

Dalekovod d.d.
Marijana Čavića 4
10 000 Zagreb



Management Report for the period from January to December 2013

*** MANAGEMENT REPORT IMPORTANT NOTE:**

These financial statements, as an integral part of the Management Report, are preliminary, unaudited, non-consolidated reports.

There may be some discrepancies between preliminary and final and audited financial statements of the Company, but they will not have a material impact on the Company's business results.

The annual, audited financial statements of the Company will be published within the statutory period until 30 April 2014.

Unaudited, non-consolidated

Zagreb, 14 February 2014



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I. MANAGEMENT REPORT

In 2013, the Dalekovod Group (hereinafter referred to as "Group") achieved a total operating income in the amount of HRK 1,174.2 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) in the amount of HRK 39.4 million, and a net loss of HRK 69.4 million. In the same period, Dalekovod d.d. (hereinafter referred to as "the Company") achieved a total operating income in the amount of HRK 830 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) of HRK 20.7 million, and a net loss in the amount of HRK 68.5 million as a result of restructuring costs, amortization and foreign exchange losses. Operating income decreased compared to the year 2012 as a result of the unexpectedly long process of completing the pre-bankruptcy settlement procedure before the Commercial Court, which has directly reflected in the contracting of new business in the domestic and foreign markets. The Company's loss was affected by impairment of investments in affiliated companies Cindal d.o.o. and Dalekovod TKS Doboj due to the current situation in these companies and the uncertainty of their business.

In 2013, the Company's operations were marked by positive developments in the operations of the Company and of the Group:

- The Group's EBITDA was HRK 39.4 million which represents an increase in relation to the year 2012 when EBITDA was HRK 20.4 million. The Company's EBITDA was HRK 20.7 million, which represents a substantial improvement in relation to the year 2012 when the Company generated negative EBITDA in the amount of HRK 176.7 million. Furthermore, the actual EBITDA of the Company is by 60.4% higher than anticipated in the financial restructuring plan.
- The Company achieved the settlement with the creditors in the pre-bankruptcy settlement proceedings, at the court hearing on 2 April 2013 before the Settlement Council of the Financial Agency (FINA). Due to the efforts made by the Company in the past year, the pre-bankruptcy settlement procedure was successfully completed on 29 January 2014.
- The restructuring of the Company is being carried out according to plan.
- Successful operations in the market of Ukraine continued by contracting new business worth EUR 30 million.
- There has been a step forward in the Kosovo market, gaining a new contract for the construction of 400kV transmission line Priština - Tirana in the amount of EUR 30.7 million.

In September, the Management Board of the company Dalekovod d.d. was changed. The President of the Management Board, Mr. Matjaž Gorjup, left the Company at his own request and Mr. Goran Brajdić, former member of the Board, was elected President of the Company by the decision of the Supervisory Board.



By changing the strategy of the Company and the Group, which primarily includes a stronger focus in international markets, the Company and its management are aware that it is crucial to continue the further optimization of fixed expenses, so that the Company could adjust to newly established environment of reduced demand on the domestic market and for taking a more significant step forward in international markets.

In the previous period, the Company invested great effort to obtain projects in international markets, which has already resulted in a strong step forward in the Polish market by signing a contract for the construction of 400 kV transmission line Kozenice - Oltarzew worth EUR 110 million, and projects that will be largely implemented during this and the following business years. The Company also runs projects in Norway, Ukraine, Latvia, Montenegro and Slovenia. In addition, the Group and the Company participate in a number of tenders in the country and abroad, in order to contract new projects and achieve moderate revenue growth in the following years. It needs to be pointed out that the Company has undertaken activities to position itself and act for the first time in the individual markets of Western Europe, on which the prequalification process for the works performance is in progress or has already finished. Due to the Company's strong international activity, it can be expected that new significant deals abroad are to be obtained, about which the shareholders will be promptly informed by the Company.

On behalf of the Management Board:

Goran Brajdić

President of the Management Board
Dalekovod d.d.





II. STATEMENT

Based on Article 410 Paragraph 1 and Article 407 Paragraph 2 Item 3 and Paragraph 3 of the Capital Markets Act, the persons responsible for the preparation of the Report: Goran Brajdić – President of the Management Board, Krešimir Anušić – Board Member, Marko Jurković – Board Member, Željko Lekšić – Board Member, give the following

STATEMENT

According to our best knowledge, a brief overview of financial statements of the company DALEKOVOD and the Group, prepared in accordance with applicable financial reporting standards, gives a true and fair view of the assets and liabilities and business results of the company DALEKOVOD and the Group with a brief review of the causes of disclosed data. The financial statements are not audited.

On behalf of the Management Board:



Goran Brajdić
President of the Management Board
Dalekovod d.d.



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	
			DALEKOVOD jsc		DALEKOVOD GROUP	
ASSETS						
A) SUBSCRIBED CAPITAL UNPAID	001	0	0	0	0	
B) NON CURRENT ASSETS (003+010+020+029+033)	002	1.031.951.829	965.408.060	1.203.206.236	1.183.177.897	
I. INTANGIBLE ASSETS (004 to 009)	003	10.369.957	7.022.262	17.343.544	13.580.378	
1. Research & Development expenditure	004	0	0	0	747.067	
2. Patents, licences, royalties, trade marks, software&similar rights	005	10.356.357	7.022.262	12.476.778	8.158.638	
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	13.600	0	13.600	0	
6. Other intangible assets	009	0	0	294.165	115.673	
II. TANGIBLE ASSETS (011 to 019)	010	542.590.087	516.169.511	1.035.750.191	1.034.168.204	
1. Land	011	164.913.887	164.913.887	212.852.569	212.929.614	
2. Property	012	67.252.692	64.441.394	114.703.655	90.912.731	
3. Plants and equipment	013	81.475.067	68.883.496	141.331.822	123.266.010	
4. Tools, plants&vehicles	014	8.175.967	4.862.839	16.523.933	13.769.804	
5. Biological asset	015	0	0	0	199.430	
6. Prepay ments for tangible assets	016	0	0	118.952	45.232	
7. Assets under construction	017	0	0	329.054.453	379.586.449	
8. Other tangible assets	018	0	0	14.224	8.317	
9. Investments properly	019	220.772.474	213.067.895	221.150.585	213.450.617	
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	478.991.785	442.216.287	150.112.501	135.429.315	
1. Share in related parties	021	410.524.187	385.045.768	79.730.046	78.197.517	
2. Loans to related parties	022	1.384.622	1.401.507	1.384.622	0	
3. Participating interests (stakes)	023	26.436.656	26.436.656	26.436.656	26.449.809	
4. Loans to participating interest	024	0	0	0	0	
5. Investments in securities	025	36.590.140	25.494.708	36.613.812	25.494.708	
6. Loans & deposits	026	4.056.180	3.837.648	5.665.420	5.287.282	
7. Other non-current financial assets	027	0	0	281.945	0	
8. Investment accounted by equity method	028	0	0	0	0	
IV. TRADE RECEIVABLES (030 to 032)	029	0	0	0	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	0	0	
V. DEFERRED TAX ASSETS	033	0	0	0	0	
C) CURENT ASSETS (035+043+050+058)	034	457.783.310	415.739.259	710.536.470	600.417.387	
I. INVENTORIES (036 to 042)	035	10.339.440	9.465.918	152.780.132	121.264.439	
1. Raw materials & consumables	036	8.147.751	8.311.848	58.374.403	55.183.793	
2. Work in progress	037	0	0	32.799.672	710.157	
3. Products	038	2.145.149	1.154.070	43.776.567	50.894.019	
4. Merchandise	039	46.540	0	17.437.858	14.170.915	
5. Prepay ments for inventories	040	0	0	273.960	186.396	
6. Other available-for-sale assets	041	0	0	117.671	119.160	
7. Biological asset	042	0	0	0	0	
II. RECEIVABLES (044 to 049)	043	372.825.182	349.093.308	526.792.020	440.872.779	
1. Receivables from related parties	044	46.948.617	58.887.391	0	0	
2. Trade receivables	045	264.682.910	202.145.747	430.942.041	317.469.280	
3. Receivables from participating parties	046	494.108	1.368.547	1.045.495	1.919.934	
4. Amounts receivable from employees	047	506.898	210.496	602.781	1.364.623	
5. Receivables from government agencies	048	0	0	843.602	5.021.798	
6. Other receivables	049	60.192.649	86.481.127	93.358.101	115.097.144	
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	64.926.870	51.894.931	9.810.758	19.893.259	
1. Share in related parties	051	0	0	0	0	
2. Loans to related parties	052	63.947.039	51.405.306	0	0	
3. Participating interests (stakes)	053	0	0	0	0	
4. Loans to participating interest	054	334.261	311.737	334.261	311.737	
5. Investments in securities	055	28.074	28.074	28.074	28.074	
6. Loans & deposits	056	617.496	149.814	9.087.557	19.154.394	
7. Other financial assets	057	0	0	360.866	399.054	
IV. CASH ON HAND AND IN THE BANK	058	9.691.818	5.285.102	21.153.561	18.386.910	
D) PREPAYMENTS AND ACCRUED INCOME	059	2.951.921	1.030.947	5.600.231	3.289.380	
E) TOTAL ASSETS (001+002+034+059)	060	1.492.687.060	1.382.178.266	1.919.342.937	1.786.884.663	
F) OFF-BALANCE SHEET ITEMS	061	1.091.563.126	934.030.324	1.756.703.665	1.611.267.507	

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	133.116.722	64.609.466	188.734.011	114.834.934
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	157.131.299	157.131.299	162.628.489	162.346.958
1. Legal reserves	066	11.486.600	11.486.600	12.634.367	11.652.688
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	32.881.286	32.881.286	32.613.117	32.925.023
5. Other reserves	070	112.763.413	112.763.413	117.381.006	117.769.247
IV. REVALUATION RESERVES	071	50.020.716	50.020.716	64.209.170	65.022.328
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	0	-441.240.682	23.270.485	-411.247.334
1. Retained earnings	073	0	0	32.730.352	0
2. Loss brought forward	074	0	441.240.682	9.459.867	411.247.334
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	-441.240.682	-68.507.256	-429.923.513	-69.442.324
1. Profit for the financial year	076	0	0	0	0
2. Loss for the financial year	077	441.240.682	68.507.256	429.923.513	69.442.324
VII. MINORITY INTEREST	078	0	0	1.343.991	949.916
B) PROVISIONS (080 to 082)	079	7.327.727	7.430.096	11.969.904	8.767.668
1. Provisions for pensions, severance pay and similar liabilities	080	7.327.727	7.430.096	10.637.363	8.709.569
2. Provisions for tax obligations	081	0	0	634.831	0
3. Other provisions	082	0	0	697.710	58.099
C) NON-CURRENT LIABILITIES (084 to 092)	083	475.194.193	458.810.988	484.089.874	468.129.059
1. Liabilities to related parties	084	0	0	0	0
2. Liabilities for loans, deposits and other	085	0	0	0	0
3. Liabilities towards banks and other financial institutions	086	334.650.265	319.073.915	343.097.933	327.684.743
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	140.543.928	139.737.073	140.991.941	140.429.743
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	14.573
9. Deferred tax	092	0	0	0	0
D) CURRENT LIABILITIES (094 to 105)	093	877.048.418	851.327.716	1.222.851.788	1.191.435.621
1. Liabilities to related parties	094	95.985.029	105.687.541	0	0
2. Liabilities for loans, deposits and other	095	7.086.640	7.346.356	6.052.021	8.113.306
3. Liabilities towards banks and other financial institutions	096	308.082.205	308.805.735	590.691.325	635.370.228
4. Amounts payable for prepayment	097	31.858.753	21.077.502	34.247.399	26.330.219
5. Trade payables	098	338.410.290	309.876.550	476.938.745	407.060.740
6. Amounts payable for securities	099	57.670.915	57.923.786	45.034.981	45.287.852
7. Liabilities toward participating interests	100	6.464.836	6.370.250	6.464.836	6.370.250
8. Liabilities to employees	101	9.976.064	9.063.684	19.343.663	17.734.583
9. Taxes, contributions and similar liabilities	102	12.454.073	16.627.870	31.713.948	32.775.809
10. Liabilities arising from share in the result	103	1.899.762	1.899.762	1.899.762	1.899.762
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	7.159.851	6.648.680	10.465.107	10.492.872
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0	11.697.360	3.717.382
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.492.687.060	1.382.178.266	1.919.342.937	1.786.884.663
G) OFF-BALANCE SHEET ITEMS	108	1.091.563.126	934.030.324	1.756.703.665	1.611.267.507
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			187.390.020	113.885.017
2. Attributable to non-controlling interests	110			1.343.991	949.916

IV. PROFIT & LOSS STATEMENT

Name of position	AQP	2012	2013	2012	2013
1	2	3	4	5	6
DALEKOVOD J.S.C.					
DALEKOVOD GROUP					
I. OPERATING INCOME (112+113)	111	928.477.878	829.552.207	1.285.277.611	1.174.196.537
1. Sales revenue	112	901.487.355	813.786.462	1.253.147.578	1.154.975.087
2. Other operating income	113	26.990.523	15.765.745	32.130.033	19.221.450
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.221.580.545	851.145.390	1.574.156.662	1.218.588.257
1. Changes in inventories of finished products and work in progress	115	3.380.017	222.457	19.057.647	24.714.880
2. Material costs (117 to 119)	116	797.272.145	573.442.452	953.717.092	741.302.681
a) Cost of raw materials & consumables	117	188.163.596	141.623.354	449.532.724	193.411.059
b) Cost of goods sold	118	114.200.777	30.844.699	45.389.074	92.666.202
c) Other costs	119	494.907.772	400.974.399	458.795.294	455.225.419
3. Staff costs (121 to 123)	120	142.626.291	132.856.866	246.086.484	230.760.963
a) Net salaries	121	95.702.133	93.596.090	159.186.975	153.388.211
b) Employee income tax	122	24.811.500	25.154.408	52.181.485	51.895.921
c) Tax on payroll	123	22.112.658	14.106.368	34.718.024	25.476.831
4. Depreciation and amortisation	124	39.071.031	33.716.901	50.323.165	45.539.361
5. Other expenditures	125	112.922.083	98.115.505	148.334.879	131.002.620
6. Value adjustment (127+128)	126	77.365.062	8.569.568	89.278.614	38.285.993
a) non-current assets (without financial assets)	127	2.439.033	0	12.519.590	26.086.532
b) current assets (without financial assets)	128	74.926.029	8.569.568	76.759.024	12.199.461
7. Provisions	129	0	102.369	176.646	102.369
8. Other operating expenses	130	48.943.916	4.119.272	67.182.134	6.879.390
III. FINANCIAL INCOME (132 to 136)	131	8.475.538	23.394.354	10.260.506	26.114.569
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	2.491.358	2.500.672	3.780.049	2.178.745
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	5.629.048	20.196.699	6.027.519	23.003.772
3. Part of income from associates and participating interests	134	355.132	696.983	446.916	696.983
4. Unrealized gains (income) from the financial assets	135	0	0	0	155.101
5. Other financial income	136	0	0	6.021	79.967
IV. FINANCIAL COSTS (138 to 141)	137	152.308.188	58.161.149	146.100.845	36.343.636
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	915.556	666.471	915.755	676.575
2. Interest, foreign exchange differences and other expenses related to third parties	139	73.943.365	19.569.241	75.281.730	22.942.777
3. Unrealized loss (expenses) from the financial assets	140	70.322.452	37.045.270	62.445.170	11.095.431
4. Other financial expenses	141	7.126.813	880.167	7.458.190	1.628.753
V. SHARE OF INCOME OF ASSOCIATES	142	0	0	2.633.854	767.361
VI. SHARE OF LOSS OF ASSOCIATES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	18.004	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	143	0
IX. TOTAL INCOME (111+131+142 + 144)	146	936.953.416	852.946.581	1.298.089.975	1.201.068.457
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.373.888.731	909.306.539	1.720.257.650	1.254.931.792
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	-436.935.315	-56.359.978	-422.167.675	-53.863.336
1. Profit before tax (146-147)	149	0	0	0	0
2. Loss before tax (147-146)	150	436.935.315	56.359.978	422.167.675	53.863.336
XII. INCOME TAX EXPENSE	151	4.305.367	12.147.278	8.174.816	15.987.335
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-441.240.682	-68.507.256	-430.342.492	-69.850.671
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	441.240.682	68.507.256	430.342.492	69.850.671
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	0	0	-429.923.513	-69.442.324
2. Attributable to non-controlling interests	156	0	0	-418.978	-408.347
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-441.240.682	-68.507.256	-430.342.492	-69.850.671
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158	0	0	4.918.125	0
1. Exchange differences arising from foreign operations	159	0	0	-224.000	0
2. Revaluation of non-current assets and intangible assets	160	0	0	14.425.115	0
3. Gains or loss available for sale investments	161	-9.282.990	0	-9.282.990	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)	167	0	0	4.918.125	0
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	-450.523.672	-68.507.256	-425.424.367	-69.850.671
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	-425.398.257	-69.442.324
2. Attributable to non-controlling interests	170	0	0	-26.110	-408.347

V. CASH FLOW STATEMENT

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
			DALEKOVOD jsc		
CASH FLOW FROM OPERATING ACTIVITIES					
1. Pre-tax profit	001	-436.935.315	-56.359.978	-422.167.675	-53.863.336
2. Depreciation	002	39.071.031	33.716.901	50.323.165	45.539.361
3. Increase in short-term liabilities	003	0	0	0	0
4. Decrease in short-term receivables	004	224.208.455	23.731.874	150.538.713	75.836.741
5. Reduction of stocks	005	9.805.285	873.522	37.180.740	31.515.692
6. Other increase in cash flow	006	312.115.810	0	348.373.894	0
I. Total increase in cash flow from operating activities (001 to 006)	007	148.265.266	1.962.319	164.248.837	99.028.458
1. Decrease in short-term liabilities	008	149.337.586	18.925.814	131.787.480	75.641.718
2. Increase in short-term receivables	009	0	0	0	0
3. Increase in stocks	010	0	0	0	0
4. Other decrease in cash flow	011	2.302.793	18.728.591	2.302.793	9.577.586
II Total decrease in cash flow from operating activities (008 to 011)	012	151.640.379	37.654.405	134.090.273	85.219.304
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	0	0	30.158.564	13.809.154
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	3.375.113	35.692.086	0	0
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of fixed tangible and intangible assets	015	712.328	608.544	718.950	626.544
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0	75.359.046	0
3. Cash receipts from interests	017	374.967	224.823	374.967	640.118
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	65.839.498	36.775.498	25.543.844	13.416.524
III. Total cash receipts from investment activities (015 to 019)	020	66.926.793	37.608.865	101.996.807	14.683.186
1. Expenditures for buying fixed assets and intangible assets	021	4.554.849	3.948.630	92.619.142	40.194.207
2. Expenditures for purchasing treasury and debt financial instruments	022	16.020.856	0	15.135.074	0
3. Other expenditures from investment activities	023	0	1.568.010	24.870.723	20.035.741
IV. Total expenditures from investment activities (021 to 023)	024	20.575.705	5.516.640	132.624.939	60.229.948
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	46.351.088	32.092.225	0	0
b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	0	0	30.628.132	45.546.762
CASH FLOW FROM FINANCIAL ACTIVITIES					
1. Cash receipts from issuance of treasury and debt financial instruments	027	0	0	0	0
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	5.549.144	0	64.380.347	44.931.774
3. Total cash receipts from financial activities	029	0	0	0	0
V. Total cash receipts from financial activities (027 to 029)	030	5.549.144	0	64.380.347	44.931.774
1. Expenditures for repayment of loan principal and bonds	031	56.156.134	0	75.525.794	15.413.192
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	12.791.069	806.855	13.166.159	547.625
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	0	0	0	0
VI. Total expenditures from financial activities (031 to 035)	036	68.947.203	806.855	88.691.953	15.960.817
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0	0	28.970.957
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	63.398.059	806.855	24.311.606	0
Total increase in cash flow (013 - 014 + 025 - 026 + 037 - 038)	039	0	0	0	0
Total decrease in cash flow (014 - 013 + 026 - 025 + 038 - 037)	040	20.422.084	4.406.716	24.781.174	2.766.651
Cash and cash equivalents at the beginning of the period	041	30.113.902	9.691.818	45.934.735	21.153.561
Increase in cash and cash equivalents	042	0	0	0	0
Decrease in cash and cash equivalents	043	20.422.084	4.406.716	24.781.174	2.766.651
Cash and cash equivalents at the end of the period	044	9.691.818	5.285.102	21.153.561	18.386.910

VI. CHANGES IN EQUITY STATEMENT

Name of position:	AOP	Previous period	Current period	Previous period	Current period
		DALEKOVOD jsc		DALEKOVOD GROUP	
1	2	3	4	5	6
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	157.131.299	157.131.299	162.628.489	162.346.958
4. Retained profit or loss carried forward	004	0	-441.240.682	23.270.485	-411.247.334
5. Profit or loss of current year	005	-441.240.682	-68.507.256	-429.923.513	-69.442.324
6. Revaluation of longterm tangible assets	006	50.020.716	50.020.716	64.209.170	65.022.328
7. Revaluation of intangible assets	007	0	0	0	0
8. Revaluation of financial assets available for sale	008	0	0	0	0
9. Other revaluations	009	0	0	0	0
10. Total equity and reserves (AOP 001 to 009)	010	133.116.722	64.609.466	187.390.020	113.885.017
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	0	0
16. Other changes in equity	016	0	0	0	0
17. Total increase or decrease in equity (AOP 011 to 016)	017	0	0	0	0
17 a. Attributed to parent company equity holders	018			187.390.020	113.885.017
17 b. Attributed to minority interest	019			1.343.991	949.916

VII. NOTES TO THE FINANCIAL STATEMENTS

1. THE MANAGEMENT BOARD

1. Chairman: Goran Brajdić, M-Econ.
2. Member: Krešimir Anušić, M-El.Eng.
3. Member: Marko Jurković, M-El.Eng.
4. Member: M-Econ. Željko Lekšić, M-Mech.Eng.

2. SUPERVISORY BOARD

President: Marijan Pavlović, LL.M.
Member: Nataša Ivanović, M-Econ.
Member: mr.sc. Dubravko Štimac, MSc, M-Econ.
Member: Davor Doko, M-Econ.
Member: dr.sc. Ante Čurković, PhD, M-Eng.
Member: Viktor Miletić

3. SHAREHOLDING STRUCTURE (as at 31.12.2013):

NATURAL PERSONS	1.482.238
PENSION FUNDS	638.891
BANKS	315.036
TELEGRA d.o.o.	164.753
OTHERS	222.413
OWN SHARES	43.934
TOTAL	2.867.265

4. MERGERS AND CONSOLIDATION

There were no mergers and acquisitions in 2013.

5. UNCERTAINTY

Dubious and disputed receivables were identified in 2013., which affected the result.



6. DESCRIPTION OF PRODUCTS AND SERVICES

Over time, Dalekovod d.d. has become specialized in performing turnkey contracts in the following areas:

- electrical facilities, especially transmission lines between 0.4 and 500 kV
- substations of all types and voltage levels of up to 500 kV
- air, underground and underwater cables of up to 110 kV
- telecommunication facilities
- all types of networks and antennas
- production of suspension and joining equipment for all types of transmission lines and substations of 0.4 to 500 kV
- production and installation of all metal components for roadways, especially for road lighting, crash barriers and traffic signalization
- tunnel lighting and traffic management
- electrification of railways and tramways

7. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.