



**CONSOLIDATED
SIX-MONTH
FINANCIAL STATEMENT**

Gornji Milanovac, 15.08.2014. godine

Pursuant to the Art. 50 and 52 of the Law on the Capital Market (Official Gazette of the Republic of Serbia No. 31/2011) and to the Art. 3 and 9 of the Guidelines on the Prescribed Form, Content and Presentation of Annual, Six-Monthly and Quarterly Financial Statements of Companies (Official Gazette of the Republic of Serbia No. 13/2012), Metalac a.d. from Gornji Milanovac, company number 07177984, presents

**CONSOLIDATE
FINANCIAL STATEMENT
FOR THE PERIOD I – VI OF 2014**

CONTENTS:

1. FINANCIAL STATEMENTS OF METALAC A.D. FOR THE SIX MONTH PERIOD including: Balance Sheet, Income Statement, Statement of Chnges in Equity, Cash Flow Statement, Notes to the Financial Statements.
2. SIX MONTHLY FINANCIAL POSITION OF THE COMPANY
3. DECLARATION OF THE PEOPLE RESPONSABLE FOR THE PREPARATION OF THE STATEMENT
4. APPROVAL OF THE STATEMENT BY THE COMPANY'S MANAGEMENT

COMPANY INFORMATION

Period of the Statement:

from

01.01.

to

30.06.2014

Consolidated Six-Month Financial Statement for Companies PFI-PD

Company Name: **Metalac Share Company**

Company Number: **07177984**

Postal Code and City: **32000**

Gornji Milanovac

Address: **Kneza Aleksandra 212**

e-mail: **metalac@metalac.com**

web-site: **www.metalac.com**

Consolidate/Seperate: **Consolidated**

Approved (Yes/No):

Subsidiaries of the Consolidation Subject:*

Address:

Company Number:

Metalac Posudje doo; Metalac Print doo

Gornji Milanovac

20108517;20108452

Metalac Inko doo; Metalac Bojler doo

Gornji Milanovac

20108509;20100249

Metalac Market doo; Metalac Trade doo;

Gornji Milanovac

20108363;17275747

Metpor doo; Metalac Metalurgija doo

Belgrade, Novi Sad

06970346;08033854

Metalac Proleter a.d.; Metrot doo; Promometal doo

**Gornji Milanovac; Moscow,
Zagreb**

**17033441;
38958970;02018446**

**Metalac Podgorica doo, Metalac Ukraine doo,
Metalac GROUP**

Podgorica, Kiev, Milwaukee

**5-0322491/002; 374805
97**

Contact Person: **Biljana Cvetic**

(indicate only first and last name of the contact person)

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First and Last Name: **Petrasin Jakovljevic**

(person representing the company)

1. FINANCIAL STATEMENTS OF METALAC A.D. FOR THE SIX MONTH PERIOD including: Balance Sheet, Income Statement, Statement of Chnges in Equity, Cash Flow Statement, Notes to the Financial Statements.

CONSOLIDATED INCOME STATEMENT (summary)
As from January 1 to June 30, 2013 and 2014
(thousands of RSD)

	Note	2014	2013
OPERATING INCOME			
Sales revenues	5	2.896.905	2.913.376
Own-work capitalized		4.643	8.422
Increase (decrease) in inventories)		42.497	253.794
Other operating income	7	90.528	97.310
		3.034.573	3.272.902
OPERATING EXPENSES			
Cost of goods sold		(921.406)	(814.009)
Materials, fuel and energy	8	(773.994)	(1.011.950)
Staff costs			
	9	(748.948)	(742.486)
Depreciation, amortization and provisions	10	(106.523)	(106.831)
Other operating expenses	11	(298.912)	(280.512)
Other long-term provisions		(2.400)	(20.000)
		(2.852.183)	(2.975.788)
OPERATING PROFIT		182.390	297.114
Finance income	12	93.217	73.303
Finance expenses	13	(85.794)	(79.959)
Other income	14	12.070	10.727
Other expenses	15	(39.766)	(38.306)
		(20.273)	(34.235)
PROFIT BEFORE TAXATION		162.117	262.879
INCOME TAXES			
- current tax expense		-	-
- deferred tax benefits		-	-
		-	-
		-	-
NET PROFIT		162.117	262.879
NET PROFIT/(LOSS) ATTRIBUTABLE TO:			
Equity holders of the parent company		162.248	262.092
Minority shareholders		(131)	787
		162.117	262.879
Basic earnings per share (in RSD)	16	158,94	257,72

The accompanying notes on the following pages
are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (summary)
As at 30th June 2012
(thousands of RSD)

	Note	30th June 2014	31st December 2013
ASSETS			
Non-current assets			
Intangible assets		42.805	41.118
Property, plant and equipment	18	1.841.182	1.871.205
Investment property		376.443	380.092
Long-term financial placements	19	50.526	44.868
		<u>2.310.956</u>	<u>2.337.283</u>
Current assets			
Inventories	20	1.940.242	1.925.255
Accounts receivable	21	1.095.675	1.125.357
Receivables for prepaid income tax		75.600	75.632
Short-term financial placements	22	496.523	521.109
Cash and cash equivalents	23	838.129	775.385
Value added tax and prepayments		87.609	63.418
		<u>4.533.778</u>	<u>4.486.156</u>
Total assets		<u><u>6.844.734</u></u>	<u><u>6.823.439</u></u>
LIABILITIES			
Capital			
Share capital		408.000	408.000
Other capital		33.899	33.899
Share premium		4.256	4.257
Reserves		90.623	90.211
Unrealized gains on securities		1.370	1.369
Translation reserves		3.411	2.250
Retained earnings		3.122.856	3.057.220
<i>Majority interests</i>		<u>3.664.415</u>	<u>3.597.618</u>
<i>Minority interests</i>		<u>106.398</u>	<u>108.863</u>
		<u>3.770.813</u>	<u>3.706.481</u>
Long-term liabilities and provisions			
Long-term provisions	24	169.665	181.564
Long-term borrowings		1.100.135	649.779
		<u>1.269.800</u>	<u>831.343</u>
Short-term liabilities			
Short-term financial liabilities	25	164.940	639.385
Accounts payable	26	682.890	683.048
Other short-term liabilities	27	359.217	261.532
Value added tax and other duties payable and accruals		121.876	118.125
Income tax payables		5.923	6.895
		<u>1.334.846</u>	<u>1.708.985</u>
Deferred tax liabilities		<u>47.480</u>	<u>47.673</u>
Total equity and liabilities		<u><u>6.844.734</u></u>	<u><u>6.823.439</u></u>
Off-balance-sheet items		<u>199.920</u>	<u>195.795</u>

The accompanying notes on the following pages
are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (summary)

Period from January 1 to June 30, 2014
(thousands of RSD)

	Share Capital	Other Capital	Share Premium	Reserve s	Unrealized Gains on Securities	Translation Reserves	Retained Earnings	Majority Interests	Minority Interests	Total
Balance at January 1, 2013	408 000	33 899	4 256	90 623	0	4 052	3 379 148	3 919 978	107 793	4 027 771
Opening balance adjustment										
Transfer to reserves				95 000			(95 000)	19 751		19 751
Unrealized gains on securities					19 751					
Foreign exchange gains and losses						(1 118)		(1 118)	0	(1 118)
Profit distribution to employees							(76 251)	(76 251)	0	(76 251)
Dividends paid							(142 800)	(142 800)	0	(142 800)
Net profit for the year							407 641	407 641	444	408 085
Balance at December 31, 2013	408 000	33 899	4 256	185 623	19 751	2 934	3 472 738	4 127 201	108 237	4 235 438
Balance at January 1, 2014	408 000	33 899	4 256	185 623	19 751	2 934	3 472 738	4 127 201	108 237	4 235 438
Opening balance adjustment										
Transfer to reserves				36 988			(36 988)			
Unrealized gains on securities										
Foreign exchange gains and losses						853		853	283	1 136
Profit distribution to employees							(53 083)	(53 083)		(53 083)
Dividends paid							(153 000)	(153 000)		(153 000)
Net profit for the year							162 248	162 248	(131)	162 117
Balance at June 30, 2014	408 000	33 899	4 256	222 611	19 751	3 787	3 391 915	4 084 219	108 389	4 192 608

CONSOLIDATED CASH FLOW STATEMENT (summary)
As from January 1 to June 30, 2013 and 2014
(thousands of RSD)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	3.819.581	3.671.330
Interest received from operations	39.288	1.874
Other cash receipts from operations	89.248	103.073
Cash paid to suppliers	(2.657.305)	(2.833.452)
Cash paid to and on behalf of employees	(744.392)	(750.085)
Interest paid	(22.208)	(25.083)
Income taxes paid	(6.841)	(21.598)
Other public duties payable	(188.491)	(207.347)
	<u>328.880</u>	<u>(61.288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of property, plant and equipment	-	469
Interest received	6.260	13.642
Purchase of intangible assets, property and equipment	(75.372)	(77.908)
Other financial placements (net outflows)	1.533	3.219
	<u>(67.579)</u>	<u>(60.578)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in core capital	-	-
Long-term borrowings, net (outflows)/inflows	(45.921)	432.234
Purchase of own shares	(51.418)	-
Cash used to pay dividends and bonuses	(96.578)	(84.016)
	<u>(193.917)</u>	<u>348.218</u>
Net cash increase/(decrease)	67.384	226.352
Cash and cash equivalents at beginning of the period	775.385	694.115
Foreign exchange gains (losses) on translation of cash	(4.640)	(3.441)
	<u>838.129</u>	<u>917.026</u>

The accompanying notes on the following pages
are an integral part of these consolidated financial statements

METALAC A.D., GORNJI
MILANOVAC

Consolidated Financial Statements
Ended June 30, 2014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS June 30, 2014.

1. FOUNDATION AND ACTIVITY

Until 2003, Metalac a.d., Gornji Milanovac (the "Company") was a mixed-ownership entity (with a portion of capital socially-owned and portion in the form of share capital), and ever since it has been 100% shareholding company. The Company was initially established in 1959 as a socially-owned enterprise. On December 8, 1990, based on the Labor Council's decision, the Company was transformed into a mixed-ownership shareholding company, and its capital was increased by means of a share offering to its employees. On July 27, 1998, the Company fulfilled all of the legal and statutory requirements of the Ownership Transformation Act that outlined and governed its privatization. During 2003, further ownership transformation was executed whereby the Company's entire socially-owned capital was fully privatized whereas during 2004 the Company performed a second issue of ordinary shares.

The Company is primarily involved in the production and sale of a wide range of enamel, Teflon-coated, aluminum and stainless-steel cookware; production and sale of accumulation water heaters of 50, 80 and 120 liters with enameled or stainless steel tank, and small capacity water heaters of 5 and 10 liters; production and sale of all types of transport and luxurious cardboard packing materials; production and sale of stainless-steel sinks and products of cast polymers and trading in goods from the production program, as well as other segments.

During December 2005, the Company underwent reorganization and established six business entities entirely in the Company's ownership and, ever since 2006, the Company has operated as a decentralized company, which in its scope of business retains holding activities – management and finances, and it also temporarily retains the rights to render services in connection with the transport, restaurant, protection, safety and the factory area maintenance. Other activities, being the primary activities from the prior scope of business, have been transferred to the newly founded enterprises.

As of June 30, 2014, the Company had 1,743 employees (as of June 30, 2013: 1,725 employees).

The head office of the Company is in Gornji Milanovac, 212 Knez Aleksandar Street.

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING METHOD

The consolidated financial statements comprise the financial statements of Metalac a.d., Gornji Milanovac, as the parent company, and the following domestic and foreign subsidiaries:

	% of Equity Interests
1. Metalac Posuđe d.o.o., Gornji Milanovac	100%
2. Metalac Market d.o.o., Gornji Milanovac	100%
3. Metalac Trade d.o.o., Gornji Milanovac	100%
4. Metalac Print d.o.o., Gornji Milanovac	100%
5. Metalac Inko d.o.o., Gornji Milanovac	100%
6. Metalac Bojler d.o.o., Gornji Milanovac	100%
7. Metalac Proleter a.d., Gornji Milanovac	64,55 %
8. Metalac Metalurgija a.d., Novi Sad	82,36 %
9. Metpor d.o.o., Beograd	100%
10. Promo Metal d.o.o., Republic of Croatia	100%
11. Metalac Market d.o.o., Montenegro	100%
12. Metrot o.o.o. Moscow, Russia	100%
13. Metalac – Ukraine, Kiev, Ukraine	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS June 30, 2014.

2. BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOUNTING METHOD (Continued)

In the preparation and presentation of the accompanying financial statements as at June 30, 2014 the Company adhered to the accounting method complying to the basis of preparation and presentation of the financial statements and accounting method used for preparation of the annual financial statements per December 31, 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used for preparation of the six-month financial statements as at June 30, 2014 are the accounting policies used for preparation of the annual financial statement per December 31, 2013.

4. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

The presentation of the consolidated financial statements requires the Company's management to make best estimates and reasonable assumptions that influence the assets and liabilities amounts, as well as the disclosure of contingent liabilities and receivables as of the financial statements' preparation date, and income and expenses arising during the accounting period. These estimations and assumptions are based on information available to us at the financial statements' preparation date, June 30, 2014.

5. SALES INCOME

	in thousands of RSD	
	Period Ended June 30,	
	2014	2013
<i>Domestic market</i>		
Sales of products and services	_____	_____
<i>Foreign markets</i>	1.175.276	1.184.484
	2.896.905	2.913.376

6. BUSINESS AND MARKET SEGMENTS

Products and Services within Business Segments

For management purposes, the Company is organized in six business segments. These segments are a base upon which the Company provides primary segment information. Basic products and services of each of these segments are as follows:

Enamel cookware – Production and sale of all types of cookware – enameled, Teflon-coated, aluminum and stainless-steel cookware.

Water heaters – Production and sale of accumulation water heaters of 30, 50, 80 and 120 liters with enameled or stainless steel tank, and small capacity water heaters of 5 and 10 liters.

Packaging – Production and sale of all types of transport and luxurious cardboard packing materials.

Sinks – Production and sale of single and double bowl stainless-steel and granite sinks and products of cast polymers.

Trade – Retail and wholesale of goods mostly from the range of products of other segments.

Holding Company services – the Parent Company in its operations retains holding services – management and finances, and, in addition to transport services, restaurant activity, protection, safety and maintenance of the factory premises. In addition, the greatest portion of property, plant and

NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS June 30, 2014.

equipment that is in the Company's ownership is rented to the newly-established subsidiaries

6. BUSINESS AND MARKET SEGMENTS (Continued)

Sales Income per Business Segments

	in thousands RSD					
	External sale		Internal sale		Period Ended June 30, Total	
	2014	2013	2014	2013	2014	2013
Enamel cooware	509.134	668.863	625.887	614.788	1.135.021	1.283.651
Water heaters						
Packaging material						
Sinks						
Trade						
Services						
Total for all segments	2.896.905	2.913.376	1.079.385	1.158.562	3.976.290	4.071.938
Intercompany sale elimination					1.079.385	1.158.562
Consolidated sales income					<u>2.896.905</u>	<u>2.913.376</u>

Results per Business Segments

	in thousands RSD	
	2014	2013
Enamel cookware	107.551	143.415
Water heaters		
Packaging material		
Sinks		
Trade		
Holding services		
Total for all segments	205.517	286.379
Intercompany balance elimination		(23.500)
Profit before taxation	162.117	262.879
Current tax expense		
Deferred tax benefits		
Net profit	162.117	262.879

The accounting policies of reporting segments are identical to the accounting policies of the Company described in Note 3. The segment results refer to the profit/(loss) of each segment including the allocation of all expenses based on income earned by each segment individually, before the elimination of internal balances. These criteria are reported to the managers competent to make critical decisions for the purpose of allocating adequate resources to individual segments, as well as the analysis of their results.

NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS June 30, 2014.

6. BUSINESS AND MARKET SEGMENTS (Continued)

*Assets and Liabilities per Business
Segments*

	in thousands RSD			
	June 30, 2014	December 31, 2013	June 30, 2014	December 31, 2013
	2.749.778	2.833.744	2.033.397	2.061.674
Enamel cookware				
Water heaters				
Packaging material				
Sinks				
Trade				
Holding services				
	6.352.519	6.325.344	5.049.291	4.765.566
Total for all segments				
Intercompany balance elimination				
Consolidated	4.533.778	4.486.156	2.604.646	2.540.328

For the purpose of keeping track over segment results and allocation of adequate resources between segments, the Company allocated current assets and total liabilities into business segments, given that these data are being delivered to persons making business decisions. Assets being jointly used by reporting segments are allocated within the base of realized income of each reporting segment separately.

7. OTHER OPERATING INCOME

	in thousands RSD	
	Period Ended June 30, 2014	2013
Rental income	28.813	14.643
Income from the sale of scrap material	32.659	41.799
Other operating income	29.056	40.868
	90.528	97.310

8. COST OF MATERIALS, FUEL AND ENERGY

	in thousands RSD	
	Period Ended June 30, 2014	2013
Production materials	573.258	807.197
Other materials	64.654	70.595
Fuel and energy	136.082	134.158
	773.994	1.011.950

9. STAFF COSTS

	in thousands RSD	
	Period Ended June 30,	
	2014	2013
Gross salaries and benefits	577.592	587.158
Contributions paid by the employer	100.255	108.872
Other payments to employees	71.101	46.456
	<u>748.948</u>	<u>742.486</u>

10. DEPRECIATION, AMORTIZATION AND PROVISIONS

	in thousands RSD	
	Period Ended June 30,	
	2014	2013
Depreciation and amortization	106.523	104.931
Warranty period liability provisions	2.400	1.900
Other liability provisions	-	20.000
	<u>108.923</u>	<u>126.831</u>

11. OTHER OPERATING EXPENSES

	in thousands RSD	
	Period Ended June 30,	
	2014	2013
Transportation	27.722	19.490
Rent	55.218	42.299
Maintenance	37.071	32.390
Marketing and advertising	26.787	26.711
Indirect taxes and contributions	17.792	21.083
Unproductive services	11.964	12.795
Other services/utilities	75.493	74.848
Insurance premiums	6.976	7.200
Bank charges	7.422	6.871
Entertainment	8.431	6.350
Fairs and exhibitions	7.913	5.590
Membership fees	3.375	10.271
Other operating expenses	12.748	14.614
	<u>298.912</u>	<u>280.512</u>

12. FINANCE INCOME

	in thousands RSD	
	Period Ended June 30,	
	2014	2013
Interest income	62.606	46.422
Foreign currency exchange gains	29.887	25.765
Other finance income	724	1.116
	<u>93.217</u>	<u>73.303</u>

NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS June 30, 2012

13. FINANCE EXPENSES	in thousands RSD Period Ended June 30	
	2014	2013
Interest expenses	21.094	25.056
Foreign currency exchange losses	50.108	27.825
Expenses arising from foreign currency clause	12.032	22.847
Other finance expenses	2.560	4.231
	<u>85.794</u>	<u>79.959</u>

14. OTHER INCOME	in thousands RSD Period Ended June 30,	
	2014.	2013.
Gains on the sale of property, plant and equipment	243	612
Impairment of inventories	490	-
Other income	11.337	10.115
	<u>12.070</u>	<u>10.727</u>

15. OTHER EXPENSES	in thousands RSD Period Ended June 30,	
	2014.	2013.
Losses on the sale and disposal of property and equipmen	3	-
Donations	20.734	27.756
Disposal of inventories of material and goods	6.427	5.742
Other	12.602	4.808
	<u>39.766</u>	<u>38.306</u>

16. EARNINGS PER SHARE	in thousands RSD Period Ended June 30,	
	2014.	2013.
Net profit attributable to the equity holders of the parent company	162.117	262.092
Average-weighted number of shares	1.020.000	1.020.000
Basic earnings per share (in RSD)	<u>158,94</u>	<u>257,72</u>

17. DEFERRED TAX ASSETS AND LIABILITIES
As of June 30, 2014, the Company did not state deferred tax assets based on tax credit carryforwards. These deferred tax assets were not recognized due to the uncertainty over the availability of future taxable profits against which these tax credits may be utilized.

18. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

The Company assigned mortgages over its building property in favor of Čačanska banka a.d. Čačak, and Societe Generale Srbija, in order to collateralize the regular loan repayment. The value of the buildings under mortgages as of June 30, 2014 amounts to RSD 308.484 thousand.

The investment property as of June 30, 2014 amounting to RSD 376.443 thousand consist of investment into Metalac Stadium. Net value of the stadium as of June 30, 2014 amounts to RSD 280.999 thousand.

19. LONG-TERM FINANCIAL PLACEMENTS

	in thousands RSD	
	June 30, 2014	December 31, 2013
<i>Equity investments in banks</i>		
Čačanska banka a.d., Čačak	32.104	32.104
Credy banka a.d., Kragujevac	32.097	32.097
Metals banka a.d., Novi Sad	1.050	1.050
Other banks	248	248
	<u>65.499</u>	<u>65.499</u>
<i>Placements with financial institutions and enterprises</i>		
Insurance companies	6.523	6.523
Other	10.812	5.091
	<u>17.335</u>	<u>11.614</u>
<i>Other long-term placements</i>		
Long-term loans to employees	402	465
	<u>402</u>	<u>465</u>
<i>Less: Allowance for impairment</i>		
Credy banka a.d., Kragujevac	(28.033)	(28.033)
Čačanska banka a.d., Čačak	(1.385)	(1.385)
Metals banka a.d., Novi Sad	(1.050)	(1.050)
Dunav Insurance Company	(1.925)	(1.925)
Other	(317)	(317)
	<u>(32.710)</u>	<u>(32.710)</u>
	<u>50.526</u>	<u>44.868</u>

20. INVENTORIES

	in thousands RSD	
	June 30, 2014	December 31, 2013.
Materials	548.643	639.697
Spare parts	36.178	50.901
Small tools and fixtures	3.352	3.309
Work in progress	114.982	93.539
Finished goods	510.145	489.091
Merchandise	718.277	660.774
	<u>1.931.577</u>	<u>1.937.311</u>
<i>Advances to suppliers</i>		
	<u>52.301</u>	<u>32.063</u>
<i>Less: Allowance for impairment</i>		
- Materials	(29.669)	(29.669)
- Goods	(13.758)	(14.241)
- Advances to suppliers	(209)	(209)
	<u>(43.636)</u>	<u>(44.119)</u>
	<u>1.940.242</u>	<u>1.925.255</u>

21. ACCOUNTS RECEIVABLE

	in thousands RS	
	June 30, 2014	December 31, 2013
<i>Accounts receivable</i>		
- domestic accounts receivable	443.771	469.087
- foreign accounts receivable	712.707	738.077
Receivables associated with consignment goods	24.005	16.312
Receivables from employees	22.585	14.004
Other receivables	14.063	9.166
Receivables from state agencies and institutions	109	401
	<u>1.217.240</u>	<u>1.247.047</u>
Less: Allowances for impairment		
- accounts receivable	(110.931)	(111.056)
- other receivables	(10.634)	(10.634)
	<u>(121.565)</u>	<u>(121.690)</u>
	<u>1.095.675</u>	<u>1.125.357</u>

22. SHORT-TERM FINANCIAL PLACEMENTS

	in thousands RSD	
	June 30, 2014	December 31, 2013
Short-term consumer loans	543.694	576.686
Self-explanatory shares acquired	8.406	
	<u>552.100</u>	<u>576.686</u>
Less: Allowance for impairment	(55.577)	(55.577)
	<u>496.523</u>	<u>521.109</u>

Short-term consumer loans are stated in the net amount of RSD 543.694 thousand and relate to the receivables from the sales with payments deferred up to one year.

Self-explanatory shares purchased, as of June 30, 2014 in the amount of RSD 8.406 thousand include 21.206 shares with the nominal value of RSD 400 each. These shares are meant to be distributed to the management and employees.

23. CASH AND CASH EQUIVALENTS

	in thousand RSD	
	June 30, 2014	December 31, 2013
Current accounts		
- in dinars	107.216	101.140
- in foreign currency	186.216	184.754
Deposits and letters of credit	487.225	427.043
Cheques of retail customers	53.880	59.264
Cash on hand	3.592	2.596
Other cash	-	588
	<u>838.129</u>	<u>775.385</u>

23. CASH AND CASH EQUIVALENTS (Continued)

Deposits and letters of credit stated as of June 30, 2014 in the amount of RSD 487.225 thousand mostly relate to funds deposited with Čačanska banka a.d., Čačak and UniCredit Banka a.d., Beograd, and with Societe Generale Banka Srbija for a three-month period.

Cheques of retail customers as of June 30, 2014 amounting to RSD 53.880 thousand represent cheques received for the sales with payments deferred up to five months

24. LONG-TERM BORROWINGS

	in thousands RSD	
	June 30, 2014	December 31, 2013
Long-term borrowings	1.100.135	1.178.448
Current portion of long-term borrowings	-	(528.669)
	<u>1.100.135</u>	<u>649.779</u>

Long-term borrowings as of June 30, 2014 are presented in the table below:

		in thousands RSD	
	EUR	June 30, 2014	December 31, 2013
Čačanska banka, Čačak			4.094
Banca Intesa, Beograd			49.387
Credit agricole Srbija	1.394.180	161.460	132.688
Societe Generale a.d., Beograd	3.876.264	448.814	568.985
UniCredit Banka a.d., Beograd	4.230.768	489.861	423.294
	<u>9.501.212</u>	<u>1.100.135</u>	<u>1.178.448</u>
Less: Current portion of long-term borrowings		-	(528.669)
		<u>1.100.135</u>	<u>649.779</u>

The loans approved by UniCredit Banka a.d., Societe Generale a.d., Beograd and Credit agricole Srbija are collateralized by mortgages assigned over the buildings and equipment of the Company. Long-term borrowings were approved to the Company with up to 5-year maturities at annual interest rates ranging from three-month EURIBOR + 0.5% to three-month EURIBOR + 1.6%.

The long-term loan maturities are presented in the table below:

	in thousands RSD	
	June 30, 2014	December 31, 2013
- up to one year	450.356	528.669
- from one to two years		
- from two to three years		
- from three to four years		
	<u>1.100.13</u>	<u>1.178.448</u>

25 **SHORT-TERM FINANCIAL LIABILITIES**

	in thousands RSD	
	June 30, 2014	December 31, 2013
Short-term loans	28.913	
Current portion of long-term borrowings	-	528.669
Overdraft facility per current accounts	136.027	110.716
	<u>164.940</u>	<u>639.385</u>

Short-term loans as of June 30, 2014 are presented in the table below

	in thousands RSD	
	June 30, 2014	December 31, 2013
Overdraft facility per current accounts	136.027	110.716
Credit agricole Srbija	28.913	
	<u>164.940</u>	<u>110.716</u>

Overdraft facility per current accounts as of June 30, 2014 in the amount of RSD 136.027 thousand at variable interest rate ranging from one month BELIBOR increased by 1% to 1,5% on annual basis.

26. **ACCOUNTS PAYABLE**

	in thousands RSD	
	June 30, 2014	December 31, 2013
Domestic accounts payable	542.779	548.183
Foreign accounts payable	123.144	114.660
Advances from customers	10.475	16.196
Other accounts payable	6.492	4.009
	<u>682.890</u>	<u>683.048</u>

27. OTHER SHORT-TERM LIABILITIES

	in thousands RSD	
	June 30, 2012	December 31, 2011
Salaries and benefits payable	71.597	80.337
Taxes and contributions on salaries and benefits		
Dividend payables		
Interest payables		
Other payables to employees		
Liability for share in profit		
Other		
	<u>359.217</u>	<u>261.532</u>

28. EXCHANGE RATES

The official exchange rates for major currencies determined in the interbank currency market and used in the translation of balance sheet components denominated in foreign currencies, into RSD were as follows:

	June 30, 2014	December 31, 2013
EUR	115,7853	114,6421
GBP		
USD		

Gornji Milanovac
August 11, 2014

(stamp)

Person Responsible for Preparation of the Statement

Person Representing the Company

2. CONSOLIDATE FINANCIAL POSITION IN SIX-MONTH PERIOD

I General Information

1. Company Name:	METALAC Share Company	
City and Address:	Gornji Milanovac, Kneza Aleksandra 212	
Company Number:	07177984	
VAT Number:	100887751	
2. Web site and E-mail address:	www.metalac.com	metalac@metalac.com
3. Registration Number and Date:	BD 5372/2005	04.05.2005.
4. Activity (code and denomination):	6420 – Holding company activity	
5. Number of Shareholders as of 30.06.2014.:	1.367	

6. Capital Value	408.000.000 rsd
7. Number of Shares	1.020.000
ISIN	RSMETAE71629
CFI	ESVUFR

8. Name of the Market Organization	Belgrade Stock Exchange jsc, Belgrade Standard Listing
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II BUSINESS INFORMATION

1. Report of the Management on Relization of the Approved Business Policy	Operations of the parent company and the subsidiaries are in conformity with the approved business policy as published on the company's website www.metalac.com
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2. Operation Analysis in 000 rsd

Total income	3.139.860
Total expences	2.977.743
Profit before tac	162.117
Operating income	3.034.573
Sales income	-
EBIT	182.390
EBITDA	288.913
Operating profitability (% gross margin)	5,12
% ROI	2,66
% ROE	3,85
Leverage ratio	0,39
Indebtedness factor (year)	4,75
Liquidity level I	0,63
Liquidity level II	1,94
Breakeven point	2.484.159
Market capitalization 2.244.000.000 rsd	
Profit per share 158,94 rsd	
3. Change of Balance Values	in 000 rsd
Assets	21.295
Liabilities	(64.318)
Net Profit	(100.762)

III Most important activities with subsidiaries

The company Metalac a.d. is a controlling company being the parent of 15 subsidiaries, 10 of them in Serbia and 5 abroad.

Production subsidiaries: Metalac posudje d.o.o., Metalac inko d.o.o., Metalac print d.o.o., Metalac bojler d.o.o. in Gornji Milanovac

Trading subsidiaries in Serbia: Metalac market d.o.o., Metalac trade d.o.o., Metalac Proleter a.d. (in Gornji Milanovac), Metalac Metalurgija a.d. in Novi Sad and Metpor d.o.o. in Belgrade

Trading subsidiaries abroad: Metrot d.o.o. Moscow, Metalac market Podgorica d.o.o. Podgorica, Promometal-Metal d.o.o. Zagreb, Metalac Group USA Inc, Milwaukee, Metalac Ukraine, Kiev.

IV The company has published the Code of Corporate Governance and the Code of Business Ethics, on the web-site www.metalac.com

There has not been any deviation in implementation of the Codes of Corporate Governance and of Business Ethics.

V Data on acquisition of own shares

As the Company offered to all the shareholders in March 2014 it acquired 21.016 of its own shares.

VI R&D Activities:

	in 000 rsd
Investments into courses for employees	1.867
Development investments	75.074

The business policy of the Company includes investments into development, production capacities of the subsidiaries and equipment upgrade/replacement, innovations, wider retail chain by opening new shops, strategic adjustments, penetrate new export markets and increase turnover with the present markets.

VII Important operations after the balance sheet date

From the balance sheet date till the date of publication of this report, there has been no important business events to affect the accuracy of the financial statements or Company's operations.

VIII Risks and uncertainties

By the estimate of the management, there are no risks and uncertainties to affect significantly to the financial position of the Company.

INCOME STATEMENT - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (domestic)

in thousands RSD

	METALAC a.d.	POSUDE	PRINT	INKO	BOJLER	MARKET	TRADE	METPOR	PROLETER a.d.	METALURGIJA a.d.
OPERATING INCOME	377.982	1.205.249	204.931	141.020	214.890	516.431	162.728	20.293	487.888	311.149
Sales revenues	207.005	1.135.022	200.142	141.518	209.851	510.259	161.210	16.924	455.017	300.625
Sales revenues domestic market	164.473	394.658	200.075	83.663	131.081	510.259	116.141	13.473	455.017	300.625
Sales revenues foreign market	42.532	740.364	67	57.855	78.770	0	45.069	3.452	0	0
Own-work capitalized	0	3.581	0	0	0	163	39	0	398	462
Increase in inventories	0	40.796	3.042	705	5.468	0	0	0	0	0
Decrease in inventories	0	(125)	0	(3.329)	(4.061)	0	0	0	0	0
Other operating income	170.977	25.975	1.747	2.126	3.632	6.009	1.479	3.369	32.473	10.062
OPERATING EXPENSES	350.440	1.069.485	200.576	126.026	212.052	549.737	137.548	19.265	479.900	340.293
Cost of goods sold	4.895	22.411	40.910	820	957	411.517	97.579	14.085	383.373	261.552
Materials, fuel and energy	120.722	533.652	100.445	75.556	131.287	6.279	1.847	96	14.915	7.021
Staff costs	115.137	287.402	33.267	21.562	32.989	67.720	15.385	3.360	57.415	43.733
Depreciation, amortization	49.655	17.486	4.082	5.679	7.020	2.651	1.000	56	7.705	7.008
Provisions	0	0	0	0	2.400	0	0	0	0	0
Parent company services	0	63.802	7.284	4.692	7.931	15.500	1.564	1.020	5.376	0
Lease cost paid to parent company	0	56.244	7.435	7.435	8.078	1.458	4.217	0	0	0
Other operating expenses	60.031	88.488	7.153	10.282	21.390	44.612	15.956	648	11.116	20.979
OPERATING PROFIT / LOSS	27.542	135.764	4.355	14.994	2.838	(33.306)	25.180	1.028	7.988	(29.144)
FINANCIAL INCOME	66.171	10.077	282	972	813	39.054	660	6	1.203	17.483
FINANCIAL EXPENSES	1.715	38.530	3.959	5.629	2.922	2.221	2.529	0	1.818	573
Interest	1.125	26.698	2.980	5.288	1.653	1.327	1.665	0	1.818	0
Other financial expenses	590	11.832	979	341	1.269	894	864	0	0	573
OTHER INCOME	281	1.144	51	412	312	1.817	658	0	3.811	2.851
OTHER EXPENSES	20.051	904	7	83	703	4.409	787	20	6.099	1.577
PROFIT / LOSS BEFORE TAXATION	72.228	107.551	722	10.666	338	935	23.182	1.014	5.085	(10.960)

INCOME STATEMENT - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (foreign)

in EUR

	METROT	METALAC MARKET- Podgorica	PROMO-METAL	METALAC UKRAINE	METALAC GROUP - USA
OPERATING INCOME	3.423.296	1.031.456	898.696	165.516	
Sales revenues	3.321.521	1.031.456	898.696	165.516	
Sales revenues domestic market	3.067.083	1.031.456	585.078	157.504	
Sales revenues foreign market	254.438	0	313.618	8.012	
Own-work capitalized	0	0	0	0	
Other operating income	101.775	0	0	0	
OPERATING EXPENSES	3.256.395	1.013.260	854.794	170.416	
Cost of goods sold	2.535.057	772.879	727.248	111.820	
Materials, fuel and energy	49.724	0	5.118	1.104	
Staff costs	359.772	141.684	67.301	36.705	
Depreciation, amortization	27.149	4.127	2.628	2.209	
Provisions	0	0	0	0	
Parent company services	0	0	0	0	
Lease costs	0	56.052	0	0	
Other operating expenses	284.693	38.518	52.499	18.578	
OPERATING PROFIT / LOSS	166.901	18.196	43.902	(4.900)	
FINANCIAL INCOME	187.143	23	8.574	15.953	
FINANCIAL EXPENSES	260.279	0	8.076	168.006	
OTHER INCOME	1.929	1.330	4.329	0	
OTHER EXPENSES	4.083	939	47.309	0	
PROFIT / LOSS BEFORE TAXATION	91.611	18.610	1.420	(156.953)	

BALANCE SHEET - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (domestic)

	METALAC a.d.	POSUDE	PRINT	INKO	BOJLER	MARKET	TRADE	METPOR	PROLETER a.d.	METALURGIJA a.d.
ASSETS	3.347.595	2.912.025	261.925	279.846	365.538	635.893	299.407	14.088	471.202	454.576
Non-current assets	2.442.680	162.247	95.774	74.228	71.958	22.590	7.200	233	296.417	101.519
Intangible assets, property, plant and equipment	1.393.508	162.247	95.774	74.228	71.958	22.590	7.200	233	295.912	101.519
Long-term financial placements	672.685	0	0	0	0	0	0	0	505	0
Long-term loans to subsidiaries	376.487	0	0	0	0	0	0	0	0	0
Current assets	904.915	2.749.778	166.151	205.618	293.580	613.303	292.207	13.855	174.785	353.057
Inventories	7.961	946.613	42.931	87.867	99.859	276.706	86.010	3.744	107.991	90.421
Materials	7.168	430.308	32.312	53.011	34.624	429	8	0	0	0
Work in progress	0	79.195	4.501	9.302	21.985	0	0	0	0	0
Finished goods	0	437.110	6.118	25.554	41.080	0	0	0	0	0
Merchandise	793	0	0	0	2.170	276.277	86.002	3.744	107.991	90.421
Advances to suppliers	1.293	7.199	1.627	2.124	9.171	378	19.607	0	3.029	4.773
Accounts receivable	774.702	1.180.262	117.192	94.355	151.270	28.498	168.444	3.963	31.002	63.285
Short-term financial placements	8.405	0	0	0	0	265.178	0	0	372	180.392
Cash and cash equivalents	84.631	559.809	1.290	15.676	20.032	39.102	7.565	4.958	22.279	10.027
Other receivables	27.923	55.895	3.111	5.596	13.248	3.441	10.581	1.190	10.112	4.159
Loss over capital	0	0	0	0	0	0	0	0	0	0
LIABILITIES	3.347.595	2.912.025	261.925	279.846	365.538	635.893	299.407	14.088	471.202	454.576
Capital	2.855.742	877.489	36.353	24.320	37.915	84.747	188.313	7.645	215.872	180.622
Share capital	408.000	225.194	9.380	22.895	72.684	124.071	263	289	77.182	118.694
Other capital	57.906	0	0	0	0	0	0	0	0	0
Retained earnings	2.167.637	652.295	26.973	10.666	338	935	187.646	7.348	138.690	72.888
Reserves	222.199	0	0	0	0	0	404	8	0	0
Loss	0	0	0	(9.241)	(35.107)	(40.259)	0	0	0	(10.960)
Long-term liabilities	139.478	1.060.912	94.954	119.152	121.558	37.002	16.086	0	66.981	21.314
Long-term provisions	52.606	44.972	3.863	972	13.828	11.425	1.458	0	19.225	21.314
Long-term loans	86.872	769.490	48.151	6.680	107.730	20.095	13.360	0	47.756	0
Long-term borrowings	0	246.450	42.940	111.500	0	5.482	1.268	0	0	0
Current liabilities	321.303	972.486	128.509	135.388	204.827	513.751	94.984	6.443	179.590	250.695
Short-term loans	28.913	64.915	0	0	0	29.743	41.369	0	0	0
Short-term borrowings	0	0	0	0	0	0	0	0	0	0
Accounts payable	43.708	691.333	119.293	129.779	197.380	427.464	18.282	5.185	161.431	215.559
Other liabilities	248.682	216.238	9.216	5.609	7.447	56.544	35.333	1.258	18.159	35.136
Deferred tax liabilities	31.072	1.138	2.109	986	1.238	393	24	0	8.759	1.945

in thousands RSD

BALANCE SHEET - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (foreign)

in EUR

	METROT	METALAC MARKET-Podgorica	PROMO-METAL	METALAC UKRAJINA	METALAC GROUP - USA
ASSETS	2.483.801	1.356.195	1.290.431	412.967	
Non-current assets	228.962	59.070	47.217	10.596	
Intangible assets, property, plant and equipment	228.962	59.070	5.917	10.596	
Long-term financial placements	0	0	41.300	0	
Current assets	2.254.839	1.297.125	1.215.153	326.676	
Inventories	164.666	493.083	408.184	126.323	
Advances to suppliers	55.659	0	0	2.914	
Accounts receivable	1.275.147	405.713	676.862	168.753	
Short-term financial placements	0	364.298	0	0	
Cash and cash equivalents	547.388	25.943	32.201	22.864	
Other receivables	211.979	8.088	97.906	5.822	
Loss over capital	0	0	28.061	75.695	
LIABILITIES	2.483.801	1.356.195	1.290.431	412.967	
Capital	360.970	274.965	0	0	
Share capital	218	17.000	180.945	0	
Retained earnings	360.752	257.965	0	0	
Loss	0	0	(180.945)	0	
Long-term liabilities	0	0	0	0	
Long-term provisions	0	0	0	0	
Long-term loans	0	0	0	0	
Current liabilities	2.122.831	1.081.230	1.290.431	412.967	
Short-term loans	0	0	0	0	
Accounts payable	1.504.478	1.050.356	1.273.671	411.795	
Other liabilities	618.353	30.874	16.760	1.172	
Deffered tax liabilities	0	0	0	0	

CASH FLOW STATEMENT - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (domestic)

in thousands RSD

	METALAC a.d.	POSUDE	PRINT	INKO	BOJLER	MARKET	TRADE	METPOR	PROLETER a.d.	METALURGIJA a.d.
CASH FLOWS FROM OPERATING ACTIVITIES										
Cash receipts from customers	290.014	1.312.637	240.569	155.568	214.099	661.563	188.685	24.666	536.380	406.891
Interest received from operations	263	257	0	0	0	38.525	0	0	148	95
Other cash receipts from operations	1.831	18.268	430	4.571	6.153	276	61	3.369	39.766	12.950
Cash paid to suppliers	(225.524)	(785.113)	(161.924)	(103.881)	(171.982)	(571.853)	(148.879)	(23.028)	(484.803)	(363.866)
Cash paid to and on behalf of employees	(120.203)	(276.509)	(32.380)	(20.453)	(32.387)	(70.487)	(14.168)	(3.330)	(55.576)	(43.202)
Interest paid	(811)	(29.852)	(3.194)	(5.356)	(1.927)	(855)	(383)	0	(2.335)	0
Income taxes paid	0	0	(1.090)	0	0	0	(4.478)	(107)	0	(962)
Other public duties payable	(44.159)	(404)	(5.576)	(81)	(4.809)	(22.214)	(8.466)	0	(15.009)	(11.947)
Net cash provided by/used in operating activities	(98.589)	239.284	36.835	30.368	9.147	34.955	12.372	1.570	18.571	(41)
CASH FLOWS FROM INVESTING ACTIVITIES										
Sale of shares and equity investments (net inflows)	0	0	0	0	0	0	0	0	0	0
Sale of property, plant and equipment	0	0	0	0	0	0	0	0	0	0
Other financial placements (net inflows)	119.510	0	0	0	0	0	0	0	1.533	5.000
Interest received	23.529	4.968	3	9	81	108	1	0	0	9
Dividends received	43.400	0	0	0	0	0	0	0	0	0
Purchase of shares and equity investments (net outflows)	0	0	0	0	0	0	0	0	0	0
Purchase of intangible assets, property and equipment	(8.468)	(1.613)	(14.686)	(16.751)	(12.628)	(4.434)	(1.378)	0	(9.722)	(3.100)
Other financial placements (net outflows)	0	0	0	0	0	0	0	0	0	0
Net cash provided by/used in investing activities	177.971	3.355	(14.683)	(16.742)	(12.547)	(4.326)	(1.377)	0	(8.189)	1.909
CASH FLOWS FROM FINANCING ACTIVITIES										
Increase in core capital	0	0	0	0	0	0	0	0	0	0
Long-term borrowings, net inflows/outflows	95.511	(176.837)	(22.064)	(13.342)	(5.374)	(36.412)	(4.669)	0	(7.244)	0
Cash used to pay dividends and bonuses	(96.578)	(35.400)	0	0	0	0	(8.000)	0	0	0
Purchase of own shares	(51.418)	0	0	0	0	0	0	0	0	0
Other long and short-term liabilities	0	0	0	0	0	0	0	0	0	0
Net cash provided by/used in financing activities	(52.485)	(212.237)	(22.064)	(13.342)	(5.374)	(36.412)	(12.669)	0	(7.244)	0
Net cash increase / decrease	26.897	30.402	88	284	(8.774)	(5.783)	(1.674)	1.570	3.138	1.868
Cash and cash equivalents at beginning of period	57.734	529.407	1.202	15.392	28.806	44.885	9.239	3.388	19.141	8.159
Foreign exchange gains	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of period	84.631	559.809	1.290	15.676	20.032	39.102	7.565	4.958	22.279	10.027

CASH FLOW STATEMENT - METALAC GROUP FOR THE PERIOD JANUARY - JUNE 2014 (foreign)

in EUR

	METROT	METALAC MARKET- Podgorica	PROMO-METAL	METALAC UKRAJINA	METALAC GROUP - USA
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers	4.124.706	1.195.338	1.096.011	233.228	
Interest received from operations	0	0	0	0	
Other cash receipts from operations	13.362	232	0	0	
Cash paid to suppliers	(2.937.424)	(979.751)	(1.025.630)	(219.784)	
Cash paid to and on behalf of employees	(399.384)	(149.431)	(68.572)	(36.691)	
Interest paid	0	0	(7)	0	
Income taxes paid	0	0	(1.763)	0	
Other public duties payable	(621.197)	(21.581)	(5.207)	(7.194)	
Net cash provided by/used in operating activities	180.063	44.807	(5.168)	(30.441)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale of shares and equity investments (net inflows)	0	0	0	0	
Sale of property, plant and equipment	0	0	0	0	
Other financial placements (net inflows)	0	0	0	0	
Interest received	0	0	76	423	
Dividends received	0	0	0	0	
Purchase of shares and equity investments (net outflows)	0	0	0	0	
Purchase of intangible assets, property and equipment	0	(22.396)	0	0	
Other financial placements (net outflows)	0	0	0	0	
Net cash provided by/used in investing activities	0	(22.396)	76	423	
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in core capital	0	0	0	0	
Long-term borrowings, net inflows/outflows	0	0	0	0	
Cash used to pay dividends and bonuses	0	0	0	0	
Other long and short-term liabilities	0	0	0	0	
Net cash provided by/used in financing activities	0	0	0	0	
Net cash increase / decrease	180.063	22.411	(5.092)	(30.018)	
Cash and cash equivalents at beginning of period	371.638	3.532	36.968	52.093	
Foreign exchange gains / losses	(4.313)	0	325	789	
Cash and cash equivalents at end of period	547.388	25.943	32.201	22.864	

3. DECLARATION OF THE PEOPLE RESPONSIBLE FOR THE PREPARATION OF THE STATEMENT

Pursuant to the Art. 52 para 3, point 7 of the Law on the Capital Market (Official Gazette of the Republic of Serbia No. 31/2011) the persons responsible for preparation of the six monthly consolidated statements make the following

DECLARATION

1. According to our best knowledge, the Consolidated Six-monthly Statements of Metalac a.d. have been prepared in accordance with the international accounting regulations, showing accurate and objective information on assets, liabilities, financial position and operations, profits and losses, cash flows and equity changes of the public Company, including the companies included into the consolidated statements.

2. The Consolidated Six-monthly Statements of the company Metalac a.d. from Gornji Milanovac for the period 01.01. – 30.06.2014. were not subject to auditing.

Person Responsible for Preparation of the Statement
Radmila Todosijevic, CFO

Person Representing the Company
Petrasin Jakovljevic
General Director

4. APPROVAL OF THE CONSOLIDATED STATEMENTS FOR THE SIX MONTH PERIOD BY THE COMPANY'S MANAGEMENT

Pursuant to the Art 441 of the Law on Companies and to the Art. 56 of the Company Statute of Metalac a.d. from Gornji Milanovac, and the Art. 20 para 1 point 2 of the Rules of Procedure, the Supervisory Board on its fourth session held on 8th August, 2014 made the following

DECISION

approving the financial statements of Metalac a.d. and its subsidiaries for the period from 01.01. to 30.06.2014. including the business report made by the Internal Control Office for the said period

The approved statements mentioned in the para one above make the integral part of this Decision.

Gornji Milanovac, August 15, 2014

Person Responsible for Preparation of the Statement
Radmila Todosijevic, CFO

Person Representing the Company
Petrasin Jakovljevic
General Director