

## ENERGOPROJEKT HOLDING CO.

BALANCE SHEET  
on September 30, 2011

in 000 RSD

Group accounts account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	<b>A. NON-CURRENT ASSETS (002+003+004+005+009)</b>	001	-	5,245,245	4,880,485
00	I. UNPAID SUBSCRIBED CAPITAL	002	-	-	-
012	II. GOODWILL	003	-	-	-
01 w/out 012	III. INTANGIBLE ASSETS	004	14	9,537	9,791
	IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	005	-	819,826	445,648
020,022,023, 026,027(part), 028(part),029	1. Property, plant and equipment	006	15	323,131	445,648
024,027(part) 028(part)	2. Investment property	007	15	496,695	-
021,025,027 (part) and 028(part)	3. Biological assets	008	-	-	-
	<b>V. LONG-TERM FINANCIAL INVESTMENTS (010+011)</b>	009	-	4,415,882	4,425,046
030 to 032, 039(part)	1. Equity share	010	16	4,272,614	4,252,972
033 to 038, 039(part) less 037	2. Other long-term financial investments	011	17	143,268	172,074
	<b>B. CURRENT ASSETS (013+014+015)</b>	012	-	2,813,141	2,522,538
10 to 13,15	I. INVENTORIES	013	18	2,599	335
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	-	2,810,545	2,522,203
20, 21 and 22, except 223	1. Receivables	016	19	832,561	1,010,712
223	2. Receivables for overpaid income tax	017	-	-	-
23 less 237	3. Short-term financial investments	018	20	1,775,863	1,252,437
24	5. Cash equivalents and cash	019	21	196,055	246,616
27 and 28 except 28B	4. VAT and accruals	020	22	6,066	12,438
28B	<b>C. DEFERRED TAX ASSETS</b>	021	-	-	-
	<b>D. OPERATING ASSETS (001+012+021)</b>	022	-	8,058,389	7,403,023
29	<b>E. LOSS OVER CAPITAL</b>	023	-	-	-
	<b>F. TOTAL ASSETS (022+023)</b>	024	-	8,058,389	7,403,023
88	<b>G. OFF-BALANCE SHEET ITEMS</b>	025	36	8,754,907	9,399,509

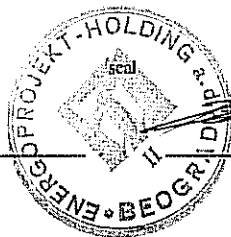
Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	<b>CAPITAL AND LIABILITIES</b>				
	<b>A. CAPITAL (102+103+104+105+106+107+108+109+110)</b>	101	-	7,209,418	7,014,655
30	I. ISSUED AND OTHER CAPITAL	102	23	4,855,761	4,193,014
31	II. UNPAID SUBSCRIBED CAPITAL	103	-	-	-
32	III. RESERVES	104	24	1,735,366	1,702,979
330 i 331	IV. REVALUATION RESERVES	105	25	43,080	57,829
332	V. UNREALIZED GAINS BASED ON SECURITIES AVAILABLE FOR SALE	106	-	14,231	10,647
333	V. UNREALIZED LOSSES BASED ON SECURITIES AVAILABLE FOR SALE	107	-	3,061	1,924
34	VII. RETAINED EARNINGS	108	26	564,041	1,052,451
35	VIII. LOSS	109	-	-	-
037 and 237	IX. REDEEMED OWN SHARES	110	27	-	341
	<b>B. NON-CURRENT PROVISIONS AND LIABILITIES (112+113+116)</b>	111	-	839,655	378,561
40	I. NON-CURRENT PROVISIONS	112	28	265,606	261,021
41	II. NON-CURRENT LIABILITIES (114+115)	113	-	241,505	8,565
414, 415	1. Long-term credits	114	29	238,462	-
41 w/out 414 and 415	2. Other non-current liabilities	115	30	3,043	8,565
	<b>III. CURRENT LIABILITIES (117+118+119+120+121+122)</b>	116	-	332,544	108,975
42, except 427	1. Short-term financial liabilities	117	31	273,425	1,114
427	2. Liabilities from assets held for sale and assets from discontinued operations	118	-	-	-
43 and 44	3. Liabilities from business operations	119	32	23,274	73,044
45 i 46	4. Other short-term liabilities	120	33	27,429	24,361
47, 48 except 481 and 49 except 49B	5. VAT and other public liabilities and accruals	121	34	7,924	7,905
481	6. Income tax liabilities	122	34	492	2,551
49B	<b>C. DEFERRED TAX LIABILITIES</b>	123	35	9,316	9,807
	<b>D. TOTAL CAPITAL AND LIABILITIES (101+111+123)</b>	124	-	8,058,389	7,403,023
89	<b>E. OFF-BALANCE SHEET ITEMS</b>	125	36	8,754,907	9,399,509

In Belgrade,

date 02.11.2011.

Person responsible for  
preparation of financial  
statements

Legal representative



**INCOME STATEMENT**  
for the period January 1 to September 30, 2011

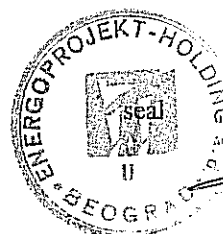
in 000 RSD

Group accounts, account	POSITION	EDP	Amount		
			Note no.	Current year	Previous year
1	2	3	4	5	6
	<b>A. BUSINESS REVENUE AND EXPENSES</b>				
	<b>I. BUSINESS REVENUE (202+203+204-205+206)</b>	201	-	280,813	1,445,203
60 and 61	1. Sale revenue	202	6	263,517	5,947,371
62	2. Revenue from undertaking of outputs and goods for own purposes	203	6	449	576
630	3. Increase of inventories	204		-	182,601
631	4. Decrease of inventories	205		-	4,685,991
64 and 65	5. Other business revenue	206	7	16,847	646
	<b>II. BUSINESS EXPENSES (208 to 212)</b>	207		271,023	769,554
50	1. Cost value of sold goods	208		-	-
51	2. Cost of material	209	8	15,264	25,884
52	3. Staff costs	210	9	136,656	132,364
54	4. Depreciation and provisions costs	211	10	14,996	15,080
53 and 55	5. Other business expenses	212	11	104,107	596,226
	<b>III. PROFIT FROM OPERATIONS (201 - 207)</b>	213		9,790	675,649
	<b>IV. LOSS FROM OPERATIONS (207 - 201)</b>	214		-	-
66	<b>V. FINANCIAL REVENUE</b>	215	12	392,122	329,286
56	<b>VI. FINANCIAL EXPENSES</b>	216	12	133,856	227,689
67, 68	<b>VII. OTHER REVENUE</b>	217	13	71,769	138
57, 58	<b>VIII. OTHER EXPENSES</b>	218	13	1,124	9,324
	<b>IX. PROFIT FROM OPERATIONS BEFORE TAX (213-214+215-216+217-218)</b>	219	-	338,701	768,060
	<b>X. LOSS FROM OPERATIONS BEFORE TAX (214-213-215+216-217+218)</b>	220	-	-	-
69-59	<b>XI. NET PROFIT FROM DISCONTINUED OPERATIONS</b>	221	-	-	-
59-69	<b>XII. NET LOSS FROM DISCONTINUED OPERATIONS</b>	222	-	161	65
	<b>B. PROFIT BEFORE TAX (219-220+221-222)</b>	223	-	338,540	767,995
	<b>V. LOSS BEFORE TAX (220-219+222-221)</b>	224	-	-	-
	<b>G. INCOME TAX</b>			-	-
721	1. Tax expenses for the period	225	-	23,181	22,958
722	2. Deferred tax expenses for the period	226	-	-	-
722	3. Deferred tax revenues for the period	227	-	-	-
723	<b>D. EMPLOYER'S EARNINGS PAID</b>	228	-	-	-
	<b>Đ. NET PROFIT (223-224-225-226+227-228)</b>	229	-	315,359	745,037
	<b>E. NET LOSS (224-223+225+226-227+228)</b>	230	-	-	-
	<b>Ž. NET PROFIT BELONGING TO MINORITY INVESTORS</b>	231	-	-	-
	<b>Z. NET PROFIT BELONGING TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	232	-	-	-
	<b>I. EARNINGS PER SHARE</b>			-	-
	1. Basic earnings per share	233	-	-	-
	2. Decreased (diluted) earnings per share	234	-	-	-
	<b>Total revenue (201+215+217+221)</b>			744,704	1,774,627
	<b>Total expenses (207+216+218+222)</b>			406,164	1,006,632
	<b>Gross results</b>			338,540	767,995

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**CASH FLOW STATEMENT**  
for the period January 1 to September, 2011

in 000 RSD

Position	EDP	Amount	
		Current year	Previous year
1	2	3	4
<b>A. CASH FLOW FROM BUSINESS ACTIVITIES</b>			
<b>I. Cash flow from business activities (1 to 3)</b>	301	652,631	1,261,732
1. Sale and received advance payments	302	648,652	1,214,909
2. Received interests from business activities	303	-	-
3. Other cash flow from regular operations	304	3,979	46,823
<b>II. Cash outflow from business activities (1 to 5)</b>	305	460,727	882,285
1. Cash to suppliers and advances paid	306	190,125	661,960
2. Staff costs	307	139,285	134,037
3. Interests paid	308	7,470	2,239
4. Income tax	309	75,074	39,015
5. Other public duties	310	48,773	45,034
<b>III. Net cash flow from business activities (I-II)</b>	311	191,904	379,447
<b>IV. Net cash outflow from business activities (II-I)</b>	312	-	-
<b>B. CASH FLOW FROM INVESTMENTS</b>			
<b>I. Cash flow from investments (1 to 5)</b>	313	319,620	11,509
1. Sale of shares and stakes (net inflow)	314	-	-
2. Sale of intangible assets, property, plant, equipment and biological assets	315	173,503	-
3. Other financial investments (net inflow)	316	-	-
4. Interests received from investments	317	19,469	11,509
5. Dividends received	318	126,648	-
<b>II. Cash outflow from investments (1 to 3)</b>	319	972,716	610,509
1. Acquisition of shares and stakes (net outflow)	320	32,970	-
2. Acquisition of intangible assets, property, plant, equipment and biological assets	321	520,112	9,701
3. Other financial investments (net outflow)	322	419,634	600,808
<b>III. Net cash flow from investments (I-II)</b>	323	-	-
<b>IV. Net cash outflow from investments (II-I)</b>	324	653,096	599,000
<b>V. CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>I. Cash flow from financing activities (1 to 3)</b>	325	198,132	-
1. Increase of capital assets	326	771	-
2. Long-term and short-term credits (net inflow)	327	197,361	-
3. Other long-term and short-term liabilities	328	-	-
<b>II. Cash outflow from financing activities (1 to 4)</b>	329	3,975	150,986
1. Acquisition of own shares and stakes	330	-	-
Long and short-term credits and other liabilities (net outflow)	331	-	147,769
3. Finance leasing	332	3,974	3,154
4. Dividends paid	333	1	63
<b>III. Net cash flow from financing activities (I-II)</b>	334	194,157	-
<b>IV. Net cash outflow from financing activities (II-I)</b>	335	-	150,986
<b>G. TOTAL CASH FLOW (301+313+325)</b>	336	1,170,383	1,273,241
<b>D. TOTAL CASH OUTFLOW (305+319+329)</b>	337	1,437,418	1,643,780
<b>DI. NET CASH FLOW (336-337)</b>	338	-	-
<b>E. NET CASH OUTFLOW (337-336)</b>	339	267,035	370,539
<b>Z. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD</b>	340	469,938	568,353
<b>Z. GAINS ON EXCHANGE</b>	341	-	447,488
<b>I. LOSS ON EXCHANGE</b>	342	6,848	398,685
<b>J. CASH AT THE END OF THE ACCOUNTING PERIOD (338-339+340+341-342)</b>	343	196,055	246,617

In Belgrade,

date 02.11.2011.

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Legal representative

STATISTICAL ANNEX  
for the period January 1 to September 30, 2011

## AND GENERAL DATA ON THE LEGAL ENTITY, I.E. ENTREPRENEUR

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Number of business months (designation from 1 to 12)	601	9	9
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	74	78

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

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Gross	Correction of value	Net (col.4-5)
1	2	3	4	5	6
o1	<b>1. Intangible assets</b>				
	1.1. Balance at the beginning of the year	606	10,916	1,189	9,727
	1.2. Increase (acquisitions) during the year	607	-	-	-
	1.3. Decrease (sale, removal from inventory and impairment) during the year	608		-	190
	1.4. Revaluation during the year	609		-	-
	1.5. Balance at the end of the year (606+607-608+609)	610	10,916	1,379	9,537
o2	<b>2. Real property, plant, equipment and biological assets</b>				
	2.1. Balance at the beginning of the year	611	1,274,806	333,015	941,791
	2.2. Increase (acquisitions) during the year	612	28,171	-	28,171
	2.3. Decrease (sale, removal from inventory and ensuring) during the year	613	127,491	-	150,136
	2.4. Revaluation during the year	614		-	-
	2.5. Balance at the end of the year ( 611+612-613+614)	615	1,175,486	355,600	819,826

## III STRUCTURE OF INVENTORIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
10	1. Inventories	616	-	-
11	2. Unfinished production	617	-	-
12	3. Finished products	618	-	-
13	4. Goods	619	-	-
14	5. Non-current assets held for sale	620	-	-
15	6. Advances given	621	2,599	335
	7. TOTAL (616+617+618+619+620+621=013 )	622	2,599	335

## IV STRUCTURE OF CAPITAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
300	1. Share capital	623	4,628,583	4,165,836
	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	4,855,761	4,193,014

## V EQUITY STRUCTURE

Number of shares as a whole number  
Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
	<b>1. Ordinary shares</b>			
	1.1. Number of ordinary shares	634	9,467,810	9,467,810
part 300	1.2. Nominal value of ordinary shares - total	635	4,828,583	4,165,836
	<b>2. Priority shares</b>			
	2.1. Number of priority shares	636	-	-
part 300	2.2. Nominal value of priority shares - total	637	-	-
300	3. TOTAL - nominal value of shares (635+637= 623)	638	4,828,583	4,165,836

## VI RECEIVABLES AND LIABILITIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
20	1. Sale receivables (balance at the end of the year 639 ≤ 116)	639	538,787	925,696
43	2. Liabilities from operations (balance at the end of the year 640 ≤ 117)	640	23,201	72,892
part 228	3. Receivables during the year from insurance companies for damages (debt turnover without initial balance)	641	-	-
27	4. VAT paid during acquisition of goods and services (debt turnover without initial balance)	642	16,423	82,726
43	5. Business liabilities (receivables turnover without initial balance)	643	190,119	979,348
450	6. Liabilities for net income and income compensations (receivables turnover without initial balance)	644	71,065	69,576
451	7. Liabilities for salaries tax and salaries compensations paid by employees (receivables turnover without initial balance)	645	11,078	10,784
452	8. Liabilities for contributions on salaries and salaries compensations paid by employees (receivables turnover without initial balance)	646	15,000	13,967
461, 462 and 723	9. Liabilities for dividends, profit share and employer's personal earnings (receivables turnover without initial balance)	647	-	-
465	10. Liabilities toward physical entities for compensations per contracts (receivables turnover without initial balance)	648	1,018	2,579
47	11. VAT collected during sale of products, goods and services (receivables turnover without initial balance)	649	51,444	54,746
	12. Control summary (from 639 to 649)	650	918,135	2,212,314

## VII OTHER EXPENSES AND EXPENDITURES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
513	1. Fuel and energy costs	651	8,402	14,808
520	2. Salaries and salaries compensations (gross)	652	97,125	93,462
521	3. Tax expenses and contributions on salaries and salaries compensations paid by employer	653	14,995	13,810
522, 523, 524 and 525	4. Expenses for compensations to physical entities (gross) based on contracts	654	1,804	4,465
526	5. Expenses of compensations to BoD & Supervision Board members (gross)	655	18,501	15,883
529	6. Other personal expenses and compensations	656	4,231	4,744
53	7. Expenses of production services	657	65,982	518,016
533, part 540 and part 525	8. Lease expenses	658	-	-
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	14,996	15,080
552	12. Expenses of insurance premiums	662	787	4,223
553	13. Payroll expenses	663	2,361	4,460
554	14. Membership fees	664	474	870
555	15. Tax expenses	665	7,798	33,253
556	16. Contributions	666	-	-
562	17. Interests	667	18,196	2,824
part 560, part 561 and 562	18. Interests expenses and a part of financial expenses	668	18,196	2,824
part 560, part 561 and part 562	19. Interests expenses per credits and banks and dfo	669	7,792	2,746
part 579	20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for protection of the Environment and sports	670	921	1,285
	21. Control summary (from 651 to 670)	671	282,561	732,753

## VIII OTHER REVENUE

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
60	1. Goods sale revenue	672	-	-
640	2. Revenue from premiums, subsidies, donations, 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	75,049	24,214
part 660, part 661, and part 662	7. Revenue from interests per accounts and deposits in banks and other financial organizations	678	6,971	11,424
part 660, part 661 and part 669	8. Revenue from dividends and profit share	679	276,715	42,630
	9. Control summary (from 672 to 679)	680	358,735	78,268

## IX OTHER DATA

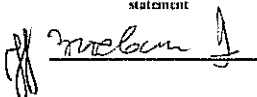
Amounts in 000 RSD

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Liabilities for excises (according to annual excises 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	-	-
7. Personal income of entrepreneurs from net profit (filled in by entrepreneurs only)	687	-	-
8. Control summary (from 681 to 687)	688	-	-

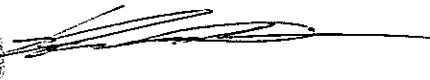
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Legal representative

STATEMENT OF CHANGES IN CAPITAL  
for the period January 1 to September 30, 2011

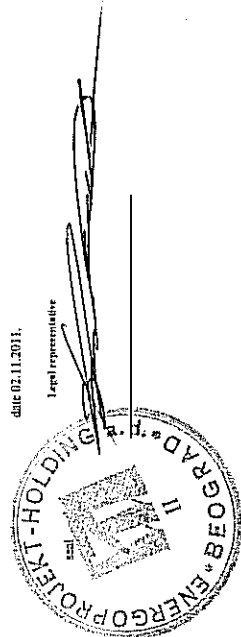
No	DESCRIPTION	1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Issued capital (group) without 309)	Other capital (account 309)	Unpaid capital (group) 31)	Reserves (account 321)	Revaluation (group) 310.311)	Unpaid loans based on securities available for sale (amount 312)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)	Unpaid loans based on securities available for sale (amount 313)
1	Balance on January 1,	3,797,114	27,178	-	79,401	51,103	28,216	28,216	28,216	28,216	70,047	-	3,978	6,274,125	-
2	Correction of materially significant errors and changes in accounting policies in the previous year - increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Corrected initial balance on January 1, of the previous year (no 1-2-3)	3,787,114	27,178	43	79,401	51,103	28,216	28,216	28,216	28,216	70,047	-	3,978	6,274,125	-
5	Total increase in the previous year	252	-	43	21,441	10,013	19,707	19,707	19,707	19,707	874,948	-	243	2,794,370	361
6	Total decrease in the previous year	252	-	43	21,441	10,013	19,707	19,707	19,707	19,707	874,948	-	243	2,794,370	361
7	Balance on December 31, previous year (no 4-5-6)	4,165,916	27,178	43	102,223	43,894	15,992	15,992	15,992	15,992	243,296	-	341	6,896,012	362
8	Correction of materially significant errors and changes in accounting policies in the previous year - increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Corrected initial balance on January 1, of the current year (no 7-8-9)	4,165,916	27,178	43	102,223	43,894	15,992	15,992	15,992	15,992	243,296	-	341	6,896,012	362
11	Total increase in the current year	241	-	43	31,954	1,053	3,612	3,612	3,612	3,612	943,266	-	243	1,654,220	367
12	Total decrease in the current year	241	-	43	31,954	1,053	3,612	3,612	3,612	3,612	943,266	-	243	1,654,220	367
13	Balance on September 30, of the current year (no. 10-11-12)	4,898,213	27,178	43	114,284	43,894	14,231	14,231	14,231	14,231	544,942	-	343	7,209,419	369

date 02.11.2011.

In Belgrade,

Person responsible for preparation of financial statements

*[Signature]*



**ENERGOPROJEKT HOLDING A.D.  
BEOGRAD**

**Notes to the Financial Statements  
as at September 30, 2011**



## 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 Holding a.d., Beograd 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 1 affiliated limited liability company with an equity share of 50%, all together referred to as Energoprojekt Group.

	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.	64,30

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
NOTES TO THE FINANCIAL STATEMENTS

	Name of affiliate	% Share of equity in affiliated company
1	Enjub d.o.o.	50,00

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

Tax registration number: 100001513.

Registration number: 07023014.

Registered business code: 6420.

The company's shares are A-listed on the Belgrade Stock Exchange.

## **2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

The financial statements to which these Notes refer 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 have been prepared in the form prescribed by the Regulation of the Form and Contents of Financial Statements submitted by 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 – 30/09/2011.

Comparative data is shown in RSD thousand as of 30/09/2010.

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

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
NOTES TO THE FINANCIAL STATEMENTS

	30.09.2011.	30.09.2010.
EUR	101,1732	106,1748
USD	74,6776	78,1099

### 3. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of the consolidated financial statements in accordance with IAS and 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.

### 4. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

#### 4.1 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.

#### 4.2 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.

#### **4.3 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.

#### **4.4 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.

#### 4.5 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.

#### 4.6 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.

#### 4.7 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 collection.

#### 4.8 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 2009: 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).

#### **4.9 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.

#### **4.10 Employee benefits**

##### **4.10.1 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.

##### **4.10.2 Health insurance**

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

##### **4.10.3 Retirement bonus**

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

#### 4.10.4 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.

#### 4.11 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 and indirect costs 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 withdrawn 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 a change in the fair value of investment property is included in net profit or loss for the period in which it arises.

#### 4.12 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.



ENERGOPROJEKT HOLDING A.D., BEOGRAD  
NOTES TO THE FINANCIAL STATEMENTS

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 and equipment are classified and depreciated according to rates prescribed under tax laws.

Accounting of depreciation begins from the following month in relation to the month in which capital assets were 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

#### 4.13 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 derivatives 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.

#### 4.14 Inventories

Inventories of goods and material 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.

#### **4.15 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 by applying the 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 posted 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-collectability is supported by credible documents).

#### **4.16 Cash and cash equivalents**

Cash and cash equivalents consist 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.

#### **4.17 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.

#### **4.18 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.

#### **4.19 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.

#### **4.20 Borrowing costs**

Other 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.

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

#### **4.21 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.

#### 4.22 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 and 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 represents 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.

#### 4.23 Long term provisions

A provision is recognized when:

- the Company has a present obligation (legal or constructive) as a result of a past event,
- it is probable that an outflow of resources will be required to settle the obligation, and
- 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 Company's board of directors.

#### **4.24 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.

Under the recently adopted changes and amendments of the Accounting and Accounting Policies Regulation, which applies for financial statements in 2010, a materially significant error is defined as any error which individually or cumulatively with other errors is greater than 1,5% of the Company's total previous year's revenue.

#### **4.25 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:

	<u>30.09.2011</u>	<u>30.09.2010</u>
EUR	101,1732 RSD	106,1748 RSD
USD	74,6776 RSD	78,1099 RSD
GBP	116,5053 RSD	123,8334 RSD
CHF	82,9833 RSD	79,8487 RSD
RUB	2,32265 RSD	2,5801 RSD

## 5. FINANCIAL RISK MANAGEMENT

### 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.

### 5.1 Market risk

#### 5.1.1 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.

#### 5.1.2 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.

#### 5.1.3 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.

## 5.2 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.

## 5.3 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

	30.09.2011 (RSD 000)	30.09.2010 (RSD 000)
<b>Domestic market</b>		
Revenues from services rendered to subsidiaries	263.171	335.122
Revenues from services rendered to other affiliates	286	207
Revenues from services sold on the local market	60	5.612.042
<b>TOTAL</b>	<b>263.517</b>	<b>5.947.371</b>
<b>Foreign market</b>		
Revenues from services to subsidiaries		
<b>TOTAL</b>		
<b>GRAND TOTAL</b>	<b>263.517</b>	<b>5.947.371</b>

Revenue from services rendered to subsidiaries (263.171 thousand RSD) in the local market is generated by 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. Revenue from services rendered to other affiliates (286 thousand RSD) include legal and representation services for Enjub, and commission income from airline ticket sales (60 thousand RSD).

Revenue from services sold on the local market in 2010 includes income from the completed sales contract for an unfinished building (5.302.842 thousand RSD), income under Annex XIV of



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the Contract for the Reconstruction of the Prokop Station 5<sup>th</sup> and 6<sup>th</sup> railway tracks (309.198 thousand RSD), and commission income from airline ticket sales (2 thousand RSD).

Income from the own use of products, services and merchandise (449 thousand RSD) is attributed to automobile use for business travel.

**7. OTHER OPERATING INCOME**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Rents	<u>16,847</u>	<u>646</u>
Other		
<b>Total</b>	<u><u>16,847</u></u>	<u><u>646</u></u>

Rents comprise of income generated by EP Visokogradnja (16.161 thousand RSD) from the renting of the bachelor's hotel in Batajnicki drum and renting the roof terrace to Telekom (686 thousand RSD).

**8. MATERIAL COST**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Raw material	<u>103</u>	
Other material cost (overheads)	6,758	11,076
Fuel and energy	<u>8,403</u>	<u>14,808</u>
<b>Total</b>	<u><u>15,264</u></u>	<u><u>25,884</u></u>

**9. STAFF COSTS**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Salaries and fringe benefits (gross)	<u>97,125</u>	<u>93,462</u>
Taxes and contributions on salaries and fringe benefits charged to employer	14,995	13,810
Temporary service contracts	1,226	3,694
Copyright agreements	578	559
Temporary and provisional contracts		212
Board of Directors and Supervisory Board	18,501	15,883
Other personal expenses remunerations	<u>4,231</u>	<u>4,744</u>
<b>Total</b>	<u><u>136,656</u></u>	<u><u>132,364</u></u>

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**10. DEPRECIATION AND PROVISION EXPENSES**

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
Depreciation of property, plant, equipment	14,996	15,080
Provision for fringe and other employee benefits		
<b>Total</b>	<u><u>14,996</u></u>	<u><u>15,080</u></u>

Depreciation expenses in the third quarter 2011 (14.996 thousand RSD; 3Q2010: 15.080 thousand RSD) consist of PPE depreciation according to Note 4(1).

**11. OTHER OPERATING EXPENSES**

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
<b><u>Costs of production services</u></b>		
Service costs of outputs		480,497
Transportation costs	3,596	4,217
Maintenance costs	48,900	29,261
Rental costs	500	839
Advertising costs	10,423	345
Costs of other services	2,563	2,857
<b>Subtotal</b>	<u>65,982</u>	<u>518,016</u>
<b><u>Non-production costs</u></b>		
Costs of non-production services	15,745	27,003
Expense accounts	4,303	3,050
Insurance premium costs	787	4,223
Payment operation costs	2,360	4,460
Membership fees	474	870
Tax duties	7,798	33,253
Other intangible expenses	6,658	5,351
<b>Subtotal</b>	<u>38,125</u>	<u>78,210</u>
<b>Total</b>	<u><u>104,107</u></u>	<u><u>596,226</u></u>

## 12. FINANCIAL REVENUES AND EXPENSES

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Financial revenues</u></b>		
Financial income from transactions with parent company and subsidiaries	354,322	213,918
Financial income from other subsidiaries	6,994	5,973
Income from interest	6,971	11,424
FX gains	22,537	96,482
Gains on foreign currency clause	384	206
Other financial revenues	914	1,283
<b>Total</b>	<b><u>392,122</u></b>	<b><u>329,286</u></b>
<b><u>Financial expenses</u></b>		
Financial expenses from transactions with parent company and subsidiaries	93,420	5,085
Financial expenses from transactions with other affiliates	5,538	
Costs of interest	18,196	2,823
FX losses	16,670	218,758
Losses on foreign currency clause	32	1,023
<b>Total</b>	<b><u>133,856</u></b>	<b><u>227,689</u></b>

The Company generated financial income from profit sharing with subsidiaries: Energoprojekt Garant a.d.o. (126.401 thousand RSD), Energoprojekt Entel a.d (114.803 thousand RSD) and Energoprojekt Oprema a.d. (34.597 RSD).

Interest income from subsidiaries (in total 61.083 thousand RSD) relates to: Energoprojekt Visokogradnja (31.350 thousand RSD), Energoprojekt Niskogradnja (22.670 thousand RSD), Energoprojekt Urbanizam i arhitektura (5.787 thousand RSD), and Energoprojekt Energodata (1.276 thousand RSD).

Income based on foreign currency clauses from operations with subsidiaries totalled 17.438 thousand RSD, and are based on service contracts between the Holding and its subsidiaries.

Financial income from other affiliates include interest income and exchange rate gains on an extended loan to Enjub.

**13. OTHER REVENUES AND EXPENSES, ADJUSTMENT GAINS AND IMPAIRMENT COSTS**

	30.09.2011	30.09.2010
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Other revenues and property value adjustment gains</u></b>		
Gains on disposals of intangibles and PP&E	51,457	
Gains on disposals of LT investments and securities		
Previously written-off claims recovered	5,115	
Income from positive hedging effects		
Income from reduction of liabilities		
Cancelled long-term reserves		
Other	160	138
Value adjustment of claims and short-term financial investments	15,037	
Property value adjustment		
<b>Total</b>	<u><u>71,769</u></u>	<u><u>138</u></u>
	30.09.2011	30.09.2010
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Other expenses and property impairment costs</u></b>		
Disposal and write-off of intangibles and PP&E		
Shortages		
Negative hedging effects		
Direct receivables write-off	198	
Other expenses	926	9,324
Impairment of other property		
<b>Total</b>	<u><u>1,124</u></u>	<u><u>9,324</u></u>

Revenue from PPE sales (51.457 thousand RSD) includes income from the sale of office property in New Belgrade, Goce Delčeva Street (51.298 hiljada RSD), and other income from the sale of leased automobiles.

Previously written-off claims recovered and income from positive hedging effects relate to claims on short-term financial investments recovered from Energoprojekt Promet d.o.o..

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#### 14. INTANGIBLE INVESTMENTS

	Other intangibles	Intangible investments in progress	Advances on intangibles	Total
	RSD 000	RSD 000	RSD 000	RSD 000
<b>Cost value</b>				
Balance on 01/01/2011	2,079	8,837		10,916
Additions				
Transfers				0
Other				0
Balance on 30/09/2011	2,079	8,837	0	10,916
<b>Value adjustment</b>				
Balance on 01/01/2011	1,189			1,189
Restated balance				0
Depreciation 2011	190			
Balance on 30/09/2011	1,379	0	0	1,189
<b>Net book value</b>				
30.09.2011.	700	8,837	0	9,537
30.09.2010.	954	8,837		9,791

#### 15. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings	Plant, equipment	Investment property	Property in progress	Advances on property	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
<b>Cost value</b>						
Balance on 1/1/2011	555,876	99,262	496,695	122,973	0	1,274,806
Additions	25,925			18,478		44,403
Transfers		1,386				1,386
Disposals		-3,642		-141,451		-145,093
Advances increase/decrease					0	0
Other		-15				-15
Balance on 30/09/2011	581,801	96,991	496,695	0	0	1,175,487
<b>Value adjustment</b>						
Balance on 1/1/2011	279,768	53,247				333,015
Depreciation	15,273	9,227				24,500
Disposals		-1,854				-1,854
Other						0
Balance on 30/09/2011	295,041	60,620	0	0	0	355,661
<b>Net book value</b>						
30.09.2011	286,760	36,371	496,695	0	0	819,826
30.09.2010.	270,561	48,056		122,879	-4,152	445,648

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
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**15(a) EQUIPMENT UNDER LEASE**

		RSD 000	
<u>Leasing</u>			
	30.09.2011		30.09.2010
<u>Group</u>	<u>Net book value</u>	<u>Group</u>	<u>Net book value</u>
Cars	5,666	Cars	11,133
Copying machine	119	Copying machine	194
Other		Other	
<b>Total</b>	<b>5,785</b>		<b>11,327</b>

**16. 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 affiliates 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 return 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:

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		<u>000 RSD</u>	
<b>SUBSIDIARIES</b>		<b>30.09.2011.</b>	<b>30.09.2010.</b>
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	191,438
EP Industrija a.d.	62.77%	61,209	61,209
EP Entel a.d.	86.26%	216,422	216,422
EP Garant a.d.o.	64.30%	401,647	401,371
EP Montenegro d.o.o.	100.00%	8	10
Inec Eng. Ltd.	100.00%	62,359	72,123
Encom GmbH	100.00%	3,493	5,101
Nana off shore	100.00%	1,258	1,488
<b>Total</b>		<b>4,164,890</b>	<b>4,176,218</b>
<b>OTHER AFFILIATES</b>			
Company name	% share	Present value	Present value
Enjub d.o.o.	50.00%	13,550	13,550
Energo Ghana Ltd.	80.00%	4,911	6,686
United Cons.Botswana	100.00%	3,205	4,363
Zecco Zambia	100.00%	587	799
<b>Total</b>		<b>22,253</b>	<b>25,398</b>
<b>OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES</b>			
Company name		Present value	Present value
Dunav a.d.o		487	1,006
Jubmes banka a.d.		49,163	21,870
Hypo Alpe-Adria bank			3,366
Hipotekarna banka Podg.		10,463	6,583
AIK banka		960	
Energo broker a.d.		4,371	4,371
Hotel Bela ladja a.d.Bečej		5,947	
FIMA SEE Activist		14,080	14,160
<b>Total</b>		<b>85,471</b>	<b>51,356</b>
 <b>TOTAL</b>		 <b>4,272,614</b>	 <b>4,252,972</b>

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**17. OTHER LONG TERM FINANCIAL INVESTMENTS**

Other long term financial investments include:

	30.09.2011	30.09.2010
	RSD 000	RSD 000
a) Long term loans approved		
- local market		
- foreign market		
<b>Total</b>	-	-
b) Foreign currency savings bonds		
c) Staff housing loans	2,195	2,188
d) Long term loans to subsidiaries	141,073	
e) Other long term investments		169,886
<b>Total</b>	<u>143,268</u>	<u>172,074</u>

**18. INVENTORIES**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Work in progress		
Paid advances	2,599	335
<b>Total</b>	<u>2,599</u>	<u>335</u>



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**19. RECEIVABLES**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Trade receivables</u></b>		
Trade receivables (parent and subsidiaries)	538,070	871,992
Trade receivables - other affiliates	705	245
Trade receivables (domestic)	12	53,459
Trade receivables (foreign)		
Less: value adjustment		
<b>Subtotal</b>	<b>538,787</b>	<b>925,696</b>
<b><u>Receivables from specific business operations</u></b>		
Other receivables from specific operations	65,917	41,187
Less: value adjustment		
<b>Subtotal</b>	<b>65,917</b>	<b>41,187</b>
<b><u>Other</u></b>		
Interest and dividends	226,697	41,560
Staff claims	359	619
Receivables from state institutions		
Prepaid income tax		
Other prepaid taxes and contributions		
Other receivables	801	2,372
Less: value adjustment		(722)
<b>Subtotal</b>	<b>227,857</b>	<b>43,829</b>
<b>Total</b>	<b>832,561</b>	<b>1,010,712</b>

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Trade receivables (domestic)</u></b>		
Belgrade	538,787	922,614
Less: value adjustment		
<b>Subtotal</b>	<b>538,787</b>	<b>922,614</b>
<b><u>Trade receivables (foreign)</u></b>		
Europe		3,082
Africa		
Less: value adjustment		
<b>Subtotal</b>	<b>-</b>	<b>3,082</b>
<b>Total</b>	<b>538,787</b>	<b>925,696</b>

## 20. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
<b><u>Short term loans and investments - parent company, subsidiaries and affiliates</u></b>		
Subsidiaries	1,652,402	1,120,918
Affiliates	122,791	86,391
Maturing obligations - long term loans	38	33
Less: value adjustment		-66,389
<b>Subtotal</b>	<u>1,775,231</u>	<u>1,140,953</u>
<b><u>Short term loans - domestic</u></b>		
Loans to workers		
Maturing obligations - long term loans	632	
Less: value adjustment		
<b>Subtotal</b>	<u>632</u>	<u>-</u>
<b><u>Other short term financial investments</u></b>		
Alpha Bank -short-term FX deposit		111,484
Other		
Less: value adjustment		
<b>Subtotal</b>	<u>-</u>	<u>111,484</u>
<b>Total</b>	<u><u>1,775,863</u></u>	<u><u>1,252,437</u></u>

## 21. CASH AND CASH EQUIVALENTS

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
<b><u>RSD</u></b>		
Current accounts	333	2,129
Treasury	277	31
<b>Subtotal</b>	<u>610</u>	<u>2,160</u>
<b><u>Foreign currency</u></b>		
Foreign currency accounts	195,445	244,064
Treasury		392
<b>Subtotal</b>	<u>195,445</u>	<u>244,456</u>
<b>Total</b>	<u><u>196,055</u></u>	<u><u>246,616</u></u>

The Company's foreign currency assets are term deposited (short-term) at rates varying from 3,8% up to 5,6% p.a. (EUR) and 3,4% p.a. (USD).

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**22. VAT AND ACCRUALS**

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
<b><u>Value added tax-accrued</u></b>	<b>362</b>	<b>228</b>
<b><u>Accrued income</u></b>		
Prepayments	2,134	580
Uninvoiced income receivables	129	9,655
Accrued commitments		
Other accruals	3,441	1,975
<b>Subtotal</b>	<b>5,704</b>	<b>12,210</b>
<b>Total</b>	<b>6,066</b>	<b>12,438</b>

**23. SHARE CAPITAL**

The share capital consists of:

	<u>30.09.2011</u>	<u>30.09.2010</u>
	RSD 000	RSD 000
Share capital		
Ordinary shares	4,828,583	4,165,836
Preferred shares		
Principal capital	4,828,583	4,165,836
Other share capital	27,178	27,178
<b>Total principal and other capital</b>	<b>4,855,761</b>	<b>4,193,014</b>

According to records of the Central Securities Depository, the ownership structure of Energoprojekt Holding a.d. shares on 30/09/2011 is as follows:

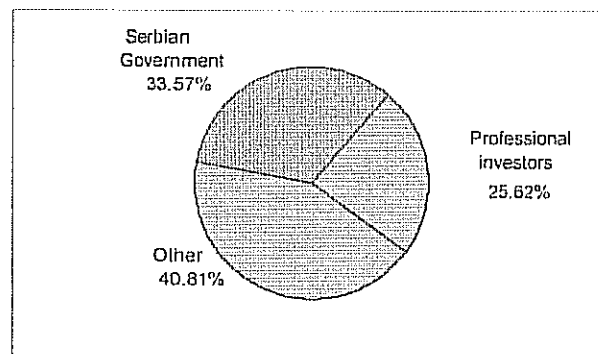
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	no. of shares	% of total issue
Shares held by private shareholders	2,853,486	30.14%
Shares held by legal entities	4,821,117	50.92%
- Serbian Government	3,178,533	33.57%
- Other legal entities	1,642,584	17.35%
Summary (custody) account	1,793,207	18.94%
<b>Total shares</b>	<b>9,467,810</b>	<b>100%</b>

Number of shareholders with equity share	number of entities			number of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
to 5%	8,110	264	8,374	4,791,705	530,361	5,322,066	50.61%	5.60%	56.21%
from 5% to 10%	1	1	2	477,859	489,352	967,211	5.05%	5.17%	10.22%
over 10% to 25%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 33% to 50%	1	0	1	3,178,533	0	3,178,533	33.57%	0.00%	33.57%
over 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0%
over 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0%
over 75%	0	0	0	0	0	0	0.00%	0.00%	0%
<b>Total shares</b>	<b>8,112</b>	<b>265</b>	<b>8,377</b>	<b>8,448,097</b>	<b>1,019,713</b>	<b>9,467,810</b>	<b>89.23%</b>	<b>10.77%</b>	<b>100.00%</b>

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3,178,533	33.57%
East capital asset manag.	489,352	5.17%
Hypo kastodi 4	477,859	5.05%
GP Napred a.d. Beograd	314,563	3.32%
Unicredit Bank Austria AG	259,632	2.74%
Privredna banka Zagreb d.d.	231,712	2.45%
Erste bank custody 00001	220,549	2.33%
NLB clients	155,591	1.64%
Gustaviadavegardh fonder aktie	145,000	1.53%
Erste bank custody	131,556	1.39%



Structure of share capital on 30/09/2011:

- Share capital	6.289.277
- Serbian Government	3.178.533
<b>Total</b>	<b>9.467.810</b>

The share capital consists of 9.467.810 ordinary shares each with a nominal value of 510 RSD (4.828.583 thousand RSD), and a nominal book value of 761,47 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.

The company's shares are A-listed on the Belgrade Stock Exchange since 2007.

Other fixed capital was created by the reposting of non-business assets sources in 2005 in the total of 27.178 thousand RSD.

## 24. RESERVES

The reserves consist of:

	30.09.2011 RSD 000	30.09.2010 RSD 000
Issuing premium	1,600,485	1,600,056
Legal reserves	23,185	23,185
Statutory and other	111,696	79,738
<b>Total</b>	<b>1,735,366</b>	<b>1,702,979</b>

Issuing premium represents 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.

## 25. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

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

	30.09.2011 RSD 000	30.09.2010 RSD 000
Revaluation reserves	43,080	57,829
Unrealized profit from available for sale securities	14,231	10,647
Unrealized losses from available for sale securities	-3,061	-1,924
<b>Total</b>	<b>54,250</b>	<b>66,552</b>

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 (30/09/2011).

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

## 26. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	30.09.2011 RSD 000	30.09.2010 RSD 000
Retained earnings from previous years	943,386	709,871
Adjustment of income tax revenues	1	(303)
Distribution of profits (dividends)		
Distribution of profits (increase of nominal value per share)	(662,747)	(378,712)
Allocation to statutory reserves	(31,958)	(23,442)
Current year's profit	<u>315,359</u>	<u>745,037</u>
<b>Total</b>	<u>564,041</u>	<u>1,052,451</u>

Distribution of unallocated profits on 31/12/2010 (current year's profits for 2010) was based on the GM Resolution of Energoprojekt Holding a.d. taken at the XXXVI meeting, held on 30/06/2011, under Item 5 of the agenda, as follows:

The undistributed profits were allocated as follows:

- a) Part of the undistributed profit in the sum of RSD 662.746.700,00 RSD (9.467.810 shares x 70,00 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 6, on the IX issue of ordinary shares without public offering for the purpose of converting undistributed profit to equity and replacement of the shares accordingly in order to increase their nominal value from 440,00 to 510,00 RSD.
- b) The balance of 248.682.298,72 RSD remains unallocated.

## 27. REDEEMED SHARES

As of 30/09/2010 the Company holds a total of 776 treasury shares with a combined nominal value of 341 thousand RSD. All treasury shares were sold in April this year.

## 28. 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:

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	5,606	1,021
Other	260,000	260,000
<b>Total</b>	<b>265,606</b>	<b>261,021</b>

## 29. LONG TERM LOANS

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

	CCY	Interest %	30.09.2011	30.09.2010
<u>In currency</u>			RSD 000	RSD 000
Republic of Serbia Development Fund	<i>EUR</i>	<i>4.5% p.a.</i>	238,462	-
<b>Total</b>			<b>238,462</b>	<b>-</b>
<b>Total</b>			<b>238,462</b>	<b>-</b>

The Republic of Serbia Development Fund approved a long-term permanent capital assets loan of 321.174.000,00 RSD (3.040.225,67 EUR) on 30/12/2010.

The principal loan amount is determined by applying a currency clause so that the debt is calculated in EUR according to the NBS middle rate on the date of disbursement of the loan and then translated into RSD based on the middle rate on the due date.

The loan terms are as follows:

- Loan repayment in 2 years with a grace period until 30/06/2011. During the grace period intercalary interest is calculated per quarter retrospectively and applied to the principal debt.
- Interest rate 4,5 % per annum.
- Loan repayment in quarterly annuities starting from 30/09/2011.

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Annuities maturing in 2011 are 75.991.180,40 RSD (751.099,90 EUR) (including intercalary interest) in total and are disclosed under short-term financial commitments maturing in less than one year (Note 31).

The loan will be secured by bills of exchange issued by Energoprojekt Holding a.d. and guarantees from Energoprojekt Niskogradnja a.d., Energoprojekt Oprema a.d., Energoprojekt Entel a.d., Energoprojekt Industrija a.d. and Energoprojekt Hidroinženjering a.d.

The loan was approved by the Republic of Serbia Development Fund based on the document titled „Energoprojekt Holding a.d. permanent capital assets programme“ according to which these funds are necessary for overcoming short-term liquidity problems and for assisting subsidiary Energoprojekt Visokogradnja a.d. in its foreign marketing activities.

### 30. OTHER LONG TERM LIABILITIES

Other long term liabilities relate to:

	30.09.2011 RSD 000	30.09.2010 RSD 000
Long term finance lease	3,043	8,565
<b>Total</b>	<b>3,043</b>	<b>8,565</b>

### 30(a) LONG TERM LEASING OBLIGATIONS

	RSD 000			RSD 000		
	30.09.2011			30.09.2010		
	Minimum future leasing payments	Interest	Present value of minimum payment	Minimum future leasing payments	Interest	Present value of minimum payment
Up to 1 year	617	196		1,089	216	
1-5 years	3,043	22		8,565	769	
5+ years						
<b>Total</b>	<b>3,660</b>	<b>218</b>	<b>0</b>	<b>9,654</b>	<b>985</b>	<b>0</b>



### 31. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	30.09.2011	30.09.2010
CCY	RSD 000	RSD 000
<b><u>Short term loans domestic</u></b>		
<i>Alpha bank a.d.</i>	196,726	
Other		
<b>Subtotal</b>	<b>196,726</b>	<b>0</b>
<b><u>Other short term financial liabilities</u></b>		
Republic of Serbia Development Fund - part maturing in one year or less	75,991	
Short term liabilities maturing in one year or less- Raiffeisen Leasing		207
Short term liabilities maturing in one year or less- Intesa Leasing	617	882
Other ST financial liabilities-VISA accounts	91	25
<b>Subtotal</b>	<b>76,699</b>	<b>1,114</b>
<b>Total</b>	<b>273,425</b>	<b>1,114</b>

### 32. LIABILITIES FROM OPERATIONS

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Liabilities from business operations</u></b>		
Received advances, short-term and safety deposits	777	
Suppliers-parent and subsidiaries	10,633	63,209
Suppliers-affiliates		1,149
Suppliers-domestic	11,791	8,534
Suppliers-foreign		
Other liabilities		
<b>Subtotal</b>	<b>23,201</b>	<b>72,892</b>
<b><u>Liabilities from specific operations</u></b>		
Other	73	152
<b>Subtotal</b>	<b>73</b>	<b>152</b>
<b>Total</b>	<b>23,274</b>	<b>73,044</b>

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Geographical distribution of suppliers:

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Local suppliers</u></b>		
Belgrade	18,049	66,099
Less: value adjustment		
<b>Subtotal</b>	<b>18,049</b>	<b>66,099</b>
<b><u>Foreign suppliers</u></b>		
Europe-subsidiaries	5,152	5,720
Africa-other entities		74
Asia-other affiliates		999
Less: value adjustment		
<b>Subtotal</b>	<b>5,152</b>	<b>6,793</b>
<b>Total</b>	<b>23,201</b>	<b>72,892</b>

**33. OTHER SHORT TERM LIABILITIES**

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b><u>Salaries and fringe benefits</u></b>	<b>10,953</b>	<b>11,854</b>
<b><u>Other obligations</u></b>		
Interest and financing costs	3,508	
Dividends	6,045	6,046
Profit sharing	4,299	4,299
Employees	532	143
Members of the Board of Directors and Supervisory Board	1,400	1,235
Service contracts	90	195
Other	602	589
<b>Total</b>	<b>27,429</b>	<b>24,361</b>

### 34. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS

	30.09.2011	30.09.2010
	RSD 000	RSD 000
<b>Value added tax</b>	4,450	4,975
<b>Other taxes, contributions and duties</b>		
Liabilities for income tax	492	2,551
Liabilities for taxes, customs and other duties charged to costs	2,540	2,159
Other liabilities for taxes, contributions and other duties	885	732
<b>Subtotal</b>	<u>3,917</u>	<u>5,442</u>
<b>Accruals and deferred income</b>		
Accrued expenses	49	39
Deferred income		
Collected VAT		
<b>Subtotal</b>	<u>49</u>	<u>39</u>
<b>Total</b>	<u><u>8,416</u></u>	<u><u>10,456</u></u>

### 35. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences, unused tax losses and loans that are carried forward. Deferred tax assets and liabilities are recognized to the extent that it is likely that taxable profits will be generated by the company in future.

Deferred tax liabilities are the amount of income taxes that are payable in future periods because of taxable temporary differences.

	30.09.2011	30.09.2010
	RSD 000	RSD 000
Deferred tax assets		
Deferred tax liabilities	9,316	9,807
<b>Net tax assets/liabilities</b>	<u><u>9,316</u></u>	<u><u>9,807</u></u>

### 36. OFF-BALANCE SHEET ITEMS

The Company's off-balance sheet assets and liabilities (8.754.907 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 7.751.766 thousand RSD (the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral), obligations under performance bonds – external (21.337 thousand RSD), obligations for Enjub dividends (30,442 thousand RSD) and rights to use city building land (937.451 thousand RSD) and mortgage on Enjub apartments (13.911 thousand RSD) under the concluded loan agreement in favor of Enjub.

### 37. LAWSUITS

Nr	Petitioner	Respondent	Grounds for lawsuit and value	Court of jurisdiction	Outcome
1.	Jovanović Vlada	EP Holding a.d.	Salary claims 1.292,00 USD, 27.000,00 RSD	District Court	Uncertain
2.	Land Development Agency	EP Holding a.d.	Fee for Hyatt, 15.459.728,80 RSD	Commercial Court of Belgrade	Uncertain
3.	EP Holding a.d. & EP Visokogradnja a.d. & GP Napred	City of Belgrade, Serbia, Belgrade Arena, Land Development Agency	Part of debt to EP Hld and EP Vg, 8.399.218,81 USD	Commercial Court of Belgrade	Win
4.	EP Oprema a.d.- EP Holding a.d.	Belgrade Arena	4.817.705,05 RSD in debts	Commercial Court of Belgrade	Founded
5.	Dragoljub Bakić	EP Holding a.d. & EP Urbanizam i arhitektura a.d.	389.382,87 RSD	1st Primary Court of Belgrade	Uncertain
6.	Ljiljana Bakić	EP Holding a.d. & EP Urbanizam i arhitektura a.d.	389.703,54 RSD	1st Primary Court	Uncertain
7.	Radomir Banjac	EP Holding a.d.	Damage claim- mobbing 4.400.000,00 RSD	1st Primary Court	Unfounded
8.	Milan Raonić	EP Holding a.d., EP Visokogradnja a.d. i EP Urbanizam i arhitektura a.d.	Copyright infringement, 7.000.000,00 RSD	Higher Court of Belgrade	Uncertain
9.	EP Holding a.d. & EP Oprema a.d.	Municipality of Medvedja	Damage claim, 120.000.000,00 RSD	Commercial Court of Leskovac	Founded

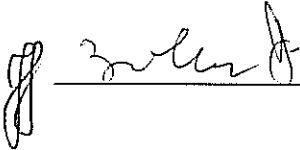
**38. POST BALANCE SHEET EVENTS**

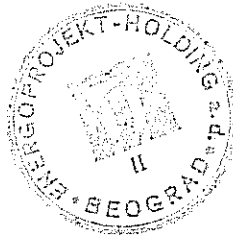
There were no events after balance sheet date which would have any significant impact the credibility of the financial reports.


Belgrade,  
November 2, 2011

Statements approved by:

Managing Director

  
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