

KONČAR GROUP MANAGING BOARD BUSINESS REPORT
January – March 2017

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 annual general / extraordinary 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 31/03/2017 amounts to HRK 524.6 million representing a decrease by HRK 26.8 million compared to 31/12/2016.

The majority part of the decrease refers to performance guarantees of Company Končar-Inženjering za energetiku i transport d.d. (Končar – Power Plant and Electric Traction Engineering Inc.) in the amount of HRK 13.4 million and Company Končar- Generatori i motori d.d. (Končar – Generators and Motors Inc.) in the amount of HRK 6.8 million.

Out of total warranties and joint and severe securities HRK 391.9 million belongs 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 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
Miki Huljić	A Member of the Managing Board in Charge of Finances
Marina Kralj Miliša	A Member of the Managing Board in Charge of Legal, Common and Personnel Affairs
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, 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 Activity Rule Book and Statues of independent companies) requires the Supervisory Board consent.

Petar Vlaić	Supervisory Board President
Josip Lasić	Supervisory Board Deputy President
Nikola Anić	Member
Jasminka Belačić	Member
Vicko Ferić	Member
Branko Lampl	Member
Joško Miliša	Member
Vladimir Plečko	Member

Končar Group Business Results for January to March, 2017

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 561.7 million for the time period from January to March, 2017 that is lower by 9.2 % compared to the achievement for the same time period of 2016.

The first quarter of 2017 was marked with an increase of incomes from sales of products and services in export compared to the same time period of 2016. Sales in export were higher by the amount of HRK 62.5 million or 24.8 %. On the domestic market, incomes from sales of products and services were lower by the amount of HRK 119.6 million or 32.6 % compared to the achievement of January to March of 2016.

Operating incomes were generated in the amount of HRK 582 million making them lower by 9.6 % than the achieved for January to March of 2016. Within business incomes, incomes from sales of products and services amount to 96.5 % of the total business incomes.

Operating expenses were generated in the amount of HRK 562.1 million and they were lower by 7.9 % than the achievement of the same time period of 2016.

The difference between the operating incomes and the operating expenses gives the profit of operating activities in the amount of HRK 20 million.

The share of profits of associated entrepreneurs amounts to HRK 14.8 million making it higher by HRK 6.5 million compared to the achievement during the same time period of the previous year. The difference between financial incomes and expenses is negative and it amounts to HRK 8.1 million.

The profits from operating activities in the amount of HRK 20 million, the share in the profit of the associated entrepreneurs in the amount of HRK 14.8 million and the negative difference between financial incomes and expenses in the amount of HRK 8.1 million make the consolidated profit before tax in the amount of HRK 26.7 million. The profit tax advance payment amounts to HRK 4.5 million, while the profit after tax amounts to HRK 22.2 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 5 million and to the Group Mother Company shareholders HRK 17.2 million.

Out of 18 Končar Group Companies, 16 Companies generated a positive financial result, while two companies expressed a loss in the total amount of HRK 5.2 million out of which HRK 5.1 million is attributable to the Mother Company shareholders.

On the domestic market the income from sales of products and services to companies with the Croatian Power Authority (HEP) (HEP – Generation, HEP – ODS – Distribution System Operator, HOPS – Croatian Transmission System Operator) was generated in the amount of HRK 97.6 million (39.5 % of the total generated incomes from sales of products and services in the domestic market). Compared to the previous year, sales of products and services to the Croatian Power Authority (HEP) were higher by 28.2 %.

Out of more important clients in the market of Croatia, the income from sales of products and services to Končar – Power Transformers in the amount of HRK 23.3 million (9.4 % of total incomes on the domestic market) and to Zagreb Holding – Zagreb Electric Tramcar (ZET) in the amount of HRK 14.4 million or 5.8 % of the total generated incomes on the domestic market.

The income from sales of products and services on the foreign market was generated in the amount of HRK 314.8 million that was higher than the achievement for the same time period of the previous year by 24.8 %. The share of the export amounts to 56 % of the total incomes from sales of products and services. The most significant export was performed to Germany in the amount of HRK 49.7 million or 15.8 % of the total export (Končar – Distributive and Special Transformers and Končar – Metal Structures). In the market of Sweden the export in the amount of HRK 34.5 million or 11 % of the total generated export was achieved (Končar – Distributive and Special Transformers and Končar – Generators and Motors). Goods and services in the amount of HRK 17.6 million were exported to Austria, HRK 16.2 million to Slovenia and HRK 15.5 million to Saudi Arabia.

Compared to the same time period of the previous year, a significant increase of incomes from sales of goods and services in export was generated by the export to the markets of Germany (HRK 24.8 million more), Sweden (HRK 14 million more) and Austria (HRK 11.4 million more).

During the time period January to March, 2017, Končar Group Companies contracted new projects in the amount of HRK 528.6 million. Out of the total contracted new projects HRK 202.9 million (38.4 % of the total contracted projects) refer to the domestic market, and HRK 325.7 million (61.6 % of the total contracted projects) refer to newly contracted projects abroad.

Out of projects on the domestic market contracted during the time period January – March, 2017 the majority refers to companies with the Croatian Power Authority (HEP) Group (HEP - Generation, HEP – Distribution System Operator, HOPS – Croatian Transmission System Operator) in the amount of HRK 74 million or 36.4 % of the total contracted projects on the domestic market.

During the time period January to March, 2017, the majority of the contracted project on the foreign market (19 %) refers to the market of Sweden in the amount of HRK 62 million (Contracts of the company Končar – Distributive and Special Transformers). For the market of Germany, new projects were contracted in the amount of HRK 38.5 million, for the market of Finland in the amount of HRK 30.3 million and for the market of Austria HRK 28.1 million.

Regarding the dynamics of the delivery to be performed in 2017, the contracted new projects in the amount of HRK 447 million will be performed in 2018, while the contracted projects to be performed during following years amount to HRK 81.5 million.

On 31st March, 2017, the contracted project status amounted to HKR 3,258.9 million that was by 1 % lower than the contracted project status at the beginning of the year. The status of due receivables on the domestic market is lower by 3 % and in export higher by 1 % then at the beginning of 2017.

For the time period January – March of 2017 the import was generated in the amount of HKR 168.8 million. The import of raw materials and consumables amounted to HRK 159.2 million and the investment purchases amounted to HRK 9.6 million. During the same time period of this year, incomes from sales of goods and services in export were generated in the amount of HRK 314.8 million. The export import coverage coefficient amounts to 1.9.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and the capital belonging to the not controlling interest amounted to HRK 2,464.8 million that was HRK 16.4 million more compared to the level on 31st December, 2016 and they made 65.7 % of the total sources. Long term reservations amounted to HRK 233 million and they made 6.2 % of the total sources. Long term and current liabilities amounted to HRK 851.1 million making them lower by HRK 48.7 million then the status at the end of 2016 and they made 22.6 % of the total sources.

Liabilities towards the suppliers amounted to HRK 321 million and made 8.5 % of the total sources within current liabilities.

The total loans (long term and current) amounted to HRK 177.8 million and they were lower by HRK 6.2 million compared to the statues as of 31st December, 2016 and they made 4.7 % of the total sources.

Long term asset sources (capital, long term reservations and long term liabilities) were higher by HRK 720.2 million compared to the long term assets and the average level of stocks. Current assets were 3.1 times higher than the current liabilities. The consolidated balance sheet structure showed a good adjustment of asset sources and investments.

Signed in the name of the Managing Board

Končar – Electrical Industry Inc.
Managing Board President

Darinko Bago

28th April, 2017

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 from January to March 2017.

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:

Končar – Electrical Industry Inc.
President of the Managing Board
Darinko Bago

28th April, 2017

- 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:

1.1.2017

to

31.3.2017

Quarterly financial report of entrepreneur TFI-PODRegistration number (MB) 03282635Identification number of subject (MBS) 080040936Personal identification number (OIB) 45050126417Issuer company: KONČAR - ELECTRICAL INDUSTRY Inc.Postal code and place 10000 ZAGREBStreet and number FALLEROVO ŠETALIŠTE 22E-mail address: koncar.finance@koncar.hrInternet address: www.koncar.hrCode and name of comune/town 133 ZAGREBCode and county name 21 GRAD ZAGREBNumber of employees 48

(at quarter end)

Consolidated statement NONKD/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 183Fascimile: 01 3667 177E-mail address: vesna.ilic@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 31.3.2017

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	1.236.838.695	1.236.182.429
I. INTANGIBLE ASSETS (004 do 009)	003	1.292.436	1.407.436
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.292.436	1.407.436
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	381.548.030	380.813.897
1. Land	011	74.194.519	74.194.519
2. Buildings	012	113.188.330	111.821.084
3. Plant and equipment	013	10.958.253	10.663.618
4. Tools, working inventory and transportation assets	014	740.128	1.066.441
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	133.965	363.361
7. Tangible assets in progress	017	19.889.354	20.261.394
8. Other tangible assets	018		
9. Investment in real-estate	019	162.443.480	162.443.480
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	843.740.132	843.956.938
1. Share in related parties	021	841.894.843	842.111.649
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	1.257.289	1.257.289
6. Loans, deposits, etc.	026	588.000	588.000
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	10.258.098	10.004.158
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	6.857.575	6.660.346
3. Other receivables	032	3.400.523	3.343.812
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	420.238.226	461.083.803
I. INVENTORIES (036 do 042)	035	63.127	221.159
1. Raw materials and supplies	036	0	0
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040	63.127	221.159
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	98.724.703	81.379.717
1. Receivables from related parties	044	74.252.427	57.745.294
2. Receivables from end-customers	045	526.378	531.914
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	43.563	613.817
5. Receivables from government and other institutions	048	2.153.163	956.999
6. Other receivables	049	21.749.172	21.531.693
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	232.660.655	326.204.546
1. Share in related parties	051		
2. Loans to related parties	052	38.775.456	25.075.456
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	193.885.199	301.129.090
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	88.789.740	53.278.380
D) PREPAYMENTS AND ACCRUED INCOME	059	527.052	1.113.915
E) TOTAL ASSETS (001+002+034+059)	060	1.657.603.973	1.698.380.146
F) OFF BALANCE SHEET ITEMS	061	615.069.422	574.107.811

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.606.377.739	1.645.803.607
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	325.746.118	325.746.118
1. Legal reserves	066	38.147.673	38.147.673
2. Reserve for own shares	067	4.143.784	4.143.784
3. Treasury shares and shares (deductible items)	068	4.143.784	4.143.784
4. Statutory reserves	069	217.684.029	217.684.029
5. Other reserves	070	69.914.416	69.914.416
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	6.248.041	71.016.112
1. Retained earnings	073	6.248.041	71.016.112
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	64.768.071	39.425.868
1. Net profit for the period	076	64.768.071	39.425.868
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	36.003.573	35.424.953
1. Provisions for pensions, severance pay and similar liabilities	080	4.203.573	3.624.953
2. Provisions for tax liabilities	081		
3. Other provisions	082	31.800.000	31.800.000
C) NON-CURRENT LIABILITIES (084 do 092)	083		
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	15.222.661	16.572.967
1. Liabilities to related parties	094	7.650.263	7.664.287
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	952.149	960.296
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.593.185	3.052.201
9. Taxes, contributions and similar liabilities	102	3.452.774	4.280.459
10. Liabilities arising from share in the result	103	414.380	480.428
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	159.911	135.296
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	578.620
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.657.603.973	1.698.380.146
G) OFF BALANCE SHEET ITEMS	108	615.069.422	574.107.811
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 1.1.2017 to 31.3.2017

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	13.717.536	13.717.536	12.895.614	12.895.614
1. Rendering of services	112	13.505.982	13.505.982	12.619.125	12.619.125
2. Other operating income	113	211.555	211.555	276.489	276.489
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	18.677.098	18.677.098	17.538.445	17.538.445
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	6.733.594	6.733.594	6.425.853	6.425.853
a) Costs of raw materials	117	2.114.981	2.114.981	1.792.173	1.792.173
b) Cost of goods sold	118				
c) Other material expenses	119	4.618.613	4.618.613	4.633.681	4.633.681
3. Employee benefits expenses (121 do 123)	120	6.466.788	6.466.788	5.324.864	5.324.864
a) Net salaries	121	3.087.977	3.087.977	2.730.968	2.730.968
b) Tax and contributions from salary expenses	122	2.431.755	2.431.755	1.812.788	1.812.788
c) Contributions on salary	123	947.057	947.057	781.109	781.109
4. Depreciation and amortisation	124	2.007.588	2.007.588	1.885.264	1.885.264
6. Other expenses	125	3.427.009	3.427.009	3.873.139	3.873.139
6. Write down of assets (127+128)	126				
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	42.118	42.118	29.325	29.325
III. FINANCIAL INCOME (132 do 136)	131	49.283.872	49.283.872	48.543.890	48.543.890
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	48.931.954	48.931.954	47.828.241	47.828.241
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	351.918	351.918	715.649	715.649
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	3.804.578	3.804.578	4.475.191	4.475.191
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	3.804.578	3.804.578	4.475.191	4.475.191
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	63.001.409	63.001.409	61.439.504	61.439.504
X. TOTAL EXPENSES (114+137+143+145)	147	22.481.676	22.481.676	22.013.636	22.013.636
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	40.519.733	40.519.733	39.425.868	39.425.868
1. Profit before taxes (146-147)	149	40.519.733	40.519.733	39.425.868	39.425.868
2. Loss before taxes (147-146)	150				
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	40.519.733	40.519.733	39.425.868	39.425.868
1. Profit for the period (149-151)	153	40.519.733	40.519.733	39.425.868	39.425.868
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	40.519.733	40.519.733	39.425.868	39.425.868
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158				
1. Exchange differences from international settlement	159				
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				
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	40.519.733	40.519.733	39.425.868	39.425.868
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 1.1.2017 to 31.3.2017

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	21.861.931	14.052.077
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	102.534	1.191.093
5. Other cash receipts	005	1.661.059	2.054.489
I. Total increase in cash flow from operating activities (001 to 005)	006	23.625.524	17.297.659
1. Cash paid to suppliers	007	20.510.934	12.680.530
2. Cash paid to employees	008	4.604.341	4.391.590
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010		63
5. Tax paid	011	102.534	1.191.093
6. Other cash outflows	012	1.597.943	3.377.918
II. Total decrease in cash flow from operating activities (007 to 012)	013	26.815.752	21.641.194
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	3.190.228	4.343.535
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	441.995	523.306
2. Cash inflows from sale of equity and debt financial instruments	017	18.830	67.734
3. Interest receipts	018		
4. Dividend receipts	019	48.458.448	65.277.916
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	48.919.273	65.868.956
1. Cash outflows for purchase of long - term tangible and intangible assets	022	480.448	1.005.976
2. Cash outflows for purchase of equity and debt financial instruments	023	3.156.068	216.806
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	3.636.516	1.222.782
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	45.282.757	64.646.174
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027		
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		
3. Other cash inflows from financing activities	030	9.205.787	71.013.846
V. Total cash inflows from financing activities (028 to 030)	031	9.205.787	71.013.846
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	2.628	8.486
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		
5. Other cash outflows from financing activities	036	1.200.000	166.819.359
VI. Total cash outflows from financing activities (032 to 036)	037	1.202.628	166.827.845
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	8.003.159	
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039		95.813.999
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	50.095.688	
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041		35.511.360
Cash and cash equivalents at the beginning of period	042	8.431.842	88.789.740
Decrease in cash and cash equivalents	043	50.095.688	
Increase in cash and cash equivalents	044		35.511.360
Cash and cash equivalents at the end of period	045	58.527.530	53.278.380

STATEMENT OF CHANGES IN EQUITY
period 1.1.2017 to 31.3.2017

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	325.746.118	325.746.118
4. Retained earnings or loss carried forward	004	6.248.041	71.016.112
5. Net profit or loss for the period	005	64.768.071	39.425.868
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	1.606.377.739	1.645.803.607
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		
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		