

Zagreb, 6 May 2016

MANAGEMENT REPORT  
FOR JAN-MAR 2016  
Unaudited, unconsolidated



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# I. MANAGEMENT BOARD'S REPORT

## KEY INDICATORS

The business results recorded in Q1 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 Q1 2016, Dalekovod Group's (the "Group") EBITDA was HRK 61.7 million. In the same period last year, the Group recorded EBITDA of HRK 33.7 million. Such sharp increase in EBITDA was primarily due to higher levels of other revenue compared to Q1 2015 resulting from the recognition of income obtained by selling rights to the Ministry of Finance in the amount of HRK 50 million based on a contract entered into with the Ministry of Finance in 2013 and positive effects of changes in the value of inventory. In Q1 2016, the Group obtained net income of HRK 43.4 million compared to HRK 19.1 million in the same period in 2015, which is an increase by 78.6 percent.

During the same period, Dalekovod d.d. (the "Company") obtained unaudited (EBITDA) of HRK 67.0 million, compared to HRK 30.3 million in Q1 2015. Net income obtained in Q1 2016 was HRK 49.2 million compared to HRK 23.7 million in the same period in 2015, which is an increase by 92.9 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, the appellate procedure involving a Croatian joint-venture (Dalekovod, DIV and Zagreba montaža) was completed in Q1 2016 with a positive outcome as regards



the award of contract for works on the Dugo Selo-Križevci railway section and such works are expected to start in September, while the contract was signed in late April of 2016.

On the Group level, expenses increased by HRK 12.0 million, while EBITDA margin was 34.1 percent, compared to 16.8 percent in the same period last year. On the Company level, operating expenses increased by HRK 25.1 million compared to the same period last year, while EBITDA margin was 53.8 percent, compared to 23.5 percent in the same period last year.

For the Management Board:



Alen Premužak

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 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



Alen Premužak

Chairman of the Management Board

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
<b>DALEKOVOD jsc</b>					
<b>DALEKOVOD GROUP</b>					
<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>	1.014.003.782	1.019.848.201	1.139.406.819	1.126.995.192
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	14.869.072	13.512.642	17.711.383	16.312.801
1. Research & Development expenditure	004	0	0	0	0
2. Patents, licences, royalties, trade marks, software&similar rights	005	14.139.000	12.782.570	15.640.602	14.166.121
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
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	487.578.808	483.035.867	928.166.467	919.987.427
1. Land	011	166.071.529	166.071.529	246.495.442	246.441.183
2. Property	012	55.173.659	54.540.126	206.978.652	203.954.691
3. Plants and equipment	013	49.865.075	48.465.836	88.906.744	86.190.667
4. Tools, plants&vehicles	014	2.286.758	1.910.182	11.640.831	11.587.241
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	10.552.971
8. Other tangible assets	018	0	0	0	0
9. Investments property	019	214.181.787	212.048.194	363.432.590	361.260.674
<b>III. NON-CURRENT FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	482.783.323	492.687.205	161.524.337	156.872.293
1. Share in related parties	021	285.996.508	285.996.508	0	0
2. Loans to related parties	022	13.729.680	24.005.510	0	0
3. Participating interests (stakes)	023	20.241.100	20.241.100	14.667.309	14.605.372
4. Loans to participating interest	024	0	0	0	0
5. Investments in securities	025	4.254.377	4.251.169	4.537.472	4.534.263
6. Loans & deposits	026	8.331.640	8.251.905	15.178.127	10.835.818
7. Other non-current financial assets	027	150.230.018	149.941.013	127.141.429	126.896.840
8. Investment accounted by equity method	028	0	0	0	0
<b>IV. TRADE RECEIVABLES (030 to 032)</b>	<b>029</b>	28.772.579	30.612.487	32.004.632	33.822.671
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	30.612.487	31.283.857	33.112.847
<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>	695.998.212	552.317.751	950.046.366	837.983.659
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	20.488.561	17.122.634	182.776.062	198.199.558
1. Raw materials & consumables	036	18.474.196	13.571.193	68.599.673	69.179.211
2. Work in progress	037	0	0	13.132.497	11.377.249
3. Products	038	266.435	265.903	25.926.563	41.766.458
4. Merchandise	039	1.747.930	3.285.538	9.016.213	9.825.855
5. Prepayments for inventories	040	0	0	1.058.270	1.007.939
6. Other available-for-sale assets	041	0	0	65.042.846	65.042.846
7. Biological asset	042	0	0	0	0
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	506.497.579	405.400.563	582.682.800	487.870.614
1. Receivables from related parties	044	34.476.796	21.981.583	0	0
2. Trade receivables	045	300.959.133	188.769.186	397.230.328	278.141.511
3. Receivables from participating parties	046	715.227	639.019	798.643	1.539.227
4. Amounts receivable from employees	047	255.351	228.585	322.613	300.753
5. Receivables from government agencies	048	20.992.331	11.619.824	29.432.856	22.243.142
6. Other receivables	049	149.098.741	182.162.366	154.898.360	185.645.981
<b>III. CURRENT FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	87.163.048	75.360.456	82.510.264	78.437.007
1. Share in related parties	051	0	0	0	0
2. Loans to related parties	052	31.585.316	21.116.382	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	30.420.040	30.377.143	30.420.040
6. Loans & deposits	056	25.200.589	23.824.034	52.133.120	48.016.967
7. Other financial assets	057	0	0	0	0
<b>IV. CASH ON HAND AND IN THE BANK</b>	<b>058</b>	81.849.024	54.434.098	102.077.241	73.476.480
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	1.897.912	1.546.540	2.401.002	1.983.303
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.711.899.906	1.573.712.492	2.091.854.187	1.966.962.154
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>	652.402.930	600.870.808	680.360.486	638.982.209

## LIABILITIES

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>EQUITY AND LIABILITIES</b>					
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	325.083.979	374.230.703	302.298.710	345.174.644
<b>I. SHARE CAPITAL</b>	<b>063</b>	247.193.050	247.193.050	247.193.050	247.193.050
<b>II. CAPITAL RESERVES</b>	<b>064</b>	86.141.670	86.141.670	86.141.670	86.141.670
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	44.324.747	44.324.747	76.306.051	75.823.945
1. Legal reserves	<b>066</b>	11.486.600	11.486.600	11.652.410	11.652.410
2. Reserves for own shares	<b>067</b>	7.816.210	7.816.210	7.816.210	7.816.210
3. Own shares and stakes (less)	<b>068</b>	7.816.210	7.816.210	-7.816.210	-7.816.210
4. Statutory reserves	<b>069</b>	32.838.147	32.838.147	32.838.147	32.838.147
5. Other reserves	<b>070</b>	0	0	31.815.494	31.333.388
<b>IV. REVALUATION RESERVES</b>	<b>071</b>	40.016.573	40.016.573	40.014.627	40.014.627
<b>V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)</b>	<b>072</b>	-123.741.931	-92.592.061	-150.679.460	-146.660.818
1. Retained earnings	<b>073</b>				
2. Loss brought forward	<b>074</b>	123.741.931	92.592.061	150.679.460	146.660.818
<b>VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)</b>	<b>075</b>	31.149.870	49.146.724	4.018.643	43.356.295
1. Profit for the financial year	<b>076</b>	31.149.870	49.146.724	4.018.643	43.356.295
2. Loss for the financial year	<b>077</b>	0	0		
<b>VII. MINORITY INTEREST</b>	<b>078</b>	0	0	-695.870	-694.125
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	26.468.723	11.320.149	29.625.995	14.475.462
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	3.841.498	2.791.000	6.794.225	5.748.313
2. Provisions for tax obligations	<b>081</b>	0	0	0	0
3. Other provisions	<b>082</b>	22.627.225	8.529.149	22.831.770	8.727.149
<b>C) NON-CURRENT LIABILITIES (084 to 092)</b>	<b>083</b>	648.462.527	637.284.190	600.227.570	588.789.207
1. Liabilities to related parties	<b>084</b>	49.488.201	49.700.839	0	0
2. Liabilities for loans, deposits and other	<b>085</b>	0	0	0	0
3. Liabilities towards banks and other financial institutions	<b>086</b>	372.246.507	369.556.969	372.750.778	370.062.350
4. Amounts payable for prepayment	<b>087</b>	0	0	0	0
5. Trade payables	<b>088</b>	46.557.538	37.925.144	46.606.037	37.925.145
6. Amounts payable for securities	<b>089</b>	169.497.514	169.497.514	170.197.988	170.197.988
7. Liabilities toward participating interests	<b>090</b>	668.624	599.581	668.624	599.581
8. Other non-current liabilities	<b>091</b>	0	0	0	0
9. Deferred tax	<b>092</b>	10.004.143	10.004.143	10.004.143	10.004.143
<b>D) CURRENT LIABILITIES (094 to 105)</b>	<b>093</b>	697.378.551	540.602.152	1.145.195.785	1.008.247.543
1. Liabilities to related parties	<b>094</b>	51.323.164	33.038.044	0	0
2. Liabilities for loans, deposits and other	<b>095</b>	402.220	345.280	0	0
3. Liabilities towards banks and other financial institutions	<b>096</b>	174.210.871	134.312.483	517.160.260	472.763.429
4. Amounts payable for prepayment	<b>097</b>	105.548.698	93.854.493	109.296.214	99.798.329
5. Trade payables	<b>098</b>	209.940.651	132.424.850	274.679.369	204.577.942
6. Amounts payable for securities	<b>099</b>	58.509.271	58.509.271	58.509.272	58.509.272
7. Liabilities toward participating interests	<b>100</b>	0	0	1.571.520	1.917.384
8. Liabilities to employees	<b>101</b>	17.605.673	16.202.700	41.690.867	40.012.612
9. Taxes, contributions and similar liabilities	<b>102</b>	12.063.713	10.097.942	18.832.466	15.259.408
10. Liabilities arising from share in the result	<b>103</b>	100.985	100.985	100.985	100.985
11. Liabilities arising from non-current assets held for sale	<b>104</b>	0	0	0	0
12. Other current liabilities	<b>105</b>	67.673.305	61.716.104	123.354.833	115.308.182
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	14.506.126	10.275.298	14.506.127	10.275.298
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.711.899.906	1.573.712.492	2.091.854.187	1.966.962.154
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>	652.402.930	600.870.808	680.360.486	638.982.209
<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	<b>109</b>			302.994.580	345.868.769
2. Attributable to non-controlling interests	<b>110</b>			-695.870	-694.125

## IV. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Name of position	AOP	1Q 2015	1Q 2016	1Q 2015	1Q 2016
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>131.599.565</b>	<b>193.312.943</b>	<b>208.103.850</b>	<b>248.296.655</b>
1. Sales revenue	112	129.076.864	124.446.258	200.978.179	180.911.423
2. Other operating income	113	2.522.701	68.866.685	7.125.671	67.385.232
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>109.687.917</b>	<b>134.742.042</b>	<b>187.199.135</b>	<b>199.216.333</b>
1. Changes in inventories of finished products and work in progress	115	20.907	531	7.838.701	-14.096.632
2. Material costs (117 to 119)	116	70.503.302	82.931.470	105.123.813	125.326.528
a) Cost of raw materials & consumables	117	32.252.645	36.685.274	49.129.722	55.862.095
b) Cost of goods sold	118	7.589.382	10.483.170	8.694.169	27.107.907
c) Other costs	119	30.661.275	35.763.026	47.299.922	42.356.526
3. Staff costs (121 to 123)	120	24.828.430	34.387.406	48.356.407	56.824.459
a) Net salaries	121	14.986.868	24.709.065	29.110.571	38.536.021
b) Employee income tax	122	6.464.418	6.302.457	12.456.217	11.920.489
c) Tax on payroll	123	3.377.144	3.375.884	6.789.619	6.367.949
4. Depreciation and amortisation	124	8.413.308	8.453.958	12.823.819	12.592.310
5. Other expenditures	125	3.229.807	1.426.946	9.780.851	3.364.497
6. Value adjustment (127+128)	126	33.460	0	37.353	485
a) non-current assets (without financial assets)	127	0	0	3.893	485
b) current assets (without financial assets)	128	33.460	0	33.460	
7. Provisions	129	0	0		
8. Other operating expenses	130	2.658.703	7.541.731	3.238.191	15.204.686
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>7.748.113</b>	<b>877.685</b>	<b>3.280.376</b>	<b>5.610.614</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	7.026.651	236.247		
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	721.462	641.438	3.270.998	5.598.120
3. Part of income from associates and participating interests	134	0	0		
4. Unrealized gains (income) from the financial assets	135	0	0		
5. Other financial income	136	0	0	9.378	12.494
<b>IV. FINANCIAL COSTS (138 to 141)</b>	<b>137</b>	<b>6.005.857</b>	<b>5.461.804</b>	<b>9.774.787</b>	<b>6.320.208</b>
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	444.910	344.652		
2. Interest, foreign exchange differences and other expenses related to third parties	139	5.560.947	5.117.152	9.771.740	6.320.208
3. Unrealized loss (expenses) from the financial assets	140	0	0		
4. Other financial expenses	141	0	0	3.047	
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>	<b>0</b>	<b>0</b>	<b>5.790.067</b>	<b></b>
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>132.429</b>	<b>61.938</b>
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>139.347.678</b>	<b>194.190.628</b>	<b>217.174.293</b>	<b>253.907.269</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>115.693.774</b>	<b>140.203.846</b>	<b>197.106.351</b>	<b>205.598.479</b>
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	<b>23.653.904</b>	<b>53.986.782</b>	<b>20.067.942</b>	<b>48.308.790</b>
1. Profit before tax (146-147)	149	23.653.904	53.986.782	20.067.942	48.308.790
2. Loss before tax (147-146)	150	0	0		
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	<b>0</b>	<b>4.840.058</b>	<b>1.001.307</b>	<b>4.952.495</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>23.653.904</b>	<b>49.146.724</b>	<b>19.066.634</b>	<b>43.356.295</b>
1. Profit for the period (149-151)	153	23.653.904	49.146.724	19.066.634	43.356.295
2. Loss for the period (151-148)	154				
<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	19.086.879	43.356.295
2. Attributable to non-controlling interests	156	0	0	-20.245	
<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>23.653.904</b>	<b>49.146.724</b>	<b>19.066.634</b>	<b>43.356.295</b>
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b></b>	<b></b>	<b></b>	<b>-482.112</b>
1. Exchange differences arising from foreign operations	159				-482.112
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				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>166</b>	<b></b>	<b></b>	<b></b>	<b></b>
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	<b>167</b>	<b></b>	<b></b>	<b></b>	<b>-482.112</b>
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>23.653.904</b>	<b>49.146.724</b>	<b>19.066.634</b>	<b>42.874.183</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	19.086.879	42.874.183
2. Attributable to non-controlling interests	170	0	0	-20.245	





## V. CASH FLOW STATEMENT (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
<b>DALEKOVOD jsc</b>				<b>DALEKOVOD GROUP</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
1. Pre-tax profit	001	23.653.904	53.986.782	20.067.942	48.308.790
2. Depreciation	002	8.413.308	8.453.958	12.823.819	12.592.310
3. Increase in short-term liabilities	003		0		0
4. Decrease in short-term receivables	004	30.295.751	124.761.368	33.912.755	118.348.233
5. Reduction of stocks	005	4.251.263	3.365.927	10.404.429	0
6. Other increase in cash flow	006		0		0
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>66.614.226</b>	<b>190.568.035</b>	<b>77.208.945</b>	<b>179.249.333</b>
1. Decrease in short-term liabilities	008	34.724.468	95.800.921	36.213.973	69.755.563
2. Increase in short-term receivables	009		0		0
3. Increase in stocks	010		0		15.423.496
4. Other decrease in cash flow	011	33.760.383	78.869.194	39.110.206	80.746.985
<b>II Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>68.484.851</b>	<b>174.670.115</b>	<b>75.324.179</b>	<b>165.926.044</b>
<b>A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>15.897.920</b>	<b>1.884.766</b>	<b>13.323.289</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>1.870.625</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	7.828	0	86.225	0
2. Cash receipts from sale of treasury and debt financial instruments	016	0	0		0
3. Cash receipts from interests	017	176.976	0	176.976	0
4. Cash receipts from dividends	018	2.829.057	0		0
5. Other cash receipts from investment activities	019	7.679.008	11.928.432	3.793.858	8.725.300
<b>III. Total cash receipts from investment activities (015 to 019)</b>	<b>020</b>	<b>10.692.869</b>	<b>11.928.432</b>	<b>4.057.059</b>	<b>8.725.300</b>
1. Expenditures for buying fixed assets and intangible assets	021	836.835	2.554.587	1.435.096	3.014.688
2. Expenditures for purchasing treasury and debt financial instruments	022		0		0
3. Other expenditures from investment activities	023	20.508.670	10.029.722	4.504.599	0
<b>IV. Total expenditures from investment activities (021 to 023)</b>	<b>024</b>	<b>21.345.505</b>	<b>12.584.309</b>	<b>5.939.695</b>	<b>3.014.688</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>		<b>5.710.612</b>
<b>b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)</b>	<b>026</b>	<b>10.652.636</b>	<b>655.877</b>	<b>1.882.636</b>	<b>0</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>					
1. Cash receipts from issuance of treasury and debt financial instruments	027	0	0		0
2. Cash receipts from loan principal, bonds, borrowings and other loans	028	6.965.422	0	7.488.257	0
3. Total cash receipts from financial activities	029		0		0
<b>V. Total cash receipts from financial activities (027 to 029)</b>	<b>030</b>	<b>6.965.422</b>	<b>0</b>	<b>7.488.257</b>	<b>0</b>
1. Expenditures for repayment of loan principal and bonds	031		0	1.766.594	0
2. Expenditures for payment of dividends	032	0	0	2.829.057	0
3. Expenditures for financial leasing	033	3.121.121	2.689.538	3.195.112	2.688.428
4. Expenditures for redemption of treasury shares	034	0	0		0
5. Other expenditures from financial activities	035	13.564.300	39.967.431	14.380.617	44.946.234
<b>VI. Total expenditures from financial activities (031 to 035)</b>	<b>036</b>	<b>16.685.421</b>	<b>42.656.969</b>	<b>22.171.380</b>	<b>47.634.662</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>9.719.999</b>	<b>42.656.969</b>	<b>14.683.123</b>	<b>47.634.662</b>
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0		0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	22.243.260	27.414.926	14.680.993	28.600.761
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
Decrease in cash and cash equivalents	043	22.243.260	27.414.926	14.680.993	28.600.761
Cash and cash equivalents at the end of the period	044	19.519.224	54.434.098	51.706.221	73.476.480



## VI. STATEMENT OF CHANGES IN EQUITY (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
		DALEKOVOD jsc		DALEKOVOD GROUP	
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
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	44.324.747	76.306.050	75.823.945
4. Retained profit or loss carried forward	004	-123.741.931	-92.592.061	-151.375.330	-147.354.943
5. Profit or loss of current year	005	31.149.870	49.146.724	4.018.643	43.356.295
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				
<b>10.Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>325.083.979</b>	<b>374.230.703</b>	<b>302.298.710</b>	<b>345.174.644</b>
11. Foreign exchange differences arising from the titles of net	011				
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	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			302.994.580	345.868.769
17 b. Attributed to minority interest	019			-695.870	-694.125

## 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, Hrvatska

10001 Zagreb, P.P. 128

URL: [www.dalekovod.hr](http://www.dalekovod.hr), [www.dalekovod.com](http://www.dalekovod.com)

E-mail: [dalekovod@dalekovod.hr](mailto: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 31 March 2016):

Individuals	3,769,002
Financial institutions	4,936,936
Konsolidator d.o.o.	15,000,000
Others	969,433
Own shares	43,934
TOTAL	24,719,305

## 3. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in Q1 2016.

## 4. UNCERTAINTY

No items of doubtful and bad debt affecting business continuity were identified in Q1 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.