

Dalekovod d.d.  
Marijana Čavića 4  
10 000 Zagreb



## Management Report for Jan to Sep 2013

*Unaudited, consolidated*

Zagreb, 31 October 2013



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## I. MANAGEMENT REPORT

In the first nine months of 2013, Dalekovod Group ("Group") generated operating revenue of HRK 900.5 million, EBITDA of HRK 47.4 million, and net income of HRK 6.4 million. During the same period, Dalekovod d.d. ("Company") generated operating revenue of HRK 628 million, EBITDA of HRK 14.4 million, and net loss of HRK 15.3 million as a result of restructuring costs, depreciation and foreign exchange losses.

The Company's operations in the first nine months of 2013 were marked by positive shifts in Company's and Group's business:

- The net income of Dalekovod Group was HRK 6.4 million, which was an increase compared to the same period of 2012 when it incurred net loss of HRK 9.7 million.
- The Company reached a settlement with its creditors in the Pre-bankruptcy Settlement process, at the hearing held on 2 April 2013 before FINA's Settlement Council.
- The restructuring of the Company is conducted as planned.

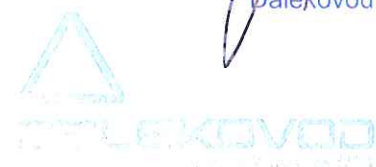
There was a change in the Management Board of Dalekovod d.d. in September. The Chairman of the Management Board Mr. Matjaž Gorjup left the Company at his own request and Mr. Goran Brajdić, a former Management Board member, was appointed Chairman of the Management Board by Supervisory Board's resolution.

After changing the strategy of the Company and the Group, which primarily includes a stronger focus on international markets, the Company and its management are aware it is crucial to continue with further optimization of fixed costs for the Company to adapt to the newly emerged environment of reduced demand on the domicile market and adapt for a significant penetration of international markets.

During the past period, the Company made great efforts toward obtaining projects on international markets, most of which will be implemented this year in the upcoming years. The Company also implements projects in Norway, Ukraine and Slovenia. In addition, the Group and the Company participate in a number of local and international tenders to contract new work and achieve their plan requiring moderate growth in revenue in the upcoming years. The Company has undertaken activities to obtain its position and appear on certain Western European markets for the first time, where the prequalifying process for work contracts is ongoing or has been completed. As a result of Company's strong international activity, new significant contracts are expected to be awarded to the Company abroad, of which the Company will promptly notify its shareholders.

For the Management Board:

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





## II. DECLARATION

Pursuant to Article 410, paragraph 1, and Article 407, paragraph 2, subparagraph 3 and paragraph 3 of the Capital Market Act, the persons responsible for preparing the Report: Goran Brajdić, Chairman of the Management Board, Krešimir Anušić, Management Board Member, Marko Jurković, Management Board Member, and Željko Lekšić, Management Board Member, hereby make this

### DECLARATION

To the best of our knowledge, the summary set of financial statements of Dalekovod and the Group, prepared in compliance with the appropriate financial reporting standards, provides a full and true view of the assets, liabilities and income of Dalekovod and the Group, with a brief comment on the causes of the information provided. The financial statements have not been audited.

For the Management Board:

Goran Brajdić  
Chairman 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)
		<b>DALEKOVOD jsc</b>		<b>DALEKOVOD GROUP</b>	
		3	4	5	6
<b>ASSETS</b>					
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0	0	0
<b>B) NON CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	1.031.951.829	1.009.109.024	1.203.206.236	1.212.453.468
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	10.369.957	7.712.745	17.343.544	14.526.466
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	10.356.357	7.712.745	12.476.778	9.738.524
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	228.942
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	542.590.087	522.175.022	1.035.750.191	1.040.430.508
1. Land	011	164.913.887	164.913.887	212.852.569	212.915.922
2. Property	012	67.252.692	65.144.008	114.703.655	112.381.090
3. Plants and equipment	013	81.475.067	71.713.926	141.331.822	128.244.099
4. Tools, plants&vehicles	014	8.175.967	5.409.988	16.523.933	14.820.579
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	118.952	121.310
7. Assets under construction	017	0	0	329.054.453	356.563.083
8. Other tangible assets	018	0	0	14.224	9.796
9. Investments property	019	220.772.474	214.993.213	221.150.585	215.374.630
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	478.991.785	479.221.257	150.112.501	157.496.494
1. Share in related parties	021	410.524.187	410.580.311	79.730.046	88.488.161
2. Loans to related parties	022	1.384.622	1.396.727	1.384.622	0
3. Participating interests (stakes)	023	26.436.656	26.436.656	26.436.656	26.436.656
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	36.590.140	36.590.139	36.613.812	36.599.314
6. Loans & deposits	026	4.056.180	4.217.424	5.665.420	5.684.830
7. Other non-current financial assets	027	0	0	281.945	287.534
8. Investment accounted by equity method	028	0	0	0	0
<b>IV. TRADE RECEIVABLES (030 to 032)</b>	<b>029</b>	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
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	0	0	0	0
<b>C) CURENT ASSETS (035+043+050+058)</b>	<b>034</b>	457.783.310	501.355.839	710.536.470	676.185.361
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	10.339.440	8.464.706	152.780.132	126.592.606
1. Raw materials & consumables	036	8.147.751	6.614.570	58.374.403	54.968.819
2. Work in progress	037	0	0	32.799.672	16.896.630
3. Products	038	2.145.149	1.850.136	43.776.567	42.540.084
4. Merchandise	039	46.540	0	17.437.858	11.669.186
5. Prepayments for inventories	040	0	0	273.960	398.732
6. Other available-for-sale assets	041	0	0	117.671	119.155
7. Biological asset	042	0	0	0	0
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	372.825.182	400.558.097	526.792.020	509.330.229
1. Receivables from related parties	044	46.948.617	54.029.023	0	0
2. Trade receivables	045	264.682.910	247.033.323	430.942.041	380.736.845
3. Receivables from participating parties	046	494.108	803.928	1.045.495	1.355.315
4. Amounts receivable from employees	047	506.898	383.656	602.781	1.948.475
5. Receivables from government agencies	048	0	0	843.602	5.313.911
6. Other receivables	049	60.192.649	98.308.167	93.358.101	119.975.684
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	64.926.870	86.483.461	9.810.758	17.086.300
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	63.947.039	85.218.042	0	0
3. Participating interests (stakes)	053	0	0	0	0
4. Loans to participating interest	054	334.261	311.737	334.261	311.736
5. Investments in securities	055	28.074	28.074	28.074	28.074
6. Loans & deposits	056	617.496	925.608	9.087.557	16.385.624
7. Other financial assets	057	0	0	360.866	360.866
<b>IV. CASH ON HAND AND IN THE BANK</b>	<b>058</b>	9.691.818	5.849.575	21.153.561	23.176.226
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	2.951.921	1.072.007	5.600.231	2.136.256
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.492.687.060	1.511.536.870	1.919.342.937	1.890.775.085
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>	1.091.563.126	980.264.508	1.756.703.665	1.627.273.864

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>	<b>133.116.722</b>	<b>117.823.179</b>	<b>188.734.011</b>	<b>191.085.311</b>
<b>I. SHARE CAPITAL</b>	<b>063</b>	<b>286.726.500</b>	<b>286.726.500</b>	<b>286.726.500</b>	<b>286.726.500</b>
<b>II. CAPITAL RESERVES</b>	<b>064</b>	<b>80.478.889</b>	<b>80.478.889</b>	<b>80.478.889</b>	<b>80.478.889</b>
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	<b>157.131.299</b>	<b>157.131.299</b>	<b>162.628.489</b>	<b>162.244.815</b>
1. Legal reserves	066	11.486.600	11.486.600	12.634.367	11.652.122
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	32.924.699
5. Other reserves	070	112.763.413	112.763.413	117.381.006	117.667.994
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	<b>50.020.716</b>	<b>50.020.716</b>	<b>64.209.170</b>	<b>64.877.600</b>
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	<b>0</b>	<b>-441.240.682</b>	<b>23.270.485</b>	<b>-410.957.393</b>
1. Retained earnings	073	0	0	32.730.352	0
2. Loss brought forward	074	0	441.240.682	9.459.867	410.957.393
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	<b>-441.240.682</b>	<b>-15.293.543</b>	<b>-429.923.513</b>	<b>6.539.825</b>
1. Profit for the financial year	076	0	0	0	6.539.825
2. Loss for the financial year	077	441.240.682	15.293.543	429.923.513	0
<b>VII. MINORITY INTEREST</b>	<b>078</b>	<b>0</b>	<b>0</b>	<b>1.343.991</b>	<b>1.175.077</b>
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	<b>7.327.727</b>	<b>7.327.727</b>	<b>11.969.904</b>	<b>11.384.447</b>
1. Provisions for pensions, severance pay and similar liabilities	080	7.327.727	7.327.727	10.637.363	10.512.532
2. Provisions for tax obligations	081	0	0	634.831	35.521
3. Other provisions	082	0	0	697.710	836.395
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	<b>475.194.193</b>	<b>458.698.293</b>	<b>484.089.874</b>	<b>467.531.318</b>
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	318.839.744	343.097.933	327.100.601
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	140.543.928	139.858.549	140.991.941	140.430.717
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
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	<b>877.048.418</b>	<b>927.687.671</b>	<b>1.222.851.788</b>	<b>1.216.445.703</b>
1. Liabilities to related parties	094	95.985.029	129.298.399	0	0
2. Liabilities for loans, deposits and other	095	7.086.640	7.698.274	6.052.021	13.491.446
3. Liabilities towards banks and other financial institutions	096	308.082.205	307.831.586	590.691.325	609.511.164
4. Amounts payable for prepayment	097	31.858.753	35.741.483	34.247.399	39.779.070
5. Trade payables	098	338.410.290	353.792.669	476.938.745	446.505.321
6. Amounts payable for securities	099	57.670.915	57.411.464	45.034.981	44.775.530
7. Liabilities toward participating interests	100	6.464.836	6.401.397	6.464.836	6.401.397
8. Liabilities to employees	101	9.976.064	6.412.660	19.343.663	16.898.301
9. Taxes, contributions and similar liabilities	102	12.454.073	14.399.318	31.713.948	27.168.620
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	6.800.659	10.465.107	10.015.092
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>11.697.360</b>	<b>4.328.307</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.492.687.060</b>	<b>1.511.536.870</b>	<b>1.919.342.937</b>	<b>1.890.775.085</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	<b>1.091.563.126</b>	<b>980.264.508</b>	<b>1.756.703.665</b>	<b>1.627.274.884</b>
<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	109			187.390.020	189.910.235
2. Attributable to non-controlling interests	110			1.343.991	1.175.077

#### IV. STATEMENT OF COMPREHENSIVE INCOME

Name of position	AOP	Q3 2012	Q3 2013	Q3 2012	Q3 2013
1	2	3	4	5	6
		<b>DALEKOVOD J.S.C.</b>		<b>DALEKOVOD GROUP</b>	
<b>I. OPERATING INCOME (112+113)</b>	<b>111</b>	<b>784.195.698</b>	<b>628.494.937</b>	<b>1.090.025.816</b>	<b>900.520.696</b>
1. Sales revenue	112	773.620.102	620.150.339	1.079.715.491	888.540.561
2. Other operating income	113	10.575.596	8.344.598	10.310.325	11.980.135
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>775.929.429</b>	<b>640.882.876</b>	<b>1.045.822.225</b>	<b>899.415.340</b>
1. Changes in inventories of finished products and work in progress	115	3.342.101	208.041	10.415.938	17.528.317
2. Material costs (117 to 119)	116	560.333.171	423.685.560	709.504.317	567.704.176
a) Cost of raw materials & consumables	117	155.263.973	116.507.340	278.187.510	153.778.394
b) Cost of goods sold	118	79.987.090	26.326.255	80.476.550	70.714.161
c) Other costs	119	325.082.108	280.851.965	350.840.257	343.211.622
3. Staff costs (121 to 123)	120	107.500.744	113.450.372	186.767.716	183.336.800
a) Net salaries	121	71.230.982	75.606.359	119.292.514	118.452.649
b) Employee income tax	122	17.900.351	19.765.664	39.212.670	38.360.108
c) Tax on payroll	123	18.369.411	18.078.349	28.262.532	26.524.043
4. Depreciation and amortisation	124	29.442.008	25.579.856	37.808.797	33.928.616
5. Other expenditures	125	68.146.747	73.478.800	90.596.304	91.831.808
6. Value adjustment (127+128)	126	90.924	1.205.371	92.402	1.075.684
a) non-current assets (without financial assets)	127	0	0	0	0
b) current assets (without financial assets)	128	90.924	1.205.371	92.402	1.075.684
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	7.073.734	3.274.876	10.636.751	4.009.939
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>2.839.868</b>	<b>14.639.982</b>	<b>3.430.339</b>	<b>15.736.263</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	1.950.316	1.934.596	2.414.859	1.733.893
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	536.815	12.408.700	656.798	13.662.598
3. Part of income from associates and participating interests	134	352.737	296.686	352.737	296.686
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	0	5.945	43.086
<b>IV. FINANCIAL COSTS (138 to 141)</b>	<b>137</b>	<b>55.195.745</b>	<b>17.225.693</b>	<b>56.312.633</b>	<b>19.000.552</b>
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	680.199	665.691	822.944	629.413
2. Interest, foreign exchange differences and other expenses related to third parties	139	47.606.373	15.724.822	48.527.282	17.555.931
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	6.909.173	835.180	6.962.407	815.207
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>3.198.162</b>	<b>11.336.905</b>
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	<b>0</b>	<b>0</b>	<b>5.019.731</b>	<b>0</b>
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	<b>0</b>	<b>0</b>	<b>140</b>	<b>0</b>
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>787.035.566</b>	<b>643.134.919</b>	<b>1.101.674.048</b>	<b>927.593.864</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>831.125.174</b>	<b>658.108.569</b>	<b>1.102.134.998</b>	<b>918.415.892</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>-44.089.608</b>	<b>-14.973.650</b>	<b>-460.950</b>	<b>9.177.973</b>
1. Profit before tax (146-147)	149	0	0	0	9.177.973
2. Loss before tax (147-146)	150	44.089.608	14.973.650	460.950	0
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	<b>323.966</b>	<b>319.893</b>	<b>9.236.417</b>	<b>2.819.197</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>-44.413.574</b>	<b>-15.293.543</b>	<b>-9.697.367</b>	<b>6.358.776</b>
1. Profit for the period (149-151)	153	0	0	0	6.358.776
2. Loss for the period (151-148)	154	44.413.574	15.293.543	9.697.367	0
<b>ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	155	0	0	-9.687.260	6.539.825
2. Attributable to non-controlling interests	156	0	0	-10.107	-181.049
<b>STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>-44.413.574</b>	<b>-15.293.543</b>	<b>-9.697.367</b>	<b>6.358.776</b>
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>-44.413.574</b>	<b>-15.293.543</b>	<b>-9.697.367</b>	<b>6.358.776</b>
<b>APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)</b>					
<b>VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	169	0	0	-9.687.260	6.539.825
2. Attributable to non-controlling interests	170	0	0	-10.107	-181.049

## V. CASH FLOW STATEMENT

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
			<b>DALEKOVOD jsc</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
1. Pre-tax profit	001	-44.089.608	-14.973.650	-460.950	9.177.973
2. Depreciation	002	29.442.008	25.579.856	37.808.797	33.928.616
3. Increase in short-term liabilities	003	116.333.145	48.632.310	124.640.865	0
4. Decrease in short-term receivables	004	0	0	0	16.850.415
5. Reduction of stocks	005	2.950.813	1.874.734	9.182.841	26.187.525
6. Other increase in cash flow	006	7.230.664	3.918.205	6.663.898	756.696
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>111.867.022</b>	<b>65.031.465</b>	<b>177.835.451</b>	<b>86.901.215</b>
1. Decrease in short-term liabilities	008	0	0	0	29.885.488
2. Increase in short-term receivables	009	8.859.739	27.732.915	65.684.854	0
3. Increase in stocks	010	0	0	0	0
4. Other decrease in cash flow	011	0	0	0	0
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>8.859.739</b>	<b>27.732.915</b>	<b>65.684.854</b>	<b>29.885.488</b>
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)</b>	<b>013</b>	<b>103.007.283</b>	<b>37.298.540</b>	<b>112.150.597</b>	<b>57.015.727</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>					
1. Cash receipts from sale of fixed tangible and intangible assets	015	1.118.865	24.398	1.118.865	100.359
2. Cash receipts from sale of treasury and debt financial instruments	016	9.208.715	0	25.229.571	0
3. Cash receipts from interests	017	299.429	134.431	311.986	182.800
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	0	0	0	0
<b>III. Total cash receipts from investment activities (015 to 019)</b>	<b>020</b>	<b>10.627.009</b>	<b>158.829</b>	<b>26.660.422</b>	<b>283.169</b>
1. Expenditures for buying fixed assets and intangible assets	021	8.277.778	2.507.579	9.367.924	35.791.855
2. Expenditures for purchasing treasury and debt financial instruments	022	16.922.377	229.472	16.922.377	7.383.993
3. Other expenditures from investment activities	023	19.215.418	37.877.182	89.913.202	30.358.998
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>44.415.573</b>	<b>40.614.233</b>	<b>116.203.503</b>	<b>73.534.846</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>33.788.564</b>	<b>40.455.404</b>	<b>89.543.081</b>	<b>73.251.677</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>					
1. Cash receipts from issuance of treasury and debt financial instruments	027	0	0	0	20.240.058
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	22.122.851	0	72.292.598	0
3. Total cash receipts from financial activities	029	0	0	800.000	0
<b>V. Total cash receipts from financial activities (027 to 029)</b>	<b>030</b>	<b>22.122.851</b>	<b>0</b>	<b>73.092.598</b>	<b>20.240.058</b>
1. Expenditures for repayment of loan principal and bonds	031	45.710.422	0	47.228.555	1.420.219
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	11.159.118	685.379	11.191.529	561.224
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	0	0	2.531.382	0
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>56.869.540</b>	<b>685.379</b>	<b>60.951.466</b>	<b>1.981.443</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>	<b>12.141.132</b>	<b>18.258.615</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>34.746.689</b>	<b>685.379</b>	<b>0</b>	<b>0</b>
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	34.472.030	0	34.748.648	2.022.665
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	3.842.243	0	0
<b>Cash and cash equivalents at the beginning of the period</b>	<b>041</b>	<b>30.113.902</b>	<b>9.691.818</b>	<b>45.934.735</b>	<b>21.153.561</b>
<b>Increase in cash and cash equivalents</b>	<b>042</b>	<b>34.472.030</b>	<b>0</b>	<b>34.748.648</b>	<b>2.022.665</b>
<b>Decrease in cash and cash equivalents</b>	<b>043</b>	<b>0</b>	<b>3.842.243</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>044</b>	<b>64.585.932</b>	<b>5.849.575</b>	<b>80.683.383</b>	<b>23.176.226</b>



## VI. STATEMENT OF CHANGES IN EQUITY

Name of position:	AOP	Previous period	Current period	Previous period	Current period
<b>DALEKOVOD jsc</b>				<b>DALEKOVOD GROUP</b>	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
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	162.244.815
4. Retained profit or loss carried forward	004	0	-441.240.682	23.270.485	-410.957.393
5. Profit or loss of current year	005	-441.240.682	-15.293.543	-429.923.513	6.539.825
6. Revaluation of longterm tangible assets	006	50.020.716	50.020.716	64.209.170	64.877.600
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
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>133.116.722</b>	<b>117.823.179</b>	<b>187.390.020</b>	<b>189.910.235</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	0	0
16. Other changes in equity	016	0	0	0	0
<b>17. Total increase or decrease in equity (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
17 a. Attributed to parent company equity holders	018			187.390.020	189.910.235
17 b. Attributed to minority interest	019			1.343.991	1.175.077



## VII. NOTES TO FINANCIAL STATEMENTS

### 1. MANAGEMENT BOARD MEMBERS

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

### 2. SUPERVISORY BOARD MEMBERS

Chairman: Marijan Pavlović, LLM  
Member: Nataša Ivanović, M.Econ.  
Member: Dubravko Štimac, MSc, M.Econ.  
Member: Davor Doko, M.Econ.  
Member: Ante Ćurković, PhD, M.Eng.  
Member: Viktor Miletić

### 3. SHAREHOLDING STRUCTURE (as at 30 September 2013)

NATURAL PERSONS	1.475.249
PENSION FUNDS	638.891
BANKS	324.673
TELEGRA d.o.o.	164.753
OTHERS	219.765
OWN SHARES	43.934
TOTAL	2.867.265

### 4. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in the first three quarters of 2013.

### 5. UNCERTAINTY

No items of doubtful and disputable debt affecting business continuity were identified in the first three quarters of 2013.



## 6. DESCRIPTION OF PRODUCTS AND SERVICES

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

- electrical facilities, especially transmission lines between 0.4 and 500 kV
- transformer stations of all levels and voltages up to 500 kV
- air, underground and underwater cables 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 transformer stations 0.4 and 500 kV
- production and installation of all metal parts for roads, especially for road lighting, security barriers and traffic signals
- tunnel lighting and traffic management
- electrification of railway and tramways

## 7. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.