loss.

Taxes

Income tax comprises current and deferred tax.
Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. Current tax is the expected tax payable on the taxable income for the year.

Deferred tax is recognised by using the balance sheet liability method providing for temporary differences between the carrying amounts of tax values of assets and liabilities and their values in individual financial statements. Deferred tax is determined by using tax rates that are valid on the date the balance sheet and that are expected to be used when the deferred tax receivable is realised or the deferred tax liability is settled. Deferred tax receivables are recognised in the extent of the probability that there will be taxable profit available in the future that can be used to cover the deferred tax receivable.
Deferred tax due to insignificant amounts are not additionally recognised in consolidated financial statements.

Cash flow statement

The cash flow statement for the part regarding operations is composed using the indirect method from the data of the balance sheet on 31 December of the previous financial year and additional data necessary for adjusting inflows and outflows, and for a suitable breakdown of significant items. The part regarding investing and financing is composed using the indirect method. Paid and received interest from trade receivables are distributed between cash flows from operating activities. Interest from loans and paid and received dividends are distributed between cash flows from financing.

Segment reporting

Because the nature of product groups, the production procedure and distribution are very similar, the Group defined only one operating segment. At segment reporting, it is considered that the main operating section of the Group is the aluminium business activities. Other activities have an insignificant effect on presenting financial information.

The group reports on sales by geographical area. The defined geographical areas are Slovenia, European Union, other European countries and the rest of the world.

Comparable information and effects of transition to IFRS

The transition to the International Financial Reporting Standards had no significant effect on the financial statements of the Impol Group. The following balance sheet of the Impol Group shows comparable data from the balance sheet of 31 December 2014 and of 31 December 2013 using SRS (2006) and of 1 January 2014 and 31 December 2014 using IFRS as adopted by the European Union, including the effect of the transition. The transition to the International Financial Reporting Standards caused a difference between the closing balance of 2013 and the opening balance of 2014. The total effect of the transition showed as a decrease of capital or in the economic outturn carried from previous years as of 1 January 2014, which was EUR -371.953.

Table 44: Group balance sheet at the transition to IFRS as of 1 January 2014 and 31 December 2014 in EUR

				Effect of transition on 31 Dec 2014	Effect of transition on 1 Jan 2014	31 Dec 2014 – IFRS	01 Jan 2014 – IFRS	31 Dec 2014 – SRS	31 Dec 2013 – SRS
A.			Fixed assets	-371,953	-371,953	137,050,627	142,030,638	137,422,580	142,402,591
	I.		Intangible assets and non-current accrued costs and deferred revenue	-371,953	-371,953	2,338,571	2,373,785	2,710,524	2,745,738
		1.	Non-current property rights	1,256,088	1,144,603	1,972,719	1,992,768	716,631	848,165
		2.	Goodwill	-371,953	-371,953	319,229	319,229	691,182	691,182
		3.	Non-current deferred development costs	-3,219	-3,879	0	0	3,219	3,879
		4.	Other non-current deferred costs and accrued revenue	-1,252,869	-1,140,724	46,623	61,788	1,299,492	1,202,512
	II.		Tangible fixed assets	1,923,587	1,800,447	129,684,051	134,247,330	127,760,464	132,446,883
		1.	Land and buildings	1,923,587	1,800,447	39,111,609	35,510,330	37,188,022	33,709,883
		a)	Land	0	0	3,723,907	3,766,843	3,723,907	3,766,843
		b)	Buildings	1,923,587	1,800,447	35,387,702	31,743,487	33,464,115	29,943,040
		2.	Production equipment and machinery	0	0	76,519,479	66,490,271	76,519,479	66,490,271
		3.	Other machinery and equipment	0	0	4,080,208	4,363,850	4,080,208	4,363,850
		4.	Fixed assets being acquired	0	0	9,972,755	27,882,879	9,972,755	27,882,879
		a)	Tangible fixed assets under construction and manufacture	0	0	8,933,289	26,113,400	8,933,289	26,113,400
		b)	Advances to acquire tangible fixed assets	0	0	1,039,466	1,769,479	1,039,466	1,769,479
	III.		Investment property	-1,923,587	-1,800,447	2,450,752	2,775,693	4,374,339	4,576,140
	IV.		Non-current investments	0	0	1,316,187	1,293,115	1,316,187	1,293,115
		1.	Non-current investments, excluding loans	0	0	1,054,882	1,040,575	1,054,882	1,040,575
		a)	Shares and participating interests in associate companies	0	0	665,012	650,576	665,012	650,576
		b)	Other shares and participating interests	0	0	389,870	389,999	389,870	389,999
		2.	Non-current loans	0	0	261,305	252,540	261,305	252,540
		a)	Non-current loans to others	0	0	261,305	252,540	261,305	252,540
	V.		Deferred tax receivables	0	0	1,261,066	1,340,715	1,261,066	1,340,715
B.			Current assets	0	0	189,082,187	162,465,424	189,082,187	162,465,424
	I.		Assets (groups for disposal) for sale	0	0	235,947	0	235,947	0
	II.		Inventories	0	0	108,914,530	90,120,127	108,914,530	90,120,127
		1.	Material	0	0	85,214,988	61,244,456	85,214,988	61,244,456
		2.	Inventories	0	0	6,844,456	7,940,103	6,844,456	7,940,103
		3.	Products and merchandise	0	0	16,245,367	15,419,982	16,245,367	15,419,982
		4.	Advances for inventories	0	0	609,719	5,515,586	609,719	5,515,586
	III.		Current financial investments	0	0	612,648	1,789,971	612,648	1,789,971
		1.	Current financial investments, excluding loans	0	0	333,808	912,230	333,808	912,230
		a)	Other current financial investments	0	0	333,808	912,230	333,808	912,230
		2.	Current loans	0	0	278,840	877,741	278,840	877,741
		b)	Current loans to others	0	0	278,840	877,741	278,840	877,741
	IV.		Current operating receivables	0	0	66,823,853	61,550,380	66,823,853	61,550,380
		1.	Current operating receivables due from customers	0	0	51,631,520	45,452,319	51,631,520	45,452,319
		2.	Current operating receivables due from others	0	0	15,192,333	16,098,061	15,192,333	16,098,061
	V.		Cash and cash equivalents	0	0	12,495,209	9,004,946	12,495,209	9,004,946
C.			Current accrued costs and deferred revenue	0	0	1,093,157	2,694,803	1,093,157	2,694,803
			TOTAL ASSETS	-371,953	-371.953	327,225,971	307,190,865	327,597,924	307,562,818
A.			Equity	-371,953	-371.953	106,177,138	95,226,025	106,549,091	95,597,978
			Minority equity	0	0	9,427,165	9,682,262	9,427,165	9,682,262
	I.		Called-up capital	0	0	4,451,540	4,451,540	4,451,540	4,451,540
		1.	Share capital	0	0	4,451,540	4,451,540	4,451,540	4,451,540
		2.	Uncalled-up capital (as deductions)	0	0	0	0	0	0
	II.		Capital reserves	0	0	10,751,254	10,751,254	10,751,254	10,751,254
	III.		Reserves from profit	0	0	6,427,553	6,109,738	6,427,553	6,109,738
		1.	Legal reserves	0	0	0	0	0	0
		2.	Reserves for treasury shares and own participating interests	0	0	506,406	506,406	506,406	506,406

		3.	Treasury shares and own participating interests (as deductions)	0	0	-506,406	-506,406	-506,406	-506,406
		4.	Statutory reserves	0	0	694,972	377,157	694,972	377,157
		5.	Other reserves from profit	0	0	5,732,581	5,732,581	5,732,581	5.732,581
	IV.		Revaluation surplus	-551,708	-537,225	-7,721	0	543,987	537,225
	V.		Consolidated adjustment of capital	3,735,040	3,735,040	-735,989	0	-4,471,029	-3,735,040
	VI.		Net profit brought forward	-3,569,768	-3,577,399	63,914,120	52,592,661	67,483,888	56,170,060
	VII.		Net profit/loss for the financial year	14,483	7,631	11,949,216	11,638,570	11,934,733	11,630,939
B.			Provisions and non-current accrued costs and deferred revenue	0	0	1,747,281	1,548,921	1,747,281	1,548,921
		1.	Provisions for pensions and similar liabilities	0	0	977,091	882,563	977,091	882,563
		2.	Other provisions	0	0	2,134	2,213	2,134	2,213
		3.	Non-current accrued costs and deferred revenue	0	0	768,056	664,145	768,056	664,145
C.			Non-current liabilities	0	0	78,921,833	70,628,551	78,921,833	70,628,551
	I.		Non-current financial liabilities	0	0	77,579,438	69,648,133	77,579,438	69,648,133
		1.	Non-current financial liabilities to banks	0	0	76,695,107	69,170,257	76,695,107	69,170,257
		2.	Other non-current financial liabilities	0	0	884,331	477,876	884,331	477,876
	II.		Non-current operating liabilities	0	0	198,659	159,031	198,659	159,031
		1.	Other non-current operating liabilities	0	0	198,659	159,031	198,659	159,031
	III.		Deferred tax liabilities	0	0	1,143,736	821,387	1,143,736	821,387
D.			Current liabilities	0	0	139,537,525	137,667,255	139,537,525	137,667,255
	I.		Liabilities included in groups for disposal	0	0	0	0	0	0
	II.		Current financial liabilities	0	0	92,232,252	92,757,685	92,232,252	92,757,685
		1.	Current financial liabilities to banks	0	0	69,421,725	85,605,616	69,421,725	85,605,616
		2.	Other current financial liabilities	0	0	22,810,527	7,152,069	22,810,527	7,152,069
	III.		Current operating liabilities	0	0	47,305,273	44,909,570	47,305,273	44,909,570
		1.	Current trade payables	0	0	38,367,426	33,027,960	38,367,426	33,027,960
		2.	Current operating liabilities from advance payments	0	0	1,140,967	2,996,011	1,140,967	2,996,011
		3.	Other current operating liabilities	0	0	7,796,880	8,885,599	7,796,880	8,885,599
E.			Current accrued costs and deferred revenue	0	0	842,194	2,120,113	842,194	2,120,113
			TOTAL LIABILITIES	**-371,953**	**-371,953**	**327,225,971**	**307,190,865**	**327,597,924**	**307,562,818**

Notes on changes in the balance on 1 January 2014 and 31 December 2014 at the transition to IFRS:

a) At the transition to IFRS on 01 January 2014, the Impol Group reclassified certain non-current items of non-current accrued costs of development that correspond to the nature of property rights from the item Non-current accrued costs and deferred revenue to Non-current property rights. The carrying amount of the reclassified non-current deferred costs and accrued revenue on 01 January 2014 was EUR 1,140,724 and on 31 December 2014 it was EUR 1,252,869, and the carrying value of reclassified accrued costs of development on 01 January 2014 was EUR 3,879, and on 31 December 2014 it was EUR 3,219. The regular transfer had no effect on the disclosed equity, because the carrying amount of non-current property rights increased by EUR 1,144,603 on 01 January 2014, and by EUR 1,256,088 on 31 December 2014.

b) At the transition to IFRS, the Impol Group removed previously recognised goodwill in the purchase of additional shares in the company Impol d.o.o. that no longer met the conditions for further recognition. This removal of goodwill in the amount of EUR 371,953 caused a reduction of the economic outturn carried forward in the same amount.

c) At the transition to IFRS on 01 January 2014, the Impol Group reevaluated individual investment property items that are partially rented to other companies in the Group. Based on the conducted analysis, the Group reclassified investment property in the amount of EUR 1,800,447 on 01 January 2014, while the carrying amount of the reclassified investment property was EUR 1,923,587 on 31 December 2014. The regular transfer had no effect on the disclosed equity, because the carrying amount of buildings under tangible fixed assets was increased by EUR 1,800,447 on 01 January 2014, and by EUR 1,923,587 on 31 December 2014.

d) At the transition to IFRS on 01 January 2014, the Impol Group used the option offered by IFRS 1 in connection with the first-time transition to IFRS – the accumulated consolidated correction of capital on 31 December 2013 based on the conversion of financial statements of foreign companies, which was, according to the state on 01 January 2014, debited in total to the net profit brought forward. The state of the consolidated correction of capital on 31 December 2013 was EUR -3,735,040. The total balance of the consolidated correction of capital on 01 January 2014 was thus debited to net profit brought forward, which caused no changes on the whole amount of capital.

e) At the transition to IFRS on 01 January 2014, the Impol Group transferred the effects of the equity method of financial investments in subsidiaries, which was according to SRS (2006) disclosed under the revaluation surplus, in the amount of EUR 537,225 to net profit brought forward (EUR 529,594) and the net profit/loss of the financial year 2013 in the amount of EUR 7,631. On 31 January 2014, the state of the transferred revaluation surplus in question was EUR 543,987, of which, due to the transition to IFRS, the net profit carried forward on 31 December 2014 increased by EUR 537,225 and the net profit/loss of the financial year 2014 increased by EUR 14,483.

Table 45: Group Income Statement at the transition to IFRS for 2014 in EUR

		Item	Effect of transition	2014 – IFRS	2014 – SRS
1.		Net revenue from sales	0	486,290,565	486,290,565
	a)	Net revenue from sales in the domestic market	0	31,378,501	31,378,501
	b)	Net revenue from sales in the foreign market	0	454,912,064	454,912,064
2.		Change in the value of product inventories and unfinished production	0	270,832	270,832
3.		Capitalised own products and services	0	873	873
4.		Other operating revenue (including operating revenue from revaluation)	538,427	2,998,933	2,460,506
5.		Costs of goods, materials and services	0	403,793,935	403,793,935
	a)	Cost of sold goods and materials and costs of materials used	0	371,856,006	371,856,006
	b)	Costs of services	0	31,937,929	31,937,929
6.		Labour costs	0	42,755,264	42,755,264
	a)	Costs of salaries	0	30,277,196	30,277,196
	b)	Social security costs (pension insurance costs are shown separately)	0	7,323,180	7,323,180
	c)	Other labour costs	0	5,154,888	5,154,888
7.		Write-downs	0	18,587,135	18,587,135
	a)	Depreciation	0	16,243,337	16,243,337
	b)	Operating expenses from revaluation of intangible assets and tangible fixed assets	0	14,972	14,972
	c)	Operating expenses from revaluation associated with current operating assets	0	2,328,826	2,328,826
8.		Other operating expenses	147,889	1,239,349	1,091,460
9.		Financial revenue from participating interests	14,483	65,291	50,808
	a)	Financial revenue from participating interests in associate companies	14,483	14,483	0
	b)	Financial revenue from participating interests in other companies	0	50,808	50,808
10.		Financial revenue from loans granted	0	27,665	27,665
	a)	Financial revenue from loans granted to Group companies	0	0	0
	b)	Financial revenue from loans to others	0	27,665	27,665
11.		Financial revenue from operating receivables	0	2,674,715	2,674,715
	a)	Financial revenue from operating receivables due from Group companies	0	0	0
	b)	Financial revenue from operating receivables due from others	0	2,674,715	2,674,715
12.		Financial expenses from the impairment and write-offs of financial investments	0	1,165	1,165
13.		Financial expenses from financial liabilities	0	9,862,439	9,862,439
	a)	Financial expenses from loans received from Group companies	0	0	0
	b)	Financial expenses from loans from banks	0	6,089,868	6,089,868
	c)	Financial expenses from bonds issued	0	0	0
	d)	Financial expenses incurred in connection with other financial liabilities	0	3,772,571	3,772,571
14.		Financial expenses from operating liabilities	0	1,326,724	1,326,724
	a)	Financial expenses from operating liabilities to Group companies	0	0	0
	b)	Financial expenses from trade payables and bills of exchange payable	0	13,827	13,827
	c)	Financial expenses from other operating liabilities	0	1,312,897	1,312,897
15.		Other revenue	-538,427	0	538,427
16.		Other expenses	-147,889	0	147,889
17.		Income tax	0	1,838,522	1,838,522
18.		Deferred taxes	0	457,665	457,665
19.		Net profit/loss for the financial year	**14,483**	**12,466,676**	**12,452,193**
		Of which minority equity profit/loss	0	199,645	199,645
		Profit/loss of Group companies	14,483	12,267,031	12,252,548
		Result from continuing operations	14,483	12,466,676	12,452,193
		Result from discontinued operations	0	0	0

Notes on changes in the income statements at the transition to IFRS:

a) At the transition to IFRS, the Impol Group reclassified the disclosed items of other revenue and other revenue according to SRS (2006) to Other operating revenue and Other operating income.

b) Because the Impol Group disclosed the effects of financial investments in subsidiaries using the equity method under the revaluation surplus, the Group, at the transition to IFRS and in the same comparative amount of the financial year 2014, the effects of using the equity method in the amount of 14,483 were added to Financial revenue from participating interests in associate companies, and on the other hand, reduced the revaluation surplus disclosed under equity in the same amount. This had no effect on the total comprehensive income of the Group for 2014.

Table 46: Group Statement of Total Comprehensive Income at the transition to IFRS for 2014 in EUR

	Effect of transition	2014 – IFRS	2014 – SRS
Net profit/loss for the financial year	**14,483**	**12,466,676**	**12,452,193**
Changes in the surplus from revaluation of intangible assets and tangible fixed assets (+/-)	0		
Changes in the surplus from revaluation of financial assets available for sale (+/-) – investments in associates	-14,483	0	14,483
Gains and losses resulting from the conversion of Financial Statements of foreign companies (effects of changes to the exchange rate) (+/-)	0	-1,106,990	-1,106,990
Actuarial gains and losses of defined benefit plans (employee benefits) (+/-)	0	-7,721	-7,721
Total comprehensive income in the financial year	**0**	**11,351,965**	**11,351,965**
• Of which total comprehensive income of minority equity	0	-171,356	-171,356
• Of which total comprehensive income of Group companies	0	11,523,321	11,523,321

DISCLOSURES TO INDIVIDUAL ITEMS OF GROUP FINANCIAL STATEMENTS

1. Operating revenue

Table 47: Operating revenue in EUR

Operating revenue in EUR	Operating revenue generated by associates	others	2015	2014
Net sales revenue*	81,068	546,065,637	546,146,705	486,290,565
Change in inventories of finished goods and work in progress		1,347,967	1,347,967	270,832
Capitalised own products and services		247,960	247,960	873
Other operating revenue	0	4,099,165	4,099,165	2,998,933
TOTAL	**81,068**	**551,760,729**	**551,841,797**	**489,561,203**

Net sales revenue in EUR	2015	2014
From sales of products	481,429,147	426,916,298
From sales of services	3,201,201	2,634,380
From sales of goods and materials	61,516,357	56,739,887
TOTAL net sales revenue	**546,146,705**	**486,290,565**

Other operating revenue in EUR	2015	2014
Revenues from the reversal of provisions	368,101	330,835
Other revenues associated with products and services (subsidies, grants, reimbursements, compensations, premiums, etc.)	2,304,181	2,378,197
Revaluation operating revenue	1,426,883	289,901
TOTAL	**4,099,165**	**2,998,933**

Revaluation operating revenue in EUR	2015	2014
From disposal of tangible fixed assets	30,765	13,833
From operating receivables	1,335,993	273,430
From operating liabilities	60,125	2,638
TOTAL	**1,426,883**	**289,901**

Net sales revenue from the sale of aluminium products (per state) is specified in detail under Market and Customers.

Table 48: Net sales revenue by business segment in EUR

	2015	2014
Revenue from sales in Slovenia	34,947,271	31,378,501
· Associates	81,068	82,621
· Other companies	34,866,203	31,295,880
Revenue from sales in the EU	459,707,674	405,635,473
· Other companies	459,707,674	405,635,473
Revenue from sales in other European countries	14,756,878	17,768,273
· Other companies	14,756,878	17,768,273
Revenue from sales on other markets	36,734,882	31,508,318
· Other companies	36,734,882	31,508,318
TOTAL	**546,146,705**	**486,290,565**

2. Operating expenses

Table 49: Operating expenses in EUR

	Production costs	Sales costs	General and administrative costs	TOTAL 2015	TOTAL purchases in 2015 in: associates	TOTAL purchases in 2015 in: other companies	TOTAL 2014
Cost of merchandise and materials sold	0	52,828,324	0	52,828,324	0	52,828,324	42,549,504
Cost of materials	354,969,211	4,059,235	1,930,792	360,959,238	0	360,959,238	329,306,502
Costs of services	11,442,079	16,812,180	8,075,267	36,329,526	2,323,928	34,005,598	31,937,929
Labour costs	31,232,982	2,220,644	12,958,625	46,412,251	0	46,412,251	42,755,264
Depreciation	12,962,995	57,619	2,096,074	15,116,688	0	15,116,688	16,243,337
Revaluation operating expenses	290,932	2,050,182	3,312,878	5,653,992	34,647	5,619,345	2,343,798
Other operating expenses	268,688	5,148	1,001,932	1,275,768	0	1,275,768	1,239,349
TOTAL	411,166,887	78,033,332	29,375,568	518,575,787	2,358,575	516,217,212	466,375,683

Table 50: Revaluation operating expenses in EUR

	2015	2014
From disposal of intangible fixed assets	0	500
From disposal of tangible fixed assets	261,080	14,472
From inventories	5,807	6,485
From operating liabilities	5,387,105	2,322,341
TOTAL	**5,653,992**	**2,343,798**

Other operating expenses represent expenditure on environmental protection, donations and costs that are re-invoiced.

Table 51: Labour costs in EUR

	2015	2014
Costs of salaries	32,011,539	30,277,196
Pension insurance costs	5,717,491	5,500,826
Other insurance costs	1,895,381	1,822,354
Other labour costs	6,787,840	5,154,888
Total	**46,412,251**	**42,755,264**

3. Financial revenue and expenses

Table 52: Financial revenue from financial investments in EUR

	TOTAL 2015	Of which from associates	Of which from other companies	TOTAL 2014
Financial revenue from participating interests – in profits, dividends	63,785	31,083	32,702	65,291
Financial revenue from other investments – revenue from disposal of non-current financial investments	119,240	0	119,240	0
Financial revenue from loans - interest	11,720	0	11,720	27,665
Financial revenue from operating receivables - interest	756,063	0	756,063	29,884
Financial revenue from forwards	233,744	0	233,744	856,768
Financial revenue from operating receivables - exchange rate differences	1,063,482	0	1,063,482	1,788,063
TOTAL	2,248,034	31,083	2,216,951	2,767,671

Financial revenue from shares of profits or losses of associates represent shares in the amount of EUR 31,083, accounted for in consolidated financial statements using the equity method.

Table 53: Financial expenses from financial investments in EUR

	TOTAL 2015	Of which from associates	Of which from other companies	TOTAL 2014
Financial expenses from (excluding bank loans) – interest	176,888	0	176,888	190,140
Financial expenses from loans from banks – interest	5,253,653	0	5,253,653	6,089,868
Financial expenses from bonds – interest	385,205	0	385,205	0
Financial expenses from bonds – exchange rate differences	0	0	0	0
Financial expenses from other financial liabilities – interest	668,660	0	668,660	143,006
Financial expenses from other financial liabilities – exchange rate differences	174,757	0	174,757	3,439,425
Financial expenses from operating liabilities – interest	9,132	0	9,132	31,817
Financial expenses from forwards	891,627	0	891,627	480,200
Financial expenses from operating liabilities – exchange rate differences	1,843,693	0	1,843,693	814,707
Financial expenses from disposal of non-current financial investments	0	0	0	1,165
Financial expenses from impairment	105,066	34,647	70,419	0
TOTAL	9,508,681	34,647	9,474,034	11,190,328

In 2015, the Group impaired the financial investments in the associate Impol Brazil Aluminium Ltda, because it was estimated that the carrying amount of the investment exceeds its recoverable amount (i.e. its present value of future cash flows). After the decision of the Management Board of the controlling company, the investment was revaluated due to impairment to the value 0, i.e. in the amount of EUR 34,647.

4. Income tax

Table 54: Income tax in EUR

	2015	2014
Revenues determined under accounting regulations*	967,503,635	876,398,154
Taxable revenues	963,383,544	768,343,870
Expenses determined under accounting regulations*	940,031,202	861,597,856
Expenses recognised for tax purposes	935,399,966	751,650,409
DIFFERENCE BETWEEN EXPENSES AND REVENUES RECOGNISED FOR TAX PURPOSES	27,983,578	16,693,461
TAXABLE BASE	24,953,916	11,127,074
TAX	2,975,456	1,838,522
EFFECTIVE TAX RATE IN %	11.44	12.45

*This is the sum of unconsolidated revenue and expenditure items, without deferred taxes, of individual companies of the Impol Group.

Income tax is accounted for in accordance with laws that apply in individual countries where the Group has its subsidiaries. The applicable income tax rate in Slovenia in 2015 was 17 percent (in 2014: 17 percent), while the applicable income tax rate in Croatia is 20 percent, in Serbia 15 percent, in the USA between 25 to 39 percent, and in Hungary 10 percent.

Table 55: Overview of current income tax by companies in EUR

	2015	2014
Impol 2000 d.d.	132,694	453,640
Impol d.o.o.	1,265,750	730,524
Impol LLT d.o.o.	152,985	15,137
Impol FT d.o.o.	208,442	17,805
Impol PCP d.o.o.	622,563	127,451
Impol Infrastruktura d.o.o.	29,304	23,957
Impol R in R d.o.o.	0	0
Rondal d.o.o.	147,398	155,805
Impol-Montal d.o.o.	18,850	9,860
Impol Servis d.o.o.	12,533	18,282
Impol Stanovanja d.o.o.	2,966	3,278
Kadring d.o.o.	30,017	14,571
Stampal SB d.o.o.	192,739	181,961
Štatenberg d.o.o.	108	196
Unidel d.o.o.	24,927	15,447
Impol Aluminum Corporation	105,702	37,736
Impol Seval a.d.	0	0
Impol Seval Tehnika d.o.o.	7,988	31,510
Impol Seval Final d.o.o.	774	557
Impol Seval President d.o.o.	321	159
Impol Hungary KFT.	0	646
Imaginacija Aluminium d.o.o.	19,395	0
Total income tax	**2,975,456**	**1,838,522**

5. Deferred tax assets and liabilities

Table 56: Deferred tax assets and liabilities in EUR

	Deferred tax assets	Deferred tax liabilities
Deferred tax assets as at 31 Dec 2014 (+)	**1,261,066**	**1,143,736**
Deductible temporary differences (+)	156,662	
Taxable temporary differences (+)		192,511
Utilisation of deductible temporary differences (-)	-459,358	
Change of unused opening-balance amounts due to change in the tax rate	-4	-5,944
Deferred tax assets as at 31 Dec 2015	958,366	1,330,303

Table 57: Changes in deferred-tax assets and liabilities in EUR

Changes in deferred-tax assets and liabilities were recognised in:	2015	2014
· Profit or loss account (+ / -)	-496,275	-457,665
· Capital – retained profit or loss brought forward (+ / -)	7,008	55,667
TOTAL	-489,267	-401,998

Table 58: Fluctuation of deferred tax receivables – consolidated in EUR

	Carrying depreciation exceeds the depreciation for tax purposes	Impairments (revaluation operating expenses)	Provisioning	Tax loss	TOTAL
Deferred tax liabilities as at 31 Dec 2014 (+)	708	387,878	65,671	806,809	1,261,066
Deferred tax liabilities as at 01 Jan 2015	708	387,878	65,671	806,809	1,261,066
Occurrence of deductible temporary differences (+)	187	103,548	53,710	0	157,445
Use of deductible temporary differences (-)	0	-180,099	-2,209	-277,833	-460,141
Exchange rate differences	-4	0	0	0	-4
Deferred tax liabilities as at 31 Dec 2015	891	311,327	117,172	528,976	958,366

Table 59: Fluctuation of deferred tax liabilities – consolidated in EUR

	Carrying amount of fixed assets less tax base of fixed assets
Deferred tax liabilities as at 31 Dec 2014 (+)	1,143,736
Deferred tax liabilities as at 01 Jan 2015	1,143,736
Occurrence of deductible temporary differences (+)	192,511
Exchange rate differences	-5,944
Deferred tax liabilities as at 31 Dec 2015	1,330,303

Deferred tax receivables are formed for written off receivables, provisions for retirement and jubilee benefits, and for tax losses; deferred tax liabilities are formed as deductible temporary differences between the carrying amount and the tax base of fixed assets in the company Impol Seval a.d. The consolidated balance sheet still includes deferred taxes that arise in different states and are unsettled both as receivables and as liabilities.

6. Earnings per share

Basic earnings per share is calculated by dividing net earnings attributable to shareholders by the weighted average of the number of regular shares during the year, excluding the average number of own shares.

Table 60: Earnings per share in EUR

	2015	2014
Profit or loss attributable to owners of the controlling company	20,094,597	12,267,031
Weighted average of the number of regular shares	984,659	984,659
Basic earnings per share (in EUR)	20,41	12,46

Table 61: Weighted average of the number of regular shares as at 31 December 2015 in EUR

	2015	2014
Regular shares as at 01 Jan	1,066,767	1,066,767
Effect of own shares*	-82,108	-82,108
Weighted average of the number of regular shares as at 31 Dec	984,659	984,659

*These are shares of the controlling company Impol 2000 d.d., owned by companies in the Group, which are Impol-Montal d.o.o. (80,482 shares) and Kadring d.o.o. (1,626 shares).

Because the Impol Group has no preference shares or bonds that could be converted to shares, the diluted earnings per share is the same as the basic earnings per share.

7. Changes in other comprehensive income

Changes in other comprehensive income in 2015 include:

- Change of fair value of hedges (interest swaps) in the amount of EUR -73,355, while the derivatives were intended for hedging the cash flow from loans received.
- Exchange rate differences from converting financial statements of foreign companies included in consolidation in the amount of EUR 33,708.
- Actuary losses based on the re-calculation of provisions for retirement benefits for the financial year 2015 in the amount of EUR -90,667.

8. Intangible assets and non-current deferred costs and accrued revenue

Table 62: Intangible assets in 2015 in EUR

Description	Non-current property rights	Goodwill	Other non-current deferred costs and accrued revenue	TOTAL
Cost at 31 Dec 2014	7,620,816	319,229	46,623	7,986,668
Cost at 01 Jan 2015	7,620,816	319,229	46,623	7,986,668
Direct increases – acquisitions	216,143			216,143
Transfer from investments in progress	14,420			14,420
Exchange rate differences	-1,503			-1,503
Decreases – exclusions, other decreases	-89,163		-46,623	-135,786
Cost at 31 Dec 2015	7,760,713	319,229	0	8,079,942
Value adjustment at 31 Dec 2014	5,648,097			5,648,097
Value adjustment at 01 Jan 2015	5,648,097	0	0	5,648,097
Depreciation during the year	705,150			705,150
Exchange rate differences	-1,289			-1,289
Decreases – exclusions, other decreases	-58,646			-58,646
Value adjustment at 31 Dec 2015	6,293,312	0	0	6,293,312
Carrying amount at 31 Dec 2015	1,467,401	319,229	0	1,786,630
Carrying amount at 31 Dec 2014	1,972,719	319,229	46,623	2,338,571

Table 63: Intangible assets in 2014 in EUR

Description	Non-current property rights	Goodwill	Other non-current deferred costs and accrued revenue	TOTAL
Cost at 01 Jan 2014	6,981,597	319,229	61,788	7,362,614
Direct increases – acquisitions	682,983			682,983
Transfer from investments in progress	9,451			9,451
Exchange rate differences	-16,205			-16,205
Decreases – exclusions, other decreases	-37,010		-15,165	-52,175
Cost at 31 Dec 2014	7,620,816	319,229	46,623	7,986,668
Value adjustment at 01 Jan 2014	4,988,829	0	0	4,988,829
Depreciation during the year	680,047			680,047
Exchange rate differences	-12,504			-12,504
Decreases – exclusions, other decreases	-8,275			-8,275
Value adjustment at 31 Dec 2014	5,648,097	0	0	5,648,097
Carrying amount at 31 Dec 2014	1,972,719	319,229	46,623	2,338,571
Carrying amount at 01 Jan 2014	1,992,768	319,229	61,788	2,373,785

The disclosed intangible assets are owned by the Group and are free of debts.
More than half of all intangible assets that were used on 31 December 2015 were fully depreciated.

9. Goodwill

Structure of goodwill according to business combinations that generated it:

Table 64: Structure of goodwill in EUR

	31 Dec 2015	31 Dec 2014
Stampal SB d.o.o.	319,229	319,229

On 31 December 2015, goodwill was tested for possible impairment and no need for impairment was determined.

9. Tangible fixed assets

Table 65: Tangible fixed assets in 2015 in EUR

Description	Land	Buildings	Property being acquired	Advances for property	Total property
Cost at 31 Dec 2014	3,723,907	78,249,195	274,017	15,000	82,262,119
Adjustments after the opening balance					0
Cost at 01 Jan 2015	3,723,907	78,249,195	274,017	15,000	82,262,119
Direct increases – acquisitions	22,319	216,543	1,846,391		2,085,253
Transfer from investments in progress		460,426	-460,426		0
Transfer to investment property		-1,581,598			-1,581,598
Exchange rate differences	-6,089	-77,353	-161		-83,603
Decreases – sales					0
Decreases – exclusions, other decreases		-647		-15,000	-15,647
Transfers between categories of tangible fixed assets					0
Cost at 31 Dec 2015	3,740,137	77,266,566	1,659,821	0	82,666,524
Value adjustment at 31 Dec 2014		42,861,493			42,861,493
Adjustments after the opening balance					0
Value adjustment at 01 Jan 2015	0	42,861,493	0	0	42,861,493
Depreciation		1,810,292			1,810,292
Transfer to investment property		-423,313			-423,313
Exchange rate differences		-36,986			-36,986
Decreases – sales					0
Decreases – exclusions, other decreases		-647			-647
Transfers between categories of tangible fixed assets					0
Value adjustment at 31 Dec 2015	0	44,210,839	0	0	44,210,839
Carrying amount at 31 Dec 2015	3,740,137	33,055,727	1,659,821	0	38,455,685
Carrying amount at 31 Dec 2014	3,723,907	35,387,702	274,017	15,000	39,400,626

Table 66: Tangible fixed assets in 2014 in EUR

Description	Land	Buildings	Property being acquired	Advances for property	Total property
Cost at 01 Jan 2014	3,766,843	73,428,988	2,625,668	0	79,821,499
Direct increases – acquisitions		1,853,733	1,657,833	15,000	3,526,566
Direct increases – finance lease					0
Transfer from investments in progress	21,522	3,901,023	-3,922,545		0
Transfer between companies in the Group – acquisitions	810,108	1,276,476			2,086,584
Transfer between companies in the Group – sales	-812,527	-1,469,304			-2,281,831
Transfer to investment property			-82,281		-82,281
Exchange rate differences	-62,039	-740,147	-2,609		-804,795
Decreases – sales			-2,049		-2,049
Decreases – exclusions, other decreases		-1,574			-1,574
Transfers between categories of tangible fixed assets					0
Cost at 31 Dec 2014	3,723,907	78,249,195	274,017	15,000	82,262,119
Value adjustment at 01 Jan 2014	0	41,685,501	0	0	41,685,501
Depreciation		1,761,472			1,761,472
Transfer between companies in the Group – sales		-190,949			-190,949
Exchange rate differences		-392,957			-392,957
Decreases – sales					0
Decreases – exclusions, other decreases		-1,574			-1,574
Transfers between categories of tangible fixed assets					0
Value adjustment at 31 Dec 2014	0	42,861,493	0	0	42,861,493
Carrying amount at 31 Dec 2014	3,723,907	35,387,702	274,017	15,000	39,400,626
Carrying amount at 01 Jan 2014	3,766,843	31,743,487	2,625,668	0	38,135,998

Production equipment and machinery	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	TOTAL
289,811,858	17,218,838	8,659,272	1,024,466	316,714,434	398,976,553
				0	0
289,811,858	17,218,838	8,659,272	1,024,466	316,714,434	398,976,553
1,864,995	19,413	7,279,090	1,416,523	10,580,021	12,665,274
5,368,819	696,407	-6,079,646		-14,420	-14,420
				0	-1,581,598
-249,891	14,029	-15,563	-568	-251,993	-335,596
-218,398	-16,399			-234,797	-234,797
-1,696,919	-143,416		-1,363,591	-3,203,926	-3,219,573
1,500	-1,500			0	0
294,881,964	17,787,372	9,843,153	1,076,830	323,589,319	406,255,843
213,292,379	13,138,630			226,431,009	269,292,502
				0	0
213,292,379	13,138,630	0	0	226,431,009	269,292,502
11,246,243	1,193,316			12,439,559	14,249,851
				0	-423,313
-68,176	12,345			-55,831	-92,817
-217,195	-16,399			-233,594	-233,594
-1,440,723	-139,008			-1,579,731	-1,580,378
1,350	-1,350			0	0
222,813,878	14,187,534	0	0	237,001,412	281,212,251
72,068,086	3,599,838	9,843,153	1,076,830	86,587,907	125,043,592
76,519,479	4,080,208	8,659,272	1,024,466	90,283,425	129,684,051

Production equipment and machinery	Other machinery and equipment	Equipment and other tangible fixed assets being acquired	Advances to acquire tangible fixed assets	Total equipment	TOTAL
298,728,591	16,384,241	23,487,732	1,769,479	340,370,043	420,191,542
1,306,675	11,864	8,129,787	1,916,331	11,364,657	14,891,223
		1,061,059		1,061,059	1,061,059
22,089,798	958,491	-23,057,740		-9,451	-9,451
3,073,484				3,073,484	5,160,068
-20,212,008				-20,212,008	-22,493,839
				0	-82,281
-1,665,245	7,209	-961,566	-10,128	-2,629,730	-3,434,525
-28,473	-13,196			-41,669	-43,718
-13,490,764	-127,747		-2,651,216	-16,269,727	-16,271,301
9,800	-2,024			7,776	7,776
289,811,858	17,218,838	8,659,272	1,024,466	316,714,434	398,976,553
232,238,320	12,020,391	0	0	244,258,711	285,944,212
12,353,881	1,249,368			13,603,249	15,364,721
-17,157,621				-17,157,621	-17,348,570
-642,804	7,403			-635,401	-1,028,358
-28,473	-13,196			-41,669	-41,669
-13,478,700	-125,336			-13,604,036	-13,605,610
7,776				7,776	7,776
213,292,379	13,138,630	0	0	226,431,009	269,292,502
76,519,479	4,080,208	8,659,272	1,024,466	90,283,425	129,684,051
66,490,271	4,363,850	23,487,732	1,769,479	96,111,332	134,247,330

More than half of all intangible assets that were used on 31 December 2015 were fully depreciated.

Assets under finance lease

The carrying amount of equipment under finance lease on 31 December 2015 was EUR 1,011,709 (31 December 2014: EUR 1,134,002).

Table 67: Value of assets under finance lease in EUR

	Cost (+)	Value adjustment (+)	Carrying amount (=)
Equipment	1,221,970	210,261	1,011,709
TOTAL	1,221,970	210,261	1,011,709

Pledged tangible fixed assets

Tangible fixed assets of the Group are pledged as security for settlement of liabilities in the amount presented in the following table:

Table 68: Assets pledged as security for settlement of liabilities (without asserts under finance lease) in EUR

Value by type of assets		Cost (+)	Value adjustment (+)	Carrying amount (=)
1	Immovable property	63,933,797	35,225,662	28,708,135
2	Equipment	133,768,782	78,767,655	55,001,127
TOTAL		197,702,579	113,993,317	83,709,262

Assets are pledged as security for the settlement of liabilities by the following companies: Impol d. o. o., Impol Seval a.d., Stampal SB d.o.o. and Impol-Montal d.o.o.

10. Investment property

In the period under observation the investment property only includes buildings and associated land held to earn rentals.

Table 69: Investment property in 2015 in EUR

Description	Land	Buildings	TOTAL
Cost as at 31 Dec 2014	138,929	5,652,866	5,791,795
Transfer from tangible fixed assets (+)		1,581,598	1,581,598
Transfer from non-current assets (+)	234,721		234,721
Exchange rate differences	-722	-2,205	-2,927
Cost as at 31 Dec 2015	372,928	7,232,259	7,605,187
Value adjustment as at 31 Dec 2014		3,341,043	3,341,043
Depreciation (+)		144,585	144,585
Transfer from tangible fixed assets (+)		423,313	423,313
Exchange rate differences		-359	-359
Value adjustment as at 31 Dec 2015	0	3,908,582	3,908,582
Carrying amount as at 31 Dec 2015	372,928	3,323,677	3,696,605
Carrying amount as at 31 Dec 2014	138,929	2,311,823	2,450,752

Table 70: Investment property in 2014 in EUR

Description	Land	Buildings	TOTAL
Cost as at 01 Jan 2014	396,093	5,594,582	5,990,675
Transfer from tangible fixed assets (+)		82,281	82,281
Decreases (-)	-21,217	-23,997	-45,214
Transfer to non-current assets (-)	-235,947		-235,947
Cost as at 31 Dec 2014	138,929	5,652,866	5,791,795
Value adjustment as at 01 Jan 2014	0	3,214,982	3,214,982
Depreciation (+)		129,474	129,474
Decreases (-)		-3,413	-3,413
Value adjustment as at 31 Dec 2014	0	3,341,043	3,341,043
Carrying amount as at 31 Dec 2014	138,929	2,311,823	2,450,752
Carrying amount as at 01 Jan 2014	396,093	2,379,600	2,775,693

We estimate that the book value of investment property qualifies as fair value. The carrying amount of investment property pledged as security for settlement of liabilities is presented in the following table.

In 2015, the Group generated income with investment property in the amount of EUR 308,426 (EUR 371,393 in 2014). Connected depreciation costs in 2015 were EUR 144,585 (EUR 206.610 in 2014).

Pledged investment property of the Impol Group as at 31 December 2015:

Table 71: Pledged investment property as at 31 December 2015 in EUR

		Cost (+)	Value adjustment (+)	Carrying amount (=)
1	Investment property	5,025,621	3,288,748	1,736,873
TOTAL		5,025,621	3,288,748	1,736,873

11. Non-current financial investments

Table 72: Non-current financial investments in EUR

NON-CURRENT FINANCIAL INVESTMENTS	Cost as at 31 Dec	Non-current financial investments in:		Value adjustment as at 31 Dec	Carrying value	
		associates	other comp.	Impairment	31 Dec 2015	31 Dec 2014
	=	+	+	-	=	
Non-current financial investments (+)	1,724,772	691,281	1,033,491	-170,355	1,554,417	1,316,187
TOTAL NON-CURRENT FINANCIAL INVESTMENTS	**1,724,772**	**691,281**	**1,033,491**	**-170,355**	**1,554,417**	**1,316,187**

NON-CURRENT FINANCIAL INVESTMENTS	Cost as at 31 Dec	Non-current financial investments in:		Value adjustment as at 31 Dec		Carrying value
		associates	other comp.	Impairment	31 Dec 2015	31 Dec 2014
	=	+	+	-	=	
Investments in shares and participating interest	1,072,256	691,281	380,975	-34,648	1,037,608	1,045,987
Other non-current financial investment in equity	131,438	0	131,438	0	131,438	8,895
TOTAL non-current financial investments excluding loans	**1,203,694**	**691,281**	**512,413**	**-34,648**	**1,169,046**	**1,054,882**
Non-current loans to companies	416,550	0	416,550	-135,707	280,843	261,305
Non-current deposits	104,528	0	104,528	0	104,528	0
TOTAL non-current loans	**521,078**	**0**	**521,078**	**-135,707**	**385,371**	**261,305**
TOTAL NON-CURRENT FINANCIAL ASSETS	**1,724,772**	**691,281**	**1,033,491**	**-170,355**	**1,554,417**	**1,316,187**

Non-current financial investments as at 31 December 2015 are not are pledged as security for liabilities, except in the amount of EUR 104,528 which is subject to warranty insurance with a 100% deposit for the period until 7 February 2017.

Table 73: Development of non-current financial investments excluding loans in EUR

Cost						Value adjustment		Carrying amount	
Cost as at 01 Jan 2015	Purchases	Equity method for associates	Sales	Exchange rate differences	Cost as at 31 Dec 2015	Value adjust-ment due to impairment	Value adjust-ment as at 31 Dec 2015	31 Dec 2015	01 Jan 2015
1,054,882	127,768	31,083	-11,061	1,021	1,203,693	-34,647	-34,647	1,169,046	1,054,882

Table 74: Investments in associates in EUR

Associate	Participating interests of the Group in the associate	Investment as at 31 Dec 2015 – equity method	Value adjustment as at 31 Dec 2015	Investment as at 31 Dec 2015	Investment as at 31 Dec 2014
Simfin d.o.o.	49.51%	343,407	0	343,407	319,242
Alcad d.o.o.	32.07%	307,923	0	307,923	306,678
Brezcarinska cona RS	33.33%	5,303	0	5,303	4,444
Impol Brazil	50.00%	34,648	-34,648	0	34,648
TOTAL		691,281	-34,648	656,633	665,012

In 2015, the Group impaired the investment in the company Impol Brazil Aluminium Ltda in the amount of EUR 34.648.

Table 75: Development of non-current financial investments – loans in EUR

Cost as at 01 Jan 2015	New loans	Reimbursements	Exchange rate differences	Cost as at 31 Dec 2015	Value adjustment 01 Jan 2015	Value adjustment 31 Dec 2015	Carrying amount 31 Dec 2015	Carrying amount 01 Jan 2015
+	+	-	+ / -	=	-	=	=	=
397,012	139,066	-14,044	-956	521,078	-135,707	-135,707	385,371	261,305

Non-current loans mostly include long-term bank deposits and loans granted to other companies.

Table 76: Non-current available-for sale assets in EUR

Asset:	Land	TOTAL
Carrying amount as at 31 Dec 2014	235,947	235,947
Transfer to investment property (-)	-234,721	-234,721
Exchange rate differences	-1,226	-1,226
Carrying amount as at 31 Dec 2015	0	0

The amount of EUR 235.947 represents a part of the land of the company Impol Seval a.d. in Serbia.

Non-current available-for sale assets consider land that was reclassified as investment property. The decision for reclassification was adopted by the Management Board in 2015. Reclassification was performed according to the carrying amount of assets.

12. Inventories

Table 77: Inventories in EUR

	31 Dec 2015 Cost (+)	Carrying amount	Of which inventories as at 31 Dec: are pledged as security for liabilities	31 Dec 2014
Raw material and material	72,182,684	72,182,684	8,470,588	85,214,988
Small tools	0	0	0	0
Work in progress and services	9,830,248	9,830,248	0	6,844,456
Products	12,416,936	12,416,936	0	14,200,937
Merchandise	2,104,893	2,104,893	0	2,044,430
Advances for inventories	1,323,482	1,323,482	0	609,719
TOTAL	97,858,243	97,858,243	8,470,588	108,914,530

Table 78: Write-offs of inventories due to a change in their quality or value in EUR

Type of inventory	2015
Merchandise	5,807
TOTAL	5,807

Table 79: Inventory surpluses and deficits in EUR

Type of inventory	2015	Surpluses (+)	Deficits (-)
Raw material and material	1,941	1,941	0
Merchandise	-1,034	933	-1,967
TOTAL	907	2,874	-1,967

Inventories were pledged as security for liabilities based on received loans in the amount of EUR 8,470,588. Received goods and material to be processed are recorded as foreign goods and only their quantity is monitored. At the end of 2015, the Group's inventories of goods given on consignment amounted to EUR 333,566.

13. Current financial investments

Table 80: Current financial investments in EUR

	Cost as at 31 Dec	Current financial investments in:		Value adjustment due to impairment	Carrying amount	
		associates	other companies		31 Dec 2015	31 Dec 2014
	=	+	+	-	=	
Current financial investments (+)	6,517,841	0	6,517,841	-337,939	6,179,902	603,651
Current par of non-current investments (+)	0	0	0	0	0	8,997
TOTAL CURRENT FINANCIAL INVESTMENTS	**6,517,841**	**0**	**6,517,841**	**-337,939**	**6,179,902**	**612,648**

	Cost as at 31 Dec	Current financial investments in: other companies	Value adjustment due to impairment	Carrying amount 31 Dec 2015	Carrying amount 31 Dec 2014
	=	+	-	=	
Receivables acquired for sale	0	0	0	0	333,808
TOTAL current financial investments excluding loans	0	0	0	0	333,808
Current loans granted (including bonds)	413,562	413,562	-337,939	75,623	151,222
Current deposits	6,104,279	6,104,279	0	6,104,279	127,618
TOTAL current loans granted	6,517,841	6,517,841	-337,939	6,179,902	278,840
TOTAL CURRENT FINANCIAL INVESTMENTS	6,517,841	6,517,841	-337,939	6,179,902	612,648

Table 81: Development of current financial investments excluding loans in EUR

Cost			Value adjustment		Carrying amount	
Cost as at 01 Jan 2015	Sales	Cost as at 31 Dec 2015	Value adjustment as at 01 Jan 2015	Value adjustment as at 31 Dec 2015	31 Dec 2015	01 Jan 2015
+	-	=	-	=	=	=
347,134	-333,808	13,326	-13,326	-13,326	0	333,808

Table 82: Development of current financial investments – loans in EUR

Cost					Value adjustment			Carrying amount	
Cost as at 01 Jan 2015	New loans	Reimbursements	Exchange rate differences	Cost as at 31 Dec 2015	Value adjustment as at 01 Jan 2015	Adjustment due to impairment	Value adjustment as at 31 Dec 2015	31 Dec 2015	01 Jan 2015
+	+	-	+ / -	=	-	-	=	=	=
546,363	11,099,028	-5,127,199	-350	6,517,842	-267,523	-70,417	-337,940	6,179,902	278,840

Current financial investments are not pledged as security for liabilities.

14. Current operating receivables

Carrying amounts of all trade receivables and other receivables in significant amounts correspond to their fair value.

Table 83: Current operating receivables in EUR

	Current operating receivables	Current operating receivables from different companies: Associates	Other companies	Value adjustment due to impairment*	31 Dec 2015	31 Dec 2014
	=	+	+	-	=	+
Current trade receivables	54,721,576	9,134	54,712,442	-7,267,965	47,453,611	51,641,665
· Of which overdue as at 31 Dec	17,014,153	305	17,013,848	0	17,014,153	18,520,156
Given current advances and collaterals	321,768	0	321,768	0	321,768	173,806
Current receivables associated with financial revenues	322,198	0	322,198	-269,542	52,656	247,249
Current receivables due from central government	6,495,134	0	6,495,134	0	6,495,134	10,983,410
Other current operating receivables	3,933,033	0	3,933,033	-3,803,502	129,531	3,777,723
TOTAL current operating receivables	65,793,709	9,134	65,784,575	-11,341,009	54,452,700	66,823,853

Current trade receivables	47,453,611
· Local market	3,466,908
· Foreign markets	43,986,703

Table 84: Value adjustment of current operating receivables due to impairment in EUR

	2015	Value adjustment of current receivables from:	2014
Balance as at 01 Jan (+)	7,447,274	7,447,274	5,598,797
Decrease in value due to settlement of receivables (-)	-1,501,225	-1,501,225	-292,074
Decrease in value due to write-offs of receivables (-)	-79,657	-79,657	-48,667
Value adjustment due to impairment (+)	5,474,617	5,474,617	2,189,218
Balance as at 31 Dec	11,341,009	11,341,009	7,447,274

Analysis of outstanding trade receivables	
Due in 2015	10,122,443
Due in 2014	698,081
Due in 2013	422,256
Due in 2012	688,799
Due in 2011 and earlier	5,082,574
TOTAL	17,014,153

15. Cash and cash equivalents

Table 85: Cash and cash equivalents in EUR

	31 Dec 2015	31 Dec 2014
Cash in hand	5,478	26,521
Cash in banks	70,831,876	12,468,688
TOTAL	70,837,354	12,495,209

The Group has no cash deposits of under three months. Daily deposits are included under Cash in banks.

Table 86: Current deferred costs and accrued revenues in EUR

	31 Dec 2015	31 Dec 2014
Current deferred costs or expenses	86,460	213,060
VAT from received advances	23,514	880,097
TOTAL	109,974	1,093,157

16. Equity

Table 87: Equity in EUR

	2015	2014
Equity	127,562,535	106,177,138
Minority shareholders' equity	11,742,184	9,427,165
Called-up capital	4,451,540	4,451,540
Share capital	4,451,540	4,451,540
Capital reserves	10,751,254	10,751,254
Reserves from profit	6,906,327	6,427,553
Reserves for own shares and own participating interests	506,406	506,406
Own shares and own participating interests (as deduction)	-506,406	-506,406
Statutory reserves	1,173,746	694,972
Other reserves from profit	5,732,581	5,732,581
Revaluation surplus	-169,318	-7,721
Revaluation adjustment of capital	-670,221	-735,989
Retained earnings	74,934,946	63,914,120
Net profit for the financial year	19,615,823	11,949,216

Share capital
The share capital of Impol 2000 d.d. equals EUR 4,451,549 and is divided into 1,066,767 ordinary no-par value shares.

Reserves
Group reserves include capital reserves, reserves from profit and the revaluation adjustment of capital. None of these reserves can be used to pay dividends or other participating interests.

Capital reserves
Capital reserves as at 31 December 2015 equal EUR 10,751,254, of which EUR 9,586,803 are paid in surplus of capital and EUR 1,164,451 are the general revaluation adjustment of capital.

Reserves from profit
Reserves from profit as at 31 December 2015 equal EUR 6,906,327, which include own shares (as deduction) and the corresponding reserves for own shares, statutory reserves and other reserves from profit.

As at 31 December 2015, the Impol Group owned 82,108 own shares in the total amount of EUR 506,406 (as deduction of capital). These are shares of the controlling company Impol 2000 d.d. owned by the following companies in the Group: Impol-Montal d.o.o. (80,482 shares) and Kadring d.o.o. (1.626 shares). Reserves for own shares are disclosed in the same amount under Reserves from profit.

Table 88: Repurchased own shares in EUR

	Balance as at 01 Jan 2015			Balance as at 31 Dec 2015		
	No.	%	Value	No.	%	Value
Own shares acquired	82,108	7.70%	506,406	82,108	7.70%	506,406
TOTAL		7.70%	506,406		7.70%	506,406

Statutory reserves in the amount of EUR 1,173,746 represent the amount of reserves formed based on the statute of the controlling company. In 2015, these reserves increased by EUR 478,774 that were debited to the annual profit.
Other reserves from profit as at 31 December 2015 equal to EUR 5,732,581 and include the rest of the retained earnings of previous years.

Revaluation adjustment of capital

Revaluation adjustment of capital as at 31 December 2015 equals to EUR -670,221 and increased in 2015 by EUR 65,768, which corresponds to an increased due to exchange rate differences that occurred when including financial reports of foreign subsidiaries into consolidated financial statements.

Revaluation surplus

Revaluation surplus includes changes of value of effective hedges of cash flow (interest rate swaps) in the amount of EUR -73.355 and actuarial gains/losses based on retirement benefits as shown below:

Table 89: Revaluation surplus in EUR

	Balance as at 01 Jan 2015	Formed	Removed	Total as at 31 Dec 2015
Revaluation surplus:	+ / -	+ / -	+ / -	=
Adjustment of value of effective cash flow hedges (interest swaps)	0	-73,355	0	-73,355
Actuarial gains/losses, recognised under reservations for retirement benefits	-7,721	-90,667	620	-97,768
TOTAL	-7,721	-164,022	620	-171,123
Of which revaluation surplus that belongs to minority shares	0	-1,805	0	-1,805
Revaluation surplus that belongs to owners of the controlling company	-7,721	-162,217	620	-169,318

Payment of dividends

In 2015, based on the resolution of the general meeting of shareholders, the controlling company Impol 2000 d.d. paid dividends in the gross amount of EUR 0.94 per share or a total of EUR 1,002,761. Because the receivers of dividends are also the companies Impol-Montal d.o.o. that owns 80.482 shares of the company Impol 2000 d.d. and Kadring d.o.o. that owns 1,626 shares of the company Impol 2000 d.d., the actual payment of dividends outside the group was EUR 925,580, while Impol-Montal d.o.o. received dividends in the amount of EUR 75,653 and Kadring d.o.o. in the amount of EUR 1,528.

17. Provisions and non-current accrued expenses and deferred revenue

Table 90: Provisions and non-current accrued expenses and deferred revenue in EUR

	Provisions		Non-current accrued expenses and deferred income		
	Provisions for pensions and jubilee and retirement benefits	Other provisions for non-current accrued costs	Received government grants	Other non-current accrued expenses and deferred income	TOTAL in EUR
Balance as at 31 Dec 2014	977,091	2,134	600,933	167,123	1,747,281
Opening balance adjustment	0	0	0	0	0
Balance as at 31 Dec 2015	977,091	2,134	600,933	167,123	1,747,281
Formation (+)	816,412	22,008	238,879	0	1,077,299
Other increase (+)	19,030	0	1,025	0	20,055
Utilisation (-)	-44,743	0	-311,107	0	-355,850
Reversal (-)	-6,829	-22,891	-5,884	-30,517	-66,121
Other decreases (-)	-8,244	0	0	0	-8,244
Balance as at 31 Dec 2015	1,752,717	1,251	523,846	136,606	2,414,420

It is estimated that, with the exception of the previously stated provisions, no other provisions need to be formed. The provisions refer to the business entities outside the Group. Provisions for post-employment and other long-term benefits of the employees are created in the amount of the estimated future payments for termination benefits and jubilee benefits, discounted to the end of the reporting period. Labour costs and interest expenses are recognised in profit or loss, while the conversion of post-employment benefits and/or unrealised actuarial gains and losses are recognised in other comprehensive income as equity.

The calculation of provisions for retirement and jubilee benefits is based on the following conditions:
- Discount rate based on information on the return of long-term government bonds of the Republic of Slovenia and the Republic of Serbia.
- Currently valid amounts of retirement and jubilee benefits from internal rules.
- Fluctuation of employees mostly depending on their age
- Mortality based on last available mortality tables of the local population.

Received government grants include assets from disposed of contributions of disabled persons and subsidies for improving the working conditions for disabled persons in the total amount of EUR 523,846. Their balance and development in 2015 was as follows:

Table 91: Received government grants in EUR

	Disposed of contributions	Assets from disposed of contributions for covering depreciation costs	Calculated interest from unutilised contributions	Total government grants in EUR
Balance as at 31 Dec 2014	389,344	205,705	5,884	600,933
Adjustment after opening balance				0
Balance as at 01 Jan 2015	389,344	205,705	5,884	600,933
Formation – disposed of contributions (+)	225,041			225,041
Formation – subsidies	13,838			13,838
Other increases (+)			1,025	1,025
Utilisation (75% of pays of disabled persons)	-241,925			-241,925
Utilisation (professional employees)	-23,610			-23,610
Utilisation (acquisition of fixed assets from disposed of contributions)	-163,561	163,561		0
Utilisation (covering depreciation costs)		-45,522		-45,522
Utilisation (covering the residual value of fixed assets at disposal)		-50		-50
Annulment of interest from previous years			-5,884	-5,884
Balance as at 31 Dec 2015	199,127	323,694	1,025	523,846

18. Non-current financial and operating liabilities

Table 92: Non-current financial and operating liabilities in EUR

	Total debt as at 31 Dec 2015	The part falling due in 2016	31 Dec 2015	31 Dec 2014
	+	-	=	
Non-current financial liabilities in connection with bonds	50,000,000	-10,000,000	40,000,000	0
Non-current financial liabilities to banks	114,360,991	-38,744,072	75,616,919	76,695,107
Non-current financial liabilities to others (excluding liabilities from finance lease)	5,264,283	-5,045,575	218,708	322,402
Non-current financial liabilities arising from finance lease – other companies*	561,625	-122,515	439,110	561,929
Other non-current operating liabilities – other companies	294,767	0	294,767	198,659
TOTAL non-current financial and operating liabilities	170,481,666	-53,912,162	116,569,504	77,778,097
Non-current financial liabilities	170,186,899	-53,912,162	116,274,737	77,579,438
Non-current operating liabilities	294,767	0	294,767	198,659
TOTAL non-current financial and operating liabilities	170,481,666	-53,912,162	116,569,504	77,778,097

*Future minimum lease payments and their present values in connection with finance lease liabilities are as follows in Table 93.

Table 93: Future minimum lease payments and their present value in EUR

	Future minimum lease payments	Present net value of future lease payments
Up to 1 year	143,495	122,515
1 to 5 years	457,095	422,437
Over 5 years	16,885	16,673

Table 94: Development of non-current financial liabilities in EUR

Type of financial liability	Total debt as at 01 Jan 2015	New loans	Capitalisation of interest	Reimburse-ments in the current year	Exchange rate differences	Total debt as at 31 Dec 2015	Of which the proportion falling due in: 2016	after 01 Jan 2017
Bonds	0	50,000,000	0	0	0	50,000,000	-10,000,000	40,000,000
Companies in the state	322,402	5,000,000	0	0	-58,119	5,264,283	-5,045,575	218,708
Banks	76,695,107	44,012,401	0	-6,334,025	-12,492	114,360,991	-38,744,072	75,616,919
Finance lease liabilities	561,929	0	-28	0	-276	561,625	-122,515	439,110
Total	77,579,438	99,012,401	-28	-6,334,025	-70,887	170,186,899	-53,912,162	116,274,737

In 2015, the Impol Group issued 5-year bonds in the amount of EUR 50,000,000 with the intention to finance the investment cycle for additional long-term growth and development. Bonds are traded at the Ljubljana Stock Exchange since 26 December 2015. The annual interest rate is 3.8 percent. Coupons are paid annually. The final maturity date is 19 October 2020. The principal amount including interest is due on 19 October 2016, 19 October 2017, 19 October 2018, 19 October 2019, and 19 October 2020, each time in the principal amount of EUR 10,000,000 plus interest. The current proportion of liabilities based on bonds, which is due on 19 October 2016, is disclosed under current financial obligations.

The maturity of non-current financial obligations is disclosed under chapter 19. Financial instruments and risks.

Interest rates for non-current loans:

- In EUR, ranging from fixed 2.85% to EURIBOR6 + 5.9% (depending on the field, maturity, insurance and the range of cooperation with creditors).
- Non-current financial obligations are insured with mortgages, equipment, inventories, receivables and bills of exchange. The proportion of non-current financial obligations in the amount of EUR 64,304,172 is insured, and the part of debt in the amount of EUR 51,970,565 is not insured. Carrying amounts of assets given as insurance for non-current financial obligations are disclosed under individual disclosures of group assets.

19. Current liabilities

Table 95: Current liabilities in EUR

Current operating and financial liabilities	31 Dec 2015	31 Dec 2014
Current trade payables – associates	328,196	334,028
Current trade payables – other companies	26,383,195	38,033,398
Current operating liabilities based on advances to other companies	1,834,256	1,140,967
Other current operating liabilities to other companies	6,438,150	7,796,880
TOTAL current operating liabilities	34,983,797	47,305,273
Current portion of non-current financial liabilities – banks	38,744,072	34,390,298
Current portion of non-current financial liabilities (excluding liabilities from finance lease) – other companies	5,045,575	101,445
Current portion of non-current financial liabilities – bonds	10,000,000	0
Current portion of non-current financial liabilities from finance lease – other companies	122,515	118,304
Current financial liabilities – banks	24,330,535	35,031,427
Current financial liabilities (excluding liabilities from finance lease) – other companies	454,399	22,581,552
Current financial liabilities from the distribution of profit	7,052	9,226
Current financial liabilities from finance lease – other companies	3	0
TOTAL current financial liabilities	78,704,151	92,232,252
TOTAL current financial and operating liabilities	113,687,948	139,537,525

Table 96: Current operating liabilities in EUR

Current operating liabilities	31 Dec 2015	31 Dec 2014
Current liabilities to associates as suppliers	328,196	334,028
Current liabilities to other companies as suppliers	26,383,195	38,033,398
Total current liabilities to suppliers	26,711,391	38,367,426
Current liabilities for advances	1,834,256	1,140,967
Total current liabilities for advances	1,834,256	1,140,967
Current liabilities to employees	2,955,319	2,491,640
Current liabilities to government	2,993,736	3,222,081
Current debt liabilities – other companies	361,744	437,329
Other current operating liabilities – other companies	127,351	1,645,830
TOTAL other current operating liabilities	6,438,150	7,796,880
TOTAL current operating liabilities	34,983,797	47,305,273

Table 97: Itemisation of current debt liabilities in EUR

	31 Dec 2015	31 Dec 2014
Interest associated with financial expenses from operating liabilities	3,356	3,359
Interest associated with financial expenses from financial liabilities	358,388	433,970
Total current debt liabilities	361,744	437,329

Analysis of outstanding liabilities to suppliers in EUR	
Due in 2015	1,150,407
Due in 2014	87,254
Due in 2013	31,731
Due in 2012 or earlier	243
TOTAL	1,269,635

Interest rates for short-term loans from credit institutions range from fixed 1.25% to EURIBOR6 + 3.20%. Current liabilities are partly secured with a mortgage and others with equipment, bills of exchange, assignment of receivables and guarantees.

Part of current financial liabilities in the amount of EUR 61,586,806 is insured, while part of current financial liabilities in the amount of EUR 17,117,345 is not insured.

Table 98: Current accrued expenses and deferred income

	31 Dec 2015	31 Dec 2014
Accrued costs and expenses	688,905	116
Current deferred income	37,400	386,287
VAT from given advances	188,018	455,791
TOTAL	914,323	842,194

Current deferred costs or expenses include accrued costs of provisions for agents for transactions in 2015, costs of interest of issued bonds accrued until 31 December 2015, and deferred income based on accruals and VAT from given advances as at 31 December 2015.

20. Contingent liabilities

The Group has issued guarantees in the amount EUR 2,764,000, mostly in connection with custom duties upon importation of goods and materials, and liabilities in the amount of EUR 92,287 mostly in connection with recalculated VAT at bankruptcy.
There is also a lawsuit in progress regarding a guarantee issued to a bank in the amount of EUR 1,738,290.

There are currently lawsuits against the Group in the total amount of EUR 172,922 in connection with compensations for monthly annuity in the amount of EUR 1,033. Current lawsuits by suppliers and other parties amount to EUR 54,204.

The Group estimates that these claims are unjustified, which is why the Group did not form current provisions for these purposes. In case of labour law disputes, the Group has insured possible liabilities through an insurance company.

21. Financial instruments and financial risks

Financial risks of the Impol Group have an important role considering their probability and importance, which is why special attention is put to these categories of risk. Risks are actively managed by the Finance and Business Administration Department, the Risk Management Department (RM) and other all other relevant departments at Impol Group companies that operate outside Slovenia.

Liquidity risks

When it comes to liquidity risk management, the Impol Group examines whether it is able to settle all current operating liabilities and whether it is generating a sufficiently large cash flow to settle financing liabilities. Floating weekly and monthly planning of cash flows allows us to establish the liquid asset requirements. Potential shortages of cash are covered by bank credit lines, whereas any short-term surpluses are invested in liquid current financial assets. The Impol Group is able to cover all matured obligations at any given time. Successful performance enables us a long-term ability to pay and capital increases.

Table 99: Non-current financial liabilities in EUR

	31 Dec 2015	31 Dec 2014
Non-current financial liabilities regarding bonds	40,000,000	0
Non-current financial liabilities to banks	75,616,919	76,695,107
Current financial liabilities (excluding liabilities from finance lease) to other companies	218,708	322,402
Current financial liabilities from finance lease of other companies	439,110	561,929
TOTAL non-current financial liabilities	116,274,737	77,579,438

Table 100: Maturity of non-current financial liabilities by year in EUR

	31 Dec 2015
Due in 2016	x
Due in 2017	33,644,404
Due in 2018	28,916,844
Due in 2019	25,384,262
Due in 2020 (or later in case of 31 Dec 2014)	20,944,801
Due in 2021 or later	7,384,426
TOTAL non-current financial liabilities	116,274,737

Table 101: Current operating and financial liabilities in EUR

Current operating and financial liabilities	31 Dec 2015	31 Dec 2014
Current financial liabilities	24,791,989	57,622,205
Current portion of non-current financial liabilities	53,912,162	34,610,047
Total current financial liabilities	78,704,151	92,232,252
Current operating liabilities	34,983,797	47,305,273
Total Current operating liabilities	34,983,797	47,305,273
TOTAL current operating and financial liabilities	113,687,948	139,537,525

Risk of Changes in Aluminium Prices

The risk of changes in aluminium prices constitutes the greatest risk for the operations of the Impol Group alongside the sales market risk. The Impol Group follows the principle stating that as soon as a sales agreement is concluded or a sales order is received that is concluded by referring to a specific aluminium raw material price on the LME, aluminium raw materials are secured either physically or by means of forward contracts at the same price as that included in the basis for the conclusion of the sales agreement or order. The methods for the inclusion of costs and inventory management are established accordingly.

Collateral is usually provided primarily by guaranteeing adequate actual raw material sources with only the missing or excess difference being subject to forward purchases or sales on forward markets respectively. As regards the management of the price risk arising from changes in quoted aluminium prices, it should be emphasised that quoted aluminium prices move completely randomly, but they serve as the basis for establishing daily purchase and sales prices of aluminium and of Impol's aluminium products.

Given the large share of LME prices in the purchase and sales prices, the movement of quoted aluminium prices constitutes one of the greatest risks faced by the Group in its operations. We, therefore, established the Futures Trading Department as early as nine years ago and developed an IT system that links sales and purchase agreements from the point of view of LME prices which automatically links all "back-to-back" transactions, whereby the established difference constitutes the daily risk on the physical market that is hedged on the forward market with the help of brokers directly on the London Metal Exchange.

The fact remains that Impol needs to operate flexibly on the market and provide all pricing alternatives to its customers. In doing so, however, we must make sure that the contractually agreed sales margin remains unchanged. In 2015, operations involving LME prices were efficient, successful and profitable on the Group level, which we achieved through appropriate forward sales of all excess raw material inventories and by successfully closing these forward positions.

Table 102: Forward purchases/sales in 2015

	Quantity in t	Average price in EUR/t
Forward purchases	13,500	1,602.55
Forward sales	13,500	1,556.52
Open forward positions	0	

The activity of forward operations generated the forward balance of EUR -640,396.

Table 103: Financial revenue from forward contracts

in EUR	2015	2014
Financial revenue from forwards – forward purchases/sales of aluminium	193,344	836,774
Financial expenditure from forwards – forward purchases/sales of aluminium	833,740	402,829

Table 104: Balance of open forward position as at 31 December 2015

	Quantity in t	Average price in EUR/t
Forward purchases	4,500	1,492
Forward sales		
Open forward positions	4,500	1,492

Fair value of these financial instruments as at 31 December 2015 is EUR -482,945.

Foreign exchange risks

The majority of sales and purchasing are performed in the same currency, meaning that changes in foreign exchange rates do not bring about difficulties in these areas.

The Group is, however, exposed to such changes in two major areas, i.e. the purchasing of aluminium raw materials and when taking out loans denominated in a currency that is different than the currency of the company's accounts. A major part of raw materials imported by Impol from outside the European Union is purchased in US Dollars, which represents an open FX position of Impol d.o.o.

In 2015, a certain portion of open USD positions was hedged by Impol d.o.o. in compliance with the foreign exchange risk management policy by using derivative financial instruments, while the remaining part was left unhedged. For hedging, we used simple derivatives like forwards.

Table 105: Financial revenue from forwards – foreign exchange swaps

	2015	2014
Financial revenue from forwards – foreign exchange swaps	40,400	19,994
Financial expenditure from forwards – foreign exchange swaps	57,887	77,371

Table 106: Balance of open forward position as at 31 December 2015

Foreign exchange forward (FX Forward) – purchase	Currency
8,000,000	USD

Fair value of these financial instruments as at 31 December 2015 is EUR 41,829. Contracts fall due on monthly basis, which is between 31 May 2016 and 30 November 2016.

Table 107: Overview of USD inflows, outflows and open positions at Impol d. o. o. in millions of USD

	2012	2013	2014	2015
Inflows	19,0	15,0	16,2	18,5
Outflows	58,0	36,0	45,1	41,5

The other part of the foreign exchange risk takes place in Serbia with the exchange between EUR/RSD. The measure of the Group for reducing the effects of foreign exchange differences in Serbia is a reduction of the need for financing the majority of raw materials by executing the majority of sales in the European Union through the company Impol d.o.o. which than has the aluminium processed. This way, the foreign exchange risk is eliminated.

In 2015, the Group generated a negative financial result from foreign exchange differences in the amount of EUR 954,968.

Table 108: Revenue and expenses from foreign exchange differences in EUR

	Total 2015	Total 2014
Financial revenue from operating receivables – foreign exchange differences	1,063,482	1,788,063
TOTAL revenue from foreign exchange differences	1,063,482	1,788,063
Financial expenses from other financial liabilities – foreign exchange differences	174,757	3,439,425
Financial expenses from operating liabilities – foreign exchange differences	1,843,693	814,707
TOTAL expenses from foreign exchange differences	2,018,450	4,254,132

As at 31 December 2015, the Impol Group has outstanding trade receivables in the following currencies:

- USD: 942,927,
- AUD: 172,878,
- SEK: 84,110.

As at 31 December 2015, the Impol Group has outstanding trade payables in the following currencies:
- USD: 1,606,159,
- CHF: 1,647,
- CZK: 162,501,
- GBP: 1,656,
- HRK: 3,301.

Interest Rate Risk
At the end of the year, the Impol Group had long-term loans remunerated at the EURIBOR reference interest rate. The Impol Group has 33% of non-current liabilities with a fixed interest rate. If the Interbank Offered Rate (EURIBOR) is negative (less than 0%), banks charge contractual interest based on the EURIBOR reference interest rate of 0% plus a surcharge. As at 31 December 2015 the Interbank Offered Rate (EURIBOR) is negative, which is why an increase by 1% or 0.5% would have no effect on profit or loss.

The value of financial liabilities insured by interest swaps in 2015 is EUR 26,500,000. On this basis, we recognised the effective part of changes at fair value of the derivative under other comprehensive income of this period, and disclosed it under revaluation surplus in the amount of EUR -73,355.

The total interest rate for borrowings of the Impol Group was lower than in 2014. In 2015, we changed a part of the credit portfolio that was remunerated at a variable interest rate into a fixed rate using interest swaps.

Credit Risk
The credit control process encompasses customer credit rating which is carried out regularly by a chosen credit insurance and foreign insurance firms as well as our customer solvency monitoring system. The Group has secured the majority of buyers, especially the bigger ones, while the Group's policy is that individual buyers shall not exceed 7 percent of all sales.

By regularly monitoring open and past due trade receivables, the ageing structure of receivables and average payment deadlines, the Impol Group maintains its credit exposure within acceptable limits given the strained conditions on the market. In 2015, the Group managed to reduce trade receivables comparing to 2014 at the one hand due to lower prices of aluminium, which is the bases for forming sales prices, and on the other hand by using a sophisticated IT system for managing individual trade receivables. In 2015, the Group made value adjustment of trade receivables in the amount of EUR 5.4 million and the amount of compensations received was EUR 1.3 million.

Carrying and fair values of financial instruments
Classification of financial instruments according to their fair value as at 31 December 2015.

Table 109: Carrying and fair values of financial instruments in EUR

	Carrying amount	Fair value	Fair value level
Investments in associates	656,633	656,633	3
Non-current financial investments – available-for-sale assets	512,413	512,413	3
Non-current loans given	385,371	385,371	3
Non-current operating receivables	1,250	1,250	3
Current loans given	6,179,902	6,179,902	3
Current operating receivables	54,452,700	54,452,700	3
Cash and cash equivalents	70,837,354	70,837,354	3
Non-current finance liabilities	116,274,737	116,274,737	3
Non-current operating liabilities	294,767	294,767	3
Current financial liabilities	78,630,796	78,630,796	3
Current financial liabilities – fair value of IFI	73,355	73,355	2
Current operating liabilities	34,983,797	34,983,797	3

Events after reporting date

There were no events after the reporting date that would significantly affect the financial statements for 2015.

Other disclosures

On 1 January 2015, the Impol Group changed the form of management of the parent company Impol 2000 d.d. from its two-tier structure to one-tier structure.

Members of the Management Board:
- Jernej Čokl, President
- Vladimir Leskovar, Vice President
- Janko Žerjav, Member
- Milan Cerar, Member
- Bojan Gril, Member

The Management Board appointed two executive directors who are not members of the Management Board:
- Edvard Slaček, Chief Executive Officer
- Irena Šela, Executive Director of Finance

And the Audit Commission:
- Vladimir Leskovar, President
- Bojan Gril, Member
- Tanja Ahaj, External Member

The company has no claims against members of the management bodies and employees on individual contracts.

Table 110: Remuneration of the Management and Supervisory Board members in EUR

	2015	2014
Members of the Management Board, executive directors and directors of subsidiaries	2,537,693	2,282,548
Members of the Supervisory Board	62,510	135,570
Employees on individual contracts	3,318,725	2,452,249
TOTAL	5,918,928	4,870,367

Table 111: The amount (cost) spent for the auditor (according to ZGD-1, point 20, paragraph 1, Article 69)

	2015	2014
Auditing of the annual report	83,794	78,245
Other auditing services	1,840	0
Tax consultancy services	0	0
Other non-auditing services	18,000	0
TOTAL	103,634	78,245

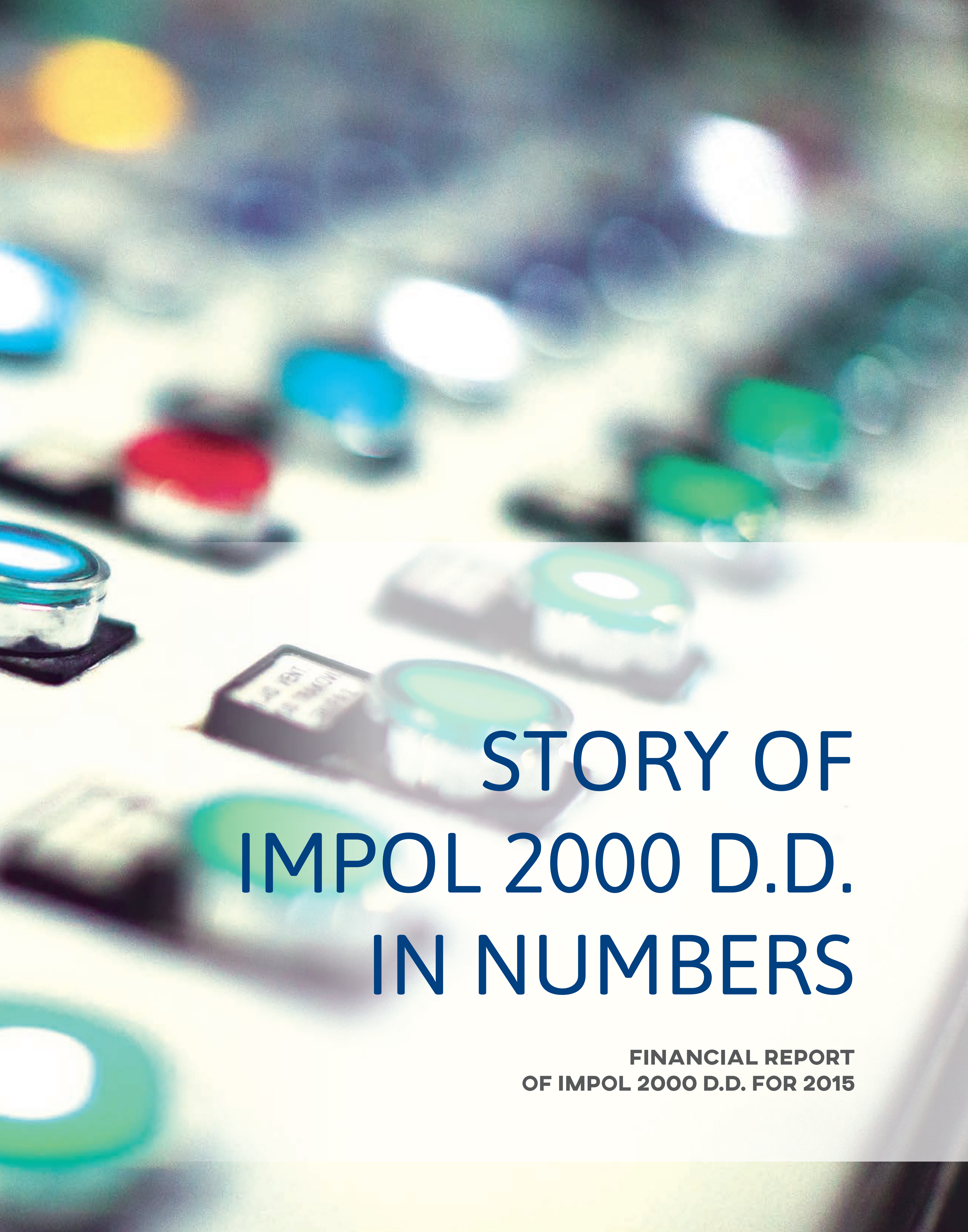
SIGNATURE OF THE ANNUAL REPORT FOR 2015 AND ITS PARTS

The president and members of the Management Board and the executive directors of the company Impol 2000 d.d. are familiar with the content of all parts of the consolidated annual report of the Group and with the whole Annual Report of the Impol Group for 2015. We agree with the content and confirm it with our signature.

Jernej Čokl (President of the Management Board)	Vladimir Leskovar (Vice President of the Management Board)	Janko Žerjav (Member of the Management Board)	Milan Cerar (Member of the Management Board)	Bojan Gril (Member of the Management Board)

Edvard Slaček (Chief Executive Officer)	Irena Šela (Executive Director of Finance)

Key information



STORY OF IMPOL 2000 D.D. IN NUMBERS

FINANCIAL REPORT OF IMPOL 2000 D.D. FOR 2015

FINANCIAL REPORT OF IMPOL 2000 D.D. FOR 2015

Executive Directors' Liability Declaration

The Executive Directors are responsible for drawing up an Annual Report of the Impol Group and Impol 2000 d.d. so that it gives a true and fair view of the financial situation of the Impol Group and Impol 2000 d.d. as well as of its operating results for 2015.

The Executive Directors hereby confirm to have diligently applied the appropriate accounting policies and that accounting estimates have been prepared following the principle of prudence and good management. The Executive Directors also confirm that the Financial Statements including notes are drawn up based on the assumption of future operations of the Company and in compliance with the legislation and Slovenian Accounting Standards in force.

The Executive Directors are also responsible for managing accounting appropriately, to take appropriate measures to safeguard the property, to continuously monitor other operating risks and to adopt measures intended to minimise them as well as to prevent and detect any fraud and any other irregularities or unlawful undertakings.

Edvard Slaček	Irena Šela
(Chief Executive Officer)	(Executive Director of Finance)

Slovenska Bistrica, 8 April 2016

Management Boards' Liability Declaration

The Management Board hereby confirms the Financial Statements for Impol 2000 d.d. for the year ending on 31 December 2015, and the accounting policies applied. This Annual Report was adopted by the Board at its session held on 20 April 2016.

Jernej Čokl	Vladimir Leskovar	Janko Žerjav	Milan Cerar	Bojan Gril
(President of MB)	(Vice President of the MB)	(Member of the MB)	(Member of the MB)	(Member of the MB)

Slovenska Bistrica, 20 April 2016

Independent Auditor's Report for Impol 2000 d.d.

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. PTUJ

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the shareholders of IMPOL 2000 d.d.,
Slovenska Bistrica,

We have audited the accompanying financial statements of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, which comprise the balance sheet as at December 31, 2015, income statement and statement of other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. We have also reviewed the company's management business report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of IMPOL 2000 d.d., Partizanska 38, Slovenska Bistrica, as December 31, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other Matter paragraph

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

AUDITOR
REVIZIJSKA DRUŽBA d.o.o. Ptuj
Simon Pregl, univ. dipl. ekon.
Certified auditor

Ptuj, 18.4.2016

Simon Pregl

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

FINANCIAL STATEMENTS OF IMPOL 2000 D.D.

Accounting policies and notes form an integral part of the financial statements presented below and should be read in connection to them.

Income statement

Table 112: Income statement in EUR

	Item	Note	2015	2014
1.	Net sales revenue	1	15,944,390	14,150,351
a)	Net sales revenue in the domestic market		13,532,200	12,946,142
b)	Net sales revenue in the foreign market		2,412,190	1,204,209
2.	Other operating revenue (including operating revenue from revaluation)	1	5,176	2,317
3.	Costs of goods, materials and services	2	11,188,523	8,935,348
a)	Cost of sold goods and materials and costs of materials used		10,051,843	8,220,203
b)	Costs of services		1,136,680	715,145
4.	Labour costs	2	3,161,773	2,031,702
a)	Wages and salaries		2,052,133	1,478,337
b)	Social security costs (pension security costs disclosed separately)		389,254	235,054
c)	Other labour costs		720,386	318,311
5.	Write-offs	2	86,641	68,901
a)	Depreciation		49,107	46,882
b)	Revaluation operating expenses for intangible and tangible fixed assets		17	0
c)	Revaluation operating expenses for working capital		37,517	22,019
6.	Other operating expenses	2	123,823	177,955
7.	Financial revenue from participating interests	3	2,926,163	0
a)	Financial revenue from participating interests in group companies		2,926,163	0
8.	Financial revenue from loans granted	3	40,544	3,423
a)	Financial revenue from loans granted to Group companies		38,871	1,676
b)	Financial revenue from loans to others		1,673	1,747
9.	Financial revenue from operating receivables	3	33,845	982
a)	Financial revenue from operating receivables due from others		33,845	982
10.	Financial expenses from the impairment and write-offs of investments	3	36,371	0
11.	Financial expenses from financial liabilities	3	1,027,647	369,634
a)	Financial expenses from loans received from Group companies		6,542	190,210
b)	Financial expenses from loans from banks		36,605	102,399
c)	Financial expenses from issued bonds		385,205	0
d)	Financial expenses from other financial liabilities		599,295	77,025
12.	Financial expenses from operating liabilities	3	2,245	4,039
a)	Financial expenses from operating liabilities to Group companies			10
b)	Financial expenses from trade payables and liabilities from bills of exchange		2,243	48
c)	Financial expenses from other operating liabilities		2	3,981
13.	Income tax	4	132,694	453,640
14.	Deferred tax	5	-1,423	-2,911
15.	**Net profit or loss for the period**		**3,191,824**	**2,118,765**

Table 113: Statement of comprehensive income in EUR

	2015	2014
Net profit or loss for the period	3,191,824	2,118,765
Changes in revaluation surplus of intangible and tangible fixed assets (+/-)		0
Changes in revaluation surplus of available-for-sale assets (+/-)		0
Gains and losses on the conversion of foreign companies' financial statements (impact of changes in exchange rates) (+/-)		0
Actuarial gains and losses for defined benefit plans (employee benefits) (+/-)		0
Other items of comprehensive income (+/-)		0
Total comprehensive income for the accounting period	3,191,824	2,118,765

Table 114: Balance sheet in EUR

					Note	31 Dec 2015	31 Dec 2014
A				**Fixed assets**		**68,126,592**	**68,183,549**
	I.			Intangible fixed assets and non-current deferred costs and accrued revenue	6	2,601	3,219
		1.		Non-current property rights		2,601	3,219
	II.			Tangible fixed assets	7	160,459	183,595
		1.		Production equipment and machinery		115,537	145,324
		2.		Other machinery and equipment		44,922	38,271
	III.			Investment property		0	0
	IV.			Non-current investments	8	67,935,645	67,970,271
		1.		Non-current investments, excluding loans		67,935,645	67,970,271
			a)	Shares and participating interests in Group companies		67,935,645	67,935,624
			b)	Shares and participating interests in associates			34,647
	V.			Non-current operating receivables		0	0
	VI.			Deferred tax receivables	5	27,887	26,464
B.				**Current assets**		**39,495,794**	**6,435,040**
	I.			Assets (groups for disposal) for sale		0	0
	II.			Inventories	9	74,396	49,506
		1.		Products and merchandise		74,396	49,506
	III.			Current financial investments		3,974,518	2,300,000
		1.		Current loans	10	3,974,518	2,300,000
			a)	Current loans to Group companies		3,974,518	2,300,000
	IV.			Current operating receivables	11	2,461,574	2,477,276
		1.		Current operating receivables due from Group companies		464,777	530,230
		2.		Current operating receivables due from customers		1,631,510	1,841,953
		3.		Current operating receivables due from others		365,287	105,093
	V.			Cash and cash equivalents	12	32,985,306	1,608,258
C.				**Current deferred costs and accrued revenue**	**12**	**14,161**	**9,323**
				TOTAL ASSETS		**107,636,547**	**74,627,912**

					Note	31 Dec 2015	31 Dec 2014
A.				**Equity**	**13**	**55,107,982**	**52,918,919**
	I.			Called-up capital		4,451,540	4,451,540
		1.		Share capital		4,451,540	4,451,540
	II.			Capital reserves		10,751,254	10,751,254
	III.			Reserves from profit		6,906,327	6,427,553
		1.		Statutory reserves		1,173,746	694,972
		2.		Other reserves from profit		5,732,581	5,732,581
	IV.			Revaluation surplus		0	0
	V.			Net profit brought forward		30,285,811	29,487,622
	VI.			Net profit/loss for the financial year		2,713,050	1,800,950
B.				**Provisions and non-current accrued costs and deferred revenue**	**14**	**67,117**	**0**
		1.		Provisions for pensions and similar liabilities		67,117	0
C.				**Non-current liabilities**	**15**	**40,861,000**	**0**
	I.			Non-current financial liabilities		40,861,000	0
		1.		Non-current financial liabilities to banks		861,000	0
		2.		Non-current financial liabilities from bonds payable		40,000,000	0
	II.			Non-current operating liabilities		0	0
	III.			Deferred tax liabilities		0	0
D.				**Current liabilities**	**16**	**11,182,939**	**21,664,259**
	I.			Liabilities included in groups for disposal		0	0
	II.			Current financial liabilities	16	10,627,052	21,010,931
		1.		Current financial liabilities to Group companies		500,000	500,000
		2.		Current financial liabilities to banks		120,000	1,101,000
		3.		Current financial liabilities from bonds payable		10,000,000	0
		4.		Other current financial liabilities		7,052	19,409,931
	III.			Current operating liabilities	16	555,887	653,328
		1.		Current operating liabilities to Group companies		14,077	108,116
		2.		Current trade payables		148,762	106,089
		3.		Current operating liabilities from advance payments		125,338	110,634
		4.		Other current operating liabilities		267,710	328,489
E.				**Current accrued costs and deferred revenue**	**16**	**417,509**	**44,734**
				TOTAL LIABILITIES		**107,636,547**	**74,627,912**

Table 115: Statement of changes in equity for 2015 in EUR

		Called-up capital	Capital reserves	
		I	II	
		Share capital		Statutory reserves
		I	II	III/1
A.1	Balance at the end of the previous reporting period as at 31 Dec 2014	4,451,540	10,751,254	694,972
A.2	Opening balance of the reporting period as at 1 Jan 2015	4,451,540	10,751,254	694,972
B.1	Changes in equity – transactions with owners			
	Payment of dividends			
B.2	Total comprehensive income for the reporting period			
	Entry of net profit/loss for the reporting period			
B.3	Changes in equity			478,774
	Allocation of the remaining portion of net profit for the comparable reporting period to other equity components			
	Allocation of a portion of net profit from the reporting period to other equity components based on the resolution of management and supervisory bodies			478,774
C	Closing balance of the reporting period as at 31 Dec 2015	4,451,540	10,751,254	1,173,746
	DISTRIBUTABLE PROFIT/DISTRIBUTABLE LOSS			

Table 116: Statement of changes in equity for 2014 in EUR

		Called-up capital	Capital reserves	
		I	II	
		Share capital		Statutory reserves
		I	II	III/1
A.1	Balance at the end of the previous reporting period according to SAS as at 31 Dec 2013	4,451,540	10,751,254	377,157
	Retroactive calculations			
	Transition to IFRS			
A.2	Opening balance for the reporting period according to IFRS as at 1 Jan 2014	4,451,540	10,751,254	377,157
B.1	Changes in equity – owner transactions			
	Payment of dividends			
B.2	Total comprehensive income for the accounting period			
	Entry of net profit/loss for the reporting period			
B.3	Changes in equity			317,815
	Allocation of the remaining portion of net profit for the comparable reporting period to other equity components			
	Allocation of a portion of net profit from the reporting period to other equity components based on the resolution of management and supervisory bodies			317,815
C.	Closing balance of the reporting period as at 31 Dec 2014	4,451,540	10,751,254	694,972
	DISTRIBUTABLE PROFIT/DISTRIBUTABLE LOSS			

	Reserves from profit	Revaluation surplus	Net profit brought forward	Net profit/loss for the financial year	Total EQUITY
III		IV	V	VI	VII
	Other reserves from profit		Net profit brought forward	Net profit for the financial year	Total equity
	III/2	IV	V/1	VI/1	VII
	5.732.581		29,487,622	1,800,950	52,918,919
	5.732.581		29,487,622	1,800,950	52,918,919
			-1,002,761		-1,002,761
			-1,002,761		-1,002,761
				3,191,824	3,191,824
				3,191,824	3,191,824
			1,800,950	-2,279,724	0
			1,800,950	-1,800,950	0
				-478,774	0
	5.732.581		30,285,811	2,713,050	55,107,982
			30,285,811	2,713,050	32,998,861

	Reserves from profit	Revaluation surplus	Net profit brought forward	Net profit/loss for the financial year	Total EQUITY
III		IV	V	VI	VII
	Other reserves from profit		Net profit brought forward	Net profit for the financial year	Total equity
	III/2	IV	V/1	VI/1	VII
	5,732,581		27,681,093	2,137,226	51,130,851
					0
					0
	5,732,581		27,681,093	2,137,226	51,130,851
			-330,697		-330.697
			-330,697		-330,697
				2,118,765	2,118,765
				2,118,765	2,118,765
			2,137,226	-2.455.041	0
			2,137,226	-2,137,226	0
				-317,815	0
	5,732,581		29,487,622	1,800,950	52,918,919
			29,487,622	1,800,950	31,288,572

Table 117: Cash flow statement in EUR

Item			Notes	2015	2014
A.		Cash flows from operating activities			
	a)	Income statement items		1,375,777	2,553,876
		Operating revenue (except from revaluation) and financial revenue from operating receivables	1	15,983,411	14,153,650
		Operating revenue excluding depreciation (except from revaluation) and financial expenses from operating liabilities	2	-14,476,363	-11,149,045
		Income and other tax not included in operating expenses	4	-131,271	-450,729
	b)	Changes to net operating current assets (and accruals and deferrals, provisions and deferred tax receivables and liabilities) of the balance sheet operating items		-75,029	-739,934
		Opening less closing operating receivables	11	-16,637	125,383
		Opening less closing deferred costs and accrued revenue	12	-4,838	12,050
		Opening less closing deferred tax assets	5	-1,423	-2,911
		Opening less closing inventories	9	-24,890	-29,866
		Closing less opening operating liabilities	16	-81,928	-875,828
		Closing less opening accrued costs and deferred revenue and provisions	16	54,687	31,238
	c)	Net cash from operating activities (a+b)		1,300,748	1,813,942
B.		Cash flows from investing activities			
	a)	Cash proceeds from investing activities		5,281,529	545,250
		Inflows from interest and participation in others` profits relating to investing activities	3	2,961,529	1,455
		Cash proceeds from the disposal of current investments	3	2,320,000	543,795
	b)	Cash payments from investing activities		-4,021,634	-2,836,350
		Cash disbursements to acquire tangible fixed assets	7	-25,371	-6,350
		Cash disbursements to acquire non-current financial investments	8	-1,745	0
		Cash disbursements to acquire current financial investments	10	-3,994,518	-2,830,000
	c)	Net cash from investing activities (a+b)		1,259,895	-2,291,100
C.		Cash flows from financing activities			
	a)	Cash proceeds from financing activities		50,500,000	38,511,959
		Cash proceeds from increase in non-current financial liabilities	15	50,000,000	1,151,000
		Cash proceeds from increase in current financial liabilities	16	500,000	37,360,959
	b)	Cash payments from financing activities		-21,683,595	-36,699,903
		Interest paid on financing activities	3	-657,955	-419,250
		Cash repayments of non-current financial liabilities	16	-100,000	-50,000
		Cash repayments of current financial liabilities	17	-19,920,705	-35,901,196
		Dividends and other profit shares paid	13	-1,004,935	-329,457
	c)	Net cash from financing activities (a+b)		28,816,405	1,812,056
D.		Closing balance of cash		32,985,306	1,608,258
	a)	Net cash flow for the period		31,377,048	1,334,898
	b)	Opening balance of cash		1,608,258	273,360

Notes to the Financial Statements

Reporting Entity

In accordance with the Companies Act, Impol 2000 d.d. (hereinafter also the company), with the head office at Slovenska Bistrica, Partizanska ulica 38, is a large public limited company, and is obliged to undergo regular annual audit. The company is classified under the activity code 70.100 – company management. The company's share capital in the amount of EUR 4,451,540 is divided into 1,066,767 registered pro rata shares that are not traded in the organized securities market. The shares are owned by 948 shareholders.

Below is the presentation of financial statements of Impol 2000 d.d. for the financial year that ended on 31 December 2015.

Introductory Note to the Reporting Standards

All financial statements of the company Impol 2000 d.d. and the notes for 2015 were prepared for the first time in accordance with the International Financial Reporting Standards (hereinafter also IFRS), as adopted by the European Union. 1 January 2014 is the day of transition to IFRS, on the basis of which the company prepared the opening statement of financial position. By 2015, the company has prepared financial statements in compliance with the Slovenian Accounting Standards and the notes of the Slovenian Institute of Auditors.

Due to the issue of bonds, which are traded in the organized securities market, and on the basis of the requirements of the Companies Act (ZGD-1), the company Impol 2000 d.d. is obliged to prepare a consolidated annual report for the financial year 2015 in accordance with IFRS, which conditions the introduction of IFRS instead of SAS. Therefore, the preparation of individual financial statements in compliance with IFRS as adopted by the European Union has been (voluntarily) introduced also by Impol 2000 d.d.

Statement of Compliance with IFRS

The Board of Directors and Executive Directors hereby confirm the financial statement for the financial year 2015. Financial statements of Impol 2000 d.d. are composed in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the notes adopted by the IFRS Interpretations Committee (IFRIC) and by the European Union, and in accordance with the provisions of the Companies Act (ZGD).

On the balance sheet date, there are no differences between the applied IFRS and the IFRS adopted by the European Union in accounting guidelines of Impol d.d. as regards the process of confirming standards in the European Union.

New Standards and Notes not yet Valid

Standards and notes, which are introduced below, have not entered info force by the date of consolidated/separate financial statements. The company shall apply the appropriate standards and notes in the preparation of their financial statements upon their entry into force.

IFRS 9, Financial Instruments

In July 2014, the International Accounting Standards Committee published the final version of the standard IFRS 9, Financial Instruments, which contains the requirements of all individual phases of the renewal project of IAS 9 and replaces the standard IAS 39, Financial Instruments: Recognition and Measurement, as well as all previous versions of the IFRS 9 standard. The renewed standard introduces new requirements for classifying and measuring financial assets and liabilities, recognition of their impairment and general hedge accounting. The renewed IFRS 9 standard is effective for business periods starting on or after 1 January 2018. Earlier application of the standard is permitted. Companies shall use changes to the standarda retrospectively, whereby the presentation of comparative data is not mandatory. Earlier application of previous versions of the IFRS 9 standard, which were published in 2009, 2010 and 2013, is permitted providing the company transitioned to IFRS anytime in the period before 1 February 2015. The standard has not yet been confirmed by the European Union. The company expects the amendment shall not significantly affect the financial statements.

IFRS 14, Regulatory Deferral Accounts

IFRS 14 is an optional standard, which permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account for regulatory deferral account balances, with some limited changes, in accordance with previous generally accepted accounting principles (GAAP). The entities which decide to apply a new standard must recognize the regulatory deferral account balances separately in the Statement of Financial Position, but specific disclosures as to the changes on these accounts are required in separate items of income statement and statement of other comprehensive income. The standard defines that entities must disclose regulatory features and related risks and its effect on accounting statements of entities. The IFRS 14 standard applies to annual periods beginning on or after 1 January 2016. The standard has not yet been confirmed by the European Union. The company expects the amendment shall not significantly affect the financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Committee, published the IFRS 15 standard, which introduces a new five-step model of recognizing revenue the entity achieves on the basis of contracts with customers. In accordance with the provisions of the IFRS 15, the entity shall recognize revenue in the amount, which reflects the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. Therefore, the financial principles set forth in IFRS 15 offer a more structured approach to measuring and recognizing revenue. The new standard applies to all companies and replaces the existing requirements of International Financial Reporting Standards relating to revenue recognition. Complete applicability of the new standard applies to annual period starting on or after 1 January 2017, the adjusted form of the standard shall be applied by the companies retrospectively. Earlier application of the standard is permitted. The standard has not yet been confirmed by the European Union. The company is reviewing the effect of the new standard and will apply it upon its entry into force.

Amendments to IFRS 11, Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

In accordance with the amendments to IFRS 11, the entity, which is a client in a joint establishment, in accounting for acquisitions of interests in joint enterprise, the activity of which represents operations, shall apply appropriate accounting princples of the IFRS 3 standard, which apply to the accounting of business combinations. Amendments additionally explain that upon acquisition of additional interest in the same joint operation, the entity shall not remeasure its previously held interests in a joint operation, whilst retaining joint control. In addition, the Committee included exceptions within the scope of the IFRS 11 standard, which define that amendments do not apply, when the parties sharing joint control (including the reporting entity), are under the control of the same ulimate controlling party.

The amendments apply to the accounting for acquisitions of primary interests in joint operation as well as additional interests in the same joint operation. The amendments apply to annual period starting on or after 1 January 2016. Earlier application of the standard is permitted. The amendments to the standard have not yet been confirmed by the European Union. The company expects the amendment shall not significantly affect the financial statements.

Amendments to IAS 16 and IAS 38, Clarification of Acceptable Methods of Depreciation and Amortisation

With these amendments the Committee clarifies the accounting principles of IAS 16 and IAS 38 standards, which provide that revenue reflect the generation of expected economic benefits, rather than the consumption of economic benefits. Accordingly, the entity cannot apply the revenue-based method for the amortization of tangible fixed assets, however it may be applied in very limited circumstances for amortization of intangible non-current assets.

The amendments apply to annual periods starting on or after 1 January 2016. Earlier application is permitted. The amendments to the standards have not yet been confirmed by the European Union. The company expects the amendment shall not significantly affect the financial statements.

Amendments to IAS 16 and IAS 41, Agriculture: Bearer Plants

Amendments to standards change the accounting requirements for biological assets that meet the definition of bearer plants. In accordance with these amendments, the biological assets, which meet the definition of bearer plants, no longer fit within the scope of requirements of IAS 41, instead, IAS 16 will apply. Hence, in accordance with the requirements of IAS 16, after initial recognition of bearer plants the entity shall measure such plants by common costs (before maturity) and by applying the cost model and the revaluation model (after maturity).

Further, the amendments to IAS 16 and IAS demand that companies measure the crop growing on bearer plants at fair value reduced by the costs of disposal, in accordance with the provisions of IAS 41. Government grants for bearer plants shall be accounted for by the companies in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Amendments, which are valid for annual periods starting on or after 1 January 2016 shall be applied by the companies retrospectively. Earlier application of standards is permitted. Amendments to standards have not yet been confirmed by the European Union. The company expects the amendment shall not significantly affect the financial statements.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments to the IAS 27 standard reinstate the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The entites, which already compile their financial statements in accordance with the International Financial Reporting Standards IFRS and want to transition to the equity method, must observe these amendments also in financial statements of the previous period. At the same time the amendment clarifies that when transitioning to IFRS and applying the equity method entites, shall apply this method as of the day of the transition to IFRS. The amendments shall apply to annual periods starting on or after 1 January 2016, whereby earlier application is permitted. The amendments have no effect on consolidated financial accounts of the Group.

Amendments to IFRS 10 and IAS 28: Sales or Contributions of Assets between an Investor and its Associate/Joint Venture

The amendments discuss the conflict between the provisions of IFRS 10 and IAS 28 in the calculation of loss of control of a subsidiary upon its sale or transfer to an associate/joint venture. The amendments also clarify that the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognised in full. All profits or losses resulting from the sale or contribution of assets that do not constitute a business shall only be recognized only to the extent of unrelated investors' interests in the associate or joint venture. The amendments shall apply to annual period starting on or after 1 January 2016, whereby earlier application is permitted. The company expects the amendment shall not significantly affect the financial statements.

Amendments to Standards and Notes Adopted in the 2012–2014 Period

In the period 2012–2014, the International Accounting Standards Board published a set of amendments of the below standards, which apply for annual periods starting on or after 1 January 2016. Earlier application of the amended and complemented standards is permitted.

Amendments to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations: Change of Disposal Method

The amendment clarifies that the change of disposal method (by sale or by distribution to owners) does not consitute a new sales plan, but only a continuation of the original plan, whereby the compliance with the IFRS 5 requirements is not discountinued. The amended standard applies to annual periods starting on or after 1 January 2016.

The amendments contain special instructions regarding reclassification of assets or groups for assets held for sale from the group held for sale to the group for distribution to owners (or vice versa) or in the event of discountinuation of accounting to groups of assets for distribution to owners. The amendments thus provide that:

- Such reclassification of assets does not constitue a new plan of sale or distribution to assets and that the entity must observe all requirements relating to the reclassification, presentation and measurement, which apply to the new disposal method;
- The entity shall treat the assets, which do not meet the criteria for recognition within the group of assets for distribution to owners (and also do not meet the criteria for recognition in the group of assets held for sale), the same as the assets, which cease meeting the criteria for recognition in the group of assets held for sale.

The company expects the amendment shall not significantly affect the financial statements.

Amendments to IFRS 7, Financial Instruments: Disclosures related to Servicing Contracts and Applicability of Amendments in Separate Financial Statements of the Entity with Effect on the Amendments of the International Accounting Standard IFRS 1

The amendment clarifies that a servicing contract, which defines the price of services, may represent continuting involvement in financial assets. Further, the amendment also set forth that the disclosures are not required in condensed interim financial statements of entities, in accordance with the IFRS 7 relating to the offset of financial assets and financial liabilities.

The amendments of the standard also provide an additional instruction regarding the disclosures, which are required in relation to the transferred asset, and clarify when a servicing contract constitutes continuing involvement in financial assets. Article 42C(c) of IFRS 7 set forth that a pass-through arangement within a servicing contract does not contitute continuing involvement from the aspect of disclosures in the transfer of financial assets.

Applicability of Amendments to the International Standard IFRS 7 in the Preparation of Interim Financial Statements

The amendment clarifies the applicability of amendments to the IFRS 7 standard in the disclosure of offset of financial assets and liabilities in condensed interim financial statements.

The International Accounting Standards Board adopted the amendments to the international standard IFRS 7 with the purpose of eliminating uncertainties about whether the additional offsetting disclosures regarding financial assets and liabilities should be included in condensed interim financial statements, on the basis of the requirements published in December 2011 and apply for annual periods starting on or after 1 January 2013. The amendments to the standard shall apply to future periods in accordance with the international accounting standard IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The company expects the amendment shall not significantly affect the financial statements.

Amendments to MRS 19, Employee Benefits: Discount Rate – Regional Market Issue

The amendments clarify that in determining the discount rate for the calculation of post-employee benefits an entity shall disclose high quality corporate bonds in the same currency as their liabilities relating to employee benefits. This means that the depth of the market for high quality corporate bonds should be assessed at the currency level.
The amendments to the standard shall apply from the beginning of the first comparative period, which is represented in the first financial statements, which are prepared on the basis of the renewed and amended

standard. All original adjustments must be recognized by an entity in retained profit in the opening balance of the period. The amended standard applies to annual periods starting on or after 1 January 2016. The company expects the amendment shall not significantly affect the financial statements.

Amendments to IAS 34, Interim Financial Reporting: Disclosure of information "elsewhere in the interim financial report"

The amendment clarifies that an entity shall include disclosures according to the IAS 34 standard into the content of the interim report and not into interim financial statements, and make a reference of appropriate chapter of the interim report in interim financial statements. Further, an entity shall send the interim report to the users on the same basis as and simultaneously with interim financial statements.

An amended standard applies to future periods in accordance with the provisions of the international accounting standard IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The company expects the amendment shall not significantly affect the financial statements.

Amendments to IAS 1: Disclosure Initiative

The amendments to the standard IAS 1 Financial Statement Presentation clarify, but do not significantly amend the existing standard requirements. Among other things, the amendments clarify:

- Requirements of IAS 1 regarding materiality.
- An entity may disregard individual items in the income statement, the statement of comprehensive income and the statement of financial position.
- An entity may freely choose the order of presentation of notes to financial statements.
- An entity shall present the recognition of interest in comprehensive income in affiliate/joint venture according to the equity method in an aggregated amount in a single line item and split it between those items that will not be reclassified to profit or loss.

Further, the amendments clarify the requirements in additional presentation of interim amounts in the statement of financial position, the income statement, or the statement of comprehensive income. The amendments apply to annual periods starting on or after 1 January 2016, whereby earlier application is permitted. The company expects the amendment shall not significantly affect the financial statements.

Amendments to standards IFRS 10, IFRS 12 and IAS 28, Investment Entity: Applying the Consolidation Exception

The amendments address the issue that have arisen in the context of applying the consolidation exception for investment entities, on the basis of the provisions of IFRS 10. The amendments clarify that exemptions from preparing consolidated financial statements apply to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Further, the amendments also clarify that a subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity. All other subsidiaries of the investment entity shall be measured at fair value. Amendments to the standard IAS 28 Investments in Associates and Joint Ventures define that when applying the equity method to an associate or a joint venture an investor may retain the fair value measurement method applied by the associates and joint ventures to its interests in subsidiaries. The amendments apply to annual period starting on or after 1 January 2016, whereby early application is permitted. The company expects the amendment shall not significantly affect the financial statements.

New Adopted Standards and Notes, which Entered into Force on 1 January 2015

Accounting guidelines applied in the preparation of financial statements are the same as in the preparation of financial statements for the financial year that ended on 31 December 2014, with the exception of newly adopted or amended notes, which entered into force on 1 January 2015, and are presented below.

New Adopted Standards and Notes, which Entered into Force on 1 January 2015

Amendments to IAS 19, Employee Benefits – Defined Benefit Plans: Employee Contributions

The amendment discusses employee or third persons contributions in a defined benefit plan. If the contributions depend on the period of service, the entity shall attribute them to the period of service as a negative benefit. The amendment, therefore, clarifies that an entity may recognize employee contributions, which do not depend on the period of service, as a reduction in labour costs in the period in which the service has been rendered and will not be distributed throughout the entire period of employment. The amendment applies to annual periods starting on or after 1 July 2014. The amendment had no significant effect on financial accounts of the company.

Amendments to the Standards and Notes Adopted in the 2010–2012 Period

Amendments to IFRS 2, Share-Based Payment

Entities shall apply the amendment, which clarifies various definitions of the set requirements relating to performance or a specific requirement that provides an employee must remain working for the company, for future periods. The amendment had no significant effect on financial accounts of the company.

Amendments to IFRS 3, Business Combinations

The amendment that must be observed by the entities for future periods outlines that after initial recognition all contingent liabilities, which are recognized within liabilities (or assets) arising from business combinations, shall be measured at fair value throughout the income statement, irrespective of whether they fit within the requirements of IAS 39 Financial Instruments, or not. The amendment had no significant effect on financial accounts of the company.

Amendments to IFRS 8, Operating Segments

The amendments the entities must observe for future periods clarify an entity shall:

- Disclose the judgements made by the Management in defining common criteria referred to in Paragraph 12 of the International Financial Reporting Standard IFRS 8 and enclose a short description of operating segments in the group as well as economic indicators, such as sales and gross margin, on the basis of which the company concluded whether operating segments have similar economic characteristics or not.
- Prepare a coordination of all assets of the segment with total assets of the entity only if the entity is preparing coordination to report to the operating manager, who is responsible for adopting decisions, as is applied to disclosures of liabilities of an operating segment.

The amendment had no significant effect on the reporting of the company.

Amendments to IAS 16, Property, Plant and Equipment, and IAS 38, Intangible Assets

The amendment that must be observed by entities for future periods clarifies that, in accodance with IAS 16 and IAS 30, when revaluating an asset the asset's gross carrying amount should be adjusted on the basis of observed data, by revaluation of gross carrying amount of the asset to its market value or by defining market value of carrying amount of an asset and by appropriate correction of its carrying amount so that the carrying amount of asset equals its market value. Further, the amendment confirms that a correction of the value of an asset is the difference between its gross and carrying amount. The amendment of the standard had no significant effect on the entity's accounts, because the company does not asses the assets according to the revaluation method.

Amendments to IAS 24, Related Party Disclosures

The amendment that must be observed by entities in future periods sets forth that a management entity, i.e. an entity, which provides another entity with key management services, is a related party, which is subject to all requirements relating to disclosures of related parties. Further, an entity accepting services from the management entity shall disclose costs of management services. The amendment had no significant effect on the reporting of the company.

Amendments to Standards and Note Adopted in the 2011–2013 Period

Amendments to IFRS 3, Business Combinations

The amendment that must be observed by entities in future periods clarifies that:

- In addition to joint venture, joint arrangement also do not fit within the scope of requirements of IFRS 3.
- An exception applies only to the accounting of establishment of joint arrangement in financial statements of this joint arrangement.

The amendment had no significant effect on the reporting of the company.

Amendments to IFRS 13, Fair Value Measurement

The amendment that must be observed by entities in future periods clarifies that exceptions to the requirements of the IFRS 13 standard apply to all contracts, which fit within the requirements of IAS 39 Financial instruments: Recognition and Measurement, irrespective of whether the requirements for the definition of financial assets or financial liabilities have been met or not. The amendment had no significant effect on the reporting of the company.

Amendments to IAS 40, Investment Property

When providing ancillary services, the international standard IAS 40 differentiates between investment property and owner-occupied property, which are treated under tangible fixed assets. The amendment that must be observed by entities in future periods clarifies that when defining whether a certain business complies with the definition of asset or business combination, the entity shall apply provisions of the international standard IFRS 3 and not IAS 40. The amendment had no significant effect on the reporting of the company.

Bases for the Composition of Financial Statements

Financial statements of the company Impol 2000 d.d. observe historical cost. In accordance with the legislation, an entity must enable independent audit of these financial statements.

Functional and Presentation Currency

Financial statemens in this report are given in EUR, no cents, and EUR is also the functional currency of the company. For the purposes of rounding value data, there may be insignificant differences in sums found in tables.

Application of Estimates and Judgements

Preparation of financial statement requires from the management to deliver judgements, estimates and assumptions, which affect the use of policies and recognized values of assets and liabilities, revenues and expenses. Estimates and assumptions are based on previous experiences and many other factors, which are in given circumstances applied as well-grounded, and on the basis of which we can deliver judgements about book value of assets and liabilities, which are not immediately visible in other sources. Actual results may derogate from these estimates. Estimates and provided assumptions are checked annually. Corrections of accounting estimates are recognized only for the period in which an estimate is corrected, if it only influences that period, or for the period of correction and future years, if the correction influences the current year as well as future years.

Estimates and assumptions are present in the following judgements, in particular:

Estimate of useful life of depreciated assets

When assessing useful life of assets, the company observes the expected physical tear and wear, technical obsolescence, economic condition and expected statutory and other restrictions of use. The company annually checks the useful life of more significant assets. The applied depreciation method and useful life are assessed at least at the end of every financial year and if the expected sample of use of future economic benefits, arising from the depreciated asset, significantly changes, the depreciation method shall be amended so as to fit the changed sample. Such change shall be treated as the change of accounting estimate.

Test of impairment of losses

Test of impairment of losses is carried out by the management with the purpose of ensuring that the book value of assets does not exceed their recoverable amount. On the reporting date it is assessed whether there is any sign that an asset might be impaired. Critical judgements have been applied in the valuation of:

- Investments into subsidiaries (Note 8).
- Investments into associated entities (Note 8).
- Financial receivables (Note 10).

Estimate of fair value of assets (Note 17)

All items in financial statements constitute acquisition values or amortised cost. All assets and liabilities, which are measured or disclosed at fair value in financial statements, are classified to the hierarchy of fair value on the basis of the lowest level of input data, which are significant for measuring total fair value:

- The first level comprises quoted prices (unadjusted) in active markets for equal assets or liabilities.
- The second level comprises input data in addition to quoted prices, included in the first level, which are directly (i.e. as prices) or indirectly (i.e. as derived from prices) identified as assets or liability.
- The third level comprises input data for assets or liabilities, which are not based on identified market data.

Impol 2000 d.d. has classified all financial instruments to the third level (Note 17).

Estimate of net realisable value of inventories of commercial goods

At least at the end of the financial year the company checks net realisable value and the need for the write-off of inventories. The costs of inventories are not recoverable, if the inventories are damaged, if they are fully or partially obsolete, or if their selling prices reduce. Costs of inventories are also not recoverable in case of increase in estimated costs of completion or increase in estimated costs, which will appear in relation to sale. Partial write-off of inventories under their historical cost or costs to net realisable value is compliant with the viewpoint that assets cannot be recognized with higher amounts than expected upon their sale or use. Inventories are usually partially written-off to net realisable value by individual items. In 2015, there have not been such write-offs.

Estimate of collectible value of receivables

At least once a year, typically before composing the annual statements of accounts, the suitability of recognized amounts of individual receivable is checked. If the Management determines, on the basis of accounting data, that the receivables not settled within the agreed period turn out to be questionable and disputable, the correction of their value shall be charged to revaluation operating expenses in the share set forth in the decision. Receivables older than 365 days are recognized as doubtful debts and, unless provided otherwise by the Management, judicial proceedings (lawsuit or execution) shall be instigated against them. The receivables which are already subject to ongoing judicial proceedings shall be recognised as disputable receivabless. For doubtful and disputable receivables a correction of their value shall be charged to the revaluation operating expenses.

Estimate of possibility to use deferred tax receivables
The company has formed deferred tax receivables relating to the formulation of provisions and impairment of operating receivables.
At the end of the financial year the company checks the amount of recognized deferred tax receivables. Deferred tax liability shall be recognized in the case of probable future net profit to which a deferred receivable may be charged in the future.

Estimate of formed provisions
The current value of severance pays upon retirement and long-service bonuses is recorded among committments for certain post-employment and other benefits. They are recognized on the basis of actuarial calculation. The actuarial calculation is based on the assumptions and estimates valid in the period of occurrence of calculation, which, as a result of future changes, may differ from actual assumptions, which will apply then (discount rates, employee fluctuation assessment, mortality rates and wage growth assessment). The company has not formed any provisions for lawsuits, since there is no pending lawsuit or claims instigated against the company.

Important Accounting Guidelines of the Company
Accounting guidelines applied in the preparation of financial statements are the same as in the preparation of financial statements for the financial year, which ended on 31 December 2014.

Foreign Currency Transactions
Transactions expressed in a foreign currency are converted to an appropriate functional currency in accordance with the exchange rate on the transaction date. Cash and liabilities expressed in a foreign currenca at the end of the reporting period are converted into a functional currency at the then valid ECB exchange rate published by the Bank of Slovenia. Foreign exchange gains or losses are differences between the amortised cost in a functional currency at the beginnning of the period corrected by the amount of effective interest and the payments during the period and amortised cost in a foreign currency converted at the exchange rate at the end of the period. Non-monetary assets and liabilities expressed in a foreign currency and measured at fair value shall be converted into a functional currency at the exchange rate on the day the amount of fair value is determined. Non-monetary items expressed in a foreign currency and measured at historical cost shall be converted into a functional currency at the exchange rate on the transaction day. Foreign currency gains or losses are recognized in the income statement.

Subsidiaries
Subsidiaries are entites controlled by Impol 2000 d.d. Control exists, when the company has the ability to decide about financial and business policies of the company in order to obtain benefits from the subsidiary's operations.

Investments of the company to subsidiaries are measured at acquisition value. If the loss of the company Impol 2000 d.d. is higher than its interest, the book value of the interests of the company shall be reduced to zero and the interest in subsequent losses is no longer recognized. The costs the company may connect to the acquisition of a subsidiary increase the acquisition price of equity investment. Participation in profit of a subsidiary is recognised in the income statement of the company Impol 2000 d.d. when it obtains the right to profit sharing.

Investments in Associates
Associates are entities in which Impol 2000 d.d. has an important influence, but it does not control their financial and business policies. There is still a significant influence, if the company is the owner of 20 to 50 percent of voting rights in the other company.

Investments in associated are recognised in the company Impol 2000 d.d. at acquisition value. The costs the company may connect to the acquisition increase the acquisition value of investment.

Intangible Assets
Intangible assets of Impol 2000 d.d. comprise other non-current deferred items (IT programs, software solu-

tions). Upon initial recognition they are valued at acquisition value. The book value of intangible assets with final useful life is reduced by depreciation. Subsequent expenditures relating to intangible assets are capitalised only in cases, when they increase future economic benefits. All other costs are recognised in the income statement as expenditures as soon as they arise.

Depreciation is calculated on the basis of the straight-line depreciation method, taking into account the useful life of intangible asset. Depreciation becomes subject to calculation, when the assets is available for use. Depreciation rates, which are based on the estimated useful life for individual types of intangible assets:

Table 118: Applied depreciation rates for intangible fixed assets

Depreciation rates applied in the company		Depreciation rates in %
	The lowest	The highest
Intangible assets		
Computer software	10.00%	50.00%

Every impairment is immediately recognized in the income statement and is not reversed subsequently.

Tangible Assets

All tangible assets of the company are disclosed according to the historical cost model. Upon initial recognition they are measured at acquisition value, reduced by accumulated depreciation and accumulated impairment losses. The acquisition value includes costs, which may be directly attributed to acquisition of an individual asset.

Important parts of tangible fixed assets, which have different useful lives, shall be calculated as individual tangible fixed assets.

Borrowing costs, which are directly related to purchase, construction or making of assets in acquisition, are recognized as a part of acquisition value of such asset.

Positive or negative difference between net sales value and book value of disposed asset shall be recognized in an income statement. Costs of replacement of a certain part of a tangible fixed asset shall be recognized in book value of this asset, if it is probable that the future economic interests related to the part of this asset will flow to the company and if the acquisition value can be reliably measured.

All other costs (repairs, maintenance), which are intended for preserving or renewing future economic benefits, are recognized in the income statement as expenditures as soon as they occur. Depreciation is calculated in accordance with the straight-line depreciation method, taking into account the useful life of every individual tangible asset and the residual values, whereby the residual value is defined only for important assets. Lands are not depreciated. Depreciation becomes subject to calculation, when the asset is available for use.
Depreciation rates, which are based on the estimated useful life for individual types of tangible fixed assets:

Table 119: Applied depreciation rates for intangible and tangible fixed assets

Depreciation rates, applied in the company		Depreciation rate in %
	The lowest	The highest
Tangible fixed assets		
Equipment		
Production equipment	20.00%	20.00%
Furniture	20.00%	25.00%
Computer hardware	50.00%	50.00%
Motor vehicles		
Personal vehicles	20.00%	20.00%

Financial instruments

The accounts of the company Impol 2000 d.d. in the section financial instruments, disclose the following items:

- Non-derived financial assets.
- Non-derived financial liabilities.

The company does not recognize derived financial instruments in their accounts.

Non-derived financial instruments are initially recognized at their fair value. Fair value is the amount at which an asset can be sold or a liability can be changed between well-informed and willing parties in a thoughtful transaction. After initial recognizion, non-derived financial instruments are measured in a manner, which is defined below.

In determining the fair value of financial instruments the following hierarchy of levels of defining fair value shall be observed:

- The first level comprises quoted prices (unadjusted) in active markets for equal assets or liabilities.
- The second level comprises input data in addition to quoted prices, included in the first level, which are directly (i.e. as prices) or indirectly (i.e. as derived from prices) identified as assets or liability.
- The third level comprises input data for assets or liabilities, which are not based on identified market data.

Quoted prices are applied as the basis of determining the fair value of financial instruments. If a financial instrument is not traded in an organized market or the market is assessed as non-active, input data of the second and third level are applied for the assessment of the fair value of financial instrument.

Non-derived Financial Assets

Non-derived financial assets of the company include cash and cash equivalents, receivables and loans, and investments.

Financial Assets at Fair Value through Profit or Loss

Financial asset held for trading is classified as a financial asset at fair value through profit or loss. Upon initial recognition it is valued at fair value, which equals the paid amount. The change of fair value of the asset is directly recognized in the profit or loss. The company Impol 2000 d.d. possesses no such assets.

Held-to-Maturity Financial Assets

If the company has the purpose and the ability to have debt securities, they are classified as held-to-maturity financial assets. These are measured at amortised cost by using the effective interest method, reduced by impairment losses. The company Impol 2000 d.d. possesses no such assets.

Loans and Receivables

Loans and receivables are non-derived financial assets with stable or definable payments, which are not listed on active markets. They are classified among current assets, other than for maturities longer than 12 months after the date of the statement of financial position. In this case they are classified among non-current assets.
In the balance sheet, loans and receivables are disclosed among operating, financial and other receivables at amortised cost subject to the valid interest rates.

Financial Assets Held for Sale

Financial assets held for sale are those non-derived financial assets, which are designated as held for sale or are not classified as loans and receivables or financial assets at fair value through profit or loss. They are valued at fair value, if fair value can be determined and profits or losses in valuation are recognized directly in capital, other than impairments losses and exchange difference gain or loss, until recognition for a financial asset is reversed. When reversing recognition of investment, the accumulated profits and losses disclosed in capital are brought to profit or loss.

If the fair value cannot be reliably measured, because the range of assessments of the established fair value is important and the probability of various assessments is difficult to estimate, the financial asset is measured at acquisition value.

The company Impol 2000 d.d. discloses only capital investments in subsidiaries and associates among financial assets held for sale and measures them at acquisition value.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash, bank deposits up to three months and other current, highly liquid investments with original maturity of three months or less. They are disclosed at acquisition value. Bank overdrafts are included among current financial liabilities.

Non-derived Financial Liabilities

Non-derived financial liabilities comprise operating, financial and other liabilities. Financial liabilities are initially recognized at fair value increased by costs, which are directly attributed to a transaction. After initial recognition financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are classified among non-current liabilities, other than liabilities or part of liability with a maturity of less than 12 months after the date of the consolidated statement of financial position. Such liabilities are recognised among current liabilities.

Inventories

Inventories of goods of the company Impol 2000 d.d. are valued at acquisition value or net realisable value, whichever is lower. Net realizable value is the estimated sales price achieved in the ordinary course of business, reduced by estimated costs of completion and estimated costs relating to sale.

The cost price of inventories of goods is composed of purchase price, import and other non-refundable charges and direct costs of procurement. The FIFO method is applied in the valuation of inventories of goods and accounting of utilization. The company does not have any other inventories. The inventory impairment policy is noted in 11.b.

Equity

The share equity of Impol 2000 d.d. as at 31 December 2015 equals EUR 4,451,540 and is divided into 1,066,767 oridnary no-par value shares. The capital reserves of Impol 2000 d.d. totalling EUR 10,751,254 comprise a paid-in share premium of EUR 97,090 and EUR 9,489,713, and a general capital revaluation adjustment of EUR 1,164,451.

In accordance with the Articles of Association, statutory reserves of EUR 478,774 were formed from the net profit of the financial year 2015, which represents 15% of the net profit in 2015. In accordance with the resolution of the General Meeting held on 17 July 2015, dividends in the amount of EUR 1,002,761 or EUR 0.94 per share were paid in 2015. The book value of share as at 31 December 2015 amounts to EUR 51.66 per share, and the net profit per share equals EUR 2.99 per share.

Provisions

Provisions are formed for a current committment, which is the result of past event and it is likely that the settlement of the committment will be subject to an outflow of factors, which enable economic benefits and the amount of committment may be reliably assessed.

Provisions relating to Severance Pays and Long-service bonuses

In accordance with the legal provisions, on the basis of the collective agreement and the internal rules, the company is obliged to pay long-service bonuses to employees and severance pays upon their retirement, which is subject to the formation of provisions for liabilities and charges. There are no other pension liabilities. The provisions are formed in the amount of estimated future payments for severance pays and long-service bonuses, discounted on the day of the statement of financial position. The actuarial calculation is made for every employeed by observing the costs of severance pays upon retirement and costs of all expected long-service bonuses until retirement. The actuarial calculation is based on the assumptions and estimates valid in the period of occurrence of calculation, which, as a result of future changes, may differ from actual assumptions, which will apply then. This mainly refers to discount rates, employee fluctuation assessment, mortality rates and wage growth assessment.

Impairment of Assets

Financial Assets

A financial asset is considered impaired, if there are objective proofs indicating that one or more events caused reduction of expected future cash flows relating to that asset. Financial asset is impaired, if its book value is higher than the estimated replacement value or if there is objective evidence about impairment. Replacement value represents the current value of expected cash flows subject to the valid interest rate of that instrument. The impairment is recognized in the income statement.

On the reporting date, the accounting department must verify the suitability of the amount of an individual financial investment. If any financial investment loses value (for example, as a result of poor business, in which the company owns share, or poor financial solvency of the entity, etc.), the accounting department shall decide what correction of the company's initially recognised value needs to be charged to revaluation financial expenses. Likewise, the responsible person must define a partial or total write-off of financial investment, as soon as relevant reasons appear.

Impairment of Receivables and Loans Given

Impairment of receivables is formed on the basis of assessment of enforceability of every individual receivable and age analysis. If assessed that the book value of receivable exceeds its fair value, i.e. collectible value, the receivable is impaired. The receivables, which are expected not to be settled within a regular period or in a total amount, are considered doubtful, but if a judicial proceeding has been instigated, they shall be considered disputable receivables. Impairment of the loans given is assessed for every individual loan. The impairment loss relating to a financial asset disclosed at amortised cost, is calculated as the difference between the carrying amount of asset and expected future cash flows, discounted at the original valid interest rate. The loss is recognised in the profit or loss for the period (more about this under Chapter 4 Assessment of Collectible Value of Receivables).

Impairment of Financial Assets Held for Sale

Impairment costs of financial assets held for sale due to impairment are recognized in a manner that the possible accumulated loss, which is previously recognized in comprehensive income for the period and disclosed in the revaluation surplus, is transferred to profit or loss. A subsequent growth in fair value of impaired equity share which is held for sale is recognized in comprehensive income for the period or in the revaluation surplus. Impairment loss can be reversed, if the reversal of loss due to impairment may be objectively connected to the event, which occurred after the recognition of impairment.

Non-Financial Assets

Tangible and Intangible Assets

The residual book value of non-financial assets, other than deferred tax receivables, is checked upon every reporting data, with the purpose of determining whether signs of impairment are present. If such signs exist, the recoverable value of asset is assessed.

Impairment of an asset or a cash-generating unit is recognized in the case, when its book value exceeds its recoverable value. The cash-generating unit is the youngest group of assets, which generate financial inflows, largely independent of financial inflows from other assets or groups of assets. Impairment is shown in the income statement. Recoverable value of an asset or a cash-generating unit is its value in use or fair value, reduced by the costs of sale, whichever is higher. In asset valuation in use, the expected future cash flows are discounted to their current value using the pre-tax discount rate, which reflects continuous market assessment of time value of money and risks, which are typical for an asset. Reversal of an impairment loss for goodwill is prohibited. As regards other assets, impairment loss in previous periods at the end of the reporting period is evaluated and determined whether there has been reduction in loss or it doesn't even exist any more. Impairment loss is reversed, if there was a change in estimates, on the basis of which the recoverable value of assets is determined. Asset impairment loss is reversed to the amount to which the increased book value of asset exceeds the book value, which would have been determined after deducting depreciation write-down, if impairment loss would not have been recognized with this asset in previous years.

Inventories

Inventories are impaired, if the book value exceeds their net realisable value. Also individual types of inventories by ageing structure are additionally analysed. Depending on the group of inventories, the value of impairment is defined as a percentage of their value with regard to its ageing. Also expert assessment on the possibility of use or sale of such inventories is also observed in impairment. At least at the end of the financial year, the entity checks the net realizable value of inventories and the need for write-off of inventories. Costs of inventories are not recoverable, if inventories are damaged, if they are fully or partially obsolete or if their sales prices reduce. Costs of inventories are also not recoverable, if estimated costs of completion or estimated costs relating to sale increase. Partial write-off of inventories under their historical cost or costs to net realizable value in accordance with the aspect that assets cannot be recognized with higher amounts than expected at their sale or use. Inventories are usually partialy written-off to net realizable value by individual items.

Recognition of Revenue

Revenues are recognized, if the increase in economic benefit in the accounting period is related to the increase in assets or reduction in debt, and the increase can be reliably measured.

Operating revenues of Impol 2000 d.d. comprise:

- Revenues from the sale of merchandise, measured on the basis of sales prices given in invoices or other documents, reduced by discounts, approved at sale or later, also for earlier payment. The revenues are recognized in the income statement, when the company transferred to the buyer significant risks and benefits related to the ownership of goods.

- Revenues from the sale of services, other than the rendered services, which lead to financial revenues, are measured at sales prices of completed services. They are recognized in the period, when the service has been rendered.
- Other operating revenue appear upon disposal of property, machinery and equipment, and intangible assets, upon the reversal of provisions, payment of written-off receivables and others.

Financial revenues comprise interest income, investment income, dividend income and exchange difference gains. Interest income is recognized upon their occurrence using the agreed interest rate. Dividend income is recognized on the day the shareholder's right to payment enters into force.
Financial expenses comprise borrowing costs (part of borrowing costs may be capitalized within property, machinery and equipment) and exchange difference losses.

Taxes

Taxes include current tax and deferred tax liabilities.
Current tax is demonstrated in profit or loss, other than in the part referring to items, which are disclosed directly in the statement of comprehensive income. Current tax liabilities are based on taxable profit for the financial year. The taxable profit differs from net profit reported in the profit or loss, because it excludes revenue or expense items, which are taxable or deductible in other years, and also items, which are never taxable or deductible. Current tax liability is calculated by using the tax rate valid on the reporting date.

Deferred tax is fully disclosed by using the liability according to the statement of financial position, observing temporary differences, which occur among tax values of assets and liabilities and their book values in financial statements. Deferred tax is determined by using the tax rates, which are valid on the day of the statement of financial position and which are expected to be used, when the deferred tax asset is realized or the deferred tax liability is settled. Deferred tax liability is recognized to the extent of probability that in the future taxable profit might be available, and a deferred asset may be charged to such profit in the future.

Cash Flow Statement

For the section referring to business operation, the cash flow statement is compiled using the indirect method on the basis of the data of the statement of financial income as at 31 December of the accounting year, and the statement of financial position as at 31 December of the previous year, and additional data required for the adjustment of inflows and outflows and for the appropriate itemisation of significant items. The part referring to investments and financing is compiled using the direct method. Paid and received penalty interest relating to operating receivables are distributed among operating cash flows. Interests from loans and from paid and received dividends are distributed among financing cash flows.

Segment Reporting

Because the nature of the groups of products, their production procedure and the method of distribution are very similar, the group defined only one segment reporting. In disclosing data by segments it is observed that aluminium activity is the main segment in the group. Other activites have an insignificant influence on presenting the accounting data.

The group reports on the sale by geographical territories. Defined geographical territories are Slovenia, European Union, other European countries and the rest of the world.

Comparable Data and Effects of the Transition to IFRS

The company Impol 2000 d.d. is a first-time adopter of IFRS for compiling financial statements for 2015. In accordance with the IFRS 1 provisions, 1 January 2014 is defined as transition date, so in order to ensure comparability as one of the fundamental principles of IFRS, financial statements had to be converted or reclassified and compiled in accordance with IFRS. The effects of conversion or transition from SAS to IFRS are given below.

The transition to International Financial Reporting Standards had no influence on the financial statements of Impol 2000 d.d. The below given balance sheet of the company shows comparable fata from the balance sheet as at 31 December 2014 and 31 December 2013 according to SAS (2006), and as at 1 January 2014 and 31 December 2014 according to IFRS as adopted by the European Union, which indicate that the differences result solely from the reclassification of items to intangible assets and in the income statement from the reclassification of other revenues and other expenses. Value differences have not been identified, however, individual asset and liability items, and revenue and expense items are presented in accordance with IFRS and thus differ from the SAS presentation. Reclassifications are as follows:

Table 120: Balance sheet upon transition to IFRS as at 1 January 2014 and as at 31 December 2014 in EUR

				Item	Effect of transition 31 Jan 2014	Effect of transition 31 Dec 2013	31 Dec 2014 – IFRS	1 Jan 2014 – IFRS	31 Dec 2014 – SAS	31 Dec 2013 – SAS
A.				Non-current assets	0	0	68,183,549	68,221,169	68,183,549	68,221,169
	I.			Intangible fixed assets and non-current deferred costs and accrued revenue	0	0	3,219	3,879	3,219	3,879
		1.		Non-current property rights	3,219	3,879	3,219	3,879		0
		2.		Non-current deferred development costs	-3,219	-3,879	0	0	3,219	3,879
		3.		Other non-current deferred costs and accrued revenue	0	0		0		0
	II.			Tangible fixed assets	0	0	183,595	223,466	183,595	223,466
		1.		Production equipment and machinery	0	0	145,324	175,110	145,324	175,110
		2.		Other machinery and equipment	0	0	38,271	48,356	38,271	48,356
	III.			Investment property	0	0		0		0
	IV.			Non-current investments	0	0	67,970,271	67,970,271	67,970,271	67,970,271
		1.		Non-current investments, excluding loans	0	0	67,970,271	67,970,271	67,970,271	67,970,271
			a)	Shares and participating interests in the Group	0	0	67,935,624	67,935,624	67,935,624	67,935,624
			b)	Shares and participating interests in associate companies	0	0	34,647	34,647	34,647	34,647
	V.			Non-current operating receivables	0	0	0	0	0	0
	VI.			Deferred tax receivables	0	0	26,464	23,553	26,464	23,553
B.				Current assets	**0**	**0**	**6,435,040**	**2,929,505**	**6,435,040**	**2,929,505**
	I.			Assets (groups for disposal) for sale	0	0		0		0
	II.			Inventories	0	0	49,506	19,640	49,506	19,640
		1.		Products and merchandise	0	0	49,506	19,640	49,506	19,640
	III.			Current financial investments	0	0	2,300,000	13,795	2,300,000	13,795
		1.		Current loans	0	0	2,300,000	13,795	2,300,000	13,795
			a)	Current loans to Group companies	0	0	2,300,000	0	2,300,000	0
			b)	Current loans to others	0	0		13,795		13,795
	IV.			Current operating receivables	0	0	2,477,276	2,622,710	2,477,276	2,622,710
		1.		Current operating receivables due from Group companies	0	0	530,230	687,125	530,230	687,125
		2.		Current operating receivables due from customers	0	0	1,841,953	1,788,880	1,841,953	1,788,880
		3.		Current operating receivables due from others	0	0	105,093	146,705	105,093	146,705
	V.			Cash and cash equivalents	0	0	1,608,258	273,360	1,608,258	273,360
C.				Current deferred costs and accrued revenue	**0**	**0**	**9,323**	**21,373**	**9,323**	**21,373**
				TOTAL ASSETS	0	0	74,627,912	71,172,047	74,627,912	71,172,047
A.				Equity	**0**	**0**	**52,918,919**	**51,130,851**	**52,918,919**	**51,130,851**
	I.			Called-up capital	0	0	4,451,540	4,451,540	4,451,540	4,451,540
		1.		Share capital	0	0	4,451,540	4,451,540	4,451,540	4,451,540
	II.			Capital reserves	0	0	10,751,254	10,751,254	10,751,254	10,751,254
	III.			Reserves from profit	0	0	6,427,553	6,109,738	6,427,553	6,109,738
		1.		Statutory reserves	0	0	694,972	377,157	694,972	377,157
		2.		Other reserves from profit	0	0	5,732,581	5,732,581	5,732,581	5,732,581
	IV.			Revaluation surplus	0	0		0		0
	V.			Net profit brought forward	0	0	29,487,622	27,681,093	29,487,622	27,681,093
	VI.			Net profit/loss for the financial year	0	0	1,800,950	2,137,226	1,800,950	2,137,226

				Item	Effect of transition 31 Jan 2014	Effect of transition 31 Dec 2013	31 Dec 2014 – IFRS	1 Jan 2014 – IFRS	31 Dec 2014 – SAS	31 Dec 2013 – SAS
B.				Provisions and non-current accrued costs and deferred revenue	**0**	**0**	**0**	**0**	**0**	**0**
C.				Non-current liabilities	**0**	**0**	**0**	**0**	**0**	**0**
	I,			Non-current financial liabilities	0	0	0	0	0	0
	II.			Non-current operating liabilities	0	0	0	0	0	0
	III.			Deferred tax liabilities	0	0		0		0
D.				Current liabilities	**0**	**0**	**21,664,259**	**20,027,700**	**21,664,259**	**20,027,700**
	I.			Liabilities included in groups for disposal	0	0		0		0
	II.			Current financial liabilities	0	0	21,010,931	18,440,942	21,010,931	18,440,942
		1.		Current financial liabilities to Group companies	0	0	500,000	9,096,579	500,000	9,096,579
		2.		Current financial liabilities to banks	0	0	1,101,000	9,344,363	1,101,000	9,344,363
		3.		Other current financial liabilities	0	0	19,409,931	0	19,409,931	0
	III.			Current operating liabilities	0	0	653,328	1,586,758	653,328	1,586,758
		1.		Current operating liabilities to Group companies	0	0	108,116	1,187,613	108,116	1,187,613
		2.		Current trade payables	0	0	106,089	124,467	106,089	124,467
		3.		Current operating liabilities from advance payments	0	0	110,634	32,656	110,634	32,656
		4.		Other current operating liabilities	**0**	**0**	**328,489**	**242,022**	**328,489**	**242,022**
E.				Current accrued costs and deferred revenue	**0**	**0**	**44,734**	**13,496**	**44,734**	**13,496**
				TOTAL LIABILITIES	**0**	**0**	**74,627,912**	**71,172,047**	**74,627,912**	**71,172,047**

Clarification regarding changes in the balance sheet as at 1 January 2014 and 31 December 2014 upon transition to IFRS:

a) As at 1 January 2014, upon transition to IFRS, Impol 2000 d.d. reclassified non-current deferred development costs items, which match the nature of property rights, from the non-current deferred development costs items to non-current property rights. The book vale of reclassified non-current deferred development costs as at 1 January 2014 amounted to EUR 3,879, and to EUR 3,219 as at 31 December 2014. The transition had no effect on equity position, because the book value of non-current property rights increased in the total amount of EUR 3,879 and EUR 3,219, on 1 January 2014 and 31 December 2014, respectively.

Table 121: Income statement upon transition to IFRS for 2014 in EUR

		Item	Effect of transition	2014 – IFRS	2014 – SAS
1.		Net revenue from sales	0	14,150,351	14,150,351
	a)	Net revenue from sales in the domestic market	0	12,946,142	12,946,142
	b)	Net revenue from sales in the foreign market	0	1,204,209	1,204,209
2.		Change in the value of product inventories and unfinished production	0	0	0
3.		Capitalised own products and services	0	0	0
4.		Other operating revenue (including operating revenue from revaluation)	311	2,317	2,006
5.		Costs of goods, materials and services	0	8,935,348	8,935,348
	a)	Cost of sold goods and materials and costs of materials used	0	8,220,203	8,220,203
	b)	Costs of services	0	715,145	715,145
6.		Labour costs	0	2,031,702	2,031,702
	a)	Costs of salaries	0	1,478,337	1,478,337
	b)	Social security costs (pension insurance costs are shown separately)	0	235,054	235,054
	c)	Other labour costs	0	318,311	318,311
7.		Write-downs	0	68,901	68,901
	a)	Depreciation	0	46,882	46,882
	b)	Operating expenses from revaluation associated with current operating assets	0	22,019	22,019
8.		Other operating expenses	85,789	177,955	92,166
9.		Financial revenue from participating interests	0	0	0
10.		Financial revenue from loans granted	0	3,423	3,423
	a)	Financial revenue from loans granted to Group companies	0	1,676	1,676
	b)	Financial revenue from loans to others	0	1,747	1,747
11.		Financial revenue from operating receivables	0	982	982
	a)	Financial revenue from operating receivables due from others	0	982	982
12.		Financial expenses from the impairment and write-offs of financial investments	0	0	0
13.		Financial expenses from financial liabilities	0	369,634	369,634
	a)	Financial expenses from loans received from Group companies	0	190,210	190,210
	b)	Financial expenses from loans from banks	0	102,399	102,399
	c)	Financial expenses incurred in connection with other financial liabilities	0	77,025	77,025
14.		Financial expenses from operating liabilities	0	4,039	4,039
	a)	Financial expenses from operating liabilities to Group companies	0	10	10
	b)	Financial expenses from trade payables and bills of exchange payable	0	48	48
	c)	Financial expenses from other operating liabilities	0	3,981	3,981
15.		Other revenue	-311	0	311
16.		Other expenses	-85,789	0	85,789
17.		Income tax	0	453,640	453,640
18.		Deferred taxes	0	-2,911	-2,911
19.		Net profit/loss for the financial year	0	2,118,765	2,118,765

Clarification regarding changes in the income statement upon transition to IFRS:

a) Upon transition to IFRS, Impol 2000 d.d. reclassified the disclosed other revenue and other expenses items according to SAS (2006) to other operating revenue or other operating expenses items.

DISCLOSURE FOR INDIVIDUAL ITEMS IN GROUP FINANCIAL STATEMENTS

1. Operating Revenue

Table 122: Operating revenue in EUR

A. Operating revenue	Operating revenue generated by			2015	2014
	Group companies	Associates	Others		
Net sales revenue	5,329,403	560	10,614,427	15,944,390	14,150,351
Change in the value of product inventories and unfinished production				0	0
Capitalised own products and services				0	0
Other operating revenue			5,176	5,176	2,317
TOTAL	5,329,403	560	10,619,603	15,949,566	14,152,668

Table 123: Other operating revenue in EUR

B. Other operating revenue	2015	2014
Other revenue associated with products and services (subsidies, grants, reimbursements)	3.054	311
Revaluation operating revenue (from operating receivables)	2,122	2,006
TOTAL	5,176	2,317

Table 124: Net sales revenue according to the type of goods or service in EUR

	2015	2014
From the sale of products		
From the sale of services	5,356,276	5,452,290
From the sale of merchandise	10,588,114	8,698,061
TOTAL	15.944.390	14.150.351

Table 125: Net sales revenue by operating segments in EUR

	2015	2014
Revenue from sales in Slovenia	13,532,200	12,946,142
· Group companies	5,329,403	5,441,993
· Associates	560	627
· Other companies	8,202,237	7,503,522
Revenue from sales in EU	561,530	276,968
· Associated	561,530	276,968
Revenue from sales in other European countries	1,850,660	927,241
· Other companies	1,850,660	927,241
TOTAL	15,944,390	14,150,351

2. Operating Expenses

Table 126: Analysis of costs and expenses in EUR

	Distribution costs	General and administr.	TOTAL 2015	TOTAL purchase in 2015 from:			TOTAL 2014
				Group companies	Associates	Other companies	
Cost of merchandise and materials sold	9,967,297		9,967,297	9,973,247		-5,950	8,131,929
Cost of materials		84,546	84,546	19,552		64,994	88,274
Cost of services	290,480	846,200	1,136,680	144,218	141,785	850,677	715,145
Labour costs		3,161,773	3,161,773			3,161,773	2,031,702
Depreciation		49,107	49,107			49,107	46,882
Revaluation operating		37.534	37.534		34.647	2.887	22.019
Expenses		37,534	37,534		34,647	2,887	22,019
Provisions			0			0	0
Other operating expenses		123,823	123,823	7,832		115,991	177,955
TOTAL	10,257,777	4,302,983	14,560,760	10,144,849	176,432	4,239,479	11,213,906

Table 127: Revaluation operating expenses in EUR

	2015	2014
From the disposal of tangible assets	17	0
From operating receivables	37,517	22,019
TOTAL	37,534	22,019

Table 128: Cost of materials in EUR

	2015	2014
Costs of energy	22,486	22,937
Cost of office supplies and professional literature	54,472	60,595
Other cost of materials	7,588	4,742
TOTAL	84,546	88,274

Table 129: Cost of services in EUR

	2015	2014
Cost of transport services	14,349	12,395
Costs of rent	86,584	80,389
Reimbursements of costs of employees	48,470	43,403
Other costs of services	987,277	578,958
TOTAL	1,136,680	715,145

Table 130: The amount (cost), spent for the auditor (pursuant to the Companies Act ZGD-1, Point 20, Paragraph 1, Article 69) in EUR

	2015	2014
Auditing of the annual report	22,502	20,835
Other auditing services	1,840	0
Other non-auditing services	18,000	0
TOTAL	42,342	20,835

Table 131: Labour Costs in EUR

Itemisation of labour costs	2015	2014
Wages and salaries	2,052,133	1,478,337
Pension insurance costs	170,661	125,980
Other social security insurance costs	218,593	109,074
Other labour costs	720,386	318,311
TOTAL	3,161,773	2,031,702

Table 132: Remuneration of the members of the Supervisory Board, Management Board in EUR

Remuneration of the members of the Supervisory Board, Management Board in EUR	2015	2014
Management Board members*	808,103	734,942
Supervisory Board members		73,417
Employees on individual contracts	1,216,402	269,751
TOTAL	2,024,504	1,078,110

*Remuneration under this item in 2015 refer to the members of the Board of Directors and Executive Directors, while in 2014 they only refer to the members of the Board of Directors.

Table 133: Education structure

Education level of Employees as at 31 Dec 2015	Number
Doctorate degree	2
University degree	12
Higher education degree	8
College degree	10
Secondary school	8
Skilled worker	1
Total	41

Table 134: Depreciation in EUR

	2015	2014
Depreciation of intangible fixed assets	618	660
Depreciation of tangible fixed assets	48,489	46,222
Total depreciation	49,107	46,882

Table 135: Other costs and expenses in EUR

	2015	2014
Charges independent of business	51,541	92,166
Grants	71,648	85,786
Other costs	634	3
TOTAL	123,823	177,955

3. Financial Revenues and Expenses

Table 136: Financial revenue from financial investments in EUR

	Total	Of which from			Total
	2015	Group companies	Associated	Other companies	2014
Financial revenue from articipating interests – participation in profits, dividends	2,926,163	2,926,163			0
Financial revenue from loans – Interest	40,544	38,871		1,673	3,423
Financial revenue from operating receivables – Interest	33,845			33,845	982
TOTAL	3,000,552	2,965,034	0	35,518	4,405

In accordance with the resolution of the General Meeting of the subsidiary Impol d.o.o. as of 24 November 2015, Impol 2000 d.d. is entitled to a proportionate (97.5387-percent) share of available profit, intended for distribution in the total amount of EUR 3,000,000, i.e. in the amount of EUR 2,926,163.

Table 137: Financial expenses from financial investments in EUR

	Total 2015	Of which from Group companies	Associated	Other companies	Total 2014
Financial expenses from loans (excluding bank loans) – interest	6,542	6,542			190,210
Financial expenses from loans from banks – interest	36,605			36,605	102,399
Financial expenses from bonds – interest	385,205			385,205	0
Financial expenses from other financial liabilities – interest	599,295			599,295	77,025
Financial expenses from operating liabilities – interest	2,243	0	0	2,243	125
Financial expenses from operating liabilities – exchange rate differences	2	0	0	2	3,914
Financial expenses from impairment	36,371	1,724	34,647		0
TOTAL	1,066,263	8,266	34,647	1,023,350	373,673

Financial expenses from impairments in the amount of EUR 34,647 relate to the equity investment into the associated entity Impol Brazil Aluminium Ltda and EUR 1,724 relate to the equity investment into the associated entity Impol Hungary (more on this in the note 8. Non-Current Financial Investments).

Table 138: Financial expenses from operating liabilities in EUR

	Total 2015	Of which from Group companies	Associates	Other companies	Total 2014
Financial expenses from liabilities to suppliers – interests	2,243			2,243	58
Financial expenses from other operating liabilities – interests	0				67
Financial expenses from other operating liabilities – exchange rate differences	2			2	3,914
TOTAL	2,245	0	0	2,245	4,039

4. Income Tax

Table 139: Income tax in EUR

INCOME TAX	2015	2014
Revenues determined under accounting regulations	18,950,118	14,157,073
Taxable revenues	16,022,640	14,122,755
Expenses determined under accounting regulations (+)	15,627,023	11,587,579
Expenses recognised for tax purposes	15,303,708	11,387,882
DIFFERENCE BETWEEN EXPENSES AND REVENUES RECOGNIZED FOR TAX PURPOSES	718,932	2,734,873
Increase in tax base by the previously established tax relief (+)	146,308	0
TAX BASE	865,240	2,734,873
TAX LOSS	0	0
Decrease in tax base and tax relief (not exceeding the tax base) (-)	-84,689	-66,401
TAXABLE BASE	780,551	2,668,472
TAX (17%)	132,694	453,640
Effective tax rate	3.99%	17.65%

The valid income tax rate for Slovenia in 2015 equals 17 percent (in 2014: 17 percent).

5. Deferred Tax Assets

Table 140: Deferred tax assets in EUR

Receivables and liabilities changed by deferred tax recognized in:	2015	2014
Profit or loss (+/-)	1,423	2,911
TOTAL	1,423	2,911

Deferred tax assets in 2015 were formed for additionally written-off receivables due from customers and for formed provisions for severance pays and long-service bonuses.

Table 141: Trend in deferred tax in EUR

	Impairment of asset (revaluation operating expenses)	Formation od provisions	TOTAL
Deferred tax asset 31 Dec 2014	26,464	0	26,464
Deferred tax asset 1 Jan 2015	26,464	0	26,464
Deductible temporary differences (+)	2,717	5,705	8,422
Utilisation of deductible temporary differences (-)	-6,999	0	-6,999
Deferred tax asset 31 Dec 2015	22,182	5,705	27,887

Net Earnings per Share

Basic earnings per share are calculated by dividing net profit, which belongs to shareholders, with weighted average number of ordinary shares traded during the year, where the average number of own shares in excluded.

Table 142: Basic earnings per share in EUR

	2015	2014
Profit or loss relating to the owners of the controlling entity	3,191,824	2,118,765
Weighted average of the number of ordinary shares	1,066,767	1,066,767
Basic earnings per share (in EUR)	2.99	1.99

	2015	2014
Issued ordinary share as at 1 Jan	1,066,767	1,066,767
Effect of own shares	0	0
Weighted average of the number of ordinary shares as at 31 Dec	1,066,767	1,066,767

Because the company does not have preference shares, nor bonds, which might be converted into shares, the adjusted profit per share equals the basis earnings per share.

6. Intangible Assets and Non-current Deferred Costs and Accrued Revenue

Table 143: Trend in intangible assets in 2015 in EUR

Description	Non-current property rights	TOTAL
Cost as at 31 Dec 2014	23,793	23,793
Adjustments after the opening balance		0
Cost as at 1 Jan 2015	23,793	23,793
Cost as at 31 Dec 2015	23,793	23,793
Value adjustment as at 31 Dec 2014	20,574	20,574
Adjustments after the opening balance		0
Value adjustment as at 1 Jan 2015	20,574	20,574
Depreciation in year	618	618
Value adjustment as at 31 Dec 2015	21,192	21,192
Book value as at 31 Dec 2015	2,601	2,601
Book value as at 31 Dec 2014	3,219	3,219

Table 144: Trend in intangible assets in 2014 in EUR

Description	Non-current property rights	TOTAL
Cost as at 1 Jan 2014	23,793	23,793
Cost as at 31 Dec 2014	23,793	23,793
Value adjustment as at 1 Jan 2014	19,914	19,914
Depreciation in year	660	660
Value adjustment as at 31 Dec 2014	20,574	20,574
Book value as at 31 Dec 2014	3,219	3,219
Book value as at 1 Jan 2014	3,879	3,879

Disclosed intangible assets are the property of Impol 2000 d.d. and are free from all encumbrances. The cost of intangible fixed assets the present value of which equals zero and are still used, amounts to EUR 18,123.

7. Tangible Fixed Assets

Table 145: Trend in tangible fixed assets in 2015 in EUR

Description	Manufacturing facilities and equipment	Other facilities and equipment	Equipment and other TFA in acquisition	Total equipment
Cost as at 31 Dec 2014	1,099,476	175,258		1,274,734
Opening-balance adjustment				0
Cost as at 1 Jan 2015	1,099,476	175,258	0	1,274,734
Direct increases – acquisitions			24,315	24,315
Transfer from investments in progress		25,371	-25,371	0
Transfer between Group companies – acquisition			1,056	1,056
Decreases – exclusions, other decreases		-31,163		-31,163
Cost as at 31 Dec 2015	1,099,476	169,466	0	1,268,942
Value adjustment as at 31 Dec 2014	954,152	136,987		1,091,139
Opening-balance adjustment				0
Value adjustment as at 1 Jan 2015	954,152	136,987	0	1,091,139
Depreciation	29,787	18,703		48,490
Decreases – exclusions, other decreases		-31,146		-31,146
Value adjustment as at 31 Dec 2015	983,939	124,544	0	1,108,483
Book value as at 31 Dec 2015	115,537	44,922	0	160,459
Book value as at 31 Dec 2014	145,324	38,271	0	183,595

Table 146: Trend in tangible fixed assets in 2014 in EUR

Description	Manufacturing facilities and equipment	Other facilities and equipment	Equipment and other TFA in acquisition	Total
Cost as at 1 Jan 2014	1,099,476	169,154	0	1,268,630
Direct increases – acquisitions			6,350	6,350
Transfer from investments in progress		6,350	-6,350	0
Decreases – exclusions, other decreases		-246		-246
Cost as at 31 Dec 2014	1,099,476	175,258	0	1,274,734
Value adjustment as at 1 Jan 2014	924,366	120,798	0	1,045,164
Depreciation	29,786	16,435		46,221
Decreases – exclusions, other decreases		-246		-246
Value adjustment as at 31 Dec 2014	954,152	136,987	0	1,091,139
Book value as at 31 Dec 2014	145,324	38,271	0	183,595
Book value as at 1 Jan 2014	175,110	48,356	0	223,466

The disclosed tangible assets are the property of Impol 2000 d.d. and are free from all encumbrances. The cost of tangible fixed assets the present value of which equals zero and are still used, amounts to EUR 986,332. The entity has no assets held under financial leasing.

8. Non-current Financial Investments

Table 147: Non-current financial investments in EUR

NON-CURRENT FINANCIAL INVESTMENTS	Cost of non-current financial investments as at 31 Dec	Of which non-current financial investments in:			Value adjustment as at 31 Dec	Book value	
		Group companies	Associates	Other companies		31 Dec 2015	31 Dec 2014
	=	+	+	+	-	=	
Investment in shares and participating interest	67,972,017	67,937,369	34,648		-36,372	67,935,645	67,970,271
TOTAL non-current financial investments excluding loan	67,972,017	67,937,369	34,648	0	-36,372	67,935,645	67,970,271
TOTAL long-term loans	0	0	0	0	0	0	0
TOTAL NON-CURRENT FINANCIAL INVESTMENTS	67,972,017	67,937,369	34,648	0	-36,372	67,935,645	67,970,271

A financial investment in the amount of EUR 100,000, which relates to the participating interest of Impol 2000 d.d. in the subsidiary Rondal d.o.o. is pledged as securitiy for liability relating to the long-term received loan, which amounts to EUR 981,000 as at 31 December 2015. The financial investment into the capital of Impol d.o.o. (97.5387-percent ownership share) in the amount of EUR 67,588,863 is also pledged in the form of a given guarantee, and is intended for liabilities of Impol d.o.o. to banks.

Table 148: Revaluation of non-current financial investments in EUR

Revaluation of non-current financial investments due to impairments charged to financial expenses	2015	Of which revaluation of non-current financial invest. to:			2014
		Group companies	Associates	Other companies	
	=	+	+	+	
	36,371	1,724	34,647		0

In 2015, the Board of Directors of Impol 2000 d.d. adopted a resolution of impairment of financial investment to the associate Impol Brazil Aluminium Ltda and the subsidiary Impol Hungary, on the basis of the estimate that the carrying amount of investment exceeds their recoverable value (i. e. current value of future cash flows). According to the resolution of the Board of Directors, both investments were revalued due to impairment, to the value of 0.

Table 149: Trend in investments to subsidiaries and associates in EUR

	2015	2014
Investments as at 1 Jan 2015	67,970,271	67,970,271
New acqusition	1,745	0
Impairment	-36,372	0
Balance as at 31 Dec 2015	67,935,645	67,970,271

All long-term financial investments are distributed to the group »financial assets available for sale« and are measured acquisition cost. The company Impol 2000 d.d. as the controlling company, prepares the consolidated financial statements for the above-presented companies.

9. Inventories of Goods

Table 150: Inventories of goods in EUR

	31 Dec 2015			Of which inventories as at 31 Dec:		
	Acquisition value (+)	Revaluation of value due to impairment of inventories (-)	Carrying amount	Inter-group	Held under lien as security for liabilities	31 Dec 2014
Merchandise	74,396		74,396			49,506
TOTAL	74,396	0	74,396	0	0	49,506

On 31 December 2015, the company inspected the value of inventories and determined that the net realisable value of inventories is higher than the carrying amount, so there were no impairments in 2015. Inventories are not held under lien as security for liabilities.

10. Current Financial Investments

Table 151: Current financial investments in EUR

	Cost of current financial investments as at 31 Dec	Of which current financial investments in:			Value adjustment due to impairment	Carrying amount	
		Group companies	Associates	Other companies		31 Dec 2015	31 Dec 2014
	=	+	+	+	-	=	
TOTAL current financial investments, excluding loans	0	0	0	0	0	0	0
Current granted loans (including bonds)	3.974.518	3.974.518				3.974.518	2.300.000
TOTAL current granted loans	3,974,518	3,974,518	0	0	0	3,974,518	2,300,000
Current unpaid called-up capital	0					0	0
TOTAL CURRENT FINANCIAL INVESTMENTS	3,974,518	3,974,518	0	0	0	3,974,518	2,300,000

Table 152: Trend in loans granted in EUR

	Group companies
Loans as at 1 Jan 2015	2,300,000
New loans (+)	3,994,518
Refunds (-)	2,320,000
Loans granted as at 31 Dec 2015	3,974,518

The current loan in the amount of EUR 1,824,518 granted to Impol d.o.o. falls due in May 2016 and shall bear interest at an annual interest rate of 1.70%.
The current loan in the amount of EUR 1,950,000 granted to Impol d.o.o. falls due in December 2016 and shall bear interest at an annual interest rate of 1.045%.
The current loan in the amount of EUR 50,000 granted to Imaginacija Aluminium falls due in September 2016 and shall bear interest at an annual interest rate of 1.161%.
The current loan in the amount of EUR 150,000 granted to Imaginacija Aluminium falls due in October 2016 and shall bear interest at an annual interest rate of 1.14%.
All loans granted to associates shall bear interest at an established interest rate, increased by one percentage point. All loans are secured with a bill of exchange.

11. Current Operating Receivables

Receivables are secured throug SID – Prva kreditna zavarovalnica d.d. in Slovenia in the amount of EUR 1,282,551 as at balance of 31 December 2015 (balance as at 31 December 2014: EUR 1,239,763).
Trade receivables from customers in the rest of the world are translated into the local currency at the exchange rate of the ECB published by the Bank of Slovenia. Exchange rate differences arising up to the settlement date of the receivables or up to the balance sheet date are classified as financial income or expenses item.

Table 153: Current operating receivables in EUR

	Current operating receivables	Current operating receivables from: Group companies	Associates	Other companies	Value adjustment due to impairment	31 Dec 2015	31 Dec 2014
	=	+	+	+	-	=	+
Current trade receivables	2,236,858	457,667		1,779,191	-147,681	2,089,177	2,365,507
· Of which overdue as at 31 Dec	453,472			453,472		453,472	873,503
Given current advances and collaterals	1,281			1,281		1,281	0
Current receivables associated with financial revenues	68,748	7,110		61,638	-15,336	53,412	65,392
Current receivables due from central government	297,175			297,175		297,175	6,759
Other current operating receivables	20,529			20,529		20,529	39,618
TOTAL current operating receivables	2,624,591	464,777	0	2,159,814	-163,017	2,461,574	2,477,276

Table 154: Current operating receivables in the domestic and foreign market in EUR

	2015	2014
Current operating receivables in the domestic market	2,328,731	2,386,357
Current operating receivables in the foreign market	132,843	90,919
TOTAL	2,461,574	2,477,276

Table 155: Analysis of due trade receivables in EUR

	31 Dec 2015	31 Dec 2014
Due in 2015	260,878	
Due in 2014	4,474	640,886
Due in 2013	41,745	77,674
Due in 2012	0	0
Due in 2011 and earlier	146,375	154,943
TOTAL due trade receivables	**453,472**	**873,503**

Table 156: Trend in adjustment of current operating receivables due to impairment in EUR

	2015	Of which value adjustment of current operating receivables due from: Group companies	Associates	Other companies	2014
Balance as at 1 Jan (+)	156,131			156,131	190,449
Decrease in value adjustment due to the settlement of receivables (-)	-1,315			-1,315	-1,392
Decrease in value adjustment due to the write-off of receivables (-)	-22,655			-22,655	-32,926
Created value adjustment for the period due to impairment (+)	30,856			30,856	0
Balance as at 31 Dec	163,017	0	0	163,017	156,131

On 31 December 2015, the entity has no disclosed receivables due from members of the Management Board, the Supervisory Board and owners.

12. Cash and Cash Equivalents

Table 157: Cash and cash equivalents in EUR

	31 Dec 2015	31 Dec 2014
Cash in hand	296	186
Cash in banks and other financial institutions	32,985,010	1,608,072
TOTAL	32,985,306	1,608,258

The entity has no short-term deposits up to three months, but as at 31 December 2015 the so-called overnight deposit of EUR 2,855,175 has been formed.

Table 158: Current deferred costs and accrued revenues in EUR

	31 Dec 2015	31 Dec 2014
Current deferred costs or expenses	12,562	2,184
VAT from received advances	1,599	7,139
TOTAL	14,161	9,323

Current deferred costs or expenses mainly refer to the costs of professional literature paid in advance.

13. Equity

Table 159: Equity in EUR

	31 Dec 2015	31 Dec 2014
Equity	55,107,982	52,918,919
Called-up capital	4,451,540	4,451,540
Share capital	4,451,540	4,451,540
Capital reserves	10,751,254	10,751,254
Paid-in surplus	9,586,803	9,586,803
General equity revaluation adjustment	1,164,451	1,164,451
Profit reserves	6,906,327	6,427,553
Statutory reserves	1,173,746	694,972
Other profit reserves	5,732,581	5,732,581
Net profit brought forward (distributable profit)	30,285,811	29,487,622
Net profit/loss for the financial year	2,713,050	1,800,950

In 2015, the company Impol 2000 d.d. paid out dividends in the amount of EUR 0.94 gross per share or a total of EUR 1,002,761.

Table 160: Distributable profit in EUR

Item	31 Dec 2015	31 Dec 2014
Net profit or loss for the period	3,191,824	2,118,765
Net profit or loss brought forward	30,285,811	29,487,622
Reduction (release) of capital reserves	0	0
Decrease (release) in profit reserves; itemised separately by type	0	0
Increase (additional formation) of profit reserves; itemised separately by type	-478,774	-317,815
Distributable profit /distributable loss	32,998,861	31,288,572

At the regural annual General Meeting in 2016, the Management Board will propose to the General Meeting to adopt the following resolution on the appropriation of distributable profit: the portion of undistributed profit of EUR 32,998,861 shall be appropriated for dividends to shareholders in the gross amount of EUR 1.41 per share:

Table 161: Increase in other revenue reserves

	In EUR
Dividends to shareholders in the amount 1.41 EUR/share	1,504,141.47
The participation of the Management Board in the profits based on the contracts	
Undistributed distributable profit for the 2015 financial year (to the profit brought forward)	31,494,719.53

The remaining portion of distributable profit of EUR 31,494,719.53 shall remain undistributed.

14. Provisions

Table 162: Provisions in EUR

	Provisions for pensions, long-service bonuses and severance pays upon retirement	TOTAL
Balance as at 31 Dec 2014	0	0
Opening-balance adjustment		0
Balance as at 1 Jan 2015	0	0
Formation (+)	67,117	67,117
Balance as at 31 Dec 2015	67,117	67,117

Provisions for pensions, long-service bonuses and severance pays upon retirement to others were initially formed in 2015 in the amount of EUR 67,117 chargeable to profit or loss. Provisions for severance pays upon retirement ad long-service bonuses are formed in the amount of etimated future payments for severance pays and long-service bonuses, discounted to the end of the reporting period. Labour costs and interest expenses are recognised in profit or loss, while the conversion of such provisions and/or unrealised actuarial gains and losses are recognised in other comprehensive income as equity.

Calculation of provisions for post-employment benefits and other long-term benefits of employees is based on actuarial model, which observes the following assumptions:

- Annual discount rate arising from the data on the profitability of government bonds of the Republic of Slovenia.
- Currently valid amounts of severance pays and long-service bonuses, defined in internal documents;
- Employee fluctuation, which depends particularly on their age.
- Mortality on the basis of the latest available life tables of local population.

It is estimated that no provisions, other than the ones above, need to be formed.

15. Non-Current Financial and Operating Liabilities

Table 163: Non-current financial and operating liabilities in EUR

	Total debt as at 31 Dec 2015	The portion falling due in 2016	31 Dec 2015	31 Dec 2014
	+	-	=	
Non-current financial liabilities relating to bonds	50,000,000	-10,000,000	40,000,000	0
Non-current financial liabilities to banks	981,000	-120,000	861,000	0
TOTAL non-current financial and operating liabilities	50,981,000	-10,120,000	40,861,000	0
Non-current financial liabilities	50,981,000	-10,120,000	40,861,000	0
Non-current operating liabilities	0	0	0	0
TOTAL non-current financial and operating liabilities	50,981,000	-10,120,000	40,861,000	0

Table 164: Maturity of non-current financial and operating liabilities in EUR

	31 Dec 2015	31 Dec 2014
Due in 2016	x	0
Due in 2017	10,861,000	0
Due in 2018	10,000,000	0
Due in 2019	**10,000,000**	**0**
Due in 2020	10,000,000	0
Due in 2021 and later		x
TOTAL non-current financial and operating liabilities	**40,861,000**	**0**

Table 165: Trend in financial liabilities in EUR

Type of non-current financial liabilities	Interest rate (in %)	Maturity date	Debt as at 1 Jan 2015	New loans	Repayments in the current year	Debt balance 31 Dec 2015	Of which the portion that falls due: in 2016	after 1 Jan 2017	Loan security
Bonds	3.8	19 Oct	0	50.000.000		50,000,000	-10,000,000	40,000,000	Unsecured
Bank loan at NKBM d.d.	6M EUR + 3.0	25 March	0	1.081.000	-100,000	981,000	-120,000	861,000	Pledge of business share in Rondal d. o. o.,
TOTAL			**0**	**51,081,000**	**-100,000**	**50,981,000**	**-10,120,000**	**40,861,000**	

As at 31 December 2015, the company Impol 2000 d.d. has a long-term loan open at NKBM d.d. in the amount of EUR 981,000. The loan falls due on 25 March 2017. It is secured with bills of exchange and pledge of business share in the company Rondal d.o.o. The interest rate is the 6-month EURIBOR + 3.0 percent annually.

Issued Bonds

In 2015, Impol 2000 d.d. for the first time issued five-year bonds of EUR 50 million with the purpose of financing a cycle of investments for the subsequent long-term growth and development. The interest rate is 3.8-percent annually. Coupons are paid annually. The final date of maturity is 19 October 2020.

Liabilities for issued bonds relate to the bonds listed as IM01. The controlling company issued the bonds in the total nominal value of EUR 50,000,000. The total issue of bonds comprises 50,000 denominations of EUR 1,000.

Table 166: Depreciation plan of issued bonds in EUR

No.	Date of maturity of liability	Payment of coupon in EUR (interest)	Payment of principal value in EUR	Total payment in EUR
1	19 October 2016	1,900,000.00	10,000,000.00	11,900,000.00
2	19 October 2017	1,520,000.00	10,000,000.00	11,520,000.00
3	19 October 2018	1,140,000.00	10,000,000.00	11,140,000.00
4	19 October 2019	760,000.00	10,000,000.00	10,760,000.00
5	19 October 2020	380,000.00	10,000,000.00	10,380,000.00
	Total	5,700,000.00	50,000,000.00	55,700,000.00

The interest rate for the issued bonds is stable and amounts to 3.80 percent annually. Bonds have been traded on the Ljubljana Stock Exchange from December 2015.

The company Impol 2000 d.d. has no assets held under financial leasing. In 2015 the company did not capitalize borrowing costs (nor in 2014).

16. Current financial liabilities

Table 167: Current financial liabilities in EUR

Type of current financial liabilities	Annual interest rate in %	Maturity date	Debt balance as at 1 Jan 2015	New loans in the current year	Transfer of current portion of non-current liability	Attribution of interest to the principal	Repayments in the current year	Debt balance as at 31 Dec 2015	Loan security
Bonds	3.8	19 October 2016			10,000,000	0		10,000,000	Unsecured
Loan – Rondal d.o.o.	POM+1	17 February 2016	500,000	500,000			-500,000	500,000	Bills of exchange
Commercial papers	3.3816	16 November 2015	19,400,705			599,295	-20,000,000	0	Unsecured
Bank loan – NKBM d.d.*	6M EUR+3.0	25 December 2016	1,101,000	-1,081,000	120,000		-20,000	120,000	Pledge of business share in the company Rondal d.o.o. bills of exchange
TOTAL			21,001,705	-581,000	10,120,000	599,295	-20,520,000	10,620,000	

*Change of bank loan in the amount EUR -1,081,000 relates to the remaining loan reprogrammed in 2015, which was transferred to non-current financial liabilities.

Table 168: Current financial and operating liabilities in EUR

Current financial and operating liabilities	31 Dec 2015	31 Dec 2014
Current operating liabilities to group companies	13,015	93,129
Current trade payables – associated companies	12,993	12,444
Current trade payables – other companies	135,769	93,645
Current operating liabilities based on advances – other companies	125,338	110,634
Other current operating liabilities – group companies	1,062	14,987
Other current operating liabilities – other companies	267,710	328,489
TOTAL current operating liabilities	555,887	653,328
Current portion of non-current financial liabilities – banks	120,000	1,101,000
Current portion of non-current financial liabilities – bonds	10,000,000	0
Current financial liabilities – Rondal d.o.o.	500,000	500,000
Current financial liabilities – commercial papers	0	19,400,705
Current financial liabilities regarding to the distribution of profit/loss	7,052	9,226
TOTAL current financial liabilities	10,627,052	21,010,931

Current financial and operating liabilities	31 Dec 2015	31 Dec 2014
Current financial liabilities	507,052	19,909,931
Current portion of non-current financial liabilities	10,120,000	1,101,000
TOTAL current financial liabilities	10,627,052	21,010,931
Current operating liabilities	555,887	653,328
TOTAL current operating liabilities	555,887	653,328
TOTAL current financial and operating liabilities	11,182,939	21,664,259

Current operating liabilities	31 Dec 2015	31 Dec 2014
Current financial liabilities to group companies as suppliers	13,015	93,129
Current liabilities to associates as suppliers	12,993	12,444
Current liabilities to other companies as suppliers	135,769	93,645
Total current trade payables	**161,777**	**199,218**
• Of which overdue liabilities as at 31 Dec	40,658	86,115
Current liabilities for advances	125,338	110,634
Total current liabilities for advances	**125,338**	**110,634**
Current liabilities to employees	194,669	133,585
Current liabilities to government	48,436	175,706
Current debt liabilities – group companies	1,062	14,987
Current debt liabilities – other companies	2,604	4,195
Other current operating liabilities	22,001	15,003
TOTAL other current operating liabilities	268,772	343,476
TOTAL current operating liabilities	**555,887**	**653,328**

Table 169: Analysis of trade payables already due in EUR

Analysis of overdue trade payables	31 Dec 2015	31 Dec 2014
Due in 2015	40,658	x
Due in 2014		46,327
Due in 2013		39,788
Due in 2012		0
Due in 2011 and earlier		0
TOTAL trade payables already due	40,658	86,115

Table 170: Itemisation of current debt liabilities in EUR

Itemisation of current debt liabilities in EUR	31 Dec 2015	31 Dec 2014
Interest associated with financial expenses from operating liabilities	17	20
Interest associated with financial expenses from financial liabilities	3,649	19,162
Total current debt liabilities	3,666	19,182

Current financial liabilities comprise the liabilities from loans whose repayment deadline is less than one year. This includes liabilities for issued bonds in the amount of EUR 10,000,000, which represents the current portion of liabilities, which falls due in 2016, and EUR 120,000 of current portion of non-current bank loan, and EUR 500,000 of liabilities from current loan of the company Rondal d.o.o. The interests for the given loan are calculated at the established interest rate, which applies to loans among associated entities, increased by 1 percentage point. The loan is secured by a bill of exchange and falls due on 18 February 2016.

Other current financial liabilities refer to that portion of received non-current loans, which fall due in 2016. Impol 2000 d.d. borrowed on the short-term money market in 2014 by issuing commercial paper. In 2015, the company also settled the total debt of EUR 20 million upon maturity.

All current financial liabilities, other than current portion of bonds, are secured.

Table 171: Current accrued expenses and deferred income in EUR

	31 Dec 2015	31 Dec 2014
Accrued costs and expenses	385,205	0
Current deferred income	32,278	38,856
VAT from given advances	26	5,878
TOTAL	417,509	44,734

Accrued costs and expenses refer to the calculated interest from issued bonds, which occurred from the day of the issue of bonds until and including 31 December 2015. Current deferred income is formed from charged (yet unpaid) operating interest. At payment they are recorded as income.

17. Financial Instruments and Financial Risks

Impol 2000 faces the following risks in its business process, in particular:

Table 172: Risks

Risk area	Risk description	Management method employed	Exposure
Liquidity risk	The lack of liquid assets for settling operating or financial liabilities.	Credit lines agreed in advance and preparation of inflow and outflow plans.	Low
Interest rate risk	The lack of liquid assets for settling operating or financial liabilities.	Monitoring of the ECB's and FED's policies, hedging using appropriate derivatives – interest rate swaps, shifting from a fixed to a floating interest rate.	Moderate
Credit risk	Risk of customer failure to settle their liabilities.	Trade receivables insurance (primarily receivables from foreign debtors) through Prva kreditna zavarovalnica and foreign insurance firms, monitoring of customer credit ratings, limiting maximum exposure to individual customers. Transactions with customers located in high-risk markets are only performed on the basis of advance payments or prime bank guarantees.	Moderate to high

Liquidity Risk
When it comes to liquidity risk management, the Company examines whether it is able to settle its current operating liabilities and whether it is generating a sufficiently large cash flow to settle its financial liabilities. Floating weekly and monthly planning of cash flows allows the Company to establish liquid asset requirements. Potential cash shortages are covered by bank credit lines, whereas any short-term surpluses are invested in liquid current financial assets.

Interest Rate Risk
At the end of the year, Impol 2000 d.d. had a long-term loan remunerated at the 6-month EURIBOR reference interest rate. Having established that all offers for a change of the interest rate were unfavourable in terms of costs and given the presumption that the interest rate would not be rising, the Company did not enter into any new interest rate hedges.

In case the interbank reference rate EURIBOR is negative (less than 0 percent), banks charge contractual interests at the EURIBOR reference interest rate of 0 percent, increased by premium.

On 31 December 2015, the interbank reference interest rate EURIBOR was negative, so its increase by 1 or ½ percentage point would not effect profit or loss.

Credit Risk
The credit control process encompasses customer credit rating which is carried out regularly in cooperation with Prva kreditna zavarovalnica and foreign insurance firms as well as our customer solvency monitoring system. By regularly monitoring open and past due trade receivables, the ageing structure of receivables and average payment deadlines, the Company maintains its credit exposure within acceptable limits given the strained conditions on the market. In 2015, the Company managed to maintain trade receivables on approximately the same level as in 2014.

Book and Fair Value of Financial Instruments

Classification of financial instruments according to the definition of their fair value as at 31 December 2015:

Table 173: Book and fair value of financial instruments in EUR

	Book value	Fair value	Fair value level
Non-current investments to associated companies	0	0	3
Non-current investments to subsidiaries	67,935,645	67,935,645	3
Current loans given to Group companies	3,974,518	3,974,518	3
Current operating receivables	2,461,574	2,461,574	3
Cash and cash equivalents	32,985,306	32,985,306	3
Non-current financial liabilities	40,861,000	40,861,000	3
Current financial liabilities	10,627,052	10,627,052	3
Current operating liabilities	555,887	555,887	3

18. Contingent Liabilities

As at 31 December 2015, Impol 2000 d.d. has guarantees in the amount of EUR 45,741,360 granted to the subsidiary Impol d.o.o. in respect of received non-current loans at banks. The given guarantee in the amount of EUR 33,250,000 is secured by the pledge of a 97.5-percent ownership share in the company Impol d.o.o.

Transaction with Related Parties

Table 174: Transactions with related parties in EUR

Receivables of Impol 2000 d.d. as at 31 Dec 2015 from:	Group companies – receivables			TOTAL
	Non-current financial investments in the equity	Current operating receivables	Short-term loans granted	
Impol d.o.o.	67,588,863	249,439	3,774,518	71,612,820
Impol LLT d.o.o.		10,616		10,616
Impol FT d.o.o.		81,961		81,961
Impol PCP d.o.o.		94,120		94,120
Impol Infrastruktura d.o.o.		1,715		1,715
Impol R in R d.o.o.		10,846		10,846
Rondal d.o.o.	100,000	6,766		106,766
Impol-Montal d.o.o.		852		852
Impol Servis d.o.o.	245,037	942		245,979
Impol Stanovanja d.o.o.		717		717
Kadring d.o.o.		985		985
Stampal SB d.o.o.		3,194		3,194
Unidel d.o.o.		2,153		2,153
Imaginacija Aluminium d.o.o.	1,745	471	200,000	202,216
TOTAL	67,935,645	464,777	3,974,518	72,374,940

Table 175: Liabilities to Group companies in EUR

Liabilities of Impol 2000 d.d. as at 31 Dec 2015 to Group companies:	Group companies – liabilities		TOTAL
	Current financial liabilities	Current operating liabilities	
Impol Infrastruktura d.o.o.		1,652	1,652
Rondal d.o.o.	500,000	1,062	501,062
Impol Servis d.o.o.		9,010	9,010
Kadring d.o.o.		1,877	1,877
Unidel d.o.o.		476	476
TOTAL	500,000	14,077	514,077

Table 176: Liabilities to associates in EUR

Liabilities of Impol 2000 d.d. as at 31 Dec 2015 to:	Associates – liabilities Current operating liabilities	TOTAL
Simfin d.o.o.	12,009	12,009
Alcad d.o.o.	984	984
TOTAL	12,993	12,993

Table 177: Revenues generated by Group companies in EUR

Revenues of Impol 2000 d.d. generated in 2015 with company:	Net revenues from the sale of services	Net revenues from the sale of material	Financial revenues from investment	Financial revenues from current receivables	TOTAL revenues
Impol d.o.o.	3,352,897	-4,461	2,926,163	38,401	6,313,000
Impol LLT d.o.o.	104,424	7,073			111,497
Impol FT d.o.o.	806,291				806,291
Impol PCP d.o.o.	792,055				792,055
Impol Infrastruktura d.o.o.	14,237				14,237
Impol R in R d.o.o.	104,935				104,935
Rondal d.o.o.	64,026				64,026
Impol-Montal d.o.o.	8,376				8,376
Impol Servis d.o.o.	9,264				9,264
Impol Stanovanja d.o.o.	7,056				7,056
Kadring d.o.o.	10,634				10,634
Stampal SB d.o.o.	31,416				31,416
Unidel d.o.o.	21,180				21,180
Imaginacija Aluminium d.o.o.				470	470
TOTAL	5,326,791	2,612	2,926,163	38,871	8,294,437

Table 178: Expenses generated by group companies in EUR

Expenses of Impol 2000 d.d. generated in 2015 with the company:	Cost of goods and materials sold	Costs of services	Costs of material	Other operating expenses	Financial expenses for write-off	Financial interest expenses and other liabilities	TOTAL expenses
Impol d.o.o.	9,972,547	89,652	13,233	7,832			10,083,264
Impol LLT d.o.o.	350						350
Impol PCP d.o.o.			238				238
Impol Infrastruktura d.o.o.		16,566					16,566
Impol R in R d.o.o.		659					659
Rondal d.o.o.						6,542	6,542
Impol Servis d.o.o.	350	10,020					10,370
Kadring d.o.o.		19,453	3,934				23,387
Unidel d.o.o.		6,497	2,147				8,644
Impol Seval President d.o.o.		1,371					1,371
Impol Hungary Kft.					1,724		1,724
TOTAL	9,973,247	144,218	19,552	7,832	1,724	6,542	10,153,115

Table 179: Revenue generated by associates in EUR

Revenues of Impol 2000 d.d. generated in 2015 with the company:	Net revenues from the sale of services	TOTAL revenues
Simfin d.o.o.	560	560
TOTAL	560	560

Table 180: Expenses with associates in EUR

Expenses of Impol 2000 d.d. generated in 2015 with the company:	Costs of services	Financial expenses for write-off	TOTAL expenses
Simfin d.o.o.	167,634		167,634
Alcad d.o.o.	8,798		8,798
Impol Brazil Ltda.		34,647	34,647
TOTAL	176,432	34,647	211,079

Table 181: Remuneration of management and supervisory body members in EUR

Name and surname of member of a management or supervisory body	Position	Fixed portion of remuneration	Variable	Participation in profit	Reimbursement of expenses	Options and other awards	Insurance premiums	Fees	Other additional payments	TOTAL remuneration
Jernej Čokl	President of the MB	36,000	48,205						18,000	102,205
Vlado Leskovar	MB member	30,000	44,664						18,000	92,664
Janko Žerjav	MB member	30,000	38,664						18,000	86,664
Milan Cerar	MB member	30,000	40,738							70,738
Bojan Gril	MB member	28,523	42,541							71,064
Edvard Slaček	Executive Director	136,759	73,436		2,195		494		893	213,778
Irena Šela	Executive Director	103,925	63,599		2,102		494		869	170,990
Total		**395,207**	**351,847**	**0**	**4,297**	**0**	**989**	**0**	**55,763**	**808,103**

The table shows remuneration for the calendar year 2015. The company has no receivables due from members of management bodies and employees on individual contracts.

Events after the Reporting Date

After the reporting date, there have been no events, which would have a significant influence on the presented financial statements of Impol 2000 d.d. for 2015.

SIGNATURE OF THE ANNUAL REPORT FOR 2015 AND ITS COMPONENT PARTS

The President and the members of the Management Board, and Executive Directors of the company Impol 2000 d.d. are informed of the content of component parts of the annual report of the company Impol 2000 d.d. and also with the total annual report of the Impol Group for 2015. We hereby agree with the report and hereby duly confirm with our signature.

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(President of MB)

Vladimir Leskovar
(Vice President of the MB)

Janko Žerjav
(Member of the MB)

Milan Cerar
(Member of the MB)

Bojan Gril
(Member of the MB)

Edvard Slaček
(Chief Executive Officer)

Irena Šela
(Executive Director of Finance)

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ANNUAL REPORT OF THE IMPOL GROUP AND OF IMPOL 2000 D.D.

Editorial, Design and Production: Kadring d.o.o.
Photography: Nino Verdnik
Slovenska Bistrica, April 2016


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