



CONSOLIDATED ANNUAL REPORT

2011

AKTON GROUP

This is a translation of the original report in Slovene language

INDEPENDENT AUDITOR'S REPORT

To the owners of Akton d.o.o., Ljubljana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Akton Group, Ljubljana, which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated income statement, consolidated statement of 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Slovenian Accounting Standards and with the requirements of the Slovenian Companies Act related to the preparation of the financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 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 consolidated 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 the Akton Group, Ljubljana, as of December 31, 2011, and its financial performance and cash flows for the year then ended in accordance with Slovenian Accounting Standards and with the requirements of the Slovenian Companies Act related to the preparation of the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Management is also responsible for preparing the business report in accordance with the Slovenian Companies Act. Our responsibility is to assess whether the business report is consistent with the audited consolidated financial statements. Our work regarding the business report is performed in accordance with ISA 720, and restricted to assessing whether the business report is consistent with the consolidated financial statements and does not include reviewing other information originated from non-audited financial records.

The business report is consistent with the audited consolidated financial statements.

Ljubljana, March 2, 2012


Janez Uranič
Director
Ernst & Young d.o.o.
Dunajska 111, Ljubljana

 ERNST & YOUNG
*Revizija, poslovno
svetovanje d.o.o., Ljubljana*


Janez Hostnik
Certified Auditor

3 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

3.1 CONSOLIDATED BALANCE SHEET at 31 December 2011

		In EUR	
	Notes	31.12.2011	31.12.2010
ASSETS		18,361,063	18,221,900
A. LONG-TERM ASSETS		7,765,966	7,893,402
I. Intangible assets and long-term deferred costs	1	6,328,996	6,331,097
1. Concessions, trademarks and licences		50,326	52,427
2. Goodwill		6,278,670	6,278,670
II. Property, plant and equipment	2	1,255,288	1,297,976
1. Other plant and equipment		1,255,288	1,297,976
III. Investment property		0	0
IV. Long-term investments		2,739	0
1. Long-term investments, excluding loans		2,739	0
a) Other long-term investments		2,739	0
V. Long-term operating receivables		0	0
VI. Deferred tax assets	3	178,943	264,330
B. CURRENT ASSETS		10,499,090	10,231,808
I. Assets held for sale		0	0
II. Inventories		24,607	97,424
III. Short-term investments		0	0
IV. Short-term operating receivables	4	9,721,950	9,237,222
1. Short-term trade receivables		8,827,895	7,096,022
2. Short-term operating receivables due from others		894,056	2,141,200
V. Cash	5	752,532	897,161
C. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE		96,007	96,690

		In EUR	
	Notes	31.12.2011	31.12.2010
EQUITY AND LIABILITIES		18,361,063	18,221,900
A. EQUITY	6	4,802,599	4,566,781
I. Called-up capital		4,915,686	4,915,686
1. Share capital		4,915,686	4,915,686
II. Capital surplus		2,434,649	2,434,649
III. Revenue reserves		6,621	6,621
1. Legal reserves		6,621	6,621
IV. Revaluation surplus		0	0
V. Retained earnings		-2,798,015	-2,853,683
VI. Net profit for the year		243,658	63,508
VII. Minority shareholders' equity		0	0
B. PROVISIONS AND LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE		0	0
C. LONG-TERM LIABILITIES		2,733,733	2,844,065
I. Long-term financial liabilities		2,733,733	2,844,065
1. Long-term financial liabilities to banks	7	1,828,500	1,964,500
2. Other long-term financial liabilities	8	905,233	879,565
II. Long-term operating liabilities		0	0
III. Deferred tax liabilities		0	0
D. SHORT-TERM LIABILITIES		10,758,001	10,781,146
I. Liabilities of disposal groups		0	0
II. Short-term financial liabilities		1,373,518	873,541
1. Short-term financial liabilities to banks	9	1,373,518	873,541
III. Short-term operating liabilities	10	9,384,483	9,907,605
1. Short-term supplier payables		8,831,319	8,338,858
2. Short-term operating liabilities from advances		1,618	1,973
3. Other short-term operating liabilities		551,546	1,566,775
E. SHORT-TERM ACCRUED COSTS AND DEFERRED REVENUE		66,730	29,907

3.2 CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 December 2011

		In EUR	
	Notes	2011	2010
1. Net sales	12	70,864,454	60,424,926
1. Sales on the local market		2,468,320	3,056,716
2. Sales on foreign markets		68,396,134	57,368,209
2. Change in the inventories of products and work in progress		0	0
3. Capitalized own products and services		0	0
4. Other operating revenue (including revaluation revenue)		6,414	41,945
5. Costs of goods, materials and services	13	-68,225,148	58,573,912
a) Costs of goods and materials		-88,760	-65,185
b) Costs of services		-68,136,388	58,508,727
6. Labour cost	13	-1,635,179	-1,304,272
1. Payroll costs		-1,200,852	-976,440
2. Social security insurance costs		-300,284	-211,846
a) Contributions on gross wages and salaries		-130,800	-86,002
b) Voluntary supplementary pension scheme		-169,484	-125,844
3. Other labour costs		-134,043	-115,986
7. Write-downs	13	-315,905	-260,918
a) Amortization and depreciation expense		-258,405	-242,361
b) Revaluation operating expenses associated with fixed assets		-21,502	-1,889
c) Revaluation operating expenses associated with current assets		-35,998	-16,668
8. Other operating expenses	13	-29,773	-15,990
OPERATING PROFIT		664,863	311,778
9. Financial revenue from shares and interests		0	0
10. Financial revenue from loans		586	147
a) Financial revenue from loans to others		586	147
11. Financial revenue from operating receivables		79,735	8,562
a) Financial revenue from operating receivables due from others		79,735	8,562
12. Financial expenses for impairment and write-down of investments		0	0
13. Financial expenses for financial liabilities		-263,705	-198,086
a) Financial expenses for bank borrowings		-212,410	-150,846
b) Financial expenses for other financial liabilities		-51,295	-47,240
14. Financial expenses for operating liabilities		-133,875	-15,985
a) Financial expenses for supplier payables and bills payable		-1,920	-4,447
b) Financial expenses for other operating liabilities		-131,955	-11,537

PROFIT FROM ORDINARY ACTIVITIES		347,604	106,417
15. Other revenue		9,260	8,673
16. Other expenses		-26,220	-10,875
17. Income tax		-1,599	-2,041
18. Deferred tax	3	-85,387	-38,666
19. Minority shareholders' interests		0	0
Net profit for the year		243,658	63,508

3.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for 2011

	In EUR	
	2011	2010
1. Net profit for the year	243,658	63,508
2. Other comprehensive income	-7,840	-543
3. TOTAL COMPREHENSIVE INCOME	235,818	62,965

3.4 CONSOLIDATED CASH FLOW STATEMENT for 2011

	In EUR	
	2011	2010
A. Cash flows from operating activities		
a) Items derived from the income statement	815,239	480,421
Operating revenue (except revaluation) and financial revenue from operating receivables	70,910,938	60,442,161
Operating expenses excluding depreciation (except revaluation) and financial expenses from operating liabilities	-70,008,727	-59,921,033
Income tax and other taxes not included in operating expenses	-86,972	-40,707
b) Changes in net operating assets in balance sheet items (including accruals and deferrals, provisions and deferred tax assets and liabilities)	-848,138	862,304
Opening less closing operating receivables	-520,726	-3,514,589
Opening less closing deferred costs and accrued revenue	683	-41,850
Opening less closing deferred tax assets	85,387	38,665
Opening less closing assets (disposal groups) held for sale	0	0
Opening less closing inventories	72,817	37,140
Closing less opening operating liabilities	-523,122	4,384,346
Closing less opening accrued costs and deferred revenue, and provisions	36,823	-41,409
Closing less opening deferred tax liabilities	0	0
c) Net cash from operating activities (a+b)	-32,899	1,342,724
B. Cash flows from investing activities		
a) Cash receipts from investing activities	585	60,673
Interest and dividends received from investing activities	585	733
Cash receipts from disposal of intangible assets	0	0
Cash receipts from disposal of property, plant and equipment	0	59,794
Cash receipts from disposal of investment property	0	0
Cash receipts from disposal of long-term investments	0	0
Cash receipts from disposal of short-term investments	0	146
b) Cash disbursements from investing activities	-230,644	-234,020
Cash disbursements to acquire intangible assets	-7,826	-19,754
Cash disbursements to acquire property, plant and equipment	-220,079	-214,266
Cash disbursements to acquire investment property	0	0
Cash disbursements to acquire long-term investments	-2,739	0
Cash disbursements to acquire short-term investments	0	0
c) Net cash from investing activities (a+b)	-230,059	-173,347
C. Cash flows from financing activities		
a) Cash receipts from financing activities	20,145,500	15,185,899
Cash proceeds from paid-in capital	0	0
Cash proceeds from increase in long-term financial liabilities	0	792,000
Cash proceeds from increase in short-term financial liabilities	20,145,500	14,393,899
b) Cash disbursements from financing activities	-20,027,171	-15,538,768
Interest paid on financing activities	-271,315	-145,820
Cash repayments of equity	0	0
Cash repayments of long-term financial liabilities	0	0
Cash repayments of short-term financial liabilities	-19,755,856	-15,392,948
Dividends and other profit shares paid	0	0
c) Net cash from financing activities (a+b)	118,329	-352,869
D. Closing balance of cash	752,532	897,161
Net cash inflow or outflow for the period (sum total of Ac, Bc and Cc)	-144,629	816,508
Opening balance of cash	897,161	80,652

3.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011:

	Share capital	Capital surplus	Legal reserves	Retained earnings/accumulated loss	Net profit for the year	Consolidation reserve	In EUR Total
A1. Opening balance at 31 December 2010	4,915,686	2,434,649	6,621	-2,847,440	63,508	-6,243	4,566,781
A2. Opening balance at 1 January 2011	4,915,686	2,434,649	6,621	-2,847,440	63,508	-6,243	4,566,781
B2. Total comprehensive income for the period	0	0	0	0	243,658	-7,840	235,818
a) Net profit for the year	0	0	0	0	243,658	0	243,658
b) Consolidation differences	0	0	0	0	0	-7,840	-7,840
B3. Changes within equity	0	0	0	63,508	-63,508	0	0
a) Appropriation of the net profit to other capital elements according to a decision of the Management and the Supervisory Board	0	0	0	63,508	-63,508	0	0
C. Closing balance at 31 December 2011	4,915,686	2,434,649	6,621	-2,783,932	243,658	-14,083	4,802,599

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010:

	Share capital	Capital surplus	Legal reserves	Retained earnings/accumulated loss	Net profit for the year	Consolidation reserve	In EUR Total
A1. Opening balance at 31 December 2009	4,915,686	2,434,649	6,621	-2,958,111	110,671	-5,700	4,503,816
A2. Opening balance at 1 January 2010	4,915,686	2,434,649	6,621	-2,958,111	110,671	-5,700	4,503,816
B2. Total comprehensive income for the period	0	0	0	0	63,508	-543	62,965
a) Net profit for the year	0	0	0	0	63,508	0	63,508
b) Consolidation differences	0	0	0	0	0	-543	-543
B3. Changes within equity	0	0	0	110,671	-110,671	0	0
a) Appropriation of the net profit to other capital elements according to a decision of the Management and the Supervisory Board	0	0	0	110,671	-110,671	0	0
C. Closing balance at 31 December 2010	4,915,686	2,434,649	6,621	-2,847,440	63,508	-6,243	4,566,781

4 NOTES TO THE FINANCIAL STATEMENTS

4.1 COMPANY PROFILE

Company name:	Akton Telekomunikacijski inženiring d.o.o.
Abbreviated title:	Akton d.o.o.
Head office:	Dunajska cesta 63, Ljubljana
Legal form:	Limited liability company
Incorporated:	on 22 May 1990, registration number I/06892/00
Principal activity:	Activity code 61.900; Other telecommunications
Share capital:	EUR 4,915,685.55
Owner:	ATEL EUROPE B.V., Koningslaan 17, Amsterdam, the Netherlands is the sole owner of the Company
Management Board:	Igor Košir, Director Miha Novak, Procurator
Subsidiaries:	AKTON d.o.o. Croatia, AKT.ONLINE d.o.o. Bosnia and Herzegovina, AKTON d.o.o. Serbia, AKTON d.o.o.e.l. Macedonia.
Financial year:	Financial year covers the same period as the calendar year.

The following companies in the Akton Group are included in consolidation:

Company	Head office	Ownership share in 2011	Ownership share in 2010
AKTON d.o.o.	Bani 75, Buzin, Zagreb, Croatia	100%	100%
AKT.ONLINE d.o.o.	Fra Andela Zvizdovića 1, Sarajevo, BIH	100%	100%
AKTON d.o.o., Beograd	Bulevar Mihajla Pupina 6/16, Beograd, Serbia	100%	100%
AKTON d.o.o.e.l.	Belasica 2, Skopje, Macedonia	100%	100%

Average number of employees by educational level:

Educational level / year	2011	2010
Level 5	22	16
Level 6	2	5
Level 7	22	17
Total	46	38