

Semi-Annual Consolidated Statement  
Energoprojekt Group  
2013

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Pursuant to Article 53 of the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011) and Article 9 of the Regulation of the Form, Contents and Manner of Publication of Annual, Semi-Annual and Quarterly Reports submitted by public companies („Official Gazette of the Republic of Serbia“ No. 14/2012), **Energoprojekt Holding plc from Belgrade, ID No: 07023014 publishes:**

## **SEMI-ANNUAL CONSOLIDATED STATEMENT**

### **ENERGOPROJEKT GROUP 2013**

#### C O N T E N T S

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS ENERGOPROJEKT GROUP 2013

(Balance sheet, Income statement, Cash flow statement, Statement of Changes in Equity, Notes to Financial Statements)

2. BUSINESS REPORT

3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORTS)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED STATEMENT ENERGOPROJEKT GROUP 2013 \* (Note)

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS  
ENERGOPROJEKT GROUP FOR 2013 (Balance sheet, Income  
statement, Cash flow statement, Statement of Changes in Equity, Notes to  
Financial Statements)

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Reporting period:

from

until

### Quarterly Financial Statement for Businesses KFI-PD

Business name:

Reg. No.:

Postal code, city:

Street and number:

E-mail:

Website:

Consolidated/individual:

Approved (yes/no):

Audited (yes/no):

Consolidation group:\*

Head office:

Reg. No.:

<b>Energoprojekt Visokogradnja p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07073151</b>
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<b>Energoprojekt Niskogradnja p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07073160</b>
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<b>Energoprojekt Oprema p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07073186</b>
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<b>Energoprojekt Entel p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07470975</b>
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<b>Energoprojekt Hidroinženjering p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07023065</b>
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<b>Energoprojekt Industrija p.l.c.</b>	<b>Beograd, Bulevar M.Pupina 12</b>	<b>07073224</b>
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Contact person:

(name and surname of contact person)

Phone:

Fax:

E-mail:

Name and surname:

(authorized officer)

\*Consolidated financial statements for 2nd quarter (half-year) only

**BALANCE SHEET**

as at 30.06.2013

in RSD thousands

Description	ADP	Total	
		end of quarter current year	31-Dec previous year
1	2	3	4
<b>ASSETS</b>			
<b>A. NON-CURRENT ASSETS (002 + 003 + 004 + 005 + 009)</b>	<b>001</b>	10.557.551	10.004.773
I SUBSCRIBED CAPITAL, UNPAID	002		
II GOODWILL	003		
III INTANGIBLES	004	66.459	70.479
<b>IV PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006 + 007 + 008)</b>	<b>005</b>	8.805.432	8.249.669
1. Property, plant & equipment	006	6.953.118	6.409.825
2. Investment property	007	1.852.314	1.839.844
3. Natural assets	008		
<b>V LONG-TERM FINANCIAL INVESTMENTS (010+011)</b>	<b>009</b>	1.685.660	1.684.625
1. Share of Capital	010	781.243	787.121
2. Other long-term financial investments	011	904.417	897.504
<b>B. CURRENT ASSETS (013 + 014 + 015)</b>	<b>012</b>	17.661.834	17.208.915
I. MATERIAL	013	3.195.957	2.915.394
II. ASSETS HELD FOR TRADING AND SUSPENDED BUSINESS ASSETS	014	64.156	64.156
<b>III SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016 + 017 + 018 + 019 + 020)</b>	<b>015</b>	14.401.721	14.229.365
1. Receivables	016	7.047.202	7.122.691
2. Receivables from prepaid income tax	017		
3. Short-term financial investments	018	2.179.042	2.446.226
4. Cash and cash equivalents	019	2.493.079	3.355.473
5. VAT and deferred income	020	2.682.398	1.304.975
C. DEFERRED TAX ASSETS	021		
<b>D. BUSINESS PROPERTY (001 + 012 + 021)</b>	<b>022</b>	28.219.385	27.213.688
E. LOSSES OVER CAPITAL	023		
<b>F. TOTAL ASSETS (022 + 023)</b>	<b>024</b>	28.219.385	27.213.688
G. OFF-BALANCE SHEET ASSETS	025	14.112.437	14.076.978
<b>LIABILITIES</b>			
<b>A. CAPITAL (102+103+104+105+106-107+108-109-110)</b>	<b>101</b>	12.672.804	12.724.425
I ORIGINAL CAPITAL	102	5.982.866	5.511.964
II SUBSCRIBED CAPITAL, UNPAID	103		
III RESERVES	104	903.379	899.217
IV REVALUATION RESERVES	105	1.259.299	1.748.834
V UNREALIZED GAINS FROM SECURITIES	106	11.251	14.599
VI UNREALIZED LOSSES FROM SECURITIES	107	45.678	25.798
VII UNDISTRIBUTED PROFIT	108	4.561.687	4.575.609
VIII LOSSES	109		
IX REDEEMED TREASURY SHARES	110		
<b>B. LONG-TERM PROVISIONS AND LIABILITIES (112 + 113 + 116)</b>	<b>111</b>	15.458.402	14.401.449
I LONG-TERM PROVISIONS	112	1.393.914	1.378.776
<b>II LONG-TERM COMMITMENTS (114 + 115)</b>	<b>113</b>	1.948.938	1.905.286
1. Long-term loans	114	769.646	943.240
2. Other long-term commitments	115	1.179.292	962.046
<b>III SHORT-TERM COMMITMENTS (117 + 118 + 119 + 120 + 121 + 122)</b>	<b>116</b>	12.115.550	11.117.387
1. Short-term financial commitments	117	3.105.785	2.717.327
2. Commitments for assets held for trading and suspended business assets	118		
3. Business commitments	119	6.062.669	6.131.959
4. Other short-term commitments and accruals	120	1.095.342	1.091.512
5. VAT and other public revenue, accruals	121	1.346.907	694.846
6. Corporate income tax	122	504.847	481.743
C. DEFERRED TAX LIABILITIES	123	88.179	87.814
<b>D. TOTAL LIABILITIES (101 + 111 + 123)</b>	<b>124</b>	28.219.385	27.213.688
E. OFF-BALANCE SHEET LIABILITIES	125	14.112.437	14.076.978

P&L ACCOUNT

from 01.01.2013 until 30.06.2013

in RSD thousands

Description	ADP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>A. BUSINESS INCOME AND EXPENDITURE</b>					
<b>I. BUSINESS INCOME (202+203+204-205+206)</b>	<b>201</b>		10.097.681		11.890.351
1. Sales revenue	202		9.678.461		11.197.894
2. Own use of products, services and merchandise	203		58.647		16.349
3. Increase of finished goods, WIP and services in progress	204		242.152		609.877
4. Decrease of finished goods, WIP and services in progress	205		2.410		57.397
5. Other business revenues	206		120.831		123.628
<b>II. BUSINESS EXPENDITURE (208 to 212)</b>	<b>207</b>		10.109.783		11.937.038
1. Cost of merchandise sold	208		146.578		196.793
2. Cost of material	209		2.872.873		4.272.683
3. Costs of salaries, fringe benefits and other personal expenses	210		3.571.294		3.410.173
4. Costs of depreciation and provisions	211		283.725		366.877
5. Other business expenses	212		3.235.313		3.690.512
<b>III BUSINESS PROFIT (201 - 207)</b>	<b>213</b>				
<b>IV BUSINESS LOSSES (207 - 201)</b>	<b>214</b>		12.102		46.687
V FINANCIAL INCOME	215		453.303		1.789.217
VI FINANCIAL EXPENDITURE	216		395.909		980.931
VII OTHER INCOME	217		56.388		90.671
VIII OTHER EXPENDITURE	218		72.047		48.863
<b>IX OPERATING REVENUE BEFORE TAX (213 - 214 + 215 - 216 + 217 - 218)</b>	<b>219</b>		29.633		803.407
<b>X OPERATING LOSSES BEFORE TAX (214 - 213 - 215 + 216 - 217 + 218)</b>	<b>220</b>				
XI NET PROFIT FROM SUSPENDED OPERATIONS	221				
XII NET LOSSES FROM SUSPENDED OPERATIONS	222		33.531		6.325
<b>B. PROFIT BEFORE TAX (219 - 220 + 221 - 222)</b>	<b>223</b>				797.082
<b>C. LOSSES BEFORE TAX (220 - 219 + 222 - 221)</b>	<b>224</b>		3.898		
<b>D. INCOME TAX</b>					
1. Tax liabilities for the period	225		88.227		46.482
2. Deferred tax liabilities for the period	226		1.422		4.385
3. Deferred tax income for the period	227				
E. Salaries paid to employer	228				
<b>F. NET PROFIT (223 - 224 - 225 + 226 + 227 - 228)</b>	<b>229</b>				746.215
<b>G. NET LOSS (224 - 223 + 225 + 226 - 227 + 228)</b>	<b>230</b>		93.547		
H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS	231				77.260
I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS	232				668.955
<b>J. EARNINGS PER SHARE</b>					
1. Basic earnings per share	233				
2. Diluted earnings per share	234				

## CASH FLOW STATEMENT

from 01.01.2013 until 30.06.2013

in RSD thousands

Description	ADP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>I Cash proceeds from operating activities (1 to 3)</b>	<b>301</b>	9.276.416	12.010.502
1. Proceeds from sale and prepayments	<b>302</b>	9.075.174	11.185.148
2. Proceeds from received interest from operating activities	<b>303</b>	11.372	28.494
3. Other proceeds from operating activities	<b>304</b>	189.870	796.860
<b>II Cash outflows from operating activities (1 to 5)</b>	<b>305</b>	10.657.255	12.515.373
1. Suppliers and given prepayments	<b>306</b>	6.614.346	7.963.502
2. Salaries, fringe benefits and other staff expenses	<b>307</b>	3.401.141	3.596.924
3. Payment of interests	<b>308</b>	97.424	164.430
4. Payment of income taxes	<b>309</b>	110.991	193.754
5. Payment of other public revenue expenses	<b>310</b>	433.353	596.763
<b>III Net cash receipts from operating activities (I-II)</b>	<b>311</b>		
<b>IV Net cash payments from operating activities (II-I)</b>	<b>312</b>	1.380.839	504.871
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>I Proceeds from investing activities (1 to 5)</b>	<b>313</b>	1.695.830	1.716.441
1. Proceeds from sale of shares and equity (net receipts)	<b>314</b>		2.288
2. Proceeds from sale of intangibles, property, plant, equipment, and natural assets	<b>315</b>	946	30.949
3. Other financial investments (net receipts)	<b>316</b>	1.649.471	1.607.694
4. Proceeds from interests	<b>317</b>	45.405	64.924
5. Proceeds from dividends	<b>318</b>	8	10.586
<b>II Cash outflow from investing activities (1 to 3)</b>	<b>319</b>	1.537.666	1.712.050
1. Purchase of shares and equity (net payments)	<b>320</b>		
2. Purchase of intangibles, property, plant, equipment, and natural assets	<b>321</b>	223.021	448.922
3. Other financial investments (net payments)	<b>322</b>	1.314.645	1.263.128
<b>III Net cash receipts from investing activities (I-II)</b>	<b>323</b>	158.164	4.391
<b>IV Net cash payments from investing activities (II-I)</b>	<b>324</b>		
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I Cash receipts from financing activities (1 to 3)</b>	<b>325</b>	1.201.754	616.371
1. Increase in share capital	<b>326</b>		
2. Long term and short term loans (net receipts)	<b>327</b>	1.198.715	535.964
3. Other long term and short term commitments	<b>328</b>	3.039	80.407
<b>II Cash payments from financing activities (1 до 4)</b>	<b>329</b>	896.139	742.227
1. Purchase of treasury shares and equity	<b>330</b>		
2. Long term and short term loans and other liabilities (net payments)	<b>331</b>	770.169	662.169
3. Finance lease	<b>332</b>	111.850	77.229
4. Payment of dividends	<b>333</b>	14.120	2.829
<b>III Net cash receipts from financing activities (I-II)</b>	<b>334</b>	305.615	
<b>IV Net cash payments from financing activities (II-I)</b>	<b>335</b>		125.856
<b>D. TOTAL CASH RECEIPTS (301 + 313 + 325)</b>	<b>336</b>	12.174.000	14.343.314
<b>E. TOTAL CASH PAYMENTS (305 + 319 + 329)</b>	<b>337</b>	13.091.060	14.969.650
<b>F. NET CASH RECEIPTS (336 - 337)</b>	<b>338</b>		
<b>G. NET CASH PAYMENTS (337 - 336)</b>	<b>339</b>	917.060	626.336
H. CASH AT BEGINNING OF REPORTING PERIOD	<b>340</b>	3.355.473	2.939.167
I. EXCHANGE RATE GAINS FROM CASH TRANSLATION	<b>341</b>	106.389	117.567
J. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	<b>342</b>	51.723	89.669
<b>K. CASH AT END OF REPORTING PERIOD (338 - 339 + 340 + 341 - 342)</b>	<b>343</b>	2.493.079	2.340.729

**STATEMENT ON CHANGE IN EQUITY**

from 1.1.2013 until 30.6.2013

in RSD thousands

Description	ADP	Shareholders equity (group 30 w/out 309)	ADP	Other capital (no. 309)	ADP	Subscribed capital, unpaid (group 31)	ADP	Issue premium (no. 320)	ADP	Reserves (no. 321, 322)	ADP	Revaluation reserves (accounts 330 and 331)	ADP	Unrealized gains from securities (account 332)	ADP	Unrealized losses from securities (account 333)	ADP	Undistributed profit (group 34)	ADP	Losses up to capital (group 35)	ADP	Redeemed treasury shares and equity (no. 037, 237)	ADP	Total (col. 2+3+4+5+6+7+8+9+10+11-12)	ADP	Losses over capital (group 29)
1		2		3		4		5		6		7		8		9		10		11		12		13		14
<b>Balance on 01-Jan previous year ____</b>	401	5.126.415	414	96.688	427		440	237.036	453	660.877	466	1.625.478	479	16.022	492	22.071	505	3.975.463	518		531		544	11.715.908	557	
Adjustment for material errors and changes in accounting policies in previous year - increase	402		415		428		441		454		467		480		493		506		519		532		545		558	
Adjustment for material errors and changes in accounting policies in previous year - decrease	403		416		429		442		455		468		481		494		507		520		533		546		559	
<b>Restated balance on 01-Jan previous year ____ (no. 1+2-3)</b>	404	5.126.415	417	96.688	430		443	237.036	456	660.877	469	1.625.478	482	16.022	495	22.071	508	3.975.463	521		534		547	11.715.908	560	
Total increase in previous year	405	1.226.049	418	23.221	431		444		457	17.735	470	123.356	483	1.751	496	3.727	509	600.146	522		535		548	1.988.531	561	
Total decrease in previous year	406	955.138	419	5.271	432		445	22	458	16.409	471		484	3.174	497		510		523		536		549	980.014	562	
<b>Balance on 31-Dec previous year ____ (no. 4+5-6)</b>	407	5.397.326	420	114.638	433		446	237.014	459	662.203	472	1.748.834	485	14.599	498	25.798	511	4.575.609	524		537		550	12.724.425	563	
Adjustment for material errors and changes in accounting policies in current year - increase	408		421		434		447		460		473		486		499		512		525		538		551		564	
Adjustment for material errors and changes in accounting policies in current year - decrease	409		422		435		448		461		474		487		500		513		526		539		552		565	
<b>Restated balance on 01-Jan current year ____ (no. 7+8-9)</b>	410	5.397.326	423	114.638	436		449	237.014	462	662.203	475	1.748.834	488	14.599	501	25.798	514	4.575.609	527		540		553	12.724.425	566	
Total increase in current year	411	475.117	424		437		450		463	4.162	476		489	68	502	19.880	515	1.256.785	528		541		554	1.716.252	567	
Total decrease in current year	412	4.215	425		438		451		464		477	489.535	490	3.416	503		516	1.270.707	529		542		555	1.767.873	568	
<b>Balance at end quarter current year ____ (no. 10+11-12)</b>	413	5.868.228	426	114.638	439		452	237.014	465	666.365	478	1.259.299	491	11.251	504	45.678	517	4.561.687	530		543		556	12.672.804	569	



*"ENERGOPROJEKT" GROUP, BELGRADE*

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 30.06.2013**

***"ENERGOPROJEKT" GROUP, BEOGRAD***

**CONSOLIDATED FINANCIAL STATEMENTS**  
**As at 30.06.2013**

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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

for the period from January 1 to June 30 2013

( thousand RSD)

Account group, account	DESCRIPTION	ADP	Note	Amount	
				30.06.2013	30.06.2012
	<b>A. INCOME AND EXPENDITURE FROM REGULAR OPERATIONS</b>				
	<b>I. BUSINESS INCOME</b>	201		<b>10.097.681</b>	<b>11.890.351</b>
60 and 61	1. Return on sales	202	7	9.678.461	11.197.894
62	2. Own use of products, services and merchandise	203		58.647	16.349
630	3. Increase in inventories	204	8	242.152	609.877
631	4. Decrease in inventories	205	8	2.410	57.397
64 and 65	5. Other business revenues	206	9	120.831	123.628
	<b>II. BUSINESS EXPENDITURE</b>	207		<b>10.109.783</b>	<b>11.937.038</b>
50	1. Cost of merchandise sold	208	10	146.578	196.793
51	2. Cost of material	209	11	2.872.873	4.272.683
52	3. Costs of salaries, fringe benefits and other personal expenses	210	12	3.571.294	3.410.173
54	4. Costs of depreciation and provisions	211	13	283.725	366.877
53 and 55	5. Other business expenditure	212	14	3.235.313	3.690.512
	<b>III. BUSINESS PROFIT</b>	213			
	<b>IV. BUSINESS LOSSES</b>	214		<b>12.102</b>	<b>46.687</b>
66	<b>V. FINANCIAL INCOME</b>	215	15	<b>453.303</b>	<b>1.789.217</b>
56	<b>VI. FINANCIAL EXPENDITURE</b>	216	15	<b>395.909</b>	<b>980.931</b>
67,68	<b>VII. OTHER INCOME</b>	217	16	<b>56.388</b>	<b>90.671</b>
57,58	<b>VIII. OTHER EXPENDITURE</b>	218	16	<b>72.047</b>	<b>48.863</b>
	<b>IX. OPERATING REVENUE BEFORE TAX</b>	219		<b>29.633</b>	<b>803.407</b>
	<b>X. OPERATING LOSSES BEFORE TAX</b>	220			
69-59	<b>XI. NET PROFIT OF DISCONTINUED OPERATIONS</b>	221			
59-69	<b>XII. NET LOSS OF DISCONTINUED OPERATIONS</b>	222	17	33.531	6.325
	<b>B. PROFIT BEFORE TAX</b>	223			<b>797.082</b>
	<b>C. LOSSES BEFORE TAX</b>	224		<b>3.898</b>	
	<b>D. CORPORATE INCOME TAX</b>				
721	1. Tax liabilities	225		88.227	46.482
722	2. Deferred tax liabilities	226		1.422	4.385
723	3. Deferred tax income	227			
	<b>E. PERSONAL WAGES PAID TO EMPLOYER</b>	228			
	<b>F. NET PROFIT</b>	229			<b>746.215</b>
	<b>G. NET LOSSES</b>	230		<b>93.547</b>	
	<b>H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS</b>	231			77.260
	<b>I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS</b>	232			668.955
	<b>J. EARNINGS PER SHARE</b>				
	1. Basic earnings per share	233			
	2. Diluted earnings per share	234			

## CONSOLIDATED BALANCE SHEET

As at 30.06.2013

( thousand RSD)

Account group, account	ITEM	ADP	Note No.	Amount	
				30.06.2013	31.12.2012
	<b>A S S E T S</b>				
	<b>A. NON-CURRENT ASSETS</b>	001		<b>10.557.551</b>	<b>10.004.773</b>
00	I. SUBSCRIBED CAPITAL, UNPAID	002			
012	II. GOODWILL	003			
01 without 012	III. INTANGIBLE ASSETS	004	19	66.459	70.479
	IV. PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS	005		8.805.432	8.249.669
020,022,023,02 6,027(part),028 (part),029	1. Property, plant, equipment	006	20	6.953.118	6.409.825
024,027(part) and 028(part)	2. Investment property	007	20	1.852.314	1.839.844
021,025,027 (part) and 028(part)	3. Natural assets	008			
	IV. LONG-TERM FINANCIAL INVESTMENTS	009		1.685.660	1.684.625
030 to 032,039 (part)	1. Share of Capital	010	21	781.243	787.121
033 to 038,039(part) minus 037	2. Other long-term financial investments	011	22	904.417	897.504
	<b>B. CURRENT ASSETS</b>	012		<b>17.661.834</b>	<b>17.208.915</b>
10 to 13,15	I. MATERIAL	013	23	3.195.957	2.915.394
14	II. ASSETS HELD FOR TRADING AND ASSETS FROM DISCONTINUED OPERATIONS	014	24	64.156	64.156
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH	015		14.401.721	14.229.365
20,21 and 22, except 223	1. Receivables	016	25	7.047.202	7.122.691
223	2. Receivables from prepaid income tax	017			
23 minus 237	3. Short-term financial investments	018	26	2.179.042	2.446.226
24	4. Cash and cash equivalents	019	27	2.493.079	3.355.473
27 and 28 except 288	5. VAT and deferred income	020	28	2.682.398	1.304.975
288	III. DEFERRED TAX ASSETS	021			
	<b>C. BUSINESS PROPERTY</b>	022		<b>28.219.385</b>	<b>27.213.688</b>
29	<b>D. LOSSES OVER CAPITAL</b>	023			
	<b>E. TOTAL ASSETS</b>	024		<b>28.219.385</b>	<b>27.213.688</b>
88	<b>F. OFF-BALANCE SHEET ITEMS</b>	025	41	<b>14.112.437</b>	<b>14.076.978</b>

## CONSOLIDATED BALANCE SHEET

As at 30.06.2013 - continued

Account group, account	ITEM	ADP	Note No.	( thousand RSD)	
				Amount	
				30.06.2013	31.12.2012
	<b>LIABILITIES</b>				
	<b>A. CAPITAL</b>	101		<b>12.672.804</b>	<b>12.724.425</b>
30	I. ORIGINAL AND OTHER CAPITAL	102	29	5.982.866	5.511.964
31	II. SUBSCRIBED CAPITAL, UNPAID	103			
32	III. RESERVES	104	30	903.379	899.217
330 and 331	IV. REVALUATION RESERVES	105	31	1.259.299	1.748.834
332	V. Unrealized gains from securities	106	31	11.251	14.599
333	VI. Unrealized losses from securities	107	31	45.678	25.798
34	VII. UNDISTRIBUTED PROFIT	108	32	4.561.687	4.575.609
35	VIII. LOSSES	109			
037 and 237	IX. REDEEMED SHARES	110			
	<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	111		<b>15.458.402</b>	<b>14.401.449</b>
40	I. LONG-TERM PROVISIONS	112	33	1.393.914	1.378.776
41	II. LONG-TERM LIABILITIES	113		1.948.938	1.905.286
414,415	1. Long-term loans	114	34	769.646	943.240
41 without 414 and 415	2. Other long-term liabilities	115	35	1.179.292	962.046
	<b>III. SHORT-TERM LIABILITIES</b>	116		12.115.550	11.117.387
42 except 427	1. Short-term financial liabilities	117	36	3.105.785	2.717.327
427	2. Liabilities for assets held for trading and assets related to discontinued operations	118			
43 and 44	3. Liabilities from operations	119	37	6.062.669	6.131.959
45 and 46	4. Other Short-term liabilities	120	38	1.095.342	1.091.512
47, 48 except 481 and 49 except 498	5. VAT and other public duties and accruals	121	39	1.346.907	694.846
481	6. Liabilities related to the income tax	122		504.847	481.743
498	IV. DEFERRED TAX LIABILITIES	123		88.179	87.814
	<b>C. TOTAL LIABILITIES</b>	124		<b>28.219.385</b>	<b>27.213.688</b>
89	<b>D. OFF-BALANCE SHEET ITEMS</b>	125	41	<b>14.112.437</b>	<b>14.076.978</b>
	<b>MINORITY INTEREST (EQUITY)</b>			<b>1.280.015</b>	<b>1.337.239</b>

## CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to June 30 2013

( thousand RSD)

ITEM	ADP	Amount	
		30.06.2013	30.06.2012
<b>A. CASH FLOW FROM BUSINESS OPERATIONS</b>			
<b>I. Cash flow from business operations</b>	301	<b>9.276.416</b>	<b>12.010.502</b>
1. Sales return and received advances	302	9.075.174	11.185.148
2. Received interest from business operations	303	11.372	28.494
3. Other cash inflows from regular business operations	304	189.870	796.860
<b>II. Cash outflow from business operations</b>	305	<b>10.657.255</b>	<b>12.515.373</b>
1. Payments to suppliers and advances given	306	6.614.346	7.963.502
2. Salaries, emoluments and other personal expenses	307	3.401.141	3.596.924
3. Paid interest	308	97.424	164.430
4. Income tax	309	110.991	193.754
5. Other public revenue expenses	310	433.353	596.763
<b>III. Net cash inflow from business operations</b>	311		
<b>IV. Net cash outflow from business operations</b>	312	<b>1.380.839</b>	<b>504.871</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflow from investing activities</b>	313	<b>1.695.830</b>	<b>1.716.441</b>
1. Sale of shares and equity investments (net inflow)	314		2.288
2. Sale of intangible assets, plant, property, equipment & natural assets	315	946	30.949
3. Other financial investments (net inflow)	316	1.649.471	1.607.694
4. Received interest	317	45.405	64.924
5. Received dividends	318	8	10.586
<b>II. Cash outflow from investing activities</b>	319	<b>1.537.666</b>	<b>1.712.050</b>
1. Purchase of shares and equity investments (net outflow)	320		
2. Purchase of intangible assets, plant, property, equipment & natural assets	321	223.021	448.922
3. Other financial investments (net outflow)	322	1.314.645	1.263.128
<b>III. Net cash inflow from investing activities</b>	323	<b>158.164</b>	<b>4.391</b>
<b>IV. Net cash outflow from investing activities</b>	324		

**CONSOLIDATED CASH FLOW STATEMENT - continued**

**for the period from January 1 to June 30 2013**

( thousand RSD)

ITEM	ADP	Amount	
		30.06.2013	30.06.2012
<b>C. CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
<b>I. Cash inflow from financing activities</b>	325	<b>1.201.754</b>	<b>616.371</b>
1. Increase of original capital	326		
2. Long term and short term loans (net inflow)	327	1.198.715	535.964
3. Other long term and short term liabilities	328	3.039	80.407
<b>II. Cash outflow from financing activities</b>	329	<b>896.139</b>	<b>742.227</b>
1. Repurchase of treasury shares and equity	330		
2. Long term and short term loans and other liabilities (net outflow)	331	770.169	662.169
3. Finance leasing	332	111.850	77.229
4. Paid dividends	333	14.120	2.829
<b>III. Net cash inflow from financing activities</b>	334	<b>305.615</b>	
<b>IV. Net cash outflow from financing activities</b>	335		<b>125.856</b>
<b>D. CASH INFLOW TOTAL</b>	336	<b>12.174.000</b>	<b>14.343.314</b>
<b>E. CASH OUTFLOW TOTAL</b>	337	<b>13.091.060</b>	<b>14.969.650</b>
<b>F. CASH INFLOW NET</b>	338		
<b>G. CASH OUTFLOW NET</b>	339	<b>917.060</b>	<b>626.336</b>
<b>H. OPENING CASH BALANCE</b>	340	<b>3.355.473</b>	<b>2.939.167</b>
<b>I. FX GAINS FROM CASH TRANSLATION</b>	341	106.389	117.567
<b>J. FX LOSSES FROM CASH TRANSLATION</b>	342	51.723	89.669
<b>K. CLOSING CASH BALANCE</b>	343	<b>2.493.079</b>	<b>2.340.729</b>

**CONSOLIDATED STATEMENT ON CHANGES IN EQUITY CAPITAL**

**for the period from January 1 to June 30 2013**

(thousand RSD)

No.	DESCRIPTION	Original capital (group 30 w/o 309)	Other capital (a/c 309)	Registered capital unpaid (group 31)	Issuing premium (a/c 320)	Reserves (a/c 321, 322)	Revaluation reserves (group 33)	Unrealized profits from securities (332)	Unrealized losses from securities (333)	Undistributed profit (group 34)	Losses over capital (group 35)	Repurchased shares and equity (a/c 037,237)	TOTAL	Losses over capital (group 29)
1	ADP	401	414	427	440	453	466	479	492	505	518	531	544	557
	Balance on 01.01. of the previous year	<b>5.126.415</b>	<b>96.688</b>		<b>237.036</b>	<b>660.877</b>	<b>1.625.478</b>	<b>16.022</b>	<b>22.071</b>	<b>3.975.463</b>			<b>11.715.908</b>	
2	ADP	402	415	428	441	454	467	480	493	506	519	532	545	558
	Correction of the prior years material significant errors and changes in accounting policies – increase													
3	ADP	403	416	429	442	455	468	481	494	507	520	533	546	559
	Correction of the prior years material significant errors and changes in accounting policies – decrease													
4	ADP	404	417	430	443	456	469	482	495	508	521	534	547	560
	Restated opening balance on 01.01. of the previous year (no.1+2-3)	<b>5.126.415</b>	<b>96.688</b>		<b>237.036</b>	<b>660.877</b>	<b>1.625.478</b>	<b>16.022</b>	<b>22.071</b>	<b>3.975.463</b>			<b>11.715.908</b>	
5	ADP	405	418	431	444	457	470	483	496	509	522	535	548	561
	Total increase in the previous year	1.226.049	23.221			17.735	123.356	1.751	3.727	600.146			1.988.531	
6	ADP	406	419	432	445	458	471	484	497	510	523	536	549	562
	Total decrease in the previous year	955.138	5.271		22	16.409		3.174					980.014	
7	ADP	407	420	433	446	459	472	485	498	511	524	537	550	563
	Balance on 31.12. of the previous year (no. 4+5-6)	<b>5.397.326</b>	<b>114.638</b>		<b>237.014</b>	<b>662.203</b>	<b>1.748.834</b>	<b>14.599</b>	<b>25.798</b>	<b>4.575.609</b>			<b>12.724.425</b>	
8	ADP	408	421	434	447	460	473	486	499	512	525	538	551	564
	Correction of the current year material significant errors and changes in accounting policies – increase													
9	ADP	409	422	435	448	461	474	487	500	513	526	539	552	565
	Correction of the current year material significant errors and changes in accounting policies – decrease													
10	ADP	410	423	436	449	462	475	488	501	514	527	540	553	566
	Restated opening balance on 01.01. of the current year (no.7+8-9)	<b>5.397.326</b>	<b>114.638</b>		<b>237.014</b>	<b>662.203</b>	<b>1.748.834</b>	<b>14.599</b>	<b>25.798</b>	<b>4.575.609</b>			<b>12.724.425</b>	
11	ADP	411	424	437	450	463	476	489	502	515	528	541	554	567
	Total increase in the current year	475.117				4.162		68	19.880	1.256.785			1.716.252	
12	ADP	412	425	438	451	464	477	490	503	516	529	542	555	568
	Total decrease in the current year	4.215					489.535	3.416		1.270.707			1.767.873	
13	ADP	413	426	439	452	465	478	491	504	517	530	543	556	569
	Balance on 31.12. of the current year (no. 10+11-12)	<b>5.868.228</b>	<b>114.638</b>		<b>237.014</b>	<b>666.365</b>	<b>1.259.299</b>	<b>11.251</b>	<b>45.678</b>	<b>4.561.687</b>			<b>12.672.804</b>	



## 1. COMPANY BACKGROUND

Energoprojekt Group, Belgrade (hereinafter: Group) consists of the parent limited company Energoprojekt Holding ad, Beograd (hereinafter: EP Holding) and its 11 subsidiaries, 10 of which are direct subordinates (9 share-based and 1 limited company) and 1 indirectly subordinated through other subsidiaries (1 limited) and one affiliate (1 limited) in which the Group holds 50% equity share. Operating units and legal entities have been established in Serbia and foreign countries by the parent company and its subsidiaries to engage in operations including building construction and fitting, research and investment building/systems programming, and sale of goods and services.

Energoprojekt Group was organized in 2013 as follows:

Activity	Subsidiaries	Business units for investment work abroad	Foreign companies
Planning and research	4	20	5
Building construction and fitting	3	62	7
Trade	1	-	-
Holding	1	-	5
Other	4	-	1
<b>Total</b>	<b>13</b>	<b>82</b>	<b>18</b>

The Group and its subsidiaries are seated in New Belgrade, Bulevar Mihaila Pupina 12 St.

Energoprojekt Holding plc shares are Prime-listed on the Belgrade Stock Exchange, while some subsidiary shares are traded over-the-counter on the Belgrade Stock Exchange.

## 2. CONSOLIDATION GROUP

The consolidation group consists of the parent company EP Holding and its local subsidiaries, affiliates and foreign subsidiaries (foreign companies listed below):

### Local subsidiaries and affiliates:

No.	Name	% ownership
<b><i>Building construction and fitting</i></b>		
1.	EP Visokogradnja plc	92,39
2.	EP Niskogradnja plc	93,32
3.	EP Oprema plc	67,87
<b><i>Planning and research</i></b>		
4.	EP Urbanizam i arhitektura plc	94,40
5.	EP Industrija plc	62,77
6.	EP Entel plc	86,26
7.	EP Hidroinženjering plc	94,84

***Other***

8.	EP Energodata plc	96,43
9.	EP Promet ltd	100,00
10.	EP Garant plc	92,94
11.	Energoplast ltd	60,00

***Affiliates***

12.	Enjub ltd	50,00
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The first eight local subsidiaries are themselves parent companies and are required to prepare consolidated financial statements.

**Foreign subsidiaries (foreign companies):**

No.	Name	% ownership
1.	Zecco LTD, Lusaka, Zambia	100,00
2.	Energoprojekt Holding Guinee S.A, Guinea	100,00
3.	Inec Engineering Co.Ltd., London, UK	100,00
4.	Encom GmbH, Frankfurt, Germany	100,00
5.	Nana off Shore, Beirut, Lebanon	100,00

Some of the foreign subsidiaries (Energoprojekt Holding Guinee S.A., Guinea and Zecco LTD, Zambia) are registered as being owned by EP Holding but are in fact controlled by the subsidiaries.

In addition to those listed above the first level consolidation group also includes Energo Private LTD, Harare, Zimbabwe; Energoprojekt Ghana LTD., Akra, Ghana; Energo Uganda Company LTD., Uganda; Enlisa S.A., Lima, Peru; Energo Nigeria Ltd., Lagos, Nigeria; Zahinos LTD., Cyprus; Enhisa S.A., Lima, Peru; EP Entel L.L.C., Muscat, Sultanate Oman; Energoprojekt Entel L.L.C., Doha, Qatar; Energo consult L.L.C., Abu Dhabi, UAE and other.

Energoplast ltd and EnergoPET ltd, two local affiliates, were also introduced to the first level consolidation group; the Group's consolidated financial statements however did not process Energoplast ltd by equity method, applying instead the full consolidation method because it entered the group as a subsidiary, as described earlier.

Starting from January 1 2004 the operations of the foreign units are included in the relevant financial statements, with a detailed overview of the units provided in the notes to consolidated financial reports of the relevant subsidiary.

**3. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS**

The financial statements on which we are reporting are prepared in accordance with the Law on Accounting and Auditing (RS Official Gazette 46/2006, 111/2009 and 99/2011) and the relevant regulations there under, applying the accounting policies set out in Note 6 of this Report and according to general practice in Serbia.

The Group's consolidated 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 114/06, 5/2007, 119/08, 2/2010, 101/12 and 118/12).

### **3.1. Functional and reporting currency**

The figures in the consolidated financial statements are shown in thousands of RSD. The RSD represents the functional and reporting currency of the Group members. All transactions made in currencies other than the functional currency are treated as FX transactions.

Figures in the financial statements are shown in thousands of RSD (functional currency and domicile currency) as at balance sheet date – 30.06.2013.

Comparative data in the consolidated balance sheet and consolidated statement of changes in equity is shown in thousands of RSD as at December 31, 2012.

Comparative data in the consolidated P&L account and Consolidated Cash Flow Statement is shown in thousands of RSD as at 30.06.2012.

The official exchange rates for main currencies prescribed by the NBS, used in the translation of monetary assets and liabilities denominated in foreign currencies into RSD, were as follows:

	30.06.2013	31.12.2012
EUR	114,1715	113,7183
USD	87,4141	86,1763

Applied average annual exchange rates for the figures disclosed in the P&L statement were as follows:

	30.06.2013	30.06.2012
EUR	111,9268	110,9200
USD	85,2626	85,5739

## **4. MANAGEMENT ESTIMATION AND ASSESSMENT**

The preparation and presentation of the consolidated financial statements in accordance with professional regulations as well as the legislation of the Republic of Serbia require that the management performs estimation and reasonable assumptions. Though, the obtained results may differ from estimated, estimations and assumptions are based on information available on the balance sheet date.

Financial statements are prepared under the assumption that the Company will operate for an unlimited period and will continue its operations in the future.

Companies included in the consolidation of Energoprojekt Group operate on four continents and include, as previously stated, a large number of domestic and foreign entities. Such a complex group, primarily operating on foreign markets, has no objective possibility to timely ensure necessary documentation to comply with new regulations. This refers especially to companies operating in Africa (Uganda) and South America (Peru).

In addition to the above, members of Energoprojekt Group have various activities. The main activity for most companies is building construction and fitting, particularly performance of works over a long period in time, requiring special approvals for projects by supervisory authorities, so that the result and ownership status in the balance sheets are directly affected by external factors that cannot be controlled by our company and management.

With regard to new regulations introducing the obligation to submit semi-annual financial statements, Energoprojekt Holding a.d. requested on 04/06/2012 from the Securities Commission, Belgrade Stock Exchange and the Listings Committee to extend deadlines for the submission and publication of semi-annual consolidated financial statements. Considering the above mentioned specificities in operations of members of Energoprojekt Group, these semi-annual consolidated financial statements are prepared based on many assessments performed by the management of subsidiaries included in the consolidation in order to provide a reliable overview of the Groups financial position and results.

Considering deadlines prescribed by law for the preparation of Semi-Annual Consolidated Financial Statements, the management of companies included in the Energoprojekt Group performed assessments of receivables/income and liabilities/expenses, as follows:

• In the preparation of the Semi-Annual Consolidated Balance, **Energoprojekt Visokogradnja a.d.** directly included income and expenses under some balance sheet items. Considering the specificities of the construction business, the project implementation is verified upon submission of progress certificates to the Investor. The Investor and the supervisory body control and verify progress certificates. On the balance sheet preparation date verified progress certificates for June 2013 were not received and the management performed income assessment based on submitted progress certificates and based on that, an increase of work in progress on the following construction sites was presented:

Z-087 Restaurant and night club	40.169 thousand RSD
Z-085 Uhta	139.000 thousand RSD
Z-082 Ezva	63.009 thousand RSD
Z-088 Hyatt Hotel	36.040 thousand RSD
Z-091 Astrahan Schlumberger	7.180 thousand RSD
Z-084 Design of the Horizonti complex	7.785 thousand RSD
Z-086 Design of the Atirau Spa centre	235 thousand RSD
Smelter and sulfuric acid factory in Bor	20.750 thousand RSD
Prokop	12.487 thousand RSD

Salary expenses for June were calculated abroad. The estimate is based on salary expenses for May 2013.

EP Visokogradnja has filed legal complaints for buildings in Bor that are not verified, which, if

recognized, could significantly improve the Company's business results.

PROJECT LEADER  (parent company / IZ / IC)	PROJECT TITLE/ DESCRIPTION OF THE CLAIM	PRESENT VALUE OF THE CONTRACT (IN EUR)	ISSUED LEGAL COMPLAINT  AMOUNT (IN EUR)
Investor EP OPREMA Claim towards SNC LAVALIN	SULFURIC ACID FACTORY - BOR LEGAL COMPLAINT FOR THE SUSPENSION OF WORKS For the period 01.03.2013-30.06.2013	12.404.732,18	1.124.338,80
Investor EP OPREMA Claim towards SNC LAVALIN	SULFURIC ACID FACTORY LEGAL COMPLAINT AGAINST NON- APPROVED WORKSHOP DOCUMENTATION for the period 01.03.2013-30.06.2013	12.404.732,18	1.486.867,68
Investor EP OPREMA Claim towards OUTOTEC	RECONSTRUCTION OF THE SMELTERY BOR LEGAL COMPLAINT FOR THE SUSPENSION OF WORKS For the period 01.03.2013-30.05.2013	11.656.080,34	1.172.758,95
Total EUR			3.783.965,43

• Considering deadlines prescribed by law for the preparation of Semi-Annual Financial Consolidated Statements, the management of **EP Niskogradnja** performed assessments of receivables/income and liabilities/expenses, as follows:

Projects abroad:

1. Pursuant to provisions of the Contract, the verification of performed works by the supervisory authority on the project in Peru (Z-019 Chochabamba - Chota, Z-022 Colan, Z-023 Pericos and Z-024 Chancay y Rucuy), deviates significantly from the reporting date for the preparation of Semi-Annual Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially, that there are „back to back“ contracts with associates related to this project, as well as the fact that, due to specific market conditions, there is a significant interval between performed services/ deliveries and the submission of invoices, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.

Rents, based on valid lease contracts for apartments in the Cruz del Sur building, Lima, Peru, were included for the project Z-0188.

2. Pursuant to provisions of the Contract (FIDIC), verification of performed works by the supervisory authority on the projects Z-021 Kampala Streets, Uganda and Z-017 Kawempe-Kafu, Uganda, deviates significantly from the reporting date for the preparation of Semi-Annual Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially, that there are „back to back“ contracts with associates related to this project, as well as the fact that, due to specific market conditions, there is a significant interval between performed services/ deliveries and the submission of invoices, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.

Projects in Serbia:

1. Pursuant to provisions of the Contract (FIDIC), verification of performed works by the supervisory authority on the projects Lot 1.1, Novi Sad, deviates significantly from the reporting date for the preparation of Semi-Annual Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially, that there are „back to back“ contracts with associates related to this project, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.
2. Based on reports/assessments performed by the Director of works on projects „Ring road around Belgrade – Strazevica“ and „Tisa embankment“ liabilities/expenses were calculated based on subcontracting services or performed works in June of the current year.
3. Income was calculated for performed works (April-May of the current year) for the project „Sarani Tunnel“ according to issued requests for temporary progress certificates. Based on respective documentation, the Director and authorities performed the assessment of receivables/expenses for the month of June.
4. Calculated liabilities/expenses in the logistics center refer to expenses for outstanding retirement bonuses, overhead expenses, expenses for other benefits (scholarships, rents, Board of Directors), etc.

As explained above, the following calculations were included in the Semi-Annual Financial Statement:  
**in 000 RSD**

Project	281 Uninvoiced income receivables	Receivables
<b>A b r o a d</b>		
Z-0188 Chira Piura III, Peru	782	782
Z-019 Cochabamba Chota, Peru	139,448	139,448
Z-022 Colan, Peru	13,839	13,839
Z-023 Pericos, Peru	61,568	61,568
Z-024 Chancay y Rucuy, Peru	34,770	34,770
Z-021 Kampala Streets, Uganda	186,826	186,826
Z-017 Kawempe Kafu, Uganda	132,145	132,145
<b>S e r b i a</b>		
Project Lot 1.1. Novi Sad	69,000	69,000
Project “Sarani tunnel”	59,767	59,767
Tisa project	287	287
<b>Total</b>	<b>698,433</b>	<b>698,433</b>
Project	490 Calculated expenses in advance	Expenses
<b>A b r o a d</b>		
Z-0188 Chira Piura III, Peru	8,425	8,425
Z-014 Yanacocha, Peru	74	74

*Energoprojek Group, Belgrade*

Z-019 Cochabamba Chota, Peru	102,479	102,479
Z-016 Chavimochic, Peru	521	521
Z-022 Colan, Peru	17,566	17,566
Z-023 Pericos, Peru	53,274	53,274
Z-024 Chancay y Rucuy, Peru	18,233	18,233
Projects in Uganda	43,371	43,371
<b>S e r b i a</b>		
Logistics center	10,320	10,320
Ring road around Belgrade - Straževica	6,329	6,329
Project "Sarani tunnel"	264	264
Project Lot 1.1. Novi Sad	6,200	6,200
Tisa project	273	273
<b>Total</b>	<b>267,328</b>	<b>267,328</b>

- **EP Oprema – Active accruals** include receivables based on unverified progress certificates for performed works in June for the following projects: Kostolac (699.377 thousand RSD) and RTB Bor (58.706 thousand RSD), and Accruals include estimated expenses of consortium partners and subcontractors for which invoices have not been received yet (for the same period - 525.649 thousand RSD).

- **EP Hidroinženjering** – estimation of receivables, for the project River dredging (on behalf of the European Delegation) was performed based on the completion status. Receivables were acknowledged for the period when the service was rendered (49.805 thousand RSD). In this sense, it has been assessed that there is no objective evidence that the value of receivables may be reduced by a materially significant amount. The lack of obligation to create an inventory for assets and liabilities, as well of the obligation to harmonize all liabilities and receivables (besides for internal relations), had no impact on the proper assessment of some balance sheet items.

- In preparing the semi-annual account for Energoplast ltd. personal income expenses were calculated for the sixth month in the same amount as disclosed for the fifth month. Electricity and telephone bills were also copied from the previous month.

## 5. CONSOLIDATION

### 5.1. Subsidiaries

Subsidiaries (or controlled companies) are enterprises in which EP Holding directly or indirectly holds more than half of the ownership or voting power and can therefore control their business operations. The accounting method used for subsidiaries is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Minority interest is presented separately.

## **5.2. Affiliates**

Affiliates are enterprises over which the Group exerts significant influence, but not control, or holds between 20% to 50% ownership or voting power. Affiliates and subsidiaries, in which there are substantial restrictions in terms of control and transfer of profit, are accounted for in consolidated financial statements using the equity method. Under the equity method, the investment is recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

## **5.3. Joint ventures**

For the consolidation of joint ventures according to the new IFRS (valid as of 01.01.2013) the equity consolidation method was applied, both for the reporting period and the comparative period from the previous year.

A detailed list of subsidiaries, affiliates and joint ventures which together with EP Holding comprise the Group for consolidation Energoprojekt Group is shown in Note No. 2.

## **6. PRINCIPAL ACCOUNTING POLICIES**

The significant accounting policies are shown below:

### **(a) Principles of valuation - 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 a Group 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 entity 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 P&L account 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. Income is recognized simultaneously when an increase in assets or decrease in liability is recognized.

Expenses are recognized in the P&L account 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 or expenses are recognized simultaneously when an decrease in assets or increase in liability is recognized.

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 RSD 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.

**(d) Sales 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.

Revenues from fixed price construction contracts are recognized according to the percentage of completion, contractual activities at the balance sheet date. The percentage of completion of the contract is calculated by the proportion between reinforcement expenses for performed work until the given date in accordance with last estimated total contractual expenses (IAS 11).

**(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 none 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, gains and losses from exchange, and other financial income and expenditure.

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 15% on the taxable income (in 2012: 10%).

The taxable income represents gross income in the P&L account (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).

Income tax for foreign subsidiaries is calculated in compliance with regulations of the countries in which they operate.

**(k) Employee benefits**

**/i/ Pension insurance and employee benefits**

The Group members make payments on behalf of their employees to the Pension Fund of the Republic of Serbia. All employees are members of this pension fund. All contributions arising from said obligation are recognized as an expense/liability at the time of the transaction. The Group members 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 Group members pay health insurance contributions which are recognized as an expense/liability when calculated.

**/iii/ Retirement bonus**

The Group members pay to their 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).

**/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.

**(j) Intangible assets, property, plant and equipment**

**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, seals, accounting software, franchises, design and implementation of new products, processes or systems, copyrights, investment in other properties, plants and equipment, etc.

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

After initial recognition as an asset, 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.

**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 arrangement) to earn rentals (from lease) 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.

#### **(I) 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.

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 assets 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 are 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.

Accounting of property, plant and equipment depreciation begins from the following month in relation to the month in which capital assets were put in use.

The useful life of an asset is determined by applying the time method, so that the useful life of an asset may be understood as the time period during which it is expected that the respective asset may be used by the Company.

The amount that is depreciated or the purchase price or another amount that is replacing this price in the financial statements of the Company, less the residual value, is systematically allocated during its lifetime.

The residual value is the estimated amount that the Company would have received today on disposal, after the estimated disposal costs have been deducted and assuming that the asset is approaching the end of its useful life and is in the expected condition at the end of its useful life.

The depreciation is performed by the linear write-off (proportional method), the calculation of depreciation starts when the asset becomes available for use or when it is at the location and ready-to-use as foreseen by the Company.

The depreciation is not performed for assets that do not lose value over time (such as artwork) or assets with unlimited life span.

#### **(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 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 P&L account and for financial asset available for sale in the revaluation reserves.

#### **(n) Inventories**

**Inventories of goods** are measured at their cost value comprising the invoiced purchase price, import duties and other taxes (other than those subsequently recoverable by the company from the taxing

authorities), and transport, handling and other costs directly attributable to the cost of purchase. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

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

**Inventories of material** purchased from suppliers are measured by their purchase cost and inventories of material from own production measured at the lower of cost and net realizable value.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the company from the tax authorities), and transport, handling and other costs directly attributable to the acquisition of materials. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

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

**Inventories of work in progress and finished goods** arose as a result of production process. These inventories are measured at the lower of cost and net realizable value.

The cost of conversion of work in progress and finished goods includes costs directly related to the units of production (such as direct material and direct labor), as well as fixed and variable production overheads.

The cost of conversion does not include costs of management, sale and marketing. Borrowing costs are included in the cost of inventories in limited circumstances.

#### **(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 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).

**(p) 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.

**(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 P&L account 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 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.  
Borrowing costs are recognized as expenses in the period in which they are incurred.

**(v) Impairment**

On each balance sheet date, competent persons in or outside of the Company, will verify, if there are indications that the accounting value of an asset (intangible assets, property, plants and equipment) is decreased or if the accounting value exceeds the recoverable amount for this asset.

If there are indications on the decrease in value, the estimate of the recoverable amount for the respective asset is performed in accordance with IAS 36 provisions.

The recoverable amount is the greater amount than:

- the fair value, decreased by the costs of sales and
- the in-use value.

The fair value, decreased by the costs of sales is the expected net selling price for the respective asset or the amount that may be obtained by selling an asset in an independent transaction between familiar, willing parties, decreased by the costs of disposal.

The in-use value is the present value of estimated future cash flows that are expected to arise from the continued use of the property throughout its useful lifetime and its sales at the end of it. The discount rate that is used in the determination of the present value, reflects the current market estimates of the time value of money as well as the risks specific to the respective asset.

The recoverable amount is estimated for each separate asset or, if not possible, for the unit that generates the cash to which this assets belongs. The unit that generates the cash is the smallest recognizable group of assets that generates the cash flows that are, mostly, independent from the cash flow of other assets or groups of assets.

If it has been established that a decrease in value occurred, the accounting value is reduced to the recoverable amount. The loss caused by decrease is expressed:

- if a revaluation reserve is previously created, by decreasing the revaluation reserves; and
- if a revaluation reserve is not previously created, it is expressed as expenditure for the respective period.

**(w) Financial liabilities**

Financial liabilities comprise long term liabilities (long term loans, liabilities from long term securities and other), short term financial liabilities (short term loans and other), short term financial liabilities (short term loans and other) liabilities from operating activities (suppliers and other) 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 assets.

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 embodying economic benefits 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 each member's Supervisory Board.

**(y) Effects of changes in accounting policies 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 year's 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.

According to the newly adopted Regulation on amendments and supplements to the Regulation on Accounting and Accounting policies of Energoprojekt Group companies, a material significant error is defined as an error, which amounts to, separately and cumulatively with other errors, more than 1,5% of total income of the Company in the previous year.

**(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:

	<u>RSD</u> <u>30.06.2013</u>	<u>RSD</u> <u>31.12.2012</u>
EUR	114,1715	113,7183
USD	87,4141	86,1763
GBP	133,4247	139,1901
CHF	92,5440	94,1922
RUB	2,6629	2,8328

**6. FINANCIAL RISK MANAGEMENT**

**6.1. Financial risk factors**

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

The Financial Department identifies, evaluates and hedges financial risks in close co-operation with the operating units.

**(a) Market risk**

**/i/ Foreign exchange risk**

The Group operates internationally and is exposed to foreign exchange risk arising from various

currency exposures, primarily with respect to the EURO and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Group in accordance with local legalizations on the local markets on which operates, applying the financial hedging tries to minimize foreign exchange risk.

**/ii/ Fair value risk**

The Group 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 Group 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 costs.

**(b) Credit risk**

The Group has no significant concentration of credit risk, since the credit exposure is low.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate sources of funding and the ability to close out market positions, due to the dynamic nature of the business. The Group aims to maintain flexibility in funding by collecting their funds from buyers and investments of available funds. Besides the aforementioned, in accordance with the Group's policy, the Group makes Back to Back Agreements with the business partners whereby the possible risk connected to a possible default is transferred/shared between contractual parties.

## **7. REVENUES FROM SALES**

Revenues from goods, products and services sold and rendered on the local market totaled 2.542.111 thousand RSD (30.06.2012: 3.577.137 thousand RSD), on foreign markets 7.136.350 thousand RSD (30.06.2012: 7.620.757 thousand RSD), giving a grand total of 9.678.461 thousand RSD (30.06.2012: 11.197.894 thousand RSD).

## 8. INCREASE /(DECREASE) IN INVENTORIES

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)
Increase in inventories	242.152	609.877
Decrease in inventories	(2.410)	(57.397)
<b>Total</b>	<b>239.742</b>	<b>552.480</b>

• In 2013, the **increase in inventories** in the amount of 242.152 thousand RSD mostly relates to the increase of work in progress and finished products:

- EP Visokogradnja in the amount of 214.614 thousand RSD based on the acquisition of new locations for the construction of business and residential buildings in Mirijevo in the amount of 167.406 thousand RSD and in Cara Nikolaja in Belgrade in the amount of 47.208 thousand RSD, and
- EP Niskogradnja in the amount of 27.538 thousand RSD for the manufactured material for the production of a buffer layer, asphalt, fraction for concrete for the project Z-014 Z-019 Cochabamba Chota and Z-023 Pericos in Peru.

• **The decrease in inventories** in 2013 (2.410 thousand RSD) relates to:

- EP Visokogradnja in the amount of 2.068 thousand RSD based on sold property in u Herceg Novi, and
- Energoplast in the amount of 342 thousand RSD.

## 9. OTHER OPERATING INCOME

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)
Rents	59.595	45.636
Other	61.236	77.992
<b>Total</b>	<b>120.831</b>	<b>123.628</b>

• **Income from rents** relates mostly to the income generated from the following companies: Nana Off Shore (21.099 thousand RSD), EP Visokogradnja (12.395 thousand RSD), Zecco (10.453 thousand RSD), EP Niskogradnja (4.604 thousand RSD), EP Energodata (3.775 thousand RSD), EP Garant (3.500 thousand RSD) and EP Guinea (1.426 thousand RSD).

• **Other operating income** relates mostly to EP Niskogradnja (46.099 thousand RSD), out of which 42.953 thousand RSD relate to the refund of expenses based on agreements with subcontractors related to the project Tisa, while other refund of expenses are based on the agreement with subcontractors related to the project Lot 1.1. Other significant income among subsidiaries within the Energoprojekt Group relates to EP Visokogradnja (4.952 thousand RSD) and EP Garant (7.853 thousand RSD).

## 10. PURCHASE VALUE OF GOODS SOLD

The purchase value of goods sold in the reporting period amounts to 146.578 thousand RSD (30.06.2012: 196.793 thousand RSD) and relates mostly to the following subsidiaries:

- EP Energodata: 53.428 thousand RSD for the purchase of equipment (computers);
- Energoplast: 24.091 thousand RSD for the purchase of stoppers, imported by Energoplast for resale;
- EP Oprema: 7.891 thousand RSD;
- EP Visokogradnja: 4.811 thousand RSD and other subsidiaries.

## 11. MATERIAL COST

	30.06.2013 (RSD 000)	30.06.2012 (RSD 000)
Raw material	2.157.580	3.823.633
Other material (overheads)	128.820	96.015
Fuel and energy	586.473	353.035
<b>total</b>	<b>2.872.873</b>	<b>4.272.683</b>

- The major part of **material cost** relates, first of all, to the following subsidiaries:

- EP Oprema: 1.004.662 thousand RSD relate to material costs of affiliates in Nigeria (911.386 thousand RSD) and projects in Serbia in the amount of 91.598 thousand RSD (relates mostly to the project Kostolac and RTB Bor);
- EP Visokogradnja: 574.735 thousand RSD, costs related to projects in Serbia 99.965 (thousand RSD) and abroad (474.727 thousand RSD);
- EP Niskogradnja: 439.716 thousand RSD;
- Energoplast: 103.630 thousand RSD;
- Zecco: 29.060 thousand RSD and other.

- The major part in **other material (overheads)** relate to EP Niskogradnja (70.074 thousand RSD), EP Visokogradnja (19.382 thousand RSD), EP Entel (12.732 thousand RSD) and other.

- The major part in **fuel and energy expenses** relates to EP Niskogradnja (450.658 thousand RSD), EP Visokogradnja (67.266 thousand RSD), EP Entel (19.586 thousand RSD), EP Oprema (15.886 thousand RSD) and other.

## 12. STAFF COSTS

	30.06.2013 (RSD 000)	30.06.2012 (RSD 000)
Salaries and fringe benefits (gross)	2.842.914	2.663.104
Taxes and contributions on salaries and fringe benefits charged to employer	335.338	357.148
Remunerations according to temporary service contracts	18.668	15.514
Remunerations according to author's contracts	25.162	30.189
Remunerations according to temporary and provisional contracts	39.568	24.280
Remunerations to individuals according to other contracts	26.902	19.029
BoD	11.626	16.611
Other personal expenses and remunerations	271.116	284.298
<b>Total</b>	<b>3.571.294</b>	<b>3.410.173</b>

## 13. DEPRECIATION AND PROVISION COSTS

	30.06.2013 (RSD 000)	30.06.2012 (RSD 000)
Depreciation of property, equipment and intangible investments	253.308	363.858
Provision costs	30.417	3.019
<b>Total</b>	<b>283.725</b>	<b>366.877</b>

• **Total depreciation expenses** amount to 253.308 thousand RSD (30.06.2012: 363.945 thousand RSD). On 31.12.2012 the residual value and the remaining useful lifetime of properties and equipment of significant accounting value were estimated. The effect of the change in accounting estimate influenced the change in the depreciation expenses also on 30.06.2013 and thereby, subsequently, the accounting value of assets on 30.06.2013.

• **Provision expenses** in the amount of 30.417 thousand RSD (30.06.2012: 3.019 thousand RSD) relate to provision expenses in EP Entel in the amount of 12.062 thousand RSD (provisions for the severance wage of employees abroad) and EP Garant in the amount of 18.355 thousand RSD (provisions for incurred reported, yet not solved damage).

#### 14. OTHER OPERATING EXPENSES

	30.06.2013 (RSD 000)	30.06.2012 (RSD 000)
<b><u>Costs of production services</u></b>		
Service costs of outputs	1.737.900	1.939.649
Transportation costs	190.172	231.472
Maintenance costs	64.660	89.467
Rental costs	377.648	255.142
Fairs exhibit costs	1.308	332
Advertising costs	5.680	6.123
Costs of researching activities	348	1.684
Costs of other services	107.908	67.443
<b>Total</b>	<b>2.485.624</b>	<b>2.591.312</b>
<b><u>Non-production costs</u></b>		
Costs of non-production services	249.865	374.804
Expense accounts	26.332	25.872
Insurance premium costs	52.260	53.042
Payment operation costs	90.623	134.738
Membership fees	13.852	9.352
Tax duties	65.640	145.208
Contribution costs	573	2.924
Other	250.544	353.260
<b>Total</b>	<b>749.689</b>	<b>1.099.200</b>
<b>Grand total</b>	<b>3.235.313</b>	<b>3.690.512</b>

Other operating expenses comprise of production services costs and non-material costs.

The largest figure under **other operating expenses** involves the production service costs, among which the most important are:

- **Service costs of outputs** relate mostly to the following subsidiaries:
  - EP Oprema: 758.096 thousand RSD relate mostly to subcontractors and consortium partners in various projects;
  - EP Visokogradnja: 348.131 thousand RSD relate to expenses of associates on construction sites in the country and abroad;
  - EP Niskogradnja: 493.904 thousand RSD relate to expenses based on subcontracting agreements;
  - EP Entel: 79.742 thousand RSD relate to the engagement of subcontractors in the company Katar;
  - EP Hidroinženjering: 33.427 thousand RSD and other.
- **Rental costs** amount to 377.648 thousand RSD and relate mostly to the following companies in the Energoprojekt Group:
  - EP Entel: 124.637 thousand RSD relate mostly apartment rental fees in the company's foreign



branches.

- EP Niskogradnja: 175.798 thousand RSD include rental costs of equipment, field work expenses, office, residential and warehouse space in the country and abroad.

- EP Visokogradnja: 53.841 thousand RSD relate predominantly to rental costs in foreign countries.

The largest figure under **non-material costs** relates to costs of non-production services in the amount of 249.865 thousand RSD and other non-material costs in the amount of 250.544 thousand RSD.

- The largest separate **costs of non-production services** relate to EP Entel in the amount of 135.066 thousand RSD (consulting services, professional training of employees, health care, legal services, audit of financial statements, etc), EP Visokogradnja in the amount of 45.003 thousand RSD and EP Niskogradnja in the amount of 39.937 thousand RSD

- The largest figure under **Other non-material costs** in the total amount of 250.544 thousand RSD relates to the participation of EP Visokogradnja in the amount of 193.961 thousand RSD, mostly to the acquisition of land for the construction of business premises, residential space in Mirijevo in the amount of 167.402 thousand RSD.

## 15. REVENUES AND EXPENSES

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)
<b><u>Financial revenues</u></b>		
Financial income incurred with other associated companies	5.606	21.435
Income from interest	49.472	87.152
FX gains	321.443	1.569.996
Revenues from the participation in the profit of subsidiaries and joint investments	30.083	41.914
Other	46.699	68.720
<b>Total</b>	<b>453.303</b>	<b>1.789.217</b>
<b><u>Financial expenses</u></b>		
Costs of interest	115.781	154.631
FX losses	279.387	822.238
Other	741	4.062
<b>Total</b>	<b>395.909</b>	<b>980.931</b>

In 2013, the positive net financial performance came mainly as the result of a more stable foreign exchange rate RSD – EUR/USD compared to the same period in the previous year, since on 30.06.2013, the dinar rate dropped since the beginning of the year, by 0,39% against the EUR (30.06.2012: 10,68%), and 1,44% against USD (30.06.2012: 13,95%), and significantly changed structure of the Group's FX sub-balance, first of all for EP Visokogradnja and EP Niskogradnja as a result of reduced volume of business abroad.

Interest expenses mean interest based on received loans and default interest from debtor/creditor relationships.

**16. OTHER REVENUES AND EXPENSES**

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)
<b><u>Other revenues</u></b>		
Gains on disposals of intangible assets and property, plant and equipment	5.238	3.725
Gains on disposals of securities	290	
Collected written-off receivables	9.763	61.253
Income from reduction of liabilities	346	2.596
Other	26.787	11.626
Income from value adjustments LT investments and securities		
	2.636	10.004
Income from value adjustments of receivables and ST financial investments		
	11.328	1.467
<b>Total</b>	<b>56.388</b>	<b>90.671</b>
<b><u>Other expenses</u></b>		
Losses on writing-offs and disposals of intangible assets and PPE		
	1.295	9.252
Losses based on sales of material	600	453
Shortages	107	344
Hedging contract expenses	10	
Expenses based on direct write offs	8.970	542
Other	50.217	21.028
Impairment of receivables and short-term financial investments	10.848	17.244
<b>Total</b>	<b>72.047</b>	<b>48.863</b>

• **Other income** (56.388 thousand RSD) - **other** relates to 26.787 thousand RSD, mostly EP Visokogradnja (23.623 thousand RSD), from FX gains from foreign business, completed and balanced and which are recorded to account 331 – FX gains from translations from functional to reporting currency

• **Income from value adjustments of receivables and ST financial investments** amount to 11.328 thousand RSD and relate to EP Garant based on the cancellation of valuation adjustments of receivables on 31.12.2012.

• **Written-off claims recovered** (9.763 thousand RSD) relates to recovered claims from buyers that were on 31.12.2012 on the value adjustment account and were recovered till 30.06.2013.

• **Other expenses** in the amount of 72.047 thousand RSD relate mostly to **other expenses** in the amount of 50.217 thousand RSD that refer mostly to EP Visokogradnja (25.044 thousand RSD), EP Entel 12.833 thousand RSD) and EP Hidroiženjering (5.495 thousand RSD).

• **Depreciation of claims** from foreign buyers in the amount of 10.848 thousand RSD was performed by EP Urbanizam i arhitektura.

• **Expenses based on direct write offs** in the amount of 8.970 thousand RSD relate to the write off of claims from the company Energoprojekt Ghana – EP Visokogradnja company.

**17. NET PROFIT/(LOSS) OF DISCONTINUED OPERATIONS**

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)
Net profit from discontinued operations		
Net losses from discontinued operations	33.531	6.325

**18. NET EARNINGS PER SHARE**

Net earnings per share is computed by dividing the profit of common shareholders by the weighted-average number of common shares outstanding during that period

	30.06.2013	30.06.2012
Profit due to Group shareholders (in 000 RSD)	(91.800)	668.955
Weighted average number of issued ordinary shares	10.443.944	10.443.944
Net earnings per share (RSD per share)	(8,79)	64,05

## 19. INTANGIBLE INVESTMENTS

	Concession, copyrights and similar rights	Other intangible investments	Intangible investments in preparation	Advance payments for intangible investments	Total
	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)
<b><u>Purchase value</u></b>					
<b>01.01.2012</b>	<b>48.135</b>	<b>96.263</b>	<b>16.388</b>		<b>160.786</b>
Purchase	1.902	410			2.312
Increase by transfer from investment in progress		1.195			1.195
Disposals and write-offs		-886			-886
Transfer from/to			-1.195		-1.195
FX exchange gains and losses	365				365
Other increase (decrease)					-
<b>Balance on 30.06.2013</b>	<b>50.402</b>	<b>96.982</b>	<b>15.193</b>	-	<b>162.577</b>
<b><u>Value adjustment</u></b>					
<b>Balance on 01.01.2012</b>	<b>31.131</b>	<b>59.176</b>			<b>90.307</b>
Depreciation	2.365	3.452			5.817
Disposals and write-offs		-886			-886
FX exchange gains and losses	880				880
<b>Balance on 30.06.2013</b>	<b>34.376</b>	<b>61.742</b>	-	-	<b>96.118</b>
<b>Present value</b>					
<b>30.06.2013</b>	<b>16.026</b>	<b>35.240</b>	<b>15.193</b>	-	<b>66.459</b>
<b>Present value</b>					
<b>31.12.2012</b>	<b>17.004</b>	<b>37.087</b>	<b>16.388</b>	-	<b>70.479</b>

As at 30/06/2013, concession, copyrights and similar rights and other intangible investments relate to various software used by the Group for own purposes, depreciated pursuant to the accounting policies in force.

Intangible investments in progress on 30/06/2013 refer to investments of the Group in relation to the delivery, installation, implementation and maintenance of software products for BI (business intelligence) solution. A number of activities were performed in 2013 in order to put this software to use.

**20. PROPERTY, PLANTS, EQUIPMENT AND INVESTMENT PROPERTY**

	Land and buildings	Plants and equipment	Investment property and inv.prop.in preparation	Other PPE	Property and equipment in preparation and advances	Total
	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)
<b><u>Purchase value</u></b>						
<b>Balance on 01.01.2012</b>	<b>5,449,181</b>	<b>8,114,434</b>	<b>1,863,271</b>	<b>34,284</b>	<b>214,434</b>	<b>15,675,604</b>
Purchase	31,099	597,290		10,924	148,393	787,706
Increase by transfer from investment in progress	1,505	32,509			(34,014 )	-
Disposal and write-off	(405 )	(21,007 )				(21,412 )
Transfer from/to	363	11,493	(2,359 )		(7,578 )	1,919
Revaluation - assessment						-
Increase/reduction of advance pay.						-
FX exchange gains and losses	578	22,205	14,829		2,029	39,641
Other increase/decrease		5				5
<b>Balance on 30.06.2013</b>	<b>5,482,321</b>	<b>8,756,929</b>	<b>1,875,741</b>	<b>45,208</b>	<b>323,264</b>	<b>16,483,463</b>
<b><u>Value adjustment</u></b>						
<b>Balance on 01.01.2012</b>	<b>1,823,540</b>	<b>5,573,509</b>	<b>23,427</b>	<b>5,459</b>		<b>7,425,935</b>
Depreciation	12,291	233,412		1,788		247,491
Disposal and write-off	(51 )	(14,790 )				(14,841 )
Transfer from/to	141	1,000				1,141
Revaluation - assessment						-
FX exchange gains and losses	(251 )	18,556				18,305
Other increase/decrease						-
<b>Balance on 30.06.2013</b>	<b>1,835,670</b>	<b>5,811,687</b>	<b>23,427</b>	<b>7,247</b>	<b>-</b>	<b>7,678,031</b>
<b>Present value</b>						
<b>30.06.2013</b>	<b>3,646,651</b>	<b>2,945,242</b>	<b>1,852,314</b>	<b>37,961</b>	<b>323,264</b>	<b>8,805,432</b>
<b>Present value</b>						
<b>31.12.2012</b>	<b>3,625,641</b>	<b>2,540,925</b>	<b>1,839,844</b>	<b>28,825</b>	<b>214,434</b>	<b>8,249,669</b>

	30.06.2013	30.06.2012
	(RSD 000)	(RSD 000)

**Depreciation expenses**

Depreciation of intangible investments	5.817	18.479
Depreciation of property and equipment	247.491	438.957
<b>Total</b>	<b>253.308</b>	<b>457.436</b>

- The largest increase in this balance item (505.304 thousand RSD) relates to EP Niskogradnja based on the purchase of **plants and equipment** for projects in the country and abroad (Peru and Uganda).
- The increase under property in preparation (121.112 thousand RSD) relates to EP Entel based on the land for the construction of an office building in the foreign company in Oman.
- Investment properties on 30.06.2013 was 1.852.314 thousand RSD.

The most important investment properties of the Energoprojekt Group include the following:

- office and residential building in Moscow, Dom 12;
- office building (EP Niskogradnja) in Peru, Cruz del Sur;
- business premises (EP Garant) in Goce Delčeva Street, Novi Beograd, residential building in the Zoran Đinđić Boulevard, Novi Beograd and business premises in YU business center, Novi Beograd, and
- business premises (EP Energodata) in Palmira Toljatija Street (PTC Old Merkator) Novi Beograd and business premises in Nis.

In addition to the above, EP Holding, Enjub and EP Urbanizam i arhitektura have business premises in Novi Beograd.

Based on the lease of investment properties, the Energoprojekt Group has receivables of 32.978 thousand RSD in the reporting period, which relate mostly to receivables from the lease of the office-residential building in Moscow, Dom 12 (21.099 thousand RSD).

The valuation of the investment property was not performed on 30.06.2013, since it was performed on 31.12.2012 by an independent valuator who has appropriate professional qualifications and recent relevant work experience in the field of investment property.

Mortgage related data for Energoprojekt Group property is shown in detail in the Note 42.

## 21. EQUITY INVESTMENTS

Equity investments represent long term investments in shares and parts of enterprises, banks and insurance companies.

Equity investments pertain to shares (stakes):

	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
a) Banks and financial organizations	75,382	87,592
b) Other legal entities:	705,861	699,529
- Energopet	289,888	297,262
- Enjub	119,163	119,452
- Energo Nigeria	285,810	259,767
- Other	11,000	23,048
<b>Total</b>	<b>781,243</b>	<b>787,121</b>

Financial information for Enjub ltd (the parent company has 50% participation) is given below:

	<i>in 000 RSD</i>	
	<i>30.06.2013</i>	<i>31.12.2012</i>
Working capital	145.147	145.141
Fixed assets	169.893	169.916
<b>Assets</b>	<b>315.721</b>	<b>315.737</b>
Current liabilities	185.010	184.445
Long-term liabilities	1.659	1.953
<b>Equity</b>	<b>119.163</b>	<b>119.452</b>
	<i>30.06.2013</i>	<i>30.06.2012</i>
Receivables	7.523	28.882
<b>Profit (loss) in the current period</b>	<b>(288)</b>	<b>12.177</b>

## 22. OTHER LONG-TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
a) FCY savings bonds	47.892	60.335
b) Housing loans for employees	58.438	57.510
c) Other	798.087	779.659
<b>Total</b>	<b>904.417</b>	<b>897.504</b>

• **Foreign currency savings bonds** relate to the following companies: EP Garant (34.685 thousand RSD) and EP Industrija (13.207 thousand RSD).

• **Long-term housing loans** are interest-free and the legal revalorization is performed.

• **Other long-term financial investment** (798.087 thousand RSD) relate mostly to the following subsidiaries:

- EP Entel: 577.996 thousand RSD relate mostly to long-term claims for the guarantee deposit (549.810 thousand RSD), which is mostly 10% of the invoiced value and which may be collected only upon completion of all works on the respective project to which it relates;

- EP Oprema: 111.086 thousand RSD comprise of long-term financial investments based on guarantee deposits for a large number of works, and

- EP Visokogradnja: 82.406 thousand RSD relate to the tourist resort Crni Vrh (not completed) where the Company has 5% ownership rights based on co-financing.

## 23. INVENTORIES

	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
Stocked material, spare parts and tools	963.050	921.827
Work in progress	1.402.396	1.156.692
Finished goods	185.020	187.075
Merchandise	24.725	65.651
Paid advances	620.766	584.149
<b>Total</b>	<b>3.195.957</b>	<b>2.915.394</b>

• **Stocked material, spare parts, tools and inventories** (963.050 thousand RSD) relate, first of all, to EP Niskogradnja and EP Visokogradnja.

- EP Niskogradnja – stocked material, spare parts, tools and inventories (591.139 thousand RSD) relate mostly to stocked material abroad (485.240 thousand RSD), in Uganda and Peru ((Uganda 282.841 thousand RSD, Peru 202.399 thousand RSD). Stocked material in Serbia relates to 105.899 thousand RSD. The quantity of stocked material and spare parts depends upon the intensity of works and possibility of timely purchase.

- EP Visokogradnja – stocked material relates to 252.784 thousand RSD (abroad: 119.628 thousand RSD, in Serbia: 133.156 thousand RSD).

• **Work in progress** (1.402.396 thousand RSD), relates mostly to EP Visokogradnja (1.325.850 thousand RSD), in particular:

- In the country (770.644 thousand RSD) – based on own investments in Knez Danilova and Dalmatinska streets (79.165 thousand RSD), Bežanijska Kosa (46.562 thousand RSD), Cara Nikolaja street (349.363 thousand RSD), Mirijevo (167.406 thousand RSD), Voždovac (25.938 thousand RSD) and the shopping mall in Bor (102.210 thousand RSD).
- abroad 555.206 thousand RSD - based on works related to the residential complex Šištet Bare in Montenegro.

EP Niskogradnja – work in progress (74.417 thousand RSD) relates to the projects abroad, in particular:

- the project Z-019 Cochabamba Chota, Peru (68.739 thousand RSD): manufactured material (processed rock for the upper dam, processed rock for the filter, aggregate for concrete production and material for the lower embankment);
- Project Z-023 Pericos, Peru (5.678 thousand RSD): manufactured material (processed rock for the upper embankment and aggregate for concrete production).

• **Finished goods** (185.020 thousand RSD) relate mostly to EP Visokogradnja (131.184 thousand RSD) – property in Herceg Novi (98.029 thousand RSD) and Belgrade (Bežanijska Kosa and Block 29) - 33.155 thousand RSD.

• **Advance payments** (620.766 thousand RSD) relate, first of all, to EP Oprema, EP Visokogradnja and EP Niskogradnja.



- EP Oprema – advance payments (306.218 thousand RSD) relate to advance payments to consortium partners and subcontractors for projects in the country TE Kostolac and RTB Bor (117.401 thousand RSD), advance payments for the construction of the Embassy in Abuja, Nigeria 99.413 thousand RSD, advance payments to foreign suppliers for foreign projects 57.365 advance payments and advance payments to foreign suppliers for domestic projects 32.039 thousand RSD.

- EP Visokogradnja – advance payments amount to 218.437 thousand RSD (in the country: 77.624 thousand RSD, abroad: 140.813 thousand RSD).

- EP Niskogradnja – from the total amount of 72.135 thousand RSD, advance payments in the amount of 26.028 thousand RSD relate to subcontractors on projects in the country (Interkop 2.889 thousand RSD, TTK 2.500 thousand RSD, Sent Andreja Savinac 1.500 thousand RSD, consortium Elso Project ltd. 902 thousand RSD, Dunav grupa agregati ltd. 11.801 thousand RSD, Nis Gazprom Neft 1.727 thousand RSD etc) and advance payments abroad - 46.107 thousand RSD (Uganda 25.738 thousand RSD, Peru 20.300 thousand RSD and Kazakhstan 69 thousand RSD).

## 24. FIXED ASSETS FOR SALE

Fixed assets for sale of the Energoprojekt Group (64.156 thousand RSD) relate to EP Niskogradnja (50.688 thousand RSD), Energoplast (12.295 thousand RSD) and EP Viskogradnja (1.173 thousand RSD).

## 25. RECEIVABLES

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
<b><u>Receivables from sales</u></b>		
Domestic buyers	938.934	1.365.918
Foreign buyers	5.638.449	5.328.185
<b>Total</b>	<b>6.577.383</b>	<b>6.694.103</b>
<b><u>Receivables from specific business operations</u></b>	<b>24.295</b>	<b>26.224</b>
<b><u>Other receivables</u></b>		
Receivables from employees	29.597	25.532
Receivables from government authorities and institutions	673	431
Receivables for other prepaid taxes and contributions	3.905	4.616
Other receivables	411.349	371.785
<b>Total</b>	<b>445.524</b>	<b>402.364</b>
<b>Grand total</b>	<b>7.047.202</b>	<b>7.122.691</b>

• **trade receivables – domestic, on 30.06.2013** (938.934 thousand RSD) relate mostly to EP Oprema (536.888 thousand RSD), EP Niskogradnja (109.406 thousand RSD), EP Hidroinženjering (39.424 thousand RSD), Energoplast (146.981 thousand RSD), EP Visokogradnja (44.724 thousand RSD), EP Industrija (21.189 thousand RSD) and EP Entel (20.538 thousand RSD).

• **Trade receivables - foreign** (5.638.449 thousand RSD) relate mostly to EP Niskogradnja with receivables from investors abroad (3.228.091 thousand RSD), EP Entel (632.520 thousand RSD), EP Visokogradnja (760.768 thousand RSD), EP Oprema (593.083 thousand RSD) and EP Hidroinženjering (357.695 thousand RSD).

• **Other receivables** (411.349 thousand RSD) relate mostly to EP Niskogradnja (345.233 thousand RSD), receivables abroad, EP Industrija (30.735 thousand RSD), EP Holding (18.676 thousand RSD) and EP Visokogradnja (12.573 thousand RSD).

## 26. SHORT TERM FINANCIAL INVESTMENTS

	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
Short fixed deposits	1.979.752	2.252.993
Short-term loans extended	156.821	155.050
Other	42.469	38.183
<b>Total</b>	<b>2.179.042</b>	<b>2.446.226</b>

• **Short fixed deposits** relate mostly to EP Entel (1.424.978 thousand RSD), EP Garant (512.419 thousand RSD), EP Niskogradnja (30.938 thousand RSD) and Energoplast (11.417 thousand RSD).

• **Short-term loans extended** (156.821 thousand RSD) relate mostly (152.464 thousand RSD) to the loan granted to Enjub by EP Holding.

• **Other short-term financial investments** (42.469 thousand RSD) relate mostly to EP Hidroinženjering (14.783 thousand RSD (deposited funds with Scotiabank, Peru as a collateral for the guarantee for the project Machupicchu II), EP Garant 14.551 thousand RSD and EP Oprema (10.361 thousand RSD).

## 27. CASH AND CASH EQUIVALENTS

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
<b><u>RSD</u></b>		
Current accounts	98.493	59.716
Petty cash	451	267
Short-term deposits	366.512	779.730
Other	4.082	721
<b>Total</b>	<b>469.538</b>	<b>840.434</b>
<b><u>FCY</u></b>		
Foreign currency accounts	1.896.799	2.288.187
Petty cash	122.423	92.245
L/C		52.247
Other	4.319	82.360
Value-impaired or restricted pecuniary assets	-	-
<b>Total</b>	<b>2.023.541</b>	<b>2.515.039</b>
<b>Grand total</b>	<b>2.493.079</b>	<b>3.355.473</b>

Foreign currency accounts relate mostly to EP Visokogradnja, EP Entel, EP Niskogradnja, EP Garant and EP Holding.

## 28. ADDED VALUE TAX AND ACTIVE ACCRUALS

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
<b><u>VAT</u></b>	<b>52.199</b>	<b>27.388</b>
<b><u>Active accruals</u></b>		
Prepayments	230.609	131.613
Uninvoiced income receivables	2.296.032	895.363
Accrued VAT	3.699	42.228
Accrued commitments		115.062
Other active accruals	99.859	93.321
<b>Total</b>	<b>2.630.199</b>	<b>1.277.587</b>
<b>Grand total</b>	<b>2.682.398</b>	<b>1.304.975</b>

**Receivables on non-invoiced income** relate mostly to EP Oprema, 785.433 thousand RSD – include receivables based on progress certificates (issued, but not verified) related to the following projects: TE Kostolac (699.327 thousand RSD) and RTB Bor (58.706 thousand RSD). The difference between 27.400 RSD is VAT that is calculated based on completed transactions pending verification in November 2012 (14.676 thousand RSD) for the project Kostolac and non-invoiced works for the project Leskovac Macedonian border (12.724 thousand RSD).

- Receivables on non-invoiced income for EP Niskogradnja (698.433 thousand RSD) are shown in the following table:

*Energoprojek Group, Belgrade*

<b>Project</b>	<b>Receivables on non-invoiced income (kto 281) in 000 RSD</b>
<b>A b r o a d</b>	
<b>Z-0188 Chira Piura III, Peru</b>	<b>782</b>
Rents, CDS for 06.2013	782
<b>Z-019 Cochabamba Chota, Peru</b>	<b>139,448.19</b>
Progress certificate 12- contract extension no. 19	11,242
Progress certificate 19 06.2013	75,333
Progress certificate 12 additional 03	21,564
Progress certificate 07 additional 06	5,508
Progress certificate 04 additional 07	11,548
Progress certificate 04 additional 08	894
Progress certificate 03 additional 09	8,234
Other calculated receivables	5,124
<b>Z-022 Colan, Peru</b>	<b>13,839</b>
Progress certificate 08 06.2013	7,741
Progress certificate 04 additional 02	2,580
Progress certificate 02 additional 03	2,183
Progress certificate 01 additional 04	1,300
Other calculated receivables	35
<b>Z-023 Pericos, Peru</b>	<b>61,568</b>
Progress certificate - contract extension no. 02	3,964
Progress certificate 06. 2013	54,107
Other calculated receivables	3,498
<b>Z-024 Chancay y Rucuy</b>	<b>34,770</b>
Progress certificate 02 06.2013	34,770
<b>Z-021 Kampala streets, Uganda</b>	<b>186,826</b>
Non-invoiced works till 30.06.2013	186,826
<b>Z-017 Kawempe Kafu, Uganda</b>	<b>132,145</b>
Non-invoiced works till 30.06.2013	132,145
<b>S e r b i a</b>	
<b>Project Lot 1.1. Novi Sad</b>	<b>69,000</b>
Progress certificate for 06	69,000
<b>Project Tunnel Sarani</b>	<b>59,767</b>
Progress certificate for 04	8,769
Progress certificate for 05	14,024
Progress certificate for 06	36,975
<b>Tisa project</b>	<b>287</b>
Progress certificate for 06	287
<b>Total</b>	<b>698,433</b>

- **Receivables on non-invoiced income** that relate to EP Visokogradnja (676.937 thousand RSD) include receivables on non-invoiced income from investors abroad based on progress certificates that were not verified (515.218 thousand RSD) - (Z-068 Aktau Hotel in the amount of 173.181 thousand RSD, Z-074 winery Sarijagas 36.433 thousand RSD, Z-082 Ezva 64.644 thousand RSD, Z-085 Uhta 139.819 thousand RSD, Z-087 restaurant and night club (41.182 thousand RSD), Z-088 Hotel Hyatt 36.763 thousand RSD, Z-084 Design of the complex Horizonti (7.942 thousand RSD), Z-086 Design of the spa center Atirau (3.991 thousand RSD), Z-090 Design of the Telekom center (3.939 thousand RSD), Z-091 Astrahan Schlumberger (7.324 thousand RSD). Receivables on non-invoiced income in Serbia (101.719 thousand RSD) relates to receivables from the investor (project Prokop, in the amount of 110.515 thousand RSD), Bor, sulfuric acid and Copper smeltery (40.545 thousand RSD) and cable-cars for the project Crni Vrh (10.659 thousand RSD).

**Other receivables on non-invoiced income** relate to other companies in the Energoprojekt Group, in particular:

- EP Holding: 49.898 thousand RSD (Embassy in Abuja, Nigeria) and
- EP Hidroinženjering: 49.805 thousand RSD relates entirely to the project “Dredging of the Danube riverbed”, financed by the European Delegation in Serbia (only final invoice upon work completion will be issued).

## 29. EQUITY AND OTHER CAPITAL

Equity includes the following capital types:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Share capital	5.867.972	5.397.326
Other capital	114.894	114.638
<b>Total</b>	<b>5.982.866</b>	<b>5.511.964</b>

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.

At the 41<sup>st</sup> General Meeting of EP Holding shareholders held on 28.06.2013, decisions were reached (item 3 of the agenda) regarding the following:

- Distribution of undistributed profit for 2012,
- XI issue of ordinary shares without public offering for the payment of dividends.

The total amount of net profit of EP Holding for 2012 is 505.370.307,96 RSD. The total amount of undistributed profit from previous years (284.872.483,11 RSD) and total undistributed profit was 790.242.791,07 RSD.

The above mentioned amount for undistributed profit was distributed according to the decision reached by the Assembly as follows:

- the amount of 506.814.540,00 RSD will be used for the increase of equity by issuing XI issue of shares for the conversion of the undistributed profit into equity (993.754 shares with individual nominal value of 510,00 RSD).
- The amount of 283.428.251,07 RSD will remain undistributed.

This decision was registered on 28.06.2013, and on 09.07.2013 in the Serbian Business Registers Agency.

The share capital of EP Holding on the balance sheet date comprises of 10.931.292 ordinary shares with nominal value of 510,00 RSD (5.574.959 thousand RSD).

### 30. RESERVES

Reserves comprise of:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Legal	237.952	237.952
Statutory and other	428.412	424.250
Issuing premium	237.015	237.015
<b>Total</b>	<b>903.379</b>	<b>899.217</b>

The legal reserves were formed according to the Law on Enterprises which was in force up to 30 November 2004, which was superseded by the Companies Law. Each year at least 5% was appropriated from profits until the statutory level is reached of at least 10% of the issued capital.

Statutory and other reserves are reserves formed from profit in accordance with the Articles of Association and other internal regulations of the company.

The issuing premium represents the positive difference between the achieved sales value of shares and their nominal value.

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

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Revaluation reserves	1.259.299	1.748.834
Unrealized profit from available-for-sale securities	11.251	14.599
Unrealized losses from available-for-sale securities	(45.678)	(25.798)
<b>Total</b>	<b>1.224.872</b>	<b>1.737.635</b>

**Revaluation reserves** relate to gain/losses of the fair value of property and equipment, as well as

reserves based on the financial statements calculation displayed in another functional currency than the presentation currency (reporting currency).

- Revaluation reserves of EP Niskogradnja (170.146 thousand RSD) relate to the difference between the accounting value of a fixed asset (55% of the building Cruz del Sur, Lima) and the fair value (estimated value) on the transfer date to the investment property, according to the decision of the Board of Directors of the Company and relevant provisions of IAS 16 and IAS 40. This excludes the increase of fair value from the balance sheet of the Company that occurred before the property became investment property. The value estimation was performed by an independent valuator PROVALUA S.A.A. – PROVSA, Peru that has acknowledged (authorization issued by the relevant authority in Peru: Superintendencia de Banca, Seguros and AFP-Peru) and relevant qualification as well as recent experience with locations and the investment property category that is assessed.

86.472 thousand RSD relate to revaluation reserves based on the translation of financial statements displayed in another functional currency than reporting currency.

- EP Visokogradnja – revaluation reserves comprise of reserves from fixed assets revaluation (113.464 thousand RSD) and reserves based on the translation financial statements into the reporting currency (106.979 thousand RSD)

- EP Entel - revaluation reserves amount to 119.104 thousand RSD, and reserves based on the translation financial statements into the reporting currency (53.289 thousand RSD).

- In addition, revaluation reserves that arise from the fair value adjustment relate to EP Industrija (188.972 thousand RSD), EP Hidroinženjering (113.080 thousand RSD) and other.

• The price drop of shares at the Belgrade Stock Exchange for those companies, whose shares are in the portfolio of available-for-sale securities in the Energoprojekt Group, influenced mostly the drop of **Unrealized profits** and the rise of **Unrealized profits based on available-for-sale securities**

### 32. UNDISTRIBUTED PROFIT AND LOSS

Undistributed profit comprises:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Consolidated net prior years profit	4.575.609	3.975.463
Changes during the year	(13.922)	600.146
<b>Consolidated net profit as at 30.06.2013</b>	<b>4.561.687</b>	<b>4.575.609</b>

Changes which occurred during the year are the result of loss generated in 2013 and distribution deductions in 2012.

The distribution of the undistributed profit on 31.12.2012 was performed based on the resolution adopted by the General meeting of Energoprojekt Holding shareholders (41<sup>st</sup> meeting, item 3 of the agenda, held on 28.06.2013) - Note no. 29.

### 33. LONG-TERM PROVISIONS

Long term provisions are disclosed 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 comprise:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Provision for expenses in warranty	738.455	704.278
Provision for employee benefits	267.536	280.851
Other	387.923	393.647
<b>total</b>	<b>1.393.914</b>	<b>1.378.776</b>

**Provisions for warranty related expenses** relate to EP Entel - 738.455 thousand RSD.

**Other long-term provisions** relate mostly to EP Holding (260.000 thousand RSD), and refer to provisions in the balance sheet on 31.12.2006, according to the decision of the Executive Board of the Company, on behalf of possible expenses related to the implementation of the Contract on joint construction works in Block 26, Novi Beograd no. 507, concluded between the Consortium „Energoprojekt – Napred“ and Trinity Capital ltd.

In accordance with provision of the Contract on joint construction works and Annex no. 1 to the Contract, Trinity Capital Ltd. has paid the agreed amount and the Company has issued a blank bill of exchange and authorization with unlimited validity. The above mentioned bill of exchange may be activated upon final decision of the respective authority, according to which the land of the Company (subject of the contract) will be seized due to solely Company’s fault and for reasons that the Trinity Capital Ltd was not aware of at the time the contract was concluded.

The provision was performed in accordance with requirements IAS 37 Provisions, Contingent Liabilities and Contingent Assets, due to the uncertainty with regard to the implementation of the legislation that refers to the subject of the Contract and that may influence the fulfillment of all obligations of the Company, as well as due to the issued blank bill of exchange, as previously mentioned.

On the 30.06.2013, the uncertainty still exists with regard to the implementation of the legislation that refers to the subject of the Contract and that may influence the fulfillment of all obligations of the Company, as well as the possibility that Trinity Capital Ltd. will activate the issued bill of exchange. Therefore, the management estimates that, on the balance sheet date, the requirements for the cancellation of the respective provision have not been met.

EP Niskogradnja has long-term provisions (97.097 thousand RSD) that relate to the obligation of the Company towards the subcontractor based on the project Z-0163 „Navigation Lock“, Iraq. The provision amount was determined according to the identical methodology as prescribed by the Government of Iraq, based on which the Company has collected its receivables with respect to the mentioned project.



• **Provisions for fees and other employee benefits** (provisions for non-due retirement bonus upon retirement) are displayed based on the actuarial calculation performed by experts of the Energoprojekt Group.

### 34. LONG-TERM LOANS

Liabilities from long term loans are due in a period longer than one year from the performance date, or balance sheet date, and pertain to the following:

	Currency	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
<u>Domestic</u>			
Development Fund	EUR	75.600	148.997
Komercijalna bank	RSD	10.723	10.681
Societe Generale bank	EUR	114.171	113.719
Alpha bank	RSD, EUR	287.535	110.331
Erste bank	EUR	93.533	165.030
Moskovska bank	RSD	15.497	15.571
<b>Total</b>		<b>597.059</b>	<b>564.329</b>
<u>Foreign</u>			
Other	USD, EUR	172.587	378.911
<b>Total</b>		<b>172.587</b>	<b>378.911</b>
<b>Grand total</b>		<b>769.646</b>	<b>943.240</b>

• **Long-term domestic loans** relate mostly to EP Energodata (199.073 thousand RSD (Alpha bank), EP Visokogradnja (151.936 thousand RSD), Societe Generale bank (70.259 thousand RSD) and Erste bank (81.677 thousand RSD), EP Niskogradnja (144.230 thousand RSD), Societe Generale bank (43.912 thousand RSD), Erste bank (11.856 thousand RSD) and Alpha bank (88.462 thousand RSD), EP Holding (75.600 thousand RSD) – relates to the long-term loan received by the Development Fund of the Republic of Serbia in 2010 for the working capital to overcome the short-term insolvency of subsidiaries in the country) and Energoplast (26.220 thousand RSD), Moskovska bank (15.497 thousand RSD) and Komercijalna bank (10.723 thousand RSD).

**Long-term loans granted abroad** - EP Niskogradnja (172.587 thousand RSD) relate mostly to associates from former YU republics (169.149 thousand RSD - 1.935 thousand USD) engaged on the project Hydroelectric power station Baniya II, Guinea. Considering the fact that the succession process of former YU republics is not finished and in view of the principle of prudence, the management of the Company believes that, at this moment, there are no favorable conditions to write off the above mentioned liabilities. The long-term loan to Atlas Copca for fixed assets is 3.438 thousand RSD.

Data on long-term loans are shown in the Note 42.

### 35. OTHER LONG-TERM LIABILITIES

Other long term liabilities include:

	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
Finance lease liabilities - long term	463.466	60.783
Other long-term liabilities	715.826	901.263
<b>total</b>	<b>1.179.292</b>	<b>962.046</b>

• **Finance lease liabilities – long-term**, 460.897 thousand RSD relate to EP Niskogradnja, first of all to long-term finance lease liabilities abroad.

• **Other long-term liabilities** relate mostly to the following subsidiaries:

- EP Niskogradnja: 616.346 thousand RSD relate to the part of the liability for received advance for the Project Sarani tunnel and

- EP Visokogradnja: 84.902 thousand RSD relate to obligations towards former owners of plots, who have sold the land for the construction of residential and office buildings and where the Company agreed to settle them with the property that will be built in Cara Nikolaja Street. The liability is presented according to the price, designed for future properties.

### 36. SHORT-TERM FINANCIAL LIABILITIES

Short-term financial liabilities include:

	Currency	30.06.2013 (RSD 000)	31.12.2012 (RSD 000)
<u>Short term RSD loans</u>			
Domestic banks		475.907	727.812
<u>Short term foreign currency loans</u>			
Domestic banks	EUR, USD	1.115.095	155.375
other		418	
<b>Total</b>		<b>1.591.420</b>	<b>883.187</b>
Other short term financial liabilities/current maturities of long term loans		999.694	1.339.655
Short term loans abroad / current maturities of long term loans abroad	EUR, USD	514.671	494.485
<b>Total</b>		<b>3.105.785</b>	<b>2.717.327</b>

• **Short term RSD loans and loans with a FCY clause from local banks** are predominated by EP Visokogradnja (955.212 thousand RSD), EP Niskogradnja (511.877 thousand RSD) and EP Energodata (124.331 thousand RSD).

• **Other short-term liabilities and current maturities of long-term loans** relate mostly to EP Visokogradnja (340.814 thousand RSD), EP Holding (319.326 thousand RSD) and EP Niskogradnja (178.280 thousand RSD).

• **Liabilities related to short-term loans and current maturities of long-term loans in other countries** relate to EP Niskogradnja (492.690 thousand RSD) and EP Visokogradnja (21.981 thousand RSD).

### 37. LIABILITIES FROM OPERATIONS

Liabilities from business operations include:

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
<b><u>Liabilities from business operations</u></b>		
Received advances, short-term deposits and caution money	2.838.878	2.944.931
Domestic suppliers	820.196	847.656
Foreign suppliers	2.107.311	2.036.149
Other liabilities from business operations	3.825	4.339
<b>Total</b>	<b>5.770.210</b>	<b>5.833.075</b>
Liabilities from specific operations	292.459	298.884
<b>Total</b>	<b>6.062.669</b>	<b>6.131.959</b>

• **Received advance payments** relate mostly to the following companies of Energoprojekt Group:

- EP Niskogradnja (1.161.136 thousand RSD) (mostly received advance payments related to projects abroad - 901.729 thousand RSD (Uganda and Peru), projects in the country (Sarani Tunnel, Lot 1.1. Novi Sad and Tisa project) - 259.407 thousand RSD);

- EP Oprema - 840.689 thousand RSD (mostly received advance payments from investors related to the projects RTB Bor and TE Kostolac - 757.474 thousand RSD) and

- EP Visokogradnja - 581.887 thousand RSD ( liabilities in connection to received advance payments mostly from investors related to the projects: Aktau hotel, Wineries Sarijagas, Ezva, Aktau hospital; and Energoprojekt Ghana advance payments).

• **Obligations to suppliers in the country and abroad** relate to EP Visokogradnja, EP Niskogradnja and EP Oprema.

• **Liabilities from specific operations** relate mostly to EP Visokogradnja (192.452 thousand RSD (obligations to GP „Rad“ based on works in Iraq – ongoing lawsuit) and EP Entel (99.974 thousand RSD (obligation to partners in accordance with the contract for Phase VI and Phase VII in Qatar).

### 38. OTHER SHORT TERM LIABILITIES

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
Salaries and emoluments	957.890	1.008.773
Dividends	81.650	26.939
Other liabilities	55.802	55.800
<b>total</b>	<b>1.095.342</b>	<b>1.091.512</b>

### **39. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS**

	30.06.2013	31.12.2012
	(RSD 000)	(RSD 000)
VAT and other public liabilities	228.331	293.941
Accruals	1.118.576	400.905
<b>total</b>	<b>1.346.907</b>	<b>694.846</b>

In the balance sheet, the item **Accruals** predominantly includes the following companies:

- EP Garant (227.448 thousand RSD) for transferable non-life insurance premiums, coinsurance premiums, liability provisions and other accruals;
- EP Oprema (571.662 thousand RSD), relates mostly to consortium partners and subcontractors for projects TE Kostolac and RTB Bor;
- EP Niskogradnja (313.729 thousand RSD), relates to projects in the country and abroad (Peru and Uganda),
- other (5.737 thousand RSD).

### **40. COMMITMENT AND CONTINGENCIES**

There is a number of ongoing lawsuits against members of Energoprojekt Group in the country.

The most important are listed in the attachment.

In addition to the above, there is a lawsuit between Energoprojekt Entel L.L.C., Doha, Qatar and the Ministry of Finance. The subject of the lawsuit are not recognized consulting costs with the parent company in Belgrade from 2007, 2008 and 2009.

Since the final outcome of these legal proceedings is uncertain, the impact on the financial position of companies cannot be reliably predicted. Based on the opinion of the professional department, the management believes that there is no real risk of these lawsuits causing severe financial expenditure for the company, and therefore no provisions were made for potential losses in this respect.

### **41. OFF-BALANCE SHEET ITEMS**

The Group's off-balance assets and liabilities totaling 14.112.437 thousand RSD mostly relate to guarantees issued and received (advances, performance bonds, guarantee deposit, etc) - 12.495.103 thousand RSD, land use rights (1.129.794 thousand RSD) and other (487.540 thousand RSD).

## **42. MORTGAGES REGISTERED IN FAVOR OR AGAINST COMPANIES FROM THE ENERGOPROJEKT GROUP**

- **Mortgages registered against companies from the Energoprojekt Group**

The subsidiary “Energoprojekt Entel” LLC Doha, Qatar reserves the disposal and usufruct right with regard to the property of total area of 4.488 m<sup>2</sup>, located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10.736 m<sup>2</sup>, in Doha - Qatar, Zone 44, East Al Naija, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the “Doha bank” according to the contract no. 52973 as collateral for issuing a tender guarantee and a performance guarantee.

In order to secure a credit line approved by Scotiabank Peru EP Niskogradnja mortgaged its property for the sum of 847.373 thousand RSD which accounts for 94,2% of the total appraised value of the mortgaged property. Value assessment was performed by the valuator Provalua S.A.A.- Provsa, authorized by the respective authority in Peru – Superintendencia de Banca, Seguros y AFP.

To secure the advance guarantee EP Hidroinzenjering has mortgaged properties in Peru: office 601 and the parking lot no. 14, on the sixth and first floor of the building facing the Los Rosales street (now Amador Merino Reyna) 460, San Isidro district, Lima, Peru, registered on records no. 234244 and 234237 of the Property register of Lima, Peru.

Loans, granted to Energoplast in 2012, are secured by a lien: long-term loan granted by the Moscow bank was secured by a lien on the equipment for the production of stoppers and the long-term loan granted by the Komercijalna banka was secured by a lien on receivables under Contract and Annex between Energoplast and the buyer Knjaz Milos, Arandjelovac.

As collateral against a long term bank loan from Alpha Bank, EP Energodata provided a pledge on its fixed assets - ATM machines which are leased to Credit Agricole Bank.

The overdraft loan granted by the Indo-Zambia bank to Zecco Zambia was secured by a lien on the mortgage over two properties: Plot 5251 REM and Plot 3148 Mukwa Road.

- **Mortgages registered in favor companies from the Energoprojekt Group**

To secure the repayment of the loan pursuant to contract no. 423/367, in the amount of 137.500 EUR, granted by EP Holding by Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in Jurija Gagarina 91A, second and third floor, cadastral plot no. 5089/9, cadastral municipality Novi Beograd, registered in the registry of immovable property no. 4550, cadastral municipality Novi Beograd in favor of the Company.

**43. POST BALANCE SHEET EVENTS**

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

In Belgrade,  
12.08.2013

## ENERGOPROJEKT GROUP, BELGRADE

### SECTOR FOR LEGAL REPRESENTATION

Belgrade, 02.08.2013

#### Report on pending lawsuits of Energoprojekt Group as of 30.06.2013

No.	Plaintiff	Respondent	Legal grounds	Value	Competent court	Expected date of closure	Expected outcome
1.	Marko Martinoli	EP Holding and EP Niskogradnja	Share squeeze-out	2.163.932,00 RSD	Commercial Court of Belgrade	2014	Outcome uncertain
2.	Aleksandar Vasojević	EP Holding	Annulment of resolutions from the XXXVII EGM		Commercial Court of Belgrade	2013	Unsubstantiated
3.	New company	EP Holding and GP Napred	Establishment of ownership rights		Commercial Court of Belgrade	2014	Outcome uncertain, suspended proceedings
4.	EGP Investments	EP Holding	Share squeeze-out	1.267.710,00 RSD	Commercial Court of Belgrade	2013	Legal suit upheld by first instance court
5.	Milan Raonić	EP Holding	Copyright claim	7.000.000,00 RSD	Higher Court of Belgrade	2014	Partly founded
6.	Association of Small Shareholders, Association of Pensioners, Jovan Korolija and Ivan Petrović	EP Holding	Annulment of resolutions from the XXXVII EGM		Commercial Court of Belgrade	2013	Unsubstantiated
7.	Radomir Banjac	EP Holding	Damage claim	4.400.000,00 RSD	First Primary Court of Belgrade		Unsubstantiated

8.	Sreta Ivanišević	EP Holding	Compensation for expropriated property (Bežanija)		First Primary Court of Belgrade		Outcome uncertain
9.	Ivan Petrović et al.	EP Holding	Annulment of resolutions from the XXXVII EGM		Commercial Court of Belgrade	2013	Unsubstantiated
10.	Vladan and Tomislav Krdžić	EP Holding	Damage claim (free shares not allotted to the plaintiffs)	444.000,00 RSD	Commercial Court of Belgrade	2013	Unsubstantiated
11.	East West Invest	EP Holding	Share squeeze-out	847.980,00 RSD	Commercial Court of Belgrade	2013	Legal suit upheld by first instance court
12.	EGP Investments	EP Holding	Share squeeze-out	348.230,00 RSD	Commercial Court of Belgrade	2013	Legal suit upheld by first instance court
13.	Serbian government	EP Holding	Establishment of apartment ownership		Commercial Court of Belgrade	2013	Founded
14.	Directorate for Building Land	EP Holding	Fee for building land for Hyatt	Uncertain	Commercial Court of Belgrade	2014	Partly founded
15.	EP Holding	Stari grad municipality	Ownership claim		First Primary Court of Belgrade	2014	Founded
16.	EP Holding	Ministry of Finance – Tax Administration	Prepaid tax refund	26.959.260,00 RSD	Constitutional Court		Founded
17.	EP Holding	Mottivi d.o.o	Damage claim (roof repairs at G. Delčeva 38)	828,82 EUR	Commercial Court of Belgrade	2014	Founded
18.	EP Holding	Zekstra grupa d.o.o.	Damage claim (roof repairs at G. Delčeva 38)	7.032,68 EUR	Commercial Court of Belgrade	2014	Founded
19.	EP Holding	Serbian government, EPS power co, Epsturs d.o.o and Montenegro government	Establishment of ideal share of ownership of Hotel Park in Budva		Primary Court of Herceg Novi	2014	Founded



20.	EP Holding	Ivan Musić	Damage claim (roof repairs at G. Delčeva 38)	250,61 EUR	First Primary Court of Belgrade	2014	Founded
21.	EP Holding and EP Visokogradnja	City of Belgrade, Land Development Agency, Serbia	Debt (Arena)	17.549.287,81 US\$	Commercial Court of Belgrade	2014	Founded
22.	EP Holding	Beogradsko mešovito preduzeće	Lawsuit for annulment of resolution from the extraordinary meeting held on 20.5.2013		Commercial Court of Belgrade	2013	Founded
23.	EP Visokogradnja	Kosmaj mermer	Establishment of separate claim	400.000,00 RSD incl. interest as of 29/01/1998	CCB	2014	Outcome uncertain. Suspended proceedings
24.	Kosmaj mermer	EP Visokogradnja	Establishment of unfoundedness of separate claim		CCB	2014	Outcome uncertain. Depends on pending lawsuit
25.	EP Visokogradnja	FMPE Bačka Topola in bankruptcy	Claim assessment in bankruptcy proceedings	3.511.710,47 RSD	CC Subotica	Ended	Settlement through bankruptcy proceedings unlikely
26.	Vasilev Grozda	EP Visokogradnja	Performance and damage claim	900.000,00 RSD	First Primary Court of Belgrade	2013	Legal suit dismissed by first instance court
27.	EP Visokogradnja Vesna Perinčić	Vesna Perinčić EP Visokogradnja	Debt claim	88.500,00 RSD from the claim and 250.000,00 RSD from the counterclaim	First Primary Court of Belgrade	2012	Both lawsuit and countersuit dismissed by first instance court
28.	EP Visokogradnja	Promex TV Zvornik	Debt claim	667.104,25 RSD	CCB	2014	Legal suit upheld by first instance court

29.	EP Visokogradnja	GIK Banat	Debt claim	4.172.333,47 RSD	CC Zrenjanin		Claim recognized in bankruptcy proceedings
30.	EP Visokogradnja	SZR. ČA ART	Debt claim	212.457,60 RSD	CC Novi Sad	2013	Founded
31.	Reb Darko	EP Visokogradnja	Debt claim	64.740,01 EUR	First Primary Court	2014	Legal suit dismissed by first instance court
32.	EP Visokogradnja	LHR	Debt claim	580.000,00 RSD	CCB	2013	Founded
33.	EP Visokogradnja	Global ID	Debt claim	111.669,40 RSD	CCB	2012	Respondent's accounts are blocked, settlement is unlikely
34.	Stamenović Božidar	EP Visokogradnja	Unfounded acquisition	487.179,65 RSD	First Primary Court of Belgrade	2013	Legal suit dismissed by first instance court in repeated proceedings
35.	EP Visokogradnja	Trudbenik gradnja	Claim recognized in bankruptcy proceedings	2.767.501,76 RSD	CCB	2013	Settlement uncertain
36.	EP Visokogradnja	Herceg Novi municipality	Debt claim	42.000,00 EUR	CC Podgorica	2013	Returned to first instance procedure after review of the respondent
37.	Bomaran d.o.o.	EP Visokogradnja	Debt claim	1.440.900,00 RSD	CCB	2013	Legal suit upheld by first instance court
38.	EP Visokogradnja	ZR Belker	Debt	79.401,60 RSD	CCB	2012	Settlement is unlikely
39.	Gajić Slobodan	EP Visokogradnja	Damage claim	450.000,00 RSD	Primary Court of Sremska Mitrovica	2012	Legal suit partly upheld by first instance court up to the sum of 240.000,00 RSD

40.	EP Visokogradnja	Lipa Papir	Debt	2.142.004,69 RSD	CCB	2013	Respondent's accounts are blocked, settlement is unlikely
41.	Đorđe Mikša	EP Visokogradnja	Contractual penalty	512.000,00 RSD	First Primary Court of Belgrade	2013	Outcome uncertain
42.	Jagoda Mikša	EP Visokogradnja	Contractual penalty	504.000,00 RSD	First Primary Court of Belgrade	2013	Legal suit upheld by first instance court
43.	Sladan Pavlović	EP Visokogradnja	Damage claim	1.700.000,00 RSD	First Primary Court of Belgrade	2014	Partly founded
44.	EP Visokogradnja	Cvitan Dragan	Debt	212.067,77 RSD	First Primary Court of Belgrade	2013	Founded
45.	Nataša Milojević	EP Visokogradnja	Establishment of ownership rights	100.000,00 RSD	First Primary Court	2014	Outcome uncertain
46.	Agency for investments and housing of Belgrade	EP Visokogradnja	Debt	3.113.778,99 RSD	CCB	2014	Outcome uncertain
47.	EP Visokogradnja	Beton gradnja d.o.o.	Debt	271.813,90 RSD	CCB	2013	Founded,
48.	EP Visokogradnja	Alukaks sistemi doo	Damage claim (block 29)	31.605.600,00 RSD	CCB	2013	Founded
49.	EP Visokogradnja	Veso Romić	Unfounded acquisition of wealth	35.301.780,00 RSD	CCB	2014	Founded
50.	EP Visokogradnja	Beočvor	Debt (Prokop)	290.385.390,00 RSD		2013	Founded
51.	EP Visokogradnja	Jugobanka a.d. in bankruptcy	Claim registration	5.000.000,00 USD	CCB		Founded
52.	EP Visokogradnja	Beobanka a.d. in bankruptcy	Claim registration	1.031.053,82 USD	CCB		Founded
53.	EP Visokogradnja	Banex trade in bankruptcy	Debt 800.203,44 GBP collected 8.478.580,00 RSD		CCB		Founded
54.	EP Visokogradnja	Belim a.d.	Debt under settlement agreement	612.000,00 USD	CCB	Ended	Founded
55.	EP Visokogradnja	Astra banka a.d. in bankruptcy	Claim registration	396.944,99 USD	CCB		Founded

56.	EP Visokogradnja	JP Železnice, Beočvor	Debt (Prokop)	407.301.020,00 RSD	CCB	2013	Founded
57.	GP Rad in bankruptcy	EP Visokogradnja, EP Niskogradnja, EP Oprema and EP Promet	Debt, works in Iraq	2.250.188,60 USD	CCB	2014	Founded
58.	Astra banka a.d. in bankruptcy	EP Visokogradnja	Loan agreements	40.000.000,00 RSD	CCB	2014	Unsubstantiated
59.	Božo Tomašević	EP Visokogradnja	Annulment of employment contract termination	140.000,00 RSD	First Primary Court of Belgrade	2014	Unsubstantiated
60.	Aleksandar Petrović	EP Visokogradnja	Contract termination and damage claim	3.500.000,00 RSD	First Primary Court of Belgrade	2014	Partly founded
61.	Sava Krajinović	EP Visokogradnja	Unfounded acquisition of wealth	269.000,00 RSD	First Primary Court of Belgrade	2014	Unsubstantiated
62.	Ljiljana Damjano	EP Visokogradnja	Performance and damage claim	350.000,00 RSD	First Primary Court of Belgrade	2014	Unsubstantiated
63.	Tubić Aleksandra	EP Visokogradnja	Damage claim	300.000,00 EUR	Primary Court of Herceg Novi	2013	Unsubstantiated
64.	SIEN doo	EP Visokogradnja	Debt, SMIP	438.530,00 RSD	CCB	Uncertain	Partly founded, proceedings suspended
65.	Residential building, B.M.Pupina 10e	EP Visokogradnja	Unfounded acquisition of wealth	2.000.000,00 RSD	First Primary Court of Belgrade	Uncertain	Unsubstantiated, proceedings suspended
66.	Kombit	EP Visokogradnja	Debt (Prokop)	1.269.860,00 RSD	CCB	Uncertain	Partly founded, proceedings suspended
66.	Milorad Vasić	EP Visokogradnja	Damage claim (block 12)	31.235.250,00 RSD	Higher Court of Belgrade	2014	Partly founded, under appeal
67.	EP Visokogradnja	Siniša and Dragan Romić	Contesting of share transfer agreement		Commercial Court of Belgrade	2014	Founded
68.	Kojić Milan	EP Visokogradnja	Debt-salaries	1.130,00 EUR	First Primary Court of Belgrade		Unsubstantiated
	Husein Smailović	EP Visokogradnja	Assessment of monthly rent as compensation for damages	59.000,00 RSD per month beginning with Jan 2010	First Primary Court of Belgrade	2015	Partly founded

69.	EGP Investments	EP Visokogradnja	Share appraisal		Commercial Court of Belgrade	2013	Uncertain
70.	JP Gradska čistoća	EP Visokogradnja	Unpaid invoices	3.320.222,69 RSD	Commercial Court of Belgrade	2013	Settlement agreed, payment in progress
71.	Vladimir Marković	EP Urbanizam i arhitektura	Foreign currency salary	10.147,80 USD	Higher Court of Belgrade	Outcome uncertain	Legal suit upheld by first instance court
72.	Branko Lakčević, Vladimir Perić, Danica Pantić, Ivan Pantić	EP Urbanizam i arhitektura	Foreign currency salary	87.678,09 RSD	First Primary Court of Belgrade	Outcome uncertain	Founded, expired in our view
73.	Milan Raonić	EP Urbanizam i arhitektura	Annual vacation benefits and salary differences	322.688,89 RSD	Court of Appeals in Belgrade	Outcome uncertain	Outcome uncertain, legal suit dismissed by first instance court
74.	Novica Veljković	EP Urbanizam i arhitektura	Annulment of Annex III of employment contract	88.426,53 RSD incl. accrued interest	Court of Appeals in Belgrade	Outcome uncertain	Outcome uncertain
75.	Novica Veljković	EP Urbanizam i arhitektura	Annulment of Annex IV of employment contract	17.000,00 RSD	First Primary Court	Outcome uncertain	Part of the claim was effectively dismissed by court, the rest is pending
76.	Miroslav Stefanović	EP Urbanizam i arhitektura	Salary differences	33.995,00 RSD	First Primary Court	Outcome uncertain	Part of the court ruling upheld, while the part concerning interest was returned for repeat proceedings
77.	EP Urbanizam i arhitektura	Miodrag Cvijić	Debt	1.523.072,42 RSD	First Primary Court of Belgrade	Outcome uncertain	Founded, execution proceedings in progress

78.	Tamara Vukadinović	EP Urbanizam i arhitektura	Annulment of employment contract termination	50.000,00 RSD	First Primary Court of Belgrade	Outcome uncertain	Outcome uncertain
79.	Jelena Davidović	EP Urbanizam i arhitektura	Annulment of employment contract termination	87.666,66 RSD	First Primary Court of Belgrade	Outcome uncertain	Outcome uncertain
80.	EP Urbanizam i arhitektura	Herceg Novi municipality, Montenegro	Invoices	11.090,00 EUR	Commercial Court of Podgorica	Outcome uncertain	Founded
81.	EP Oprema	DGP Zlatibor	Fee for work performed	42.000.000,00 RSD	CC Belgrade	Ended	Founded, settlement difficult, debtor has filed for bankruptcy
82.	EP Oprema	Graditelj Leskovac	Contracted services	71.129.042,82 RSD	CC Leskovac	Ended	Founded, settlement difficult, debtor has filed for bankruptcy
83.	EP Oprema and HLD	Medveđa municipality	Refund of given	120.000.000,00 RSD	CC Leskovac	2014	Founded
84.	EP Oprema	Serbian Clinical Centre	Debt for works	255.544,13 EUR	CC Belgrade	2013	Founded. Hearing completed, court ruling is pending Main hearing reopened by court decision; lawsuit in progress
85.	EP Oprema	Serbian Clinical Centre	Damage claim	1.559,000,00 EUR	Commercial Court of Belgrade	2013	Founded, first instance proceedings are in progress
86.	EP Oprema	Nemanja Ivović	Unfounded acquisition	64.600,50 RSD	First Primary Court of Belgrade	2013	Founded Court expected to schedule a hearing

87.	Zastava Automobili	EP Oprema	Fulfillment of obligations		CC Kragujevac	2013	Unsubstantiated Second instance decision is pending
88.	Vodovod Leskovac	EP Oprema	Contract termination	92.000.000,00 RSD	CC Leskovac		Partly founded
89.	EP Oprema	Belgrade Arena	Damage claim	4.817.705,00 RSD	CC Belgrade		Founded
90.	Tekić Siniša	EP Oprema	Damage claim	160.254,00 RSD	First Primary Court of Belgrade	2012	Unsubstantiated
91.	Stanojković Milorad	EP Oprema and JP Elektromreže	Damage claim	10.000,00 RSD	Primary Court of Vranje	2013	Partly founded First instance proceedings are in progress
92.	Marinković Staniša	EP Oprema - intervener	Damage claim	304.000,00 RSD	Primary Court of Vranje	2013	Partly founded First instance proceedings are in progress
93.	Stanojlović Čedomir	EP Oprema-intervener	Damage claim	261.000,00 RSD	Primary Court of Vranje	2013	Partly founded First instance proceedings are in progress
94.	Ristić Čedomir	EP Oprema-intervener	Damage claim	63.000,00 RSD	Primary Court of Vranje	2013	Partly founded First instance proceedings are in progress
95.	Milan Ilić and Nenad Babić	EP Oprema	Workplace injury	4.200.000,00 RSD	First Primary Court of Belgrade	2014	Partly founded First instance ruling in favour of EPO – plaintiffs dismissed; plaintiffs appealed; First instance ruling partly overturned,

							case returned for repeat proceedings.
96.	Minel Trafo (in bankruptcy)	EP Oprema	Recovery of claim	1.692.237,79 RSD	Commercial Court of Belgrade	2014	Ruling in favour of plaintiff, under appeal
97.	EP Oprema	Minel Trafo (in bankruptcy)	Claim assessment	1.784.996,48 RSD	Commercial Court of Belgrade	2014	Founded
98.	Dunav osiguranje	EP Niskogradnja	Recourse claim for indemnity	2.500.000,00 RSD	Commercial Court of Belgrade	2013	Founded
99.	Aleksandar Babić et al.	EP Niskogradnja	Bonus payout	40.906,00 EUR	First Primary Court of Belgrade	2014	Unsubstantiated
100.	Gordana and Veselin Medenica	EP Niskogradnja	Damage claim – workplace injury	3.200.000,00 RSD	First Primary Court of Belgrade	2014	Outcome uncertain
101.	Milko Tadić	EP Niskogradnja	Annulment of employment contract termination		First Primary Court of Belgrade	2014	Unsubstantiated
102.	Bosna putevi Sarajevo	EP Niskogradnja	Debt, trip to Yemen	17.604.299,00 USD	Commercial Court of Belgrade	Outcome uncertain	Unsubstantiated
103.	Vladimir Marinković	EP Niskogradnja	Overtime work, Peru	5.552,84 USD	First Primary Court of Belgrade	2014	Unsubstantiated
104.	Danica Mutapović	EP Niskogradnja	Bonuses, Peru	11.416,43 USD	First Primary Court of Belgrade	2013	Unsubstantiated
105.	Dragan Nešković et al.	EP Niskogradnja	Bonuses, Peru	62.574,37 USD	First Primary Court of Belgrade	2013	Unsubstantiated
106.	Intermost doo in bankruptcy	EP Niskogradnja	Payment for materials(Novi Sad)	189.827.985,00 RSD	Commercial Court of Belgrade	2014	Outcome uncertain
107.	EP Niskogradnja	Media Max doo	Debt	456.541,00 RSD	Commercial Court of Belgrade	2013	Founded
108.	EP Niskogradnja	Intermost doo in bankruptcy	Debt (Novi Sad)	378.685.160,00 RSD	Commercial Court of Belgrade	2014	Founded
109.	EP Niskogradnja	UniCredit bank a.d. Mostar	Advance payment bond	7.000.000,00 KM	Municipal Court of Sarajevo	Outcome uncertain	Founded
110.	EP Niskogradnja	UniCredit bank a.d. Mostar	Contract performance bond	3.500.000,00 KM	Municipal Court of Sarajevo	Outcome uncertain	Founded



111.	EP Niskogradnja	UniCredit bank a.d. Mostar	Advance payment bond	4.000.000,00 KM	Municipal Court of Sarajevo	Outcome uncertain	Founded
112.	EP Niskogradnja	JIK Banka a.d. in bankruptcy	Claim registration	218.000,00 USD	Commercial Court of Belgrade	Outcome uncertain	Founded
113.	EP Niskogradnja	Jugobanka a.d. New York office	Claim registration	455.877,88 USD 12.060.320,00 RSD	Commercial Court of Belgrade	Outcome uncertain	Founded
114.	EP Niskogradnja	Beogradska banka a.d. in bankruptcy	Claim registration	4.546,10 USD 16.278.517,00 RSD	Commercial Court of Belgrade	Outcome uncertain	Founded
115.	Simić Ljubiša	1. JP Putevi Srbije 2. EP Niskogradnja	Damage claim	4.598,80 EUR	First Primary Court of Belgrade	2014	Unsubstantiated lawsuit against EP Niskogradnja
116.	Intercity broker et al.	EP Niskogradnja	Appraisal of ordinary share value		Commercial Court of Belgrade	2013	Motion for share appraisal is founded
117.	Dragan Tomić	EP Niskogradnja	Appraisal of ordinary share value		Commercial Court of Belgrade	2013	Motion for share appraisal is founded
118.	EGP Investment	EP Niskogradnja	Appraisal of ordinary share value		Commercial Court of Belgrade	2013	Motion for share appraisal is founded
119.	Marko Martinoli	EP Niskogradnja	Appraisal of ordinary share value		Commercial Court of Belgrade	2013	Motion for share appraisal is founded
120.	Milanka Bančić	EP Industrija	Annulment of allotment resolution for solidarity apartments		First Primary Court of Belgrade, 9-P1-4419/10	2013-2014	Unsubstantiated
121.	Milanka Bančić	EP Industrija	Purchase of solidarity apartment-out of court		First Primary Court of Belgrade, 8-R1-948/10	2013-2014	Unsubstantiated

122.	Marko Martinoli	EP Industrija	Annulment of GM resolution		Commercial Court of Belgrade, 29-P-5056/2012	2014	Outcome uncertain
123.	EP Industrija	Jugoremedija a.d.- in bankruptcy	Bankruptcy proceedings-claim registration and claim assessment	321.416,18 EUR reported claim amount	Commercial Court of Zrenjanin, St-300/2012		Outcome uncertain
124.	Energodata	"Šipad komerc" in bankruptcy	Non payment of completed	258.586,20 + interest	Commercial Court	Execution decision obtained, respondent has filed for bankruptcy	Settlement amount is uncertain
125.	EP Hidroinženjering	Relja Orlić	Damage claim for violation of non competition clause	40.000,00 USD principal debt (2.987.104,00 RSD)	First Primary Court of Belgrade	Request for audit refused for technical reasons closed	Unfavourable
126.	Counter plaintiff Relja Orlić	Counter respondent EP-Hidroinženjering	Unpaid salaries claim for services abroad	7.144,00 USD (533.497,00 RSD)	First Primary Court of Belgrade	Closed settlement completed	Settlement
127.	EP Hidroinženjering	PONTA d.o.o.	Unsettled debt claim	1.942.816,00 RSD	First Primary Court of Belgrade	First instance ruling in our favour. Appeal filed. End of 2013	Favourable
128.	EP Hidroinženjering	ČOKA MUNICIPALITY (Investor) Capital Investments Fund of Vojvodina Province (financier)	Unsettled debt claim	2.384.304,00 RSD and 45.912,00 RSD	Commercial Court of Novi Sad	First instance ruling by end 2013	Outcome uncertain
129.	Counterlawsuit by Čoka municipality	Counter respondent EP-Hidroinženjering	Contract termination due to default		Commercial Court of Novi Sad	First instance ruling by end 2013	Outcome uncertain
130.	S.Stojić	EP Hidroinženjering	Unpaid salaries claim for services abroad	6.466,00 USD (482.865,00 RSD)	First Primary Court of Belgrade	Pending appeal by plaintiff S.Stojić, end of 2013	Favourable

131.	M. Dorđević	EP- Hidroinženjering	Annulment of employment contract annex stipulating minimum salary	Claim does not specify cash amount	First Primary Court of Belgrade	First instance ruling in our favour. Appeal filed. End of 2013	Favourable
132.	P. Stanišić and J. Blagojević	EP Hidroinženjering	Annulment of Housing Committee resolution	Not a pecuniary claim	First Primary Court of Belgrade	First instance ruling by end 2013	Outcome uncertain
133.	M. Bojić	EP Hidroinženjering	Unpaid salaries and food allowance claim for services abroad	8.340,00 USD (622.811,00 RSD)	First Primary Court of Belgrade	First instance ruling in our favour, appeal filed. End of 2013	Outcome uncertain
134.	Lj. Selenić	EP Hidroinženjering as second respondent	Damage claim for objects damaged during removal from premises	Principal debt 950.000,00 RSD	First Primary Court of Belgrade	First instance ruling by end 2013	Favourable
135.	S.Ilić	EP Hidroinženjering	Unpaid salaries claim for overtime work	Principal debt 950.000,00 RSD	First Primary Court of Belgrade	First instance ruling by end 2013	Favourable

## 2. BUSINESS REPORT

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- Reliable presentation of the development and business results of the company, its financial status and property assessment;
  - Description of the anticipated company growth in the next time period, changes in company's business policies and main risks and threats to which the company is exposed;
  - Major business events after the expiration of the business year included in the report;
  - Major business deals with related parties;
  - Activities of the company in the field of research and development;
-

## **Reliable presentation of the development and business results of the company, its financial status and property assessment**

Reliable presentation of the development and business results of the Energoprojekt Group, its financial status and assets evaluation data are presented in detail and explained in the "Notes to financial statements" (see Chapter 1 of the respective report).

On the last day of the reporting period Energoprojekt Group had ca. 429 million EUR in contracted deals to be completed in the following period (in Serbia 93 million EUR; abroad 336 million EUR).

## **The description of the anticipated development of the company in the next time period, changes in business policies of the company and main risks and threats to which the company is exposed**

In the following period, the role of Energoprojekt Group in forthcoming investments in infrastructure projects in Serbia, such as highways, hydro energy and thermal energy, renewable energy sources, ecology and public and social infrastructure facilities, is much more significant.

The anticipated development of the Energoprojekt Group in the next time period will be achieved according to the following adopted strategic documents:

- *„The mid-term (4-year) programme of Energoprojekt Holding plc business policy and the Energoprojekt Group for the period from 2011 till 2015“* (adopted at the XXXVI Annual General Meeting of Energoprojekt Holding plc shareholders, held on 30.06.2011);
- *"The programme for the implementation of the business policy of Energoprojekt Holding plc and Energoprojekt Group for the period from 2011 till 2015"* adopted by a resolution passed at the XXXVI Annual General Meeting of Energoprojekt Holding plc shareholders (adopted at the Second Meeting of the Board of Directors of Energoprojekt Holding plc held on 29.07.2011, on proposal of the General Manager). The adopted mid-term work programme will be implemented through a variety of projects (in total 18 projects) for which respective work teams are formed and project activities dynamics have been defined;

- *„Basic business guidelines of the Energoprojekt Group“ in the following mandate period* (adopted at the second meeting of the Supervisory Board of Energoprojekt Holding plc held on 23.03.2012, on proposal of the General Manager).

The most important threats and dangers to which the company is exposed: expansion and escalation of the global economic crisis and the eurozone crisis; foreign companies from most populated countries with cheap manpower as competition; foreign competition with access to cheaper financing; institutional changes on the local and selected foreign markets; business operations depend on the political stability of the market where Energoprojekt is implementing projects, etc.

Energoprojekt's business activities in the country and at foreign markets require the implementation of a system for early risks identification and management as an integral part of all executive functions, one of the basic functions being the internal audit of the company. The risk management strategy will be developed in-depth and systematically in the next time period.

## **Major business events after the expiration of the business year included in the report**

There were no major business events from the balance sheet date till the publication date of the respective statement that would influence the credibility of the presented financial statements.

At the 41st repeated General Meeting of Energoprojekt Holding plc shareholders, held on 28.06.2013, the following relevant Resolutions were adopted: Resolution to adopt the annual consolidated report of Energoprojekt group for 2012; Resolution to adopt the annual report of Energoprojekt Holding plc for 2012; Resolution to distribute undistributed profit; Resolution to issue ordinary shares, XI issue for the purpose of increasing the equity by converting undistributed profit to equity; Resolution to adopt the report of the Supervisory Board of Energoprojekt Holding plc and Resolution on the appointment of auditors for 2013 and their service fee and Resolution on the amendment of the Articles of Association of Energoprojekt Holding plc.

Other companies within the Energoprojekt Group have held regular general meetings of shareholders within the legal deadline.

Relevant business news on major events are published, on a regular basis, on the website of Energoprojekt (<http://www.energoprojekt.rs>) and the Belgrade Stock Exchange (in Serbian and English language), in keeping with the obligations of Prime-listed companies on the Belgrade Stock Exchange.

## **Major transactions with related parties**

Three companies included in the Energoprojekt Group (Energoprojekt Oprema plc, Energoprojekt Visokogradnja plc and Energoprojekt Industrija plc) are involved in the realization of the project for the performance of works on a section of the smelter within the scope of the RTB Bor project for the reconstruction of the smelter and construction of a new sulfuric acid factory in Bor. The contract value amounts to ca. 53 million EUR.

## **Research and development activities of the Company**

During the mid-term period, an appropriate business information system will be selected and implemented, a system that corresponds to the actual scope of business activities and planned business growth and that will enable, beside financial management, also personnel management, asset management and fixed assets management.

Own investments of Energoprojekt and related parties in previous years were limited to investments in construction works (residential and business buildings), for sales on the market. The law on public-private partnership and increased interest in investments related to some sectors such as energy sector, acquisition of other companies, etc. imposes the need to develop methods for the identification of potential investments as well as identification of possible effects on business activities of Energoprojekt Holding plc and the Energoprojekt Group.

### 3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORTS)

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To the best of our knowledge, the Semi-Annual Consolidated Financial Statement of Energoprojekt Group for 2013 was prepared by implementing respective international standards for financial reporting and provides true and objective data on the assets, liabilities, financial status and business activities, profit and losses, cash flows and changes in equity capital of the company, including companies included in consolidated statements.

Pursuant to the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011), we hereby declare that respective financial statements have not been revised.

Person responsible for the preparation of the report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding plc

General Manager

Vladimir Milovanović, BSc(Eng)



#### 4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED STATEMENT OF ENERGOPROJEKT GROUP FOR 2013\*

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Note \*:

- The semi-annual consolidated statement of Energoprojekt Group for 2013 was approved and adopted on 12th August 2013 at the 87 General Meeting of the Executive Board of the reporting company.

In Belgrade, August 2013

Person responsible for the preparation of the report:  
Executive Director for Finance, Accounting and Planning  
Energoprojekt Holding plc

Dimitraki Zipovski, PhD(Econ)

Legal representative:  
General Manager  
Energoprojekt Holding plc

Vladimir Milovanović, BSc(Eng)