

Dalekovod j.s.c.  
Marijana Čavića 4  
10 000 Zagreb



## The Management Board Report for the 1<sup>st</sup> half of 2011

*Non-audited*

In Zagreb July 31st, 2011



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## I. MANAGEMENT BOARD REPORT

In the first half of 2011 the Dalekovod Group („Group“) generated business revenue of 617 million HRK, operative earnings before depreciation, interest and profit tax (EBITDA) in the amount of 20.4 million HRK, and loss in profit in the amount of 39.1 million HRK. However, in the same period Dalekovod d.d. („Company“) recorded business revenue in the amount of 589 million HRK, operative earnings before depreciation (EBITDA) in the amount of 16.5 million HRK and loss in profit totalling 39.3 million HRK. The Group’s EBITDA in the first half of the year presents an improvement compared to the Q4 2010 and Q1 2011, when EBITDA amounted to -9.4 million HRK, i.e. 10.8 million HRK.

The business results of the Company and the Group may be regarded as continuation of negative macro-economic trends on the domestic market, that primarily reflect in the decline of investments in infrastructure projects, almost in all areas in which the Company and the Group have been operating. The lack of contracted projects and the decline in revenue on the domestic market was compensated partially by the Company by a strong breakthrough onto the international market, i.e. into the area of infrastructure projects in the energy sector, where revenue of 268 million HRK, i.e. 46% of business revenue, was realized through foreign permanent establishments.

Despite the weaker operating results in the first half of this year, the Management Board emphasizes that restructuring of business operations and redefining of the Company’s and Group’s business strategy has been underway. Upon implementation of the above, stable and profitable business operations are anticipated.

Headed by the long-term experience and references the Company intends to use the forthcoming period to strengthen its position on the international market through positioning itself in the energy sector. Aiming to implement the above, the Company and its Management Board are very much aware that restructuring of the business operations should be carried out 2011 in order to ensure long-term competitiveness and stability.

The implementation of the planned measures related to reorganization of the Group and business processes, rationalization of business operations and reduction of fixed costs is reflected in the following activities:

- With a view of strengthening the Company’s corporate governance, the Company’s Management Board suggested and the Supervisory Board approved that the Management

Board should be expanded by two new members – Damir Skansi, M.Sc. Econ. and Krešimir Anušić, B.Sc.E.E.

- In order to reduce the costs, improve business processes and enhance business efficiency, and ensure the future profitability, the Management Board has been carrying out an intensive restructuring process within the Group. Optimization of unit manufacturing costs has been implemented, primarily through optimization of the number of employees, closure of unprofitable production lines and focusing on strategic products. Preparations are made to extract the Production Business Unit into a separate legal entity that shall have to act entirely according to market principles by offering its products to the Company, primarily for the needs of the Company's infrastructure projects.
- Within the Company, two Business Units - Engineering and Construction - have been connected into a single organization unit with a view to focus on bidding, contracting and managing projects primarily abroad. The reorganization has enabled greater focus on single specific international markets and greater flexibility and adaptation to changing market conditions. By consolidating the process of the Engineering and Construction Business Unit, a better control of costs and feasibility analysis of projects has been ensured.
- The measures that have been undertaken so far and continuation of the said shall to a large extent put further strain on the year 2011, which is why the profitability of operations shall be under intense pressure throughout the year.
- The Company boasts of a significant know-how related to the sector of renewable energy sources (wind, biomass, waste, thermal springs, etc.) and it is through strategic partnerships and its own development that it intends to become a regional player in that field of activity. Investments in the new wind power plants that are financed on a "project" basis shall ensure a stable and continuous cash flow, whereby the riskiness of the business model and dependence on tender awards shall be decreased. By 2013 the Company intends to generate 15% of EBITDA out of renewable energy sources and more than 25% of EBITDA by the year 2015.
- By the decision of the Management Board and in accordance with the Statute, the Company has decided to raise capital by issuing up to 25% of new shares by excluding the priority rights of the existing shareholders. Dalekovod has successfully completed the announced recapitalization process in two stages:

The first phase of recapitalization - was conducted by issuing 408,700 new shares, thus increasing the capital base by 100 million HRK. The funds collected shall be used for investments into renewable energy sources projects (40 million HRK), severance pay for the established redundant workers (40 million HRK), decrease of current liabilities (20 million HRK). The first phase of recapitalization was carried out primarily by the Croatian pension funds that upon completion of the transaction has become the largest shareholder of the



Company and as such shall in future play a key role in corporate governance of the Company, primarily through its membership in the Supervisory Board.

The second phase of capitalization – was carried out by issuing additional 164,753 shares, by which the Company fully utilized the statutory resolution to increase capital by 25% (total issuance of 573,453 new shares) by excluding the priority rights. Thus collected capital totalling 40 million HRK shall be fully used to decrease the Company's debts.

Although the Group and Company have been passing through a very difficult business phase, the Company's Management Board has realized that it is necessary to fully undertake all restructuring measures and achieve the given strategic guidelines in order to realize the business results, further to increase profitability and the anticipated return for the shareholders. By changing the Company's and Group's strategy, focusing more on international markets and business operations within the energy sector and by contracting and performing works on a "turn-key" basis, the Company and its Management Board have realized that it is of crucial importance to continue further optimization of fixed costs in order to enable the Company to adjust to the newly arisen environment of the decreased demand on the domestic market and to prepare the Company for a more significant breakthrough onto the international markets.

In the past period the Company has put great effort in obtaining projects on the international markets. International tenders from total contracted 125.6 million EURO worth orders and projects have been currently underway and are expected to be realized in the course of this and the next business year. Besides, the Group and the Company have been actively participating in a series of tenders at home and abroad with a view of contracting new projects and realizing a plan of a moderate revenue growth in the coming years in line with the historical average growth rate of the Company and the Group. It is necessary to emphasize the Company's activities undertaken with an aim to ensure the positioning and performance of the Company on particular markets of the Western Europe where the process of prequalification for performance of works has been in progress or has been already completed. Due to strong Company's international activities, significant new businesses are expected to be obtained abroad, whereof the Company shall keep its shareholders informed.

On behalf of the Management Board:

M.Sc. Luka Miličić

President of the Board "Dalekovod" plc





## 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 set of financial statements of the Company and the Group prepared by using suitable financial reporting standards, gives a full and a fair presentation of assets and liabilities and operating result of the Company and the Group with a short review of causes of disclosed data. Financial statements are consolidated and are not audited.

On behalf of the Management Board:

  
M.Sc. Luka Miličić,  
President of the Board „Dalekovod“ plc



### III. BALANCE SHEET

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
1	2	3	4	5	6
<b>DALEKOVOD jsc</b>				<b>DALEKOVOD GROUP</b>	
<b>ASSETS</b>					
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B) NON CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>799.555.170</b>	<b>815.525.281</b>	<b>910.723.134</b>	<b>965.294.618</b>
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	<b>19.935.669</b>	<b>17.333.290</b>	<b>26.308.486</b>	<b>23.560.638</b>
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	10.704.401	7.591.896	20.077.541	11.367.961
3. Goodwill	006	0	0	4.559.000	2.024.259
4. Prepayments for intangible assets	007	0	0	118.510	0
5. Intangible assets under construction	008	9.231.268	9.741.394	1.483.399	10.168.418
6. Other intangible assets	009	0	0	70.036	0
<b>II. TANGIBLE ASSETS (011 do 019)</b>	<b>010</b>	<b>482.882.260</b>	<b>461.337.038</b>	<b>716.357.194</b>	<b>723.685.341</b>
1. Land	011	13.521.765	13.521.765	59.984.791	60.665.582
2. Property	012	122.237.664	117.884.475	151.586.298	148.762.700
3. Plants and equipment	013	168.936.051	157.260.302	204.527.446	166.881.027
4. Tools, plants&vehicles	014	25.267.540	19.719.204	2.034.294	22.837.801
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	98.532	98.361
7. Assets under construction	017	46.718.248	46.750.300	191.924.841	218.238.878
8. Other tangible assets	018	0	0	0	0
9. Investments property	019	106.200.992	106.200.992	106.200.992	106.200.992
<b>III. NON-CURRENT FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	<b>296.737.241</b>	<b>336.847.579</b>	<b>168.057.454</b>	<b>218.019.711</b>
1. Share in related parties	021	205.418.497	221.828.902	23.458.799	24.334.021
2. Loans to related parties	022	11.382.208	12.124.505	0	797.410
3. Participating interests (stakes)	023	18.889.640	39.123.740	49.822.016	115.763.460
4. Loans to participating interest	024	8.551.101	8.551.101	0	8.551.101
5. Investments in securities	025	29.698.444	29.698.444	38.498.444	29.698.444
6. Loans & deposits	026	22.797.351	25.520.887	44.938.195	27.535.275
7. Other non-current financial assets	027	0	0	11.340.000	0
8. Investment accounted by equity method	028	0	0	0	11.340.000
<b>IV. TRADE RECEIVABLES (030 do 032)</b>	<b>029</b>	<b>0</b>	<b>7.374</b>	<b>0</b>	<b>28.928</b>
1. Receivables from related parties	030	0	7.374	0	7.374
2. Receivables from credit sales	031	0	0	0	0
3. Other receivables	032	0	0	0	21.554
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>C) CURENT ASSETS (035+043+050+058)</b>	<b>034</b>	<b>1.411.333.429</b>	<b>1.396.032.751</b>	<b>1.494.715.217</b>	<b>1.459.850.724</b>
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	<b>314.767.443</b>	<b>290.706.814</b>	<b>354.294.804</b>	<b>329.595.729</b>
1. Raw materials & consumables	036	84.950.752	78.588.087	106.457.314	98.042.184
2. Work in progress	037	134.421.350	120.291.693	240.758.848	133.029.072
3. Products	038	95.395.341	91.827.034	4.809.957	96.020.854
4. Merchandise	039	0	0	1.990.659	2.352.109
5. Prepayments for inventories	040	0	0	160.355	33.839
6. Other available-for-sale assets	041	0	0	117.671	117.671
7. Biological asset	042	0	0	0	0
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	<b>880.721.122</b>	<b>876.275.870</b>	<b>954.444.600</b>	<b>924.805.084</b>
1. Receivables from related parties	044	46.887.177	46.704.884	0	15.817.929
2. Trade receivables	045	744.424.644	671.618.638	631.099.027	722.760.100
3. Receivables from participating parties	046	0	0	0	125.696
4. Amounts receivable from employees	047	1.150.392	1.178.326	2.607.272	2.688.811
5. Receivables from government agencies	048	30.657.572	57.618.692	35.224.717	61.135.546
6. Other receivables	049	57.601.337	99.155.330	285.513.584	122.277.002
<b>III. CURRENT FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>	<b>129.753.577</b>	<b>122.848.618</b>	<b>86.562.668</b>	<b>89.975.512</b>
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	30.862.219	35.114.849	0	2.071.080
3. Participating interests (stakes)	053	0	0	0	0
4. Loans to participating interest	054	855.000	855.000	0	855.000
5. Investments in securities	055	26.629	26.629	1.000	27.629



6. Loans & deposits	056	98.009.729	86.852.140	86.534.401	86.860.937
7. Other financial assets	057	0	0	27.267	160.866
<b>IV. CASH ON HAND AND IN THE BANK</b>	<b>058</b>	<b>86.091.287</b>	<b>106.201.449</b>	<b>99.413.145</b>	<b>115.474.399</b>
D) PREPAYMENTS AND ACCRUED INCOME	059	10.261.859	113.006.057	10.306.542	116.389.771
E) TOTAL ASSETS (001+002+034+059)	060	2.221.150.458	2.324.564.089	2.415.744.893	2.541.535.113
F) OFF-BALANCE SHEET ITEMS	061	613.050.041	616.066.581	613.050.041	616.066.581



Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)	
1	2	3	4	5	6	
			<b>DALEKOVOD jsc</b>		<b>DALEKOVOD GROUP</b>	
<b>EQUITY AND LIABILITIES</b>						
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	678.864.496	780.080.859	704.096.338	805.973.482	
<b>I. SHARE CAPITAL</b>	<b>063</b>	229.381.200	286.726.500	229.381.200	286.726.500	
<b>II. CAPITAL RESERVES</b>	<b>064</b>	0	83.150.685	37.768	85.494.753	
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	431.585.358	431.585.358	436.803.555	438.366.512	
1. Legal reserves	<b>066</b>	11.486.600	11.486.600	12.846.059	12.808.382	
2. Reserves for own shares	<b>067</b>	0	0	0	0	
3. Own shares and stakes (less)	<b>068</b>	0	0	0	0	
4. Statutory reserves	<b>069</b>	307.335.345	307.335.345	307.335.345	307.335.345	
5. Other reserves	<b>070</b>	112.763.413	112.763.413	116.622.151	118.222.785	
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	15.037.718	15.037.718	15.037.772	15.027.500	
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	0	2.860.220	18.947.385	16.650.149	
1. Retained earnings	<b>073</b>	0	2.860.220	18.947.385	27.155.560	
2. Loss brought forward	<b>074</b>	0	0	0	10.505.411	
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	2.860.220	-39.279.622	1.190.869	-39.099.299	
1. Profit for the financial year	<b>076</b>	2.860.220	0	1.190.869	4.588.111	
2. Loss for the financial year	<b>077</b>	0	39.279.622	0	43.687.410	
<b>VII. MINORITY INTEREST</b>	<b>078</b>	0	0	2.697.789	2.807.367	
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	6.282.000	1.124.887	8.280.917	2.849.364	
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	6.282.000	1.124.887	7.672.388	2.240.835	
2. Provisions for tax obligations	<b>081</b>	0	0	0	0	
3. Other provisions	<b>082</b>	0	0	608.529	608.529	
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	336.485.580	507.998.585	426.852.298	617.467.687	
1. Liabilities to related parties	<b>084</b>	0	0	1.477.778	1.477.778	
2. Liabilities for loans, deposits and other	<b>085</b>	0	0	85.229.967	0	
3. Liabilities towards banks and other financial institutions	<b>086</b>	243.298.205	414.270.051	246.079.363	521.494.744	
4. Amounts payable for prepayment	<b>087</b>	0	0	0	0	
5. Trade payables	<b>088</b>	93.187.375	93.728.534	94.065.190	94.495.165	
6. Amounts payable for securities	<b>089</b>	0	0	0	0	
7. Liabilities toward participating interests	<b>090</b>	0	0	0	0	
8. Other non-current liabilities	<b>091</b>	0	0	0	0	
9. Deferred tax	<b>092</b>	0	0	0	0	
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	1.199.518.382	1.035.359.758	1.276.477.299	1.113.398.001	
1. Liabilities to related parties	<b>094</b>	20.086.020	43.473.266	0	18.266.674	
2. Liabilities for loans, deposits and other	<b>095</b>	12.819.870	1.232.980	1.729.042	1.269.517	
3. Liabilities towards banks and other financial institutions	<b>096</b>	429.766.197	380.105.073	470.642.918	418.928.073	
4. Amounts payable for prepayment	<b>097</b>	135.030.287	145.884.812	116.574.785	146.286.879	
5. Trade payables	<b>098</b>	365.331.524	370.249.881	436.023.492	416.473.561	
6. Amounts payable for securities	<b>099</b>	210.105.783	36.818.519	210.105.783	36.818.519	
7. Liabilities toward participating interests	<b>100</b>	0	0	0	2.944	
8. Liabilities to employees	<b>101</b>	4.227.713	15.070.284	9.148.493	18.862.307	
9. Taxes, contributions and similar liabilities	<b>102</b>	6.663.521	7.018.268	13.834.950	17.801.334	
10. Liabilities arising from share in the result	<b>103</b>	1.899.762	1.899.762	2.900.422	2.899.762	
11. Liabilities arising from non-current assets held for sale	<b>104</b>	0	0	0	0	
12. Other current liabilities	<b>105</b>	13.587.705	33.606.913	15.517.414	35.788.431	
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	0	0	38.041	1.846.579	
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	2.221.150.458	2.324.564.089	2.415.744.893	2.541.535.113	
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	613.050.041	616.066.581	613.050.041	616.066.581	
<b>ANNEX TO THE BALANCE SHEET (to be filled in by a company preparing the consolidated annual financial statements)</b>						
<b>A) CAPITAL AND RESERVES</b>						
1. Attributable to equity holders of the parent company's capital	<b>109</b>			701.398.549	803.166.115	
2. Attributable to non-controlling interests	<b>110</b>			2.697.789	2.807.367	

#### IV. REPORT OF OVERALL PROFIT

ITEM	AOP	2Q 2010	2Q 2011	2Q 2010	2Q 2011
1	2	3	4	5	6
<b>DALEKOVOD J.S.C.</b>					
<b>I. OPERATING INCOME (112+113)</b>	111	674.937.023	588.626.160	715.654.401	616.602.318
1. Sales revenue	112	658.440.643	570.058.554	697.770.744	597.493.558
2. Other operating income	113	16.496.380	18.567.606	17.883.657	19.108.760
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	114	616.244.534	597.206.714	658.873.028	623.653.829
1. Changes in inventories of finished products and work in progress	115	40.990.026	17.586.295	39.453.775	16.385.626
2. Material costs (117 do 119)	116	379.465.587	369.241.183	375.776.911	356.769.681
a) Cost of raw materials & consumables	117	80.904.426	100.541.252	83.039.189	78.838.971
b) Cost of goods sold	118	69.737.154	46.658.844	75.929.072	72.088.492
c) Other costs	119	228.824.007	222.041.087	216.808.650	205.842.218
3. Staff costs (121 do 123)	120	119.348.207	96.871.699	149.262.726	123.650.652
a) Net salaries	121	69.843.975	59.936.341	91.558.671	75.848.068
b) Employee income tax	122	32.993.482	24.059.052	36.357.599	30.118.978
c) Tax on payroll	123	16.510.750	12.876.306	21.346.456	17.683.606
4. Depreciation and amortisation	124	25.563.363	25.033.234	27.746.391	27.426.124
5. Other expenditures	125	45.561.121	68.430.815	60.791.305	79.027.496
6. Value adjustment (127+128)	126	96.306	31	96.306	31
a) non-current assets (without financial assets)	127	0	0	0	0
b) current assets (without financial assets)	128	96.306	31	96.306	31
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	5.219.924	20.043.457	5.745.614	20.394.219
<b>III. FINANCIAL INCOME (132 do 136)</b>	131	1.161.730	192.426	1.143.736	15.328
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	0	192.142	24.133	2.189
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	1.161.730	284	1.119.025	13.139
3. Part of income from associates and participating interests	134	0	0	0	0
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	0	578	0
<b>IV. FINANCIAL COSTS (138 do 141)</b>	137	31.055.855	30.891.494	31.628.691	31.468.507
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	0	0	44.782	15.077
2. Interest, foreign exchange differences and other expenses related to third parties	139	31.055.855	30.891.494	31.574.485	31.453.430
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	9.424	0
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	142	0	0	0	0
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	143	0	0	0	0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	144	0	0	0	0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	145	0	0	0	0
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	146	676.098.753	588.818.586	716.798.137	616.617.646
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	147	647.300.389	628.098.208	690.501.719	655.122.336
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	148	28.798.364	-39.279.622	26.296.418	-38.504.690
1. Profit before tax (146-147)	149	28.798.364	0	26.296.418	0
2. Loss before tax (147-146)	150	0	39.279.622	0	38.504.690
<b>XII. INCOME TAX EXPENSE</b>	151	5.759.673	0	6.318.207	862.462
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	152	23.038.691	-39.279.622	19.978.211	-39.367.152
1. Profit for the period (149-151)	153	23.038.691	0	19.978.211	0
2. Loss for the period (151-148)	154	0	39.279.622	0	39.367.152



ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	155		0	20.286.626	-39.099.299
2. Attributable to non-controlling interests	156		0	-308.416	-267.897
<b>STATEMENTS OF COMPREHENSIVE INCOME (to be filled in by entities who work in compliance with IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	157	23.038.691	-39.279.622	19.978.210	-39.367.196
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)</b>	158		0	0	0
1. Exchange differences arising from foreign operations	159		0	0	0
2. Revaluation of non-current assets and intangible assets	160		0	0	0
3. Gains or loss available for sale investments	161		0	0	0
4. Gains or loss on net movement on cash flow hedges	162		0	0	0
5. Gains or loss on net investments hedge	163		0	0	0
6. Share of the other comprehensive income/loss of associates	164		0	0	0
7. Actuarial gain / loss on post employment benefit obligations	165		0	0	0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	166		0	0	0
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	167		0	0	0
<b>RAZDOBLJA (158-166)</b>					
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	168	23.038.691	-39.279.622	19.978.210	-39.367.196
<b>APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)</b>					0
<b>VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD</b>					0
1. Attributable to owners of the company	169			20.286.626	-39.099.299
2. Attributable to non-controlling interests	170			-308.416	-267.897

## V. REPORT OF CASH FLOW

ITEM	AOP	Previous period	Current period	Previous period	Current period	
1	2	3	4	5	6	
			<b>DALEKOVOD jsc</b>		<b>DALEKOVOD GROUP</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
1. Pre-tax profit	001	28.798.364	-39.279.622	26.296.414	-39.367.196	
2. Depreciation	002	25.563.363	25.033.234	27.746.391	27.426.125	
3. Increase in short-term liabilities	003	0	111.547.672	14.839.082	149.541.177	
4. Decrease in short-term receivables	004	0	0	13.228.478	12.359.179	
5. Reduction of stocks	005	34.472.716	24.060.631	35.662.363	29.182.665	
6. Other increase in cash flow	006	0	0	5.937.915	9.775.983	
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>88.834.443</b>	<b>121.361.915</b>	<b>123.710.643</b>	<b>188.917.933</b>	
1. Decrease in short-term liabilities	008	100.590.936	0	102.985.070	9.879.160	
2. Increase in short-term receivables	009	6.416.274	61.303.583	17.836.455	81.681.083	
3. Increase in stocks	010	0	0	2.802.031	2.412.990	
4. Other decrease in cash flow	011	21.451.429	111.299.219	36.953.437	125.214.038	
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>128.458.639</b>	<b>172.602.802</b>	<b>160.576.993</b>	<b>219.187.271</b>	
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>39.624.196</b>	<b>51.240.887</b>	<b>36.866.350</b>	<b>30.269.338</b>	
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>						
1. Cash receipts from sale of fixed tangible and intangible assets	015	1.546.810	4.284.760	1.546.810	4.284.760	
2. Cash receipts from sale of treasury and debt financial instruments	016	16.146.253	11.959.173	16.146.253	11.959.173	
3. Cash receipts from interests	017	1.021.319	996.753	1.024.969	998.943	
4. Cash receipts from dividends	018	0	0	0	0	
5. Other cash receipts from investment activities	019	0	0	292.766	264.179	
<b>III. Total cash receipts from investment activities (015 do 019)</b>	<b>020</b>	<b>18.714.382</b>	<b>17.240.686</b>	<b>19.010.798</b>	<b>17.507.055</b>	
1. Expenditures for buying fixed assets and intangible assets	021	11.536.808	5.170.396	15.440.577	37.628.527	
2. Expenditures for purchasing treasury and debt financial instruments	022	125.037.689	42.491.925	125.037.689	42.491.925	
3. Other expenditures from investment activities	023	0	0	1.260.747	99.467	
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>136.574.497</b>	<b>47.662.321</b>	<b>141.739.013</b>	<b>80.219.919</b>	
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>117.860.115</b>	<b>30.421.635</b>	<b>122.728.215</b>	<b>62.712.864</b>	
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>						
1. Cash receipts from issuance of treasury and debt financial instruments	027	116.020.828	169.938.350	116.020.828	169.938.350	
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	402.122.442	412.843.486	406.011.453	447.412.461	
3. Total cash receipts from financial activities	029	0	0	1.994.584	56.397.997	
<b>V. Total cash receipts from financial activities (027 To 029)</b>	<b>030</b>	<b>518.143.270</b>	<b>582.781.836</b>	<b>524.026.865</b>	<b>673.748.808</b>	
1. Expenditures for repayment of loan principal and bonds	031	329.109.039	481.009.152	334.518.479	488.027.540	
2. Expenditures for payment of dividends	032	0	0	0	0	
3. Expenditures for financial leasing	033	11.740.021	0	11.748.293	34.702	
4. Expenditures for redemption of treasury shares	034	149.098	0	149.098	0	
5. Other expenditures from financial activities	035	0	0	249.938	76.629.448	
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>340.998.158</b>	<b>481.009.152</b>	<b>346.665.808</b>	<b>564.691.690</b>	
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>177.145.112</b>	<b>101.772.684</b>	<b>177.361.057</b>	<b>109.057.118</b>	
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	19.660.801	20.110.162	17.766.492	16.074.916	
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	0	0	0	
Cash and cash equivalents at the beginning of the period	041	40.292.162	86.091.287	48.191.635	99.399.483	
Increase in cash and cash equivalents	042	19.660.801	20.110.162	17.766.492	16.074.916	
Decrease in cash and cash equivalents	043	0	0	0	0	
Cash and cash equivalents at the end of the period	044	59.952.963	106.201.449	65.958.127	115.474.399	

## VI. REPORT OF CHANGES TO CAPITAL

Item	AOP	Previous period	Current period	Previous period	Current period	
			<b>DALEKOVOD jsc</b>		<b>DALEKOVOD GROUP</b>	
1. Share capital	001	229.381.200	286.726.500	229.381.200	286.726.500	
2. Capital reserves	002	0	83.150.685	37.768	85.494.753	
3. Reserves from profit	003	431.585.358	431.585.358	436.803.555	438.366.512	
4. Retained profit or loss carried forward	004	0	2.860.220	18.947.385	16.650.149	
5. Profit or loss of current year	005	2.860.220	-39.279.622	1.190.869	-39.099.299	
6. Revaluation of longterm tangible assets	006	0	0	0	0	
7. Revaluation of intangible assets	007	0	0	0	0	
8. Revaluation of financial assets available for sale	008	15.037.718	15.037.718	15.037.772	15.027.500	
9. Other revaluations	009	0	0	0	0	
<b>10.Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>678.864.496</b>	<b>780.080.859</b>	<b>701.398.549</b>	<b>803.166.115</b>	
11. Foreign exchange differences arising from the titles of net investment in foreign operations	011	0	0	0	0	
12. Current and deferred taxes (part)	012	0	0	0	0	
13. Cash flow protection	013	0	0	0	0	
14. Changes in accounting policies	014	0	0	0	0	
15. Correction of significant errors in the previous period	015			0	0	
16. Other changes in equity	016			0	0	
<b>17. Total increase or decrease in equity (AOP 011 to 016)</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
17 a. Attributed to parent company equity holders	018			701.398.549	803.166.115	
17 b. Attributed to minority interest	019			2.697.789	2.807.367	