ENERGOPROJEKT HOLDING CO.

BALANCE SHEET
on December 31, 2009

in 000 RSD

Group accounts account	POSITION	EDP	Note no.	Amount Current year	Previous year
1	2	3	4	5	6
	A. NON-CURRENT ASSETS (002+003+004+005+009)	001	-	**4,685,493**	**4,558,463**
00	I. UNPAID SUBSCRIBED CAPITAL	002	-	-	-
012	II. GOODWILL	003	-	-	-
01 w/out 012	III. INTANGIBLE ASSETS	004	18	9,617	5,095
	IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	005	-	452,550	456,546
020,022,023, 026,027(part), 028(part) ,029	1. Property, plant and equipment	006	19,20	452,550	456,546
024,027(part) 028(part)	2. Investment property	007	-	-	-
021,025,027 (part) and 028(part)	3. Biological assets	008	-	-	-
	V. LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	-	**4,223,326**	**4,096,822**
030 to 032, 039(part)	1. Equity share	010	21	4,221,138	4,093,766
033 to 038, 039(part) less 037	2. Other long-term financial investments	011	22	2,188	3,056
	B. CURRENT ASSETS (013+014+015)	012	-	**7,422,862**	**4,806,253**
10 to 13,15	I. INVENTORIES	013	23	4,655,835	2,728,182
14	II. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS	014	-	-	-
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015	-	2,767,027	2,078,071
20, 21 and 22, except 223	1.Receivables	016	24	771,841	442,672
223	2.Receivables for overpaid income tax	017	24	-	15,728
23 less 237	3.Short-term financial investments	018	25	723,680	432,278
24	5.Cash equivalents and cash	019	26	568,353	746,725
27 and 28 except 288	4.VAT and accruals	020	27	703,153	440,668
288	**C. DEFERRED TAX ASSETS**	021	-	-	-
	D. OPERATING ASSETS (001+012+021)	022	-	**12,108,355**	**9,364,716**
29	**E. LOSS OVER CAPITAL**	023	-	-	-
	F. TOTAL ASSETS (022+023)	024	-	**12,108,355**	**9,364,716**
88	**G. OFF-BALANCE SHEET ITEMS**	025	44	**13,174,018**	**16,684,978**

Group accounts, account	POSITION	EDP	Note no.	Amount Current year	Previous year
1	2	3	4	5	6
	CAPITAL AND LIABILITIES **A. CAPITAL (102+103+104+105+106-107+108-109-110)**	101	-	**6,274,195**	**5,790,873**
30	I. ISSUED AND OTHER CAPITAL	102	28,29	**3,814,302**	**3,214,790**
31	II. UNPAID SUBSCRIBED CAPITAL	103	-	**-**	**-**
32	III. RESERVES	104	30	**1,675,491**	**1,647,019**
330 i 331	IV. REVALUATION RESERVES	105	31	**53,103**	**41,502**
332	V. UNREALIZED GAINS BASED ON SECURITIES AVALIABLE FOR SALE	106		**25,346**	**24,325**
333	V. UNREALIZED LOSSES BASED ON SECURITIES AVAILABLE FOR SALE	107		**-**	**162**
34	VII. RETAINED EARNINGS	108	32	**709,871**	**866,826**
35	VIII. LOSS	109	-	**-**	**-**
037 and 237	IX. REDEEMED OWN SHARES	110	33	**3,918**	**3,427**
	B. NON-CURRENT PROVISIONS AND LIABILITIES (112+113+116)	111	-	**5,824,353**	**3,565,304**
40	I. NON-CURRENT PROVISIONS	112	34	**261,021**	**262,120**
41	II. NON-CURRENT LIABILITIES (114+115)	113	-	**7,993**	**84,702**
414, 415	1. Long-term credits	114	-	**-**	**-**
41 w/out 414 and 415	2. Other non-current liabilities	115	36,37	**7,993**	**84,702**
	III. CURRENT LIABILITIES (117+118+119+120+121+122)	116	-	**5,555,339**	**3,218,482**
42, except 427	1. Short-term financial liabilities	117	38	**145,837**	**134,827**
427	2. Liabilities from assets held for sale and assets from discontinued operations	118	-	**-**	**-**
43 and 44	3. Liabilities from business operations	119	39	**5,359,451**	**3,050,428**
45 i 46	4. Other short-term liabilities	120	41	**23,506**	**25,173**
47, 48 except 481 and 49 except 498	5. VAT and other public liabilities and accruals	121	40	**8,240**	**6,367**
481	6. Income tax liabilities	122	40	**18,305**	**1,687**
498	**C. DEFERRED TAX LIABILITIES**	123	42	**9,807**	**8,539**
	D. TOTAL CAPITAL AND LIABILITIES (101+111+123)	124	-	**12,108,355**	**9,364,716**
89	**E. OFF-BALANCE SHEET ITEMS**	125	44	**13,174,018**	**16,684,978**

ENERGOPROJEKT HOLDING CO.

INCOME STATEMENT
for the period January 1 to December 31 , 2009

in 000 RSD

Group accounts, account	P O S I T I O N	EDP	Note no.	Amount Current year	Previous year
1	2	3	4	5	6
	A. BUSINESS REVENUE AND EXPENSES **I. BUSINESS REVENUE (202+203+204-205+206)**	201	-	**2,593,355**	**1,906,564**
60 and 61	1. Sale revenue	202	6	693,206	589,351
62	2. Revenue from undertaking of outputs and goods for own purposes	203	6	377	-
630	3. Increase of inventories	204	7	1,898,751	1,315,336
631	4. Decrease of inventories	205	-	-	-
64 and 65	5. Other business revenue	206	8	1,021	1,877
	II. BUSINESS EXPENSES (208 to 212)	207	-	**2,212,420**	**1,684,948**
50	1. Cost value of sold goods	208	-	-	-
51	2. Cost of material	209	9	17,033	14,924
52	3. Staff costs	210	10	168,397	177,980
54	4. Depreciation and provisions costs	211	11	19,557	15,420
53 and 55	5. Other business expenses	212	12	2,007,433	1,476,624
	III. PROFIT FROM OPERATIONS (201 - 207)	213	-	**380,935**	**221,616**
	IV. LOSS FROM OPERATIONS (207 - 201)	214	-	**-**	**-**
66	V. FINANCIAL REVENUE	215	13	**566,754**	**741,911**
56	VI. FINANCIAL EXPENSES	216	13	**457,945**	**393,821**
67, 68	VII. OTHER REVENUE	217	14	**11,338**	**12,987**
57, 58	VIII. OTHER EXPENSES	218	14	**4,809**	**88,885**
	IX. PROFIT FROM OPERATIONS BEFORE TAX (213-214+215-216+217-218)	219	-	**496,273**	**493,808**
	X. LOSS FROM OPERATIONS BEFORE TAX (214-213-215+216-217+218)	220	-	**-**	**-**
69-59	XI. NET PROFIT FROM DISCONTINUED OPERATIONS	221	-	1,258	-
59-69	XII. NET LOSS FROM DISCONTINUED OPERATIONS	222	-	-	-
	B. PROFIT BEFORE TAX (219-220+221-222)	223	-	**497,531**	**493,808**
	V. LOSS BEFORE TAX (220-219+222-221)	224	-	**-**	**-**
	G. INCOME TAX		-	**-**	**-**
721	1. Tax expenses for the period	225	15	**27,126**	**4,519**
722	2. Deferred tax expenses for the period	226	15	**1,268**	**403**
722	3. Deferred tax revenues for the period	227	-	**-**	**-**
723	**D. EMPLOYER`S EARNINGS PAID**	228	-	**-**	**-**
	Đ. NET PROFIT (223-224-225-226+227-228)	229	-	**469,137**	**488,886**
	E. NET LOSS (224-223+225+226-227+228)	230	-	**-**	**-**
	Ž. NET PROFIT BELONGING TO MINORITY INVESTORS	231	-	**-**	**-**
	Z. NET PROFIT BELONGING TO EQUITY HOLDERS OF THE PARENT COMPANY	232	-	**-**	**-**
	I. EARNINGS PER SHARE		-	**-**	**-**
	1. Basic earnings per share	233	-	**-**	**-**
	2. Deacreased (diluted) earnings per share	234	-	**-**	**-**
	Total revenue (201+215+217+221)			**3,172,705**	**2,661,462**
	Total expenses (207+216+218+222)			**2,675,174**	**2,167,654**
	Gross results			**497,531**	**493,808**

ENERGOPROJEKT HOLDING CO.

CASH FLOW STATEMENT
for the period January 1 to December 31 , 2009

in 000 RSD

Position	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM BUSINESS ACTIVITIES			
I. Cash flow from business activities (1 to 3)	301	**2,812,799**	**2,374,123**
1. Sale and received advance payments	302	2,796,382	2,299,177
2. Received interests from business activities	303	319	48,952
3. Other cash flow from regular operations	304	16,098	25,994
II. Cash outflow from business activities (1 to 5)	305	**2,910,669**	**2,338,647**
1. Cash to suppliers and advances paid	306	2,659,031	1,988,483
2. Staff costs	307	170,660	185,997
3. Interests paid	308	6,191	52,175
4. Income tax	309	-	12,764
5. Other public duties	310	74,787	99,228
III. Net cash flow from business activities (I-II)	311	**-**	**35,476**
IV. Net cash outflow from business activities (II-I)	312	**97,870**	**-**
B. CASH FLOW FROM INVESTMENTS			
I. Cash flow from investments (1 to 5)	313	**129,832**	**452,435**
1. Sale of shares and stakes (net inflow)	314	-	-
2. Sale of intangible assets, property, plant, equipment and biological assets	315	1,676	3,072
3. Other financial investments (net inflow)	316	-	50,597
4. Interests received from investments	317	29,747	-
5. Dividends received	318	98,409	398,766
II. Cash outflow from investments (1 to 3)	319	**261,161**	**174,699**
1. Acquisition f shares and stakes (net outflow)	320	-	17,857
2. Acquisition of intangible assets, property, plant, equipment and biological assets	321	21,736 -	156,842
3. Other financial investments (net outflow)	322	239,425	-
III. Net cash flow from investments (I-II)	323	**-**	**277,736**
IV. Net cash outflow from investments (II-I)	324	**131,329**	**-**
V. CASH FLOW FROM FINANCING ACTIVITIES			
I. Cash flow from financing activities (1 to 3)	325	**8,612**	**-**
1. Increase of capital assets	326	8,612	-
2. Long-term and short-term credits (net inflow)	327	-	-
3. Other long-term and short-term liabilities	328	-	-
II. Cash outflow from financing activities (1 to 4)	329	**10,283**	**278,264**
1. Acquisition of own shares and stakes	330	4,954	3,427
Long and short-term credits and other liabilities (net outflow)	331	-	266,513
3. Finance leasing	332	4,773	7,655
4. Dividends paid	333	556	669
III. Net cash flow from financing activities (I-II)	334	**-**	**-**
IV. Net cash outflow from financing activities (II-I)	335	**1,671**	**278,264**
G. TOTAL CASH FLOW (301+313+325)	336	**2,951,243**	**2,826,558**
D. TOTAL CASH OUTFLOW (305+319+329)	337	**3,182,113**	**2,791,610**
DJ. NET CASH FLOW (336-337)	338	**-**	**34,948**
E. NET CASH OUTFLOW (337-336)	339	**230,870**	**-**
Z. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	340	**746,725**	**629,350**
Z. GAINS ON EXCHANGE	341	**238,033**	**99,644**
I. LOSS ON EXCHANGE	342	**185,535**	**17,217**
J. CASH AT THE END OF THE ACCOUNTING PERIOD (338-339+340+341-342)	343	**568,353**	**746,725**

ENERGOPROJEKT HOLDING CO.

STATEMENT OF CHANGES IN CAPITAL
for the period January 1 to December 31, 2009

in 000 RSD

No.	DESCRIPTION	EDP	Issued capital (group 30 without 309)	EDP	Other capital (account 309)	EDP	Unpaid sub-scribed capital (group 31)	EDP	Emission premium (account 320)	EDP	Reserves (account 321, 322)	EDP	Revaluation reserves (group 330,331)	EDP	Unrealized gains based on securities available for sale (account 332)	EDP	Unrealized losses based on securities available for sale (account 333)	EDP	Undis-tributed profit (group 34)	EDP	Loss to the capital value (group 35)	EDP	Redeemed own shares and stakes (account 037, 237)	EDP	Total (quant. 2+3+4+5+ 6+7+8-9+ 10-11-12	EDP	Loss above capital (group 29)
	1		2		3		4		5		6		7		8		9		10		11		12		13		14
1	Balance on January 1, ________	401	3,066,185	414	27,178	427	-	440	1,595,962	453	40,441	466	125,868	479	-	492	-	505	516,813	518	-	531	-	544	5,372,447	557	-
2	Correction of materially significant errors and changes in accounting policies in the previous year - increase	402	-	415	-	428	-	441	-	454	-	467	-	480	-	493	-	506	-	519	-	532	-	545	-	558	-
3	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	403	-	416	-	429	-	442	-	455	-	468	-	481	-	494	-	507	-	520	-	533	-	546	-	559	-
4	Corrected initial balance on January 1, of the previous year (no.1+2-3)	404	3,066,185	417	27,178	430	-	443	1,595,962	456	40,441	469	125,868	482	-	495	-	508	516,813	521	-	534	-	547	5,372,447	560	-
5	Total increase in the previous year	405	121,427	418	-	431	-	444	-	457	14,625	470	11,837	483	77,295	496	2,281	509	488,886	522	-	535	3,427	548	708,362	561	-
6	Total decrease in the previous year	406	-	419	-	432	-	445	4,009	458	-	471	96,203	484	52,970	497	2,119	510	138,873	523	-	536	-	549	289,936	562	-
7	Balance on December 31, previous year (no.4+5-6)	407	3,187,612	420	27,178	433	-	446	1,591,953	459	55,066	472	41,502	485	24,325	498	162	511	866,826	524	-	537	3,427	550	5,790,873	563	-
8	Correction of materially significant errors and changes in accounting policies in the previous year - increase	408	-	421	-	434	-	447	-	460	-	473	-	486	-	499	-	512	-	525	-	538	-	551	-	564	-
9	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	409	-	422	-	435	-	448	-	461	-	474	-	487	-	500	-	513	-	526	-	539	-	552	-	565	-
10	Corrected initial balance on January 1, of the current year (no.7+8-9)	410	3,187,612	423	27,178	436	-	449	1,591,953	462	55,066	475	41,502	488	24,325	501	162	514	866,826	527	-	540	3,427	553	5,790,873	566	-
11	Total increase in the current year	411	599,512	424	-	437	-	450	5,736	463	24,415	476	27,519	489	6,227	502	-	515	469,137	528	-	541	4,647	554	1,127,899	567	-
12	Total decrease in the current year	412	-	425	-	438	-	451	1,679	464	-	477	15,918	490	5,206	503	162	516	626,092	529	-	542	4,156	555	644,577	568	-
13	Balance on December 31, of the current year (no. 10+11-12)	413	3,787,124	426	27,178	439	-	452	1,596,010	465	79,481	478	53,103	491	25,346	504	-	517	709,871	530	-	543	3,918	556	6,274,195	569	-

ENERGOPROJEKT HOLDING a.d Co.

STATISTICAL ANNEX
for the period January 1 to December 31, 2009

AND GENERAL DATA ON THE LEGAL ENTITY, I.E. ENTERPRENEUR

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Number of business months (designation from 1 to 12)	601	12	12
2. Size designation (from 1 to 3)	602	3	3
3. Ownership designation (from 1 to 5)	603	2	2
4. Number of foreign (legal or physical) entities with equity share	604	-	-
5. Average number of employees based on the balance at the end of each month (whole number)	605	75	79

II GROSS CHANGES OF INTANGIBLE ASSETS AND REAL PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. desig-nation	Gross	Correction of value	Net (col.4-5)
1	2	3	4	5	6
o1	**1.Intangible assets**				
	1.1. Balance at the beginning of the year	606	**5,779**	**684**	**5,095**
	1.2. Increase (acquisitions) during the year	607	**4,802**	**-**	**4,802**
	1.3. Decrease (sale, removal from inventory and impairment) during the year	608		**-**	**280**
	1.4.Revaluation during the year	609		**-**	**-**
	1.5.Balance at the end of the year (606+607-608+609)	610	**10,581**	**964**	**9,617**
o2	**2. Real property, plant, equipment and biological assets**			**-**	**-**
	2.1. Balance at the beginning of the year	611	**754,582**	**298,036**	**456,546**
	2.2. Increase (acquisitions) during the year	612	17,820	**-**	**17,820**
	2.3. Decrease (sale, removal from inventory and ensuring) during the year	613	4,571	**-**	**21,816**
	2.4. Revaluation during the year	614		**-**	**-**
	2.5. Balance at the end of the year (611+612-613+614)	615	**767,831**	**315,281**	**452,550**

III STRUCTURE OF INVENTORIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. desig-nation	Current year	Previous year
1	2	3	4	5
10	1. Inventories	616	-	-
11	2. Unfinished production	617	4,503,390	2,604,638
12	3. Finished products	618	-	-
13	4. Goods	619	-	-
14	5. Non-current assets held for sale	620	-	-
15	6. Advances given	621	152,445	123,544
	7.TOTAL (616+617+618+619+620+621=013)	**622**	**4,655,835**	**2,728,182**

IV STRUCTURE OF CAPITAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP desig-nation	Current year	Previous year
1	2	3	4	5
300	1. Share capital	623	3,787,124	3,187,612
	in it: foreign capital	624	-	-
301	2. Share of limited liability company	625	-	-
	in it: foreign capital	626	-	-
302	3. Shares of members of partnership and limited-partnership company	627	-	-
	in it: foreign capital	628	-	-
303	4. State-owned capital	629	-	-
304	5. Socially-owned capital	630	-	-
305	6. Cooperative shares	631	-	-
309	7. Other capital shares	632	27,178	27,178
30	**TOTAL: (623+625+627+629+630+631+632=102)**	**633**	**3,814,302**	**3,214,790**

V EQUITY STRUCTURE

Number of shares as a whole number
Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. desig-nation	Current year	Previous year
1	2	3	4	5
	1. Ordinary shares			
	1.1. Number of ordinary shares	634	9,467,810	9,107,463
part 300	1.2. Nominal value of ordinary shares - total	635	3,787,124	3,187,612
	2.Priority shares			
	2.1. Number of priority shares	636	-	-
part 300	2.2. Nominal value of priority shares - total	637	-	-
300	**3. TOAL - nominal value of shares (635+637= 623)**	**638**	**3,787,124**	**3,187,612**

VI RECEIVABLES AND LIABILITIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP desig-nation	Current year	Previous year
1	2	3	4	5
20	1. Sale receivables (balance at the end of the year 639 ≤ 016)	639	705,404	403,588
43	2. Liabilities from operations (balance at the end of the year 640 ≤ 117)	640	5,359,385	3,050,347
part 228	3. Receivables during the yearfrom insurance companies for damages (debt turover without initial balance)	641	-	-
27	4. VAT paid during acquisition of goods and services (debt turnover without initial balance)	642	362,625	242,842
43	5. Business liabilities (receivables turnover without initial balance)	643	5,269,748	3,758,811
450	6. Liabilities for net income and income compensations (receivables turnover without initial balance)	644	87,886	89,076
451	7. Liabilities for salaries tax and salaries compensations paid by employees (receivables turnover without initial balance)	645	13,554	13,808
452	8. Liabilities for contributions on salaries and salaries compensations paid by employees (receivables turnover without initial balance)	646	18,087	18,957
461,462 and 723	9. Liabilities for dividends, profti share and employer`s personal earnings (receivables turnover without initial balance)	647	1,515	1,191
465	10. Liabilities toward physical entities for compensations per contracts (receivables turnover without initial balance)	648	3,474	1,419
47	11. VAT collected during sale of products, goods and services (receivables turnover without initial balance)	649	462,153	364,035
	12. Control summary (from 639 to 649)	**650**	**12,283,831**	**7,944,074**

VII OTHER EXPENSES AND EXPENDITURES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	DEP desig-nation	Current year	Previous year
1	2	3	4	5
513	1. Fuel and energy costs	651	9,013	7,746
520	2. Salaries and salaries compensations (gross)	652	116,802	119,037
521	3. Tax expenses and contributions on salaries and salaries compensations paid by employer	653	17,651	18,872
522,523,524 and 525	4. Expenses for compensations to physical entities (gross) based on contracts	654	6,932	2,130
526	5. Expenses of compensations to BoD & Supervision Board members (gross)	655	19,101	18,805
529	6. Other personal expenses and compensations	656	7,911	19,136
53	7. Expenses of production services	657	1,938,273	1,340,632
533,part 540 and part 525	8. Lease expenses	658	525	237
part 533,part 540 & part 525	9. Expenses of land lease	659	-	-
536,537	10. Expenses of research and development	660	-	-
540	11. Depreciation expenses	661	18,741	14,860
552	12. Expenses of insurance premiums	662	9,950	8,856
553	13. Payroll expenses	663	4,260	9,800
554	14. Membership fees	664	849	770
555	15. Tax expenses	665	8,672	8,471
556	16. Contributions	666	-	-
562	17. Interests	667	8,628	51,870
part 560,part 561 and 562	18. Interests expenses and a part of financial expenses	668	8,628	51,870
part 560,part 561 and part 562	19. Interests expenses per credits and banks and dfo	669	8,607	51,822
part 579	20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for protection of the Environment and sports	670	1,861	4,604
	21. Control summary (from 651 to 670)	**671**	**2,186,404**	**1,729,518**

VIII OTHER REVENUE

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP desig-nation	Current year	Previous year
1	2	3	4	5
60	1. Goods sale revenue	672	-	-
640	2. Revenue from premiums, subsidies, dotations, recourses, compensations and tax duties returns	673	-	-
641	3. Revenue from conditioned donations	674	-	-
part 650	4. Revenue from land lease	675	-	-
651	5. Membership revenue	676	-	-
part 660, part 661, 662	6. Interests revenue	677	45,883	58,218
part 660, part 661, and part 662	7. Revenue from interests per accounts and deposits in banks and other financial organizations	678	28,660	45,400
part 660, part 661 and part 669	8. Revenue from dividends and profit share	679	212,390	409,767
	9. Control summary (from 672 to 679)	**680**	**286,933**	**513,385**

IX OTHER DATA

Amounts in 000 RSD

DESCRIPTION	EDP. desig-nation	Current year	Previous year
1	2	3	4
1. Liabilities for acscises (according to annual acscises calculation)	681	-	-
2. Calculated custom duties and other import duties (total annual amount according to calculation)	682	-	-
3. Capital subsidies and other state subsidies for construction and acquisition of capital assets and intangible assets	683	-	-
4. State allocations for premiums, recourses and covering of current operating expenses	684	-	-
5. Other state allocations	685	-	-
6. Received donations from abroad and other non-returnable assets in money or nature from foreign legal and physical entities	686	-	8,065
7. Personal income of enterpreneurs from net profit (filled in by enterpreneurs only)	687	- -	- -
8. Control summary (from 681 to 687)	**688**	**-**	**8,065**

ENERGOPROJEKT HOLDING A.D.
BEOGRAD

Notes to the Financial Statements
2009

1. COMPANY BACKGROUND

Energoprojekt Holding a.d., Beograd (hereinafter: the Company) is an open joint stock company for holding operations with a mixed ownership structure.

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 125/2004) based on the Resolution of Compliance with the Companies Law and the Articles of Association adopted by the General Meeting on 28/09/2006.

The Company originally registered with the Commercial Court of Belgrade in registry insert number 1-2511-00, and later re-registered with the Serbian Business Registers Agency with Decision BD 8020/2005 of 20/05/2005.

Based on Decision No. VIII Fi 8390/99 issued 30/06/2000 by the Commercial Court of Belgrade, the Company harmonized its operations with the Companies Law (FRY Official Gazette No. 29/96), the Law on Business Classification (FRY Official Gazette No. 31/96) in respect of the company name, registered business, equity and management, and changed its name from “Energoprojekt Holding share based company in mixed ownership for incorporating, financing and managing other companies”, at the time registered by Decision No. FI 5843/91 of 13/06/1991 of the same court, to “Energoprojekt Holding joint stock company for holding operations”.

The legal predecessor of Energoprojekt Holding share based company in mixed ownership is Energoprojekt Holding Korporacija, registered with the District Court of Belgrade by Decision No. Fi 423 of 12/01/1990, a company that was organized under the previous Companies Law (SFRY Official Gazette No. 77/88, 40/89, 46/90 and 60/91) through adoption of the Self-Management Agreement for Organizational Changes in the Composite Organization of Associated Labour “Energoprojekt“ and the associated workers’ organizations, as it was styled at the time, at a referendum held 08/12/1989.

Energoprojekt Group consists of the parent company Energoprojekt Holding a.d., Beograd with its 10 (ten) subsidiaries (9 joint stock companies and 1 limited company) with an equity share of 50% or more, and 2 (two) affiliated companies (1 limited company and 1 joint stock company) with an equity share of 50% or less.

	Name of subsidiary	% Share of equity in subsidiary
1	EP-Visokogradnja a.d.	92,39
2	EP-Niskogradnja a.d.	93,32
3	EP-Oprema a.d.	67,87
4	EP-Hidroinženjering a.d.	94,84
5	EP-Urbanizam i arhitektura a.d.	94,40
6	EP-Promet d.o.o.	100,00
7	EP-Energodata a.d.	96,43
8	EP-Industrija a.d.	62,77
9	EP-Entel a.d.	86,26
10	EP-Garant a.d.o.	64,13

	Name of affiliate	% Share of equity in affiliated company
1	Enjub d.o.o.	50,00
2	Energobroker a.d.	28,60

Based on the relevant management resolutions of Energoprojekt Holding a.d., Energoprojekt Energodata a.d., Energoprojekt Ingraf d.o.o. and Be company d.o.o. and in accordance with legal requirements and procedures, a merger by fusion absorption was executed whereby Energoprojekt Energodata a.d., as the acquirer, merged with Energoprojekt Ingraf d.o.o. and Be company d.o.o., which ceased to exist.

The Serbian Business Registers Agency approved the deletion of Energoprojekt Ingraf d.o.o. and Be company d.o.o. from the Business Registry, and approved the new data entry concerning the equity increase of Energoprojekt Energodata a.d.

Accordingly, Energoprojekt Holding a.d. updated its business books to reflect the change of equity share in Energoprojekt Energodata a.d.

Under Art. 7 of the Law on Accounting and Auditing, the Company was classified as a large business enterprise in 2009.

Our registered head office address is: Bulevar Mihaila Pupina 12, 11070 Beograd.

Tax registration number: 100001513.

Registration number: 07023014.

Registered business code :74150 (110620).

The company had an average of 75 employees in 2009 (2008: 79 employees).

The company’s shares are listed on the A-list of the Belgrade Stock Exchange.

The financial statements were approved by the Board of Directors at the 11th meeting held February 25, 2010.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements to which these Notes refers were prepared in accordance with the Law on Accounting and Auditing (RS Official Gazette 46/2006) and the underlying regulations, by applying the accounting policies described in Note 4 of this report and generally accepted practices in Serbia.

The Company's financial statements are presented in the format prescribed by the Regulation of Changes and Amendments of the Regulation of the Form and Content of Financial Statements of Companies, Cooperatives, Other Legal Entities and Entrepreneurs (RS Official Gazette No. 119/08).

2.1. Functional and reporting currency

The figures in the financial statements have been prepared in thousand of RSD. The RSD represents functional and reporting currency. All transactions made in the currencies which are not the functional are treated as foreign currency transactions.

The figures in the financial statements are shown in RSD thousand, in the functional and domicile currency as at balance sheet date – 31/12/2009.

Comparative data is shown in RSD thousand as of 31/12/2008.

The official NBS middle exchange rates used in the translation of monetary assets and liabilities were as follows:

	31/12/2009	31/12/2008
EUR	95,8888	88,6010
USD	66,7285	62,9000

3. MANAGEMENT ESTIMATION

Preparation of the consolidated financial statements in accordance with IAS/IFRS requires that the management performs estimation, ponderation and assumption reflecting on the reporting figures of assets, liabilities, revenues and expenses. The obtained results may differ from estimated.

The Board of Directors reviewed, and based on the Assets and Liabilities Committee report approved the direct and indirect write off of financial investments and receivables which were assessed as non-collectible.
The following items were assessed as non-collectible and indirectly written off as such:

- claims from funds in connection with the payment of sick leave benefits longer than 30 days prior to 2006, in the total of 722 thousand RSD,
- short term financial investment in the subsidiary company Promet d.o.o. of 895 thousand RSD, whose business status is currently suspended (see Note 14 "Impairment of receivables and short-term financial investments" and Notes 24/25 "Accounts receivable" and "Short-term financial investments").

Direct write off was also applied to the earlier adjusted equity shares (Energoprojekt Epstan and Energoprojekt Promet) and receivables (from subsidiaries and affiliated companies, dividend claims and staff receivables) for which there is no possibility of collection and are therefore non-recoverable in the total of 87.016 thousand RSD.
(Note 21 "Equity shares" and Note 24 "Accounts receivables")

4. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

(a) Principles of valuation – basic assumptions

The financial statements are prepared on the accrual basis of accounting and going concern.

Under this basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid). Financial statements prepared on the accrual basis (except Cash Flow Statement) inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the future and of resources that represent cash to be received in the future.

The financial statements are prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

(b) Recognition of the elements of financial statements

An asset is recognized in the balance sheet when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

A liability is recognized in the balance sheet when it is probable that outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Income is recognized in the income statement when an increase in the future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Expenses are recognized in the income statement when a decrease in the future economic benefits related to a decrease in an asset or an increase of liability has arisen that can be measured reliably.

Under a financial concept of capital, such as invested money or invested purchasing power, capital is synonymous with the equity of the Company. The concept of capital is shown in the financial capital maintenance. Financial capital maintenance is measured into nominal monetary items-RSD. Under this concept a profit is earned only if the financial (or money) amount of the net assets at the end of period exceed the financial (or money) amount of net assets at the beginning of the period, after excluding any distributions to, and contributions from, owners during the period.

(c) Profits/losses on translation of foreign currencies

Cash, receivables and liabilities in foreign currencies are translated into the functional currency at the official rate of exchange ruling at the balance sheet date. Gains and losses arising on the translation of foreign currency receivables and liabilities into RSD amounts are treated as revenues/expenses of the period.

Cash, receivables and liabilities secured with a currency clause are translated at the official rate of exchange ruling at the balance sheet date, and the effects are recorded in the income statement as a financial revenue or expense.

(d) Sales revenue

Sales revenue is defined based on invoices and completed sales transactions until the end of the accounting period, provided a debtor-creditor relation was created on that date and that an invoice was issued. Revenues are measured at the fair value of the consideration received or receivables taking into account the amount of any trade discount and volume rebates allowed by the company. The difference between the fair value and the nominal amount is recognized as interest revenue. Revenue from the sale of goods is recognized when all of the following conditions have been satisfied:

- the Company has transferred to the buyer any and all significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues from services rendered are recognized by reference to the stage of completion of the transaction at the balance sheet date.

(e) Operating expenses

Operating expenses comprise of costs of purchase, material used, gross salaries and compensations for salaries, depreciation and provisions, producing costs and non material costs.
The basic elements and principles of expense recognition are:

- expenses are recognized and stated when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably;
- expenses are recognized on the basis of a direct association between the costs incurred and the earnings (going concern);

- when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognized on the basis of systematic and rational allocation procedure;
- expenses are recognized immediately when an expenditure produces no future economic benefits or when future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as asset;
- expenses are also recognized in those cases when a liability is incurred without the recognition of an asset.

(f) Profit and losses

Profit represents increases in economic benefits, include those arising on sale of fixed assets for price higher than net book value, unrealized gains arising on the sale of securities (when securities measured by their market price) and those resulting from increases in the net book value of fixed assets because of stopping circumstances causing their decreasing.

Losses arising on the sale of assets by prices lower than book value, those arising on the disposal of non write off fixed assets, damages which can be refunded in whole or separately from insurances and by applying principle of decrease in assets value.

(g) Financial revenues and expenses

The financial revenues and expenses include revenue and expenses from interest weather due, paid or added to the amount of receivables or liabilities on the balance sheet date, gains and losses from exchange, as well as those arising from relation between entity, associates and subsidiaries and others.

Revenues from dividends are recognized as income in the year when they are approved for payment.

(h) Income tax

Income tax represents the amount that is calculated in accordance with Serbian Republic Law. Tax obligation is calculated at 10% on the taxable income (in 2007: 10%). The taxable income represents gross income in the income statement, prepared in accordance with the accounting regulations, less some revenue and expenditure according to the tax regulations. Tax deductions are also applied (investments in fixed assets in the entity’s registered line of business and other tax deductions according to the tax regulations for which the Company is eligible).

(i) Deferred income tax

Deferred income tax is reserved entirely, applied liability method, for temporary differences arising from tax base and accounting amounts disclosed in the financial statements.

The amount of deferred income tax is determined by the legal rates in force.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities may also be offset against each other.

The Company applies IAS 12 which defines temporary differences and calculated deferred tax liabilities/assets. Temporary differences are the result of different tax bases for calculating depreciation for accounting and tax purposes according to the applicable regulations.

(j) Employee benefits

/i/ Pension insurance and employee benefits

The Company makes payments on behalf of its employees duties to the Pension Fund of the Republic of Serbia. All employees are the members of this pension fund. All contributions arising from said obligation are recognized as an expense/liability at the time of the transaction. Companies within the System do not have their own pension funds or post-employment plans in the event of termination hence there are no pension duties.

/ii/ Health insurance

The Company pays health insurance contributions which are recognized as an expense/liability when calculated.

/iii/ Retirement bonus

The Company pays to its employees a retirement bonus equal to three salaries obtained in the month preceding the retirement month (according to the terms of the Particular Collective Agreement) or the legal minimum if higher.

/iiii/ Post-employment benefits

A severance wage is payable in cases of consensual termination of an employment contract when the employer and employee agree on termination of employment in exchange for a severance wage, subject to management approval.

(k) Intangible assets, property, plant and equipment, biological assets and investment property

Intangible assets are identifiable non monetary assets without physical substance controlled by the Company if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise.

Intangible assets comprise of: goodwill, licenses, concession, trademarks, accounting software, franchises, design and implementation of new products, processes or systems, copyrights, investment in other properties, plants and equipment, etc.

Property, plant and equipment are:

- tangible assets that are held by a company for use in the production or supply of goods or services, for rental to others, or for administrative purpose;
- tangible assets that are expected to be used during more than one period;

An item of property, plant and equipment is recognized as an asset:

- if it is probable that future economic benefits associated with the item will flow to the entity; and
- if the cost of the item can be measured reliably.

An item of property, plant and equipment are initially measured at its cost – purchase price. The cost price consists of the invoiced amount plus any directly attributable costs of bringing the asset to working condition for its intended use. Cost price of aforementioned assets produced in the own production comprises of direct costs and indirect ones relating to this investment.
The purchase cost or price cost includes borrowing costs which may be indirectly added to the purchase, construction or production the asset available for use in accordance with IAS/IFRS.

Subsequent expenses relating to an item of intangible asset, property, plant and equipment that has already been recognized is added to the carrying amount if the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the company.
Subsequent expenses are treated as subsequent investment:

- if the item's useful life is extended, including an increase in its capacity;
- if a substantial improvement in the quality of output is achieved; and
- if a substantial reduction in previously assessed operating costs is achieved.

All other subsequent expenses (maintenance costs, technical service, minor repairs etc.) are recognized as an expense when incurred.

After initial recognition as an asset, property, plant and equipment is carried at its purchase cost or cost less any accumulated depreciation and any accumulated impairment losses.

An item of intangible asset, property, plant and equipment is eliminated from the balance sheet on disposal or when the asset is permanently withdraw from use and no future economic benefits are expected from its disposal.

Gains or losses arising from retirement or disposal is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the income statement.

Investment property is property (land or a building – or part of a building – or both) held by the owner or by the lessee under a finance lease (long-term lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purpose or sale in the ordinary course of business. Investment property therefore generates cash flows which are largely independent from other property held by the Company.

An investment property should be measured initially at its cost. Transaction costs are included in the initial measurement.

Subsequent expenditure relating to an investment property that has already been recognized is added to the carrying amount of the investments property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

After initial recognition the investment property is measured by their fair value. Fair value is usually its market value. Fair value is measured as the most probable price reasonably obtainable in the market at the balance sheet date in keeping with the fair value definition. It is the best price reasonably obtainable by the seller.

A gain or loss arising from s change in the fair value of investment property is included in net profit or loss for the period in which it arises.

(l) Depreciation

Depreciation base presents acquisition cost after determination of residual and retirement amount.

The residual value of an intangible asset is assumed to be zero unless:

1. there is a commitment by a third party to purchase the asset at the end of its useful life, or
2. there is an active market for the asset and residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

For the purposes of financial statements preparation, intangible assets are written off by the proportional method of amortization over a period of five years, excluding investments used over a fixed period, which are written off in accordance with the dates agreed in the contract.
Goodwill is not amortized but is subject to an impairment test conducted before the preparation of the financial reports in accordance with IAS.

Intangible assets with unlimited lifetime are not amortized.

Accounting of depreciation of intangible assets is applied from the beginning of the following month in relation to the month when the asset was put in use.

For tax balance purposes, depreciation of intangible assets is applied according to the relevant regulations.

Internally generated goodwill is not recognized as an intangible asset.

After initial recognition, property, plant & equipment is disclosed at cost value less total depreciation and impairment losses.

The basis for depreciation of property, plant & equipment consists of cost less residual value of the asset.

Property, plant & equipment is systematically depreciated over the useful life of the asset.

For financial reporting purposes, depreciation is accounted for using the proportional method over the estimated useful life of the asset. The estimated useful life of the asset is reviewed if needed, and if expectations significantly differ from previous estimates, depreciation rates are adjusted for the current and future periods.

For tax balance purposes, property, plant & equipment is classified and depreciated according to rates prescribed under tax laws.

Depreciation of fixed assets is applied from the beginning of the following month in relation to the month when the asset was put in use.

The applicable depreciation rates are:

	(%)
Buildings	1,3-15,0
Plants	5,0-25,0
Computers and accessories	20,0
Vehicles	12,5-16,0
Intangible investments	20,0

(m) Financial investments

Financial investments represent financial assets initially measured at its cost, which is fair value of the consideration given for it. Transaction costs are included in the initial measurement of all financial assets.

For the purpose of measuring a financial asset subsequent to initial recognition financial assets are classified into four categories:

a) financial assets held for trading, initially recognized at its fair value through profit or loss;
b) held-to-maturity investments;
c) loans and receivables originated by the company and not held for trading;
d) available-for-sale financial assets.

A financial asset is classified as available for sale if it cannot be grouped into any of the other three categories of financial assets.

A financial asset is classified as hold to maturity, and not as available for sale, if the asset is part of portfolio of similar assets for which the trading model exists in order to obtain profit from short-term changes in price or dealer margins.

After initial recognition, the company measured financial assets, including derivates that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

- loans and receivables, and investments held-to-maturity measured at amortized cost using the effective interest method;
- investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

There is insufficient market stability, experience and liquidity in Serbia in the process of financial assets trading and official information from the market is not available. Therefore it is usually not possible to measure the fair value as required by IFRS.

A recognized gain or loss arising from a change in the fair value of financial asset or financial liability that is not part of a hedging relationship, initially recognized at fair value through the profit or loss, now is recognized profit or loss in the income statement and for financial asset available for sale in the revaluation reserves.

(n) Inventories

Inventories of material, spare parts, inventories and goods are measured at their cost value. The cost of inventories comprise all costs of purchase incurred in bringing the inventories to their present location and condition. These costs also include all direct costs incurred in the purchase plus storage and transport, handling and other costs directly attributable to the cost of purchase.

Subtraction of material inventories spent is performed by the benchmark treatment of weighted average cost formulas.

(o) Short term receivables and investments

Short term receivables comprise trade receivables from related parties, domestic and foreign buyers in the moment of sold products and performed services.

Short term investments refer to loans, securities and other short term investments with maturity date of one year from due date or balance sheet date.

Short term trade receivables are measured by the cost stated in issued invoice. If the cost on the invoice is stated in the foreign currency, translation to the reporting currency is done applying average exchange rate ruling on the date of transaction. Changes in exchange rate from the date of transaction to the collection date are stated as gains and losses from exchange booked in the favor of revenues or against expenses. Receivables stated in the foreign currency as at the balance sheet date are translated by the ruling exchange rate and gains and losses arose are booked as revenue or expense for period.

Short term financial investments held for trading are measured by cumulated depreciation, notwithstanding the company's tendency to hold them to maturity.

If it is probable that the Company will not be able to collect all due receivables (principal plus interest) in accordance with the contractual terms for the issued loans, receivables or investments held to maturity, stated by cumulated depreciation, loss appears caused by depreciation or uncollectible receivables.

Indirect write off is applied to short term receivables and investments where recovery is uncertain, while direct write off is applied in duly documented cases when recovery is not possible.

The probability of recovery is evaluated in each specific case based on the relevant supporting documents (e.g. bankruptcy or liquidation of the debtor, excessive debt, disposal of property, forced or out-of-court settlement, obsolescence, court order, board resolution and other cases where non-collectibility is supported by credible documents).

(p) Cash and cash equivalents

Cash and cash equivalents comprises of: petty cash, demands deposits with banks, other short term highly liquidity investments which may be transferred in the known cash that are not under the influence of significant risk of value changes and bank overdrafts. Bank overdrafts are included in the Balance sheet as the figure liabilities for loans – under item current liabilities as short term financial liabilities.

(r) Rentals

Rentals, in which lesser keeps a significant part of risk and ownership profit, are classified as business rentals. Payments made from business rentals are charged against income statement on the proportional base during the rental period.

(s) Finance lease liabilities

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred.

The liability for finance lease is stated at the balance sheet date deducted for the interest comprising in the lease (net value of minimum lease repayment). The interest is allocated to the accounting periods in lease period and in accordance with the repayment schedule.

Finance lease liabilities are not charged against accrued liabilities for non-due interests according to the repayment schedule.

(t) Commitment and contingencies

Contingent liability is disclosed, but not recognized, only by the occurrence or non-occurrence of one or more uncertain future events and when it is provision recognized in the financial statements.

A contingent asset is not disclosed, unless an economic benefit is probable in the future. If the inflow is certain it can be recognized in the financial statement.

(u) Borrowing costs

Borrowing costs include interests, charges and other costs arose in the company as relate in accordance with IAS/IFRS.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset.

Other borrowing costs are recognized as expenses in the period in which they are incurred.

(v) Impairment

If an asset is impaired during the year the board of directors, based on a reasoned proposal of the managing director, assesses whether there are indications of asset impairment in accordance with IAS, or if there are indications of a reduction in the earlier recognized amortization of these assets.

If the indicators are present, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

At the end of the year, based on a reasoned proposal from the managing director and ALCO, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

(w) Financial liabilities

Financial liabilities comprise long term liabilities (liabilities to the associates and legal bodies with interactive participation, long term loans, liabilities from long term securities and other), short term financial liabilities (liabilities to the associates and legal bodies with interactive participation, short term loans an other short term financial liabilities), short term liabilities from operating activities (suppliers and other commitments) and other short term liabilities.

Short term liabilities represent those maturing one year from the maturity date, or from the balance sheet date.

Long term liabilities represent those maturing over one year from the financial statements date. Long term liabilities maturing in up to one year from the financial statements date are disclosed as short term liabilities.

Financial liabilities are recognized initially by their purchase cost which represent their fair price paid for them. Transaction charges are included in the beginning measurement of all financial liabilities.

Direct write off is applied for decreasing liabilities based on legal provisions or under an out-of-court settlement etc.

(x) Long term provisions

A provision is recognized when:

1. the Company has a present obligation (legal or constructive) as a result of a past event,
2. it is probable that an outflow of resources will be required to settle the obligation, and
3. a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognized.

Long term provisions consist of: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits and other long term provisions for liabilities covering (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation which can be reliably estimated (e.g. lawsuits in progress), as well as reservations for issued guarantees.

Long term provision for expenses and risks are tracked by sorts and their reduction/cancellation is credited as income.

Provisions are not recognized for future operational losses.

Provisions are distinguished from other liabilities because there is uncertainty about the timing or amount of the future expenditure required in settlement.

The amount recognized as a provision is the estimate of the expenditure expected to be required to settle the obligation.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Decisions regarding individual provisions are resolved by the Holding's board of directors.

(y) Effects of changes in accounting policies, new accounting estimates and correction of fundamental errors

Correction of the additionally determined material significant errors is one influence on the financial statements relating to one or several prior accounting periods whereby those financial statements may not be considered as reliable at the date of their issuing.

Correction of the prior years material significant errors is done by the restating prior years undistributed profit/loss opening balance.

Materially significant effects and correction of fundamental errors are corrected retroactively with the adoption of the comparative data disclosed in the financial statements, if it is practically impossible (than the changes in accounting policy is applied prospect). All corrections arising are disclosed as a correction in the figure of opening balance’s undistributed profit item.

(z) Foreign exchange rates

Official exchange rates significant for the Company’s operations and translations of the figures in the financial statement into RSD were as follows:

	2009	2008
EUR	95,8888 RSD	88,6010 RSD
USD	66,7285 RSD	62,9000 RSD
GBP	107,2582 RSD	90,8635 RSD
CHF	64,4631 RSD	59,4040 RSD
RUB	2,0865 RSD	2,1887 RSD
LYD	51,0847 RSD	51,8547 RSD

5. FINANCIAL RISK MANAGEMENT

5.1. Financial risk factors

The Company’s activities expose it to variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk and liquidity risk. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivate financial instruments to hedge certain risk exposures.

Risk management is carried out by the Financial Department of the Company under policies approved by the Board of Directors. The Financial Department identifies, evaluates and hedges financial risks in close co-operation with the operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of financial instruments and the investment of excess liquidity.

(a) Market risk

/i/ Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

/ii/ Fair value risk

The Company has in its portfolio securities available for sale recognized by the fair value. Considering the fact that the market on the stock exchange is uncertain there is a possibility for fair value risk appearance.

/iii/ Interest rate risk

The Company borrows assets on the financial market by the changeable interest rates, connected with Euribor, Belibor and reference interest rate issued by the NBS on the rep transactions. With an aim to avoid/limit risk of significant changes in the financial markets, the Company borrows assets over short-term periods while insisting on receiving the bank's lowest margin with a mandatory clause allowing early repayment without additional penalties.
The Company has policy that limit the amount of credit exposure to any financial institution.

(b) Credit risk

The Company is exposed to credit risk through trade receivables as disclosed in the balance sheet. These receivables can be reasonably viewed as non-risk claims since these are dispersed mostly across customers who are Energoprojekt Group members (subsidiaries), and are based on on-going business arrangements.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate sources of funding due to the dynamic nature of the business. The Company aims to maintain flexibility in funding by collecting their funds from buyers and investments of available funds.

6. REVENUES FROM SALES

Local market	2009 (RSD.000)	2008 (RSD.000)
Revenues from services rendered to subsidiaries	425.117	395.313
Revenues from services rendered to other affiliates		
Revenues from services sold on the local market	268.089	194.038
TOTAL	**693.206**	**589.351**
Foreign market		
Revenues from services rendered to subsidiaries		
TOTAL		
TOTAL	**693.206**	**589.351**

The major part of the revenue generated from services sold to subsidiaries on the local market is based on services rendered by the Company under contracts which were approved and endorsed by the boards of directors of the Company and the respective subsidiaries, in accordance with their respective Articles of Association, and totaled 395.448 thousand RSD.

Revenue from services sold on the local market includes 268.031 thousand RSD in income from the sales contract for an unfinished building (Note 17) and 58 thousand RSD generated as commission income from airline tickets sales.

Income from the own use of products, services and merchandise of 377 thousand RSD relates to automobile use for business purposes.

7. INCREASE/(DECREASE) IN INVENTORIES

	2009 RSD 000	**2008** RSD 000
Work in progress on Dec. 31	4,503,390	2,604,639
Subtotal	**4,503,390**	**2,604,639**
Less		
Work in progress on Jan. 1	2,604,639	1,289,303
Subtotal	**2,604,639**	**1,289,303**
Total	**1,898,751**	**1,315,336**

Revenue from inventories value increase relates to the execution of a sales contract for an unfinished building (Note 17).

8. OTHER OPERATING INCOME

	2009 RSD 000	2008 RSD 000
Rents	1,021	1,729
Other		148
Total	**1,021**	**1,877**

9. MATERIAL COST

	2009 RSD 000	2008 RSD 000
Raw material	200	969
Other material cost (overheads)	7,820	6,210
Fuel and energy	9,013	7,745
Total	**17,033**	**14,924**

10. STAFF COSTS

	2009 RSD 000	2008 RSD 000
Salaries and fringe benefits (gross)	116,803	119,037
Taxes and contributions on salaries and fringe benefits charged to employer	17,651	18,872
Temporary service contracts	5,231	1,760
Copyright agreements	1,700	370
Temporary and provisional contracts Board of Directors and Supervisory Board	19,101	18,805
Other personal expenses remunerations	7,911	19,136
Total	**168,397**	**177,980**

11. DEPRECIATION AND PROVISIONS

	2009 RSD 000	2008 RSD 000
Depreciation of property, plant, equipment	18,741	14,860
Provision for fringe and other employee benefits	816	560
Total	**19,557**	**15,420**

The current year depreciation costs totalled 18.741 thousand RSD (2008: 14.860 thousand RSD) and include depreciation of property, plant, equipment in accordance with Note 4(l).

The cost of provisions for fringe and other employee benefits totalled 816 thousand RSD and relates to the applied IAS 19.

12. OTHER OPERATING EXPENSES

	2009	2008
Costs of production services	RSD 000	RSD 000
Service costs of outputs	1,887,006	1,303,074
Transportation costs	5,929	4,875
Maintenance costs	38,933	23,844
Rental costs	525	237
Advertising costs	2,940	5,637
Costs of other services	3,375	2,965
Subtotal	**1,938,708**	**1,340,632**
Non-production costs		
Costs of non-production services	30,414	90,132
Expense accounts	5,653	6,946
Insurance premium costs	9,949	8,856
Payment operation costs	4,260	9,800
Membership fees	849	770
Tax duties	8,672	8,165
Other intangible expenses	8,928	11,323
Subtotal	**68,725**	**135,992**
Total	**2,007,433**	**1,476,624**

The sum of 1.898.751 thousand RSD under other business expenses relates to the execution of a sales contract for an unfinished building in Block 26 and includes:

- Service costs of outputs 1.887.006 thousand RSD,
- Insurance premiums: 8.465 thousand RSD,
- Payment transactions: 1.863 thousand RSD,
- Electricity: 1.053 thousand RSD,
- Telephone services: 356 thousand RSD,
- Other intangibles: 8 thousand RSD.

13. FINANCIAL REVENUES AND EXPENSES

	2009	2008
Financial revenues	RSD 000	RSD 000
Financial income from transactions with parent company and subsidiaries	326,349	520,730
Financial income from other subsidiaries	513	12,761
Income from interest	28,669	48,841
FX gains	205,808	152,030
Gains on foreign currency clause	125	4,670
Other financial revenues	5,290	2,879
Total	**566,754**	**741,911**
Financial expenses		
Financial expenses from transactions with parent company and subsidiaries	43,277	13,931
Costs of interest	8,628	51,870
FX losses	405,291	326,334
Losses on foreign currency clause	749	1,686
Total	**457,945**	**393,821**

The Company posted financial revenue in the total of 207.100 thousand RSD from the profits generated by the following subsidiaries (distribution of dividends):

	RSD 000
Energoprojekt Industrija a.d.	32.822
Energoprojekt Garant a.d.o.	108.915
Energoprojekt Oprema a.d.	32.927
Energoprojekt Entel a.d.	2.436
Total	**207.100**

Based on a GM resolution of 22/04/2009 Energoprojekt Garant a.d. went through with a capital increase by converting the company’s non-allocated profit for 2008 into equity. The business books of Energoprojekt Holding a.d. were accordingly updated and the sum of 108.915 thousand RSD was posted as increased equity share in Energoprojekt Garant a.d. and financial revenue from share of capital in subsidiaries.

The Company also generated interest income from subsidiaries in the amount of 16.700 thousand RSD, specifically: 12.744 thousand RSD (Visokogradnja), 2.494 thousand RSD (Urbanizam i arhitektura), 1.004 thousand RSD (Niskogradnja), 417 thousand RSD (Energodata) and 41 thousand RSD (Ingraf).

Income based on foreign currency clauses from operations with subsidiaries totalled 102.549 thousand RSD, and are based on service contracts between the Holding and its subsidiaries.

14. OTHER REVENUES AND EXPENSES, VALUE ADJUSTMENT GAINS AND IMPAIRMENT COSTS

	2009	2008
Other revenues and property value adjustment gains	RSD 000	RSD 000
Gains on disposals of intangibles and PP&E	286	1,024
Gains on disposals of LT investments and securities		
Previously written-off claims recovered	340	441
Income from positive hedging effects	160	51
Income from reduction of liabilities	20	1,415
Other	10,532	10,056
Total	**11,338**	**12,987**

	2009	2008
Other expenses and property impairment costs	RSD 000	RSD 000
Disposal and write-off of intangibles and PP&E	1,021	192
Shortages	29	32
Direct receivables write-off	276	6,052
Other expenses	1,866	4,605
Impairment of receivables and ST financial investments	1,617	78,004
Impairment of other property		
Total	**4,809**	**88,885**

15. INCOME TAX

	2009	2008
	RSD 000	RSD 000
Financial result in balance sheet (profit/loss before tax)	497,531	493,808
Net capital gains (losses)		
Operating profit (loss)	497,531	493,808
Adjustment/correction of expenditure in tax balance	10,432	10,044
Adjustment/correction of income in tax balance	1,661	20,078
Taxable operating profit	509,624	523,930
Capital gains	0	0
Less: capital losses from previous years		
Tax base	**509,624**	**523,930**
Less: revenue from dividends and equity shares in resident taxpayers	212,390	421,859
Reduced tax base (Form PB-1 Item 48)	**297,234**	**102,071**
Tax payable (10% of reduced tax base)	**29,723**	**10,207**
Tax incentives and tax relief (Form PK Item 4)	2,597	5,688
INCOME TAX (Form PDP Item 9.7.)	**27,126**	**4,519**
Gross profit	497,531	493,808
Tax liability for the period	27,126	4,519
Deferred tax liabilities for the period	1,268	403
Deferred tax assets for the period		
Net profit	**469,137**	**488,886**

Income tax, according to the tax laws, is applied separately to the sub-balance sheets for business and capital at the rate of 10%. Certain income and expenditure items are adjusted, and losses from previous years and revenue from dividends and profit sharing with resident legal entities, are deducted from the tax base. Tax relief incentives (employment of new workers, investments in capital assets, etc.) are then deducted from the tax payable.

16. EARNINGS PER SHARE

Basic earnings per share is calculated by adding profit to the shareholders dividing profit attributable to ordinary shares by the weighted average number of ordinary shares during the year which the Company or Group members purchased and hold as the own shares.

	2009	2008
Profit attributable to ordinary shareholders (net profit)	469.137	488.886
Weighted average number of ordinary shares in the share issue	9.269.122	9.269.122
Basic EPS (RSD per share)	50,61	52,74

Based on the GM resolution of July 14, 2009 the dividends for 2008 were paid in shares (776 treasury shares and 360.347 ordinary shares), and in the period from January to April 2009 treasury shares were purchased on more than one occasion while the same shares were sold in the period from September to December 2009. The weighted average number of shares in 2009 was 9.269.122, making earnings per share 50,61 RSD.

17. CONSTRUCTION CONTRACTS

Revenue from fixed price construction contracts is recognized in percent according to the degree of completion of the contracted work on the balance sheet date.

The degree of completion of the contracted work is calculated as the ratio of contractual expenses incurred for the executed work to date against the most recent estimate of total contract cost.

The Company signed a sales contract for the construction of a class A office building in Block 26, Unit I, on October 12, 2007 (operational as of November 09, 2007) with “Blue Center d.o.o“ for the sum of 61,630 mil EUR plus VAT, figuring at a total of 72,72 mil. EUR.

The contract price is payable in advance in three tranches: first tranche EUR 12,00 mil + VAT (paid within one month of contract signature), second tranche EUR 43,630 mil + VAT (over a period of 19 months – construction period according to the agreed schedule) and third tranche EUR 6,00 mil + VAT after registration of the building in the land registry.

The building was placed under mortgage as security for the buyer's due payment for a sum equal to the amount paid. A performance bond for the work was issued by the contractor for the sum of EUR 2,00 mil.

	2009 RSD 000	2008 RSD 000	Note
Revenue from increased value of products and services	1,898,751	1,315,336	7
Revenue recognized as revenue for the given period	268,031	193,918	6
Degree of contract completion	97,36%	59,62%	
Expenses incurred in the given period	1,898,751	1,315,336	12
Advances received	5,093,608	2,805,037	39
Uninvoiced contractual revenue	691,463	390,611	27
Work in progress	4,503,390	2,604,639	23

18. INTANGIBLE INVESTMENTS

	Other intangibles	Intangible investments in progress	Total
Cost value	RSD 000	RSD 000	RSD 000
Balance on 01/01/2009	**1,605**	**4,174**	**5,779**
Opening balance adjustment			0
New acquisitions		4,802	4,802
Balance on 31/12/2009	**1,605**	**8,976**	**10,581**
Correction of value			
Balance on 01/01/2009	**684**		**684**
Opening balance adjustment			0
Depreciation in 2009	280		280
Balance on 31/12/2009	**964**	**0**	**964**
Net book value			
31/12/2009	**641**	**8,976**	**9,617**
31/12/2008	**921**	**4,174**	**5,095**

19. PROPERTY PLANT EQUIPMENT AND INVESTMENT PROPERTY

	Buildings	Plants, equipment	Investment property	Captital assets in progress	Advances on capital assets	Total
Cost value	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
Balance on 1/1/2009	**548,530**	**83,687**		**122,193**	**171**	**754,581**
Correction of opening balance						0
Tranfer from one form to another		1,551		(14,377)	(7,462)	(20,288)
New acquisitions		14,377	3,317	14,344	7,622	39,660
Disposal and depreciation		(2,805)	(3,317)			(6,122)
Balance on 31/12/2009	**548,530**	**96,810**	**0**	**122,160**	**331**	**767,831**
Correction of value						
Balance on 1/1/2009	**265,445**	**32,590**				**298,035**
Correction of opening balance						0
Depreciation in 2009	7,157	12,807				19,964
Disposal and depreciation		(2,718)				(2,718)
Balance on 31/12/2009	**272,602**	**42,679**	**0**	**0**	**0**	**315,281**
Net book value						
31/12/2009	**275,928**	**54,131**	**0**	**122,160**	**331**	**452,550**
31/12/2008	**283,085**	**51,097**	**0**	**122,193**	**171**	**456,546**

20. EQUIPMENT UNDER LEASE

RSD 000

Leasing

	2009		2008
Group	**Net book value**	**Group**	**Net book value**
Automobiles	13,403	Automobiles	16,430
Copying machine	251	Copying machine	323
Other		Other	
Total	13,654		16,753

21. EQUITY INVESTMENTS

Equity investments represent long term investments in shares and in subsidiaries and affiliates, banks and insurance companies (available for sale securities).

Equity investments in subsidiaries and affiliated companies are disclosed according to the method used by the Company for disclosing its investment at purchase cost. The Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition. Any sum received from the distribution which is higher than this profit is recognized as an investment increase and disclosed as a reduction of the investment purchase cost.

Equity investments in other companies and investments in available for sale securities are estimated at fair value.

Equity investments pertain to shares of:

			0000 RSD
SUBSIDIARIES		**2009**	**2008**
Company name	**% Share**	**Present value**	**Present value**
EP Visokogradnja a.d.	92.39%	1,704,254	1,704,254
EP Niskogradnja a.d.	93.32%	855,506	855,506
EP Oprema a.d.	67.87%	121,316	121,316
EP Hidroinzenjering a.d.	94.84%	399,230	399,230
EP Urbanizam i arh. a.d.	94.40%	146,455	146,455
EP Promet d.o.o.	100.00%	295	295
EP Energodata a.d.	96.43%	191,438	164,016
EP Industrija a.d.	62.77%	61,209	61,209
EP Entel a.d.	86.26%	216,422	216,422
EP Ingraf d.o.o.	100.00%		25,575
EP Garant a.d.o.	64.13%	360,024	251,109
EP Montenegro d.o.o.	100.00%	9	9
BE Company d.o.o.	100.00%		1,848
Inec Eng. Ltd.	100.00%	68,967	58,425
Encom GmbH	100.00%	4,903	4,530
Nana off shore	100.00%	1,335	
Subtotal		**4,131,363**	**4,010,199**
OTHER AFFILIATES			
Company name	**% Share**	**Present value**	**Present value**
Enjub d.o.o.	50.00%	13,550	13,550
Energobroker a.d.	26.60%	4,371	4,371
Energo Ghana Ltd.	80.00%	5,998	5,654
United Cons.Botswana	100.00%	3,914	3,689
Zecco Zambia	100.00%	717	676
Subtotal		**28,550**	**27,940**
OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES			
Company name		**Present value**	**Present value**
Dunav a.d.o		1,546	927
Jubmes banka a.d.		28,977	24,847
Hypo Alpe-Adria bank		3,366	3,366
Hipotekarna banka Podg.		11,176	10,327
FIMA SEE Activist		16,160	16,160
Subtotal		**61,225**	**55,627**
TOTAL		**4,221,138**	**4,093,766**

The equity share change in EP Energodata a.d., EP Ingraf d.o.o. and Be company d.o.o. are due to a merger as detailed in Section I: Company Background.

22. OTHER LONG TERM FINANCIAL INVESTMENTS

Other long term financial investments relate to:

	2009 RSD 000	2008 RSD 000
a) Long term loans approved		
- local market		
- foreign market		
Total	-	-
b) Foreign currency savings bonds		
c) Staff housing loans	2,188	1,536
d) Long term loans to subsidiaries		1,520
Total	**2,188**	**3,056**

23. INVENTORIES

	2009 RSD 000	2008 RSD 000
Work in progress	4,503,390	2,604,639
Paid advances	152,445	123,543
Total	**4,655,835**	**2,728,182**

Work in progress totalling 4,503,390 thousand RSD relates to the execution of a sales contract for an unfinished building in Block 26 (Note 17).

24. RECEIVABLES

	2009	2008
Trade receivables	RSD 000	RSD 000
Trade receivables (parent and subsidiaries)	705,383	432,193
Trade receivables (domestic)	21	1,160
Less: value adjustment		(29,764)
Subtotal	**705,404**	**403,589**
Receivables from specific business operations		
Other receivables from specific operations	37,275	26,964
Less: value adjustment		(511)
Subtotal	**37,275**	**26,453**
Other		
Interest and dividends	27,479	40,001
Staff claims	336	719
Receivables from state institutions		1,990
Prepaid income tax		15,728
Other prepaid taxes and contributions		488
Other receivables	2,069	
Less: value adjustment	(722)	(30,568)
Subtotal	**29,162**	**28,358**
Total	**771,841**	**458,400**

	2009	2008
Trade receivables (domestic)	RSD 000	RSD 000
Belgrade	703,497	414,337
Less: value adjustment		(10,748)
Subtotal	**703,497**	**403,589**
Trade receivables (foreign)		
Former Yugoslav republics	1,907	
Europe		18,922
Africa		94
Less: value adjustment		(19,016)
Subtotal	**1,907**	**-**
Total	**705,404**	**403,589**

The company still has some unresolved internal relations with Energoprojekt Energodata a.d., Energoprojekt Visokogradnja a.d. and Energoprojekt Entel a.d., inherited from previous years.

25. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	CCY	Interest %	2009 RSD 000	2008 RSD 000
Short term loans and investments - parent company, subsidiaries and affiliates				
Subsidiaries			770,905	436,079
Affiliates			17,979	
Maturing obligations - long term loans				
Less: value adjustment			(66,389)	(65,494)
Subtotal			**722,495**	**370,585**
Short term loans - domestic				
Loans to workers			1,056	1,023
Maturing obligations - long term loans			129	60
Less: value adjustment				
Subtotal			**1,185**	**1,083**
Other short term financial investments				
Vojvodjanska banka a.d.-special purpose term deposit				60,610
Less: value adjustment				
Subtotal			**-**	**60,610**
Total			**723,680**	**432,278**

26. CASH AND CASH EQUIVALENTS

	2009 RSD 000	2008 RSD 000
RSD		
Current accounts	33,115	15,162
Treasury	62	123
Subtotal	**33,177**	**15,285**
Foreign currency		
Foreign currency accounts	534,841	731,389
Treasury	335	51
Subtotal	**535,176**	**731,440**
Total	**568,353**	**746,725**

The Company's foreign currency assets are term deposited (short-term) at rates varying from 0,65% up to 6,00% p.a. (EUR) and 2,2% p.a. (USD).

27. VAT AND ACCRUALS

	2009 RSD 000	2008 RSD 000
Value added tax-accrued		**39,514**
Accrued income		
Prepayments	955	1,003
Uninvoiced income receivables	691,463	390,611
Accrued commitments	8,568	
Other accruals	2,167	9,540
Subtotal	**703,153**	**401,154**
Total	**703,153**	**440,668**

Uninvoiced income receivables in the total of 691,463 thousand RSD relates to the execution of a sales contract for an unfinished building (Note 17).

28. SHARE CAPITAL

The share capital consists of:

	2009 RSD 000	2008 RSD 000
Share capital		
Ordinary shares	3,787,124	3,187,612
Preferred shares		
Principal capital	**3,787,124**	**3,187,612**
Other share capital	27,178	27,178
Total principal and other capital	**3,814,302**	**3,214,790**

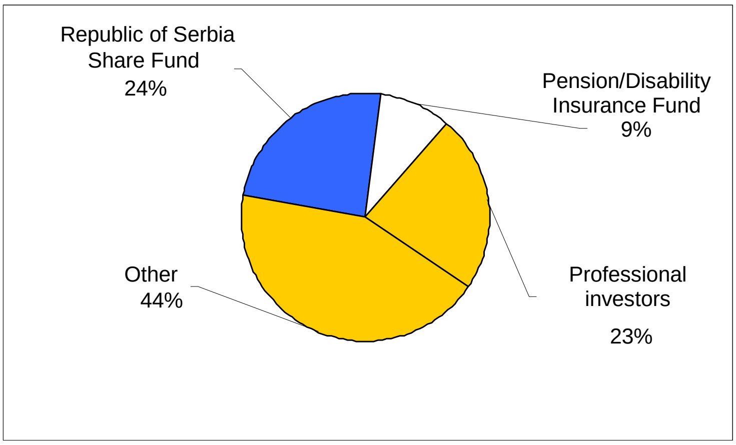
According to records of the Central Securities Depository, the ownership structure of shares of Energoprojekt Holding a.d. on 31/12/2009 is as follows:

	Total shares	Total issue %
Shares owned by physical entities	**3,047,630**	**32.19%**
Shares owned by legal entities	**4,745,958**	**50.13%**
- Share Fund and Pension/Disability Insurance Fund	*3,178,533*	*33.57%*
- Other legal entities	*1,567,425*	*16.56%*
Summary (custody) account	**1,674,222**	**17.68%**
Total number of shares	**9,467,810**	**100%**

Number of shareholders	number of entities			number of shares			% of total issue		
with equity share	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
5% or less	8,672	263	8,935	5,344,827	944,450	6,289,277	56.45%	9.98%	66.43%
5% to 10%	1	0	1	891,556	0	891,556	9.42%	0.00%	9.42%
10% to 25%	1	0	1	2,286,977	0	2,286,977	24.16%	0%	24.16%
25% to 33%	0	0	0	0	0	0	0%	0%	0%
33% to 50%	0	0	0	0	0	0	0%	0%	0%
50% to 66%	0	0	0	0	0	0	0%	0%	0%
66% to 75%	0	0	0	0	0	0	0%	0%	0%
75% or more	0	0	0	0	0	0	0%	0%	0%
Total number of shares	8,674	263	8,937	8,523,360	944,450	9,467,810	90.02%	9.98%	100.00%

List of top 10 shareholders by total shares/votes:

Name	no. of shares	% of total emission
Share fund of the Republic of Serbia	2,286,977	24.16%
PIO fund of the Republic of Serbia	891,556	9.42%
Hypo kastodi 4	432,995	4.57%
East capital asset manag.	364,423	3.85%
GP Napred a.d. Beograd	306,009	3.23%
Raiffeisen zentralbank	245,263	2.59%
Privredna banka Zagreb d.d.	243,562	2.57%
Unicredit Bank Austria AG	239,000	2.52%
Gustavus capital asset mngt.	170,000	1.80%
Societe Generale Yugoslav Bank	95,566	1.01%
Erste&Steiermarkische bank d.d.	81,452	0.86%



Structure of share capital on 31/12/2009:

- Share capital	6.289.277
- Share fund	2.286.977
- Pension/Disability Insurance Fund	891.977
T o t a l	**9.467.810**

The share capital consists of 9.467.810 ordinary shares each with a nominal value of 400 RSD (3.787.124 thousand RSD), or a specific book value of 662,70 RSD.

Share capital – the ordinary shares include founding shares and closely held (management) shares issued during operations which carry rights to a share of the profit and a part of the estate in case of bankruptcy, in accordance with the memorandum of association and the share issue resolution.

Resolutions were taken at the 33rd General Meeting held July 14, 2009 under item 5 of the agenda on the matters of:

a) Distribution of Energoprojekt Holding's annual profits for 2008,
b) Organization of the VI issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity, and the replacement of shares on the same grounds in order to increase their nominal value, and
c) Organization of the VII issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity.

The total net profit of RSD 488.301.716,68 which according to the final account was generated in 2008, according to the GM resolution is to be allocated as follows:

1. 5% (RSD 24.415.085,83) into the company's reserves
2. the sum of RSD 463.886.630,85 into undistributed profit

The combined undistributed profit, including undistributed profits from previous years (RSD 377.939.900,78) and undistributed profit from 2008 (RSD 463.886.630,85), amounts to a total of RSD 841.826.531,63.

The above undistributed profit is allocated as follows:

a) A portion of the undistributed profit in the sum of RSD 455.373.150 (9.107.463 shares * 50 RSD) will be used to increase the company's equity pro rata of each shareholder's share of the Holding's equity, in accordance with the GM resolution, taken under item 5b, on the VI issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity, and the replacement of shares on the same grounds in order to increase their nominal value from 350,00 to 400,00 RSD.
b) A portion of the undistributed profit in the sum of RSD 145.719.408,00 will be used for dividend payment in shares RSD 144.138.800,00, representing the RSD equivalent of 360.347 shares with a nominal value of 400,00 RSD per share, in accordance with the GM resolution, taken under item 5c, on the VII issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity.

A portion of RSD 1.580.608 of the undistributed profit, which cannot be paid out in full shares, will be paid to shareholders in cash for the appropriate amount which exceeds the full share price.

The remaining sum of RSD 240.733.973,63 is allocated as undistributed profit.

On July 23, 2009 the Securities Commission issued Decision No. 4/0-24-4188/3-09 whereby it approved the issue of securities without a public offer for the purpose of converting undistributed profit to equity, and the replacement of existing shares on the same grounds in the amount of RSD 3.642.985.200,00, or the equivalent of 9.107.463 ordinary shares with a nominal value of 400,00 RSD, and on July 30, 2009 the Commission issued Decision No. 4/0-24-4245/3-09 whereby it approved the issue of securities without a public offer for the purpose of converting undistributed profit to equity in the amount of RSD 144.138.800, or the equivalent of 360.347 ordinary shares with a nominal value of 400,00 RSD.

On August 4, 2009 the Central Securities Depository and Clearing House registered the VII share issue based on the Decision of the Securities Commission No. 4/0-24-4245/3-09 of July 30, 2009, following which the securities issuing account of Energoprojekt Holding a.d. Beograd was credited with 9.467.810 shares with a nominal value of 400,00 RSD per share, CFI: ESVUFR, ISIN: RSHOLDE58279.

As of 2007 the company’s shares are listed on the A-list of the Belgrade Stock Exchange.

29. OTHER CAPITAL ASSETS

Other capital assets were created by reporting of non-operational assets sources in 2005 and amount to 27.178 thousand RSD.

30. RESERVES

The reserves consist of:

	2009	**2008**
	RSD 000	RSD 000
Issuing premium	1,596,010	1,591,953
Legal reserves	23,185	23,185
Statutory and other	56,296	31,881
Total	**1,675,491**	**1,647,019**

The issuing premium represent the positive difference between the obtained selling price per share and the share’s nominal value.

Until 2004 legal reserves were mandatory and were formed by allocating at least 5% of the profit each year until the reserves reach at least 10% of the capital assets.

The Company’s internal legislation defines the statutory reserves, which are prescribed by the General Meeting at the Board’s proposal, and cannot be less than 5% of the net profit.

Based on the GM resolution of July 14, 2009, a total of 5% of the profits according to financial reports for 2008, or the equivalent of 24,415 thousand RSD, were allocated to the company reserves.

31. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

Revaluation reserves, unrealized profit and losses from available-for-sale securities include:

	2009 RSD 000	2008 RSD 000
Revaluation reserves	53,103	41,502
Unrealized profit from available for sale securities	25,346	24,325
Unrealized losses from available for sale securities		162
Total	**78,449**	**65,989**

Based on the amendments of the Regulation of Account Framework and Contents Within the Account Framework for Business Companies, Cooperatives, Other Legal Entities and Entrepreneurs, which was adopted in end-2008 to ensure compliance with the revised IAS 39, a number of new accounts were introduced among which 332 – Unrealized profits from available for sale securities, and 333 – Unrealized losses from available for sale securities. As a result, some of the positions which in previous years were posted in the corresponding analytic records within the group 330 – Revaluation reserves, were transferred to these new accounts in 2008.

The change in revaluation reserves resulted from the adjustment of the value of securities from the Company’s portfolio with their fair value on the secondary market on reporting date (December 31, 2009).

Changes in revaluation reserves may also occur based on exchange rate gains/losses on equity shares in foreign subsidiaries and affiliates.

32. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	2009 RSD 000	2008 RSD 000
Retained earnings from previous years	**866,826**	**516,813**
Correction of revenue from income tax	(584)	-1,600
Distribution of profits (dividends)	(145,720)	-122,648
Distribution of profits (increase of nominal value per share)	(455,373)	
Allocation to statutory reserves	(24,415)	-14,625
Current year's profit	**469,137**	**488,886**
Total	**709,871**	**866,826**

Non-allocated profits on December 31, 2008 (earnings in 2008) were distributed as follows based on the GM resolution from the 33rd meeting held July 14, 2009, under item 5a of the agenda:

	2009 RSD 000	**2008** RSD 000
Dividends	145,720	1,221
Employee share of profits		
Capital assets	455,373	121,427
Reserves	24,415	14,625
Loss coverage		
Other	240,733	155,233
Total	**866,241**	**292,506**

The General Meeting resolved to issue new ordinary shares of the VI issue without public offering in order to convert 455.373.150 RSD in non-allocated profits into equity by raising the nominal value of the current company shares by 50 RSD per share, and to replace the shares increasing their nominal value from 350 RSD to 400 RSD per share.

The General Meeting resolved to pay dividends in shares for a total amount of 145.719.408 RSD. This was achieved through payment in shares of 144.138.800 RSD, by issuing 360.347 new shares of the VII issue each with a nominal value of 400 RSD and distributing these shares on a pro rata basis to all shareholders of EP Holding a.d. (according to records of the Central Securities Depository on 21/05/2009) according to current equity share, while a part of the non-allocated profits of 1.580.608 RSD, which cannot be paid in full shares, will be paid to shareholders in cash for the appropriate amount which exceeds the full share price.

33. REDEEMED SHARES

In 2008 and 2009 the Company redeemed 19.410 shares with a nominal value of 7.764 thousand RSD. Under the profit distribution scheme for 2008, the total number of treasury shares increased by 776 new shares with a nominal value of 310 thousand RSD.

In 2009 the Company sold 10.390 shares with a nominal value of 4.156 thousand RSD, and therefore on 31/12/2009 the total number of redeemed shares is 9.796 treasury shares with a nominal value of 3.918 thousand RSD.

34. LONG TERM PROVISIONS

Long term provisions are recognized when:

- an enterprise has a present obligation (legal or constructive) as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Long term provisions consist of:

	2009	2008
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	1,021	2,120
Other	260,000	260,000
Total	**261,021**	**262,120**

Provisions for fringe and other employee benefits totalled 1.021 thousand RSD and were formed in accordance with IAS 19.

The cost of provisions in 2009 included 816 thousand RSD (Note 11), while 1,916 thousand RSD was paid out of the existing provisions for employee retirement benefits which were reserved earlier, and these provisions were accordingly closed for the same amount.

35. LONG TERM LOANS

Commitments on long term loans mature in more than one year from the performance date or the annual balance sheet date.

There are no long term loans.

36. OTHER LONG TERM LIABILITIES

Other long term liabilities relate to:

	2009	2008
	RSD 000	RSD 000
Payables to parent company and subsidiaries		73,961
Long term financial leasing	7,993	10,741
Total	**7,993**	**84,702**

Obligations to parent and subsidiary companies which in 2008 related to the performance of the contract for an unfinished building in Block 26, Unit I, more specifically the 5% guarantee deposit per temporary certificates, were reclassified in 2009 and posted under short term liabilities

37. LONG TERM LEASING OBLIGATIONS

	RSD 000			RSD 000		
	2009			2008		
	Future minimum lease payments	**Interest**	**Present value of minimum payments**	**Future minimum lease payments**	**Interest**	**Present value of minimum payments**
1 year or less	3,382	755		3,075	1,042	
1-5 years	7,993	776		10,741	1,414	
5 years or more						
Total	11,375	1,531	0	13,816	2,456	0

38. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	CCY	2009 RSD 000	2008 RSD 000
Short term loans domestic			
Societe Generale Bank Serbia	*Eur*	142,447	131,621
Other			
Subtotal		**142,447**	**131,621**
Other short term financial liabilities			
Part of other ST liabilities maturing in one year or less-Raiffeisen Leasing	*Eur*	536	429
Part of other ST liabilities maturing in one year or less-Intesa Leasing	*Eur*	2,846	2,646
Other ST financial liabilities-VISA accounts		8	131
Subtotal		**3,390**	**3,206**
Total		**145,837**	**134,827**

39. LIABILITIES FROM OPERATIONS

	2009	2008
Liabilities from business operations	RSD 000	RSD 000
Received advances, short-term deposits and caution money	5,221,095	2,805,037
Suppliers-parent and subsidiaries	131,116	235,211
Suppliers-affiliates	926	393
Suppliers-domestic	5,816	5,258
Suppliers-foreign	432	4,448
Subtotal	**5,359,385**	**3,050,347**
Liabilities from specific operations		
Other	66	81
Subtotal	**66**	**81**
Total	**5,359,451**	**3,050,428**

Received advance payments of 5.221.095 thousand RSD mainly relate to unpaid advance deposits under the sales contract for an unfinished building in the sum of 5.093.608 thousand RSD (Note 17).

The major part of the 131.116 thousand RSD posted under Suppliers-parent and subsidiaries, relates to Energoprojekt Visokogradnja a.d., of which 44.952 thousand RSD concerns an obligation under the XXIII temporary certificate for December 2009 for the construction of a building in Block 26, Unit I.

Geographical distribution of suppliers:

	2009	2008
Local suppliers	RSD 000	RSD 000
Belgrade	132,077	244,704
Less: value adjustment		
Subtotal	**132,077**	**244,704**
Foreign suppliers		
Europe-subsidiaries	4,837	195
Africa-other entities	63	59
Asia-other affiliates	881	352
Less: value adjustment		
Subtotal	**5,781**	**606**
Total	**137,858**	**245,310**

40. LIABILITIES FOR VAT, OTHER PUBLIC REVENUES AND ACCRUALS

	2009 RSD 000	**2008** RSD 000
Value added tax	**7,256**	**5,453**
Other taxes, contributions and duties		
Liabilities for income tax	18,305	1,687
Liabilities for taxes, customs and other duties charged to costs	210	171
Other liabilities for taxes, contributions and other duties	665	743
Subtotal	**19,180**	**2,601**
Accruals and deferred income		
Accrued expenses	36	
Deferred income	60	
Collected VAT	13	
Subtotal	**109**	**0**
Total	**26,545**	**8,054**

41. OTHER SHORT TERM LIABILITIES

	2009 RSD 000	**2008** RSD 000
Salaries and fringe benfits	10,896	13,517
Other obligations		
Liabilities for dividends	6,097	5,068
Liabilities for profit sharing	4,309	4,309
Liabilities to employees	139	399
Liabilities to members of the Board of Directors and Supervisory Board	1,157	1,191
Liabilities to individuals for contracted fees	254	53
Other liabilities	654	636
Total	**23,506**	**25,173**

42. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are income tax amounts which may be compensated in future periods and relate to deductible temporary differences, unused tax losses and carryforward credits. They are recognized in the degree in which it is probable that future taxable profit will be realized.

Deferred tax liabilities are income tax amounts which will be paid in future period based on taxable temporary differences.

	2009 RSD 000	2008 RSD 000
Deferred tax assets		
Deferred tax liabilities	9,807	8,539
Net tax assets/liabilities	**9,807**	**8,539**

The deferred tax liability of 9,807 thousand RSD is accumulated and calculated based on taxable temporary differences between the book value of property, plant & equipment and their tax base. The current tax liability for 2009 is 1.268 thousand RSD, of which 1.563 thousand RSD relates to deferred tax liability from temporary differences due to differences between the tax base and accounting base for property, and 295 thousand RSD relates to deferred tax liability for equipment.

43. LAWSUITS

Nr	Petitioner	Respondent	Grounds for lawsuit and value	Court of jurisdiction	Outcome
1.	Civil lawsuit (4 petitioners)	EP Holding a.d.	Employment and wages 1.292,00USD, 2.444,40EUR and 5.206.086,41 RSD	Belgrade Court	Unknown
2.	Land Development Agency	EP Holding a.d.	Fee for Hyatt, 15.459.728,80 RSD	Commercial Court	In the process of settlement
3.	EP Holding a.d. & EP Visokogradnja a.d.	City of Belgrade, Serbia, Belgrade Arena, Land Development Agency	8.399.218,81 USD in debts		Success
4.	EP Oprema a.d.- EP Holding a.d.	Belgrade Arena	4.817.705,05 RSD in debts	Commercial Court	Founded
5.	Milan Raonić	EP Holding a.d., EP Visokogradnja a.d. i EP Urbanizam i arhitektura a.d.	Copyright infringement, 7.000.000,00 RSD	District Court of Belgrade	Unknown
6.	EP Holding a.d.	MV Inženjering. Čačak	5.524.202,40 RSD in debts	Commercial Court of Čačak	Enforceme nt procedure

44. OFF BALANCE SHEET ITEMS

The Company's off-balance sheet assets and liabilities of 13.174.018 thousand RSD include sureties from issued guarantees and approved credit lines based on loans and guarantees issued in favor of subsidiaries for a total sum of 5.654.015 thousand RSD (the Company has concluded contracts with subsidiaries for the issued guarantees and secured adequate collateral), mortgage on the building under construction in the amount of 6.367.010 thousand RSD, obligations for dividends of Enjub in the amount of 30.443 thousand RSD and the right to use city building land in the amount of 1.122.550 thousand RSD.

45. POST BALANCE SHEET EVENTS

There were no events after balance sheet date which would have any significant impact the credibility of the financial reports.

Belgrade,
February 26, 2009

Statements approved by: Managing Director