



KONČAR GROUP MANAGING BOARD BUSINESS REPORT FOR JANUARY – SEPTEMBER, 2018

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as the Mother Company and 15 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 general / extraordinary annual 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 30/09/2018 amounts to HRK 329 million representing a decrease by HRK 110.5 million compared to 31/12/2017.

Out of the total guarantees and joint warranties the amount of HRK 214.6 million refers to good performance guarantees.

The Končar Group business activities are divided into following 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

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



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 and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc. the Annual (Extraordinary) General Meeting makes the decision on nomination and recalling of the Supervisory Board. The Supervisory Board is responsible for appointment and recall of Managing Board Members and supervision over management of business activities of the Company. Any more significant transactions and business decisions (the level of transactions is defined by the Supervisory Board Rules of Procedure and Statues of associated 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 September, 2018

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 1,844.6 million for the time period from January to September, 2018 that are lower by 4.2 % compared to the achievements during the same time period of 2017.

Operating incomes were generated in the amount of HRK 1,969.4 million and they are 3.7 % lower than the achievement of the time period from January to September of 2017. The share of incomes from sales of products and services in the operating incomes amounts to 93.6 %.

Operating expenses were achieved in the amount of HRK 1,901.4 million and they are lower by 4.9 % than the achievement for the same time period of 2017.

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The difference between operating incomes and operating expenses gives the profit of operating activities in the amount of HRK 68.1 million making it higher by HRK 22.4 million or 48.9 % than the achievement for the time period January to September of 2017.

The share in the profit of the associated entrepreneurs amounts to HRK 24.9 million that is lower by HRK 17.3 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 7.1 million.

The profit of operating activities in the amount of HRK 68.1 million, the share in the profit of the associated entrepreneurs in the amount of HRK 24.9 million and the negative difference between financial incomes and expenses in the amount of HRK 7.2 million make the consolidated profit before tax in the amount of HRK 85.8 million. The profit tax advance payment amounts to HRK 14.3 million, while the profit after tax amounts to HRK 71.5 million out of which the amount of HRK 16.3 million belongs to the non-controlling interest (the minority interest) and the amount of HRK 55.2 million to the Group Mother Company shareholders. The profit after tax is higher by 3.4 % compared to the achievement of the 3rd quarter of 2017.

Out of 16 Končar Group Companies, 14 Companies generated a positive financial result, while two companies expressed a loss in the total amount of HRK 4.4 million that belongs to the Mother Company shareholders.

Incomes from sales of products and services generated in the domestic market amount to HRK 751.1 million that were lower by 5.8 % than the achievement during the time period from January to September of 2017.

Within the structure of incomes from sales of products and services in the domestic market, the income from sales of products and services to companies belonging to HEP - the Croatian Power Authority (HEP – Generation, HEP – Distribution System Operator, HOPS – Croatian Transmission System Operator) was generated in the amount of HRK 224.9 million (29.9 % out of the total income achieved from sales of products and services in the domestic market). Compared to the previous year, the sales of products and services to HEP – the Croatian Power Authority was lower by HRK 72.6 million or 24.4 %.

Out of more significant buyers in the Croatian market, the income was achieved from sales of products and services to Končar – Power Transformers in the amount of HRK 62.5 million (8.3 % of the total incomes in the domestic market) and to Zagreb Holding in the amount of HRK 51.3 million or 6.8 % of the total achieved incomes in the domestic market.

Incomes from sales of products and services that were exported were generated in the amount of HRK 1,093.5 million that were lower by 3.1 % than the achievement of the same time period of the previous year.

The share of the export in the total incomes from sales of products and services amounted to 59.3 %. The most important export of goods and services was achieved in the market of Sweden in the amount of HRK 181 million or 16.6 % of the total export. The export to the market of Germany was performed in the amount of HRK 134.4 million or 12.3 % of the total export. Goods and services in the amount of



HRK 56.8 million were exported to Austria, HRK 52.1 million to Bosnia and Herzegovina and HRK 50.8 million to the Check Republic.

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 in the markets of Sweden (increase of HRK 20.3 million), the Check Republic (increase of HRK 17.9 million), Norway (increase of HRK 15.5 million) and the United Arab Emirates (increase of HRK 13.5 million).

During the time period January – September, 2017, the Končar Group Companies contracted new projects in the amount of HRK 2,245.6 million. Out of the total contracted new projects HRK 892.1 million (39.7 % of the total of contracted new projects) referred to the domestic market and HRK 1,353.5 million (60.3 % of the total of contracted new projects) referred to exporting contracts. In the comparison to the contracted projects during the same time period of the previous year, more new projects were contracted in the amount of HRK 614.7 million.

Out of the contracted projects for the domestic market during the time period from January to September of 2018, the majority refers to the HEP Group Companies (HEP – Generation, HEP – Distribution System Operator, HOPS – Croatian Transmission System Operator) in the amount of HRK 271 million or 30 % of the totally contracted new projects in the domestic market and Zagreb Holding in the amount of HRK 61.6 million (6.9 %).

During the time period January to September, 2018, the largest part of contracted projects (16.2 %) for the export market referred to the market of Bosnia and Herzegovina in the amount of HRK 220.4 million. New projects in the amount of HRK 179.2 million were contracted for the market of Germany, HRK 140.1 million for the market of Sweden and HRK 127.8 million for the market of Bulgaria.

On the basis of the dynamics of the delivery, the amount of HRK 1,194.3 million of new projects will be performed in 2018, while contracted projects to be performed during 2019 and following years amount to HRK 1,051.3 million.

The status of the contracted projects as of 30th September, 2018, amounted to HRK 3,429.2 million making it 13 % or HRK 401 million higher compared to the status at the beginning of the year. The status of unsettled liabilities in the domestic market is 9 % higher and in the export 18 % higher than at the beginning of the year.

The import in the amount of HRK 487.5 million was performed during the time period from January to September, 2018. The import of raw materials and materials amounted to HRK 474.8 million, while investment acquisitions amounted to HRK 12.7 million. During the same time period of this year, incomes from sales of products and services in export were achieved in the amount of HRK 1,093.5 million. The export import coverage coefficient amounted to 2.3.

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 2,489.1 million that was HRK 4.2 million more compared to the level on 31st December, 2017 and they made 68.8 % of the total sources. Long term reserves amounted to HRK 207.9 million and made 5.7 % of the total sources. Long term and current liabilities amounted to HRK 841 million making them lower by HRK 11.6 million than the



situation at the end of 2017 and they made 23.2 % of total sources. Within the current liabilities, payables to suppliers amounted to HRK 326 million and they made 9 % of the total sources. Total loans (long term and current) amounted to HRK 173.7 million and they were lower by HRK 10.9 million compared to the situation as of 31st December, 2017 and they made 4.8 % of the total sources.

Long term asset sources (capital, long term reserves and long term liabilities) were higher by HRK 810.1 million than the long-term assets and the average level of stocks. Current assets were 3 times higher than the current liabilities. The consolidated balance sheet structure showed a good adjustment between assets and investments as well as a good financial stability of the Končar Group.

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
Managing Board President

30th October, 2018



**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 – September, 2018.

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

30th September, 2018

- Note:

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

Contact persons:

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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, 2018.

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.
Managing Board President

Darinko Bago

27th July, 2018

- **Note:**

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

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

Predsjednik Nadzornog odbora: Petar Vlaić; Uprava: Darinko Bago; predsjednik, Miki Huljić, Marina Kralj Miliša, Davor Mladina, Miroslav Poljak; članovi
Registrirano: Trgovački sud Zagreb, MBS 0800409036, Žiro račun: Zagrebačka banka d.d., poslovni račun broj 2360000-1101376107, MB: 3282635, OIB:
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KONČAR

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Appendix 1

Reporting period:

1.1.2018

to

30.9.2018

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

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.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 30.9.2018

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	1.205.872.643	1.299.448.720
I. INTANGIBLE ASSETS (004 do 009)	003	1.441.796	1.441.796
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.441.796	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	357.974.015	360.712.339
1. Land	011	74.199.079	72.935.155
2. Buildings	012	109.532.267	97.169.394
3. Plant and equipment	013	11.137.311	11.810.116
4. Tools, working inventory and transportation assets	014	2.802.248	3.131.592
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	2.592.299	1.490.571
7. Tangible assets in progress	017	6.416.686	22.172.588
8. Other tangible assets	018		
9. Investment in real-estate	019	151.294.124	152.002.924
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	837.816.874	929.327.839
1. Share in related parties	021	768.867.585	860.194.678
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023	67.722.257	67.722.257
4. Loans to companies with participating interest	024		
5. Investments in securities	025	1.227.032	1.410.904
6. Loans, deposits, etc.	026	0	0
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	8.639.959	7.966.747
1. Receivables from related parties	030		0
2. Receivables arising from sales on credit	031	5.948.825	5.307.716
3. Other receivables	032	2.691.134	2.659.030
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	459.479.435	356.660.149
I. INVENTORIES (036 do 042)	035	58.409	156.249
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	58.409	156.249
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	32.442.776	18.389.720
1. Receivables from related parties	044	11.155.877	9.070.833
2. Receivables from end-customers	045	1.395.893	155.506
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	36.027	79.862
5. Receivables from government and other institutions	048	693.857	346.308
6. Other receivables	049	19.161.122	8.737.211
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	207.374.092	8.441.000
1. Share in related parties	051		
2. Loans to related parties	052	59.075.456	8.000.000
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	148.298.636	441.000
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	219.604.158	329.673.181
D) PREPAYMENTS AND ACCRUED INCOME	059	424.452	1.466.784
E) TOTAL ASSETS (001+002+034+059)	060	1.665.776.531	1.657.575.654
F) OFF BALANCE SHEET ITEMS	061	521.737.196	358.785.447

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.644.657.086	1.640.551.134
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	359.719.093	387.620.602
1. Legal reserves	066	41.386.077	44.839.799
2. Reserve for own shares	067	4.143.784	10.143.784
3. Treasury shares and shares (deductible items)	068	4.143.784	9.403.554
4. Statutory reserves	069	217.684.029	217.684.029
5. Other reserves	070	100.648.987	124.356.544
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	69.074.443	37.066.982
1. Net profit for the period	076	69.074.443	37.066.982
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	3.312.434	3.312.434
1. Provisions for pensions, severance pay and similar liabilities	080	3.312.434	3.312.434
2. Provisions for tax liabilities	081		
3. Other provisions	082	0	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	17.250.045	13.155.701
1. Liabilities to related parties	094	9.665.210	8.192.802
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	2.425.779	2.095.466
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.058.642	749.595
9. Taxes, contributions and similar liabilities	102	2.184.010	740.605
10. Liabilities arising from share in the result	103	479.583	551.798
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	436.820	825.436
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	556.965	556.384
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.665.776.531	1.657.575.654
G) OFF BALANCE SHEET ITEMS	108	521.737.196	358.785.447
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 1.1.2018 to 30.9.2018

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	70.399.658	13.030.150	54.465.652	12.289.777
1. Rendering of services	112	37.639.972	12.730.689	35.953.880	12.158.954
2. Other operating income	113	32.759.686	299.461	18.511.773	130.823
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	84.983.533	14.835.654	55.971.910	18.350.521
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	18.734.625	5.274.460	21.386.470	8.147.950
a) Costs of raw materials	117	3.879.202	1.051.405	3.944.662	1.061.520
b) Cost of goods sold	118				
c) Other material expenses	119	14.855.423	4.223.055	17.441.808	7.086.430
3. Employee benefits expenses (121 do 123)	120	14.773.604	3.523.142	15.680.330	4.014.135
a) Net salaries	121	7.509.665	1.856.421	7.543.915	2.156.833
b) Tax and contributions from salary expenses	122	5.103.038	1.149.170	5.836.554	1.270.388
c) Contributions on salary	123	2.160.902	517.550	2.299.861	586.914
4. Depreciation and amortisation	124	5.794.944	1.979.201	6.107.661	1.937.566
5. Other expenses	125	14.261.263	3.782.668	12.741.455	4.250.021
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			0	0
8. Other operating costs	130	31.419.098	276.183	55.994	850
III. FINANCIAL INCOME (132 do 136)	131	54.856.427	3.693.974	43.518.972	1.877.553
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	48.649.330	457.947	41.000.317	202.155
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	6.207.097	3.236.027	2.334.783	1.675.398
3. Income from investments in associates and joint ventures	134			0	0
4. Unrealised gains (income) from financial assets	135			183.872	0
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	7.233.195	67.320	4.945.733	259.324
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	7.233.195	67.320	4.945.733	259.324
3. Unrealised losses (expenses) from financial assets	140			0	0
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	125.256.085	16.724.124	97.984.625	14.167.331
X. TOTAL EXPENSES (114+137+143+145)	147	92.216.728	14.902.974	60.917.642	18.609.845
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	33.039.357	1.821.150	37.066.982	-4.442.514
1. Profit before taxes (146-147)	149	33.039.357	1.821.150	37.066.982	
2. Loss before taxes (147-146)	150				4.442.514
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	33.039.357	1.821.150	37.066.982	-4.442.514
1. Profit for the period (149-151)	153	33.039.357	1.821.150	37.066.982	
2. Loss for the period (151-148)	154				4.442.514
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	33.039.357	1.821.150	37.066.982	-4.442.514
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	33.039.357	1.821.150	37.066.982	-4.442.514
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 1.1.2018 to 30.9.2018

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	42.543.896	18.974.904
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	1.913.197	
5. Other cash receipts	005	6.876.017	9.121.858
I. Total increase in cash flow from operating activities (001 to 005)	006	51.333.110	28.096.762
1. Cash paid to suppliers	007	37.982.233	16.643.433
2. Cash paid to employees	008	19.321.736	18.400.050
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	503.406	539
5. Tax paid	011	3.879.251	3.019.387
6. Other cash outflows	012	7.673.683	8.412.435
II. Total decrease in cash flow from operating activities (007 to 012)	013	69.360.309	46.475.844
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	18.027.199	18.379.082
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	1.907.152	33.474.497
2. Cash inflows from sale of equity and debt financial instruments	017	2.626.418	8.219
3. Interest receipts	018		
4. Dividend receipts	019	112.827.248	39.594.248
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	117.360.818	73.076.964
1. Cash outflows for purchase of long - term tangible and intangible assets	022	5.557.247	19.107.098
2. Cash outflows for purchase of equity and debt financial instruments	023	20.285.672	82.029.800
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	25.842.919	101.136.898
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	91.517.899	
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027		28.059.934
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	72.068.596	205.653.990
V. Total cash inflows from financing activities (028 to 030)	031	72.068.596	205.653.990
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	30.803.582	35.933.866
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		5.212.085
5. Other cash outflows from financing activities	036	183.819.359	8.000.000
VI. Total cash outflows from financing activities (032 to 036)	037	214.622.941	49.145.951
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		156.508.039
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	142.554.345	
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040		110.069.023
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	69.063.645	
Cash and cash equivalents at the beginning of period	042	88.789.740	219.604.158
Decrease in cash and cash equivalents	043		110.069.023
Increase in cash and cash equivalents	044	69.063.645	
Cash and cash equivalents at the end of period	045	19.726.095	329.673.181

STATEMENT OF CHANGES IN EQUITY

period **1.1.2018** to **30.9.2018**

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	359.719.093	387.620.602
4. Retained earnings or loss carried forward	004	6.248.041	6.248.041
5. Net profit or loss for the period	005	69.074.443	37.066.982
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	1.644.657.086	1.640.551.134
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		