

Zagreb, 29 July 2016

MANAGEMENT REPORT
FOR JAN-JUN 2016
Unaudited, unconsolidated



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I. MANAGEMENT BOARD'S REPORT

KEY INDICATORS

The business results recorded in HY1 2016 show further strong recovery in Company's and Group's business after completing the pre-bankruptcy settlement.


The financial stability of the Group and the Company relies on four key segments – Profitable Growth, Cost-Effectiveness, Cash Flow, and Risk Management.

According to the final unaudited information for HY1 2016, Dalekovod Group's (the "Group") EBITDA was HRK 65.3 million. In the same period last year, the Group recorded EBITDA of HRK 40.2 million. Such sharp increase in EBITDA was primarily due to higher levels of other revenue compared to HY1 2015 resulting from the recognition of income obtained by selling rights to the Ministry of Finance in 2013 and positive effects of changes in the value of inventory. In HY1 2016, the Group obtained net income of HRK 28.1 million compared to HRK 6.7 million in the same period in 2015, which is an increase by 321.0 percent.

During the same period, Dalekovod d.d. (the "Company") obtained unaudited (EBITDA) of HRK 67.6 million, compared to HRK 22.5 million in HY1 2015. Net income obtained in HY1 2016 was HRK 40.9 million compared to HRK 6.9 million in the same period in 2015, which is an increase by 83.0 percent.

In addition to the one-time item relating to the income obtained by selling rights to the Ministry of Finance, the projects contracted on foreign markets (Norway, Ukraine, Kosovo, Finland) had the greatest impact on Group's and Company's performance.

As regards our future important activities undertaken in HY 2016, a local joint-venture comprising DIV d.o.o., Zagreb-Montaža d.o.o and Dalekovod d.d. signed a contract in April for the reconstruction of the existing and construction of a second track on the Dugo Selo-Križevci line and the project is already being implemented. In early June, we signed contracts with Statnett of Norway for the construction of a 420 kV Namsos – Hofstad – Åfjord transmission line and a 420 kV Snilldal – Surna transmission having a total length of almost 200 km.



In addition, Dalekovod d.d. decided to proceed to sell its subsidiary Dalekovod Ulaganja d.o.o. to Officium Partner d.o.o. and reclassify it as an asset held for sale, which resulted in an increase in certain Balance Sheet items compared to 2015, namely in Real Estate Investments under Noncurrent Assets (AOP 019) and in Current Liabilities to Banks and other Financial Institutions (AOP 096). The Management Board intends to complete this transaction within 3 months to one year at the latest, which is in compliance with International Financial Reporting Standards 5 (IFRS 5).

On the Group level, operating expenses decreased by HRK 10.4 million compared to the same period, while EBITDA margin was 14.9 percent, compared to 8.5 percent in the same period last year. On the Company level, operating expenses remained on the same level as in the same period last year, amounting to HRK 331.4 million, while EBITDA margin was 20.9 percent, compared to 6.8 percent in the same period last year.

For the Management Board:




Branimir Alujević

Management Board Member

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 financial statements: Alen Premužak, Chairman of the Management Board, Branimir Alujević, Management Board Member, Helena Jurčić Šestan, Management Board Member, Marko Jurković, Management Board Member, and Mirko Leko, Management Board Member, hereby make this

DECLARATION

To the best of our knowledge, the financial statements for the reporting period, prepared in compliance with the appropriate financial reporting standards, provide a full and true view of the assets, liabilities and income of DALEKOVOD and the companies included in consolidation, with a brief comment on the causes of the information provided. The financial statements have not been audited.



For the Management Board:


Branimir Alujević

Management Board Member

Dalekovod d.d.

III. BALANCE SHEET (unaudited)

ASSETS

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	
B) NON CURRENT ASSETS (003+010+020+029+033)	002	1.014.003.782	1.035.282.677	1.139.406.819	784.178.598
I. INTANGIBLE ASSETS (004 to 009)	003	14.869.072	12.470.281	17.711.383	15.319.736
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	14.139.000	11.740.209	15.640.602	13.173.056
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	730.072	730.072	857.781	933.680
6. Other intangible assets	009	0	0	0	0
II. TANGIBLE ASSETS (011 to 019)	010	487.578.808	479.414.340	928.166.467	563.849.645
1. Land	011	166.071.529	166.071.529	246.495.442	246.431.114
2. Property	012	55.173.659	53.908.129	206.978.652	201.130.608
3. Plants and equipment	013	49.865.075	45.708.244	88.906.744	84.599.736
4. Tools, plants&vehicles	014	2.286.758	3.811.838	11.640.831	14.420.811
5. Biological asset	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	0	0
7. Assets under construction	017	0	0	10.712.208	10.721.000
8. Other tangible assets	018	0	0	0	0
9. Investments property	019	214.181.787	209.914.600	363.432.590	6.546.376
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	482.783.323	508.893.683	161.524.337	168.617.798
1. Share in related parties	021	285.996.508	286.865.919	0	0
2. Loans to related parties	022	13.729.680	29.717.463	0	0
3. Participating interests (stakes)	023	20.241.100	20.241.100	14.667.309	15.684.995
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	4.254.377	3.871.511	4.537.472	4.154.606
6. Loans & deposits	026	8.331.640	18.548.871	15.178.127	22.128.643
7. Other non-current financial assets	027	150.230.018	149.648.819	127.141.429	126.649.554
8. Investment accounted by equity method	028	0	0	0	0
IV. TRADE RECEIVABLES (030 to 032)	029	28.772.579	34.504.373	32.004.632	36.391.419
1. Receivables from related parties	030	0	0	720.774	709.824
2. Receivables from credit sales	031	0	0	0	0
3. Other receivables	032	28.772.579	34.504.373	31.283.857	35.681.595
V. DEFERRED TAX ASSETS	033	0	0	0	0
C) CURENT ASSETS (035+043+050+058)	034	695.998.212	563.786.219	950.046.366	873.489.493
I. INVENTORIES (036 to 042)	035	20.488.561	11.451.160	182.776.062	215.262.337
1. Raw materials & consumables	036	18.474.196	8.477.539	68.599.673	76.387.992
2. Work in progress	037	0	0	13.132.497	26.873.020
3. Products	038	266.435	257.377	25.926.563	37.738.594
4. Merchandise	039	1.747.930	2.716.244	9.016.213	9.544.758
5. Prepayments for inventories	040	0	0	1.058.270	642.573
6. Other available-for-sale assets	041	0	0	65.042.846	64.075.400
7. Biological asset	042	0	0	0	0
II. RECEIVABLES (044 to 049)	043	506.497.579	410.693.119	582.682.800	513.776.791
1. Receivables from related parties	044	34.476.796	22.480.442	0	0
2. Trade receivables	045	300.959.133	204.985.015	397.230.328	301.380.814
3. Receivables from participating parties	046	715.227	381.553	798.643	846.319
4. Amounts receivable from employees	047	255.351	239.372	322.613	325.520
5. Receivables from government agencies	048	20.992.331	10.401.009	29.432.856	19.570.656
6. Other receivables	049	149.098.741	172.205.728	154.898.360	191.653.482
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	87.163.048	64.805.657	82.510.264	46.861.862
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	31.585.316	9.962.537	0	0
3. Participating interests (stakes)	053	0	0	0	0
4. Loans to participating interest	054	0	0	0	0
5. Investments in securities	055	30.377.143	30.448.466	30.377.143	30.448.466
6. Loans & deposits	056	25.200.589	24.394.654	52.133.120	16.413.396
7. Other financial assets	057	0	0	0	0
IV. CASH ON HAND AND IN THE BANK	058	81.849.024	76.836.283	102.077.241	97.588.503
D) PREPAYMENTS AND ACCRUED INCOME	059	1.897.912	2.101.348	2.401.002	2.320.693
E) TOTAL ASSETS (001+002+034+059)	060	1.711.899.906	1.601.170.244	2.091.854.187	1.659.988.784
F) OFF-BALANCE SHEET ITEMS	061	652.402.930	705.078.975	680.360.486	768.868.111

LIABILITIES

Name of position:	AOP	Previous year (net)	Current year (net)	Previous year (net)	Current year (net)
		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	325.083.979	365.336.117	302.298.711	329.869.831
I. SHARE CAPITAL	063	247.193.050	247.193.050	247.193.050	247.193.050
II. CAPITAL RESERVES	064	86.141.670	86.141.670	86.141.670	86.141.670
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	44.324.747	43.675.599	76.306.051	75.800.178
1. Legal reserves	066	11.486.600	11.486.600	11.652.410	11.652.410
2. Reserves for own shares	067	7.816.210	8.465.358	7.816.210	8.465.358
3. Own shares and stakes (less)	068	7.816.210	8.465.358	-7.816.210	-8.465.358
4. Statutory reserves	069	32.838.147	32.188.999	32.838.147	32.188.999
5. Other reserves	070	0	0	31.815.494	31.958.769
IV. REVALUATION RESERVES	071	40.016.573	40.016.573	40.014.627	40.014.627
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	-123.741.931	-92.592.061	-150.679.460	-146.660.818
1. Retained earnings	073	0			
2. Loss brought forward	074	123.741.931	92.592.061	150.679.460	146.660.818
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	31.149.870	40.901.286	4.018.643	28.074.839
1. Profit for the financial year	076	31.149.870	40.901.286	4.018.643	28.074.839
2. Loss for the financial year	077	0			
VII. MINORITY INTEREST	078	0		-695.870	-693.715
B) PROVISIONS (080 to 082)	079	26.468.723	11.320.149	29.625.995	14.475.092
1. Provisions for pensions, severance pay and similar liabilities	080	3.841.498	2.791.000	6.794.225	5.785.943
2. Provisions for tax obligations	081	0	0	0	0
3. Other provisions	082	22.627.225	8.529.149	22.831.770	8.689.149
C) NON-CURRENT LIABILITIES (084 to 092)	083	648.462.527	626.729.709	600.227.570	578.637.970
1. Liabilities to related parties	084	49.488.201	49.423.148	0	0
2. Liabilities for loans, deposits and other	085	0	0	0	0
3. Liabilities towards banks and other financial institutions	086	372.246.507	368.746.843	372.750.778	369.377.778
4. Amounts payable for prepayment	087	0	0	0	0
5. Trade payables	088	46.557.538	28.528.284	46.606.037	28.528.284
6. Amounts payable for securities	089	169.497.514	169.497.514	170.197.988	170.197.988
7. Liabilities toward participating interests	090	668.624	529.777	668.624	529.777
8. Other non-current liabilities	091	0	0	0	0
9. Deferred tax	092	10.004.143	10.004.143	10.004.143	10.004.143
D) CURRENT LIABILITIES (094 to 105)	093	697.378.551	587.019.069	1.145.195.785	726.240.691
1. Liabilities to related parties	094	51.323.164	21.834.037	0	0
2. Liabilities for loans, deposits and other	095	402.220	0	0	0
3. Liabilities towards banks and other financial institutions	096	174.210.871	134.307.795	517.160.260	174.350.360
4. Amounts payable for prepayment	097	105.548.698	117.005.680	109.296.214	122.032.867
5. Trade payables	098	209.940.651	158.680.572	274.679.369	237.181.210
6. Amounts payable for securities	099	58.509.271	58.509.271	58.509.272	58.509.272
7. Liabilities toward participating interests	100	0	0	1.571.520	1.226.199
8. Liabilities to employees	101	17.605.673	22.903.933	41.690.867	47.470.826
9. Taxes, contributions and similar liabilities	102	12.063.713	10.733.823	18.832.466	15.332.436
10. Liabilities arising from share in the result	103	100.985	100.985	100.985	100.985
11. Liabilities arising from non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	67.673.305	62.942.973	123.354.833	70.036.536
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	14.506.126	10.765.200	14.506.127	10.765.200
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.711.899.906	1.601.170.244	2.091.854.187	1.659.988.784
G) OFF-BALANCE SHEET ITEMS	108	652.402.930	705.078.975	680.360.486	768.868.111
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			302.994.580	330.563.546
2. Attributable to non-controlling interests	110			-695.870	-693.715

IV. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Name of position	AOP	1H 2015	1H 2016	1H 2015	1H 2016
1	2	3	4	5	6
DALEKOVOD J.S.C.					
DALEKOVOD GROUP					
I. OPERATING INCOME (112+113)	111	337.128.947	382.087.740	480.977.117	495.858.498
1. Sales revenue	112	333.036.395	322.869.767	473.371.874	439.297.883
2. Other operating income	113	4.092.552	59.217.973	7.605.243	56.560.615
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	331.460.557	331.419.314	466.198.244	455.867.999
1. Changes in inventories of finished products and work in progress	115	31.445	16.792	15.267.885	-25.564.112
2. Material costs (117 to 119)	116	209.724.755	204.747.281	247.299.236	282.273.999
a) Cost of raw materials & consumables	117	75.498.666	86.786.927	105.463.217	139.395.092
b) Cost of goods sold	118	35.137.618	22.094.027	35.000.325	35.404.442
c) Other costs	119	99.088.471	95.866.327	106.835.694	107.474.465
3. Staff costs (121 to 123)	120	58.806.877	74.842.853	104.880.212	121.192.327
a) Net salaries	121	38.906.969	55.125.397	66.770.588	83.311.837
b) Employee income tax	122	12.790.112	12.603.943	24.253.886	24.865.570
c) Tax on payroll	123	7.109.796	7.113.513	13.855.738	13.014.920
4. Depreciation and amortisation	124	16.862.586	16.961.993	25.438.960	25.301.518
5. Other expenditures	125	7.296.699	5.649.101	12.734.305	10.802.039
6. Value adjustment (127+128)	126	1.146	0	98.472	22.151
a) non-current assets (without financial assets)	127	1.146	0	98.472	22.151
b) current assets (without financial assets)	128	0	0	0	0
7. Provisions	129	0	0	171.856	0
8. Other operating expenses	130	38.737.049	29.201.294	60.307.318	41.840.077
III. FINANCIAL INCOME (132 to 136)	131	13.250.412	3.306.992	629.079	7.449.759
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	11.847.042	2.271.389	0	0
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	1.403.370	1.035.603	571.523	7.453.346
3. Part of income from associates and participating interests	134	0	0	0	0
4. Unrealized gains (income) from the financial assets	135	0	0	0	0
5. Other financial income	136	0	0	57.556	-3.587
IV. FINANCIAL COSTS (138 to 141)	137	11.985.822	10.738.086	11.387.997	17.986.907
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	927.826	659.636	0	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	11.057.996	10.078.450	11.387.456	17.986.907
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	541	0
V. SHARE OF INCOME OF ASSOCIATES	142	0	0	5.625.512	1.017.686
VI. SHARE OF LOSS OF ASSOCIATES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0		
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0		
IX. TOTAL INCOME (111+131+142 + 144)	146	350.379.359	385.394.732	487.231.708	504.325.943
X. TOTAL EXPENSES (114+137+143 + 145)	147	343.446.379	342.157.400	477.586.241	473.854.906
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	6.932.980	43.237.332	9.645.467	30.471.037
1. Profit before tax (146-147)	149	6.932.980	43.237.332	9.645.467	30.471.037
2. Loss before tax (147-146)	150	0	0	0	0
XII. INCOME TAX EXPENSE	151	0	2.336.046	2.976.892	2.396.198
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	6.932.980	40.901.286	6.668.575	28.074.839
1. Profit for the period (149-151)	153	6.932.980	40.901.286	6.668.575	28.074.839
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	6.932.014	28.074.839
2. Attributable to non-controlling interests	156	0	0	-263.439	
STATEMENTS OF COMPREHENSIVE INCOME (to be filled in by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	6.932.980	40.901.286	6.668.575	28.074.839
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158			0	145.431
1. Exchange differences arising from foreign operations	159				145.431
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161				
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	167			0	145.431
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	6.932.980	40.901.286	6.668.575	28.220.270
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		28.222.425
2. Attributable to non-controlling interests	170	0	0		-2.155



V. CASH FLOW STATEMENT (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
DALEKOVOD jsc				DALEKOVOD GROUP	
CASH FLOW FROM OPERATING ACTIVITIES					
1. Pre-tax profit	001	6.932.980	43.237.332	9.645.467	30.471.037
2. Depreciation	002	16.862.586	16.961.993	25.438.960	25.301.518
3. Increase in short-term liabilities	003	97.684	0	0	0
4. Decrease in short-term receivables	004	55.149.061	108.304.146	62.684.340	95.801.838
5. Reduction of stocks	005	0	9.037.401	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	79.042.311	177.540.872	97.768.767	151.574.393
1. Decrease in short-term liabilities	008	0	80.749.206	15.743.829	37.843.480
2. Increase in short-term receivables	009	0	0	0	0
3. Increase in stocks	010	22.071.412	0	3.220.346	32.486.275
4. Other decrease in cash flow	011	38.230.904	47.461.969	39.879.879	60.492.040
II Total decrease in cash flow from operating activities (008 to 011)	012	60.302.316	128.211.175	58.844.054	130.821.795
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	18.739.995	49.329.697	38.924.713	20.752.598
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	50.655	0	1.086.225	6.398.734
2. Cash receipts from sale of treasury and debt financial instruments	016	7.292.838	0	0	0
3. Cash receipts from interests	017	464.269	0	314.313	0
4. Cash receipts from dividends	018	8.298.201	0	0	0
5. Other cash receipts from investment activities	019	5.361.468	382.866	6.800.000	4.963.193
III. Total cash receipts from investment activities (015 to 019)	020	21.467.431	382.866	8.200.538	11.361.927
1. Expenditures for buying fixed assets and intangible assets	021	13.957.393	6.398.734	1.690.429	0
2. Expenditures for purchasing treasury and debt financial instruments	022	46.413	869.411	46.413	0
3. Other expenditures from investment activities	023	29.462.110	3.266.424	12.610.989	597.133
IV. Total expenditures from investment activities (021 to 023)	024	43.465.916	10.534.569	14.347.831	597.133
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	0	0	0	10.764.794
b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	21.998.485	10.151.703	6.147.293	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	7.514.532	2.751.126	14.848.552	33.021.752
3. Total cash receipts from financial activities	029	0	0	0	0
V. Total cash receipts from financial activities (027 to 029)	030	7.514.532	2.751.126	14.848.552	33.021.752
1. Expenditures for repayment of loan principal and bonds	031	0	0	15.967.355	15.373.320
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	4.470.685	6.250.790	4.634.767	6.387.505
4. Expenditures for redemption of treasury shares	034	0	649.148	0	503.718
5. Other expenditures from financial activities	035	2.418.096	40.041.923	34.181.236	46.763.339
VI. Total expenditures from financial activities (031 to 035)	036	6.888.781	46.941.861	54.783.358	69.027.882
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	625.751	0	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	0	44.190.735	39.934.806	36.006.130
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	2.632.739	5.012.741	7.157.386	4.488.738
Cash and cash equivalents at the beginning of the period	041	41.762.484	81.849.024	66.387.214	102.077.241
Increase in cash and cash equivalents	042	0	0	0	0
Decrease in cash and cash equivalents	043	2.632.739	5.012.741	7.157.386	4.488.738
Cash and cash equivalents at the end of the period	044	39.129.745	76.836.283	59.229.828	97.588.503



VI. STATEMENT OF CHANGES IN EQUITY (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
DALEKOVOD jsc				DALEKOVOD GROUP	
1. Share capital	001	247.193.050	247.193.050	247.193.050	247.193.050
2. Capital reserves	002	86.141.670	86.141.670	86.141.670	86.141.670
3. Reserves from profit	003	44.324.747	43.675.599	76.306.051	75.800.178
4. Retained profit or loss carried forward	004	-123.741.931	-92.592.061	-151.375.330	-147.354.533
5. Profit or loss of current year	005	31.149.870	40.901.286	4.018.643	28.074.839
6. Revaluation of longterm tangible assets	006	40.016.573	40.016.573	40.014.627	40.014.627
7. Revaluation of intangible assets	007				
8. Revaluation of financial assets available for sale	008				
9. Other revaluations	009				
10. Total equity and reserves (AOP 001 to 009)	010	325.083.979	365.336.117	302.298.711	329.869.831
11. Foreign exchange differences arising from the titles of net	011			-632.000	145.431
12. Current and deferred taxes (part)	012				
13. Cash flow protection	013				
14. Changes in accounting policies	014				
15. Correction of significant errors in the previous period	015	0	0		
16. Other changes in equity	016	0	0	3.591.581	27.427.844
17. Total increase or decrease in equity (AOP 011 to 016)	017	0	0	2.959.581	27.573.275
17 a. Attributed to parent company equity holders	018			2.910.711	27.571.120
17 b. Attributed to minority interest	019			48.870	2.155

VII. NOTES TO FINANCIAL STATEMENTS

1. BASIC DETAILS

MANAGEMENT BOARD

Alen Premužak – Chairman of the Management Board

Branimir Alujević – Management Board Member

Helena Jurčić Šestan – Management Board Member

Marko Jurković – Management Board Member

Mirko Leko – Management Board Member

SUPERVISORY BOARD

Marko Lesić – Chairman of the Supervisory Board

Ivan Peteržilnik – Deputy Chairman of the Supervisory Board

Krešimir Ružđak – Supervisory Board Member

Vlado Čović – Supervisory Board Member

Hrvoje Markovinović – Supervisory Board Member

Uwe Heiland – Supervisory Board Member

Marko Makek – Supervisory Board Member

Mirela Tomljanović Radović – Supervisory Board Member

Anton Pernar – Supervisory Board Member

Dalekovod dioničko društvo za inženjering, proizvodnju i izgradnju

Marijana Čavića 4, 10 000 Zagreb, Croatia

10001 Zagreb, P.P. 128

URL: www.dalekovod.hr, www.dalekovod.com

E-mail: dalekovod@dalekovod.hr

Share capital: HRK 247,193,050.00. Number of shares: 24,719,305

IBAN: HR8323600001101226102 ZABA Zagreb

REG. NO.: (MBS): 080010093, Commercial Court in Zagreb

Stat. No.: 3275531

PIN: 47911242222

Activity code: 4222 (Construction of utility projects for electricity and telecommunications)

2. SHAREHOLDINGS (as at 30 June 2016):

Individuals	3,994,648
Financial institutions	4,672,702
Konsolidator d.o.o.	15,000,000
Others	953,159
Own shares	98,796
TOTAL	24,719,305

3. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in HY1 2016.

4. UNCERTAINTY

No items of doubtful and bad debt affecting business continuity were identified in HY1 2016.

5. 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 between 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 tracks and tramways

6. CHANGES IN ACCOUNTING POLICIES

There are no new accounting policies.