

**KONČAR GROUP MANAGING BOARD BUSINESS REPORT
JANUARY – DECEMBER, 2014 (Non-Audited Financial Statements)**

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as a Mother Company and 18 Daughter Companies in which the Mother Company has the prevailing interest (more than 50 % of votes at the Annual / Extraordinary General Meeting). Privileged shares are registered in a part of companies in addition to ordinary shares. Besides, the Mother Company has a minority managing interest (49% votes at the Annual / Extraordinary General Meeting) in one company (the Associated Company).

Companies belonging to the Group are legally independent companies supervised and strategically directed by the Mother Company through company supervisory boards in accordance with the Law on Trading Companies, Statutes of KONČAR - ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) and Statutes of Group Companies. The Mother Company also manages a part of assets that are not invested into companies, but they offer a direct or indirect financial support to the marketing and sales of products and equipment of associated companies as a credit and warranty potential.

The potential liability of Končar - Elektroindustrija d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) for the total issued warranties as of 31/12/2014 amount to HRK 945.1 million representing an increase by HRK 399,6 million compared to 31/12/2013. The majority of the increase refers to joint and severe warranties for newly contracted projects of Končar – Električna vozila (in English: Končar – Electrical Vehicles) for the delivery of trains to HŽ Putnički prijevoz (Croatian Railways Passenger Transport). Out of total guarantees and joint and severe warranties, the amount of HRK 627.4 million refers to performance guarantees.

The Končar Group business activities are divided into business areas:

- Generation, transmission and distribution of Electrical Power and Transport: designing and construction of plants for generation, transmission and distribution of electric energy, thyristor locomotives, Electric Multiple Units, tramcars and side-line electric traction equipment;
- Industry: electric motor drives, middle voltage and low voltage electric equipment;
- Trade: electrical household appliances, manufacture of serial products and low voltage electrical apparatuses;
- Special activities: research and development of products and infrastructural services.

Managing Board

The President and Members of the Managing Board are appointed and recalled by the Supervisory Board. The term of office of the President and Members of the Managing Board lasts 5 years; after expiry of their term of office, they can be reappointed. Pursuant the Trading Company Act and the Statutes of the Company, the Managing Board manages business activities at its own responsibility; it is obliged and authorised to perform all possible actions and make decisions it considers necessary for a successful managing of the Company. Some decisions, prescribed by the Statues, require consent of the Supervisory Board.

Company Končar – Elektroindustrija d.d. (Končar – Electrical Industry Inc.) is managed by the Managing Board comprising the following members:

Darinko Bago	The President of the Managing Board
Tomi Dužević	A Member of the Managing Board in Charge of Export Markets
Marina Kralj Miliša	A Member of the Managing Board in Charge of Legal, Common and Personnel Affairs
Jozo Miloloža	A Member of the Managing Board in Charge of Finances
Davor Mladina	A Member of the Managing Board in charge of Transmission and Distribution of Electric Power, Industry and Trade
Miroslav Poljak	A Member of the Managing Board in Charge of Generation of Electric Power, Corporate Development and ICT

Supervisory Board

Pursuant provisions of the Trading Company Act and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc. the Annual (Extraordinary) General Meeting makes decision on nomination and recalling of the Supervisory Board. The Supervisory Board is responsible for appointment and recall of Managing Board Members and supervision over management of business activities of the Company. Any more significant transactions and business decisions (the level of transactions is defined by the Supervisory Board Rules of Procedure and Statues of Daughter Companies) requires the Supervisory Board consent.

The Supervisory Board has 9 members as follows:

Nenad Filipović	Supervisory Board President
Jasminka Belačić	Supervisory Board Deputy President
Boris Draženović	Member
Vicko Ferić	Member
Dragan Marčinko	Member
Nikola Plavec	Member
Petar Mišura	Member
Ivan Rujnić	Member
Petar Vlaić	Member

Note: On 15/12/2014 the Extraordinary General Meeting was held. Pursuant the Decision of the Government of the Republic of Croatia of 4th September, 2014, the Extraordinary General Meeting recalled Kristina Čelić, a Managing Board Member, from duty. Since Tomislav Radoš, a Supervisory Board Member resigned from the duty of the Supervisory Board Membership of Končar – Electrical Industry Inc. due to taking over of a new duty, the Extraordinary General Meeting of the Company made the decision pursuant the decision of the Government of the Republic of Croatia appointing Nikola Plavec and Petar Mišura to be Supervisory Board Members.

Končar Group Business Results for January – December, 2014

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 2.649,2 million for the time period from January to December, 2014 and they are higher by HRK 140.1 million or 5.6 % compared to the achievements during the same time period in 2013. The achieved income from sales of products and services are at the level of 2014 Plan.

On the domestic market the income from sales was generated in the amount of HRK 1.357 million (51 % of the total generated income from sales of products and services), making it by 7.2 % higher in the comparison with the same time period of the previous year. The incomes from sales of products and services that were exported amount to HRK 1,292.2 million (4 9% of the total generated income from sales of products and services) making it by 3.9 % higher in the comparison with the achievement of 2013.

Other operating incomes were generated in the amount of HRK 181.2 million and they are lower by HRK 45.4 million compared to the achievement of 2013. Within other operating incomes, incomes from cancelling of reserves amount to HRK 105 million (HRK 63.1 million less compared to the achievement of 2013). Other operating incomes (collecting of written off receivables, collected penalties and/or liquidated damages, refund of damages on the basis of insurance, incomes from previous years and similar) were generated in the amount of HRK 76.2 million and they were higher by HRK 17.7 million compared to the achievement of the previous year.

Operating incomes were achieved in the amount of HRK 2,830.4 million making them higher by 3.5 % from the achievement for January to December, 2013. Operating incomes are higher by 1% than planned. The share of the income from sales of products and services in operating incomes amounts to 93.5 % of the total operating incomes.

Operating revenues were generated in the amount of HRK 2,724.9 million and they are 4 % higher than the achievement of the time period January to December, 2013.

The share of material expenses within the business income (corrected by the change of the stock) amounts to 64.8 % showing the increase of 1.2 % compared to the same time period of the previous year. The most significant increase of material expenses refer to the companies Končar – Electrical Vehicles (trains and EMUs) and Končar – Switchgear (a Contract for U.A.E.).

Costs of sold goods amount to HRK 174.1 million and they are higher by HRK 70.2 million compared to the same time period of the previous year. (The majority of the increase refers to the costs of the sold goods in the Company Končar – Household Appliances).

The share of personnel costs in the operating income (corrected by the change of the stock) amounts to 17.2 % making it lower by 1.1% compared to the previous year.

The difference between the operating incomes and the operating revenues gives the profit of operating activities in the amount of HRK 105.6 million making it lower by HRK 8.8 million compared to the achievement for the time period January – December, 2013.

A share in profits belonging to associated entrepreneurs amounts to HRK 62.6 million and it is higher by 31.9 % or by HRK 15.1 million compared to the same time period of the previous year.

The difference between financial incomes and financial revenues is positive and it amounts to HRK 8.3 million.

During the time period from January to December, 2014 the total incomes were generated in the amount of HRK 2,945.1 million making them higher by 3.3 % compared to the generated during the same time period in 2013. The total revenues for the same period were generated in the amount of HRK 2,768.6 million and they were higher by 3.7 % compared to the time period from January to December of 2013.

The profits from the operating activities in the amount of HRK 105.6 million, the share in the profit of the associated entrepreneurs in the amount of HRK 62.6 million and the positive difference between the operating incomes and operating revenues in the amount of HRK 8.3 make the consolidated profit before tax in the amount of HRK 176.5 million. The profit tax advance payment amounts to HRK 17.5 million, while the profit after tax amounts to HRK 159 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 30.3 million and to the Group Mother Company shareholders HRK 128.7 million.

Out of 19 Končar Group Companies, 17 Companies generated a positive financial result, while two companies expressed a loss in the total amount of HRK 4.1 million.

Within the structure of incomes from sales of products and services on the domestic market, incomes from sales of products and services to the Croatian Power Authority (HEP) amount to HRK 583.2 million or by 5.9 % more than the achievement of the previous year. Incomes from sales of goods and services to the Croatian Power Authority (HEP) make 43 % of the total generated amount on the domestic market for the time period from January to December, 2014.

Incomes from sales of products and services to trading companies amount to HRK 249.5 million, to companies belonging to industry and shipbuilding sector HRK 149.8 million; refer to State and Local Government HRK 91.2 million, Zagreb Electric Tram (ZET) HRK 55 million, Croatian Railways (HŽ) HRK 44 million, to INA, THT, Plinacro HRK 39.3 million and the rest amount of HRK 54.8 million refers to buyers from the civil engineering field, Croatian Motorways (HAC) and Croatian Roads (HC) and non-distributed buyers. The correction for deferred incomes on the domestic market is positive and it amounts to HRK 90.1 million.

During the time period from January to December, 2014 in the foreign market the Group generated incomes from sales of products and services in the amount of HRK 1,292.2 million or 3.9 % more compared to the achievement for the same time period of the previous year. The share of export amounts to 49 % of the total incomes from sales of goods and services. The most important exported goods and services went to Bosnia and Herzegovina in the amount of HRK 84.8 million, Germany in the amount of HRK 81.7 million, the U.A.E. in the amount of HRK 81 million, Sweden in the amount of HRK 78.1 million, Finland in the amount of HRK 73.4 million, Austria in the amount of HRK 57.5 million and the Netherlands in the amount of HRK 50.9 million.

During the time period January to December, 2014, Končar Group Companies contracted new projects in the amount of HRK 4,072.9 million. Out of the total contracted new projects, the amount of HRK 1,631.3 million refers to the Contract made by and between Končar – Electrical Vehicles and HŽ – Croatian Railways Passenger Transport for the delivery of trains.

Contracted new projects in the amount of HRK 1,394.3 million will be performed in 2015, while the contracted projects to be performed during following years amount to HRK 2,678.6 million. At the end of December, 2014, the contracted project status (receivables due) amounted to HRK 3,717.2 million that was by 62 % higher than the contracted project status at the beginning of the year.

The level of the total consolidated assets as of 31st December, 2014 amounted to HRK 3,910.2 million representing an increase by HRK 443.1 million or 12.8 % compared to the level as of 31st December, 2013.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest amounts to HRK 2,542.3 million that was HRK 123.6 million more compared to the level on 31st December, 2013 and they make 65 % of the total sources. Long term reserves amount to HRK 295.4 million and they are lower by HRK 44.4 million compared to the level as of 31st December, 2013 and they make 7.6 % of the total asset sources. Long term and current liabilities amount to HRK 1,219.6 million making them higher by HRK 396.5 million than the level at the end of 2013 and 31 % of the total sources.

Within current liabilities, liabilities towards suppliers amount to HRK 444 million (HRK 136.2 million more compared to the level at the end of 2013) and they make 11.3 % of the total sources. Advance payment liabilities amount to HRK 382.4 million and they are higher by HRK 240.5 million compared to the level at the end of the previous year. The majority of the increase refers to advance payments received by the company Končar – Electrical Vehicles in the amount of HRK 242.2 million regarding the advance payment for the Contract on Delivery of Trains to HŽ-Croatian Railways Passenger Transport.

The total loans (long term and current) amount to HRK 302.5 million and they are higher by HRK 1.9 million compared to the level as of 31st December, 2013 making 7.7 % of total sources.

Long term asset sources (capital, long term reservations and long term liabilities) are higher by HRK 699.8 million compared to the long term assets and the average level of stocks pointing at a good term structure of asset sources. Current assets are 2.3 times higher than the current liabilities pointing at good liquidity of the system. The consolidated balance sheet structure shows a good financial stability of the Končar Group.

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
Managing Board President

Darinko Bago

13th February, 2015

**STATEMENT OF PERSONS RESPONSIBLE FOR COMPILATION OF THE KONČAR GROUP
CONSOLIDATED FINANCIAL REPORTS**

This Statement of the Končar – Electrical Industry Inc., Zagreb, Managing Board is given regarding compilation and publishing of the Končar Group Consolidated Financial Reports for the time period January – December 2014.

The attached financial reports (financial reports for Končar – Electrical Industry Inc. and consolidated financial reports) reveal quarter and cumulative non-audited data resulting in a possibility of discrepancies from the final Annual Report.

Financial Reports have been made in accordance of the International Standard for Financial Reporting applied in the European Union.

Pursuant our best knowledge, Financial Reports show a complete and true presentation of the balance sheet, profit and loss account, cash flow and the capital change report of the Končar Group.

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
President of the Managing Board

Darinko Bago

13th February, 2015

• Note:

Consolidated Financial Reports were compiled by expert services of Končar – Electrical Industry Inc.

Contract persons:

Ervin Filipčić, Managing Board Office Head, ervin.filipcic@koncar.hr

Marina Markušić, accounting expert, marina.markusic@koncar.hr

Vesna Ilić, Accounting Department Head, vesna.ilic@koncar.hr

Appendix 1

Reporting period:

01.01.2014.

to

31.12.2014.

Quarterly financial report of entrepreneur TFI-POD

Registration number (MB) 03282635

Identification number of subject (MBS) 080040936

Personal identification number (OIB) 45050126417

Issuer company: KONČAR - ELECTRICAL INDUSTRY Inc.

Postal code and place 10000 ZAGREB

Street and number FALLEROVO ŠETALIŠTE 22

E-mail address: koncar.finance@koncar.hr

Internet address: www.koncar.hr

Code and name of comune/town 133 ZAGREB

Code and county name 21 GRAD ZAGREB

Number of employees 52

(at quarter end)

Consolidated statement NO

NKD/NWC code: 2711

Subsidiaries subject to consolidation (according to IFRS): in appendix Registration number:

Book keeping service:

Contact person: ILIĆ VESNA
(fill in only surname and name of contact person)

Phone number: 01 3667 183

Fascimile: 01 3667 177

E-mail address: vesna.ilic@koncar.hr

Surname and name BAGO DARINKO
(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements

M.P.

(signed by authorised person for representation)

Balance Sheet
as of 31.12.2014.

Company: Končar - Electrical Industry Inc.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.137.376.544	1.175.480.580
I. INTANGIBLE ASSETS (004 do 009)	003	250.000	782.436
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008	250.000	782.436
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	349.872.420	351.775.460
1. Land	011	75.869.196	84.156.262
2. Buildings	012	129.727.022	136.518.386
3. Plant and equipment	013	20.945.104	18.078.569
4. Tools, working inventory and transportation assets	014	2.484.904	1.761.616
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	20.657.025	474.661
7. Tangible assets in progress	017	460.828	3.348.650
8. Other tangible assets	018	63.376	63.376
9. Investment in real-estate	019	99.664.965	107.373.940
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	762.145.555	803.359.057
1. Share in related parties	021	759.040.061	801.781.827
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	3.105.494	1.577.230
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	25.108.569	19.563.627
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	20.121.562	15.006.302
3. Other receivables	032	4.987.007	4.557.325
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	411.443.191	405.621.726
I. INVENTORIES (036 do 042)	035	33.435	171.965
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040	33.435	171.965
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	81.875.622	111.705.945
1. Receivables from related parties	044	62.645.678	68.991.803
2. Receivables from end-customers	045	1.206.459	6.827.168
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	47.627	51.057
5. Receivables from government and other institutions	048	3.393.937	10.503.128
6. Other receivables	049	14.581.921	25.332.789
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	214.321.972	288.531.626
1. Share in related parties	051		
2. Loans to related parties	052	56.604.644	6.250.000
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	157.717.328	282.281.626
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	115.212.162	5.212.190
D) PREPAYMENTS AND ACCRUED INCOME	059	1.171.652	8.252.451
E) TOTAL ASSETS (001+002+034+059)	060	1.549.991.387	1.589.354.757
F) OFF BALANCE SHEET ITEMS	061	638.831.274	1.064.696.530

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.482.812.078	1.540.786.830
I. SUBSCRIBED SHARE CAPITAL	063	1.028.847.600	1.208.895.930
II. CAPITAL RESERVES	064	719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	273.420.895	235.357.614
1. Legal reserves	066	23.454.999	30.546.339
2. Reserve for own shares	067	3.237.716	1.338.982
3. Treasury shares and shares (deductible items)	068	3.237.716	1.338.982
4. Statutory reserves	069	138.879.053	163.414.511
5. Other reserves	070	111.086.843	41.396.764
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	37.997.206	9.052.844
1. Retained earnings	073	37.997.206	9.052.844
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	141.826.798	86.760.863
1. Net profit for the period	076	141.826.798	86.760.863
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	57.068.690	36.276.734
1. Provisions for pensions, severance pay and similar liabilities	080	1.723.731	2.009.239
2. Provisions for tax liabilities	081		
3. Other provisions	082	55.344.959	34.267.495
C) NON-CURRENT LIABILITIES (084 do 092)	083	0	0
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	10.107.626	12.291.193
1. Liabilities to related parties	094	3.391.942	3.682.021
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	2.195.066	1.365.439
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	1.742.003	2.509.863
9. Taxes, contributions and similar liabilities	102	2.503.326	4.217.094
10. Liabilities arising from share in the result	103	271.568	322.447
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	3.721	194.329
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	2.993	
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.549.991.387	1.589.354.757
G) OFF BALANCE SHEET ITEMS	108	638.831.274	1.064.696.530
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement
period 01.01.2014. to 31.12.2014.

Company: Končar -Electrical Industry Inc.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	138.811.094	14.042.096	88.433.584	13.795.038
1. Rendering of services	112	52.783.759	13.074.374	53.625.931	13.649.919
2. Other operating income	113	86.027.335	967.722	34.807.653	145.119
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	85.438.513	-4.602.050	115.504.776	23.861.347
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	26.763.441	7.294.544	25.083.361	6.949.460
a) Costs of raw materials	117	5.900.332	1.585.865	5.804.109	1.682.528
b) Cost of goods sold	118				
c) Other material expenses	119	20.863.109	5.708.679	19.279.252	5.266.932
3. Employee benefits expenses (121 do 123)	120	21.259.025	7.331.868	25.024.320	8.770.875
a) Net salaries	121	10.086.243	3.415.987	11.865.897	4.001.220
b) Tax and contributions from salary expenses	122	8.843.390	3.361.204	9.889.715	3.484.844
c) Contributions on salary	123	2.329.392	554.677	3.468.708	1.284.811
4. Depreciation and amortisation	124	10.841.703	2.685.849	11.670.006	2.900.937
5. Other expenses	125	23.866.144	5.654.149	19.526.261	4.907.624
6. Write down of assets (127+128)	126	2.097.311		38.080	38.080
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	2.097.311	2.097.311	38.080	38.080
7. Provisions	129	536.336	-27.574.091	285.508	285.508
8. Other operating costs	130	74.553	5.631	33.877.240	8.863
III. FINANCIAL INCOME (132 do 136)	131	103.003.734	53.430.086	124.804.497	69.067.319
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	40.633.092	987.546	50.005.743	52.511
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	17.286.944	7.358.842	14.548.576	8.764.630
3. Income from investments in associates and joint ventures	134	45.083.696	45.083.698	60.079.592	60.079.592
4. Unrealised gains (Income) from financial assets	135			104.738	104.738
5. Other financial income	136			65.848	65.848
IV. FINANCIAL EXPENSES (138 do 141)	137	14.549.517	10.149.786	10.972.442	6.622.923
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	4.894.435	494.704	4.972.442	622.923
3. Unrealised losses (expenses) from financial assets	140	9.655.082	9.655.082	6.000.000	6.000.000
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	241.814.828	67.472.182	213.238.081	82.862.357
X. TOTAL EXPENSES (114+137+143+145)	147	99.988.030	5.547.736	126.477.218	30.484.270
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	141.826.798	61.924.446	86.760.863	52.378.087
1. Profit before taxes (146-147)	149	141.826.798	61.924.446	86.760.863	52.378.087
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	141.826.798	61.924.446	86.760.863	52.378.087
1. Profit for the period (149-151)	153	141.826.798	61.924.446	86.760.863	52.378.087
2. Loss for the period (151-148)	154	0	0	0	0
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	141.826.798	61.947.052	86.760.863	52.378.087
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	-15.767	-146.839	158.252	59.556
1. Exchange differences from international settlement	159	-15.767	-146.839	158.252	59.556
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	-15.767	-146.839	158.252	59.556
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	141.811.031	61.800.213	86.919.115	52.437.643
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOWS - Direct method
period 01.01.2014. to 31.12.2014.

Legal entity: Končar Electrical Industry INC.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Cash receipts from customers	001	62.710.346	71.046.381
2. Cash receipts from royalties, fees, commissions, etc.	002		
3. Cash receipts from insurance for damages compensation	003		
4. Cash receipts arising from tax refunds	004		
5. Other cash receipts	005	13.488.857	22.871.536
I. Total increase in cash flow from operating activities (001 to 005)	006	76.199.203	93.917.917
1. Cash paid to suppliers	007	48.193.958	53.055.832
2. Cash paid to employees	008	22.053.221	23.271.134
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	1.854	1.644
5. Tax paid	011	15.733.952	13.427.708
6. Other cash outflows	012	11.643.433	58.214.828
II. Total decrease in cash flow from operating activities (007 to 012)	013	97.626.418	147.971.146
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	21.427.215	54.053.229
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	7.909.045	2.387.049
2. Cash inflows from sale of equity and debt financial instruments	017	1.541.159	3.368.778
3. Interest receipts	018	15.023.621	7.441.843
4. Dividend receipts	019	21.596.130	72.752.923
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	46.069.955	85.950.593
1. Cash outflows for purchase of long - term tangible and intangible assets	022	16.274.137	10.532.534
2. Cash outflows for purchase of equity and debt financial instruments	023	46.299.990	26.997.974
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	62.574.127	37.530.508
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	0	48.420.085
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	16.504.172	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	028		
2. Cash inflows from loans, debentures, credits and other borrowings	029	63.478.296	58.704.791
3. Other cash inflows from financing activities	030	219.000.052	181.866.231
V. Total cash inflows from financing activities (028 to 030)	031	282.478.348	240.571.022
1. Cash outflows for repayment of loans and bonds	032	170.000	
2. Dividends paid	033	30.784.505	30.875.795
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035	11.648.805	
5. Other cash outflows from financing activities	036	285.653.726	314.062.055
VI. Total cash outflows from financing activities (032 to 036)	037	328.257.036	344.937.850
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	45.778.688	104.366.828
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	0	0
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	83.710.075	109.999.972
Cash and cash equivalents at the beginning of period	042	198.922.237	115.212.162
Decrease in cash and cash equivalents	043		
Increase in cash and cash equivalents	044	83.710.075	109.999.972
Cash and cash equivalents at the end of period	045	115.212.162	5.212.190

STATEMENT OF CHANGES IN EQUITY

period 01.01.2014. to 31.12.2014.

	Position			
	1	2	3	4
AOP	AOP	Previous year	Current year	Current year
1. Subscribed share capital	001	1.028.847.600	1.208.895.930	1.208.895.930
2. Capital reserves	002	719.579	719.579	719.579
3. Reserves from profit	003	273.420.894	235.357.614	235.357.614
4. Retained earnings or loss carried forward	004	37.997.206	9.052.844	9.052.844
5. Net profit or loss for the period	005	141.826.798	86.760.863	86.760.863
6. Revaluation of tangible assets	006			
7. Revaluation of intangible assets	007			
8. Revaluation of available for sale assets	008			
9. Other revaluation	009			
10. Total equity and reserves (AOP 001 to 009)	010	1.482.812.077	1.540.786.830	1.540.786.830
11. Foreign exchange differences from foreign investments	011	-15.767	158.252	158.252
12. Current and deferred taxes	012			
13. Cash flow hedge	013			
14. Change of accounting policies	014			
15. Correction of significant mistakes of prior period	015			
16. Other changes	016	106.018.341	57.816.501	57.816.501
17. Total increase or decrease of equity (AOP 011 to 016)	017	106.002.574	57.974.753	57.974.753
17 a. Attributable to majority owners	018			
17 b. Attributable to minority interest	019			