

Zagreb, 10 May 2017

MANAGEMENT REPORT FOR JAN-MAR 2017

Unaudited, consolidated and unconsolidated



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I. MANAGEMENT BOARD'S REPORT

The operating results achieved in Q1 2017 show continuous recovery in the business of Dalekovod d.d. (the "Company") and Dalekovod Group (the "Group") after completion of the pre-bankruptcy settlement.

Group's and Company's financial stability relies on four critical areas: profitable growth, cost-efficiency, stable cash flow and risk management.

Group's focus on revenue growth, while continuously increasing its operating efficiency, is reflected in the 14.1% growth in operating revenue compared to the same period in 2016, with sales revenue increasing by 51.3%.

EBITDA was 84.6% lower than in 2016 – HRK 9.47 million – which is as expected considering the seasonal nature of business. This decrease in EBITDA is a result of a one-time item of revenue obtained by selling rights to the Ministry of Finance in Q1 2016 (HRK 50 million) and currency translation gains from operating activities and Q1 2017 was unaffected by any one-time items. At the same time, as the best indicator of operating efficiency, gross margin on the Group level increased by 6.5%.

Net income obtained by the Group in Q1 was HRK -2.9 million, which is HRK 45.8 million less than in 2016, also as a result of the one-time revenue item in 2016.

During the same period, the Company obtained operating revenue of HRK 223.6 million, which is 15.7% more than last year. As is the case with the Group, the Company attained a remarkable increase in sales revenue of 71.1% compared to the same period in 2016. This increase in revenue is a result of a significant increase in operating activities compared to the same period last year, both on international markets, in particular Norway and Finland, and on the local market.

Company's EBITDA was HRK 11.99 million, which is 82.1% less than the same period last year. As is the case with the Group, is a result of a one-time item of revenue obtained by selling rights to the Ministry of Finance in Q1 2016 (HRK 50 million) and currency translation gains from operating activities. Without the one-time items in 2016, EBITDA for Q1 increased by 34.6%. At the same time, gross operating margin increased by 5.9%, which continues the upward trend for operating cash flow.

Net income obtained by the Company in Q1 was HRK -5.3 million, which is HRK 54.5 million less than 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, Marko Jurković, Management Board Member, Helena Jurčić Šestan, Management Board Member, Ivica Kranjčić, Management Board Member, and Ivan Kurobasa, 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)
		DALEKOVOD jsc		DALEKOVOD GROUP	
1	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	729.484.108	729.649.038	519.144.893	519.733.949
I. INTANGIBLE ASSETS (004 to 009)	003	9.817.024	9.012.047	14.088.947	13.269.145
1. Research & Development expenditure	004	0	0		
2. Patents, licences, royalties, trade marks, software&similar rights	005	9.000.768	8.195.791	10.400.077	9.543.268
3. Goodwill	006	0	0	1.213.000	1.213.000
4. Prepayments for intangible assets	007	0	0		
5. Intangible assets under construction	008	816.256	816.256	2.475.870	2.512.877
6. Other intangible assets	009	0	0		
II. TANGIBLE ASSETS (011 to 019)	010	367.468.166	369.065.620	449.683.983	450.566.871
1. Land	011	1.157.642	1.157.642	21.792.041	21.729.285
2. Property	012	6.491.873	6.384.122	149.728.949	147.021.587
3. Plants and equipment	013	20.960.778	23.918.266	76.064.955	76.122.669
4. Tools, plants&vehicles	014	13.468.054	17.263.022	25.372.856	29.670.864
5. Biological asset	015	0	0		
6. Prepayments for tangible assets	016	0	0		
7. Assets under construction	017	0	68.080	8.928.218	8.836.686
8. Other tangible assets	018	161.425.158	160.901.258	161.425.158	160.901.258
9. Investments property	019	163.964.661	159.373.230	6.371.806	6.284.522
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	326.699.590	325.616.623	29.677.574	29.807.843
1. Share in related parties	021	276.891.774	276.891.774		
2. Loans to related parties	022	18.924.528	17.968.238		
3. Participating interests (stakes)	023	8.290.373	8.290.373	2.742.698	3.325.434
4. Loans to participating interest	024	0	0		
5. Investments in securities	025	4.073.972	4.082.519	4.568.447	4.545.993
6. Loans & deposits	026	18.518.943	18.383.719	22.366.429	21.936.415
7. Other non-current financial assets	027	0	0		
8. Investment accounted by equity method	028	0	0		
IV. TRADE RECEIVABLES (030 to 032)	029	25.499.328	25.954.748	25.694.389	26.090.091
1. Receivables from related parties	030	0	0		
2. Receivables from credit sales	031	0	0		
3. Other receivables	032	25.499.328	25.954.748	25.694.389	26.090.091
V. DEFERRED TAX ASSETS	033	0	0		
C) CURENT ASSETS (035+043+050+058)	034	620.960.788	640.595.463	926.739.408	944.352.594
I. INVENTORIES (036 to 042)	035	11.059.440	21.581.513	221.770.291	243.407.660
1. Raw materials & consumables	036	10.347.176	21.033.439	77.210.362	91.763.690
2. Work in progress	037	0	0	30.502.896	27.363.975
3. Products	038	235.023	225.991	41.683.014	50.232.791
4. Merchandise	039	477.241	322.083	6.803.287	8.343.621
5. Prepayments for inventories	040	0	0	527.886	660.737
6. Other available-for-sale assets	041	0	0	65.042.846	65.042.846
7. Biological asset	042	0	0		
II. RECEIVABLES (044 to 049)	043	460.315.534	498.746.238	533.768.966	564.804.787
1. Receivables from related parties	044	37.496.398	28.989.100		
2. Trade receivables	045	177.715.374	204.975.887	275.484.785	286.500.886
3. Receivables from participating parties	046	519.386	504.865	1.056.277	717.052
4. Amounts receivable from employees	047	197.497	260.680	221.562	288.409
5. Receivables from government agencies	048	10.334.763	9.961.793	16.176.070	15.407.208
6. Other receivables	049	234.052.116	254.053.913	240.830.272	261.891.232
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	62.736.871	73.020.306	65.772.027	64.748.451
1. Share in related parties	051	0	0		
2. Loans to related parties	052	2.207.466	13.354.965		
3. Participating interests (stakes)	053	0	0		
4. Loans to participating interest	054	0	0		
5. Investments in securities	055	30.485.060	30.488.588	30.485.060	30.488.589
6. Loans & deposits	056	30.044.345	29.176.753	35.286.967	34.259.863
7. Other financial assets	057	0	0		
IV. CASH ON HAND AND IN THE BANK	058	86.848.943	47.247.406	105.428.124	71.391.695
D) PREPAYMENTS AND ACCRUED INCOME	059	2.271.497	2.866.447	2.608.625	3.432.140
E) TOTAL ASSETS (001+002+034+059)	060	1.352.716.393	1.373.110.948	1.448.492.926	1.467.518.683
F) OFF-BALANCE SHEET ITEMS	061	669.618.925	652.666.289	793.206.354	723.630.278

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	271.183.667	265.868.380	259.907.516	256.954.667
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	43.675.007	43.675.007	75.581.849	74.983.350
1. Legal reserves	066	11.486.600	11.486.600	11.652.410	11.652.410
2. Reserves for own shares	067	8.465.950	8.465.950	8.465.950	8.465.950
3. Own shares and stakes (less)	068	-8.465.950	-8.465.950	-8.465.950	-8.465.950
4. Statutory reserves	069	32.188.407	32.188.407	67.117.790	67.117.790
5. Other reserves	070	0	0	-3.188.351	-3.786.851
IV. REVALUATION RESERVES	071	69.396.583	69.396.583	69.396.583	69.396.583
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	-200.410.664	-175.222.643	-254.479.421	-217.711.128
1. Retained earnings	073				
2. Loss brought forward	074	200.410.664	175.222.643	254.479.421	217.711.128
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	25.188.021	-5.315.287	36.768.293	-2.356.451
1. Profit for the financial year	076	25.188.021	0	36.768.293	
2. Loss for the financial year	077	0	5.315.287		2.356.451
VII. MINORITY INTEREST	078	0	0	-694.508	-692.407
B) PROVISIONS (080 to 082)	079	22.654.443	22.654.443	25.855.947	25.853.694
1. Provisions for pensions, severance pay and similar liabilities	080	4.404.568	4.404.568	7.542.238	7.540.676
2. Provisions for tax obligations	081	0	0		
3. Other provisions	082	18.249.875	18.249.875	18.313.709	18.313.017
C) NON-CURRENT LIABILITIES (084 to 092)	083	428.509.757	418.735.474	415.647.492	412.596.909
1. Liabilities to related parties	084	13.141.088	13.348.382		
2. Liabilities for loans, deposits and other	085	0	0		
3. Liabilities towards banks and other financial institutions	086	347.508.682	346.619.928	347.718.745	353.762.072
4. Amounts payable for prepayment	087	0	0		
5. Trade payables	088	9.742.640	469.201	9.811.399	536.873
6. Amounts payable for securities	089	42.495.986	42.748.787	42.495.987	42.748.788
7. Liabilities toward participating interests	090	387.965	315.780	387.965	315.780
8. Other non-current liabilities	091	0	0		
9. Deferred tax	092	15.233.396	15.233.396	15.233.396	15.233.396
D) CURRENT LIABILITIES (094 to 105)	093	614.606.694	633.015.800	731.320.138	739.276.560
1. Liabilities to related parties	094	37.787.055	28.391.208		
2. Liabilities for loans, deposits and other	095	0	0		
3. Liabilities towards banks and other financial institutions	096	113.854.477	109.287.066	157.023.499	145.662.880
4. Amounts payable for prepayment	097	130.455.505	116.092.243	135.581.042	119.271.021
5. Trade payables	098	154.428.383	218.865.305	225.830.671	278.289.724
6. Amounts payable for securities	099	60.832.636	58.509.271	60.832.637	58.509.272
7. Liabilities toward participating interests	100	0	0	1.153.639	968.895
8. Liabilities to employees	101	25.739.721	24.222.184	48.739.877	47.575.558
9. Taxes, contributions and similar liabilities	102	28.301.085	28.628.286	33.408.724	33.428.788
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		
12. Other current liabilities	105	63.106.847	48.919.252	68.649.064	55.469.437
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	15.761.832	32.836.851	15.761.833	32.836.854
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.352.716.393	1.373.110.948	1.448.492.926	1.467.518.683
G) OFF-BALANCE SHEET ITEMS	108	669.618.925	652.666.289	793.206.354	723.630.278
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			260.602.024	257.647.074
2. Attributable to non-controlling interests	110			-694.508	-692.407

IV. STATEMENT OF COMPREHENSIVE INCOME (unaudited)

Name of position	AOP	1Q 2016	1Q 2017	1Q 2016	1Q 2017
1	2	3	4	5	6
DALEKOVOD J.S.C.					
I. OPERATING INCOME (112+113)	111	193.312.943	223.660.464	248.296.655	283.335.627
1. Sales revenue	112	124.446.258	212.879.153	180.911.423	273.729.799
2. Other operating income	113	68.866.685	10.781.311	67.385.232	9.605.829
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	134.742.042	220.258.547	199.216.333	284.661.923
1. Changes in inventories of finished products and work in progress	115	531	9.033	-14.096.632	-5.348.456
2. Material costs (117 to 119)	116	82.931.470	159.284.604	125.326.528	198.225.480
a) Cost of raw materials & consumables	117	36.685.274	68.141.487	55.862.095	79.485.388
b) Cost of goods sold	118	10.483.170	42.031.402	27.107.907	60.658.919
c) Other costs	119	35.763.026	49.111.715	42.356.526	58.081.173
3. Staff costs (121 to 123)	120	34.387.406	35.624.232	56.824.459	59.247.790
a) Net salaries	121	24.709.065	25.869.713	38.536.021	40.681.026
b) Employee income tax	122	6.302.457	6.157.761	11.920.489	11.954.244
c) Tax on payroll	123	3.375.884	3.596.758	6.367.949	6.612.520
4. Depreciation and amortisation	124	8.453.958	8.584.077	12.592.310	10.793.991
5. Other expenditures	125	1.426.946	2.603.455	3.364.497	5.189.186
6. Value adjustment (127+128)	126	0	18.219	485	18.219
a) non-current assets (without financial assets)	127	0	18.219	485	18.219
b) current assets (without financial assets)	128	0	0	0	0
7. Provisions	129	0	0	0	0
8. Other operating expenses	130	7.541.731	14.134.927	15.204.686	16.535.712
III. FINANCIAL INCOME (132 to 136)	131	877.685	951.110	5.610.614	8.046.230
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	236.247	189.713	0	0
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	641.438	761.389	5.598.120	8.046.222
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	8	12.494	8
IV. FINANCIAL COSTS (138 to 141)	137	5.461.804	8.849.789	6.320.208	8.735.292
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	344.652	452.002	0	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	5.117.152	8.396.127	6.320.208	8.732.551
3. Unrealized loss (expenses) from the financial assets	140	0	0	0	0
4. Other financial expenses	141	0	1.660	0	2.741
V. SHARE OF INCOME OF ASSOCIATES	142	0	0	0	582.736
VI. SHARE OF LOSS OF ASSOCIATES	143	0	0	61.938	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0		
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0		
IX. TOTAL INCOME (111+131+142 + 144)	146	194.190.628	224.611.574	253.907.269	291.964.593
X. TOTAL EXPENSES (114+137+143 + 145)	147	140.203.846	229.108.336	205.598.479	293.397.215
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	53.986.782	-4.496.762	48.308.790	-1.432.621
1. Profit before tax (146-147)	149	53.986.782	0	48.308.790	0
2. Loss before tax (147-146)	150	0	4.496.762	0	1.432.621
XII. INCOME TAX EXPENSE	151	4.840.058	818.525	4.952.495	923.829
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	49.146.724	-5.315.287	43.356.295	-2.356.451
1. Profit for the period (149-151)	153	49.146.724	0	43.356.295	0
2. Loss for the period (151-148)	154	0	5.315.287	0	2.356.451
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	43.356.295	-2.356.451
2. Attributable to non-controlling interests	156	0	0	0	0
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	49.146.724	-5.315.287	43.356.295	-2.356.451
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158			-482.112	-590.541
1. Exchange differences arising from foreign operations	159			-482.112	-590.541
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			-482.112	-590.541
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	49.146.724	-5.315.287	42.874.183	-2.946.992
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	42.874.183	-2.944.890
2. Attributable to non-controlling interests	170	0	0	0	-2.102

V. CASH FLOW STATEMENT (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
1	2	3	4	5	6
DALEKOVOĐ jsc				DALEKOVOĐ GROUP	
CASH FLOW FROM OPERATING ACTIVITIES					
1. Pre-tax profit	001	53.986.782	-4.496.762	48.308.790	-1.432.621
2. Depreciation	002	8.453.958	8.584.077	12.592.310	10.793.991
3. Increase in short-term liabilities	003	0	55.041.075	0	52.274.308
4. Decrease in short-term receivables	004	124.761.368	0	118.348.233	0
5. Reduction of stocks	005	3.365.927	0	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	190.568.035	59.128.390	179.249.333	61.635.678
1. Decrease in short-term liabilities	008	95.800.921	0	69.755.563	0
2. Increase in short-term receivables	009	0	24.477.119	0	10.676.876
3. Increase in stocks	010	0	10.522.073	15.423.496	21.637.369
4. Other decrease in cash flow	011	78.869.194	42.128.660	80.746.985	44.556.424
II Total decrease in cash flow from operating activities (008 to 011)	012	174.670.115	77.127.852	165.926.044	76.870.670
A1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (007-012)	013	15.897.920	0	13.323.289	0
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	17.999.462	0	15.234.992
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of fixed tangible and intangible assets	015	0	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	0	0	0	0
4. Cash receipts from dividends	018	0	0	0	0
5. Other cash receipts from investment activities	019	11.928.432	952.762	8.725.300	893.307
III. Total cash receipts from investment activities (015 to 019)	020	11.928.432	952.762	8.725.300	893.307
1. Expenditures for buying fixed assets and intangible assets	021	2.554.587	9.376.554	3.014.688	10.857.076
2. Expenditures for purchasing treasury and debt financial instruments	022	0	4.406.258	0	0
3. Other expenditures from investment activities	023	10.029.722	0	0	0
IV. Total expenditures from investment activities (021 to 023)	024	12.584.309	13.782.812	3.014.688	10.857.076
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	0	0	5.710.612	0
b2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	655.877	12.830.050	0	9.963.769
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	0	2.306.278	0	2.187.576
3. Total cash receipts from financial activities	029	0	0	0	0
V. Total cash receipts from financial activities (027 to 029)	030	0	2.306.278	0	2.187.576
1. Expenditures for repayment of loan principal and bonds	031	0	5.456.165	0	5.317.292
2. Expenditures for payment of dividends	032	0	0	0	0
3. Expenditures for financial leasing	033	2.689.538	3.551.574	2.688.428	3.637.387
4. Expenditures for redemption of treasury shares	034	0	0	0	0
5. Other expenditures from financial activities	035	39.967.431	2.070.564	44.946.234	2.070.565
VI. Total expenditures from financial activities (031 to 035)	036	42.656.969	11.078.303	47.634.662	11.025.244
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	42.656.969	8.772.025	47.634.662	8.837.668
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	27.414.926	39.601.537	28.600.761	34.036.429
Cash and cash equivalents at the beginning of the period	041	81.849.024	86.848.943	102.077.241	105.428.124
Increase in cash and cash equivalents	042	0	0	0	0
Decrease in cash and cash equivalents	043	27.414.926	39.601.537	28.600.761	34.036.429
Cash and cash equivalents at the end of the period	044	54.434.098	47.247.406	73.476.480	71.391.695



VI. STATEMENT OF CHANGES IN EQUITY (unaudited)

Name of position:	AOP	Previous period	Current period	Previous period	Current period
		DALEKOVOD jsc		DALEKOVOD GROUP	
1	2	3	4	5	6
1. Share capital	001	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	43.675.007	43.675.007	75.581.849	74.983.350
4. Retained profit or loss carried forward	004	-200.410.664	-175.222.643	-255.173.929	-218.403.534
5. Profit or loss of current year	005	25.188.021	-5.315.287	36.768.293	-2.356.451
6. Revaluation of longterm tangible assets	006	69.396.583	69.396.583	69.396.583	69.396.583
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	271.183.667	265.868.380	259.907.516	256.954.667
11. Foreign exchange differences arising from the titles of net	011			-71.160	-590.541
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				
16. Other changes in equity	016			37.812.521	-2.360.207
17. Total increase or decrease in equity (AOP 011 to 016)	017	0	0	37.741.361	-2.950.748
17 a. Attributed to parent company equity holders	018			37.739.999	-2.952.849
17 b. Attributed to minority interest	019			1.362	2.101

VII. NOTES TO FINANCIAL STATEMENTS

1. GENERAL DETAILS

MANAGEMENT BOARD

Alen Premužak – Chairman of the Management Board

Marko Jurković – Management Board Member

Helena Jurčić Šestan – Management Board Member

Ivica Kranjčić – Management Board Member

Ivan Kurobasa – 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 31 March 2017):

Konsolidator d.o.o.	15,000,000
Individuals	4,636,027
Financial institutions	4,027,479
Others	956,958
Own shares	98,841
TOTAL	24,719,305

3. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in Q1 2017.

4. UNCERTAINTY

No items of doubtful and bad debt affecting business continuity were identified in Q1 2017.

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.