

Dalekovod d.d.  
Marijana Čavića 4  
10 000 Zagreb



## **Report by the Management Board for the first half of 2010**

*Non-audited, non-consolidated*

In Zagreb 30th July 2010



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## I. REPORT BY THE MANAGEMENT BOARD

During the first six months in 2010, DALEKOVOD d.d. has realized a total revenue of 676,098.753 HRK. Sales revenue amounts to 658,440.643 HRK, which by comparison to last year is a decline totalling 42,88 %.

In the sales revenue pattern we have made a significant growth in exports amounting to 36,76% in comparison to the same period last year, meaning we have realised profit in the amount of 189,045.506 HRK.

Home market has seen a decline totalling 53,73 % in comparison to the same period last year, due to the general decline and halt in investments, and relating to the anticipated amounts, so the home market revenue totals 469,395.137 HRK.

During the same account period overall expenditures have been realised in the amount of 647,300.389 HRK, which represents a decline of 45,89% in comparison to the same period last year.

DALEKOVOD d.d. has undertaken, second year in a row, savings measures and rationalisation of business operations with a view to optimise business results.

During this account period a net profit of 23,038.691 HRK has been realised, which complies with anticipated amounts.

In the coming period we are expecting, in the light of business deals made abroad, a gradual increase in employment of our manufacturing capacities and an increase in exports.

On behalf of the Management Board:

M.Sc. Luka Miličić,  
Board President  
„Dalekovod“ d.d., v.r.



## II. REPRESENTATION LETTER

According to Article 410, paragraph 2 and Article 407, paragraph 2, item 3 and paragraph 3 of the Capital Market Act, the persons in charge of the preparation of the reports: Luka Miličić – President of the Management Board, Krešo Kraljević – Deputy President and Tomislav Belamarić – the member of the Management Board submit this

### REPRESENTATION LETTER

According to our best knowledge, the short financial statements of the Company prepared by using suitable financial reporting standards, give a full and a fair presentation of assets and liabilities and operating result of the Company with a short review of causes of disclosed data. Financial statements are non-audited and non-consolidated.

On behalf of the Management Board:

M.Sc. Luka Miličić,  
Board President  
Dalekovod d.d.

### III. BALANCE SHEET

#### Assets

| Item   | AOP label  |   | Previous year (net) | Current year (net) |
|--|------------|---|---------------------|--------------------|
| 1  | 2          | 3 | 4                   | 5                  |
| <b>ASSETS</b>  |            |   |                     |                    |
| <b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>                        | <b>001</b> |   | 0                   | 0                  |
| <b>B) FIXED ASSETS (003+010+020+028+032)</b>                               | <b>002</b> |   | 678.111.938         | 704.386.811        |
| <b>I INTANGIBLE ASSETS (004 to 009)</b>                                    | <b>003</b> |   | 18.150.158          | 16.468.113         |
| 1 Development projects expenditures  | 004        |   | 0                   | 0                  |
| 2 Concessions, patents, licenses, trade marks, software and similar rights | 005        |   | 16.197.111          | 13.161.504         |
| 3 Goodwill   | 006        |   | 0                   | 0                  |
| 4 Advance payments for intangible assets                                   | 007        |   | 0                   | 0                  |
| 5 Intangible assets in preparation   | 008        |   | 1.953.047           | 3.306.609          |
| 6 Other intangible assets  | 009        |   | 0                   | 0                  |
| <b>II TANGIBLE ASSETS (011 to 019)</b>                                     | <b>010</b> |   | 468.458.748         | 454.567.431        |
| 1 Land   | 011        |   | 13.521.765          | 13.521.765         |
| 2 Construction facilities  | 012        |   | 118.319.745         | 115.339.494        |
| 3 Plant and machinery  | 013        |   | 181.376.004         | 172.660.889        |
| 4 Tools, plant inventory and means of transport                            | 014        |   | 31.133.001          | 27.230.274         |
| 5 Biological property  | 015        |   | 0                   | 0                  |
| 6 Advance payments for tangible assets                                     | 016        |   | 0                   | 0                  |
| 7 Tangible assets in preparation   | 017        |   | 17.267.527          | 20.606.414         |
| 8 Other tangible assets  | 018        |   | 0                   | 0                  |
| 9 Investments in property  | 019        |   | 106.840.706         | 105.208.595        |
| <b>III FIXED FINANCIAL ASSETS (021 to 027)</b>                             | <b>020</b> |   | 191.503.032         | 233.344.074        |
| 1 Shares in affiliated undertakings  | 021        |   | 119.100.800         | 133.078.823        |
| 2 Loans to affiliated undertakings   | 022        |   | 11.858.508          | 4.155.502          |
| 3 Participating interests  | 023        |   | 33.665.538          | 33.665.538         |
| 4. Investments in securities   | 024        |   | 23.109.846          | 23.109.846         |
| 5. Loans, deposits, and similar  | 025        |   | 3.768.340           | 39.334.365         |
| 6 Own shares and interests   | 026        |   | 0                   | 0                  |
| 7 Other fixed financial assets   | 027        |   | 0                   | 0                  |
| <b>IV RECEIVABLES (029 to 031)</b>   | <b>028</b> |   | 0                   | 7.193              |
| 1 Receivables from affiliated undertakings                                 | 029        |   | 0                   | 7.193              |
| 2 Receivables related to credit sale                                       | 030        |   | 0                   | 0                  |
| 3 Other receivables  | 031        |   | 0                   | 0                  |
| <b>DEFERRED TAX ASSETS</b>   | <b>032</b> |   | 0                   | 0                  |
| <b>C) CURRENT ASSETS (034+042+049+057)</b>                                 | <b>033</b> |   | 1.456.096.953       | 1.543.813.264      |
| <b>I STOCKS (035 To 041)</b>   | <b>034</b> |   | 444.713.689         | 410.240.968        |
| 1 Raw material   | 035        |   | 100.001.544         | 106.656.735        |
| 2 Production in progress   | 036        |   | 15.080.785          | 193.287.733        |
| 3 In-process products and semi-products                                    | 037        |   | 0                   | 0                  |
| 4 Finished products  | 038        |   | 329.631.360         | 110.296.500        |
| 5 Goods for resale   | 039        |   | 0                   | 0                  |
| 6 Advance payments for inventories   | 040        |   | 0                   | 0                  |
| 7 Other assets intended for sale   | 041        |   | 0                   | 0                  |
| <b>II RECEIVABLES (043 To 048)</b>   | <b>042</b> |   | 908.076.263         | 948.133.941        |
| 1 Receivables from affiliated undertakings                                 | 043        |   | 7.456.038           | 49.605.430         |
| 2 Receivables from customers   | 044        |   | 865.742.878         | 827.183.452        |
| 3 Receivables from participating undertakings                              | 045        |   | 0                   | 0                  |
| 4 Receivables from employees and members of undertakings                   | 046        |   | 966.184             | 1.202.262          |
| 5 Receivables from the state and other institutions                        | 047        |   | 557.850             | 34.507.830         |
| 6 Other receivables  | 048        |   | 33.353.313          | 35.634.967         |
| <b>III CURRENT FINANCIAL ASSETS (050 To 056)</b>                           | <b>049</b> |   | 63.014.840          | 125.485.383        |
| 1 Shares in affiliated undertakings  | 050        |   | 0                   | 0                  |
| 2 Loans to affiliated undertakings   | 051        |   | 17.617.282          | 39.786.880         |
| 3 Participating interests  | 052        |   | 0                   | 0                  |
| 4. Investments in securities   | 053        |   | 26.023              | 26.023             |
| 5. Loans, deposits, and similar  | 054        |   | 45.371.535          | 85.672.481         |
| 6 Own shares and interests   | 055        |   | 0                   | 0                  |
| 7 Other long-term financial assets   | 056        |   | 0                   | 0                  |



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|  |            |  |                      |                      |
|--|------------|--|----------------------|----------------------|
| <b>IV CASH IN HAND AND AT BANK</b>           | <b>057</b> |  | <b>40.292.161</b>    | <b>59.952.971</b>    |
| <b>D) PREPAYMENTS AND ACCRUED INCOME</b>     | <b>058</b> |  | <b>12.052.995</b>    | <b>15.715.998</b>    |
| <b>E) LOSS ABOVE CAPITAL</b>                 | <b>059</b> |  | <b>0</b>             | <b>0</b>             |
| <b>F) TOTAL ASSETS (001+002+033+058+059)</b> | <b>060</b> |  | <b>2.146.261.886</b> | <b>2.263.916.073</b> |
| <b>G) OFF-BALANCE SHEET ITEMS</b>            | <b>061</b> |  | <b>406.320.335</b>   | <b>401.418.717</b>   |

## Liabilities

| <b>LIABILITIES</b>   |            |               |               |
|--|------------|---------------|---------------|
| <b>A) CAPITAL AND RESERVES (063+064+065+071+072-073+074-075+076)</b> | <b>062</b> | 668.191.261   | 691.080.857   |
| <b>I INITIAL (SUBSCRIBED) CAPITAL</b>                                | <b>063</b> | 229.381.200   | 229.381.200   |
| <b>II CAPITAL RESERVES</b>   | <b>064</b> |               | 0             |
| <b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>               | <b>065</b> | 342.650.517   | 431.436.260   |
| 1 Legal reserves   | <b>066</b> | 11.486.600    | 11.486.600    |
| 2 Reserves for own shares  | <b>067</b> | 0             | 0             |
| 3 Own shares and interests (deductible item)                         | <b>068</b> | 0             | 0             |
| 4 Statutory reserves   | <b>069</b> | 218.400.504   | 307.186.247   |
| 5 Other reserves   | <b>070</b> | 112.763.413   | 112.763.413   |
| <b>IV REVALUATION RESERVES</b>                                       | <b>071</b> | 7.224.706     | 7.224.706     |
| <b>V RETAINED PROFIT</b>   | <b>072</b> | 0             | 0             |
| <b>VI LOSS BROUGHT FORWARD</b>                                       | <b>073</b> | 0             | 0             |
| <b>VII PROFIT OF FINANCIAL YEAR</b>                                  | <b>074</b> | 88.934.838    | 23.038.691    |
| <b>VIII LOSS OF FINANCIAL YEAR</b>                                   | <b>075</b> | 0             | 0             |
| <b>IX MINORITY INTEREST</b>  | <b>076</b> | 0             | 0             |
| <b>B) PROVISIONS (078 TO 080)</b>                                    | <b>077</b> | 6.876.000     | 10.094.468    |
| 1 Provisions for rents, lay-off pays and similar liabilities         | <b>078</b> | 6.876.000     | 10.094.468    |
| 2 Provision for tax liabilities                                      | <b>079</b> | 0             | 0             |
| 3 Other provisions   | <b>080</b> | 0             | 0             |
| <b>C) LONG-TERM LIABILITIES (082 To 089)</b>                         | <b>081</b> | 155.044.094   | 236.273.602   |
| 1 Liabilities towards affiliated undertakings                        | <b>082</b> | 0             | 0             |
| 2 Liabilities for loans, deposits and similar                        | <b>083</b> | 0             | 0             |
| 3 Liabilities towards banks and other financial institutions         | <b>084</b> | 1.665.000     | 12.081.250    |
| 4 Liabilities for advance payments                                   | <b>085</b> | 0             | 0             |
| 5 Liabilities towards suppliers                                      | <b>086</b> | 153.379.094   | 224.192.352   |
| 6 Liabilities related to securities                                  | <b>087</b> | 0             | 0             |
| 7 Other long-term liabilities  | <b>088</b> | 0             | 0             |
| 8 Deferred tax liability   | <b>089</b> | 0             | 0             |
| <b>D) SHORT-TERM LIABILITIES (091 do 101)</b>                        | <b>090</b> | 1.244.995.504 | 1.255.312.119 |
| 1 Liabilities towards affiliated undertakings                        | <b>091</b> | 9.778.074     | 20.821.985    |
| 2 Liabilities for loans, deposits and similar                        | <b>092</b> | 8.907.329     | 8.417.113     |
| 3 Liabilities towards banks and other financial institutions         | <b>093</b> | 335.385.720   | 442.047.934   |
| 4 Liabilities for advance payments                                   | <b>094</b> | 27.490.675    | 142.949.535   |
| 5 Liabilities towards suppliers                                      | <b>095</b> | 578.507.453   | 356.868.516   |
| 6 Liabilities related to securities                                  | <b>096</b> | 232.836.403   | 226.238.195   |
| 7 Liabilities towards employees                                      | <b>097</b> | 11.231.149    | 10.159.883    |
| 8 Liabilities for taxes, contributions and similar levies            | <b>098</b> | 13.355.958    | 22.123.886    |
| 9 Liabilities related to the share in the result                     | <b>099</b> | 1.899.762     | 1.899.762     |
| 10 Liabilities related to fixed assets intended for sale             | <b>100</b> | 0             | 0             |
| 11 Other short-term liabilities                                      | <b>101</b> | 25.602.981    | 23.785.311    |
| <b>E) ACCRUALS AND DEFERRED PAYMENT</b>                              | <b>102</b> | 71.155.027    | 71.155.027    |
| <b>F) TOTAL - LIABILITIES (062+077+081+090+102)</b>                  | <b>103</b> | 2.146.261.886 | 2.263.916.073 |
| <b>G) OFF-BALANCE SHEET ITEMS</b>                                    | <b>104</b> | 406.320.335   | 401.418.717   |

#### IV. REPORT OF OVERALL PROFIT

| Item   | Previous year (net)  | Current year (net) |
|--|----------------------|--------------------|
| 1  | 4                    | 5                  |
| <b>I OPERATING INCOME (108 to 110)</b>   | <b>1.183.946.114</b> | <b>674.937.023</b> |
| 1 Revenues from products and services  | 1.152.789.219        | 658.440.643        |
| 2 Revenues from usage of own products and services   | 16.558.121           | 5.081.327          |
| 3 Other operating income   | 14.598.774           | 11.415.053         |
| <b>II OPERATING EXPENSES (112-113+114+118+122+123+124+127+128)</b>   | <b>1.168.164.591</b> | <b>616.244.534</b> |
| 1 Reduction in stocks of finished goods and in work in progress  | 80.917.406           | 40.990.026         |
| 2 Increase of stocks of finished goods and in work in progress   | 0                    | 0                  |
| 3 Material costs (115 to 117)  | 859.476.231          | 379.465.587        |
| a) Raw material costs  | 207.459.663          | 80.904.426         |
| b) Costs of goods for sale   | 59.532.164           | 69.737.154         |
| c) Other external services costs   | 592.484.404          | 228.824.007        |
| 4 Staff costs (119 to 121)   | 129.497.236          | 119.348.207        |
| a) Net wages and salaries  | 71.097.675           | 69.843.975         |
| b) Taxes and contribution on salaries  | 40.728.524           | 32.993.482         |
| c) Contribution surtax on salaries   | 17.671.037           | 16.510.750         |
| 5 Depreciation   | 22.399.412           | 25.563.363         |
| 6 Other operating expenses   | 59.778.675           | 45.561.121         |
| 7 Value adjustment (125+126)   | 185.225              | 96.306             |
| a) fixed assets (except financial assets)  | 0                    | 0                  |
| b) current assets (except financial assets)  | 185.225              | 96.306             |
| 8. Long-term reserves  | 0                    | 0                  |
| 9. Other expenses  | 15.910.406           | 5.219.924          |
| <b>III FINANCIAL INCOME (130 to 134)</b>   | <b>15.989.078</b>    | <b>1.161.730</b>   |
| 1 Interest income, foreign exchange gains, dividends and other financial income related to affiliated undertakings                     | 122.215              | 0                  |
| 2 Interest income, foreign exchange gains, dividends and other financial income related to unaffiliated undertakings and other persons | 15.215.537           | 1.161.730          |
| 3 Income from affiliated undertakings and participating interests  | 0                    | 0                  |
| 4 Unrealized income of the financial assets  | 651.326              | 0                  |
| 5 Other financial income   | 0                    | 0                  |
| <b>IV FINANCIAL EXPENSES(136 to 139)</b>   | <b>27.386.237</b>    | <b>31.055.855</b>  |
| 1. Interest income, foreign exchange gains, dividends and other expenses related to affiliated undertakings                            | 477.399              | 0                  |
| 2. Interest income, foreign exchange gains, dividends and other expenses related to unaffiliated undertakings and other persons        | 26.613.598           | 31.055.855         |
| 3. Unrealized losses (expenses) of the financial assets  | 295.240              | 0                  |
| 4 Other financial expenses   | 0                    | 0                  |
| <b>V EXTRAORDINARY- OTHER INCOME</b>   | <b>30.132.532</b>    | <b>0</b>           |
| <b>VI EXTRAORDINARY - OTHER EXPENSES</b>   | <b>654.304</b>       | <b>0</b>           |
| <b>VII TOTAL INCOME (107+129+140)</b>  | <b>1.230.067.724</b> | <b>676.098.753</b> |
| <b>VIII TOTAL EXPENSES (111+135+141)</b>   | <b>1.196.205.132</b> | <b>647.300.389</b> |
| <b>IX PROFIT BEFORE TAX (142-143)</b>  | <b>33.862.592</b>    | <b>28.798.364</b>  |
| <b>X LOSS BEFORE TAX (142-143)</b>   |                      | <b>0</b>           |
| <b>XI TAX</b>  | <b>10.984.740</b>    | <b>5.759.673</b>   |
| <b>XII PROFIT AFTER TAX</b>  | <b>22.877.852</b>    | <b>23.038.691</b>  |
| <b>XIII LOSS AFTER TAX</b>   | <b>0</b>             | <b>0</b>           |



## V. REPORT OF CASH FLOW

| Name of position:<br>1   | AOP<br>designation<br>2                    | Previous<br>year<br>4 | Current<br>year<br>5 |
|--|--|-----------------------|----------------------|
|  | <b>CASH FLOW FROM OPERATING ACTIVITIES</b> |                       |                      |
| 1. Pre-tax profit  | 1  | 33.862.593            | 28.803.364           |
| 2. Depreciation  | 2  | 22.399.412            | 25.563.363           |
| 3. Increase in short-term liabilities  | 3  | 143.520.870           | 0                    |
| 4. Decrease in short-term receivables  | 4  | 0                     | -5.003               |
| 5. Reduction of stocks   | 5  | 122.744.751           | 34.472.719           |
| 6. Other increase in cash flow   | 6  | 1.358.731             | 0                    |
| <b>I. Total increase in cash flow from operating activities (001 to 006)</b> | <b>7</b>                                   | <b>323.886.357</b>    | <b>88.834.443</b>    |
| 1. Decrease in short-term liabilities  | 8  | 0                     | 100.590.936          |
| 2. Increase in short-term receivables  | 9  | 172.420.493           | 6.416.274            |
| 3. Increase in stocks  | 10   | 0                     | 0                    |
| 4. Other decrease in cash flow   | 11   | 0                     | 21.451.429           |
| <b>II Total decrease in cash flow from operating activities (008 to 011)</b> | <b>12</b>                                  | <b>172.420.493</b>    | <b>128.468.639</b>   |
| <b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)</b>     | <b>13</b>                                  | <b>151.465.864</b>    | <b>0</b>             |
| <b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>     | <b>14</b>                                  | <b>0</b>              | <b>39.624.196</b>    |
| <b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>                                  |  |                       |                      |
| 1. Cash receipts from sale of fixed tangible and intangible assets           | 15   | 24.837.134            | 1.546.810            |
| 2. Cash receipts from sale of treasury and debt financial instruments        | 16   | 435.776.382           | 16.146.253           |
| 3. Cash receipts from interests  | 17   | 526.999               | 1.021.319            |
| 4. Cash receipts from dividends  | 18   |                       |                      |
| 5. Other cash receipts from investment activities                            | 19   |                       |                      |
| <b>III. Total cash receipts from investment activities (015 do 019)</b>      | <b>20</b>                                  | <b>461.140.515</b>    | <b>18.714.382</b>    |
| 1. Expenditures for buying fixed assets and intangible assets                | 21   | 29.602.483            | 11.536.808           |
| 2. Expenditures for purchasing treasury and debt financial instruments       | 22   | 464.414.591           | 125.037.689          |
| 3. Other expenditures from investment activities                             | 23   |                       |                      |
| <b>IV. Total expenditures from investment activities (021 to 023)</b>        | <b>24</b>                                  | <b>494.017.074</b>    | <b>136.574.497</b>   |
| <b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>    | <b>25</b>                                  | <b>0</b>              | <b>0</b>             |
| <b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>    | <b>26</b>                                  | <b>32.876.559</b>     | <b>117.860.115</b>   |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>                                   |  |                       |                      |
| 1. Cash receipts from issuance of treasury and debt financial instruments    | 27   | 6.695.557             | 116.020.828          |
| 2. Cash receipts from loan principal, bonds, borrowings and other loans      | 28   | 233.024.537           | 402.122.442          |
| 3. Total cash receipts from financial activities                             | 29   |                       |                      |
| <b>V. Total cash receipts from financial activities (027 To 029)</b>         | <b>30</b>                                  | <b>239.720.094</b>    | <b>518.143.270</b>   |
| 1. Expenditures for repayment of loan principal and bonds                    | 31   | 401.232.140           | 329.109.039          |
| 2. Expenditures for payment of dividends                                     | 32   | 0                     | 0                    |
| 3. Expenditures for financial leasing  | 33   | 16.832.684            | 11.740.021           |
| 4. Expenditures for redemption of treasury shares                            | 34   | 2.398.700             | 149.098              |
| 5. Other expenditures from financial activities                              | 35   |                       |                      |
| <b>VI. Total expenditures from financial activities (031 to 035)</b>         | <b>36</b>                                  | <b>420.463.524</b>    | <b>340.998.158</b>   |
| <b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>     | <b>37</b>                                  | <b>0</b>              | <b>177.145.112</b>   |
| <b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>     | <b>38</b>                                  | <b>180.743.430</b>    | <b>0</b>             |
| Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)              | 39   | 0                     | 19.660.801           |
| Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)              | 40   | 62.154.125            | 0                    |
| Cash and cash equivalents at the beginning of the period                     | 41   | 104.720.406           | 40.292.162           |
| Increase in cash and cash equivalents  | 42   | 0                     | 19.660.801           |
| Decrease in cash and cash equivalents  | 43   | 62.154.125            | 0                    |
| Cash and cash equivalents at the end of the period                           | 44   | 42.566.281            | 59.952.963           |

## VI. REPORT OF CHANGES TO CAPITAL

| Item   |            | Previous year      | Increase   | Decrease   | Current year       |
|--|------------|--------------------|------------|------------|--------------------|
| Subscribed capital   | 117        | 229.381.200        |            |            | 229.381.200        |
| Capital reserves   | 118        | 0                  |            |            |                    |
| Reserves from profit   | 119        | 342.650.517        | 88.934.838 | 149.098    | 431.436.257        |
| Retained profit or loss carried forward                                    | 120        |                    |            |            |                    |
| Profit or loss of the current period                                       | 121        | 88.934.838         | 23.038.691 | 88.934.838 | 23.038.691         |
| Revaluation of long-term tangible assets                                   | 122        | 7.224.706          |            |            | 7.224.706          |
| Revaluation of intangible assets   | 123        |                    |            |            |                    |
| Revaluation of available-fo-sale financial assets                          | 124        |                    |            |            |                    |
| Other revaluations   | 125        |                    |            |            |                    |
| Exchange rate differentials related to net investments in a foreign entity | 126        |                    |            |            |                    |
| Current and deffered tax   | 127        |                    |            |            |                    |
| Protect cash flow  | 128        |                    |            |            |                    |
| Change in accounting policy  | 129        |                    |            |            |                    |
| Correction of fundamental mistakes   | 130        |                    |            |            |                    |
| Other changes in capital statements  | 131        |                    |            |            |                    |
| <b>Total increase / decrease in capital statements</b>                     | <b>132</b> | <b>668.191.261</b> |            |            | <b>691.080.854</b> |

## VII. ADDITIONAL NOTES

### 1. MEMBERS OF THE COMPANY MANAGEMENT BOARD

1. Board President: M.Sc. Luka Miličić, Master of Civil Eng.
2. Deputy President -Member: Krešo Kraljević, Master of Electrical Eng.
3. Member: Tomislav Belamarić, Master of Electrical Eng.

### 2. MEMBERS OF THE SUPERVISORY BOARD

1. Petar Đukan, President
2. Marijan Pavlović, Vice President
3. Velimir Đurđević, Member
4. Ivo Marfat, Member
5. Ilija Barišić, Member
6. Viktor Miletić, Member
7. Ivan Radotić, Member

### 3. TEN MAJOR SHAREHOLDERS:

| NAZIV<br>ADRESA:                                     | BROJ:                    | UDIO:          |
|--|--------------------------|----------------|
| CTG d.o.o.   | Zagreb, Zadarska 80/III  | 352.474 15,37% |
| HPB d.d./Kapitalni fond d.d.                         | Zgb, Jurišićeva 4        | 44.071 1,92%   |
| Dalekovod d.d.                                       | Zgb, M. Čavića 4         | 43.934 1,91%   |
| PBZ d.d. Street client account                       | Zgb, Račkog 6            | 42.176 1,84%   |
| Erste&Steiermarkische bank d.d. /CSC                 | Rijeka, Jadranski trg 3A | 31.649 1,38%   |
| Societe generale - Splitska banka d.d.               | Split, R. Boškovića 16   | 24.992 1,09%   |
| Zagrebačka banka / Zbirni skrbnički račun            | Zagreb, Paromlinska 2    | 24.488 1,07%   |
| Miličić Luka   | Zagreb, Čačkovićeveva 7a | 22.469 0,98%   |
| Raiffaisenbank Austria d.d. / Zbirni skrbnički račun | Zgb, Petrinjska 159      | 22.456 0,98%   |
| Erste&Steiermarkische bank d.d. /CSC                 | Rijeka, Jadranski trg 3A | 19.638 0,86%   |

### 4. DIVISION OF SHARES:

There was no new issue of shares.



## **5. EARNING PER SHARE**

Earning per share for the first quarter of 2010 amounted to HRK 10,24.

## **6. ACQUISITION AND MERGER**

During the first quarter of 2010 there were no acquisitions or mergers.

## **7. UNCERTAINTY**

During the first quarter of 2010 there were no identified bad and doubtful debts affecting the continuity of business.

## **8. DESCRIPTION OF PRODUCTS AND SERVICES**

Dalekovod d.d with time has specialized for performance of contracts based on „turnkey“solution in the following areas:

- Electrical power facilities, especially transmission lines from 0.4 to 500 kV
- Substations of all levels and voltage levels up to 500 kV
- Air, underground and marine cables up to 110 kV
- Telecommunication facilities
- All types of networks and antennas
- Production of suspension and jointing equipment for all types of transmission lines and substations from 0.4 to 500 kV
- Production and installation of all metal parts for traffic roads, especially for road lighting, protective fencing and traffic signalization
- Tunnel lighting and traffic control
- Electrification of railway and trams

## **9. CHANGES TO ACCOUNTING POLICIES**

There are no new accounting policies.

## **10. LEGAL ISSUES**

There are no unresolved issues greatly affecting the Company's business.