

**BOARD'S REPORT ON MANAGEMENT OF KONČAR GROUP
FOR THE PERIOD JANUARY-JUNE 2017**

Končar Group consists of KONČAR – ELECTRICAL INDUSTRY Inc. as the parent company and 17 related companies in which the parent has a controlling interest (more than 50% of the votes in the General Assembly). Apart from common shares, preferred shares of some Končar Group companies have also been subscribed. In addition, the parent company exercises a minority controlling interest (49% of the votes in the General Assembly) in one (associated) company.

Companies within the Group are legally autonomous companies supervised by the parent as well as strategically directed and supported through the work of companies' supervisory boards and assemblies pursuant to the Companies Act, the Articles of Association of KONČAR-ELECTRICAL INDUSTRY Inc., and the Articles of Association of individual companies. The parent also manages the portion of the assets not invested in the companies, but directly and indirectly used for providing financial support to sales, products and equipment of the related companies as a credit-guarantee potential.

Potential liabilities of KONČAR-Electrical Industry Inc. for the overall issued guarantees as of 30 June 2017 amounted to HRK 465.8 million, a decrease by HRK 85.6 million compared to 31 December 2016.

Said decrease is primarily connected to the expired performance guarantees of Končar-Power Plant and Electric Traction Engineering Inc. in the amount of HRK 26.9 million, to HRK 50.3 m guarantees of Končar-Generators and Motors Inc., and to the reduced amount of loans taken by Končar-Instrument Transformers Inc. and Končar-Renewable Sources Ltd of HRK 9.4 million.

Performance guarantees account for HRK 340.9 million of the overall and joint and several guarantees.

The activity of Končar Group is divided into following business areas:

- Energy and Transport: design and construction of plants and equipment for electricity generation, transmission and distribution, electric locomotives, electric trains, trams, and electric equipment for stable electric traction facilities.
- Industry: electric motors, low voltage electrical equipment.
- Trade: electric household appliances, serial products, low voltage electric apparatus.
- Special activities: research and development of products and infrastructure services.

Management Board

The President and members of the Management Board are appointed and recalled by the Supervisory Board. The term of office of the Board President and members is 5 years, after which they can be reappointed. Pursuant to the Companies Act and the Articles of Association, the Management Board assumes full responsibility for business affairs of the company while being obliged and authorized for taking any actions and making decisions it deems necessary for the successful management of the Company. Certain decisions set under the Articles of Association require the consent of the Supervisory Board.

Končar – Electrical Industry Inc. is managed by the Board consisting of:

Darinko Bago	President of the Management Board
Miki Huljić	Board member responsible for finance
Marina Kralj Miliša	Board member responsible for legal, HR and general affairs
Davor Mladina	Board member responsible for electricity transmission and distribution, industry and trade

Miroslav Poljak

Board member responsible for electricity production, corporate development and ICT

Supervisory Board

Pursuant to the Companies Act and the Articles of Association of KONČAR – Electrical Industry Inc., the General Assembly adopts decisions on the appointment and recall of the Supervisory Board members. The Supervisory Board appoints and recalls the Management Board members and supervises Company operations. More significant transactions and business decisions (the transaction amount is set under the Rules of Procedure of the SB and the Articles of Association of related companies) require the consent of the Supervisory Board.

Petar Vlaić	Chairman of the Supervisory Board
Josip Lasić	Vice Chairman of the Supervisory Board
Nikola Anić	Member
Jasminka Belačić	Member
Vicko Ferić	Member
Branko Lampl	Member
Joško Miliša	Member
Vladimir Plečko	Member

Business operations of Končar Group in the period January-June 2017

Končar Group companies earned consolidated income from the sale of products and services of HRK 1,242.7 million in the period January-June 2017, retaining the income level reported in the same period 2016.

The first half 2017 was characterized by the growth of income from the export of products and services compared to the same period 2016. Export sales increased by HRK 121.9 million or by 20.6%. Compared to January-June 2016, income from domestic sales decreased by HRK 125.4 million or by 19.2%.

Operating income was HRK 1,332.2 million, a 2.1% increase compared to January-June 2016. Income from the sale of products and services accounts for 93.3% of the overall operating income.

Operating expenses amounted to HRK 1,300.5 million i.e. a 3.7% increase compared to the same period 2016.

The spread of operating income and expenses resulted in profit from business operations of HRK 31.7 million.

The share of profit from the associates accounted for HRK 25.8 million, which is by HRK 1.9 million more compared to the reported in the same period the year before.

The spread of financial income and expenses was negative and amounted to HRK 10.8 million.

The profit from operating activities of HRK 31.7 million, the share of profit from the associates of HRK 25.8 million, and a negative spread of financial income and expenses of HRK 10.8 million resulted in pre-tax consolidated profit of HRK 46.7 million. Advance payment towards corporate income tax amounted to HRK 9.1 million, and profit after tax to HRK 37.6 million, of which HRK 11.6 million was allocated to the non-controlling (minority) interest, and HRK 26 million to the owners of shares of the parent company.

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

From 18 Končar Group companies, 16 reported positive operating results, while two reported the overall loss of HRK 8.5 million, of which HRK 8.4 million allocated to the owners of shares of the parent company.

In the structure of income from the sale of products and services on the domestic market, income from the sale of products and services to HEP Group companies (HEP-Proizvodnja, HEP – Operator distribucijskog sustava, HOPS) accounts for HRK 203.2 million (38.5% of the overall earned income from the sale of products and services on the Croatian market). Compared to the year before, the sale of products and services to HEP increased by 25.5.

Major customers on the Croatian market responsible for income from the sale of products and services include Končar-Power Transformers with HRK 42.6 million (8.1% of the overall income on the domestic market) and Zagrebački holding-ZET with HRK 29.5 million or 5.6% of the overall reported income on the domestic market.

Income from the sale of products and services abroad amounted to HRK 714.9 million, which was by 20.6% more than in the same period last year.

Export accounted for 57.5% of the overall income from the sale of products and services. The biggest share of said export was to Sweden i.e. HRK 112.6 million or 15.7% of overall export (Končar-Distribution and Special Transformers and Končar-Generators and Motors). Export to Germany accounted for HRK 91 million or 12.7% of the overall export (Končar-Distribution and Special Transformers and Končar-Metal Structures). Export of goods and services to Finland, Austria and Bosnia and Herzegovina accounted for HRK 43.9 million, HRK 38.9 million and HRK 30.9 million, respectively.

Compared to the same period last year, income from the sale of products and services increased significantly on the following markets: Sweden (increase by HRK 44.1 million), Germany (increase by HRK 35 million), and Finland (increase by HRK 22.6 million). Končar-Instrument Transformers entered the new market of the Republic of the Union of Myanmar by delivering HRK 7.5 million worth transformers (the HRK 8.8 million contract signed in 2016 to be delivered during 2017).

In the period January-June 2017, Končar Group companies signed new contracts worth HRK 1,116.9 million, of which HRK 447.2 million (40% of overall contracts) domestically and HRK 669.7 million (60% of overall contracts) abroad.

The major share of domestic contracts concluded in the period January-June 2017 was signed with HEP Group companies (HEP-Proizvodnja, HEP-Operator distribucijskog sustava, HOPS). They accounted for HRK 136.5 million or 30.5% of the overall contracts signed on the domestic market. Other domestic customers included HŽ which accounted for HRK 23.5 million, of which the major share (HRK 22.3 million) was earned from HŽ – Cargo (locomotive repair).

The major share of contracts concluded on the international market in the period January-June 2017 was signed with Swedish companies (19%) in the amount of HRK 125.1 million (signed by Končar-Distribution and Special Transformers). New HRK 84.2 million worth contracts were signed with German companies, HRK 47.3 million on the market of Norway, and HRK 39 million with Austrian customers.

As per the rate of delivery in 2017, new contracts worth HRK 832.5 million were signed with a delivery date in 2018, while new HRK 284.4 million was contracted for the following period.

The balance of contracted projects as of 30 June 2017 amounted to HRK 3,166.2 million, which is by 4% less compared to the balance early this year, accounting for 5% and 3% less outstanding commitments domestically and abroad, respectively, compared to the balance in early 2017.

Import in the amount of HRK 331.2 million was recorded in the period January-June 2017. The import of raw and other materials accounted for HRK 317 million. Investments were made in the amount of HRK 14.2 million. In the same period this year, income from the sale of products and services abroad accounted for HRK 714.9 million. The export-import coverage ratio was 2.2.

In the structure of funding sources, the subscribed equity, reserves, retained profit, profit for the year and the equity attributable to the non-controlling interest amounted to HRK 2,436.7 million, which is by 11.6 million less compared to the balance on 31 Dec 2016, accounting for 65.8% of the overall sources. Long term provisions amounted to HRK 201.2 million, accounting for 5.4% of the overall sources. Long- and short-term liabilities were HRK 895.5 million, which was by 4.3 million less than in late 2016 accounting for 24.2% of overall sources. In the structure of current liabilities, trade liabilities of HRK 330.3 million accounted for 8.9% of the overall sources. Overall loans (long- and short-term) of HRK 195.2 million increased by HRK 11.2 million compared to the balance on 31 December 2016, accounting for 5.2% of the overall sources.

Long-term funding sources (equity, long-term provisions and long-term liabilities) increased by HRK 708.7 million compared to fixed assets and average stock. Current assets increased by 2.9 times compared to current liabilities. The consolidated balance sheet structure shows the balance of funds and investments.

Signed on behalf of the Management Board:

Končar – Electrical Industry Inc.

President of the Management Board

Darinko Bago

27 July 2017

**STATEMENT OF ENTITIES RESPONSIBLE FOR THE PREPARATION OF CONSOLIDATED STATEMENTS
OF KONČAR GROUP**

This statement given by the Management Board of Končar-Electrical Industry Inc., Zagreb, pertains to the preparation and publication of the consolidated financial statements of Končar Group for the period January-June 2017.

The financial statements have been prepared according to the International Financial Reporting Standards implemented in the European Union.

To the best of our knowledge, the consolidated financial statements represent the integral and true view of the balance sheet, the income statement, the cash flow and the statement of changes in equity for Končar Group.

Signed on behalf of the Management Board:

Končar – Electrical Industry Inc.
President of the Management Board

Darinko Bago

27 July 2017

- **Note:**

The consolidated financial statements have been prepared by Končar-Electrical Industry Inc.

Contact persons:

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

Marina Markušić, Accounting Specialist, marina.markusic@koncar.hr

Vesna Ilić, Accounting Manager, vesna.ilic@koncar.hr

Appendix 1

Reporting period:

1.1.2017

to

30.6.2017

Quarterly financial report of entrepreneur TFI-PODRegistration 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/to **133** **ZAGREB**Code and county name **21** **GRAD ZAGREB**Number of employees **47**Consolidated statement **NO**

(at quarter end)

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 30.6.2017

Company: Končar - Electrical Industry Inc.

Position 1	AOP 2	Previous period 3	Current period 4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.236.838.695	1.214.228.844
I. INTANGIBLE ASSETS (004 do 009)	003	1.292.436	1.441.796
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.292.436	1.441.796
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	350.270.123
1. Land	011	74.194.519	74.194.519
2. Buildings	012	113.188.330	110.556.855
3. Plant and equipment	013	10.958.253	10.428.727
4. Tools, working inventory and transportation assets	014	740.128	2.090.521
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	133.965	648.693
7. Tangible assets in progress	017	19.889.354	20.960.952
8. Other tangible assets	018		
9. Investment in real-estate	019	162.443.480	131.389.856
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	843.740.132	852.684.778
1. Share in related parties	021	841.894.843	850.839.489
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	9.832.147
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	6.857.575	6.505.711
3. Other receivables	032	3.400.523	3.326.436
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	420.238.226	439.104.501
I. INVENTORIES (036 do 042)	035	63.127	44.629
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	44.629
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	98.724.703	30.691.928
1. Receivables from related parties	044	74.252.427	10.677.964
2. Receivables from end-customers	045	526.378	1.137.715
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	43.563	86.776
5. Receivables from government and other institutions	048	2.153.163	234.894
6. Other receivables	049	21.749.172	18.554.579
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	232.660.655	337.171.451
1. Share in related parties	051		
2. Loans to related parties	052	38.775.456	37.075.456
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	300.095.995
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	88.789.740	71.196.493
D) PREPAYMENTS AND ACCRUED INCOME	059	527.052	1.741.269
E) TOTAL ASSETS (001+002+034+059)	060	1.657.603.973	1.655.074.614
F) OFF BALANCE SHEET ITEMS	061	615.069.422	526.795.511

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.606.377.739	1.606.800.850
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	359.719.093
1. Legal reserves	066	38.147.673	41.386.077
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	100.648.987
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	6.248.041	6.248.041
1. Retained earnings	073	6.248.041	6.248.041
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	64.768.071	31.218.207
1. Net profit for the period	076	64.768.071	31.218.207
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	36.003.573	3.624.953
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	0
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	44.075.999
1. Liabilities to related parties	094	7.650.263	9.443.339
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	674.285
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.593.185	867.001
9. Taxes, contributions and similar liabilities	102	3.452.774	1.512.456
10. Liabilities arising from share in the result	103	414.380	31.275.524
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	159.911	303.394
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	572.813
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.657.603.973	1.655.074.614
G) OFF BALANCE SHEET ITEMS	108	615.069.422	526.795.511
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 30.6.2017

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	27.053.460	13.335.923	57.369.508	44.473.894
1. Rendering of services	112	26.621.734	13.115.752	24.909.283	12.290.159
2. Other operating income	113	431.726	220.171	32.460.225	32.183.736
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	37.063.832	18.386.734	70.147.879	52.609.434
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	14.110.017	7.376.423	13.460.164	7.034.311
a) Costs of raw materials	117	3.410.865	1.295.884	2.827.797	1.035.624
b) Cost of goods sold	118				
c) Other material expenses	119	10.699.151	6.080.539	10.632.367	5.998.687
3. Employee benefits expenses (121 do 123)	120	12.100.151	5.633.362	11.250.462	5.925.598
a) Net salaries	121	5.824.114	2.736.137	5.653.244	2.922.276
b) Tax and contributions from salary expenses	122	4.509.189	2.077.435	3.953.868	2.141.080
c) Contributions on salary	123	1.766.847	819.790	1.643.351	862.243
4. Depreciation and amortisation	124	4.061.360	2.053.772	3.815.743	1.930.479
5. Other expenses	125	6.742.765	3.315.756	10.478.594	6.605.456
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	49.539	7.421	31.142.915	31.113.590
III. FINANCIAL INCOME (132 do 136)	131	59.186.418	9.902.546	51.162.453	2.618.563
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	54.407.952	5.475.998	48.191.383	363.141
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	3.755.439	3.403.521	2.971.070	2.255.422
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136	1.023.027	1.023.027		
IV. FINANCIAL EXPENSES (138 do 141)	137	5.613.921	1.809.343	7.165.875	2.690.685
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	5.457.687	1.653.109	7.165.875	2.690.685
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141	156.233	156.233		
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	86.239.878	23.238.469	108.531.961	47.092.458
X. TOTAL EXPENSES (114+137+143+145)	147	42.677.753	20.196.077	77.313.754	55.300.118
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	43.562.125	3.042.392	31.218.207	-8.207.661
1. Profit before taxes (146-147)	149	43.562.125	3.042.392	31.218.207	
2. Loss before taxes (147-146)	150				8.207.661
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	43.562.125	3.042.392	31.218.207	-8.207.661
1. Profit for the period (149-151)	153	43.562.125	3.042.392	31.218.207	
2. Loss for the period (151-148)	154				8.207.661
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	43.562.125	3.042.392	31.218.207	-8.207.661
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	43.562.125	3.042.392	31.218.207	-8.207.661
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 30.6.2017

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	36.650.559	29.647.781
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	1.437.745	1.913.197
5. Other cash receipts	005	19.017.569	5.084.090
I. Total increase in cash flow from operating activities (001 to 005)	006	57.105.873	36.645.068
1. Cash paid to suppliers	007	33.813.386	27.224.827
2. Cash paid to employees	008	15.024.117	15.249.257
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010		503.107
5. Tax paid	011	1.437.745	2.149.204
6. Other cash outflows	012	3.014.684	5.818.187
II. Total decrease in cash flow from operating activities (007 to 012)	013	53.289.932	50.944.582
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	3.815.941	
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015		14.299.514
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	965.898	1.193.501
2. Cash inflows from sale of equity and debt financial instruments	017	6.653.423	2.344.769
3. Interest receipts	018		
4. Dividend receipts	019	94.013.195	112.827.248
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	101.632.516	116.365.518
1. Cash outflows for purchase of long - term tangible and intangible assets	022	32.268.498	2.903.735
2. Cash outflows for purchase of equity and debt financial instruments	023	3.156.068	8.944.646
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	35.424.566	11.848.381
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	66.207.950	104.517.137
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	9.260.574	71.016.975
V. Total cash inflows from financing activities (028 to 030)	031	9.260.574	71.016.975
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	5.820	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	10.800.000	178.819.359
VI. Total cash outflows from financing activities (032 to 036)	037	10.805.820	178.827.845
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	1.545.246	107.810.870
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	68.478.645	
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041		17.593.247
Cash and cash equivalents at the beginning of period	042	8.431.842	88.789.740
Decrease in cash and cash equivalents	043	68.478.645	
Increase in cash and cash equivalents	044		17.593.247
Cash and cash equivalents at the end of period	045	76.910.487	71.196.493

STATEMENT OF CHANGES IN EQUITY
period 1.1.2017 to 30.6.2017

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	359.719.093
4. Retained earnings or loss carried forward	004	6.248.041	6.248.041
5. Net profit or loss for the period	005	64.768.071	31.218.207
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	1.606.800.850
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		