

Dalekovod Group
Marijana Čavića 4
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The Management Board Report for the period January- September 2011

Non-audited, consolidated

In Zagreb 31st October 2011



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I. MANAGEMENT BOARD REPORT

In the first three quarters of 2011 the Dalekovod Group („Group“) generated operating revenue in the amount of 868.7 million HRK, operating profit before depreciation, interest and profit tax (EBITDA) in the amount of 51.7 million HRK and operating loss in the amount of 37.1 million HRK. However, in the same period Dalekovod d.d. („Company“) recorded operating revenue in the amount of 812.6 million HRK, operating profit before depreciation (EBITDA) in the amount of 43.8 million HRK and operating loss totalling 40.0 million HRK. Operating loss of the Parent company and the Group is equal to the semi-annual loss.

The Group's EBITDA in the first three quarters presents an improvement compared to the first and second quarter of 2011, when EBITDA amounted to 20.4 million HRK, i.e. improvement amounts to 31.4 million HRK or 154%. Further, under the pressure of one-off restructuring costs and discontinued activities in the parent company that amounted to 73.1 million HRK by the third quarter, the total loss after Group's one-off restructuring costs in the first three quarters of 2011 amounted to 110.9 million HRK, namely 113.1 million HRK for Dalekovod d.d.¹ Significant one-off restructuring costs should primarily ensure the long-term generation of a more stable cash flow and further enable the company to achieve the targeted goals that among other include maintaining the EBITDA margin at levels above 10% and generating ROE above 15%.

The negative results from ordinary operations of the Company and the Group are due to continuation of negative macro-economic trends on the domestic market, that are primarily reflected in the decline of investments in infrastructure projects, almost in all areas in which the Company and the Group are engaged in. The company had been trying to compensate the lack of contracted projects and the decline in revenue on the domestic market by a strong breakthrough onto the international market, namely into the area of infrastructure projects of the energy sector. It is through permanent business units abroad and regular export that the Company realized revenue of 352 million HRK, i.e. 45% of operating revenue, compared to 437 million HRK, i.e. 55% operating revenue from the domestic market.

The Company is aware of the fact that it is necessary to implement the targeted restructuring plan in order to align the cost structure with the new circumstances of the decreased demand on the domestic market.

¹ Detailed elaboration of one-off restructuring costs is presented on Pg. 4



Although Dalekovod has been successfully competing in international tenders, as confirmed by recently awarded contracts in Norway (81 million EUR) and Slovenia (42 million EUR), and contracted 126 million EUR worth projects underway, the fixed costs are still too high for the current business volume and income, both in relation to comparable international companies from the same sector and the Company itself.

Although the Company managed to significantly reduce the number of employees and the amount of salaries and wages through the restructuring plan, the personnel costs in the first three quarters of 2011 accounted for 18% of operating revenue. The aim of the Group is to reduce the employees' share in costs below 10% of operating revenue, which is a feasible ratio bearing in mind the contracted international projects for the next year.

It should be noted that after reduction of the redundant number of employees according to the restructuring plan, the structure and number of the remaining employees shall ensure undisturbed fulfilment of all contractual commitments related to international projects and fulfilment of the standard production and construction capacity. The above shall have impact on significant increase of timework, i.e. on increase of variable costs of production and construction, which again shall result in decrease of employees' fixed costs. Although the share of costs of salaries and wages in total revenues is above the targeted ratio of 10%, the above is due to the fall of revenue, for the most part on the domestic market, and thus could not be corrected by further reduction of the number of employees. The number of employees shall become optimal after implementation of the restructuring measures, taking into consideration the future period and the amount of the new contracted international projects.

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

1. Separating the Production Business Unit into a single Limited Liability Company from 1 Nov 2011 (discontinued activity)

The main objective of separating the production business unit into a single legal entity (renamed Dalekovod Cinčaonica d.o.o. in Dalekovod Proizvodnja d.o.o) and suspending the



business activity within the parent company is to ensure monitoring of the production operations, establish the profitability of particular programs within the production company, identify unprofitable production lines with the purpose of optimization and to enable the legal entity to operate independently and in accordance with market principles. In order to ensure acceptable production programs prices from the market point of view, the parent company decided to relieve the separated production company from all costs that could cause a decrease in profitability of the above company in the future. By the described separation procedure, the Dalekovod Proizvodnja d.o.o. shall be completely relieved from all costs that could bring about a decrease in profitability of its future independent operations.

By the targeted separation procedure, Dalekovod Proizvodnja d.o.o. shall be provided with an acceptable initial market position. We can assume that after it starts operating independently, unprofitable operations shall not be accepted. All procedures related to rationalization of business operations shall be borne by DLKV Proizvodnja d.o.o. independently out of its own funds.

Please note that all costs related to restructuring, reorganizing and closing of the production unit in the parent company shall be presented in the Financial Statements of Dalekovod of the last quarter of 2011, within a separate reporting segment called Discontinuous operations. Due to the above the financial statements for the year 2011 shall contain data related to continuous activities of the parent company that comprise engineering and construction and discontinuous activities that refer to suspended production activities within the parent company and launching of the above company in a new restructured form within the Group. All previously mentioned restructuring costs of the parent company shall be included in the discontinuous operations.

One-off costs related to separation of the production unit and reduction of the number of employees in the parent company in the first three quarters amounted to 73.1 million HRK, while the structure of one-off restructuring costs until 30 Sep 2011 was as follows:

TOTAL EXTRAORDINARY ONE-OFF RESTRUCTURING COST	73.122.957
Personnel costs	38.144.957
Total cost of wages, salaries and severance	34.824.421
Incremental costs of employees	3.320.536
Material costs and impairment of equipment value	7.757.679
Other costs and operating expenses	3.055.787
Changes in inventories of production in process and finished goods	24.164.534



The separation process is anticipated to end by 1 Nov 2011, while the reduction of employees shall be completed according to the restructuring plan by the end of 2011. In accordance with the above description, the fourth quarter shall be burdened with additional one-off costs.

2. Reduction of the number of employees performed in accordance with the restructuring program

After the capital increase at the end of the second quarter, Dalekovod intensified implementation of targeted measures and allocated a significant portion of the collected funds for payment of severances to the redundant workers. The Company agreed on termination of employment by consent, along with incentive severance payments for 223 employees in the parent company and 21 employees of the Group. One-off costs related to the established number of redundant employees until the third quarter amounted to a total of 38 million HRK, including severance pay, the tax burden on severance pay, salary costs and other costs of employees. The Parent company shall continue the restructuring process and the targeted reduction of the number of employees in the fourth quarter of 2011.

3. Final investments in ZD 2 and 3 wind power plants

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 over 25% of EBITDA by the year 2015.

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 targeted business results. Further, its aim is 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 come to a conclusion that it is of crucial importance to further continue optimization of fixed costs in order to enable the Company to adjust to new



circumstances of the decreased demand on the domestic market and to prepare the Company for a significant breakthrough onto the international markets.

In the previous 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. Further, the Company is expecting a strong demand on the international markets to continue as according to the data of the European Commission the European investments in transmission lines amount to 30 billion EURO (35,000 km new transmission lines and rehabilitation of the existing ones).

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 that the Company has undertaken activities with the aim of ensuring 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 contracts are expected to be awarded abroad, whereof the Company shall keep its shareholders continuously informed.

On behalf of the Company's Management Board:

Luka Miličić, MEng (CE)
President of the Management Board of Dalekovod d.d.



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 Company's Management Board:


Luka Miličić, MEng (CE)
President of the Management Board of Dalekovod d.d.

III. BALANCE SHEET

Currency; HRK

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)	
1	2	3	4	5	6	
			DALEKOVOD jsc		DALEKOVOD GROUP	
ASSETS						
A) SUBSCRIBED CAPITAL UNPAID	001	0	0	0	0	
B) NON CURRENT ASSETS (003+010+020+029+033)	002	799.555.170	815.711.018	910.723.134	990.253.915	
I. INTANGIBLE ASSETS (004 do 009)	003	19.935.669	16.289.739	26.308.486	23.237.892	
1. Research & Development expenditure	004	0	0	0	0	
2. Patents, licences, royalties, trade marks, software& similar rights	005	10.704.401	6.547.228	20.077.541	11.115.403	
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	9.742.511	1.483.399	10.098.230	
6. Other intangible assets	009	0	0	70.036	0	
II. TANGIBLE ASSETS (011 do 019)	010	482.882.260	450.005.765	716.357.194	736.421.852	
1. Land	011	13.521.765	13.521.765	59.984.791	60.715.901	
2. Property	012	122.237.664	115.580.311	151.586.298	154.876.102	
3. Plants and equipment	013	168.936.051	152.594.207	204.527.446	161.904.878	
4. Tools, plants & vehicles	014	25.267.540	17.680.064	2.034.294	20.853.111	
5. Biological asset	015	0	0	0	0	
6. Prepayments for tangible assets	016	0	0	98.532	99.936	
7. Assets under construction	017	46.718.248	44.428.426	191.924.841	231.494.896	
8. Other tangible assets	018	0	0	0	0	
9. Investments property	019	106.200.992	106.200.992	106.200.992	106.477.028	
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	296.737.241	349.408.021	168.057.454	230.586.679	
1. Share in related parties	021	205.418.497	234.119.560	23.458.799	36.641.940	
2. Loans to related parties	022	11.382.208	20.464.494	0	20.464.494	
3. Participating interests (stakes)	023	18.889.640	39.123.740	49.822.016	115.825.116	
4. Loans to participating interest	024	8.551.101	0	0	0	
5. Investments in securities	025	29.698.444	30.443.825	38.498.444	30.443.825	
6. Loans & deposits	026	22.797.351	25.256.402	44.938.195	27.211.304	
7. Other non-current financial assets	027	0	0	11.340.000	0	
8. Investment accounted by equity method	028	0	0	0	0	
IV. TRADE RECEIVABLES (030 do 032)	029	0	7.492	0	7.492	
1. Receivables from related parties	030	0	7.492	0	7.492	
2. Receivables from credit sales	031	0	0	0	0	
3. Other receivables	032	0	0	0	0	
V. DEFERRED TAX ASSETS	033	0	0	0	0	
C) CURENT ASSETS (035+043+050+058)	034	1.411.333.432	1.373.668.296	1.494.715.217	1.501.394.641	
I. INVENTORIES (036 do 042)	035	314.767.446	279.762.438	354.294.804	316.953.275	
1. Raw materials & consumables	036	84.950.755	72.794.425	106.457.314	91.497.744	
2. Work in progress	037	134.421.350	113.422.256	240.758.848	121.924.489	
3. Products	038	95.395.341	92.029.638	4.809.957	97.067.394	
4. Merchandise	039	0	1.516.119	1.990.659	6.321.358	
5. Prepayments for inventories	040	0	0	160.355	24.619	
6. Other available-for-sale assets	041	0	0	117.671	117.671	
7. Biological asset	042	0	0	0	0	
II. RECEIVABLES (044 do 049)	043	880.721.122	918.223.556	954.444.600	1.008.830.494	
1. Receivables from related parties	044	46.887.177	78.667.064	0	36.560.230	
2. Trade receivables	045	744.424.644	626.102.622	631.099.027	680.792.529	
3. Receivables from participating parties	046	0	1.023.689	0	1.314.559	
4. Amounts receivable from employees	047	1.150.392	1.790.641	2.607.272	3.036.040	
5. Receivables from government agencies	048	30.657.572	53.731.539	35.224.717	65.573.980	
6. Other receivables	049	57.601.337	156.908.001	285.513.584	221.553.156	
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	129.753.577	142.771.865	86.562.668	125.715.641	
1. Share in related parties	051	0	0	0	0	
2. Loans to related parties	052	30.862.219	41.455.987	0	24.088.897	
3. Participating interests (stakes)	053	0	0	0	0	



4. Loans to participating interest	054	855.000	0	0	0
5. Investments in securities	055	26.629	26.629	1.000	26.629
6. Loans & deposits	056	98.009.729	101.289.249	86.534.401	101.289.249
7. Other financial assets	057	0	0	27.267	310.866
IV. CASH ON HAND AND IN THE BANK	058	86.091.287	32.910.438	99.413.145	49.895.231
D) PREPAYMENTS AND ACCRUED INCOME	059	10.261.859	33.215.370	10.306.542	39.000.458
E) TOTAL ASSETS (001+002+034+059)	060	2.221.150.461	2.222.594.684	2.415.744.893	2.530.649.014
F) OFF-BALANCE SHEET ITEMS	061	613.050.041	614.955.902	613.050.041	614.955.902

Currency; HRK

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
1	2	3	4	5	6
DALEKOVOD jsc				DALEKOVOD GROUP	
EQUITY AND LIABILITIES					
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	678.864.500	706.218.640	704.096.338	735.163.692
I. SHARE CAPITAL	063	229.381.200	286.726.500	229.381.200	286.726.500
II. CAPITAL RESERVES	064	0	83.150.685	37.768	85.495.357
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	431.585.358	434.445.578	436.803.555	441.621.835
1. Legal reserves	066	11.486.600	11.486.600	12.846.059	13.118.566
2. Reserves for own shares	067	0	0	0	0
3. Own shares and stakes (less)	068	0	0	0	0
4. Statutory reserves	069	307.335.345	310.195.565	307.335.345	310.195.565
5. Other reserves	070	112.763.413	112.763.413	116.622.151	118.307.704
IV. REVALUATION RESERVES	071	15.037.718	15.037.718	15.037.772	15.004.375
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	0	0	18.947.385	14.203.873
1. Retained earnings	073	0	0	18.947.385	24.565.692
2. Loss brought forward	074	0	0	0	10.361.819
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	2.860.224	-113.141.841	1.190.869	-110.896.682
1. Profit for the financial year	076	2.860.224	0	1.190.869	0
2. Loss for the financial year	077	0	113.141.841	0	110.896.682
VII. MINORITY INTEREST	078	0	0	2.697.789	3.008.434
B) PROVISIONS (080 do 082)	079	6.282.000	1.124.887	8.280.917	2.628.980
1. Provisions for pensions, severance pay and similar liabilities	080	6.282.000	1.124.887	7.672.388	2.240.835
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	0	0	608.529	388.145
C) NON-CURRENT LIABILITIES (084 do 092)	083	336.485.580	498.963.900	426.852.298	655.038.515
1. Liabilities to related parties	084	0	0	1.477.778	1.477.778
2. Liabilities for loans, deposits and other	085	0	0	85.229.967	0
3. Liabilities towards banks and other financial institutions	086	243.298.205	336.823.461	246.079.363	490.429.408
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	93.187.375	162.140.439	94.065.190	163.131.329
6. Amounts payable for securities	089	0	0	0	0
7. Liabilities toward participating interests	090	0	0	0	0
8. Other non-current liabilities	091	0	0	0	0
9. Deferred tax	092	0	0	0	0
D) CURRENT LIABILITIES (094 do 105)	093	1.199.518.381	1.016.287.258	1.276.477.299	1.137.794.268
1. Liabilities to related parties	094	20.086.020	43.113.869	0	24.830.548
2. Liabilities for loans, deposits and other	095	12.819.869	1.059.520	1.729.042	1.122.858
3. Liabilities towards banks and other financial institutions	096	429.766.197	346.580.679	470.642.918	395.791.265
4. Amounts payable for prepayment	097	135.030.287	204.402.376	116.574.785	204.996.932
5. Trade payables	098	365.331.524	277.891.166	436.023.492	344.766.909
6. Amounts payable for securities	099	210.105.783	93.413.812	210.105.783	93.413.812
7. Liabilities toward participating interests	100	0	2.439.867	0	2.439.867
8. Liabilities to employees	101	4.227.713	8.469.040	9.148.493	11.105.860
9. Taxes, contributions and similar liabilities	102	6.663.521	6.485.914	13.834.950	24.502.867
10. Liabilities arising from share in the result	103	1.899.762	1.899.762	2.900.422	2.899.762
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	13.587.705	30.531.252	15.517.414	31.923.588
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0	38.041	23.559
F) TOTAL LIABILITIES (062+079+083+093+106)	107	2.221.150.461	2.222.594.684	2.415.744.893	2.530.649.014
G) OFF-BALANCE SHEET ITEMS	108	613.050.041	614.955.902	613.050.041	614.955.902



ANNEX TO THE BALANCE SHEET (to be filled in by a company preparing the consolidated annual financial statements)					
A) CAPITAL AND RESERVES					
1. Attributable to equity holders of the parent company's capital	109			701.398.549	732.155.258
2. Attributable to non-controlling interests	110			2.697.789	3.008.434

IV. REPORT OF OVERALL PROFIT

Currency; HRK

ITEM	AOP	3Q 2010	3Q 2011	3Q 2010	3Q 2011
1	2	3	4	5	6
DALEKOVOD J.S.C.					
DALEKOVOD GROUP					
I. OPERATING INCOME (112+113)	111	1.241.793.372	812.625.252	1.292.506.710	868.707.703
1. Sales revenue	112	1.215.200.384	788.822.046	1.261.938.375	843.591.552
2. Other operating income	113	26.592.988	23.803.206	30.568.335	25.116.151
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.150.643.038	801.592.271	1.200.924.817	861.986.809
1. Changes in inventories of finished products and work in progress	115	123.513.263	0	116.547.040	2.374.324
2. Material costs (117 do 119)	116	714.729.903	542.480.393	702.797.368	541.694.387
a) Cost of raw materials & consumables	117	157.773.573	139.956.534	181.317.307	135.531.266
b) Cost of goods sold	118	102.744.117	61.225.439	79.319.138	67.718.054
c) Other costs	119	454.212.213	341.298.420	442.160.923	338.445.067
3. Staff costs (121 do 123)	120	188.305.015	126.355.109	234.980.124	167.672.915
a) Net salaries	121	113.525.163	80.661.881	150.005.322	104.820.458
b) Employee income tax	122	48.296.664	29.857.858	55.526.074	39.566.118
c) Tax on payroll	123	26.483.188	15.835.370	29.448.728	23.286.339
4. Depreciation and amortisation	124	38.532.103	32.836.722	41.780.705	36.536.689
5. Other expenditures	125	77.835.907	82.346.584	96.345.409	95.653.887
6. Value adjustment (127+128)	126	96.306	31	96.306	32
a) non-current assets (without financial assets)	127	0	0	0	0
b) current assets (without financial assets)	128	96.306	31	96.306	32
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	7.630.541	17.573.432	8.377.865	18.054.575
III. FINANCIAL INCOME (132 do 136)	131	2.959.314	2.503.608	3.042.043	2.191.690
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	0	1.997.499	22.198	1.668.088
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	0	284	2.290.564	15.431
3. Part of income from associates and participating interests	134	2.230.814	505.825	0	505.949
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	728.500	0	729.281	2.222
IV. FINANCIAL COSTS (138 do 141)	137	46.370.881	53.555.473	47.449.200	54.585.631
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	0	118.116	241.147	221.949
2. Interest, foreign exchange differences and other expenses related the third parties	139	46.370.881	53.437.357	47.150.191	54.347.755
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	57.862	15.927
V. SHARE OF INCOME OF ASSOCIATES	142	0	0	0	0
VI. SHARE OF LOSS OF ASSOCIATES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	8.475.426
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	73.122.957	0	73.122.957
IX. TOTAL INCOME (111+131+142 + 144)	146	1.244.752.686	815.128.860	1.295.548.753	879.374.819
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.197.013.919	928.270.701	1.248.374.017	989.695.397
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	47.738.767	-113.141.841	47.174.736	-110.320.578
1. Profit before tax (146-147)	149	47.738.767	0	47.174.736	0
2. Loss before tax (147-146)	150	0	113.141.841	0	110.320.578
XII. INCOME TAX EXPENSE	151	9.547.753	0	10.259.978	672.185
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	38.191.014	-113.141.841	36.914.758	-110.992.763
1. Profit for the period (149-151)	153	38.191.014	0	36.914.758	0
2. Loss for the period (151-148)	154	0	113.141.841	0	110.992.763



Currency; HRK

ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to owners of the company	155			37.285.867	-110.896.682
2. Attributable to non-controlling interests	156			-371.109	-96.081
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	38.191.014	-113.141.841	36.914.758	-110.992.763
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)					
1. Exchange differences arising from foreign operations	159				
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161				
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD					
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	166				
RAZDOBLJA (158-166)	167				
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	38.191.014	-113.141.841	36.914.758	-110.992.763
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					0
1. Attributable to owners of the company	169			37.285.867	-110.896.682
2. Attributable to non-controlling interests	170			-371.109	-96.081

V. REPORT OF CASH FLOW

				Currency; HRK	
ITEM	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
DALEKOVOD jsc				DALEKOVOD GROUP	
CASH FLOW FROM OPERATING ACTIVITIES					
1. Pre-tax profit	001	47.733.761	-113.141.841	47.174.734	-110.320.578
2. Depreciation	002	38.532.103	37.060.309	41.769.906	40.760.276
3. Increase in short-term liabilities	003	0	119.797.233	16.276.026	171.831.236
4. Decrease in short-term receivables	004	5.003	0	14.879.186	4.611.624
5. Reduction of stocks	005	129.073.448	35.005.009	129.924.495	40.099.236
6. Other increase in cash flow	006	0	0	1.151.213	154.526
I. Total increase in cash flow from operating activities (001 to 006)	007	215.344.315	78.720.710	251.175.560	147.136.320
1. Decrease in short-term liabilities	008	128.689.478	0	160.026.286	3.935.970
2. Increase in short-term receivables	009	14.370.731	63.098.123	38.926.511	126.677.223
3. Increase in stocks	010	0	0	8.421.077	2.497.023
4. Other decrease in cash flow	011	25.430.263	117.890.095	34.288.333	131.041.636
II Total decrease in cash flow from operating activities (008 to 011)	012	168.490.472	180.988.218	241.662.207	264.151.852
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	46.853.843	0	9.513.353	0
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	102.267.508	0	117.015.532
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of fixed tangible and intangible assets	015	2.172.854	2.291.671	2.229.698	2.291.671
2. Cash receipts from sale of treasury and debt financial instruments	016	21.369.415	15.124.475	21.369.415	15.124.475
3. Cash receipts from interests	017	1.235.512	1.215.891	1.239.747	1.234.527
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	0	0	287.449	297.373
III. Total cash receipts from investment activities (015 do 019)	020	24.777.781	18.632.037	25.126.309	18.948.046
1. Expenditures for buying fixed assets and intangible assets	021	23.392.829	2.829.555	48.792.082	52.251.203
2. Expenditures for purchasing treasury and debt financial instruments	022	153.188.034	78.141.034	153.188.034	78.141.034
3. Other expenditures from investment activities	023	0	0	170.796	112.560
IV. Total expenditures from investment activities (021 to 023)	024	176.580.863	80.970.589	202.150.912	130.504.797
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	0	0	0	0
b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	151.803.082	62.338.552	177.024.603	111.556.751
CASH FLOW FROM FINANCIAL ACTIVITIES					
1. Cash receipts from issuance of treasury and debt financial instruments	027	162.871.623	194.200.676	162.871.623	194.200.676
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	582.012.149	560.129.252	592.896.194	649.182.610
3. Total cash receipts from financial activities	029	0	0	60.652.533	67.635.585
V. Total cash receipts from financial activities (027 To 029)	030	744.883.772	754.329.928	816.420.350	911.018.871
1. Expenditures for repayment of loan principal and bonds	031	559.387.338	631.838.355	566.872.766	644.372.009
2. Expenditures for payment of dividends	032	0	0	578.476	0
3. Expenditures for financial leasing	033	23.748.847	11.066.362	23.794.099	11.121.480
4. Expenditures for redemption of treasury shares	034	149.098	0	149.098	0
5. Other expenditures from financial activities	035	0	0	435.080	76.606.323
VI. Total expenditures from financial activities (031 to 035)	036	583.285.283	642.904.717	591.829.519	732.099.812
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	161.598.489	111.425.211	224.590.831	178.919.059
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	0	0	0	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	56.649.250	0	57.079.581	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	53.180.849	0	49.653.224
Cash and cash equivalents at the beginning of the period	041	40.292.162	86.091.287	48.201.356	99.548.455
Increase in cash and cash equivalents	042	56.649.250	0	57.079.581	0
Decrease in cash and cash equivalents	043	0	53.180.849	0	49.653.224
Cash and cash equivalents at the end of the period	044	96.941.412	32.910.438	105.280.937	49.895.231

VI. REPORT OF CHANGES TO CAPITAL

Currency; HRK

	AOP	Previous period	Current period	Previous period	Current period
		DALEKOVOD jsc		DALEKOVOD GROUP	
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	85.495.357
3. Reserves from profit	003	431.585.358	434.445.578	436.803.555	441.621.835
4. Retained profit or loss carried forward	004	0	0	18.947.385	14.203.873
5. Profit or loss of current year	005	2.860.224	-113.141.841	1.190.869	-110.896.682
6. Revaluation of long term 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	15.004.375
9. Other revaluations	009	0	0	0	0
10. Total equity and reserves (AOP 001 to 009)	010	678.864.500	706.218.640	701.398.549	732.155.258
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
17. Total increase or decrease in equity (AOP 011 to 016)	17	0	0	0	0
17 a. Attributed to parent company equity holders	018			701.398.549	732.155.258
17 b. Attributed to minority interest	019			2.697.789	3.008.434