

Dalekovod d.d.
Marijana Čavića 4
10 000 Zagreb



**Financial statements for period
Jan- Jun 2014**

Unaudited, consolidated

Zagreb, 31 July 2014



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I. MANAGEMENT REPORT

On February 26, 2014, Dalekovod d.d. obtained confirmation of the finality of the decision of the Commercial Court in Zagreb dated January 29, 2014 allowing the conclusion of pre- bankruptcy settlement. After the afore-mentioned decision had become final, the conditions required to be met in order to allow increase in core capital were fulfilled and all barriers to smooth operation and winning new projects were removed.

In the first half of 2014, Dalekovod Group („Group“) realized an operating income of HRK 486.2 million, EBITDA of HRK 53.9 million and a net profit of HRK 207.9 million. In the same period, Dalekovod d.d. („Company“) realized an operating income of HRK 339.6 million, EBITDA of HRK 40.3 million and a net profit of HRK 239.5 million, which was a result of the positive effects of mezzanine capital discounting and calculation of the fair value of the financial instruments arising from the same. The lower operating income compared to the same period of 2013 is a consequence of the postponement of public tenders by investors in the country and a decrease in foreign income from the Ukraine resulting from the political instability caused by the crisis.

The long process of concluding pre-bankruptcy settlement carried out before the Commercial Court in Zagreb also had an effect on the opportunities to win new projects in the local and international markets.

Pursuant to the pre-bankruptcy settlement and refinancing of obligations towards financial institutions, suppliers and other creditors, the fair value was calculated on the reporting date and expressed in the financial statements in accordance with the International Accounting Standards. It represents a one-off effect on the profit and loss account, as well as the balance sheet of the Company.

In the first half of 2014, the Company and the Group recorded positive results:

- The Company successfully completed the pre-bankruptcy settlement procedure on February 26, 2014.
- The restructuring of the Company is progressing in accordance with the plan.
- New members of the Supervisory Board were elected.

The changed strategy of the Company and the Group includes a strong focus on international markets. The Company and its management are aware of the vital importance of continued optimization of fixed costs in order to enable the Company to adapt to the newly created environment of reduced demand in the local market and prepare for penetrating international markets.



Recently, the Company has been putting additional efforts to winning projects in the international market. The company implements projects in Norway, the Ukraine, Latvia, Montenegro, Kosovo, Poland and Slovenia.

The Group and the Company participate in a series of tenders in the country and abroad in order to contract new works and achieve sustainable income growth in the coming years. Since the Company is putting a lot of effort in international activities, it can be reasonably expected that it will win significant projects abroad, of which the shareholders shall be promptly notified.

On behalf of the Company's Management Board:


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

Dioničarska društvo za inženjering, proizvodnju i usluge
Zagreb, Republika Hrvatska, P. P. 128, MB 50743111

II. DECLARATION

Pursuant to Article 410, paragraph 1, and Article 407, paragraph 2, subparagraph 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.

On behalf of the Company's Management Board:


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



DALEKOVOD
dioničko društvo inženjering, proizvodnja i izgradnja
Zagreb, Republika Hrvatska, p.p. 126, MB 3278931-1

III. BALANCE SHEET

Assets

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)	
		DALEKOVOD js c		DALEKOVOD GROUP		
		2	3	4	5	6
ASSETS						
A) SUBSCRIBED CAPITAL UNPAID	001	0	0	0	0	
B) NON CURRENT ASSETS (003+010+020+029+033)	002	905.439.504	888.061.926	1.186.895.227	1.178.897.685	
I. INTANGIBLE ASSETS (004 to 009)	003	7.022.262	5.679.500	10.234.288	8.816.803	
1. Research & Development expenditure	004	0	0	0	0	
2. Patents, licences, royalties, trade marks, software&similar rights	005	7.022.262	5.673.388	8.905.615	7.499.285	
3. Goodwill	006	0	0	1.213.000	1.213.000	
4. Prepayments for intangible assets	007	0	0	0	0	
5. Intangible assets under construction	008	0	6.112	0	101.995	
6. Other intangible assets	009	0	0	115.673	2.522	
II. TANGIBLE ASSETS (011 to 019)	010	516.163.090	502.033.734	1.040.465.595	1.034.908.659	
1. Land	011	164.913.887	164.913.887	285.138.497	285.103.664	
2. Property	012	56.634.825	54.913.156	229.792.973	616.169.107	
3. Plants and equipment	013	68.877.075	62.177.292	118.870.097	109.400.885	
4. Tools, plants&vehicles	014	4.862.839	3.217.128	13.966.627	12.327.837	
5. Biological asset	015	0	0	0	0	
6. Prepayments for tangible assets	016	0	0	45.232	44.840	
7. Assets under construction	017	0	0	392.643.852	11.856.489	
8. Other tangible assets	018	0	0	8.317	5.838	
9. Investments property	019	220.874.464	216.812.271	0	0	
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	367.818.211	365.901.800	120.554.090	117.922.914	
1. Share in related parties	021	314.078.254	314.078.254	70.516.314	69.255.987	
2. Loans to related parties	022	1.401.507	0	0	0	
3. Participating interests (stakes)	023	25.516.604	25.520.024	21.766.296	20.999.403	
4. Loans to participating interest	024	0	0	0	0	
5. Investments in securities	025	22.984.198	22.640.967	22.984.198	22.640.967	
6. Loans & deposits	026	3.837.648	3.662.555	5.287.282	5.026.557	
7. Other non-current financial assets	027	0	0	0	0	
8. Investment accounted by equity method	028	0	0	0	0	
IV. TRADE RECEIVABLES (030 to 032)	029	14.435.941	14.446.892	15.641.254	17.249.309	
1. Receivables from related parties	030	0	0	0	0	
2. Receivables from credit sales	031	0	0	0	0	
3. Other receivables	032	14.435.941	14.446.892	15.641.254	17.249.309	
V. DEFERRED TAX ASSETS	033	0	0	0	0	
C) CURENT ASSETS (035+043+050+058)	034	392.194.887	522.615.163	546.754.750	677.197.162	
I. INVENTORIES (036 to 042)	035	9.443.774	12.544.363	109.993.744	129.717.618	
1. Raw materials & consumables	036	8.480.689	11.373.980	58.725.963	68.273.246	
2. Work in progress	037	0	0	710.157	10.265.426	
3. Products	038	963.085	909.867	41.133.828	38.749.640	
4. Merchandise	039	0	260.516	9.097.868	12.235.412	
5. Prepayments for inventories	040	0	0	206.768	192.415	
6. Other available-for-sale assets	041	0	0	119.160	1.476	
7. Biological asset	042	0	0	0	0	
II. RECEIVABLES (044 to 049)	043	325.314.674	378.966.261	398.603.199	435.099.067	
1. Receivables from related parties	044	63.184.886	78.219.688	3.075.000	2.975.000	
2. Trade receivables	045	173.293.741	183.360.724	265.321.737	285.628.925	
3. Receivables from participating parties	046	671.564	890.572	1.222.951	890.572	
4. Amounts receivable from employees	047	209.971	249.777	1.383.881	343.525	
5. Receivables from government agencies	048	264.321	3.887.724	5.600.761	8.412.576	
6. Other receivables	049	87.690.191	112.357.766	121.998.869	136.848.470	
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	51.890.333	119.340.442	8.089.176	81.013.674	
1. Share in related parties	051	0	0	0	0	
2. Loans to related parties	052	51.405.306	60.373.122	0	0	
3. Participating interests (stakes)	053	0	0	0	0	
4. Loans to participating interest	054	311.737	311.737	311.737	311.737	
5. Investments in securities	055	28.290	40.028.290	28.290	40.889.409	
6. Loans & deposits	056	145.000	18.627.293	7.710.324	39.774.035	
7. Other financial assets	057	0	0	38.825	38.494	
IV. CASH ON HAND AND IN THE BANK	058	5.546.106	11.764.107	30.068.631	31.366.804	
D) PREPAYMENTS AND ACCRUED INCOME	059	4.485.669	1.300.260	2.045.233	4.628.447	
E) TOTAL ASSETS (001+002+034+059)	060	1.302.120.060	1.411.977.349	1.735.695.210	1.860.723.293	
F) OFF-BALANCE SHEET ITEMS	061	947.853.743	328.140.604	1.500.611.951	786.878.420	

Equity and Liabilities

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
1	2	3	4	5	6
DALEKOVOD js c				DALEKOVOD GROUP	
EQUITY AND LIABILITIES					
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	-36.279.739	438.420.616	40.579.836	480.560.074
I. SHARE CAPITAL	063	286.726.500	187.194.330	286.726.500	187.194.330
II. CAPITAL RESERVES	064	80.478.889	86.750.590	80.478.889	86.750.590
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	157.131.299	44.367.886	183.334.825	70.279.595
1. Legal reserves	066	11.486.600	11.486.600	11.652.467	11.589.528
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	32.923.976	32.923.976
5. Other reserves	070	112.763.413	0	138.758.382	25.766.092
IV. REVALUATION RESERVES	071	40.014.573	40.014.573	40.014.627	40.014.573
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	-441.240.682	-159.390.318	-427.543.269	-111.412.611
1. Retained earnings	073	0	0	0	0
2. Loss brought forward	074	441.240.682	159.390.318	427.543.269	111.412.611
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	-159.390.318	239.483.555	-122.216.466	207.954.628
1. Profit for the financial year	076	0	239.483.555	0	207.954.628
2. Loss for the financial year	077	159.390.318	0	122.216.466	0
VII. MINORITY INTEREST	078	0	0	-215.270	-221.032
B) PROVISIONS (080 to 082)	079	4.211.441	4.711.441	7.039.138	7.755.826
1. Provisions for pensions, severance pay and similar liabilities	080	4.211.441	4.211.441	6.975.473	7.208.054
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	0	500.000	63.665	547.771
C) NON-CURRENT LIABILITIES (084 to 092)	083	20.542.464	742.974.082	33.632.884	708.263.188
1. Liabilities to related parties	084	0	46.052.713	0	0
2. Liabilities for loans, deposits and other	085	0	0	0	390.867
3. Liabilities towards banks and other financial institutions	086	0	418.787.845	10.186.092	428.887.112
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	969.117	243.080.983	1.352.686	243.932.648
6. Amounts payable for securities	089	0	19.307.618	0	19.307.618
7. Liabilities toward participating interests	090	0	3.185.125	0	3.185.125
8. Other non-current liabilities	091	9.569.204	2.555.655	12.089.963	2.555.655
9. Deferred tax	092	10.004.143	10.004.143	10.004.143	10.004.143
D) CURRENT LIABILITIES (094 to 105)	093	1.309.565.604	225.438.432	1.650.299.541	663.501.797
1. Liabilities to related parties	094	119.155.367	30.575.330	26.085	0
2. Liabilities for loans, deposits and other	095	8.009.169	2.616.261	10.636.799	4.523.494
3. Liabilities towards banks and other financial institutions	096	627.217.358	81.331.128	952.511.268	400.119.591
4. Amounts payable for prepayment	097	21.371.228	41.931.841	26.535.076	52.933.830
5. Trade payables	098	448.080.173	55.654.753	521.769.757	160.777.008
6. Amounts payable for securities	099	44.197.127	919.417	44.197.127	919.417
7. Liabilities toward participating interests	100	6.370.250	0	6.370.250	0
8. Liabilities to employees	101	9.902.032	3.601.573	18.667.164	15.018.707
9. Taxes, contributions and similar liabilities	102	19.502.861	3.378.953	33.377.965	18.232.372
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	3.860.277	3.529.414	34.308.288	9.077.617
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	4.080.290	432.778	4.143.811	642.429
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.302.120.060	1.411.977.349	1.735.695.210	1.860.723.293
G) OFF-BALANCE SHEET ITEMS	108	947.353.743	328.140.604	1.500.611.951	786.878.420
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			40.795.106	480.781.104
2. Attributable to non-controlling interests	110			-215.270	-221.032

IV. STATEMENT OF COMPREHENSIVE INCOME

Name of position	AOP	2Q 2013	2Q 2014	2Q 2013	2Q 2014
1	2	3	4	5	6
DALEKOVOD J.S.C.				DALEKOVOD GROUP	
I. OPERATING INCOME (112+113)	111	385.581.769	339.661.569	563.934.467	486.246.189
1. Sales revenue	112	380.262.618	333.769.416	558.104.645	470.284.587
2. Other operating income	113	5.319.151	5.892.153	5.829.822	15.961.602
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	380.690.088	315.773.653	549.733.953	455.113.966
1. Changes in inventories of finished products and work in progress	115	184.684	53.046	2.605.603	-9.208.055
2. Material costs (117 to 119)	116	245.864.913	190.514.212	346.044.447	265.146.172
a) Cost of raw materials & consumables	117	75.614.323	47.247.310	107.965.593	77.297.337
b) Cost of goods sold	118	31.179.713	12.879.535	56.398.846	48.429.384
c) Other costs	119	139.070.877	130.387.367	181.680.008	139.419.450
3. Staff costs (121 to 123)	120	68.088.140	57.138.656	115.490.810	102.413.380
a) Net salaries	121	45.839.524	39.170.830	74.952.112	65.359.583
b) Employee income tax	122	11.572.224	11.558.625	24.284.534	24.360.692
c) Tax on payroll	123	10.676.392	6.409.201	16.254.164	12.693.105
4. Depreciation and amortisation	124	17.255.517	16.447.989	23.175.651	22.824.938
5. Other expenditures	125	45.020.861	45.448.062	57.624.914	63.987.882
6. Value adjustment (127+128)	126	1.205.371	0	1.205.371	58.532
a) non-current assets (without financial assets)	127	0	0	0	0
b) current assets (without financial assets)	128	1.205.371	0	1.205.371	58.532
7. Provisions	129	0	500.000	0	500.000
8. Other operating expenses	130	3.070.602	5.671.688	3.587.157	9.391.117
III. FINANCIAL INCOME (132 to 136)	131	7.695.937	228.482.315	6.486.966	204.211.699
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	1.394.968	29.283.364	1.367.984	326.764
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	6.004.283	20.539.859	6.737.953	25.218.168
3. Part of income from associates and participating interests	134	296.686	0	380.847	7.471
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	178.659.092	183	178.659.296
IV. FINANCIAL COSTS (138 to 141)	137	7.408.163	12.599.312	9.129.394	23.462.067
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	623.109	393.026	623.229	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	6.230.930	9.418.622	7.339.905	20.592.334
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	7.471
4. Other financial expenses	141	554.124	2.787.664	1.166.260	2.862.261
V. SHARE OF INCOME OF ASSOCIATES	142	0	0	7.140.850	62.730
VI. SHARE OF LOSS OF ASSOCIATES	143	0	0	0	2.444.877
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	393.277.706	568.143.884	579.562.283	690.510.618
X. TOTAL EXPENSES (114+137+143 + 145)	147	388.098.251	328.372.965	558.863.347	481.020.909
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	5.179.455	239.770.919	20.698.936	209.489.709
1. Profit before tax (146-147)	149	5.179.455	239.770.919	20.698.936	209.489.709
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX EXPENSE	151	998	287.364	1.922.847	1.539.342
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	5.178.457	239.483.555	18.776.089	207.950.367
1. Profit for the period (149-151)	153	5.178.457	239.483.555	18.776.089	207.950.367
2. Loss for the period (151-148)	154	0	0	0	0
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	19.010.206	207.954.628
2. Attributable to non-controlling interests	156	0	0	-234.116	-4.262
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	5.178.457	239.483.555	18.776.089	207.950.367
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 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)	167	0	0	0	0
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	5.178.457	239.483.555	18.776.089	207.950.367
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	19.010.206	207.954.628
2. Attributable to non-controlling interests	170	0	0	-234.116	-4.262

V. CASH FLOW STATEMENT

c	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	5.179.455	239.770.919	20.698.936	209.489.709
2. Depreciation	002	17.255.517	16.447.989	23.175.651	22.824.938
3. Increase in short-term liabilities	003	54.152.603	0	2.091.917	0
4. Decrease in short-term receivables	004	0	0	0	0
5. Reduction of stocks	005	841.661	0	6.996.285	0
6. Other increase in cash flow	006	0	407.692.544	306.300	727.858.472
I. Total increase in cash flow from operating activities (001 to 006)	007	77.429.236	663.911.452	53.269.089	960.173.119
1. Decrease in short-term liabilities	008	0	93.934.031	0	373.473.680
2. Increase in short-term receivables	009	36.991.485	53.651.577	12.853.624	36.495.869
3. Increase in stocks	010	0	3.100.589	0	19.723.872
4. Other decrease in cash flow	011	1.418.483	589.163.940	0	589.163.940
II Total decrease in cash flow from operating activities (008 to 011)	012	38.408.970	739.850.137	12.853.624	1.018.857.361
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	39.019.268	0	40.415.465	0
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	75.938.685	0	58.684.242
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of fixed tangible and intangible assets	015	22.818	0	0	0
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0	0	0
3. Cash receipts from interests	017	140.154	28.249	0	32.078
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	0	150.486.655	0	146.471.320
III. Total cash receipts from investment activities (015 to 019)	020	162.972	150.514.904	0	146.503.398
1. Expenditures for buying fixed assets and intangible assets	021	1.992.463	975.871	7.400.328	15.850.517
2. Expenditures for purchasing treasury and debt financial instruments	022	56.124	0	7.180.267	0
3. Other expenditures from investment activities	023	39.041.024	67.450.109	25.337.018	72.924.498
IV. Total expenditures from investment activities (021 to 023)	024	41.089.611	68.425.980	39.917.613	88.775.015
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	0	82.088.924	0	57.728.383
b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	40.926.639	0	39.917.613	0
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	852.299	0	11.654.209	0
3. Total cash receipts from financial activities	029	0	4.500.000	0	13.382.273
V. Total cash receipts from financial activities (027 to 029)	030	852.299	4.500.000	11.654.209	13.382.273
1. Expenditures for repayment of loan principal and bonds	031	0	0	0	6.505.447
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	444.771	4.432.238	168.238	4.622.794
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	444.771	4.432.238	168.238	11.128.241
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	407.528	67.762	11.485.971	2.254.032
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	0	6.218.001	11.983.823	1.298.173
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	1.499.843	0	0	0
Cash and cash equivalents at the beginning of the period	041	9.691.818	5.548.106	0	30.068.631
Increase in cash and cash equivalents	042	0	6.218.001	11.983.823	1.298.173
Decrease in cash and cash equivalents	043	1.499.843	0	0	0
Cash and cash equivalents at the end of the period	044	8.191.975	11.764.107	11.983.823	31.366.804

VI. STATEMENT OF CHANGES IN EQUITY

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
			DALEKOVOD jsc		
1. Share capital	001	286.726.500	187.194.330	286.726.500	187.194.330
2. Capital reserves	002	80.478.889	86.750.590	80.478.889	86.750.590
3. Reserves from profit	003	157.131.299	44.367.886	183.334.825	70.279.595
4. Retained profit or loss carried forward	004	0	-159.390.318	-427.543.269	-111.412.611
5. Profit or loss of current year	005	-159.390.318	239.483.555	-122.216.466	207.954.628
6. Revaluation of longterm tangible assets	006	40.014.573	40.014.573	40.014.627	40.014.573
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	-36.279.739	438.420.616	40.795.106	480.781.105
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			40.795.106	480.781.104
17 b. Attributed to minority interest	019			-215.270	-221.032

VII. NOTES TO FINANCIAL STATEMENTS

1. MANAGEMENT BOARD MEMBERS

1. President: 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

President: Marko Lesić
Member: Ivan Peteržilnik
Member: Vlado Čović.
Member: Viktor Miletić
Member: Krešimir Ružđak.

3. SHAREHOLDING STRUCTURE (as at 30 June 2014)

FIZIČKE OSOBE	1.538.223
MIROVINSKI FONDOVI	779.028
BANKE	331.118
KONSOLIDATOR d.o.o.	15.000.000
OSTALI	806.815
VLASTITE DIONICE	43.934
UKUPNO	18.719.433

4. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in the first half of 2014.

5. UNCERTAINTY

No items of doubtful and disputable debt affecting business continuity were identified in the first half of 2014.



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.