

Dalekovod d.d.
Marijana Čavića 4
10 000 Zagreb



Management Board Report for the 1st quarter of 2012

Non audited, non consolidated

Zagreb, 30th April 2012

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I. MANAGEMENT BOARD REPORT

Given below is a presentation of preliminary and un-audited financial statements of the Dalekovod Group (hereinafter "the Group") and Dalekovod d.d. (hereinafter "the Company") for the first quarter of 2012. All data are expressed in HRK unless otherwise stated.

The first quarter of 2012 was marked by the continuous changes affecting business operations, the changes that had begun in 2011, primarily in view of restructuring and reorganizing aiming at securing more efficient business activities and long-term competitiveness of the Group.

In the first quarter of 2012 the Group has realised profit running at HRK 273 mil, and EBITDA of HRK 21.1 mil, net loss of HRK 11.2 mil. In the same period in 2011 the Group has realised profit in the amount of HRK 269 mil, EBITDA of HRK 10.8 mil, and net loss of HRK 22 mil. Despite the fact that traditionally the Group's business operations decrease during the first quarter of the year compared to other quarters of a fiscal year, primarily due to adverse weather conditions which slow down project realisation, the Group has had more success in the first quarter of 2012 compared to the same period last year.

- Group's income earned runs at HRK 273 mil, which represents an increase of 1.5 % compared to the same period in 2011.
- The Parent Company's incomes from the given period in 2012 cannot be compared to the Parent Company's incomes from the first quarter of the previous year, since the first quarter in 2011 includes both the incomes made by the Production Unit, which has spun off into a separate company, remaining a member of the Group. Comparable incomes of the given periods are obtained after the grouping of the Group members' incomes which make up the same business segments of the Parent Company for the first quarter of 2011. The Group comprises of Dalekovod (DLKV) and Dalekovod Proizvodnja (DLKV Production Unit). Their gross profits in the first quarter of 2012 run at HRK 234 mil, which represents a 6% decrease in the amount of HRK 15 mil in comparison with the Parent Company's comparable incomes of the given period from the previous year. Even though the Parent Company has contracted new deals worth HRK 189 mil in the first quarter of 2012, due to adverse weather conditions works had to be delayed which caused the insignificant decrease in incomes compared to the same period of the previous year.
- At Group level, share of material costs in company revenue has decreased from 67.3% in the first quarter of 2011 to 62.8% in the first quarter of 2012, as a result of concluding shorter payment day to suppliers and subcontractors.

- At Group level, share of personnel costs in company revenue has decreased from 20.8% in the first quarter of 2011 to 17.2% in the first quarter of 2012, due to decisions regarding a 10% wage cut (November 2011), and a decrease in the number of employees by 284 persons (June 2011).
- At Group level, other expenditures and expenses as income percentage have decreased from 12.5% in the first quarter of 2011 to 9.0% in the first quarter of 2012.

Based on the said savings, Group's EBITDA margin increased for approximately 400 bps, from 4.1% in the first quarter of 2011 to 8.0% in the first quarter of 2012.

We feel it is important to emphasise that despite the unfavourable character of year 2011, the Group has managed to remain competitive on both the domestic as well as foreign markets, which has been confirmed by the fact that the Parent Company has contracted new deals in the first quarter of 2012 running at HRK 189.4 mil. In order to further increase its competitiveness and better use the opportunities arising in international markets, the Group is very determined to implement further measures of internal restructuring, optimising cost structure in compliance with the strategy of further internationalisation and additional optimising of balance sheet by decreasing financial indebtedness by selling all of its non-core assets according to the previously laid out plan.

Pursuant to its strategy, the Group has focused primarily on its core activities – construction and erection of transmission lines, having the upper hand there with references from numerous international markets. A significant breakthrough has been made through the process of integration within the Parent Company, merging Engineering BU and Construction BU into one business unit. By merging these two units, grounds for more efficient management of market segments were created, thus establishing better prerequisites for bidding, contracting and project realisation. Furthermore, by spinning-out the already discontinued production activity into a separate company in November 2011, the Group has made positive steps in monitoring production's business operations, ensuring profitability from every single production programme (Suspension and jointing equipment, metal structures), for the purpose of identifying non-profitable production lines and further reorganising the discontinued operations. The aforementioned spin-off has secured efficient implementation of saving measures in connection with fixed costs, out of which certain costs were twice as much before the spin-off had taken place.

With regard to aims that the Supervisory Board has set before the Management, in connection with preserving and improving the Group's solvency, the Supervisory Board has introduced monthly based reports regarding the Group's cash inflows and outflows, how they compare to planned amounts, expected revenues for the forthcoming period and plan of repaying debt (in line with the Group's focus and need for debt decrease). The Group is continuously improving the control system in order to efficiently monitor the carrying through of planned saving measures in the amount of HRK 75 mil, and

getting the EBITDA margin to its pre-crisis level. First quarter 2012 results have shown positive steps in moving towards the achievement of that goal. Furthermore, the first quarter has also seen intense monitoring of the profitability of all units, plan realisation, business operation optimisation as well as business results with a strategy focused on the Company's shareholder's return on investment.

With regard to reorganisation and business operation optimisation, the Group has continued to invest in renewable energy resources projects, for the purpose of decreasing the risk of the overall business model, since these models have demonstrated revenue and profit stability, and do not depend on business cycles because of the guaranteed redemption price for the produced power. Since Croatia is about to join the European Union (hereinafter EU), the Croatian government has come up with a strategy for renewable energy resources as well as the shares it would have in the overall production of electric power, in compliance with EU regulations, thus offering stimulating conditions to companies producing electric power. By the end of the first quarter of 2012 the Group made two investments in the field of renewable energy resources:

- ZD6 wind power plant – 9.2 MW. During 2010 the Group has finished its first renewable energy project commissioning its first renewable energy resources project, ZD6 wind power plant with the capacity of 9.2 MW. Total investment value amounted to EUR 15.8 millions with Dalekovod having 50% of ownership in the project. The Group and its partner are currently in the process of obtaining the licences needed for the expansion of ZD6 wind power plant for additional 9.2 M. Once the licence has been obtained the expansion should be completed by the end of 2013. According to HEP's operative and financial data ZD6 power plant was the most productive wind power plant of 2011 in Croatia.
- ZD2 and ZD3 wind power plants – 36.8 MW. In the first quarter of 2012 the Group completed the construction of wind power plants with the capacity of 36.8 MW worth EUR 61 mil. The wind power plant was financed through capital gained via SPO in June 2011 as well as through a long term bank loan provided by the Company. By mid Feb 2012 both power plants were already being used for commercial purposes, and according to HEP's results were the most productive wind power plants in Croatia.

In conclusion, the abovementioned wind power plants (ZD6, ZD2 and ZD3) make up 37% of total capacity, with 47% of overall wind power produced in Croatia.

In addition to the mentioned investments, Dalekovod plans to continue investing in wind power plants, and is in the final stage of preparations for the Kamesnko – Voštane wind power plant project, with the capacity of 63 MW. Furthermore, there are additional locations for wind plants exceeding 100 MW that are in the process of obtaining a building permit through administrative procedures.

Due to significant expertise and historical references in the field of electrical engineering, Dalekovod is in a search for new joint ventures and partnerships aiming at developing regional renewable energy resources projects (wind power plants, biomass, geothermal energy and so on). The primary emphasis is on Croatia, Bosnia and Herzegovina, and Serbia, which have invested minimum amount of funds in renewable energy resources projects so far, especially in wind power, having only 131 MW of installed capacities, while Croatia's strategy aims at installing up to 1000 MW of capacity by 2020.

Dalekovod's Management believes that the mentioned implemented measures as well as those announced prove that the Group's interests are in tune with the shareholders' and creditors' interests. The influence of the measures that have already been carried out has already become visible in 2012 through planned decrease in fixed expenses enabling the Group to keep its competitiveness and carrying through the strategy of further internationalisation of its business. The Group's competitiveness is a result of decades of success in carrying out demanding projects, long list of international references and significant human resources. Dalekovod is a major Croatian exporter that contracts profitable projects of high added value, and has managed to see through significant internal changes enabling the company to secure stable business operations and decrease financial risks.

On behalf of the Company:



Luka Miličić, M.Sc.C.E.

President of Management Board "Dalekovod d.d."

II. REPRESENTATION LETTER

Pursuant to Article 410 Paragraph 2 and Article 407 Paragraph 2 Section 3 and Paragraph 3 of Capital Market Act, persons responsible for the elaboration of the Report: Luka Miličić - President of Management Board, Krešimir Anušić – Member of Management Board, Damir Skansi – Member of Management Board, submit this:

REPRESENTATION LETTER

According to our best knowledge, the abbreviated set of the Group's financial statements that have been drawn up in compliance with current financial reporting standards give an integral and true presentation of assets and liabilities, and the Group's operating results, along with a short reference to causative agents of the disclosed data. The Financial Statements are preliminary, and have not been audited.

On behalf of the Company:



Luka Miličić, M.Sc.C.E.

President of Management Board "Dalekovod d.d."

III. BALANCE SHEET

Name of position:	AOP	31.12.2011	31.3.2012	31.12.2011	31.3.2012
1	2	3	4	5	6
				DALEKOVOD GROUP	
				DALEKOVOD jsc	
ASSETS					
A) SUBSCRIBED CAPITAL UNPAID	001	0	0	0	0
B) NON CURRENT ASSETS (003+010+020+029+033)	002	1.127.395.179	1.129.664.473	1.222.229.586	1.224.474.350
I. INTANGIBLE ASSETS (004 do 009)	003	18.148.117	16.578.627	27.482.563	25.732.497
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	16.914.361	15.320.672	21.669.580	19.915.542
3. Goodwill	006	0	0	4.559.000	4.559.000
4. Prepayments for intangible assets	007	0	0	0	0
5. Intangible assets under construction	008	1.233.756	1.257.955	1.253.983	1.257.955
6. Other intangible assets	009	0	0	0	0
II. TANGIBLE ASSETS (011 do 019)	010	585.879.705	578.193.296	984.034.145	991.430.038
1. Land	011	164.913.887	164.913.887	212.124.393	212.098.301
2. Property	012	71.460.820	70.755.346	114.871.611	113.713.692
3. Plants and equipment	013	97.775.867	94.364.387	154.560.883	149.309.116
4. Tools, plants&vehicles	014	14.050.127	12.418.676	22.851.301	21.697.135
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	44.595	44.078
7. Assets under construction	017	7.100.194	7.102.675	248.725.101	265.653.564
8. Other tangible assets	018	0	0	0	20.164
9. Investments property	019	230.578.810	228.638.325	230.856.261	228.893.988
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	523.367.357	534.892.549	210.711.440	207.311.815
1. Share in related parties	021	427.498.522	438.958.433	101.551.520	76.719.181
2. Loans to related parties	022	2.929.980	2.929.980	2.929.980	0
3. Participating interests (stakes)	023	30.277.334	30.277.334	30.324.677	55.169.909
4. Loans to participating interest	024	8.551.101	8.551.101	8.551.101	8.551.101
5. Investments in securities	025	28.053.190	27.300.148	29.876.847	27.300.148
6. Loans & deposits	026	26.057.230	26.875.553	26.137.315	28.231.476
7. Other non-current financial assets	027	0	0	0	0
8. Investment accounted by equity method	028	0	0	11.340.000	11.340.000
IV. TRADE RECEIVABLES (030 do 032)	029	0	0	1.438	0
1. Receivables from related parties	030	0	0	0	0
2. Receivables from credit sales	031	0	0	0	0
3. Other receivables	032	0	0	1.438	0
V. DEFERRED TAX ASSETS	033	0	0	0	0
C) CURENT ASSETS (035+043+050+058)	034	1.024.699.656	1.028.036.833	1.253.963.003	1.328.383.188
I. INVENTORIES (036 do 042)	035	20.144.725	19.094.711	189.960.888	195.692.238
1. Raw materials & consumables	036	14.390.404	13.276.584	77.117.667	90.091.450
2. Work in progress	037	0	0	12.788.435	13.402.902
3. Products	038	5.724.889	5.248.346	83.110.705	74.032.380
4. Merchandise	039	29.432	569.781	16.273.707	17.356.959
5. Prepayments for inventories	040	0	0	552.703	689.915
6. Other available-for-sale assets	041	0	0	117.671	118.632
7. Biological asset	042	0	0	0	0
II. RECEIVABLES (044 do 049)	043	838.895.899	828.105.321	919.192.994	961.230.026
1. Receivables from related parties	044	73.178.702	93.431.076	0	0
2. Trade receivables	045	548.920.800	524.928.761	640.754.964	686.600.562
3. Receivables from participating parties	046	4.037.721	3.676.636	4.037.721	3.676.636
4. Amounts receivable from employees	047	656.421	565.670	1.879.956	2.040.456
5. Receivables from government agencies	048	56.245.870	52.739.772	65.426.835	70.481.026
6. Other receivables	049	155.856.385	152.763.406	207.093.518	198.431.346
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	135.545.130	135.292.179	98.874.386	115.120.747
1. Share in related parties	051	0	0	0	0

2. Loans to related parties	052	48.684.603	48.892.801	0	4.929.471
3. Participating interests (stakes)	053	0	0	0	0
4. Loans to participating interest	054	9.631.534	4.675.393	9.631.534	24.988.352
5. Investments in securities	055	26.629	26.629	26.629	26.629
6. Loans & deposits	056	77.202.364	81.697.356	88.905.357	84.865.429
7. Other financial assets	057	0	0	310.866	310.866
IV. CASH ON HAND AND IN THE BANK	058	30.113.902	45.544.623	45.934.735	56.340.177
D) PREPAYMENTS AND ACCRUED INCOME	059	5.637.911	10.599.440	9.619.059	15.929.889
E) TOTAL ASSETS (001+002+034+059)	060	2.157.732.746	2.168.300.746	2.485.811.648	2.568.787.427
F) OFF-BALANCE SHEET ITEMS	061	614.789.122	614.789.122	643.491.396	617.236.959

Name of position:	AOP	31.12.2011	31.3.2012	31.12.2011	31.3.2012
		DALEKOVOD jsc		DALEKOVOD GROUP	
1	2	3	4	5	6
EQUITY AND LIABILITIES					
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	583.638.994	566.685.571	610.228.580	597.300.806
I. SHARE CAPITAL	063	286.726.500	286.726.500	286.726.500	286.726.500
II. CAPITAL RESERVES	064	80.478.889	80.478.889	80.478.889	80.478.889
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	434.445.578	434.445.578	441.552.955	435.556.368
1. Legal reserves	066	11.486.600	11.486.600	13.171.867	12.585.902
2. Reserves for own shares	067	7.773.071	7.773.071	7.773.071	7.773.071
3. Own shares and stakes (less)	068	7.773.071	7.773.071	7.773.071	7.773.071
4. Statutory reserves	069	310.195.565	310.195.565	310.420.110	310.357.038
5. Other reserves	070	112.763.413	112.763.413	117.960.978	112.613.428
IV. REVALUATION RESERVES	071	59.302.306	59.302.306	59.302.306	59.311.747
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	0	-277.314.279	17.711.613	-256.380.603
1. Retained earnings	073	0	-277.314.279	27.868.908	-240.471.393
2. Loss brought forward	074	0	0	10.157.295	15.909.210
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	-277.314.279	-16.953.423	-278.179.458	-11.213.999
1. Profit for the financial year	076	0	0	0	0
2. Loss for the financial year	077	277.314.279	16.953.423	278.179.458	11.213.999
VII. MINORITY INTEREST	078	0	0	2.635.775	2.821.904
B) PROVISIONS (080 do 082)	079	3.762.000	3.762.000	7.068.583	7.058.317
1. Provisions for pensions, severance pay and similar liabilities	080	3.762.000	3.762.000	6.579.068	6.577.082
2. Provisions for tax obligations	081	0	0	0	38.811
3. Other provisions	082	0	0	489.515	442.424
C) NON-CURRENT LIABILITIES (084 do 092)	083	482.436.118	478.212.118	672.477.705	677.615.672
1. Liabilities to related parties	084	0	0	633.333	0
2. Liabilities for loans, deposits and other	085	0	0	0	0
3. Liabilities towards banks and other financial institutions	086	329.101.121	327.299.878	517.686.271	525.907.222
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	153.334.997	150.912.240	154.158.101	151.708.450
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	1.084.844.932	1.116.619.463	1.192.865.836	1.281.616.663
1. Liabilities to related parties	094	52.724.327	70.206.166	0	0
2. Liabilities for loans, deposits and other	095	1.159.071	17.887.248	1.226.407	17.954.228
3. Liabilities towards banks and other financial institutions	096	356.960.472	355.447.464	407.334.632	399.696.157
4. Amounts payable for prepayment	097	196.951.533	205.944.407	224.669.303	210.234.890
5. Trade payables	098	355.053.342	354.262.527	415.550.167	505.208.860
6. Amounts payable for securities	099	64.948.782	56.911.297	64.948.782	56.911.297
7. Liabilities toward participating interests	100	1.906.148	5.669.092	1.906.148	5.669.092
8. Liabilities to employees	101	17.345.107	17.266.349	23.668.192	23.628.557
9. Taxes, contributions and similar liabilities	102	4.777.585	1.090.593	16.922.163	25.318.115
10. Liabilities arising from share in the result	103	1.899.762	1.899.762	2.899.762	2.899.762
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	31.118.803	30.034.558	33.740.280	34.095.705
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.050.702	3.021.594	3.170.944	5.195.969
F) TOTAL LIABILITIES (062+079+083+093+106)	107	2.157.732.746	2.168.300.746	2.485.811.648	2.568.787.427
G) OFF-BALANCE SHEET ITEMS	108	614.789.122	614.789.122	643.491.396	617.236.959
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			607.592.805	594.478.902
2. Attributable to non-controlling interests	110			2.635.775	2.821.904

IV. GROSS PROFIT REPORT

ITEM	AOP	Q1 2011	Q1 2012	Q1 2011	Q1 2012
1	2	3	4	5	6
		DALEKOVOD J.S.C.		DALEKOVOD GROUP	
I. OPERATING INCOME (112+113)	111	249.018.791	183.644.878	268.797.970	272.872.874
1. Sales revenue	112	241.690.195	183.058.383	263.173.126	270.799.188
2. Other operating income	113	7.328.596	586.495	5.624.844	2.073.686
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	249.083.960	182.959.914	271.697.701	264.268.186
1. Changes in inventories of finished products and work in progress	115	-13.443.430	484.954	-12.519.319	8.276.970
2. Material costs (117 do 119)	116	175.816.158	132.262.436	180.924.824	171.851.584
a) Cost of raw materials & consumables	117	49.938.480	24.584.062	42.620.613	37.933.721
b) Cost of goods sold	118	17.615.869	32.528.133	31.574.842	45.488.120
c) Other costs	119	108.261.809	75.150.241	106.729.369	88.429.743
3. Staff costs (121 do 123)	120	42.990.174	22.930.585	55.903.774	47.042.058
a) Net salaries	121	25.270.798	13.892.631	33.067.265	28.404.427
b) Employee income tax	122	11.410.238	5.602.961	15.048.181	11.985.843
c) Tax on payroll	123	6.309.138	3.434.993	7.788.328	6.651.788
4. Depreciation and amortisation	124	12.720.715	9.780.190	13.727.792	12.525.801
5. Other expenditures	125	24.410.040	16.891.928	26.827.495	23.636.051
6. Value adjustment (127+128)	126	0	0	0	0
a) non-current assets (without financial assets)	127	0	0	0	0
b) current assets (without financial assets)	128	0	0	0	0
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	6.590.303	609.821	6.833.135	935.722
III. FINANCIAL INCOME (132 do 136)	131	284	880.862	6.905	1.037.884
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	0	713.784	0	837.621
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	284	121.149	6.905	154.334
3. Part of income from associates and participating interests	134	0	45.929	0	45.929
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	0
IV. FINANCIAL COSTS (138 do 141)	137	18.472.971	18.519.249	18.932.056	18.930.032
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	0	12.778	0	20.443
2. Interest, foreign exchange differences and other expenses related to third parties	139	18.472.971	17.810.520	18.932.056	18.175.056
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	695.951	0	734.533
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	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+142 + 144)	146	249.019.075	184.525.740	268.804.875	273.910.758
X. TOTAL EXPENSES (114+137+143 + 145)	147	267.556.931	201.479.163	290.629.757	283.198.218
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	-18.537.856	-16.953.423	-21.824.882	-9.287.460
1. Profit before tax (146-147)	149	0	0	0	0
2. Loss before tax (147-146)	150	18.537.856	16.953.423	21.824.882	9.287.460
XII. INCOME TAX EXPENSE	151	0	0	94.278	2.092.528
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-18.537.856	-16.953.423	-21.919.160	-11.379.988
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	18.537.856	16.953.423	21.919.160	11.379.988
ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)				0	
XIV. PROFIT OR LOSS FOR THE PERIOD				0	0
1. Attributable to owners of the company	155	0	0	-21.650.099	-11.213.999
2. Attributable to non-controlling interests	156	0	0	-269.061	-165.989
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)				0	0
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-18.537.856	-16.953.423	-21.919.160	-11.379.988
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)	158	0	0	0	0
1. Exchange differences arising from foreign operations	159	0	0	0	0
2. Revaluation of non-current assets and intangible assets	160	0	0	0	0

3. Gains or loss available for sale investments	161	0	0	0	0
4. Gains or loss on net movement on cash flow hedges	162	0	0	0	0
5. Gains or loss on net investments hedge	163	0	0	0	0
6. Share of the other comprehensive income/loss of associates	164	0	0	0	0
7. Actuarial gain / loss on post employment benefit obligations	165	0	0	0	0
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166) RAZDOBLJA (158-166)	167	0	0	0	0
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	-18.537.856	-16.953.423	-21.919.160	-11.379.988
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					
1. Attributable to owners of the company	169	0	0	-21.650.099	-11.213.999
2. Attributable to non-controlling interests	170	0	0	-269.061	-165.989

V. CASH FLOW REPORT

ITEM	AOP	Q1 2011	Q1 2012	Q1 2011	Q1 2012
1	2	3	4	5	6
			DALEKOVOD jsc		
CASH FLOW FROM OPERATING ACTIVITIES					
1. Pre-tax profit	001	-18.537.856	-16.953.423	-21.824.880	-9.287.460
2. Depreciation	002	12.720.715	9.780.190	13.727.792	12.525.801
3. Increase in short-term liabilities	003	32.967.381	56.235.957	43.016.372	111.030.764
4. Decrease in short-term receivables	004	5.016.490	11.174.384	12.117.496	0
5. Reduction of stocks	005	0	1.050.010	0	0
6. Other increase in cash flow	006	0	0	0	0
I. Total increase in cash flow from operating activities (001 to 006)	007	32.166.730	61.287.118	47.036.780	114.269.105
1. Decrease in short-term liabilities	008	0	0	0	0
2. Increase in short-term receivables	009	0	0	0	41.651.788
3. Increase in stocks	010	7.716.596	0	3.622.232	5.731.355
4. Other decrease in cash flow	011	6.868.592	24.373.294	9.733.413	27.319.043
II Total decrease in cash flow from operating activities (008 to 011)	012	14.585.188	24.373.294	13.355.645	74.702.186
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	17.581.542	36.913.824	33.681.135	39.566.919
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0	0	0
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of fixed tangible and intangible assets	015	4.568.319	0	4.568.319	0
2. Cash receipts from sale of treasury and debt financial instruments	016	12.803.805	6.234.166	12.803.805	6.234.166
3. Cash receipts from interests	017	164.782	96.208	165.621	96.208
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	0	0	338.455	0
III. Total cash receipts from investment activities (015 do 019)	020	17.536.906	6.330.374	17.876.200	6.330.374
1. Expenditures for buying fixed assets and intangible assets	021	3.270.498	263.255	14.740.957	17.910.592
2. Expenditures for purchasing treasury and debt financial instruments	022	50.733.181	18.563.006	50.733.181	18.563.006
3. Other expenditures from investment activities	023	0	0	478.830	26.347
IV. Total expenditures from investment activities (021 to 023)	024	54.003.679	18.826.261	65.952.968	36.499.945
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	36.466.773	12.495.887	48.076.768	30.169.571
CASH FLOW FROM FINANCIAL ACTIVITIES					
1. Cash receipts from issuance of treasury and debt financial instruments	027	1.855.682	0	1.855.682	0
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	322.133.493	54.392.512	335.646.910	64.387.812
3. Total cash receipts from financial activities	029	0	0	64.882.663	0
V. Total cash receipts from financial activities (027 To 029)	030	323.989.175	54.392.512	402.385.255	64.387.812
1. Expenditures for repayment of loan principal and bonds	031	360.409.796	61.000.742	364.757.930	61.000.742
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	0	2.378.984	15.171	2.378.976
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	0	0	76.637.151	0
VI. Total expenditures from financial activities (031 to 035)	036	360.409.796	63.379.726	441.410.252	63.379.718
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0	0	1.008.094
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	36.420.621	8.987.214	39.024.997	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	15.430.723	0	10.405.442
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	55.305.852	0	53.420.630	0
Cash and cash equivalents at the beginning of the period	041	86.091.288	30.113.902	99.421.255	45.934.735
Increase in cash and cash equivalents	042	0	15.430.723	0	10.405.442
Decrease in cash and cash equivalents	043	55.305.852	0	53.420.630	0
Cash and cash equivalents at the end of the period	044	30.785.436	45.544.625	46.000.625	56.340.177

VI. CHANGES TO CAPITAL REPORT

	AOP	31.12.2011	31.3.2012	31.12.2011	31.3.2012
		DALEKOVOD jsc		DALEKOVOD GROUP	
1. Share capital	001	286.726.500	286.726.500	286.726.500	286.726.500
2. Capital reserves	002	80.478.889	80.478.889	80.478.889	80.478.889
3. Reserves from profit	003	434.445.578	434.445.578	441.552.955	435.556.368
4. Retained profit or loss carried forward	004	0	-277.314.279	17.711.613	-256.380.603
5. Profit or loss of current year	005	-277.314.279	-16.953.423	-278.179.458	-11.213.999
6. Revaluation of longterm tangible assets	006	50.020.716	50.020.716	50.020.716	50.030.157
7. Revaluation of intangible assets	007	0	0	0	0
8. Revaluation of financial assets available for sale	008	9.281.590	9.281.590	9.281.590	9.281.590
9. Other revaluations	009	0	0	0	0
10. Total equity and reserves (AOP 001 to 009)	010	583.638.994	566.685.571	607.592.805	594.478.902
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			607.592.805	594.478.902
17 b. Attributed to minority interest	019			2.635.775	2.821.904

VII. NOTES ACCOMPANYING FINANCIAL STATEMENTS

1. MANAGEMENT BOARD MEMBERS

1. President: M.Sc. Luka Miličić, MEng (CE)
2. Member: M. Sc. Damir Skansi, MA (Econ)
3. Member: Krešimir Anušić, MEng (EE)

2. SUPERVISORY BOARD MEMBERS

President: D. Sc. Petar Đukan
Vice President: Marijan Pavlović, LLM
Member: Nataša Ivanović, MA (Econ)
Member: M. Sc. Dubravko Štimac, MA (Econ)
Member: Davor Doko, MA (Econ)
Member: D. Sc. Ante Ćurković, MEng
Member: Viktor Miletić

3. SHAREHOLDER STRUCTURE (as of 31st March 2012):

NATURAL PERSON	1.367.040
PENSION FUNDS	643.922
BANKS	384.627
TELEGRA d.o.o.	164.753
OTHERS	262.989
OWN SHARES	43.934
TOTAL	2.867.265

4. MERGERS AND ACQUISITIONS

There were no M&A in the first quarter of 2012.

5. UNCERTAINTY

There have been no identified doubtful and disputable receivables that could have exerted influence on the continuity of business operations.

6. DESCRIPTION OF PRODUCTS AND SERVICES

Dalekovod d.d. has specialised in performing contracts based on turn key solutions in the following fields:

- 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 signalisation
- Tunnel lighting and traffic control
- Electrification of railway and trams

7. CHANGE IN ACCOUNTING POLICIES

No new accounting policies have been implemented.