

KONČAR GROUP MANAGING BOARD BUSINESS REPORT FOR JANUARY – JUNE, 2015

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as the Mother Company and 17 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, strategically directed and supported by the Mother Company through company supervisory boards and company annual/extraordinary general meetings 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 30/06/2015 amount to HRK 904.6 million representing a decrease by HRK 116.7 million compared to 31/12/2014. The decrease refers generally to the decrease of the advance payment guarantee of the company Končar – Električna vozila (Končar – Electrical Vehicles) in the amount of HRK 72.7 million.

The Končar Group business activities are divided into business areas:

- Generation, transmission and distribution of Electrical Power and Transport: designing and construction of plants and equipment for generation, transmission and distribution of electric energy, electric locomotives, Electric Multiple Units, tramcars and side-line electric traction equipment;
- Industry: electric motor drives, low voltage electric equipment;
- Trade: electrical household appliances, 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
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 provision 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 Statutes of the Company) 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
Petar Mišura	Member
Nikola Plavec	Member
Ivan Rujnić	Member
Petar Vlaić	Member

Končar Group Business Results for January to June, 2015

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 1.513,1 million for the time period from January to June, 2015 and they are higher by 34.3 % compared to the achievements during the same time period of 2014.

On the domestic market the income from sales of products and services was generated in the amount of HRK 813.4 million, making it by 54.2 % higher in the comparison with the period from January to June of 2014. Incomes from sales of products and services on the foreign market were generated in the amount of HRK 699.7 million and they were by 16.8 % higher than the achievement of the same time period of the previous year.

Operating incomes were generated in the amount of HRK 1.555,5 million making them higher by 30 % than the achieved from January to June, 2014. Within business incomes, incomes from sales of products and services amount to HRK 97.3 % of the total business incomes.

Operating revenues were generated in the amount of HRK 1,505.4 million and they are by 30.3 % higher than the achievement from January to June of 2014.

The share of material expenses in business revenues (corrected by the change in stocks) amounts to 67.5 % making it higher by 4.2 % higher compared to the same time period of the previous year. The

share of personnel costs in business revenues (corrected by the change in stocks), without remuneration of costs of employees and other employees' rights, amounts to 15.8 % and they are lower by 3.8 % compared to the previous year.

The difference between the operating incomes and the operating expenses gives the profit of operating activities in the amount of HRK 50 million making it higher by HRK 8.9 million compared to the achievement for the time period January – June, 2014.

A share in profits belonging to associated entrepreneurs amounts to HRK 22.9 million and it is higher by 10.8 % or by HRK 2.2 million compared to the same time period of the previous year.

The difference between financial incomes and financial expenses is negative and it amounts to HRK 11.8 million.

In the time period January – June 2015 the total incomes were generated in the amount of HRK 1,608.4 million making them higher by 30.3 % compared to the generated incomes during the same time period in 2014. The total expenses for the same time period were generated in the amount of HRK 1,547.3 million and they were higher by 31.6 % comparing them with the time period from January to June, 2014.

The profits from the operating activities in the amount of HRK 50 million, the share in the profit of the associated entrepreneurs in the amount of HRK 22.9 million and the negative difference between financial incomes and expenses in the amount of HRK 11.8 million make the consolidated profit before tax in the amount of HRK 61.1 million. The profit tax advance payment amounts to HRK 11.7 million, while the profit after tax amounts to HRK 49.4 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 12.3 million and to the Group Mother Company shareholders HRK 37.1 million. The profits allocated to the Group Mother Company shareholders are lower by 2.6 % compared to the achievement for the first half-year of 2014.

Out of 18 Končar Group Companies, 15 Companies generated a positive financial result, while three companies expressed a loss in the total amount of HRK 21.7 million out of which HRK 17.5 million belongs to the Mother Company shareholders.

Within the structure of incomes from sales of products and services in the domestic market, incomes from sales of products and services to the Croatian Railways amount to HRK 281.9 million (34.7 % of the total achieved incomes from sales of products and services in the domestic market). Incomes from sales of products and services to the Croatian Power Authority (HEP) for the first half-year of 2015 amount to 244.3 million making them higher by 41.4 % of the total achieved incomes for the same time period of 2014. The share of incomes from sales of products and services to the Croatian Power Authority (HEP) amount to 30 % of the total achieved incomes in the market of Croatia.

To trading companies the Group delivered products in the amount of HRK 140.1 million, to companies belonging to industry and shipbuilding sector the Group delivered products and services in the amount of HRK 80 million, to Zagreb Electric Trams (ZET) HRK 27.9 million, to INA, THT, Plinacro, HRK 14.4 million, to State and Local Government HRK 23.9 million and the rest amount of HRK 7.8 million refers to buyers from the civil engineering field, Croatian Motor Ways (HAC) and Croatian Roads (HC) and non-distributed buyers. The correction for the deferred incomes in the domestic market is negative and it amounts to HRK 6.9 million.

During the time period from January to June, 2015 in the foreign market the Group generated incomes from sales of products and services in the amount of HRK 699.6 million or 16.8 % more than the same time period of the previous year. The export share in the total incomes from sales of

products and services amounts to 46 %. The most significant export was realised in the U.A.E. in the amount of HRK 122.8 million, Germany HRK 55.7 million, Sweden HRK 52.5 million, Finland HRK 49.6 million, Iraq HRK 44.4 million and Norway HRK 38.7 million. Compared to the previous year, a significant increase of incomes from sales of goods and services in export was generated by the export to the U.A.E. where the export was increased by the amount of HRK 122.3 million compared to the same time period of 2014 and it referred in the first line to the export of Distributive and Special Transformers and Končar - Switchgear. Compared to the previous year, the export was significantly increased in the markets of Iraq (compared to the previous year the export was higher by HRK 34.7 million in the Company Končar – Power Plant and Electric Traction Engineering) and Germany (an increase of HRK 28 million). The increase of the export to Germany resulted from the increased export of several Group Companies (Končar - Distributive and Special Transformers, Končar – Metal Structures and Končar – Small Electrical machines).

During the time period January – June, 2015, Končar Group Companies contracted new projects in the amount of HRK 1,163 million. Out of the total contracted new projects HRK 650.8 million refer to new contracts contracted abroad (56 % of the total consolidated contracted projects). The contracted new projects in the amount of HRK 743.2 million will be performed in 2015, while the contracted project to be performed during 2016 and following years amount to HRK 419.8 million.

At the end of June, 2015, the contracted project status (receivables due) amounted to HRK 3,367.5 million that was by 9 % lower than the contracted project status at the beginning of the year.

The level of the total consolidated assets and asset sources as of 30th June, 2015 amounted to HRK 3,766.6 million making a decrease by HRK 151.9 million or 3.9 % compared to 31st December, 2014.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest capital amounted to HRK 2,289.9 million that was HRK 4.9 million more compared to the level on 31st December, 2014 and they made 60.8 % of the total sources. Long term reserves amounted to HRK 329.2 million and they were higher by HRK 25.5 million compared to the situation as of 31st December, 2014 and they made 8.7 % of the total sources. Long term and current liabilities amounted to HRK 1,045.5 million making them lower by HRK 179 million compared to the position at the end of 2014 and made 27.8 % of the total assets. Within the frames of current liabilities, advance payments amounted to HRK 297.3 million (7.9 % of the total sources) and they were lower by HRK 120.1 million compared to the situation as of at the end of 2014, accounts payable amounted to HRK 377.3 million (HRK 34.1 million less compared to the position as of the end of 2014) and they made 10 % of the total assets. The total loans (both, long term and current) amounted to HRK 271.5 million and they were lower by HRK 37.3 million compared to the total loans as of 31st December, 2014 and they made 7.2 % of the total assets.

Long term asset sources (capital, long term reserves and long term liabilities) were higher by HRK 692.8 million from the long term assets and the average level of stocks pointing at a good term structure of asset sources. Current assets were 2.5 times higher than the current liabilities pointing at good liquidity of the system. The consolidated balance sheet structure showed 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

27th July, 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 – June, 2015.

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

Pursuant our best knowledge, Consolidated 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:

Board

Končar – Electrical Industry Inc.
President of the Managing

Darinko Bago

27th July, 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, branka.velkovski@koncar.hr

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

Appendix 1

Reporting period:

1.1.2015

to

30.6.2015

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 (at quarter end)	3.686
Consolidated statement	YES		NKD/NWC code:	2711
Subsidiaries subject to consolidation (according to IFRS)		in appendix	Registration number:	
Končar - Energetika i usluge d.o.o.	Zagreb			1343068
Končar - Institut za elektrotehniku d.d.	Zagreb			3645363
Končar - Elektronika i informatika d.d.	Zagreb			3282899
Končar - Mali električni strojevi d.d.	Zagreb			3282678
Končar - Generatori i motori d.d.	Zagreb			1356216
Končar - Obnovljivi izvori d.o.o.	Zagreb			2435071
Končar - Mjerni transformatori d.d.	Zagreb			3654656
Končar - Distributivni i specijalni transform. d.d.	Zagreb			3654664
Končar - Električni aparati srednjeg napona d.d.	Zagreb			3641287
Končar - Električna vozila d.d.	Zagreb			3282660
Končar - Sklopna postrojenja d.d.	Sesvetski Kraljevec			3641279
Končar - Kućanski aparati d.o.o.	Zagreb			1403222
Končar - Električni visokonaponski aparati d.d.	Zagreb			3641252
Končar - Niskonaponske sklopke i prekidači d.o.o.	Zagreb			3228398
Končar - Montažni inženjering d.d.	Zagreb			3654362
Končar - Inženjering za energetiku i transport d.d.	Zagreb			3654354
Končar - Metalne konstrukcije d.d.	Zagreb			1114328
Book keeping service:				
Contact person:	Marina Markušić			
	(fill in only surname and name of contact person)			
Phone number:	01 3667175	Fascimile:	01 3655377	
E-mail address:	marina.markusic@koncar.hr			
Surname and name	DARINKO BAGO			
	(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 30.6.2015.

Company: Group 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	1.500.640.621	1.505.645.192
I. INTANGIBLE ASSETS (004 do 009)	003	51.887.268	47.584.417
1. Expenditure for development	004	12.974.083	15.586.017
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	7.215.558	6.711.939
3. Goodwill	006	7.648.985	7.980.446
4. Advances for purchase of intangible assets	007	2.791.472	0
5. Intangible assets in progress	008	20.739.489	16.861.413
6. Other intangible assets	009	517.681	444.602
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.151.280.486	1.138.236.923
1. Land	011	157.551.669	156.595.219
2. Buildings	012	374.498.998	365.894.151
3. Plant and equipment	013	395.110.951	385.710.980
4. Tools, working inventory and transportation assets	014	73.039.556	70.906.331
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	5.167.701	5.708.298
7. Tangible assets in progress	017	40.667.212	42.149.585
8. Other tangible assets	018	695.156	574.863
9. Investment in real-estate	019	104.549.243	110.697.496
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	274.238.781	296.810.804
1. Share in related parties	021	290.067	289.396
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023	2.835.328	2.847.300
4. Loans to companies with participating interest	024	0	0
5. Investments in securities	025	2.468.814	1.894.775
6. Loans, deposits, etc.	026	5.346.633	5.044.535
7. Other non-current financial assets	027	27.765	932.853
8. Equity-accounted investments	028	263.270.174	285.801.945
IV. RECEIVABLES (030 do 032)	029	23.234.086	23.013.048
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	15.006.304	14.508.320
3. Other receivables	032	8.227.782	8.504.728
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	2.401.922.985	2.234.973.349
I. INVENTORIES (036 do 042)	035	518.635.068	588.056.015
1. Raw materials and supplies	036	247.105.816	298.522.513
2. Production in progress	037	139.401.839	175.459.113
3. Finished products	038	78.550.983	35.126.373
4. Merchandise	039	18.872.725	22.669.537
5. Advances for inventories	040	28.743.705	34.403.680
6. Long term assets held for sale	041	5.960.000	21.874.799
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	1.051.904.986	886.256.820
1. Receivables from related parties	044	90.454.659	45.660.148
2. Receivables from end-customers	045	861.192.402	745.367.571
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	717.474	2.548.029
5. Receivables from government and other institutions	048	46.496.077	34.014.851
6. Other receivables	049	53.044.374	58.666.221
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	440.129.180	310.610.054
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	0	0
6. Loans, deposits, etc.	056	439.829.339	309.113.742
7. Other financial assets	057	299.841	1.496.312
IV. CASH AND CASH EQUIVALENTS	058	391.253.751	450.050.460
D) PREPAYMENTS AND ACCRUED INCOME	059	15.919.363	25.945.026
E) TOTAL ASSETS (001+002+034+059)	060	3.918.482.969	3.766.563.567
F) OFF BALANCE SHEET ITEMS	061	2.609.945.726	2.605.114.417

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	2.285.004.838	2.289.898.849
I. SUBSCRIBED SHARE CAPITAL	063	1.208.895.930	1.208.895.930
II. CAPITAL RESERVES	064	719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	402.539.213	483.175.787
1. Legal reserves	066	41.498.096	47.810.316
2. Reserve for own shares	067	1.338.982	4.143.784
3. Treasury shares and shares (deductible items)	068	1.338.982	4.143.784
4. Statutory reserves	069	288.059.873	359.980.953
5. Other reserves	070	72.981.244	75.384.518
IV. REVALUATION RESERVES	071	-2.448.221	0
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	288.659.683	306.368.073
1. Retained earnings	073	288.659.683	306.368.073
2. Loss carried forward	074	0	0
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	129.249.283	37.091.895
1. Net profit for the period	076	129.249.283	37.091.895
2. Net loss for the period	077	0	0
VII. MINORITY INTEREST	078	257.389.371	253.647.585
B) PROVISIONS (080 do 082)	079	303.662.836	329.209.984
1. Provisions for pensions, severance pay and similar liabilities	080	21.722.159	19.284.187
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	281.940.677	309.925.797
C) NON-CURRENT LIABILITIES (084 do 092)	083	161.907.630	167.392.357
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits, etc.	085	0	0
3. Liabilities to banks and other financial institutions	086	161.907.630	166.385.392
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	1.006.965
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	1.092.509.057	878.153.987
1. Liabilities to related parties	094	40.587.416	13.520.916
2. Liabilities for loans, deposits, etc.	095	170.000	0
3. Liabilities to banks and other financial institutions	096	143.274.866	105.154.552
4. Liabilities for advances	097	416.855.472	297.251.454
5. Trade payables	098	371.071.518	363.737.774
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	34.243.049	34.974.283
9. Taxes, contributions and similar liabilities	102	49.118.557	36.211.180
10. Liabilities arising from share in the result	103	515.804	556.413
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	36.672.375	26.747.415
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	75.398.608	101.908.390
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	3.918.482.969	3.766.563.567
G) OFF BALANCE SHEET ITEMS	108	2.609.945.726	2.605.114.417
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	2.027.615.467	2.036.251.263
2. Attributable to minority interest	110	257.389.371	253.647.585

Income statement
period 1.1.2015. to 30.6.2015.

Company: Group Končar -Electrical Industry Inc.

Position	AOP	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	1.196.878.749	686.626.381	1.555.467.611	863.854.371
1. Rendering of services	112	1.126.923.579	655.481.797	1.513.094.840	846.906.567
2. Other operating income	113	69.955.170	31.144.584	42.372.771	16.947.804
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	1.155.789.180	653.165.282	1.505.418.911	839.462.879
1. Change in inventories of work in progress	115	-39.619.647	-11.853.827	8.315.820	41.600.193
2. Material expenses (117 do 119)	116	783.246.953	444.613.637	1.043.721.438	556.498.940
a) Costs of raw materials	117	580.705.082	327.713.958	815.502.900	437.737.235
b) Cost of goods sold	118	74.386.650	45.254.265	79.696.377	39.720.801
c) Other material expenses	119	128.155.221	71.645.414	148.522.161	79.040.904
3. Employee benefits expenses (121 do 123)	120	242.578.966	125.210.778	244.217.620	124.855.799
a) Net salaries	121	136.443.840	69.514.368	140.330.828	71.643.557
b) Tax and contributions from salary expenses	122	75.920.241	40.322.211	69.886.353	35.811.720
c) Contributions on salary	123	30.214.885	15.374.199	34.000.439	17.400.470
4. Depreciation and amortisation	124	42.771.904	21.201.287	43.910.465	21.774.310
5. Other expenses	125	112.984.653	62.740.219	103.245.251	54.611.023
6. Write down of assets (127+128)	126	1.036.418	673.219	6.036.831	4.148.028
a) non-current assets (except financial assets)	127		0	0	0
b) current assets (except financial assets)	128	1.036.418	673.219	6.036.831	4.148.028
7. Provisions	129	10.689.153	9.935.227	42.347.082	34.937.895
8. Other operating costs	130	2.100.780	644.742	13.624.404	1.036.691
III. FINANCIAL INCOME (132 do 136)	131	16.374.819	9.120.392	30.013.008	9.433.207
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	251.084	43.764	66.861	52.034
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	15.995.454	8.996.885	29.632.097	9.180.465
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	128.281	79.743	314.050	200.708
IV. FINANCIAL EXPENSES (138 do 141)	137	19.648.678	12.910.457	41.835.806	19.242.179
1. Interest, foreign exchange differences, dividends and similar income from third parties	138	309.629	100.185	82.828	62.596
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	19.310.946	12.806.059	41.555.268	19.174.945
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	28.103	4.213	197.710	4.638
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	20.681.116	11.282.301	22.906.512	9.129.733
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	1.233.934.684	707.029.074	1.608.387.131	882.417.311
X. TOTAL EXPENSES (114+137+143+145)	147	1.175.437.858	666.075.739	1.547.254.717	858.705.058
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	58.496.826	40.953.335	61.132.414	23.712.253
1. Profit before taxes (146-147)	149	58.496.826	40.953.335	61.132.414	23.712.253
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151	8.031.515	3.876.147	11.700.577	6.428.484
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	50.465.311	37.077.188	49.431.837	17.283.769
1. Profit for the period (149-151)	153	50.465.311	37.077.188	49.431.837	17.283.769
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	38.091.942	29.824.045	37.091.895	12.560.924
2. Attributable to minority interest	156	12.373.369	7.253.143	12.339.942	4.722.845
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	50.465.311	37.077.188	49.431.837	17.283.769
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 167)	158	-7.686	-64.382	4.734.344	1.273.815
1. Exchange differences from international settlement	159	-7.686	-64.382	0	0
2. Changes in revaluation reserves of long-term tangible and	160			0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161	0	0	0	0
4. Profit or loss from cash flow hedging	162	0	0	4.734.344	1.273.815
5. Profit or loss from hedging of foreign investments	163	0	0	0	0
6. Share of other comprehensive income/loss from associated	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 167)	167	-7.686	-64.382	4.734.344	1.273.815
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	50.457.625	37.012.806	54.166.181	18.557.584
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	38.084.256	29.759.663	39.540.116	13.219.638
2. Attributable to minority interest	170	12.373.369	7.253.143	14.626.065	5.337.946

STATEMENT OF CASH FLOWS - Direct method			
period 1.1.2015. to 30.6.2015.			
Legal entity: Group 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	1.478.972.202	1.600.536.311
2. Cash receipts from royalties, fees, commissions, etc.	002	0	0
3. Cash receipts from insurance for damages compensation	003	1.614.403	2.611.209
4. Cash receipts arising from tax refunds	004	50.036.874	41.723.400
5. Other cash receipts	005	22.148.065	19.583.570
I. Total increase in cash flow from operating activities (001 to 005)	006	1.552.771.544	1.664.454.490
1. Cash paid to suppliers	007	933.976.076	1.237.484.078
2. Cash paid to employees	008	264.992.286	286.465.974
3. Cash outflows for insurance for damages compensation	009	3.437.363	14.516.057
4. Interest paid	010	5.692.089	6.102.080
5. Tax paid	011	105.303.558	54.122.522
6. Other cash outflows	012	72.987.803	67.550.407
II. Total decrease in cash flow from operating activities (007 to 012)	013	1.386.389.175	1.666.241.118
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	166.382.369	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	0	1.786.628
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	1.673.240	1.095.733
2. Cash inflows from sale of equity and debt financial instruments	017	1.290.697	4.581.840
3. Interest receipts	018	0	0
4. Dividend receipts	019	45.873.978	61.220.356
5. Other cash inflows from investing activities	020	0	0
III. Total cash inflows from investing activities(016 to 020)	021	48.837.915	66.897.929
1. Cash outflows for purchase of long - term tangible and intangible assets	022	16.729.607	41.631.084
2. Cash outflows for purchase of equity and debt financial instruments	023	896.800	2.873.612
3. Other cash outflows from investing activities	024	0	0
IV. Total cash outflows from investing activities (022 to 024)	025	17.626.407	44.504.696
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	31.211.508	22.393.233
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	0	0
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	028	0	0
2. Cash inflows from loans, debentures, credits and other borrowings	029	6.987.848	29.516.698
3. Other cash inflows from financing activities	030	264.585.170	260.235.731
V. Total cash inflows from financing activities (028 to 030)	031	271.573.018	289.752.429
1. Cash outflows for repayment of loans and bonds	032	22.790.467	60.820.766
2. Dividends paid	033	45.097.479	49.410.984
3. Cash outflows for finance lease	034	0	0
4. Cash outflows for purchase of own stocks	035	0	0
5. Other cash outflows from financing activities	036	370.373.560	141.330.575
VI. Total cash outflows from financing activities (032 to 036)	037	438.261.506	251.562.325
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	38.190.104
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	166.688.488	0
Total increases of cash flows (014 – 015 + 026– 027 + 038 – 039)	040	30.905.389	58.796.709
Total decreases of cash flows (015 – 014 + 027– 026 + 039 – 038)	041	0	0
Cash and cash equivalents at the beginning of period	042	446.232.436	391.253.751
Decrease in cash and cash equivalents	043	30.905.389	58.796.709
Increase in cash and cash equivalents	044	0	0
Cash and cash equivalents at the end of period	045	477.137.825	450.050.460

STATEMENT OF CHANGES IN EQUITY			
period	1.1.2015	to	30.6.2015
Legal entity: Group Končar Electrical Industry INC.			
Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	1.310.790.370	1.312.026.250
2. Capital reserves	002	719.579	719.579
3. Reserves from profit	003	512.659.011	602.473.968
4. Retained earnings or loss carried forward	004	305.473.271	325.247.215
5. Net profit or loss for the period	005	160.096.951	49.431.837
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	-4.734.344	0
10. Total equity and reserves (AOP 001 to 009)	010	2.285.004.838	2.289.898.849
11. Foreign exchange differences from foreign investments	011	153.289	0
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	-4.734.344	4.734.344
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	0	0
16. Other changes	016	114.077.558	159.667
17. Total increase or decrease of equity (AOP 011 to 016)	017	109.496.503	4.894.011
17 a. Attributable to majority owners	018	95.337.393	8.635.797
17 b. Attributable to minority interest	019	14.159.110	-3.741.786

Notes to the consolidated financial reports

Taxpayer: 03282635 Končar Electrical Industry INC.

1. Distribution of shares

There has been no distribution of shares.

2. Earnings per share

Earnings per share for the period January - June 2015 are HRK 14,45 and are less than earnings per share during the same period of the previous year by HRK 0,37

3. Changes in ownership structure

Compared to the previous trimestre, there have been no significant changes in the top ten shareholders.

4. Mergers and acquisitions

There have been no new mergers and acquisitions.

5. Uncertainty (description of cases in which exists the uncertainty of collection of outstanding debts or possible future expenses)

There have been no significant uncertainties in collection or future expenses.

6. Business results

During the period January -June 2015, as opposed to the same period of the previous year, sales revenues (w hich make up for 94,1 per cent of the total revenues) increased by 34,3 per cent, operational revenues (w hich make up for 96,7 per cent of the total revenues) increased by 30,0 per cent, w hile total revenues increased by 30,3 per cent. Total expenses decreased by 31,6 per cent in respect to the same period of last year, w hile operating expenses w ith changes in stock, w hich constitute 97,3 per cent of the total expenses, increased by 30,3 per cent. Income from investment into affiliated companies increased 10,8 per cent and financial income increased by 83,3 per cent compared to the same period of last year. Financial expenses increased by 112,9 per cent comapred to the same period last year.

7. Products and services description

Production of electrical equipment for production, transmission and consumption of electrical energy, production of transport equipment and electric household appliances.

8. Operating and other costs

For the period January - June of the year 2015, in comparison w ith the same period of last year, the share of material expenses in the operational revenue increased 4,2 per cent, the share of employees expenses in depreciation and amortisation by 0,6 percentage points and share of other expenses the total revenue decreased by 2,1 percentage points expenses of values adjustment increased by 0.3 percentage point and the costs of provisions increased by 1.8 percentage point.

9. Profit or loss

The profit of the Group after tax is 49,43 and is lower by 1,03 compared to the same period of the previous year. The Group's net profit subscribed to the parent capital holders for the period January - June of the year 2015 amounts to HRK 37,09 million, w hich is a decrease of HRK 1 million compared to the same period of the previous year. Of the 18 companies comprising the Končar Group, three companies declared a loss in the amount of HRK 21,71 million, of w hich HRK 17,46 million is subscribed to the parent capital holders.

10. Solvency

Cash and cash equivalents by the end of the half year of 2015, as opposed to the beginning of the year, increased by HRK 58,8 million.

11. Other notes

In the half year of the year 2015 the liquidation process moved of the company Končar - Kones

Appendix 1

Reporting period:

01.01.2015.

to

30.06.2015.

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.hrInternet address: www.koncar.hr

Code and name of comune: 133 ZAGREB

Code and county name: 21 GRAD ZAGREB

Number of employees 51

(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 30.06.2015.

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	1.178.539.935	1.186.408.199
I. INTANGIBLE ASSETS (004 do 009)	003	782.436	782.436
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	782.436	782.436
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	351.775.461	350.125.679
1. Land	011	74.531.676	74.544.524
2. Buildings	012	116.580.562	113.928.082
3. Plant and equipment	013	18.141.945	16.571.242
4. Tools, working inventory and transportation assets	014	1.761.616	1.190.906
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	474.661	
7. Tangible assets in progress	017	3.348.650	801.421
8. Other tangible assets	018		
9. Investment in real-estate	019	136.936.351	143.089.504
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	806.418.410	816.443.636
1. Share in related parties	021	804.841.180	814.866.406
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	1.577.230	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	19.563.628	19.056.448
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	8.094.029	7.646.095
3. Other receivables	032	11.469.599	11.410.353
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	405.395.720	414.827.695
I. INVENTORIES (036 do 042)	035	171.965	61.140
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040	171.965	61.140
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	111.483.771	64.319.105
1. Receivables from related parties	044	69.576.420	12.116.440
2. Receivables from end-customers	045	6.146.988	5.126.724
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	51.057	64.517
5. Receivables from government and other institutions	048	10.979.510	11.873.070
6. Other receivables	049	24.729.796	35.138.354
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	288.527.794	205.967.003
1. Share in related parties	051		
2. Loans to related parties	052	6.250.000	23.240.456
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	282.277.794	181.959.547
7. Other financial assets	057		767.000
IV. CASH AND CASH EQUIVALENTS	058	5.212.190	144.480.447
D) PREPAYMENTS AND ACCRUED INCOME	059	8.252.451	7.695.043
E) TOTAL ASSETS (001+002+034+059)	060	1.592.188.106	1.608.930.937
F) OFF BALANCE SHEET ITEMS	061	1.064.696.530	1.074.209.297

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.543.618.192	1.566.461.625
I. SUBSCRIBED SHARE CAPITAL	063	1.208.895.930	1.208.895.930
II. CAPITAL RESERVES	064	719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	235.357.614	294.106.743
1. Legal reserves	066	30.546.339	35.025.950
2. Reserve for own shares	067	1.338.982	4.143.784
3. Treasury shares and shares (deductible items)	068	1.338.982	4.143.784
4. Statutory reserves	069	163.414.511	217.684.029
5. Other reserves	070	41.396.764	41.396.764
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	9.052.844	6.248.041
1. Retained earnings	073	9.052.844	6.248.041
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	89.592.225	56.491.332
1. Net profit for the period	076	89.592.225	56.491.332
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	36.276.734	36.276.734
1. Provisions for pensions, severance pay and similar liabilities	080	2.009.239	2.009.239
2. Provisions for tax liabilities	081		
3. Other provisions	082	34.267.495	34.267.495
C) NON-CURRENT LIABILITIES (084 do 092)	083		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	12.293.180	6.192.578
1. Liabilities to related parties	094	3.682.023	1.461.589
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	1.365.439	826.880
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.509.863	918.348
9. Taxes, contributions and similar liabilities	102	4.219.079	2.445.695
10. Liabilities arising from share in the result	103	322.447	365.656
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	194.329	174.410
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.592.188.106	1.608.930.937
G) OFF BALANCE SHEET ITEMS	108	1.064.696.530	1.074.209.297
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 01.01.2015. to 30.06.2015.

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	37.308.701	23.974.767	28.397.850	14.591.220
1. Rendering of services	112	26.317.741	13.184.576	27.846.589	14.203.943
2. Other operating income	113	10.990.960	10.790.191	551.261	387.277
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	50.647.188	30.115.365	38.754.412	18.233.600
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	11.689.875	5.636.678	12.744.885	6.209.694
a) Costs of raw materials	117	3.000.400	1.183.544	3.234.877	1.217.165
b) Cost of goods sold	118				
c) Other material expenses	119	8.689.475	4.453.134	9.510.008	4.992.529
3. Employee benefits expenses (121 do 123)	120	12.065.232	6.069.170	12.116.117	4.798.025
a) Net salaries	121	5.681.414	2.790.394	5.776.702	2.330.845
b) Tax and contributions from salary expenses	122	4.814.573	2.504.576	4.660.460	1.760.897
c) Contributions on salary	123	1.569.245	774.200	1.678.955	706.283
4. Depreciation and amortisation	124	5.830.174	2.945.387	4.912.180	2.447.555
5. Other expenses	125	21.011.068	15.413.291	8.946.960	4.752.307
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	50.839	50.839	34.270	26.019
III. FINANCIAL INCOME (132 do 136)	131	51.959.206	22.319.452	71.510.108	26.977.924
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	49.901.923	21.620.857	64.588.907	25.456.527
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	2.057.283	698.595	6.921.201	1.521.397
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	3.801.900	3.489.409	4.662.214	2.930.698
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	3.801.900	3.489.409	4.662.214	2.930.698
3. Unrealised losses (expenses) from financial assets	140				
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	89.267.907	46.294.219	99.907.958	41.569.144
X. TOTAL EXPENSES (114+137+143+145)	147	54.449.088	33.604.774	43.416.626	21.164.298
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	34.818.819	12.689.445	56.491.332	20.404.846
1. Profit before taxes (146-147)	149	34.818.819	12.689.445	56.491.332	20.404.846
2. Loss before taxes (147-146)	150	0	0		
XII. TAXATION	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	34.818.819	12.689.445	56.491.332	20.404.846
1. Profit for the period (149-151)	153	34.818.819	12.689.445	56.491.332	20.404.846
2. Loss for the period (151-148)	154				
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	34.818.819	12.689.445	56.491.332	20.404.846
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	-7.935	-66.254		
1. Exchange differences from international settlement	159	-7.935	-66.254		
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	-7.935	-66.254	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	34.810.884	12.623.191	56.491.332	20.404.846
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 01.01.2015. to 30.06.2015.			
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	31.452.462	33.181.327
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		1.144.890
5. Other cash receipts	005	5.422.661	4.039.741
I. Total increase in cash flow from operating activities (001 to 005)	006	36.875.123	38.365.958
1. Cash paid to suppliers	007	26.903.165	28.686.561
2. Cash paid to employees	008	13.769.879	15.756.753
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	1.498	146
5. Tax paid	011	5.064.236	5.459.966
6. Other cash outflows	012	15.489.817	5.552.633
II. Total decrease in cash flow from operating activities (007 to 012)	013	61.228.595	55.456.059
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	24.353.472	17.090.101
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	1.447.248	1.001.552
2. Cash inflows from sale of equity and debt financial instruments	017	1.290.697	4.581.840
3. Interest receipts	018	2.040.244	3.560.862
4. Dividend receipts	019	72.719.174	99.082.339
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	77.497.363	108.226.593
1. Cash outflows for purchase of long - term tangible and intangible assets	022	7.868.079	1.773.328
2. Cash outflows for purchase of equity and debt financial instruments	023	26.135.000	2.804.802
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	34.003.079	4.578.130
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	43.494.284	103.648.463
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	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	56.604.644	660.645
3. Other cash inflows from financing activities	030	13.396.318	99.839.593
V. Total cash inflows from financing activities (028 to 030)	031	70.000.962	100.500.238
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	30.868.102	30.799.887
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		
5. Other cash outflows from financing activities	036	105.603.503	16.990.456
VI. Total cash outflows from financing activities (032 to 036)	037	136.471.605	47.790.343
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		52.709.895
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	66.470.643	0
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	0	139.268.257
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	47.329.831	0
Cash and cash equivalents at the beginning of period	042	115.212.162	5.212.190
Decrease in cash and cash equivalents	043		139.268.257
Increase in cash and cash equivalents	044	47.329.831	
Cash and cash equivalents at the end of period	045	67.882.331	144.480.447

STATEMENT OF CHANGES IN EQUITY			
period	01.01.2015.	to	30.06.2015.
Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	1.208.895.930	1.208.895.930
2. Capital reserves	002	719.579	719.579
3. Reserves from profit	003	235.357.614	294.106.743
4. Retained earnings or loss carried forward	004	9.052.844	6.248.041
5. Net profit or loss for the period	005	89.592.225	56.491.332
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	1.543.618.192	1.566.461.625
11. Foreign exchange differences from foreign investments	011		
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		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		