

**KONČAR GROUP MANAGING BOARD BUSINESS REPORT
JANUARY – DECEMBER, 2015 (Non-Audited Financial Statements)**

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as a 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 and strategically directed and supported 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 31/12/2015 amount to HRK 713.2 million representing an decrease by HRK 308,1 million compared to 31/12/2014. The majority of the decrease refers to warranties of the company Končar – Electrical Vehicles Inc. in the amount of HRK 223.6 million, the company Končar – Generators and Motors Inc. in the amount of HRK 41.7 million and the company Končar – Switchgear Inc. in the amount of HRK 26.3 million.

Out of total guarantees and joint and severe warranties, the amount of HRK 450.3 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, electrical 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

Končar - Elektroindustrija d.d., Fallerovo šetalište 22, 10000 Zagreb, Hrvatska, www.koncar.hr

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 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 Statutes 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

Končar Group Business Results for January – December, 2015

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 3.049,2 million for the time period from January to December, 2015 and they are higher by 15.1 % compared to the achievements during the same time period in 2014.

On the domestic market the income from sales of goods and services was generated in the amount of HRK 1.742,5 million making it by 29 % higher than the achievement for the time period from January to December, 2014. The incomes from sales of products and services that were exported are generated in the amount of HRK 1,306.6 million making it by 0.7 % higher in the comparison with the achievement of the same time period of the previous year. Incomes from sales of products and services abroad make 43 % of the total generated consolidated incomes from sales of goods and services.

Operating incomes were generated in the amount of HRK 3.174,7 million and they are higher by HRK 12.1 % compared to the achievement of the time period from January to December, 2014. The share of the income from sales of products and services in operating incomes amounts to 96 % of the total operating incomes. Operating expenses were generated in the amount of HRK 3,051.1 million and they are 11.9 % higher than the achievement of the time period January to December, 2014.

The share of material expenses within the operating incomes (corrected by the change of the stock of unfinished products and finished products) amounts to 66.7 % showing the increase of 1.9 % compared to the same time period of the previous year.

The share of personnel costs in the operating income (corrected by the change of the stock of unfinished products and finished products) amounts to 18 % making it lower by 1.4% compared to the previous year.

Depreciation amounts to HRK 89.5 million making it at the level of the achievement of the previous year.

The difference between the operating incomes and the operating revenues gives the profit of operating activities in the amount of HRK 123.6 million making it higher by HRK 19.6 million or 18.9 % compared to the achievement for the time period January – December, 2014.

A share in profits belonging to associated entrepreneurs amounts to HRK 48.8 million and it is lower by 22.1 % or by HRK 13.8 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 6.4 million.

During the time period from January to December, 2015, the total incomes were generated in the amount of HRK 3,287.9 million making them higher by 11.6 % compared to the generated during the same time period in 2014. The total expenses for the same period were generated in the amount of HRK 3,121.9 million and they were higher by 12.6 % compared to the time period from January to December of 2014.

The profits from the operating activities in the amount of HRK 123.6 million, the share in the profit of the associated entrepreneurs in the amount of HRK 48.8 million and the negative difference between the financial incomes and financial expenses in the amount of HRK 6.4 make the consolidated profit before tax in the amount of HRK 166 million. The profit tax amounts to HRK 17.5 million, while the profit after tax amounts to HRK 148.5 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 23.1 million and to the Group Mother Company shareholders HRK 125.4 million. Profits are added to Mother Company Shareholders, they are lower by 3 % than profits generated for the time period from January to December of 2014 and they are higher by 15.4 % from the 2015 Business Plan.

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 31.9 million out of which HRK 26.3 million belong to Mother Company Shareholders.

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 Railways (HŽ) amount to HRK 639.7 million (36.7 % of the total generated incomes from sales of products and services in the domestic market). In 2015 sixteen trains were delivered to the Croatian Railways (HŽ) Passenger Traffic out of which 10 regional trains and 6 urban and suburban trains.

Incomes from sales of products and services to the Croatian Power Authority (HEP) for the time period from January to December, 2015, amount to HRK 563.7 million that is lower by 3.4 % than the achievement for the same time period of the year 2014. A share of incomes from sales of goods and services to the Croatian Power Authority (HEP) amounts to 32.3 % of the total generated amount in the market of the Republic of Croatia.

Incomes from sales of products and services to trading companies amount to HRK 265 million, to companies belonging to industry and shipbuilding sector HRK 105.4 million, Zagreb Electric Tram (ZET) HRK 58.3 million, to INA, THT, Plinacro HRK 36.7 million, the State and Local Government HRK 58.3 million and the rest

amount of HRK 15.4 million refers to buyers from the civil engineering field, Croatian Motorways (HAC) and Croatian Roads (HC). The correction for deferred incomes on the domestic market is negative and it amounts to HRK 64.4 million.

During the time period from January to December, 2015 in the foreign market the Group generated incomes from sales of products and services in the amount of HRK 1,306.6 million or 0.7 % more compared to the achievement for the same time period of the previous year. The share of export amounts to 43 % of the total incomes from sales of goods and services. The most important exported goods and services went to Germany in the amount of HRK 142.2 million, the U.A.E. in the amount of HRK 140 million, Sweden in the amount of HRK 114 million, Finland in the amount of HRK 78.8 million, Norway in the amount of HRK 54.9 million, Bosnia and Herzegovina in the amount of HRK 52 million, and the Netherlands in the amount of HRK 48 million. A more significant increase of incomes from sales products and services abroad, compared to the previous year, is achieved in Germany to which the export is increased by the amount of HRK 60.5 million compared to the same time period of the previous year. The majority of it refers to the export of the company Končar – Distributive and Special Transformers and Končar – Metal Structures. A more significant increase of the export compared to the previous year was achieved in the market of United Arab Emirates (an increase by HRK 59 million). The increase of the export to the U.A.E. resulted from the increase of the export of the companies Končar – Distributive and Special Transformers and Končar – Switchgear. The export to the market of Sweden increased by HRK 36 million (Končar – Distributive and Special Transformers), the export to the market of Latvia is higher by HRK 34.8 million compared to the achievement in 2014 (Končar – Generators and Motors and Končar – Končar – Distributive and Special Transformers).

During the time period January to December, 2015, Končar Group Companies contracted new projects in the amount of HRK 3,021.6 million. Out of the total contracted new projects, the amount of HRK 1,548.4 million refers to contracts in the foreign market (51 % of the total consolidated contracted projects). Contracted new projects in the amount of HRK 1,198.6 million will be performed in 2015, while the contracted projects to be performed during 2016 and following years amount to HRK 1,814 million. At the end of December, 2015, the contracted project status (receivables due) amounted to HRK 3,681 million that was by 1 % lower than the contracted project status at the beginning of the year.

The level of the total consolidated assets as of 31st December, 2015 amounted to HRK 3,683.3 million representing a decrease by HRK 235.2 million or 6 % compared to the level as of 31st December, 2014.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest amounts to HRK 2,352.1 million that was HRK 67.1 million more compared to the level on 31st December, 2014 and they make 63.9 % of the total sources. Long term reserves amount to HRK 310.6 million and they are higher by HRK 7 million compared to the level as of 31st December, 2014 and they make 8.4 % of the total asset sources. Long term and current liabilities amount to HRK 878.6 million making them lower by HRK 346 million than the level at the end of 2014 and 23.8 % of the total sources. Within current liabilities, liabilities towards suppliers amount to HRK 367.6 million (HRK 43.7 million less compared to the level at the end of 2014) and they make 10 % of the total sources. The total loans (long term and current) amount to HRK 230.8 million and they are lower by HRK 78 million compared to the level as of 31st December, 2014 making 6.2 % of total sources.

Long term asset sources (capital, long term reservations and long term liabilities) are higher by HRK 751.2 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 2.9 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.

KONČAR

Končar - Elektroindustrija d.d

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
Managing Board President

Darinko Bago

16th February, 2016

Appendix 1

Reporting period:

01.01.2015.

to

31.12.2015.

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/to 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

Facsimile: 01 3667 177

E-mail address: vesna.illc@koncar.hrSurname 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 31.12.2015.

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	1.170.656.277	1.232.822.400
I. INTANGIBLE ASSETS (004 do 009)	003	782.436	1.007.436
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	782.436	1.007.436
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	350.169.923
1. Land	011	74.531.676	74.194.519
2. Buildings	012	116.580.562	111.282.179
3. Plant and equipment	013	18.141.945	11.706.078
4. Tools, working inventory and transportation assets	014	1.761.616	853.972
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	474.661	
7. Tangible assets in progress	017	3.348.650	9.061.945
8. Other tangible assets	018		
9. Investment in real-estate	019	136.936.351	143.071.230
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	798.534.752	866.476.335
1. Share in related parties	021	796.957.522	865.217.100
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	1.259.235
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	15.168.706
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	8.094.029	7.684.575
3. Other receivables	032	11.469.599	7.484.131
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	413.279.378	384.944.924
I. INVENTORIES (036 do 042)	035	171.965	140.110
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	140.110
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	119.367.429	105.030.031
1. Receivables from related parties	044	8.859.698	14.617.545
2. Receivables from end-customers	045	6.146.988	1.099.928
3. Receivables from participating parties	046	60.716.722	49.141.403
4. Receivables from employees and members of the company	047	51.057	47.811
5. Receivables from government and other institutions	048	10.979.510	7.357.346
6. Other receivables	049	32.613.454	32.785.998
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	288.527.794	271.342.941
1. Share in related parties	051		
2. Loans to related parties	052	6.250.000	30.075.456
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	1.300.000	
7. Other financial assets	057	280.977.794	241.267.485
IV. CASH AND CASH EQUIVALENTS	058	5.212.190	8.431.842
D) PREPAYMENTS AND ACCRUED INCOME	059	8.252.451	7.972.320
E) TOTAL ASSETS (001+002+034+059)	060	1.592.188.106	1.625.739.644
F) OFF BALANCE SHEET ITEMS	061	1.064.696.530	766.949.201

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.543.618.192	1.571.777.285
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	61.806.992
1. Net profit for the period	076	89.592.225	61.806.992
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	36.276.734	34.941.981
1. Provisions for pensions, severance pay and similar liabilities	080	2.009.239	2.841.981
2. Provisions for tax liabilities	081		
3. Other provisions	082	34.267.495	32.100.000
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	12.293.180	19.020.378
1. Liabilities to related parties	094	3.682.024	12.356.500
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	903.616
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.509.863	2.265.039
9. Taxes, contributions and similar liabilities	102	4.219.079	2.908.367
10. Liabilities arising from share in the result	103	322.447	429.642
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	194.328	157.214
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.592.188.106	1.625.739.644
G) OFF BALANCE SHEET ITEMS	108	1.064.696.530	766.949.201
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 31.12.2015.

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	88.909.966	14.271.420	62.234.863	16.114.315
1. Rendering of services	112	53.625.931	13.649.919	55.526.067	13.661.603
2. Other operating income	113	35.284.035	621.501	6.708.796	2.452.712
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	116.220.137	24.576.708	78.533.294	23.991.160
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	25.083.361	6.949.460	26.358.580	7.557.057
a) Costs of raw materials	117	5.804.109	1.682.528	6.310.421	1.857.614
b) Cost of goods sold	118				
c) Other material expenses	119	19.279.252	5.266.932	20.048.159	5.699.443
3. Employee benefits expenses (121 do 123)	120	25.024.320	8.770.875	24.073.938	7.882.797
a) Net salaries	121	11.665.897	4.001.220	11.482.227	3.690.003
b) Tax and contributions from salary expenses	122	9.889.715	3.484.844	9.151.231	3.029.076
c) Contributions on salary	123	3.468.708	1.284.811	3.440.480	1.163.718
4. Depreciation and amortisation	124	11.670.006	2.900.937	8.980.945	2.002.107
5. Other expenses	125	19.546.622	4.927.985	17.170.708	4.634.346
6. Write down of assets (127+128)	126	733.080	733.080	1.076.383	1.076.383
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	733.080	733.080	1.076.383	1.076.383
7. Provisions	129	285.508	285.508	832.742	832.742
8. Other operating costs	130	33.877.240	8.863	39.998	5.728
III. FINANCIAL INCOME (132 do 136)	131	131.819.317	76.082.139	131.036.782	53.750.766
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	50.005.743	52.511	65.340.933	404.277
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	14.563.396	8.779.450	15.916.780	3.567.420
3. Income from Investments in associates and joint ventures	134	60.079.592	60.079.592	48.458.448	48.458.448
4. Unrealised gains (income) from financial assets	135	7.104.738	7.104.738	1.320.621	1.320.621
5. Other financial income	136	65.848	65.848		
IV. FINANCIAL EXPENSES (138 do 141)	137	14.916.922	10.567.403	52.931.359	46.437.004
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	4.976.275	626.756	8.238.548	1.744.193
3. Unrealised losses (expenses) from financial assets	140	9.940.647	9.940.647	44.692.811	44.692.811
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	220.729.283	90.353.559	193.271.645	69.865.081
X. TOTAL EXPENSES (114+137+143+145)	147	131.137.059	35.144.111	131.464.653	70.428.164
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	89.592.224	55.209.448	61.806.992	-563.083
1. Profit before taxes (146-147)	149	89.592.224	55.209.448	61.806.992	0
2. Loss before taxes (147-146)	150	0			
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	89.592.224	55.209.448	61.806.992	-563.083
1. Profit for the period (149-151)	153	89.592.224	55.209.448	61.806.992	0
2. Loss for the period (151-148)	154	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	89.592.224	55.209.448	61.806.992	-563.083
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	158.252	59.556		
1. Exchange differences from international settlement	159	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	158.252	59.556	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	89.750.477	55.269.005	61.806.992	-563.083
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 31.12.2015.

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	71.046.381	66.333.442
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	22.871.536	7.763.256
I. Total increase in cash flow from operating activities (001 to 005)	006	93.917.917	74.096.698
1. Cash paid to suppliers	007	53.055.832	50.196.354
2. Cash paid to employees	008	23.271.134	24.588.743
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	1.644	809
5. Tax paid	011	13.427.708	10.996.271
6. Other cash outflows	012	58.214.828	8.894.663
II. Total decrease in cash flow from operating activities (007 to 012)	013	147.971.146	94.676.840
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	54.053.229	20.580.142
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	2.387.049	11.758.202
2. Cash inflows from sale of equity and debt financial instruments	017	3.368.778	4.695.685
3. Interest receipts	018	7.441.843	7.892.860
4. Dividend receipts	019	72.752.923	99.082.339
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	85.950.593	123.429.086
1. Cash outflows for purchase of long - term tangible and intangible assets	022	10.532.534	3.845.022
2. Cash outflows for purchase of equity and debt financial instruments	023	26.997.974	97.449.315
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	37.530.508	101.294.337
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	48.420.085	22.134.749
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	58.704.791	6.621.218
3. Other cash inflows from financing activities	030	181.866.231	282.412.251
V. Total cash inflows from financing activities (028 to 030)	031	240.571.022	289.033.469
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	30.875.795	30.735.901
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		
5. Other cash outflows from financing activities	036	314.062.055	269.961.876
VI. Total cash outflows from financing activities (032 to 036)	037	344.937.850	300.697.777
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	104.366.828	11.664.308
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	109.999.972	10.109.701
Cash and cash equivalents at the beginning of period	042	115.212.162	5.212.190
Decrease in cash and cash equivalents	043		3.219.652
Increase in cash and cash equivalents	044	109.999.972	
Cash and cash equivalents at the end of period	045	5.212.190	8.431.842

STATEMENT OF CHANGES IN EQUITY
 period 01.01.2015. to 31.12.2015.

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	235.357.615	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	89.592.224	61.806.992
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	1.543.618.191	1.571.777.285
11. Foreign exchange differences from foreign investments	011	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	60.647.862	28.159.094
17. Total increase or decrease of equity (AOP 011 to 016)	017	60.806.114	28.159.094
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		