

**Optima Telekom d.d.**  
**Management Interim Report**  
**for the third quarter**  
**of 2012**  
**unconsolidated**

Main features	3
Business indicators	4
Consolidated income	5
Telecommunications services income	5
Profit before interest, taxation and depreciation – EBITDA	6
Profit before taxation – EBT	6
LLU	7
Market potential	8
Infrastructural development	8
Significant events in the third quarter of 2012 and expectations for future development	10
Macroeconomic and market trends	10
Regulatory environment	11
Changes in the Company's Management Bodies	11
Statement of the Persons in Charge of Financial Statements	12
Financial Statements as of 30 September 2012	13

## **Main features**

---

The continuous growth of overall income continued during the third quarter of 2012, primarily through the increase of corporate income from public voice services, multimedia services and interconnection services.

## Pokazatelji poslovanja

Optima Telekom (hereinafter: Optima) concluded the third quarter with:

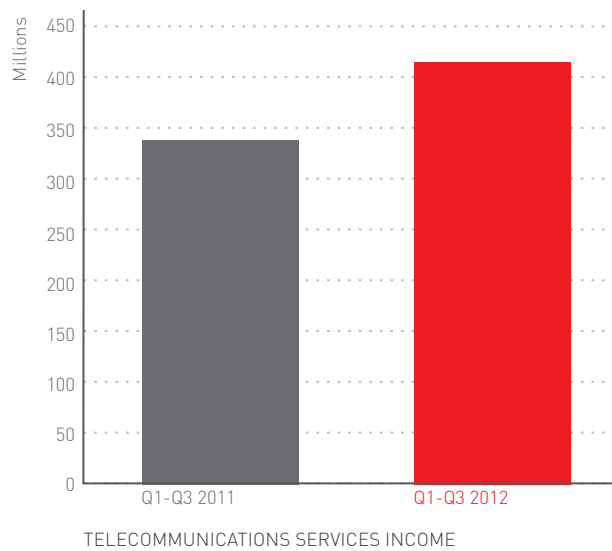
- an increase of overall consolidated income by HRK **80,0** million (**21,8%**), with a simultaneous increase of overall costs by HRK **61,4** million (**14,8%**) compared to the same period of the previous year
- an improvement in profit before taxation, interest and depreciation (EBITDA) by **5,3%** compared to the same period of the previous year, so that a positive EBITDA of HRK **60,2** million has been achieved in the third quarter of 2012
- a significant decrease of loss before taxation (EBT) by **39,4%**

	Q1 - Q3 2011	Q1 - Q3 2012	Q1 -Q3 2012 / Q1 - Q3 2011	Q3 2011	Q3 2012	Q3 2012/ Q3 2011
<b>Total income</b>	367.667	447.678	21,8%	129.022	157.430	22,0%
<b>EBITDA</b>	57.146	60.162	5,3%	19.199	15.241	[20,6%]
<b>EBT</b>	[47.279]	[28.659]	[39,4%]	[24.298]	[11.944]	[50,8%]
	30.09.2011	30.09.2012/ 30.09.2011	30.06.2012	30.09.2012/ 30.06.2011	30.09.2012	30.09.2012
<b>Total number of OT users</b>						
Number of voice channels	269.279	-9,5%	267.240	-8,8%	243.690	
Number of users in own LLU network	109.049	8,0%	116.785	0,8%	117.732	
Number of OptiDSL users in own LLU network	66.237	15,0%	74.734	1,9%	76.143	
Number of OptiTV users in own LLU network	14.050	49,8%	19.200	9,6%	21.050	
<b>Number of collocations installed</b>	260	6,2%	270	2,2%	276	
North	82	12,2%	92	0,0%	92	
West	45	2,2%	45	2,2%	46	
East	52	5,8%	52	5,8%	55	
South	81	2,5%	81	2,5%	83	

## Consolidated income

Overall consolidated income at the end of the third quarter of 2012 amounts to HRK **447,7** million, which indicates a **21,8%** increase compared to the results achieved in the same period of the previous year. What contributed most to the **21,8%** increase is the income from the public voice service, interconnection income, internet services and multimedia services income due to the increase in the number of the OptiTV service users.

## Telecommunications services income



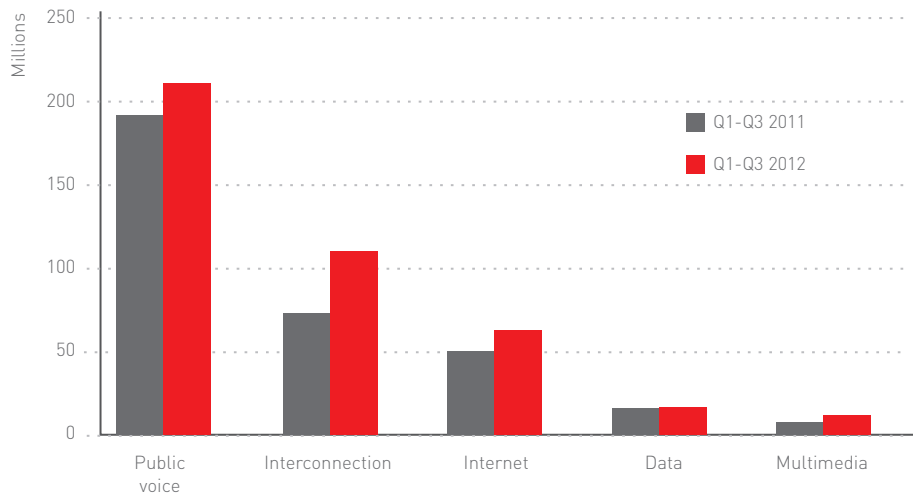
Optima concludes the third quarter of 2012 with telecommunications services income amounting to HRK **414,6** million. Compared to the same period of the previous year, the growth achieved amounts to **21,9%**. The achieved growth still represents continuity in 2012 compared to previous periods.

The public voice service income is higher by **10,4%**, internet and multimedia services income has increased by **24,5%** and **61,1%** respectively.

This data shows that the increase trend of public voice service income has slowed down slightly, while at the same time internet service income has shown a more remarkable growth. The displayed results indicate an ever larger focus on 2-play and 3-play services and sales activities focused on more profitable services within O2/O3 packages.

Wholesale services have recorded an increase, and the interconnection services income amounts to HRK **110,9** million and has recorded an exceptional growth of **50,4%** compared to the same period of the previous year.

Data services income has increased by **2,8%** compared to the third quarter of 2011 and amounts to HRK **16,3** million.



## Profit before interest, taxation and depreciation – EBITDA

EBITDA at the end of the third quarter of 2012 amounts to HRK **60,2** million and is increasing continuously, which represents a **5,3%** increase compared to the same period of the previous year.

The positive trend of EBITDA improvement is the result of orientation towards the sales of more profitable services, continuous management of operating costs and investments into own infrastructure.

## Profit before taxation – EBT

At the end of the third quarter of 2012, EBT amounts to HRK **-28,7** million, which is a better result by HRK **18,6** million or **39,4%** compared to the same period of the previous year.

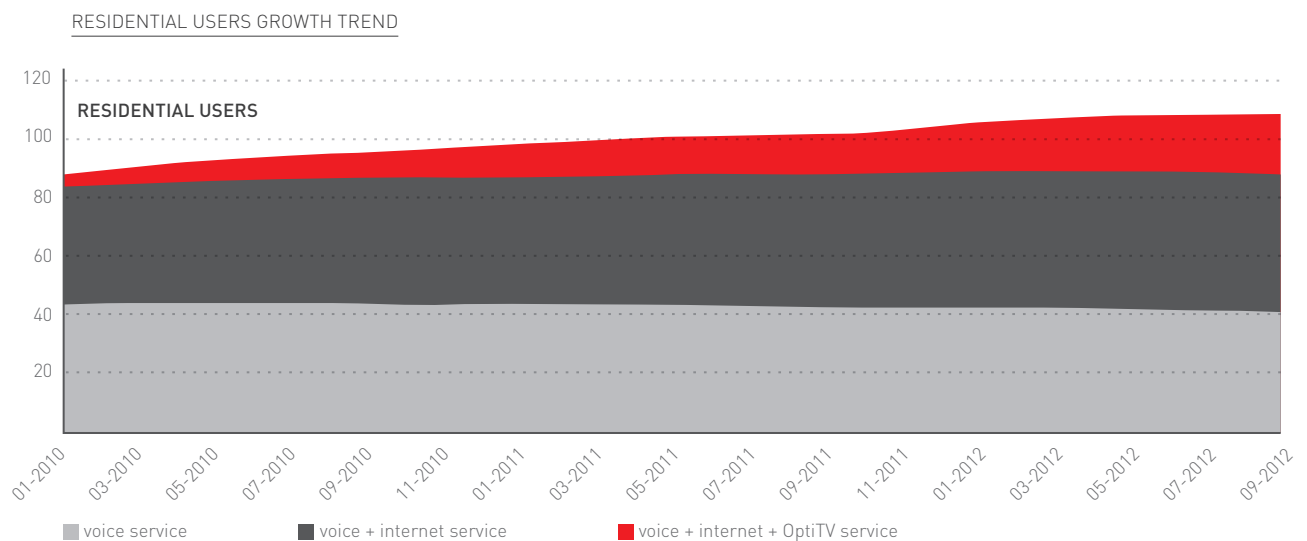
## LLU

At the end of the third quarter of 2012, **the number of LLU users in own network (LLU) has recorded an 8,0% increase** (from 109.049 to 117.732) compared to the same period of 2011.

The key indicators of the LLU process point to the continuation of positive trends in the following activities:

- Significant success has been achieved in the existing users segment, by upgrading through the use of new services (OptiDSL, OptiTV)
- The acquisition of entirely new users to own network is being intensified, and that change in the user base structure is also influencing the improvement of profitability

A significant growth has been recorded precisely in the segment of ADSL users in own network, from 66.237 at the end of the third quarter of 2011 to 76.143 in the same period of 2012, i.e. a significant **15,0%**.



## Market potential

According to publicly available data, Croatia has approximately 1,47 million active phone lines. Within this potential, at the end of the third quarter, Optima has a total of 243.690 voice channels in its network.<sup>1</sup>

In the third quarter of 2012, the number of potentially available connections in Optima went up to 671.130 connections, representing:

- an increase (from 669.538 to 671.130) in the number of available connections compared to the same period of the previous year.  
A slight increase in the number of available connections, despite the increased number of collocations, is a result of reconstruction of own access carrier network, causing the decrease in the length of the local area fiber in order to improve service quality. By opening new UPSs, the access carrier has been decreasing the number of fibers within reach on the existing UPSs.
- over **45,7%** of available connections, which is slightly above the benchmark\* for the share of alternative carriers in developed markets.

## Infrastructural development

In line with the plan for development of own infrastructure for 2012, in the third quarter of 2012 new collocations have been erected in Požega: Sajmište, Babin Vir and Vidovci, preliminary activities have been performed for the erection of new collocations in Nedelišće, Novi Marof, Sračinec, Strahoninec, Zelina, Komin, Medulin, Švarča, Šibenik (Crnica), Vukovar (Zagrebački blok), Vinkovci (Supoderica), Slavonski Brod (Brodsko Vinogorje), and there are plans for the erection of new collocations at locations where the local loop length is being decreased, thus improving the quality of broadband

<sup>1</sup> Indicators published by HAKOM; Voice channel is the basic unit of voice or data transmission. Number of voice channels determines how many conversations can take place simultaneously on one telephone connection. Telephone connection is defined as physical connection of the user to the telecommunications network. A telephone connection may have one or more voice channels.

<sup>2</sup> Benchmark- continuing, systematic process of evaluation of products, services or business operations of an organization, recognized as the best praxis with the purpose of realizing organizational improvements.



internet access in Dubrovnik, Šibenik, Rijeka, Samobor, Zadar and Zagreb. Apart from the collocation installation using the ADSL2+ technology, pilot project realization activities have been initiated during this period, with a view to implement VDSL technology in Osijek and the island of Čiovo. Equipment in Osijek has been moved to a new system room, creating the preconditions to offer additional services, such as the “disaster discovery site” and the like.

The overall number of active collocations at the end of the third quarter of 2012 is **276**.

Along with the erection of new collocations, infrastructural development necessarily requires the construction of own optical network. During the third quarter of 2012, construction of optical network, apart from the regular construction of optical feeds to end users, also consisted in the construction of a city optical route in Osijek city center and Zagreb city MAN, shorter optical routes in Našice and Daruvar with a view to interconnect with HEP and construct the city segment of the Northern route in Zagreb between OT VMD and Dubrava nodes. The overall length of constructed optical feeds and routes is at the same level as that of the same period of the previous year.

In numbers, we have **31** km of new optical network, i.e. **59** new feeds and **5** new optical routes. Comparing overall lengths, this is a growth of optical network compared to the construction level established at the end of the first half of 2012 of **1,2%** (**2.546** km compared to **2.515** km achieved by the end of the first half of 2012).

The largest quantity of feeds and routes has been realized in region North (19,9 km), followed by region South (5,2 km), region West (3,4 km) and region East (2,5 km).

During the final quarter of 2012, we are anticipating the completion of the intercity optical route Zagreb – Varaždin – Koprivnica, along with the normally planned feed installation for corporate users.

## Significant events in the third quarter of 2012 and expectations for future development

### MACROECONOMIC AND MARKET TRENDS<sup>3</sup>

Even though the value of the Croatian Kuna at the end of September did not differ significantly from its value at the beginning of September, the greater part of the month has been characterized by a more remarkable strengthening of the currency compared to the previous part of the year. Accordingly, this year's highest HRK value compared to the EURO (one Euro was worth HRK 7,39) has been recorded in the second half of the month.

The domestic demand decline trend at the annual level, present also in the previous three quarters, continued in the second quarter of the year as well. Personal consumption was still under the influence of factors characteristic for the whole crisis period: employment decrease, slight decrease in actual net salaries and the decrease of retail loan placements which were the most significant growth factor in the pre-crisis period. Such trends lead to an actual GDP decrease of 2,2% compared to the same quarter of the previous year.

In August, the atypical seasonal increase of the registered unemployment rate continued, so that the 17,5% rate in July increased to 17,7%. At the same time, there are 301.583 unemployed persons registered, which is a 5,7% growth at annual level. The continuation of negative economic trends, and consequently labor market trends, has influenced the increase of the average unemployment rate for the first eight months, which amounted to 18,7% or 0,8 percentiles more compared to the same period of 2011.

The summer brought the softening of the thus far severely negative growth trend of outstanding receivables towards business entities. However, after two months of slight decline in June and July, in August there was a mild increase (by HRK 213,7 million or 0,5%). Thereby, the amount of outstanding receivables exceeded the level of HRK 44 billion once again (HRK 44,1 billion), but stayed below the record level in May (HRK 44,6 billion).

<sup>3</sup> Data source: State Bureau of Statistics (DZS), Croatian Chamber of Economy (HGK)

## REGULATORY ENVIRONMENT

---

In this reporting period, the Croatian Post and Electronic Communications Agency (hereinafter: HAKOM) initiated the second round of analyses in five relevant wholesale markets by rendering decisions on determining relevant markets subject to pre-regulation. By re-conducting the market analysis process, HAKOM will establish whether and to what extent the conditions in a particular market have changed, with a view to evaluate the efficiency of competition, which could influence the Company's business in the upcoming periods.

In the subsequent period, further activities by the regulatory body are anticipated with a view to change standard offers for wholesale services, aiming at simplifying the process of service activation for end users.

## Changes in the Company's Management Bodies

---

There were no changes in the Company's management bodies.

## Statement of the Persons in Charge of Financial Statements

In accordance with Article 410 of the Capital Market Act, and in light of the HANFA opinion of 21.10.2010. pertaining to the publication of reports concerning the issuers included in the regulated market, the members of the Management Board, Mr. Matija Martić as Chairman of the Management Board, Mr. Goran Jovičić, as Member of the Management Board and Ms. Jadranka Suručić, as Member of the Management Board, jointly declare that, to the best of their knowledge, financial statements for the reporting period have been prepared in accordance with applicable standards of financial reporting and that they contain overall and true presentation of assets and liabilities, losses and profits, financial status and operation of the companies included in consolidation. The financial report contains a true presentation of development, results and position of Optima Telekom and its subsidiaries, as well as a description of the most significant risks and uncertainties which the group is exposed to.

(signatures of Management Board members)



Matija Martić      Goran Jovičić      Jadranka Suručić

OT-**Optima Telekom d.d.**  
**ZAGREB**

The Management Board would like to emphasize that the above report contains certain statements on future events relative to the financial status, electronic communications market trends, results of activities the company and the group are currently undertaking with the purpose of improving their position on the market. The said statements are based on the best of knowledge and expectations at present, but cannot represent any guarantee of their realization.

Additional information and significant changes have been made available by the company at its website: [www.optima.hr/investitori.hr](http://www.optima.hr/investitori.hr)

**Optima Telekom d.d.**

**Financial Statements  
as of 30 September 2012**

**Enclosure 1**

Reporting period:

1 Jan 2012

to

30 Sep 2012

**Quarterly Financial Report-TFI-POD**

Tax Number (MB): 0820431

Registration Number (MBS): 040035070

Personal Identification  
Number (OIB): 36004425025

Issuer: OT-OPTIMA TELEKOM d.d.

Postal Code and Location: 10010

BUZIN

Street and number: BANI 75A

e-mail address: [info@optima.hr](mailto:info@optima.hr)Internet address: [www.optima.hr](http://www.optima.hr)

and name for municipality/city 133

Code and name for county 21

Number of employees 186

(at the year's end)

Consolidated Report NO

Business activity code: 6110

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Book-keeping firm

Contact person Svetlana Kundović

(unosi se samo prezime i ime osobe za kontakt)

Telephone 01/5492 027

Telefaks: 01/5492 019


e-mail address: [svetlana.kundovic@optima-telekom.hr](mailto:svetlana.kundovic@optima-telekom.hr)

Surname and name MATIJA MARTIĆ, JADRANKA SURUČIĆ

(osoba ovlaštene za zastupanje)

**Documents for publication**

1. Financial Statements (balance sheet, profit and loss account, cash flow statement, change in capital statement and notes)
2. Management report
3. Statements for persons responsible for composing financial statements

Optima Telekom d.d.  
ZAGREB
  
 (signature of authorized person)

**PROFIT AND LOSS ACCOUNT**  
for the period from 01 Jan 2012 to 30 Sep 2012

Issuer: OT - Optima Telekom d.d.

Item	EDP	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112+113)</b>	<b>111</b>	350.959.950	124.179.546	425.445.870	148.291.145
1. Sales income	112	346.057.792	122.251.193	420.426.366	146.837.225
2. Other operating income	113	4.902.158	1.928.353	5.019.504	1.453.920
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	340.012.845	120.390.069	410.132.825	147.299.722
1. Changes in the value of inventories of ongoing production and finished goods	115	0	0	0	0
2. MATERIAL COSTS (117 do 119)	116	256.953.501	93.237.577	331.022.279	120.447.381
a) Costs of raw material and supplies	117	1.334.629	463.675	1.439.925	391.633
b) Costs of goods sold	118	3.540.070	1.241.460	2.757.417	0
c) Other external costs	119	252.078.802	91.532.441	326.824.937	120.055.748
3. Staff costs (121 do 123)	120	27.457.669	9.238.696	26.606.748	8.825.872
a) Net salaries and wages	121	14.812.577	4.972.283	14.291.535	4.782.367
b) Expenses of taxes and contributions from salaries	122	8.644.312	2.916.810	8.627.218	2.878.902
c) Contributions to salaries	123	4.000.780	1.349.603	3.687.995	1.164.603
4. Amortization	124	40.968.769	14.186.137	40.835.129	13.859.130
5. Other costs	125	7.244.969	2.402.497	7.691.566	2.340.943
6. Value adjustment (127+128)	126	7.387.937	1.325.163	3.977.103	1.826.396
a) fixed assets (apart from financial assets)	127	0	0	0	0
b) current assets (apart from financial assets)	128	7.387.937	1.325.163	3.977.103	1.826.396
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	0	0	0	0
<b>III. FINANCIAL INCOME (132 through 136)</b>	<b>131</b>	6.174.298	1.629.420	9.954.412	5.829.037
1. Interests income, foreign exchange gains, dividends and other income related to affiliated undertakings	132	814.480	252.346	226.029	74.127
2. Interests income, foreign exchange gains, dividends and other income related to unaffiliated undertakings and other persons	133	5.359.818	1.377.075	9.728.383	5.754.910
3. Income from affiliated undertakings and participating interests	134	0	0	0	0
4. Unrealized income of the financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	0
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	67.594.827	30.184.831	56.450.860	18.803.505
1. Interest, foreign exchange differences and other expenses related to affiliated undertakings	138	0	0	0	0
2. Interest, foreign exchange differences and other expenses related to unaffiliated undertakings and other persons	139	67.594.827	30.184.831	56.450.860	18.803.505
3. Unrealized losses (expenses) of the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	0	0
<b>V. SHARE IN PROFIT OF AFFILIATED UNDERTAKINGS</b>	<b>142</b>	0	0	0	0
<b>VI. SHARE IN LOSS OF AFFILIATED UNDERTAKINGS</b>	<b>143</b>	0	0	0	0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	0	0	0	0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	0	0	0	0
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	357.134.248	125.808.966	435.400.282	154.120.182
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	407.607.672	150.574.900	466.583.685	166.103.227
<b>XI. PROFIT / LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	-50.473.424	-24.765.933	-31.183.403	-11.983.045
1. Profit before taxation (146-147)	149	0	0	0	0
2. Loss before taxation (147-146)	150	50.473.424	24.765.933	31.183.403	11.983.045
<b>XII. PROFIT TAX</b>	<b>151</b>	0	0	0	0
<b>XIII. PROFIT / LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-50.473.424	-24.765.933	-31.183.403	-11.983.045
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	50.473.424	24.765.933	31.183.403	11.983.045
<b>ANEX TO P&amp;L (to be filled in by entrepreneur submitting consolidated financial report)</b>					
<b>XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD</b>					
1. Assigned to the holders of parent company's capital	155	0	0	0	0
2. Assigned to minority interest	156	0	0	0	0
<b>OTHER COMPREHENSIVE INCOME STATEMENT (popunjiva poduzetnik obveznik primjene MSFI-a)</b>					
<b>I. PROFIT / LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	-50.473.424	-24.765.933	-31.183.403	-11.983.045
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	0	0	0	0
1. Exchange differences on translating foreign operations	159	0	0	0	0
2. Changes in revaluation reserves of fixed and intangible assets	160	0	0	0	0
3. Profit or loss from revaluation of financial assets available for sale	161	0	0	0	0
4. Profit or loss on effective cash flow protection	162	0	0	0	0
5. profit or loss on effective hedge of a net foreign investment	163	0	0	0	0
6. Share of other comprehensive income / loss of associated companies	164	0	0	0	0
7. Actuarial income / loss on defined benefit plans	165	0	0	0	0
<b>III. COMPREHENSIVE INCOME TAX</b>	<b>166</b>	0	0	0	0
<b>IV. OTHER COMPREHENSIVE INCOME / LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	0	0	0	0
<b>V. COMPREHENSIVE INCOME / LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	-50.473.424	-24.765.933	-31.183.403	-11.983.045
<b>ANEX to other comprehensive income statement (to be filled in by entrepreneur submitting consolidated financial report)</b>					
<b>VI. COMPREHENSIVE INCOME / LOSS FOR THE PERIOD</b>					
1. Assigned to the holders of parent company's capital	169	0	0	0	0
2. Assigned to minority interest	170	0	0	0	0

**BALANCE SHEET**  
as at 30 Sep 2012

Issuer: OT - Optima Telekom d.d.			
Item	EDP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (003+010+020+029+033)</b>	<b>002</b>	452.183.931	456.060.798
I. INTANGIBLE ASSETS (004 through 009)	<b>003</b>	24.736.656	21.656.467
1. Development expenses	<b>004</b>	0	0
2. Concessions, patents, licences, goods and services trademarks, software and other rights	<b>005</b>	24.736.656	21.656.467
3. Goodwill	<b>006</b>	0	0
4. Advances for procurement of intangible assets	<b>007</b>	0	0
5. Intangible assets in preparation	<b>008</b>	0	0
6. Other intangible assets	<b>009</b>	0	0
II. TANGIBLE ASSETS (011 through 019)	<b>010</b>	361.923.839	366.492.213
1. Land	<b>011</b>	23.269	23.269
2. Building objects	<b>012</b>	14.210.300	15.140.650
3. Facilities and equipment	<b>013</b>	341.638.072	342.145.066
4. Tools, production inventory and transport assets	<b>014</b>	314.030	903.297
5. Biological assets	<b>015</b>	0	0
6. Advances for tangible assets	<b>016</b>	0	0
7. Tangible assets in preparation	<b>017</b>	5.228.626	7.643.209
8. Other tangible assets	<b>018</b>	46.822	46.822
9. Real estate investments	<b>019</b>	462.720	589.900
III. FIXED FINANCIAL ASSETS (021 through 028)	<b>020</b>	65.523.436	67.912.118
1. Shares (stock) in affiliated entrepreneurs	<b>021</b>	19.302.266	19.301.559
2. Loans granted to affiliated entrepreneurs	<b>022</b>	6.330.230	5.603.021
3. Participating interests (shares)	<b>023</b>	0	35.000
4. Loans given to entrepreneurs with participating interests	<b>024</b>	0	0
5. Securities investments	<b>025</b>	0	0
6. Granted loans, deposits and such	<b>026</b>	39.890.940	42.972.538
7. Own stocks and shares	<b>027</b>	0	0
8. Other fixed financial assets	<b>028</b>	0	0
IV. RECEIVABLES (030 through 032)	<b>029</b>	0	0
1. Receivables from affiliated entrepreneurs	<b>030</b>	0	0
2. Receivables pertaining to sale on credit	<b>031</b>	0	0
3. Other receivables	<b>032</b>	0	0
V. DEFERRED TAX ASSETS	<b>033</b>	0	0
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	88.310.309	107.069.675
I. INVENTORY (036 do 042)	<b>035</b>	2.585.871	2.851.637
1. Raw material and supplies	<b>036</b>	0	0
2. Ongoing production	<b>037</b>	0	0
3. Finished products	<b>038</b>	0	0
4. Trading goods	<b>039</b>	2.585.871	2.851.637
5. Inventory advances	<b>040</b>	0	0
6. Assets intended for sale	<b>041</b>	0	0
7. Biological assets	<b>042</b>	0	0
II. RECEIVABLES (044 do 049)	<b>043</b>	83.691.051	102.316.325
1. Receivables from affiliated entrepreneurs	<b>044</b>	495.394	430.301
2. Receivables from buyers	<b>045</b>	81.604.914	99.917.410
3. Receivables from participating entrepreneurs	<b>046</b>	0	0
4. Receivables from employees and members of the entrepreneur	<b>047</b>	40.385	40.572
5. Receivables from the state and other institution	<b>048</b>	157.670	456.628
6. Other receivables	<b>049</b>	1.392.688	1.471.414
III. CURRENT FINANCIAL ASSETS (051 through 057)	<b>050</b>	660.961	608.999
1. Shares (stock) in affiliated entrepreneurs	<b>051</b>	0	0
2. Loans granted to affiliated entrepreneurs	<b>052</b>	0	0
3. Participating interests (shares)	<b>053</b>	0	0
4. Loans given to entrepreneurs with participating interests	<b>054</b>	0	0
5. Securities investments	<b>055</b>	0	0
6. Granted loans, deposits and such	<b>056</b>	660.961	608.999
7. Other financial assets	<b>057</b>	0	0
IV. CASH IN BANK AND REGISTER	<b>058</b>	1.372.426	1.292.714
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	61.048.364	56.640.988
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	601.542.604	619.771.461
<b>F) OFF-BALANCE RECORDS</b>	<b>061</b>	1.107.721.790	1.045.770.299



<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	-466.206.821	-497.390.225
I. BASE (registered) capital	<b>063</b>	28.200.700	28.200.700
II. CAPITA RESERVES	<b>064</b>	194.354.000	194.354.000
III. PROFIT RESERVES (066+067-068+069+070)	<b>065</b>	0	0
1. Legal reserves	<b>066</b>	0	0
2. Own stock reserves	<b>067</b>	0	0
3. Own stocks and shares (deductable item)	<b>068</b>	0	0
4. Statutory reserves	<b>069</b>	0	0
5. Other reserves	<b>070</b>	0	0
IV. REVALORIZATION RESERVES	<b>071</b>	0	0
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	<b>072</b>	-619.250.046	-688.761.522
1. Retained earnings	<b>073</b>	0	0
2. Loss carried forward	<b>074</b>	619.250.046	688.761.522
VI. PROFIT OR LOSS OF THE YEAR (076-077)	<b>075</b>	-69.511.475	-31.183.403
1. Profit of the year	<b>076</b>	0	0
2. Loss of the year	<b>077</b>	69.511.475	31.183.403
VII. MINORITY INTEREST	<b>078</b>	0	0
<b>B) PROVISIONS (080 through 082)</b>	<b>079</b>	2.098.917	2.098.917
1. Provisions for pensions, severance payments and similar obligations	<b>080</b>	2.098.917	2.098.917
2. Provisions for tax liabilities	<b>081</b>	0	0
3. Other provisions	<b>082</b>	0	0
<b>C) FIXED LIABILITIES (084 through 092)</b>	<b>083</b>	566.501.410	539.184.237
1. Liabilities towards affiliated entrepreneurs	<b>084</b>	0	0
2. Liabilities for loans, deposits and similar	<b>085</b>	37.409.703	28.147.823
3. Liabilities towards banks and other financial institutions	<b>086</b>	529.091.707	511.036.414
4. Liabilities for advances	<b>087</b>	0	0
5. Liabilities towards suppliers	<b>088</b>	0	0
6. Liabilities as per securities	<b>089</b>	0	0
7. Liabilities towards entrepreneur with participating interests	<b>090</b>	0	0
8. Other fixed liabilities	<b>091</b>	0	0
9. Deferred tax liabilities	<b>092</b>	0	0
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	452.820.649	514.767.468
1. Liabilities towards affiliated entrepreneurs	<b>094</b>	2.966.647	10.646.260
2. Liabilities for loans, deposits and similar	<b>095</b>	67.589.816	2.578.432
3. Liabilities towards banks and other financial institutions	<b>096</b>	7.631.541	17.818.970
4. Liabilities for advances	<b>097</b>	8.130.081	8.130.081
5. Liabilities towards suppliers	<b>098</b>	91.534.566	207.322.792
6. Liabilities as per securities	<b>099</b>	267.952.500	263.345.313
7. Liabilities towards entrepreneur with participating interests	<b>100</b>	0	0
8. Liabilities towards employees	<b>101</b>	1.709.888	1.679.689
9. Liabilities for taxes, contributions and similar levies	<b>102</b>	5.218.490	3.202.333
10. Liabilities as per share in results	<b>103</b>	0	0
11. Liabilities as per longterm assets intended for sale	<b>104</b>	0	0
12. Other current liabilities	<b>105</b>	87.120	43.598
<b>E) DEFERRED SETTLEMENT OF CHARGES AND INCOME OF FUTURE PERIOD</b>	<b>106</b>	46.328.449	61.111.064
<b>F) TOTAL – LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	601.542.604	619.771.461
<b>G) OFF – BALANCE RECORDS</b>	<b>108</b>	1.107.721.790	1.045.770.299
<b>ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Assigned to the holders of parent company's capital	<b>109</b>	0	0
2. Assigned to minority interest	<b>110</b>	0	0

Note 1.: anex to the balance sheet to be filled in by entrepreneur submitting consolidated financial report

**CASH FLOW STATEMENT - Indirect method**  
in the period from 01 Jan 2012 to 30 Sep 2012

Issuer: OT - Optima Telekom d.d.			
Item	EDP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	001	-50.473.424	-31.183.403
2. Depreciation	002	40.968.769	40.835.129
3. Increase of short-term liabilities	003	30.427.224	116.770.776
4. Decrease of short-term receivables	004	0	
5. Decrease of inventories	005	0	
6. Other increase of cash flow	006	20.231.984	19.241.953
<b>I. Total increase of cash flow from operating activities (001 through 006)</b>	<b>007</b>	41.154.553	145.664.455
1. Decrease of short-term liabilities	008	0	0
2. Increase of short-term receivables	009	6.396.339	18.625.274
3. Increase of inventories	010	240.633	265.766
4. Other decrease of cash flow	011	16.160.265	2.388.685
<b>II. Total decrease of cash flow from operating activities (008 through 011)</b>	<b>012</b>	22.797.237	21.279.725
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	18.357.316	124.384.730
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	0	0
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Cash receipt from sale of tangible and intangible assets	015	0	0
2. Cash receipt from sale of ownership and debt instruments	016	0	0
3. Cash receipt from interest rates	017	0	0
4. Cash receipt from dividends	018	0	0
5. Other cash receipts from investment activities	019	0	0
<b>III. Total cash receipts from investment activities (015 through 019)</b>	<b>020</b>	0	0
1. Cash expenditure for buying tangible and intangible fixed assets	021	23.740.129	42.323.314
2. Cash expenditure for acquiring ownership and debt financial instruments	022	0	0
3. Other expenditures from investment activities	023	0	0
<b>IV. Total cash expenditures from investment activities (021 through 023)</b>	<b>024</b>	23.740.129	42.323.314
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	0	0
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	23.740.129	42.323.314
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash receipt from issuing of ownership and debt financial instruments	027	0	0
2. Cash receipt from loan principal, debentures, loans and other borrowing	028	10.993.624	
3. Other receipt from financial activities	029	0	0
<b>V. Total cash receipt from financial activities (027 through 029)</b>	<b>030</b>	10.993.624	0
1. Cash expenditure for the payment of loan principal and bonds	031	5.513.463	82.141.128
2. Cash expenditure for the payment of dividend	032	0	0
3. Cash expenditure for financial lease	033	0	0
4. Cash expenditure for own shares buy-off	034	0	0
5. Other expenditures from financial activities	035	0	0
<b>VI. Total cash expenditure from financial activities (031 through 035)</b>	<b>036</b>	5.513.463	82.141.128
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	5.480.161	0
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	0	82.141.128
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	97.348	0
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>	0	79.712
Cash and cash equivalents at the beginning of the period	<b>041</b>	1.148.042	1.372.426
Increase of cash and cash equivalents	<b>042</b>	97.348	0
Decrease of cash and cash equivalents	<b>043</b>	0	79.712
Cash and cash equivalents at the end of the period	<b>044</b>	1.245.390	1.292.714

## CHANGE IN CAPITAL STATEMENT

for the period from **1.1.2012** to **30.9.2012**

Item	EDP	Previous period	Current period
1	2	3	4
1. Subscribed capital	<b>001</b>	28.200.700	28.200.700
2. Capital reserves	<b>002</b>	194.354.000	194.354.000
3. Profit reserves	<b>003</b>	0	0
4. Retained profit or loss carried forward	<b>004</b>	-619.250.046	-688.761.522
5. Profit or loss of the current year	<b>005</b>	-50.473.424	-31.183.403
6. Revaluation of fixed tangible assets	<b>006</b>	0	0
7. Revaluation of intangible assets	<b>007</b>	0	0
8. Revaluation of financial property available for sale	<b>008</b>	0	0
9. Other revaluation	<b>009</b>	0	0
<b>10. Total capital and reserves (EDP 001 through 009)</b>	<b>010</b>	-447.168.770	-497.390.225
11. Foreign exchange differences from net investments in foreign operations	<b>011</b>	0	0
12. Current and deferred taxes (part)	<b>012</b>	0	0
13. Cash flow protection	<b>013</b>	0	0
14. Changes in accounting policies	<b>014</b>	0	0
15. Correction of significant mistakes from the previous period	<b>015</b>	0	0
16. Other equity changes	<b>016</b>	0	0
<b>17. Total increase or decrease of capital (EDP 011 through 016)</b>	<b>017</b>	0	0
17 a. Assigned to holders of parent company's capital	<b>018</b>	0	0
17 b. Assigned to minority interest	<b>019</b>	0	0

Items that reduce capital entered with a negative sign

Data under EDP codes 001-009 to be input balance sheet as at date

# Notes to the Financial Statements

According to HANFA's instructions items in balance sheet in the positions of the previous period are as at 31 December 2011

## 1. GENERAL INFORMATION

### History and incorporation

The company Optima Telekom d.d. (hereinafter: the Company) was established in 1994 as Syskey d.o.o., while its principal operating activity and company name was changed to Optima Telekom d.o.o. on 22 April 2004.

The Company changed its legal status from a limited liability company to a joint stock company in July 2007. The Council of the Croatian Telecommunications Agency issued a licence for public voice service in fixed networks for the company on 19 November 2004, for a period of 30 years.

### Principal Business Activities

The Company's principal business activity is the provision of telecommunications services to private and business users in the Croatian market. The Company began to provide its telecommunications services in May of 2005.

In its beginnings, Optima Telekom d.d. focused on business users, but soon after starting business operations, it began to aim for the private users market offering quality voice packages.

To its business users, Optima Telekom d.d. offers services of direct access, internet services, as well as voice telecommunication services through its own network and/or migrated previously chosen services. Along with that, the leading services which Optima Telekom d.d. provides to business users is the IP Centrex solution, among the first of this kind in the Croatian market and IP VPN Services. The existing capacities enable Optima Telekomu d.d. to provide services of collocation and hosting. To its large business clients, the Company also offers specifically designed solutions relying on its exceptional skills in the field of IT technology.

### Staff

On 30 Sep 2012 the Company employed 186 employees.

## MANAGEMENT AND SUPERVISORY BOARD

### Management Board of the Company in 2012:

Matija Martić	Chairman of the Company
Goran Jovičić	Member
Jadranka Suručić	Member

### Supervisory Board of the Company:

Nada Martić	Chairman
Ivan Martić	Member and Deputy Chairman
Zrinka Vuković Berić	Member
Duško Grabovac	Member

## REVIEW OF BASIC ACCOUNTING POLICIES

### Basis of Preparation

The Financial Statements of the Company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Financial Statements have been prepared under the historical cost convention, except for the valuation of certain financial instruments.

### Reporting Currency

The Financial Statements of the Group are presented in Croatian kunas (HRK). The applicable exchange rate of the Croatian currency on 30 Sep 2012 was HRK 7,449746 for EUR 1 and HRK 5,757145 for USD 1.

## 112. SALES INCOME

	30 Sep 2012	30 Sep 2011
Public voice services	212.651.208	192.601.601
Interconnection services	110.902.832	73.716.328
Internet services	62.847.313	50.497.519
Data services	16.283.321	15.844.051
Multimedia services	11.960.022	7.425.093
Lease and sale of equipment	2.612.744	2.153.298
Other services	3.168.926	3.819.902
	<u>420.426.366</u>	<u>346.057.792</u>

**113. OTHER OPERATING INCOME**

	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Write off old trade payables and additional discounts	2.532.774	2.727.718
Income from rent - billing system	1.088.481	1.336.690
Income from in kind payments	287.378	293.767
Other income	1.110.871	543.983
	<b><u>5.019.504</u></b>	<b><u>4.902.158</u></b>

**119. MATERIAL COSTS**

	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Costs of maintenance	13.102.318	10.408.740
Marketing services	4.431.973	4.964.780
Billing costs	5.711.350	5.307.732
Line lease costs	32.156.941	33.310.523
Intellectual and other services	1.417.026	2.227.915
Utilities	6.621.050	6.705.161
Customer attraction costs	17.260.656	17.017.356
Pair connection fees	45.870.582	44.832.012
Telecommunications costs	184.977.234	114.240.006
Residential sales services	13.886.650	11.932.050
Other costs	1.389.157	1.132.527
	<b><u>326.824.937</u></b>	<b><u>252.078.802</u></b>

**120. STAFF EXPENSES**

	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Net salaries	14.291.535	14.812.577
Taxes and contributions from salaries	8.627.218	8.644.312
Taxes and contributions on salaries	3.687.995	4.000.780
	<b><u>26.606.748</u></b>	<b><u>27.457.669</u></b>

Number of employees on 30 Sep 2012	186	188
------------------------------------	-----	-----

**124. AMORTIZATION OF TANGIBLE AND INTANGIBLE ASSETS**

	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Amortization of intangible assets	4.536.728	7.307.115
Amortization of fixed tangible assets	36.298.401	33.661.654
	<b><u>40.835.129</u></b>	<b><u>40.968.769</u></b>

**125. OTHER OPERATING EXPENSES**

	<b>30 Sep 2012</b>	<b>30 Sep 2011</b>
Compensations to employees	1.010.377	1.061.599
Representation	1.026.430	589.034
Insurance premiums	845.433	1.205.426
Bank charges	2.105.485	2.454.709
Taxes, contributions and membership fees	674.815	744.432
Costs of sold and written off assets	96.887	6.937
Gifts and sponsorships	548.470	148.105
Other expenses	1.383.669	1.034.727
	<b><u>7.691.566</u></b>	<b><u>7.244.969</u></b>

Costs reimbursed to employees comprise of daily allowances, overnight accommodation and transport related to business travels, commutation allowance, reimbursement of costs for the use of personal cars for business purposes and similar.

**126. VALUE ADJUSTMENT**

Value adjustment is performed at the end of the reporting period if there is evidence that there are uncollectible trade receivables arising from significant financial difficulties on the clients' side, cancellation of contracts and forced execution, pending bankruptcy etc.

**131. FINANCIAL INCOME**

	30 Sep 2012	30 Sep 2011
Interest income from related companies	226.029	814.480
Interest income	4.253.156	4.218.760
Foreign exchange gains	5.475.227	1.141.058
	<b>9.954.412</b>	<b>6.174.298</b>

**137. FINANCIAL EXPENSES**

	30 Sep 2012	30 Sep 2011
Interest expenses	55.786.946	57.933.209
Fee	573.301	576.968
Foreign exchange losses	90.613	9.084.650
	<b>56.450.860</b>	<b>67.594.827</b>

Interest expenses consist of interests accrued on credits, bonds issued by the Company and default interest for untimely settlement of trade payables.

**003. INTANGIBLE ASSETS**

	CONCESSIONS AND RIGHTS	SOFTWARE	ASSETS IN PROGRESS	TOTAL
<b>PURCHASE VALUE</b>				
As at 01 Jan 2012	8.187.690	78.602.707	0	86.790.397
Additions			1.456.539	1.456.539
Transfer from assets in progress		1.456.539	-1.456.539	0
Disposals and retirements				0
As at 30 Sep 2012	8.187.690	80.059.246	0	88.246.936
<b>VALUE ADJUSTMENT</b>				
As at 01 Jan 2012	1.657.824	60.395.917	0	62.053.741
Amortization of the current year	204.488	4.332.240		4.536.728
Disposals and retirements				0
Amortization as at 30 Sep 2012	1.862.312	64.728.157	0	66.590.469
<b>NET ACCOUNTING VALUE</b>				
As at 30 Sep 2012	6.325.378	15.331.089	0	21.656.467

**010. FIXED ASSETS**

	LAND	BUILDINGS	PLANT, EQUIPMENT, TOOLS AND PRODUCTION INVENTORY	VEHICLES	WORK OF ARTS	ASSETS IN PROGRESS	LEASEHOLD IMPROVEMENTS	TOTAL
<b>PURCHASE VALUE</b>								
As at 01 Jan 2012	23.269	16.839.796	536.741.703	4.119.373	46.822	5.228.626	3.983.228	566.982.817
Additions		678.756	6.642.189	850.237		32.636.212	59.381	40.866.775
Transfer from assets in progress		573.830	29.419.672			-30.221.629	228.127	0
Disposals and retirements			-159.791	-47.243				-207.034
As at 30 Sep 2012	23.269	18.092.382	572.643.773	4.922.367	46.822	7.643.209	4.270.736	607.642.558
<b>VALUE ADJUSTMENT</b>								
As at 01 Jan 2012	0	2.629.496	195.103.630	3.805.343	0	0	3.520.508	205.058.977
Amortization of the current year		322.236	35.554.867	260.970			160.328	36.298.401
Disposals and retirements			-159.790	-47.243				-207.033
Amortization as at 30 Sep 2012	0	2.951.732	230.498.707	4.019.070	0	0	3.680.836	241.150.345
<b>NET ACCOUNTING VALUE</b>								
As at 30 Sep 2012	23.269	15.140.650	342.145.066	903.297	46.822	7.643.209	589.900	366.492.213

## 020. LONG-TERM FINANCIAL ASSETS

	<b>30 Sep 2012</b>
Loans to majority shareholder	5.173.785
Loans to third party companies	35.906.374
Long term deposits	3.448.545
	<b>44.528.704</b>
Value adjustment	<b>-1.556.166</b>
	<b>42.972.538</b>
Loans to related companies	5.603.021
<b>Loans and deposits</b>	<b>48.575.559</b>
Shares in related companies	19.301.559
Participating interests (shares)	35.000
	<b>67.912.118</b>

Loans to third party companies refer to the loans granted to company OSN INŽENJERING d.o.o. with interest rate of 11,5% and due dates 13 August 2014 (loan in the amount of HRK 3,26 million) and 30 April 2013 (loans in the amount of HRK 31,09 million)

Long term deposits comprise of two guarantee deposits with Zagrebačka banka d.d. for purchase and installation of telecommunications equipment and they come due on 16 February 2015 and 23 February 2015, respectively, as well as one deposit with BKS bank, coming due on 31 December 2013.

Participating interests are related to the shares in company Pevac d.d., acquired by uncollected receivables.

## SHARES IN RELATED COMPANIES

On 6 July 2006 OT-Optima Telekom d.d. acquired 100% of interest in Optima Grupa Holding d.o.o., which changed its name to Optima Direct d.o.o.

The main business activities of Optima Direct d.o.o. are trading and providing various services which mainly relate to telecommunications sector.

In August 2008, the Parent Company increased the share capital of Optima Direct d.o.o. by HRK 15.888 i.e. entering claims for loans and accrued

As a sole member-founder, the Company established Optima Telekom d.o.o. Kopar, Slovenia, in 2007.

As a sole member-founder, the Company established Optima telekom za upravljanje nekretnima i savjetovanje d.o.o., on 16 Aug 2011, with

Investments in affiliated companies as on 30 Sep 2012:

<b>Subsidiaries</b>	<b>Shareholding</b>
Optima Direct d.o.o., Croatia	100%
Optima Telekom d.o.o., Slovenia	100%
Optima telekom za upravljanje nekretnima i savjetovanje d.o.o.	100%

Transactions within the group are carried out at fair market terms and conditions.

## 043. RECEIVABLES

	<b>30 Sep 2012</b>
Trade receivables	100.347.711
Employee receivables	40.572
Receivables from the state and other institutions	456.628
Other receivables	1.471.414
	<b>102.316.325</b>

## 045. TRADE RECEIVABLES

	<b>30 Sep 2012</b>
Receivables from related companies	104.695.827
Domestic trade receivables	430.301
Foreign trade receivables	23.691.492
Interests receivables	2.381
	<b>128.820.001</b>
Value adjustment	<b>-28.472.290</b>
	<b>100.347.711</b>

Movement of value adjustment for doubtful receivables:

	<b>30 Sep 2012</b>
1 January 2012	26.465.854
Write off during the year	-315.911
Collected during the year	-1.654.755
Reserved during the year	3.977.102
<b>Closing balance</b>	<b>28.472.290</b>

Aging of trade receivables of the Company without interests receivables:

	<b>30 Sep 2012</b>
Undue	72.776.663
Up to 120 days	21.726.615
120-360 days	8.391.039
over 360 days	<u>25.923.303</u>
	<b><u>128.817.620</u></b>

#### **049. OTHER RECEIVABLES**

	<b>30 Sep 2012</b>
Interest receivables	396.304
Advance payments receivables	1.072.238
Other receivables	<u>2.872</u>
	<b><u>1.471.414</u></b>

#### **056. GRANTED LOANS AND DEPOSITS**

	<b>30 Sep 2012</b>
Loans	30.000
Deposits	<u>608.999</u>
	<b><u>638.999</u></b>
Value adjustment	<u>-30.000</u>
	<b><u>608.999</u></b>

#### **058. CASH IN BANK AND REGISTER**

	<b>30 Sep 2012</b>
Kuna accounts balance	825.525
Foreign currency accounts balance	447.966
Cash in register	<u>19.223</u>
	<b><u>1.292.714</u></b>

#### **059. PAID EXPENSES FOR FUTURE PERIOD AND UNDUE INCOME PAYMENT**

	<b>30 Sep 2012</b>
Differed customer related expenses	37.244.982
Bond issuing expenses	875.917
Prepaid expenses	<u>18.520.089</u>
	<b><u>56.640.988</u></b>

#### **063. SUBSCRIBED CAPITAL**

On 24 August 2007, the sole shareholder at that time Mr. Matija Martić paid up the amount of HRK 20 million in the Company's share capital. In this way, the share capital of the Company has been increased from HRK 201 thousand to HRK 20.201 thousand. The Company has undergone transformation from limited liability company to joint stock company. The total number of shares amounted to 2.020.070 of ordinary shares with nominal value of HRK 10 each. The sole shareholder remained Matija Martić.

In December 2007, the Company increased the share capital through initial public offering. The Company issued 800.000 shares with nominal value of HRK 10 each. In that way, the total number of shares has been increased to 2.820.070. By subscribing the new shares, the Company realized capital gain of HRK 194.354 thousand representing the difference between the nominal value and the price determined on the initial public offering.

At 30 Sep 2012, loss per share is as follows:

Net result - loss	31.183.403
Number of shares	2.820.070
Loss per share	<b>11,06</b>

In the same period last year, loss per share amounted to HRK 17,90

Price of shares realized on the stock exchange within the current quarter varied from HRK 14,02 (the lowest price) to HRK 20,00 (the highest price). Market capitalization in thousands of HRK on 30 Sep 2012 amounted to HRK 42.527 thousand.

In the period from January to September 2012 the Company did not buy-out the issued shares i.e. it does not hold treasury shares.



Structure of 10 major shareholders as on 30 Sep 2012:

Shareholders	u 000 HRK	%
MARTIĆ MATIJA	18.596	65,94
	<b>18.596</b>	<b>65,94</b>
ZAGREBAČKA BANKA D.D./ZBIRNI SKRBNIČKI RAČUN ZA UNICREDIT BANK AUSTRIA AG	1.605	5,69
ZAGREBAČKA BANKA D.D./ZBIRNI SKRBNIČKI RAČUN ZAGREBAČKA BANKA D.D./DF	1.385	4,91
RAIFFEISENBANK AUSTRIA D.D./R5	1.338	4,74
RAIFFEISENBANK AUSTRIA D.D./RBA	966	3,43
SOCIETE GENERALE-SPLITSKA BANKA D.D./ AZ OBVEZNI MIROVINSKI FOND (1/1)	766	2,72
ZAGREBAČKA BANKA D.D. (1/1)	428	1,52
ŽUVANIĆ ROLAND (1/1)	303	1,07
JOVIČIĆ GORAN (1/1)	202	0,72
HRVATSKA POŠTANSKA BANKA D.D./ZBIRNI RAČUN ZA KLIJENTE	144	0,51
	7.137	25,31
SMALL SHAREHOLDERS	2.469	8,75
	28.202	100,00

### 083. LONG-TERM LIABILITIES

30 Sep 2012

Loan based liabilities	28.147.823
Liabilities towards credit institutions	511.036.414
	<b>539.184.237</b>

### 093. SHORT-TERM LIABILITIES

30 Sep 2012

Loan based liabilities	2.578.432
Liabilities towards credit institutions	8.132.288
Interest liabilities	9.686.682
Liabilities for bonds issued	263.345.313
Liabilities toward related companies	10.646.260
Liabilities for advances received	8.130.081
Trade payables	207.322.792
Liabilities towards employees	1.679.689
Taxes, contributions and other levies	3.202.333
Other liabilities	43.598
	<b>514.767.468</b>

### 098. LIABILITES TOWARDS SUPPLIERS

30 Sep 2012

Domestic trade payables	196.360.363
Foreign trade payables	7.852.357
Invoice accrual	3.110.072
	<b>207.322.792</b>

### 099. BONDS ISSUED

On 5 February 2007, the Company issued bonds (OPTE-O-124A) with nominal value of HRK 250 million. The bonds have been issued on Zagreb Stock Exchange with interest rate of 9,125% and maturity date on 1 February 2014. The bonds have been issued with the price of 99,496%. The interest rate is paid on annual basis on 27 January 2012.

30 Sep 2012

Nominal value	250.000.000
Compensations for issuance of bonds	-1.826.562
Liabilities based on calvulated interest	15.171.875
	<b>263.345.313</b>

## 102. LIABILITIES FOR TAXES, CONTRIBUTIONS AND SIMILAR LEVIES

	30 Sep 2012
VAT Liabilities	1.381.622
Taxes and contributions on and from salaries	1.340.475
Other taxes and contributions	480.236
	<b>3.202.333</b>

## 106. DEFERRED PAYMENTS AND FUTURE INCOME

	30 Sep 2012
Domestic payables for which invoices have not been received	11.386.841
Foreign payables for which invoices have not been received	6.016.701
Accrued interests	26.605.285
Deferred income	13.750.000
Deferred Income due to uncertainty	3.352.237
	<b>61.111.064</b>

Accrued interest refer to undue interest for loans reprogrammed in Zagrebačka banka in December 2011, which are attributable to principal payment

## 3. FINANCIAL INSTRUMENTS

During the reporting period, the Company used most of its financial instruments to finance its operations. Financial instruments include loans, bills of exchange, cash and liquid assets and other various instruments, such as trade receivables and trade payables arising directly from ordinary business activities.

### Currency Risk Management

Currency risk may be defined as risk of fluctuation of value of financial instruments due to changes in the exchange rates. The Company's major exposure relates to long-term borrowings denominated in a foreign currency and converted to Croatian Kunas at the exchange rate applicable on the balance sheet date. Gains and losses resulting from conversion are credited and charged to the income statement, but do not affect the cash flow.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are given in the following table.

	Liabilities		Assets	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	in 000 HRK	in 000 HRK	in 000 HRK	in 000 HRK
EUR	596.305	581.547	33.675	-26.221
USD	2.145	3.143	2	0
CHF				
GPB				
	<b>598.450</b>	<b>584.690</b>	<b>33.677</b>	<b>-26.221</b>

### Foreign currency sensitivity analysis

The Company is mainly exposed to the fluctuations in the exchange rate of Croatian Kuna to Euro and US Dollar.

The following table details the Company's sensitivity to a 10% decrease of Croatian Kuna exchange rate in 2012 against the relevant foreign currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their conversion at the end of the period on the basis of percent change in foreign currency rates. The sensitivity analysis includes monetary assets and monetary liabilities in foreign currencies. A negative number below indicates decrease in profit and other equity where Croatian Kunas changes for above-mentioned percentage against the relevant currency. For a reverse proportional change of Croatian Kuna against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Liabilities		Assets	
	30 Sep 2012	30 Sep 2011	30 Sep 2012	30 Sep 2011
	in 000 HRK	in 000 HRK	in 000 HRK	in 000 HRK
EUR		58.155		-2.622
USD		314		0
CHF				
GPB				
	<b>0</b>	<b>58.469</b>	<b>0</b>	<b>-2.622</b>

Exposure to the currency exchange for 10% mainly relates to received loans, trade payables and receivables from affiliated companies indicated in Euros (EURO) and US Dollars (USD).

### Interest Rate Risk

Long-term liabilities arising from credits and loans with variable interest rates amount to HRK 343,08 million, and therefore, the Company's exposure to the interest rate risk is significant.

Other assets and liabilities, including bonds issued, are not exposed to interest rate risk.

### Credit Risk

Credit risk is the risk that the Company's customers will default on their contractual obligations causing possible financial loss to the Company. The Company has adopted procedures which are applied in dealing with customers and it requests and collects payment security instruments, where appropriate, in order to mitigate possible financial risks and losses resulting from a default in payment and fulfilment of contractual obligations.

Trade receivables are monitored continuously in order to determine their risk level and apply the appropriate procedures. Customers' credit ratings are also monitored on a continuous basis in order to establish the Company's credit exposure, which is reviewed at least once a year.

The Company operates with a large number of customers from various industries and of various sizes as well as with individuals who have a specific credit risk. The Company has developed procedures for each particular group of customers in order to ensure that the credit risk is addressed in the most appropriate way.

### Liquidity Risk Management

The ultimate responsibility for liquidity risk management rests with the Management Board which is in charge of setting up the appropriate framework for liquidity risk management, all with the purpose of satisfying short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and credit lines, by continuous comparison of planned and realized cash flows and by matching the maturity profiles of financial assets and liabilities.

#### Liquidity Risk and Interest Rate Risk Table Review

The following tables detail maturity of the Company's contractual liabilities indicated in the balance sheet at the end of the reporting period.

Tables have been created on the basis of undiscounted cash flows of financial liabilities on their due date. The tables include both interest and principal cash flows.

in 000 HRK

	Up to one year	From 1 to 5 years	Over 5 years	Total
<b>30 Sep 2012</b>				
Non-interest bearing liabilities	227.822			227.822
Interest bearing liabilities	93.827	727.138	1.962	822.927
	<b>321.649</b>	<b>727.138</b>	<b>1.962</b>	<b>1.050.749</b>
<b>30 Sep 2011</b>				
Non-interest bearing liabilities	169.641			169.641
Interest bearing liabilities	49.855	798.701	2.312	850.868
	<b>219.496</b>	<b>798.701</b>	<b>2.312</b>	<b>1.020.509</b>

The majority of non-interest bearing liabilities of the Company maturing within one year account for trade payables in the amount of HRK 207.323 thousand for the period from January to September 2012 (HRK 155.323 thousand for the same period last year).

Interest bearing liabilities include short-term and long-term borrowings, bonds issued and financial lease.

The following tables detail maturity of the Company's financial assets indicated in the balance sheet at the end of the reporting period.

Tables have been created on the basis of undiscounted cash flows of financial assets on their due date. The tables include both interest and principal cash flows.

in 000 HRK

	Up to one year	From 1 to 5 years	Over 5 years	Total
<b>30 Sep 2012</b>				
Non-interest bearing liabilities	103.152			103.152
Interest bearing liabilities	31.748	12.263	5.174	49.185
	<b>134.900</b>	<b>12.263</b>	<b>5.174</b>	<b>152.337</b>
<b>30 Sep 2011</b>				
Non-interest bearing liabilities	86.397			86.397
Interest bearing liabilities	2.478	38.687	12.989	54.154
	<b>88.875</b>	<b>38.687</b>	<b>12.989</b>	<b>140.551</b>

The balance of cash and cash equivalents is indicated under non-interest bearing financial assets due to the low interest rate on these assets.

Matija Martić

Jadranka Suručić

Optima Telekom d.d.  
ZAGREB

