

TLM: Takeover along with a defective report?

TLM's financial results have been left out of the Report, presumably by mistake.

14.11.2007.

According to the information of „Poslovni dnevnik“ confirmed by the President of the Supervisory Board of “Tvornica lakih metala” (TLM), privatization process of the Šibenik-based company has been entering its final phase, which, according to his words, should, in a few days, at the latest, result in signing of a contract on takeover of the company TLM by the Croatian Consortium led by Dalekovod. Tolić, puts reaching of a final agreement into the limelight, which means that these days a contract shall be signed and that the privatization process in the company of strategic importance shall be completed. It had been said that yesterday final meetings were held in Zagreb, and that all Articles of the Privatization Contract have been defined in detail. The Contract on takeover of TLM shall be signed by HFP and the Croatian Consortium. Preliminary activities related to the arrival of a new owner have started. This has been implied by the fact that TLM has published an invitation for attendance at the Shareholders' Meeting, on 22 Dec 2007. It has been anticipated that the Management Board with Ivan Koštan, as the President of the Management Board, shall submit to its shareholders a report on annexation of the existing companies with limited liability into one legal entity. TLM, as a joint stock company, is a 100% owner of all daughter companies that are operating as companies with limited liability. Besides the current assets, the employees and machines from the companies with limited liability shall be returned to TLM through annexation and in this way TLM shall become one company, explains Tolić. One issue remains still open, namely financial results of the company TLM for the fiscal year 2006. According to Tolić, financial reports have not been presented to the public, as the regular annual Shareholders' Meeting has not been hold yet. “We have waited for the privatization process to end; now we shall hold a Shareholders' Meeting, and it is at the meeting that we shall present main financial results for the year 2006”, says Tolić. This would mean that TLM should supplement the agenda of the scheduled Shareholders' Meeting, as it seems, that by technical mistake, presentation of financial results has been left out, as well as the report of the Supervisory Board on the conducted supervision and approval of the report, which are anticipated formal legal actions for issuing an absolution. The representatives of capital, i.e. the state mainly, should reach a decision on issuing absolution notes to the Members of the Supervisory Board with their term of office expiring. In the set up of the new Supervisory Board there are no surprises at all; in other words former supervisors, of which the most renowned are the major of the town Šibenik, Nedjeljka Klarić and the representative of HDZ (Croatian Democratic Union) Perica Bukić, shall, according to the current proposal of the Management and Supervisory Board, continue to fill this function as a preliminary solution until the takeover of the company.