

Quarterly report  
Energoprojekt Holding plc  
1st quarter 2014

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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 5 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 the following:**

## **QUARTERLY REPORT FOR THE FIRST QUARTER 2014**

### C O N T E N T S

1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE 1<sup>ST</sup> QUARTER 2014  
  
(Balance sheet, Income statement, Cash flow statement, Statement of Changes in Equity, Notes to the Financial Statements)
2. BUSINESS REPORT
3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORT )
4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE 1<sup>ST</sup> QUARTER 2014 \* (Note)

**1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE  
1<sup>ST</sup> QUARTER 2014 (Balance sheet, Income statement, Cash flow statement,  
Statement of Changes in Equity, Notes to the Financial Statements)**

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Reporting period:

from

1.1.2014

until

31.3.2014

### Quarterly Financial Statement for Businesses KFI-PD

Business name: **ENERGOPROJEKT HOLDING p.l.c.**

Reg. No.: **07023014**

Postal code, city: **11070**

**NOVI BEOGRAD**

Street and number: **BULEVAR MIHAILA PUPINA 12**

E-mail: **ep@energoprojekt.rs**

Website: **www.energoprojekt.rs**

Consolidated/individual: **INDIVIDUAL**

Approved (yes/no): **Yes**

Audited (yes/no): **No**

Consolidation group:\*

Head office:

Reg. No.:

Contact person: **DIMITRAKI ZIPOVSKI**

(name and surname of contact person)

Phone: **(011) 310 10 44**

Fax: **(011) 213 14 12**

E-mail: **d.zipovski@energoprojekt.rs**

Name and surname: **VLADIMIR MILOVANOVIC**

(authorized officer)



*Milovanovic*

*[Signature]*

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

**BALANCE SHEET**

as at 31.03.2014

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>	7,447,059	7,474,258
I SUBSCRIBED CAPITAL, UNPAID	002		
II GOODWILL	003		
III INTANGIBLES	004	9,956	9,447
<b>IV PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006 + 007 + 008)</b>	<b>005</b>	1,198,347	1,200,049
1. Property, plant & equipment	006	594,630	596,332
2. Investment property	007	603,717	603,717
3. Natural assets	008		
<b>V LONG-TERM FINANCIAL INVESTMENTS (010+011)</b>	<b>009</b>	6,238,756	6,264,762
1. Share of Capital	010	5,498,670	5,511,669
2. Other long-term financial investments	011	740,086	753,093
<b>B. CURRENT ASSETS (013 + 014 + 015)</b>	<b>012</b>	1,442,721	1,231,608
I. MATERIAL	013	215,593	58,255
II. ASSETS HELD FOR TRADING AND SUSPENDED BUSINESS ASSETS	014		
<b>III SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016 + 017 + 018 + 019 + 020)</b>	<b>015</b>	1,227,128	1,173,353
1. Receivables	016	488,473	417,894
2. Receivables from prepaid income tax	017	22,909	19,283
3. Short-term financial investments	018	409,822	407,690
4. Cash and cash equivalents	019	104,170	151,476
5. VAT and deferred income	020	201,754	177,010
C. DEFERRED TAX ASSETS	021		
<b>D. BUSINESS PROPERTY (001 + 012 + 021)</b>	<b>022</b>	8,889,780	8,705,866
E. LOSSES OVER CAPITAL	023		
<b>F. TOTAL ASSETS (022 + 023)</b>	<b>024</b>	8,889,780	8,705,866
G. OFF-BALANCE SHEET ASSETS	025	14,585,680	13,776,322
<b>LIABILITIES</b>			
<b>A. CAPITAL (102+103+104+105+106-107+108-109-110)</b>	<b>101</b>	8,082,233	8,054,188
I ORIGINAL CAPITAL	102	5,602,137	5,602,137
II SUBSCRIBED CAPITAL, UNPAID	103		
III RESERVES	104	1,735,366	1,735,366
IV REVALUATION RESERVES	105	52,910	52,910
V UNREALIZED GAINS FROM SECURITIES	106	699	
VI UNREALIZED LOSSES FROM SECURITIES	107	33,341	21,136
VII UNDISTRIBUTED PROFIT	108	724,462	684,911
VIII LOSSES	109		
IX REDEEMED TREASURY SHARES	110		
<b>B. LONG-TERM PROVISIONS AND LIABILITIES (112 + 113 + 116)</b>	<b>111</b>	785,405	629,536
I LONG-TERM PROVISIONS	112	264,605	265,055
<b>II LONG-TERM COMMITMENTS (114 + 115)</b>	<b>113</b>		16,667
1. Long-term loans	114		16,667
2. Other long-term commitments	115		
<b>III SHORT-TERM COMMITMENTS (117 + 118 + 119 + 120 + 121 + 122)</b>	<b>116</b>	520,800	347,814
1. Short-term financial commitments	117	394,122	229,798
2. Commitments for assets held for trading and suspended business assets	118		
3. Business commitments	119	66,714	82,986
4. Other short-term commitments and accruals	120	27,247	28,203
5. VAT and other public revenue, accruals	121	32,717	6,827
6. Corporate income tax	122		
C. DEFERRED TAX LIABILITIES	123	22,142	22,142
<b>D. TOTAL LIABILITIES (101 + 111 + 123)</b>	<b>124</b>	8,889,780	8,705,866
E. OFF-BALANCE SHEET LIABILITIES	125	14,585,680	13,776,322

P&L ACCOUNT

from 01.01.2014 until 31.03.2014

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>	108,898	108,898	105,050	105,050
1. Sales revenue	202	101,302	101,302	97,748	97,748
2. Own use of products, services and merchandise	203	105	105	124	124
3. Increase of finished goods, WIP and services in progress	204				
4. Decrease of finished goods, WIP and services in progress	205				
5. Other business revenues	206	7,491	7,491	7,178	7,178
<b>II. BUSINESS EXPENDITURE (208 to 212)</b>	<b>207</b>	89,231	89,231	77,129	77,129
1. Cost of merchandise sold	208				
2. Cost of material	209	6,153	6,153	6,209	6,209
3. Costs of salaries, fringe benefits and other personal expenses	210	47,078	47,078	45,985	45,985
4. Costs of depreciation and provisions	211	2,378	2,378	2,661	2,661
5. Other business expenses	212	33,622	33,622	22,274	22,274
<b>III BUSINESS PROFIT (201 - 207)</b>	<b>213</b>	19,667	19,667	27,921	27,921
<b>IV BUSINESS LOSSES (207 - 201)</b>	<b>214</b>				
V FINANCIAL INCOME	215	26,016	26,016	25,733	25,733
VI FINANCIAL EXPENDITURE	216	5,559	5,559	32,778	32,778
VII OTHER INCOME	217	59	59	36	36
VIII OTHER EXPENDITURE	218	1,447	1,447	523	523
<b>IX OPERATING REVENUE BEFORE TAX (213 - 214 + 215 - 216 + 217 - 218)</b>	<b>219</b>	38,736	38,736	20,389	20,389
<b>X OPERATING LOSSES BEFORE TAX (214 - 213 - 215 + 216 - 217 + 218)</b>	<b>220</b>				
XI NET PROFIT FROM SUSPENDED OPERATIONS	221	7,794	7,794		
XII NET LOSSES FROM SUSPENDED OPERATIONS	222			477	477
<b>B. PROFIT BEFORE TAX (219 - 220 + 221 - 222)</b>	<b>223</b>	46,530	46,530	19,912	19,912
<b>C. LOSSES BEFORE TAX (220 - 219 + 222 - 221)</b>	<b>224</b>				
<b>D. INCOME TAX</b>					
1. Tax liabilities for the period	225	6,979	6,979	10,605	10,605
2. Deferred tax liabilities for the period	226				
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>	39,551	39,551	9,307	9,307
<b>G. NET LOSS (224 - 223 + 225 + 226 - 227 + 228)</b>	<b>230</b>				
H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS	231				
I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS	232				
<b>J. EARNINGS PER SHARE</b>					
1. Basic earnings per share	233				
2. Diluted earnings per share	234				

## CASH FLOW STATEMENT

from 01.01.2014 until 31.03.2014

in RSD thousands

Description 1	ADP 2	Total	
		cumulative for current year quarter 3	cumulative for previous year quarter 4
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>I Cash proceeds from operating activities (1 to 3)</b>	<b>301</b>	102,983	109,252
1. Proceeds from sale and prepayments	302	91,559	109,085
2. Proceeds from received interest from operating activities	303		
3. Other proceeds from operating activities	304	11,424	167
<b>II Cash outflows from operating activities (1 to 5)</b>	<b>305</b>	168,970	139,447
1. Suppliers and given prepayments	306	82,021	46,971
2. Salaries, fringe benefits and other staff expenses	307	49,882	59,311
3. Payment of interests	308	1,203	1,214
4. Payment of income taxes	309	10,605	15,294
5. Payment of other public revenue expenses	310	25,259	16,657
<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>	65,987	30,195
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>I Proceeds from investing activities (1 to 5)</b>	<b>313</b>	27,455	4,293
1. Proceeds from sale of shares and equity (net receipts)	314	842	
2. Proceeds from sale of intangibles, property, plant, equipment, and natural assets	315		
3. Other financial investments (net receipts)	316	25,509	374
4. Proceeds from interests	317	1,104	3,919
5. Proceeds from dividends	318		
<b>II Cash outflow from investing activities (1 to 3)</b>	<b>319</b>	154,270	2,438
1. Purchase of shares and equity (net payments)	320	153,091	
2. Purchase of intangibles, property, plant, equipment, and natural assets	321	1,179	2,438
3. Other financial investments (net payments)	322		
<b>III Net cash receipts from investing activities (I-II)</b>	<b>323</b>		1,855
<b>IV Net cash payments from investing activities (II-I)</b>	<b>324</b>	126,815	
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I Cash receipts from financing activities (1 to 3)</b>	<b>325</b>	144,718	
1. Increase in share capital	326		
2. Long term and short term loans (net receipts)	327	144,718	
3. Other long term and short term commitments	328		
<b>II Cash payments from financing activities (1 до 4)</b>	<b>329</b>	2	15,132
1. Purchase of treasury shares and equity	330		
2. Long term and short term loans and other liabilities (net payments)	331		14,941
3. Finance lease	332		171
4. Payment of dividends	333	2	20
<b>III Net cash receipts from financing activities (I-II)</b>	<b>334</b>	144,716	
<b>IV Net cash payments from financing activities (II-I)</b>	<b>335</b>		15,132
<b>D. TOTAL CASH RECEIPTS (301 + 313 + 325)</b>	<b>336</b>	275,156	113,545
<b>E. TOTAL CASH PAYMENTS (305 + 319 + 329)</b>	<b>337</b>	323,242	157,017
<b>F. NET CASH RECEIPTS (336 - 337)</b>	<b>338</b>		
<b>G. NET CASH PAYMENTS (337 - 336)</b>	<b>339</b>	48,086	43,472
<b>H. CASH AT BEGINNING OF REPORTING PERIOD</b>	<b>340</b>	151,476	333,972
<b>I. EXCHANGE RATE GAINS FROM CASH TRANSLATION</b>	<b>341</b>	780	
<b>J. EXCHANGE RATE LOSSES FROM CASH TRANSLATION</b>	<b>342</b>		2,648
<b>K. CASH AT END OF REPORTING PERIOD (338 - 339 + 340 + 341 - 342)</b>	<b>343</b>	104,170	287,852

**STATEMENT ON CHANGE IN EQUITY**

from  until

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	5,068,144	414	27,178	427		440	1,600,485	453	134,881	466	43,080	479	8,134	492	5,860	505	789,728	518		531		544	7,665,770	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	5,068,144	417	27,178	430		443	1,600,485	456	134,881	469	43,080	482	8,134	495	5,860	508	789,728	521		534		547	7,665,770	560	
Total increase in previous year	405	506,815	418		431		444		457		470	14,380	483		496	15,276	509	401,998	522		535		548	907,917	561	
Total decrease in previous year	406		419		432		445		458		471	4,550	484	8,134	497		510	506,815	523		536		549	519,499	562	
<b>Balance on 31-Dec previous year ____ (no. 4+5-6)</b>	407	5,574,959	420	27,178	433		446	1,600,485	459	134,881	472	52,910	485		498	21,136	511	684,911	524		537		550	8,054,188	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	5,574,959	423	27,178	436		449	1,600,485	462	134,881	475	52,910	488		501	21,136	514	684,911	527		540		553	8,054,188	566	
Total increase in current year	411		424		437		450		463		476		489	699	502	12,205	515	39,551	528		541		554	28,045	567	
Total decrease in current year	412		425		438		451		464		477		490		503		516		529		542		555		568	
<b>Balance at end quarter current year ____ (no. 10+11-12)</b>	413	5,574,959	426	27,178	439		452	1,600,485	465	134,881	478	52,910	491	699	504	33,341	517	724,462	530		543		556	8,082,233	569	



**NOTES TO THE FINANCIAL STATEMENTS**  
**as at 31.03.2014**

Belgrade, 2014

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

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**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

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**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

## **1. COMPANY BACKGROUND**

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

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 36/2011 and 99/2012) based on the Resolution of Compliance with the Companies Law and the Articles of Association adopted by the General Meeting held on 16/03/2012 and the Articles of Association adopted by the General Meeting on 12.01.2012.

During the process of harmonization with the Companies Law, Energoprojekt Holding plc's data has been changed and registered with the Serbian Business Registers Agency by registering the Memorandum of Association and the Articles of Association based on the Decision of the Serbian Business Registers Agency BD 49189/2012 of 18.04.2012, including registration of new bodies of the Company, members of the Executive Board and the chairman and members of the Supervisory Board.

By adopting and registering the Decision on the harmonization of the Memorandum and Articles of Association of Energoprojekt Holding plc. Adopted in compliance with provisions of the new Companies Law, the Decision on the harmonization with the Companies Law and Articles of Association from 2006 will cease to apply.

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

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

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

### **Basic data on the Company**

<i>Head office</i>	Belgrade, Mihaila Pupina Boulevard12
<i>Registration number</i>	07023014
<i>Registered business code and name of the activity</i>	6420 (74150 i 110620) - holding company
<i>Tax registration number</i>	100001513

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

According to the registration in the Serbian Business Registers Agency, **Company's main activity** is the activity of holding companies (6420).

The Company is the parent company that forms with its many subsidiaries and affiliated companies a **group of companies referred to as the Energoprojekt Group.**

**Subsidiaries and affiliated companies** are as follows:

- Energoprojekt Visokogradnja plc,
- Energoprojekt Niskogradnja plc,
- Energoprojekt Oprema plc,
- Energoprojekt Hidroinzenjering plc,
- Energoprojekt Urbanizam i arhitektura plc,
- Energoprojekt Energodata plc,
- Energoprojekt Industrija plc,
- Energoprojekt Entel plc,
- Energoprojekt Garant plc,
- Energoprojekt Promet ltd. and
- Enjub ltd.

The following table contains data on the ownership share in subsidiaries.

<i>Equity investments in subsidiaries</i>	
<i>Subsidiary</i>	<i>% ownership</i>
Energoprojekt Visokogradnja plc.	92,53
Energoprojekt Niskogradnja plc.	100,00
Energoprojekt Oprema plc.	67,87
Energoprojekt Hidroinzenjering plc.	94,84
Energoprojekt Urbanizam i arhitektura plc.	94,40
Energoprojekt Energodata plc.	96,43
Energoprojekt Industrija plc.	62,77
Energoprojekt Entel plc.	86,26
Energoprojekt Garant plc.	92,94
Energoprojekt Promet ltd.	100,00

Ownership share of the Company in the affiliated company is indicated in the following table.

<i>Equity investments in affiliated companies</i>	
<i>Affiliated company</i>	<i>% ownership</i>
Enjub ltd.	50,00

The Company is, according to criteria defined by the Law on accounting, classified as a **middle-sized legal entity.**

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

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Financial statements for the first quarter of 2014 that are the subject of these Notes are **separate financial statements** of the Company, approved by the Supervisory Board of the Company on 12.05.2014, at the 139<sup>th</sup> meeting.

Approved financial statements may subsequently be modified pursuant to the legislation in force.

## **2. MANAGEMENT STRUCTURE**

**The key management of the Company in 2014** included the following persons:

- Vladimir Milovanovic – Chief Executive Officer;
- Dr Dimitraki Zipovski - Executive Manager for finances, accounting and plan;
- Zoran Radosavljevic - Executive Manager for corporate projects, development and quality;
- Mr Zoran Jovanovic - Executive Manager for legal affairs and
- Dragan Tadic - Executive Manager for „Real Estate“ projects.

## **3. OWNERSHIP STRUCTURE**

According to records of the Central Securities Depository, the ownership structure of Energoprojekt Holding plc. shares on 31.03.2014 is presented in the Notes 26.

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

In the Republic of Serbia, the Law on Accounting and Auditing (RS Official Gazette 62/2013) is the main legal document that deals with various issues related to accounting activities.

Financial statements for 2013 of the Company were prepared and presented according to the provision of the Law on Accounting and Auditing (RS Official Gazette no. 46/2006, 111/2009 and 99/2011 – hereinafter: the previous Law). The previous Law determines that legal entities and entrepreneurs shall maintain business books, recognize and value assets, liabilities, revenues and expenses; prepare, present, deliver and publish financial statements, according to:

- Legislation,
- Professional regulations and
- Internal regulations.

**Legislation means** laws and subordinate legislation adopted for the implementation of the law.

In the preparation of financial statements of the Company, the following laws and subordinate legislation were considered:

- The Law on Accounting (RS Official Gazette No. 62/2013);
- Previous Law on Accounting and Auditing (RS Official Gazette No. 46/2006, 111/2009 and 99/2011);

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

- Legal Entities Income Tax Law (RS Official Gazette No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011 and 119/2012, 47/2013 and 108/2013);
- The VAT Law (RS Official Gazette No. 84/2004, 86/2004, 61/2005, 61/2007, 93/2012, 108/2013 and 6/2014);
- Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12);
- Regulation on the Chart of Accounts and Contents of Accounts in the Chart of Accounts for companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 119/2008, 9/2009, 4/2010, 3/2011 and 101/2012);
- Regulation on supplements and amendments to the Regulation on the Chart of Accounts for companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 119/2008, 9/2009, 4/2010 i 3/2011 and 101/2012);
- Regulation on the Content of the Income Statement and other Income Tax related issues (legal entities) (RS Official Gazette No. 99/2010, 8/2011, 13/2012 and 8/2013 and 20/2014);
- Regulation on the Content of the Tax Return for the Calculation of Income Tax for Legal Entities (RS Official Gazette No. 24/2014);
- Regulation on the Classification of Fixed Assets into Groups and Determination of depreciation for tax purposes (RS Official Gazette No. 116/2004 and 99/2010).
- Regulation on Transfer-Pricing and Methods that are applied according to the principle „out of arm's reach“ when determining the price for transactions between related parties (RS Official Gazette no. 61/2013),
- Regulation on supplements and amendments to the Regulation on Transfer-Pricing and Methods that are applied according to the principle „out of arm's reach“ when determining the price for transactions between related parties (RS Official Gazette no. 8/2014).

**Professional regulations** refer first of all to:

- The Framework for the preparation and presentation of financial statements (hereinafter referred to as: the Framework),
- International Accounting Standards (hereinafter referred to as: the IAS),
- International Financial Reporting Standards (hereinafter referred to as: the IFRS) and
- Interpretations adopted by the Committee for the interpretation of international financial reporting.

The decision of the Minister of Finance of the Republic of Serbia, published in the RS Official Gazette no. 77/2010 (25.10.2010), approved the translations of main IAS and IFRS texts that comprise the IAS and IFRS, issued by the International Accounting Standards Committee till 01.01.2009 and interpretations of the IFRS Interpretations Committee till 01.01.2009 in the form they were published or adopted.

*Please note that, in specific cases, not all respective IAS/IFRS provisions and Interpretations were considered in the preparation of financial statements. This is due to partial non-compliance between the legislation and professional regulations. Therefore, since the legislation is primary in this context, some aspects of financial statements are not in compliance with professional regulations.*

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Accounting regulations of the Republic of Serbia and presented financial statements of the Company do not comply with IFRS with regard to the following:

- In the Republic of Serbia, financial statements for 2013, in compliance with the Law on accounting (RS Official Gazette No. 62/2013), are prepared in the form prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12), which is not in compliance with the presentation and titles of specific financial statements for general purpose and the presentation of certain figures in the statement as prescribed by the revised IAS 1 – „Presentation of financial statements“ and
- Off-balance sheet assets and liabilities are presented on the balance sheet, yet these items, according to professional regulations, do not represent neither assets nor liabilities of the Company.

Besides the above mentioned, variations are possible also due to the time difference between the publishing date of Standards and Interpretations that are subject to continuous changes and the implementation date of these Standards and Interpretations in the Republic of Serbia. For example, deviations from the professional regulation occur when published Standards and Interpretations that entered into force, have not been officially translated and adopted in the Republic of Serbia or if published Standards and Interpretations have not yet entered into force or in other cases where the Company has no scope of influence.

The Regulation on Accounting and Accounting policies of the Company, adopted on 22.10.2012 by the Executive Board and the Regulation on the amendment of the Regulation on Accounting and Accounting policies of the Company No. 10 of 21.01.2013 were used in the preparation of financial statements as a legal document that represents **internal regulations of the Company**. Other internal documents were also used, such as, for example, the Collective agreement.

Financial statements of the Company for the first quarter 2014 are disclosed in the form and content as prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12). This Regulation prescribes, among other things, the content of items in the forms: Balance sheet, Profit and Loss account, Cash flow statement, Report on changes in equity capital, Note to the financial statements and Statistical annex, for companies, cooperatives, other legal entities and entrepreneurs that have double entry accounting.

The Regulation prescribes also that data in the Balance sheet, Profit and Loss account, Cash flow statement, Report on changes in equity capital, and Statistical Annex are entered in thousand of dinars and that the number of employees is expressed as a whole number, as applied in these Notes.

### **Functional and reporting currency**

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

The figures in the financial statements are shown in RSD thousand, in the functional and domicile currency as at balance sheet date – 31.03.2014.



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

Currency	31.03.2014.	31.12.2013.	31.03.2013.	31.12.2012.
	<i>Amount in RSD</i>			
1 EUR	115,3845	114,6421	111,9575	113,7183
1 USD	83,8855	83,1282	87,4258	86,1763

## 5. MANAGEMENT ESTIMATION AND ASSESSMENT

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

## 6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and calculation methods used in the preparation of the financial statement for the first three months of 2014 are consistent with those applied in financial statements for the year ending 31.12.2013.

## 7. SALES REVENUES

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
Sales revenues from services rendered to subsidiaries	101,279	97,731
Sales revenues from services rendered to other affiliates		
Sales revenues from services sold on the local market	23	17
<b>Total</b>	<b><u>101,302</u></b>	<b><u>97,748</u></b>

**Sales revenues from services rendered to subsidiaries** on the local market is generated by services rendered by the Company under contracts which were approved and endorsed by the Boards of Directors of the Company and the respective subsidiaries, in accordance with the respective documentation and amount to 101.279 thousand RSD (31.03.2013: 97.731 thousand RSD).

**Sales revenues from services sold on the local market** in the amount of 23 thousand RSD (31.03.2013: 17 thousand RSD) relate to the sale of flight tickets.

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**8. OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
Revenues from own use of products, services and merchandise	105	124
<b>Total</b>	<b>105</b>	<b>124</b>

**9. OTHER BUSINESS REVENUES**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
Rents	7,469	7,178
Other business revenues	22	
<b>Total</b>	<b>7,491</b>	<b>7,178</b>

**Rents** comprise of revenues generated mostly by EP Visokogradnja plc (6.131 thousand RSD - 31.03.2013: 5.916 thousand RSD) from the renting of the bachelor's hotel in Batajnicketi drum No. 24 (Contract No. 40, dated 31/01/2011); from renting business premises in the office building of Energoprojekt to Energoprojekt Garant plc (1.047 thousand RSD - 31.03.2013: 1.010 thousand RSD), according to the Contract No. 46/58, dated 14.02.2013 and renting of the roof terrace and on the ground floor in the office building of Energoprojekt to Telekom Srbija plc in the amount of 291 thousand RSD (31.03.2013: 252 thousand RSD).

**Other business revenues** in the amount of 22 thousand RSD relate to the bonus prize from Aeroflot, from the turnover based on sold flight tickets.

**10. COST OF MATERIAL**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
Other cost of material (overheads)	1,989	1,763
One-time write-off of tools and material	36	121
Fuel and energy	4,128	4,325
<b>Total</b>	<b>6,153</b>	<b>6,209</b>

**Costs of other material (overheads)** in the amount of 1.989 thousand RSD (31.03.2013: 1.763 thousand RSD) relate to office supplies: 617 thousand RSD (31.03.2013: 494 thousand RSD), technical literature, magazines and other: 460 thousand RSD (31.03.2013: 382 thousand RSD), equipment maintenance and other overhead expenses: 912 thousand RSD (31.03.2013: 887 thousand RSD).

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**11. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
Salaries and fringe benefits (gross)	35,674	35,362
Taxes and contributions on salaries and fringe benefits charged to employer	5,457	5,275
Temporary service contracts, copyright agreements, temporary and provisional contracts	2,509	887
Supervisory Board	2,178	2,198
Other personal expenses	1,260	2,263
<b>Total</b>	<b><u>47,078</u></b>	<b><u>45,985</u></b>

**Other personal expenses** that amount to 1.260 RSD (31.03.2013: 2.263 thousand RSD) include mostly expenses related to the transportation to/from work in the amount of 639 thousand RSD (31.03.2013: 636 thousand RSD), expenses related to business trips in the amount of 431 thousand RSD (31.03.2013: 1.273 thousand RSD), solidarity allowance and other compensations to employees and other natural person in the amount of 190 thousand RSD (31.03.2013: 354 thousand RSD).

**12. COSTS OF DEPRECIATION AND PROVISIONS**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
Depreciation of intangible investments, property and equipment	2,378	2,661
Provisions for fringe benefits		
<b>Total</b>	<b><u>2,378</u></b>	<b><u>2,661</u></b>

On 31.12.2013, the residual value and the remaining useful lifetime for the property and equipment with significant accounting value were evaluated. In comparison to the evaluation on 31.12.2012, no significant changes were recorded.

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**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**13. OTHER BUSINESS EXPENSES**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Costs of production services</u></b>		
Transportation costs	661	862
Maintenance costs	8,350	9,029
Rental costs	171	
Cost for participation in trade fairs		
Advertising costs	334	1,064
Costs of other services	2,428	2,330
<b>Total</b>	<b>11,944</b>	<b>13,285</b>
<b><u>Non-production costs</u></b>		
Costs of non-production services	8,013	1,726
Expense accounts	884	847
Insurance premium costs	303	248
Payment operation costs	298	226
Membership fees	268	349
Tax duties	8,720	2,552
Other intangible expenses	3,192	3,041
<b>Total</b>	<b>21,678</b>	<b>8,989</b>
<b>Grand total</b>	<b>33,622</b>	<b>22,274</b>

Costs of production services in the amount of 11.944 thousand RSD (31.03.2013: 13.285 thousand RSD) relate mostly to maintenance and other services.

**Maintenance costs** in the amount of 8.350 thousand RSD (31.03.2013: 9.029 thousand RSD) relate to the ongoing maintenance of the Energoprojekt building in the amount of 7.595 thousand RSD (31.03.2013: 8.601 thousand RSD) and maintenance of equipment in the amount of 755 thousand RSD (31.03.2013: 428 thousand RSD).

**Costs of other services** in the amount of 2.428 thousand RSD (31.03.2013: 2.330 thousand RSD) relate mostly to the costs for licenses: 996 thousand RSD (31.03.2013: 880 thousand RSD for photocopying services and technical support of Energoprojekt Energodata related to multimedia presentations, update and preparation of marketing material, graphical design and other: 692 thousand RSD (31.03.2013: 831 thousand RSD), utilities: 556 thousand RSD (31.03.2013: 432 thousand RSD) and safety at work and car registration: 184 thousand RSD (31.03.2013: 187 thousand RSD).

Intangibles in the amount of 21.678 thousand RSD (31.03.2013: 8.989 thousand RSD) relate mostly to non-production costs, tax duties and other intangibles.

**Costs of non-production services** in the amount of 8.013 thousand RSD (31.03.2013: 1.726 thousand RSD) relate to financial audit, lawyers' fees, consulting services, professional training of employees, brokers' services and Belgrade Stock Exchange, cleaning services and other services. The increase in costs of non-production services in comparison to the same period in the previous year (6.287 thousand RSD) is the result of, mostly, increased costs for consulting services and lawyers' fees.

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**Tax duties** in the amount of 8.720 thousand RSD (31.03.2013: 2.552 thousand RSD) relate mostly to the property tax in the amount of 8.670 thousand RSD (31.03.2013: 1.833 thousand RSD) that were increased significantly in comparison to the previous year due to the new method of determining the tax basis for calculating property tax for 2014 pursuant to the new Law on property tax (Official Gazette of the Republic of Serbia, no. 26/2001, "Official Journal of the Federal Republic of Yugoslavia, no. 42/2002 – decision by the Federal Institutional Court, Official Gazette of the Republic of Serbia, no. 80/2002, 80/2002 – other law, 135/2004, 61/2007, 5/2009, 101/2010, 24/2011, 78/2011, 57/2012 – decision of the Constitutional Court and 47/2013).

**Other intangibles** in the amount of 3.192 thousand RSD (31.03.2013: 3.041 thousand RSD) relate mostly to services provided by Encom GmbH Consulting, Engineering & Trading in the amount of 1.331 thousand RSD (31.03.2013: 2.127 thousand RSD); the remaining amount of 1.861 thousand RSD (31.03.2013: 914 thousand RSD) relates to: the printing of Energoprojekt company newspaper, fees (administrative, court, etc), participation in salaries for disabled workers, etc.

#### 14. FINANCIAL INCOME AND FINANCIAL EXPENDITURE

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
<b><u>Financial income</u></b>		
Financial income from transactions with parent company and subsidiaries	18,814	11,563
Financial income from other affiliates	3,660	2,413
Income from interest	1,363	3,628
FX gains	772	472
Gains on foreign currency clause	1,407	7,657
Other financial revenues		
<b>Total</b>	<b>26,016</b>	<b>25,733</b>
<b><u>Financial expenditure</u></b>		
Financial expenses from transactions with parent company and subsidiaries	626	21,377
Financial expenses from transactions with other affiliates		2,558
Costs of interest	3,332	4,344
FX losses	172	1,280
Losses on foreign currency clause	1,429	3,219
<b>Total</b>	<b>5,559</b>	<b>32,778</b>

Financial income in the amount of 26.016 thousand RSD (31.03.2013: 25.733 thousand RSD) relate mostly to financial income from subsidiaries and other affiliates.

**Financial income from subsidiaries** in the amount of 18.814 thousand RSD (31.03.2013: 11.563 thousand RSD) relate to the income from interest: 9.568 thousand RSD (31.03.2013: 10.839 thousand

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RSD), FX gains: 9.239 thousand RSD (31.03.2013: 557 thousand RSD) and Gains on foreign currency clause from transactions with subsidiaries: 7 thousand RSD (31.03.2013: 167 thousand RSD).

**Financial income from other affiliates** (Enjub ltd) in the amount of 3.660 thousand RSD (31.03.2013: 2.413 thousand RSD) relate to the income from interest: 2.516 thousand RSD (31.03.2013: 2.413 thousand RSD) and FX gains: 1.144 thousand RSD.

Financial expenditure in the amount of 5.559 thousand RSD (31.03.2013: 32.778 thousand RSD) relates mostly to **costs of interest** (from other legal entities) in the amount of 3.332 thousand RSD (31.03.2013: 4.344 thousand RSD) that refer mostly to interests related to domestic liquidity loans (granted by the Development Fund of the Republic of Serbia, Komercijalna bank, Erste bank and Alpha bank) in the amount of 3.329 thousand RSD (31.03.2013: 4.344 thousand RSD).

**Financial expenses from transactions with subsidiaries** in the amount of 626 thousand RSD (31.03.2013: 21.377 thousand RSD) relate to FX losses: 499 thousand RSD (31.03.2013: 21.337 thousand RSD) and losses on foreign currency clause from transactions with subsidiaries: 127 thousand RSD.

**15. OTHER INCOME AND OTHER EXPENDITURE, PROPERTY VALUE  
ADJUSTMENT GAINS AND EXPENDITURES AND PROPERTY IMPAIRMENT  
COSTS**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
<b><u>Other incomes and property value adjustment gains</u></b>		
Gains on disposals of intangibles and PP&E		
Collected written-off receivables		
Income from positive hedging effects		
Income from the adjustment of receivables and short-term financial investments		
Other income	59	36
<b>Total</b>	<b>59</b>	<b>36</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
<b><u>Other expenditures and property impairment costs</u></b>		
Losses based on the retirement and sales of intangibles, property and PPE		
Losses based on the sales of shares in capital and securities	646	
Shortages		
Expenses related to the direct write-off	148	113
Other	653	410
<b>Total</b>	<b>1,447</b>	<b>523</b>

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**Other income** in the amount of 59 thousand RSD (31.03.2013: 36 thousand RSD) relates to the sale of waste paper in the amount of 38 thousand RSD (31.03.2013: 36 thousand RSD) and refund of court fees by Napred razvoj plc, Beograd in the amount of 21 thousand RSD.

**Losses based on the sales of shares in capital and securities** in the amount of 646 thousand RSD relate to the sale of shares of Aik bank plc, Nis (518 shares at a price of 1.625 RSD per share).

**Expenses related to the direct write-off** in the amount of 148 thousand RSD (31.03.2013: 113 thousand RSD) relate to Energoprojekt Promet ltd.

**Other expenses** in the amount of 653 thousand RSD (31.03.2013: 410 thousand RSD) relate to donations (The Business Lawyers Association of the Republic of Serbia, the Art Academy in Belgrade, the Faculty of Law in Belgrade and the Creative Educational Center, Belgrade) in the amount of 600 thousand RSD (31.03.2013: 410 thousand RSD), sports-related expenses: 48 thousand RSD and fines and penalties: 5 thousand RSD.

**16. NET PROFIT/(LOSS) FROM SUSPENDED OPERATIONS**

	<b>31.03.2014</b>	<b>31.03.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
Net profit from discontinued operations	9,348	
Net losses from discontinued operations	1,554	477
Net profit (losses) from discontinued operations	<u><b>7,794</b></u>	<u><b>(477)</b></u>

**Net profit from discontinued operations** in the amount of 7.794 thousand RSD relates, first of all, to the correction of error from previous years that are not materially significant:

- Income based on re-invoiced property tax expenses for the bachelor's hotel for 2011-2103, which, according to the lease agreement, should be covered by the tenant EP Visokogradnja in the amount of 6.467 thousand RSD, and
- Income from invoiced salaries to Napred razvoj plc. Beograd for EP Holding employees hired for the extraordinary audit of individual and consolidated financial statements of Energoprojekt Holding plc. for 2011 performed by UHY EKI revizija ltd. Beograd, by request of the shareholders (i.e. income from Napred razvoj plc. Beograd) in the amount of 1.442 thousand RSD. The extraordinary audit confirmed that there is no difference of opinion with the regular external auditor concerning the separate and consolidated financial statements of Energoprojekt Holding plc. for 2011.

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**17. INTANGIBLES**

	<b>Other intangibles</b>	<b>Intangible investments in progress</b>	<b>Advances on intangibles</b>	<b>Total</b>
<u>Cost value</u>	RSD 000	RSD 000	RSD 000	RSD 000
<b>Balance 1.1.2014</b>	<b>2,326</b>	<b>8,837</b>	<b>320</b>	<b>11,483</b>
Restated balance				
Transfers				
New purchases	362		184	<b>546</b>
Disposals and write-offs				
Revaluation - assessment				
Other				
<b>Balance 31.03.2014</b>	<b>2,688</b>	<b>8,837</b>	<b>504</b>	<b>12,029</b>
 <u>Value adjustment</u>				
<b>Balance 1.1.2014</b>	<b>2,036</b>			<b>2,036</b>
Restated balance				
Depreciation	37			37
Disposals and write-offs				
Impairment				
Revaluation - assessment				
Other				
<b>Balance 31.03.2014</b>	<b>2,073</b>			<b>2,073</b>
 <u>Non write-off value</u>				
<b>01.01.2014</b>	<b>290</b>	<b>8,837</b>	<b>320</b>	<b>9,447</b>
<b>31.03.2014</b>	<b>615</b>	<b>8,837</b>	<b>504</b>	<b>9,956</b>



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**18. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY**

	Buildings	Plant and equipment	Investment property	Property, plant and equipment in progress	Advances on property, plant and equipment	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
<b><u>Purchase value</u></b>						
<b>Balance 1.1.2014</b>	<b>919,807</b>	<b>94,148</b>	<b>603,717</b>		<b>43,220</b>	<b>1,660,892</b>
Restated balance						
Transfers						
New purchases		358				358
Disposals and write-offs						
FX exchange gains and losses					280	<b>280</b>
Other, value assessment						
<b>Balance 31.03.2014</b>	<b>919,807</b>	<b>94,506</b>	<b>603,717</b>		<b>43,500</b>	<b>1,661,530</b>
<b><u>Value adjustment</u></b>						
<b>Balance 1.1.2014</b>	<b>388,252</b>	<b>72,591</b>				<b>460,843</b>
Restated balance						
Depreciation	22	2,318				2,340
Disposals and write-offs						
Impairment						
Revaluation - assessment						
Other						
<b>Balance 31.03.2014</b>	<b>388,274</b>	<b>74,909</b>				<b>463,183</b>
<b><u>Non write-off value</u></b>						
<b>01.01.2014</b>	<b>531,555</b>	<b>21,557</b>	<b>603,717</b>		<b>43,220</b>	<b>1,200,049</b>
<b>31.03.2014</b>	<b>531,533</b>	<b>19,597</b>	<b>603,717</b>		<b>43,500</b>	<b>1,198,347</b>

Buildings in the amount of 531.533 thousand RSD refer mostly to business premises of Energoprojekt, Mihaila Pupina Boulevard 12, New Belgrade.

**The investment property** in the amount of 603.717 thousand RSD refers to the following:

- Buildings „Samacki hotel“, total area 8.034,00 m<sup>2</sup>, with land use rights (18.598,00 m<sup>2</sup>), in Batajnicki put 24, Zemun in the amount of 511.573 thousand RSD. The lease of this building to Energoprojekt Visokogradnja plc. generated an income in 2014 in the amount of 6.131 thousand RSD (Note 9).
- Business premises “Stari Merkator”, total area 643 m<sup>2</sup>, third floor of the building no. 2, on the specific part of the building 235, in Palmira Toljatija street no. 5, cadastral lot no. 254, registered in the registry of immovable property no. 3132 cadastral municipality New Belgrade in the amount of 92.144 thousand RSD. This building was not leased in 2014 (waiting for a tenant).

The advance payment for property in the amount of 43.500 thousand RSD relates to the advance payment to the Republic of Serbia for the purchase of property in Uganda, Peru and Nigeria.

On 31.03.2014, the Company has no property or equipment mortgaged or liened as collateral for financial obligations.

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**19. SHARE OF CAPITAL**

Equity investments pertain to shares of:

<b>SUBSIDIARIES</b>	<b>% participation</b>	<b>31.03.2014</b>	<b>31.12.2013</b>
		<b>000 RSD</b>	<b>000 RSD</b>
		<b>Present value</b>	<b>Present value</b>
EP Visokogradnja plc, Beograd	92,53%	1.706.767	1.706.767
EP Niskogradnja plc, Beograd	100,00%	1.012.084	1.012.084
EP Oprema plc, Beograd	67,87%	121.316	121.316
EP Hidroinzenjering plc, Beograd	94,84%	399.230	399.230
EP Urbanizam i arhitektura plc, Beograd	94,40%	146.455	146.455
EP Promet ltd, Beograd	100,00%	295	295
EP Energodata plc, Beograd	96,43%	191.438	191.438
EP Industrija plc, Beograd	62,77%	61.209	61.209
EP Entel plc, Beograd	86,26%	216.422	216.422
EP Garant plc, Beograd	92,94%	597.545	597.545
I.N.E.C. Engineering Company Limited, London	100,00%	62.359	62.359
Encom GmbH Consulting Engineering&Trading, Frankfurt	100,00%	3.493	3.493
Zambia Engineering Contracting Company Limited, Lusaka	100,00%	587	587
Dom 12 S.A.L., Beirut	100,00%	924.749	924.749
<b>Total</b>		<b>5.443.949</b>	<b>5.443.949</b>

**AFFILIATED COMPANY**

	<b>% participation</b>	<b>Present value</b>	<b>Present value</b>
Enjub ltd, Beograd	50,00%	13.550	13.550
<b>Total</b>		<b>13.550</b>	<b>13.550</b>

**OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES**

	<b>Present value</b>	<b>Present value</b>
Dunav plc, Beograd	311	450
Jubmes banka plc, Beograd	20.442	32.448
Aik banka plc, Beograd		794
Energobroker plc, Beograd	4.371	4.371
Hotel Bela ladja plc, Becej	5.887	5.947
Fima See Activist plc, Beograd	10.160	10.160
<b>Total</b>	<b>41.171</b>	<b>54.170</b>

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

Equity investments in subsidiaries and affiliates are disclosed according to the method for disclosing investments at purchase cost. The Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition.

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

Changes in available-for-sale securities are the result of the sale of Aik Bank, Nis shares (518 shares, at a price of 1.625 RSD per share) and value adjustment for securities in the Company's portfolio with their fair value on the secondary securities market on the reporting date.

The Company owns shares of other legal entities, in particular:

- Dunav plc, Beograd: 527 shares with market value on the balance sheet date amounting to 590,00 RSD per share;
- Jubmes bank plc, Beograd: 4.056 shares with market value 5.040,00 RSD per share;
- See Activist plc, Beograd: 1.600 shares with market value 6.350,00 RSD per share; and
- Bela ladja Hotel plc, Becej: 60.070 shares with market value 98,00 RSD per share.

## **20. OTHER LONG TERM FINANCIAL INVESTMENTS**

Other long term financial investments include:

	<b>31.03.2014</b>	<b>31.03.2013</b>
	RSD 000	RSD 000
Staffhousing loans	1,572	1,591
Long-term loans to subsidiaries	738,514	751,502
<b>Total</b>	<b>740,086</b>	<b>753,093</b>

**Long-term staff housing loans** in the amount of 1.572 thousand RSD relate to four housing loans granted by the Company to employees: two loans on 10.06.1992 for a period of 38,5 years, two on 28.11.1995 for a period of 40 years, the loan that was granted on 24.12.2009 for a period of 10 years, was repaid on 31.12.2013. Loans are interest-free and will be repaid in monthly installments. Pursuant to provisions of the contract and the Law on amendments and supplements of the Housing law, the Company applies installment revalorization twice a year according to the price shifts in the Republic of Serbia for the respective calculation period.

**Long-term loans to subsidiaries** in the amount of 738.514 thousand RSD relate to Energoprojekt Niskogradnja in the amount of 648.964 thousand RSD and Energoprojekt Visokogradnja in the amount of 89.550 thousand RSD.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**21. MATERIAL AND PAID ADVANCES**

	31.03.2014	31.12.2013
	RSD 000	RSD 000
Paid advances	215,593	58,255
<b>Total</b>	<b>215,593</b>	<b>58,255</b>

**Paid advances** in the amount of 215.593 thousand RSD, refer mostly to: the paid advance to the brokerage firm M&V Investments plc, Beograd in the amount of 153.091 thousand RSD for the repurchase of shares of Energoprojekt Visokogradnja plc, Energoprojekt Hidroinžinjering plc, Energoprojekt Energodata plc. and Energoprojekt Urbanizam i arhitektura plc; and the paid advance to Energoprojekt Oprema plc. in the amount of 57.982 thousand RSD, according to the contract for the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the registry of immovable property, cadastral zone A00.

**22. RECEIVABLES**

	31.03.2014	31.12.2013
	RSD 000	RSD 000
<b><u>Trade receivables</u></b>		
Trade receivables (parent and subsidiaries)	361,503	311,872
Trade receivables - other affiliates	705	705
Trade receivables (domestic)	53	149
Less: value adjustment		
<b>Total</b>	<b>362,261</b>	<b>312,726</b>
<b><u>Receivables from specific business operations</u></b>		
Other receivables from specific operations	68,972	54,865
Less: value adjustment		
<b>Total</b>	<b>68,972</b>	<b>54,865</b>
<b><u>Other receivables</u></b>		
Interest and dividends	55,332	49,807
Staff claims	1,481	110
Receivables from state institutions	427	386
Prepaid income tax and contributions		
Other receivables		
Less: value adjustment		
<b>Total</b>	<b>57,240</b>	<b>50,303</b>
<b>Grand total</b>	<b>488,473</b>	<b>417,894</b>

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Receivables are presented in detail in the following table.

Short-terms receivables structure	<i>in 000 RSD</i>	
	<i>31.03.2014</i>	<i>31.12.2013</i>
<i>Receivables from sales</i>		
Energoprojekt Visokogradnja plc	161.417	141.690
Energoprojekt Niskogradnja plc	33.037	6.739
Energoprojekt Hidroinzenjering plc	45.226	50.006
Energoprojekt Entel plc	8.566	8.511
Energoprojekt Energodata plc	30.424	29.006
Energoprojekt Industrija plc	61.192	57.568
Energoprojekt Urbanizam i arhitektura plc	12.386	10.611
Energoprojekt Oprema plc	9.082	7.569
Energoprojekt Garant plc	173	172
Enjub ltd	705	705
Other	53	149
<b>Total</b>	<b>362.261</b>	<b>312.726</b>
<i>Receivables from specific operations and other receivables</i>		
Energoprojekt Visokogradnja plc	74.971	63.945
Energoprojekt Niskogradnja plc	5.038	4.547
Energoprojekt Hidroinzenjering plc	1.118	812
Energoprojekt Entel plc	762	542
Energoprojekt Energodata plc	4.684	3.969
Energoprojekt Industrija plc	521	222
Energoprojekt Urbanizam i arhitektura plc	5.178	4.675
Energoprojekt Oprema plc	395	252
Energoprojekt Garant plc	423	457
Enjub ltd.	27.447	24.325
Other	5.675	1.422
<b>Total</b>	<b>126.212</b>	<b>105.168</b>
<b>GRAND TOTAL</b>	<b>488.473</b>	<b>417.894</b>

The Company has signed blank bills of exchange with authorization that will be used as collateral for the collection of payments pursuant to service agreements for the provision of services to subsidiaries.

Receivables from buyers and other receivables are non-interest bearing.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**23. SHORT TERM FINANCIAL INVESTMENTS**

Short term financial investments include:

	31.03.2014	31.12.2013
	RSD 000	RSD 000
<b><u>Short term loans and investments - parent company, subsidiaries and affiliates</u></b>		
Subsidiaries	255,660	254,016
Affiliates	154,084	153,092
Maturing obligations - long-term loans		
Less: value adjustment		
<b>Total</b>	<b>409,744</b>	<b>407,108</b>
<b><u>Short-term loans - domestic</u></b>		
Loans to workers		504
Part of long-term housing loans with one year maturity	78	78
Less: value adjustment		
<b>Total</b>	<b>78</b>	<b>582</b>
<b>Grand total</b>	<b>409,822</b>	<b>407,690</b>

Loans to subsidiaries and other affiliates are presented in detail in the following table.

R. br.	Borrower and contract no.	Borrowed amount in currency (000 EUR)	Receivables due based on the loan in (000 EUR)	Receivables due based on the loan in (000 RSD)	Maturity	Loan terms and conditions
<b>1</b>	<b>EP Visokogradnja plc.</b>					
	Annex No .2 to the Loan Reprogramming Agreement No. 70	1.640	1.640	189.233	31.12.2014	4,5% annually
<b>2</b>	<b>EP Energodata plc.</b>					
	Annex No .2 to the Loan Reprogramming Agreement No. 72	305	305	35.129	31.12.2014	4,5% annually
<b>3</b>	<b>EP Urbanizam i arhitektura plc.</b>					
	Loan Agreement No. 403/2690	271	271	31.299	31.12.2014	4.5% annually
<b>TOTAL SUBSIDIARIES</b>		<b>2.216</b>	<b>2.216</b>	<b>255.661</b>		
<b>4</b>	<b>Enjub ltd.</b>					
	Annex No .2 to the Loan Reprogramming Agreement No. 115	1.198	1.198	138.218	31.12.2014	Three months EURIBOR + 6,5%
	Annex No .6 to the Loan Agreement No. 367	137	137	15.865	31.12.2014	Three months EURIBOR + 6,5%
	<b>Total Enjub ltd.</b>	<b>1.335</b>	<b>1.335</b>	<b>154.083</b>		
<b>TOTAL AFFILIATES</b>		<b>1.335</b>	<b>1.335</b>	<b>154.083</b>		
<b>GRAND TOTAL</b>		<b>3.551</b>	<b>3.551</b>	<b>409.744</b>		

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

The Company has 2 (two) signed blank bills of exchange with authorization that will be used as collateral for the collection of payments pursuant to loan agreements concluded with subsidiaries and other affiliates. Besides bills of exchange, the Company has an extrajudicial mortgage for the entire loan amount for apartments in Jurija Gagarina street, New Belgrade, for loans granted to Enjub ltd.

**24. CASH AND CASH EQUIVALENTS**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>RSD</u></b>		
Current accounts	21,021	69,446
Treasury	208	33
<b>Total</b>	<b>21,229</b>	<b>69,479</b>
<b><u>Foreign currency</u></b>		
Foreign currency accounts	105	11,959
Short-term time deposits and other funds	82,836	70,038
<b>Total</b>	<b>82,941</b>	<b>81,997</b>
<b>Grand total</b>	<b>104,170</b>	<b>151,476</b>

**RSD and FX current accounts** of the Company indicates funds deposited in domestic banks (Banca Intesa, Unicredit bank, Hypo-Alpe-Adria bank, Jubmes bank, Alpha bank, Vojvodjanska bank, Societe Generale bank, Credit Agricole bank, Raiffeisen bank, Erste bank, Komercijalna bank and Piraeus bank).

**25. VAT AND DEFERRED INCOME**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Value added tax</u></b>	<b>465</b>	
<b><u>Accruals</u></b>		
Prepayments	1,534	2,379
Uninvoiced income receivables	172,424	171,314
VAT prepayments		2,251
Other accruals	27,331	1,066
<b>Total</b>	<b>201,289</b>	<b>177,010</b>
<b>Grand total</b>	<b>201,754</b>	<b>177,010</b>

**Receivables on non-invoiced income** in the amount of 172.424 thousand RSD refer to the completion of the agreement on the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the registry of immovable property, cadastral zone A00 (172.276 thousand RSD) and renting of the roof terrace to Telekom Serbia plc. (148 thousand RSD) for the month of January and February of the reporting year.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**26. ORIGINAL CAPITAL**

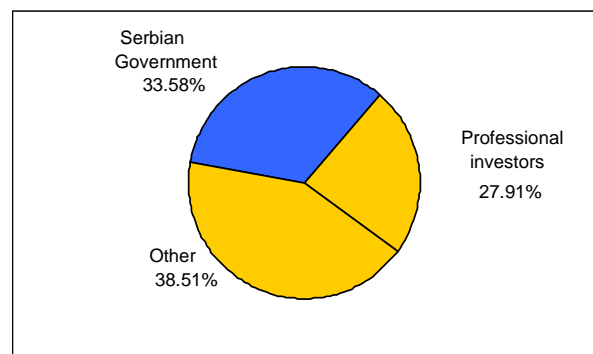
The following tables indicate the ownership structure of Energoprojekt Holding plc. shares on 31.03.2014 according to records of the Central Securities Depository:

	no. of shares	% of total issue
<b>Shares held by private shareholders</b>	<b>3.412.531</b>	<b>31,22%</b>
<b>Shares held by legal entities</b>	<b>6.837.283</b>	<b>62,55%</b>
- Serbian Government	3.671.205	33,58%
- Other legal entities	3.166.078	28,96%
<b>Summary (custody) account</b>	<b>681.478</b>	<b>6,23%</b>
<b>Total shares</b>	<b>10.931.292</b>	<b>100%</b>

Number of shareholders with equity share	number of entities			number of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
to 5%	7.729	235	7.964	4.385.400	776.829	5.162.229	40,12%	7,11%	47,22%
from 5% to 10%	0	0	0	0	0	0	0,00%	0,00%	0,00%
over 10% to 25%	1	0	1	2.097.858	0	2.097.858	19,19%	0,00%	19,19%
over 25% to 33%	0	0	0	0	0	0	0,00%	0,00%	0,00%
over 33% to 50%	1	0	1	3.671.205	0	3.671.205	33,58%	0,00%	33,58%
over 50% to 66%	0	0	0	0	0	0	0,00%	0,00%	0%
over 66% to 75%	0	0	0	0	0	0	0,00%	0,00%	0%
over 75%	0	0	0	0	0	0	0,00%	0,00%	0%
<b>Total shares</b>	<b>7.731</b>	<b>235</b>	<b>7.966</b>	<b>10.154.463</b>	<b>776.829</b>	<b>10.931.292</b>	<b>92,89%</b>	<b>7,11%</b>	<b>100,00%</b>

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3.671.205	33,58%
Napred Razvoj plc. Novi Beograd	2.097.858	19,19%
East Capital (Lux) - Balkan Fund	370.593	3,39%
Gustavia Fonder Aktiebolag	126.000	1,15%
Raiffeisenbank plc. Beograd - custody	96.857	0,89%
Raiffeisenbank plc. - custody	88.477	0,81%
Raiffeisenbank plc. - custody	79.337	0,73%
Erste Bank plc. Novi Sad - custody	69.678	0,64%
Unicredit Bank Serbia plc. - collective	62.715	0,57%
Polunin Discovery Funds	58.965	0,54%





**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

The original capital includes the following:

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
Share capital (regular shares)	5,574,959	5,574,959
Other	27,178	27,178
<b>Total</b>	<b>5,602,137</b>	<b>5,602,137</b>

**The share capital** consists of 10.931.292 ordinary shares each with a nominal value of 510,00 RSD (5.574.959 thousand RSD) and individual accounting value of 736,80 RSD.

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

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

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

## **27. RESERVES**

The reserves consist of:

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
Issuing premium	1,600,485	1,600,485
Legal reserves	23,185	23,185
Statutory and other	111,696	111,696
<b>Total</b>	<b>1,735,366</b>	<b>1,735,366</b>

**The issuing premium** represents the positive difference between the obtained selling price per share and the share's nominal value, which is the result of the conversion of shares of subsidiaries into Energoprojekt Holding plc. shares at the par value 1:1 in 2006.

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

The Company's internal legislation, till 2011, defines the statutory reserves, which are prescribed by the General Meeting at the Board's proposal and cannot be less than 5% of the net profit.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**28. REVALUATION RESERVES, UNREALIZED GAINS/LOSSES FROM SECURITIES**

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

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
Revaluation reserves	52,910	52,910
Unrealized gains from available for sale securities	699	
Unrealized losses from available for sale securities	(33,341)	(21,136)
<b>Total</b>	<b>20,268</b>	<b>31,774</b>

The change in Unrealized gains/losses from securities available for sales refer to the adjustment of the value of securities from the Company's portfolio (Note 19) with their fair value on the secondary market on reporting date (31.03.2014) and to the sales of shares of Aik banka plc, Nis.

**29. UNDISTRIBUTED PROFIT**

The undistributed profit relates to:

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
<b>Balance on 01.01.</b>	<b>684,911</b>	<b>789,728</b>
Adjustment of income tax revenues		2,910
Distribution of profits (dividends)		(506,815)
Distribution of profits (increase of nominal value per share)		
Allocation to statutory reserves		
<b>Current year's profit</b>	<b>39,551</b>	<b>399,088</b>
<b>Total</b>	<b>724,462</b>	<b>684,911</b>

**30. LONG TERM PROVISIONS**

Long term provisions are recognized when:

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

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Long term provisions consist of:

	31.03.2014	31.12.2013
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	4,605	5,055
Other long-term provisions	260,000	260,000
<b>Total</b>	<b>264,605</b>	<b>265,055</b>

**Other long-term provisions** in the amount of 260.000 thousand RSD are recorded in the balance sheet on 31.12.2006, pursuant to the decision of the Board of Management of the Company, as possible contract expenses related to the Joint construction agreement - Block 26, New Belgrade no. 507, concluded between the consortium „Energoprojekt – Napred“ and Trinity Capital ltd.

Pursuant to provision of the Joint construction agreement and the Annex no. 1 to this agreement, Trinity Capital ltd paid the agreed amount and the Company issued a blank bill of exchange with authorization and unlimited validity. This bill of exchange may be submitted for payment based on an effective decision of the authorities confiscating from the Company the underlying property referenced in the contract by fault attributable to the Company, however for reasons which had not been known to Trinity Capital ltd at the time the contract was signed.

Provisioning was pursuant to IAS 37 „Provisions, Contingent Liabilities and Contingent Assets“, due to the uncertainty with regard to the application of the legislation that applies to the subject of the Agreement and that may affect the fulfillment of all obligations assumed by the Company as well as due to the issued blank bill of exchange as previously stated.

On 31.03.2014 there is still uncertainty with regard to the application of the legislation that may affect the fulfillment of all obligations assumed by the Company and possible activation of issued bills of exchange by Trinity Capital ltd. Therefore, the management assesses that conditions for the cancellation of the provision at the balance sheet date have not been met yet.

### 31. LONG TERM LOANS

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

Long-term loans relate to:

Creditor	Currency	Interest	31.03.2014	31.12.2013
			RSD 000	RSD 000
Komercijalna bank	RSD	9% annually		16.667
<b>Total</b>				<b>16.667</b>

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**32. SHORT TERM FINANCIAL COMMITMENTS**

Short term financial commitments consist of:

	<u>31.03.2014</u> RSD 000	<u>31.12.2013</u> RSD 000
Short term loans domestic	230,000	
Part of long-term loans maturing in one year	163,988	229,538
<b>Total</b>	<b>393,988</b>	<b>229,538</b>
<b><u>Other short term financial commitments</u></b>		
Part of other long-term commitments maturing in one year		
Other ST financial commitments - VISA accounts	134	260
<b>Total</b>	<b>134</b>	<b>260</b>
<b>Grand total</b>	<b>394,122</b>	<b>229,798</b>

**Short term domestic loans** in the amount of 230.000 thousand RSD relate to the withdrawal of the loan based on the framework agreement on multi-purpose revolving credit limit concluded with Alpha Bank, to be used primarily for the purpose of compulsory buyout of shares of the following subsidiaries: Energoprojekt Visokogradnja plc, Energoprojekt Hidroinzenjering plc, Energoprojekt Urbanizam i arhitektura plc, and Energoprojekt Energodata plc.

**Part of long-term loans maturing in one year** in the amount of 163.988 thousand RSD relate to the Development Fund of the Republic of Serbia the amount of 113.988 thousand RSD and Komercijalna banka in the amount of 50.000 thousand RSD.

The long-term permanent working capital loan was approved on 30.12.2010 by the **Development Fund of the Republic of Serbia** in the amount of 321.174 thousand RSD, or 3.040 thousand EUR.

On 14.05.2012 an Annex 1 to the Loan Agreement was concluded under the following conditions:

- The repayment period is 2 years after the expiration of the grace period (until 31.12.2012). During the grace period, the intercalary interest is calculated per quarter retrospectively and applied to the principal debt,
- Interest rate 4,5% per annum,
- Loan repayment in quarterly annuities starting from 31.12.2012. Last annuity matures on 31.12.2014.

Annuities maturing in 2014 are 113.988 thousand RSD and 988 thousand EUR.

Bills of exchange of Energoprojekt Holding plc will be used as collateral and guarantees from Energoprojekt Niskogradnja plc, Energoprojekt Oprema plc, Energoprojekt Entel plc, Energoprojekt Industrija plc and Energoprojekt Hidroinzenjering plc.

The currency clause is used for the calculation of the principal debt and the debt is set in EUR according to the NBS middle rate on the drawdown date and is recalculated in RSD according to the middle rate on the maturity date.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

The Development Fund of the Republic of Serbia has approved the loan based on the document “The permanent working capital program of Energoprojekt Holding plc” that defines the necessary funds to overcome the short-term insolvency and enhance marketing activities of Energoprojekt Visokogradnja plc abroad.

The long-term permanent working capital loan was approved by the **Komercijalna banka** on 27.12.2013 in the amount of 50.000 thousand RSD.

The loan was approved under the following conditions:

- The repayment period is 15 months after the disbursement of the loan included the grace period. The grace period for the principal amount is 6 months from the disbursement of the loan;
- The nominal interest rate is fluctuating and is 9% per annum on the loan approval date;
- Loan repayment is in equal monthly installments starting from 31.07.2014. Last rate matures on 31.03.2015.

Annuities in 2014 amount to 50.000 thousand RSD.

Bills of exchange of Energoprojekt Holding plc and guarantees issued by Energoprojekt Visokogradnja plc, Energoprojekt Oprema plc, Energoprojekt Niskogradnja plc and Energoprojekt Hidroinzenjering plc, will be used as collateral.

### **33. BUSINESS COMMITMENTS**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
<b><u>Commitments from business operations</u></b>		
Received advances, short-term and safety deposits	443	660
Suppliers-parent and subsidiaries - domestic	24,790	46,353
Suppliers-parent and subsidiaries - foreign	21,241	19,604
Local suppliers	15,400	12,950
Foreign suppliers	3,401	3,288
<b>Subtotal</b>	<b>65,275</b>	<b>82,855</b>
<b><u>Commitments from specific operations</u></b>		
Other	1,439	131
<b>Subtotal</b>	<b>1,439</b>	<b>131</b>
<b>Total</b>	<b>66,714</b>	<b>82,986</b>

Liabilities towards suppliers do not include any interest and due date between 5 and 30 days.

The Management of the Company believes that disclosed value of obligations from operating activities reflects their fair value at the balance sheet date.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Geographical distribution of suppliers is as follows:

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
<b><u>Local suppliers</u></b>		
Belgrade	41,629	59,434
Less: value adjustment		
<b>Total</b>	<b>41,629</b>	<b>59,434</b>
<b><u>Foreign suppliers</u></b>		
Europe - subsidiaries	21,241	19,604
Evropa-other legal persons	3,317	3,211
Africa - other legal persons		
Asia - other affiliates		
USA-other legal persons	84	77
Less: value adjustment		
<b>Subtotal</b>	<b>24,642</b>	<b>22,892</b>
<b>Total</b>	<b>66,271</b>	<b>82,326</b>

**34. OTHER SHORT-TERM COMMITMENTS**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	RSD 000	RSD 000
<b><u>Salaries and fringe benefits</u></b>	<b>11,727</b>	<b>12,928</b>
<b><u>Other commitment</u></b>		
Interest and financing costs	618	139
Dividends/profit sharing	11,808	11,810
Employees	685	846
Members of the Supervisory Board	512	475
Service contracts	829	353
Other	1,068	1,652
<b>Total</b>	<b>27,247</b>	<b>28,203</b>

**Salaries and fringe benefits** refer mostly to obligations (net, taxes and contributions) related to March salaries, paid in April of the next year.

Other liabilities, in the amount of 1.068 thousand RSD, refer mostly to withholding from net wages (based mostly on union fees, granted loans, etc.) in the amount of 863 thousand RSD.

The Management of the Company believes that disclosed value of short-term liabilities reflects their fair value at the balance sheet date.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

**35. VAT AND OTHER PUBLIC REVENUE, ACCRUALS**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Commitments for value added tax</u></b>	<b>5,338</b>	<b>5,887</b>
<b><u>Commitments for taxes, customs and other duties</u></b>		
Tax from results of operations		
Commitments for taxes, customs and other duties purchase-related or charged to costs	26,478	278
Other commitments for taxes, customs and other duties	876	624
<b>Total</b>	<b><u>27,354</u></b>	<b><u>902</u></b>
<b><u>Accruals</u></b>		
Accrued expenses	25	38
Calculated revenues in the future period		
VAT commitments		
Other		
<b>Total</b>	<b><u>25</u></b>	<b><u>38</u></b>
<b>Grand total</b>	<b><u><u>32,717</u></u></b>	<b><u><u>6,827</u></u></b>

**Commitments for taxes, customs and other duties purchase-related or charged to costs** in the amount of 26.478 thousand RSD relate mostly to the property tax in the amount of 26.465 thousand RSD (Note 13).

**36. DEFERRED TAX LIABILITIES AND DEFERRED TAX ASSETS**

	<b>31.03.2014</b>	<b>31.12.2013</b>
	<u>RSD 000</u>	<u>RSD 000</u>
Deferred tax assets	(3,702)	(3,702)
Deferred tax liabilities	25,844	25,844
<b>Net tax assets/ liabilities</b>	<b><u><u>22,142</u></u></b>	<b><u><u>22,142</u></u></b>

**37. OFF-BALANCE SHEET LIABILITIES**

Pursuant to regulations (Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs), the Company presented the off-balance sheet liabilities in its financial statements. The purpose of Off-balance Sheet Liabilities items is not to present assets or liabilities of the Company, but to inform the reader about financial statements.

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Off-balance sheet liabilities of the Company in the amount of 14.585.680 thousand RSD refer to:

- Sureties from issued guarantees and approved credit lines based on loans and guarantees issued in favor of subsidiaries for a total sum of 11.961.543 thousand RSD. Based on sureties, the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral;
- liabilities related to received guarantees: Alpha bank for duly settlement of obligations related to plane tickets (2.885 thousand RSD);
- the use of city building land in the amount of 890.623 thousand RSD;
- obligations for Enjub ltd. dividends in the amount of 30.442 thousand RSD directly written-off in the previous period;
- mortgage on Enjub ltd. apartments in the amount of 15.865 thousand RSD. To secure the repayment of the loan pursuant to contract no. 423/367, 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 New Belgrade, registered in the registry of immovable property no. 4550, cadastral municipality New Belgrade in favor of the Company
- corporate guarantees - Energoprojekt Niskogradnja plc in the amount of 1.684.321 thousand RSD (guarantee for the project BBVA-PERU in the amount of 1.179.025 thousand RSD and the project BANCO FINANCIERO-PERU in the amount of 505.296 thousand RSD).

### 38. COMMITMENT AND CONTINGENCIES

**Contingent liability** that may result in the outflow of economic benefits, may arise, first of all, from lawsuits. A **contingent liability arising from lawsuits** leads possibly to the completion of legal proceedings against the Company, yet no liability or provision was recorded in the balance sheet.

The following table contains the number and estimated values of lawsuits with the Company as the defendant and not very small probability for the Company to loose the case. Disclosed values with the contingent liability as at 31.03.2014, include only the principal amount per case.

<i>Defendant</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Legal person	5	4	9
Natural person	3	0	3
<b>TOTAL</b>	<b>8</b>	<b>4</b>	<b>12</b>
<i>in 000 RSD</i>			
Legal person	11.400	2.608	14.008
Natural person	89.394	0	89.394
<b>TOTAL</b>	<b>100.794</b>	<b>2.608</b>	<b>103.402</b>



**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Detailed information on the largest lawsuits with the Company as the defendant is indicated in the following table.

<i>Plaintiff</i>	<i>Basis of claims</i>	<i>Contingent liability in 000 RSD</i>
Ivana Pekovic	Establishment of ownership rights	0
Rajko Ljubojevic	Expropriation	0
Belim plc. in bankruptcy	Unfounded acquisition of wealth	89.394
Marko Martinoli	Share squeeze-out	2.164
Radomir Banjac	Damage claim	4.400
Milan Raonic	Copyright claim	7.000
Aleksandar Vasojevic	Annulment of resolutions from the XXXVII EGM	0
New Company	Establishment of ownership rights (In Hotel)	0
Serbian government	Establishment of apartment ownership	0
Association of Small Shareholders, Association of Pensioners, Jovan Korolija and Ivan Petrovic	Annulment of resolutions from the XXXVII EGM	0
Sreta Ivanisevic	Compensation for expropriated property (Bezanija)	0
Vladan and Tomislav Krdzic	Damage claim (free shares not allotted to the plaintiffs)	444
<b>TOTAL</b>		<b>103.402</b>

**A contingent asset arising from lawsuits** leads possibly to the completion of legal proceedings in favor of the Company, yet no liability or provision was recorded in the balance sheet and the economic benefit was not recorded (for example, by reducing the value of unjustified advance payment, etc.).

The following table contains the number and estimated values of lawsuits with the Company as the plaintiff and there is a reasonable probability for the Company to win the case.

<i>Defendant</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Legal person	1	0	1
Natural person	3	2	5
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>6</b>
<i>in 000 RSD</i>			
Legal person	29	0	29
Natural person	208.000	27.771	235.771
<b>TOTAL</b>	<b>208.029</b>	<b>27.771</b>	<b>235.800</b>

**ENERGOPROJEKT HOLDING PLC, BEOGRAD**  
**NOTES TO THE FINANCIAL STATEMENTS as at 31.03.2014**

Detailed information on the largest lawsuits with the Company as the plaintiff is indicated in the following table.

<i>Defendant</i>	<i>Basis of claims</i>	<i>Contingent assets in 000 RSD</i>
Stari Grad Municipality	Determination of ownership rights	0
Ministry of Finance – Tax administration	Unjustified tax refund	26.959
Zekstra Group ltd	Compensation for damages (roof repair in Goce Delceva street 38)	812
Republic of Serbia, Electric Power Industry of Serbia, Epsturs ltd and the Republic of Montenegro	Establishment of the ideal part of ownership of the Park Hotel in Budva	0
Ivan Music	Compensation (roof repair in Goce Delceva street 38)	29
The city of Belgrade, Belgrade Land Development Public Agency, RS	Debt (Arena)	208.000
<b>TOTAL</b>		<b>235.800</b>

### 39. POST BALANCE SHEET EVENTS

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

In Belgrade,  
09.05.2014.

## 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 assets evaluation data**

Reliable presentation of the development and business results of Energoprojekt Holding plc (parent company), its financial status and assets evaluation data are presented in detail and explained in the "Notes to financial statements for the 1<sup>ST</sup> quarter 2014" (Chapter 1 of the respective report).

*In 2014, Energoprojekt Group plans a consolidated profit (in Serbia and abroad) in the amount of 239,3 million EUR. For the period of I-III 2014, Energoprojekt Group plans a consolidated profit in the amount of 46,2 million EUR. The realized consolidated profit in the reporting period was 53,3 million EUR (15% more than planned).*

*In 2014, a consolidated gross profit for the Energoprojekt Group (in Serbia and abroad) is planned in the amount of 7,2 million EUR. For the period of I-III 2014, a consolidated gross income for the Energoprojekt Group is planned in the amount of 124 thousand EUR. The realized consolidated gross income in the reporting period was 1,6 million EUR (many times more than planned).*

In 2014, Energoprojekt Group has planned to conclude new contracts in *Serbia* and abroad in the amount of 293,3 million EUR, in particular: in *Serbia* 62,4 million EUR (21%) and abroad 230,9 million EUR (79%). In the first quarter of 2014, new contracts were signed in the total amount of 230,1 million EUR: in *Serbia* 131,7 million EUR (57%) and abroad 98,3 million EUR (43%), which is 78% of the annual plan for new contracts.

On the last day of the reporting period, the Energoprojekt Group had new contracts worth ca. 548 million EUR (in *Serbia* 194 million EUR; abroad 354 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**

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

- *"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 at the 2nd Meeting of the Board of Directors of Energoprojekt Holding plc held on 29.07.2011). 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 Chief Executive Officer).
- **"Annual business plan of Energoprojekt Holding plc. and Energoprojekt Group for 2014"** (adopted at the 113th meeting of the Executive Board of Energoprojekt Holding plc. held on 19.12.2013).

Considering the strategic commitment to a permanent and sustainable development of Energoprojekt Group, focused towards a continuous increase of profitability and volume of operations on traditional markets (domestic and foreign), cost-effective engagement of resources, as well as global macro-economic flows, the following business tasks are planned for 2014:

Priority tasks:

- To engage in activities related to the Business policy implementation program of Energoprojekt Holding plc. and companies included in the Energoprojekt Group from 2011-2015.
- To establish a business and information system adjusted to the needs of Energoprojekt Holding plc.
- To continue financial and business consolidation of individual subsidiaries included in the Energoprojekt Group that, in the previous period, has presented bad business results due to various circumstances (in terms of revenues, profit, staff, expectation of new contracts and loans).

Other business tasks:

- To enhance the efficiency of the management system and to allocate individual responsibilities in all processes.
- To reinforce the management and business processes systems in subsidiaries (for the purpose of increasing revenues and profit with operational costs optimization) and to reduce the operational risk level. To establish an adequate management structure that will raise the team spirit to a higher level.
- To revitalize decreasing or stagnating business activities and to launch new development projects.

- To raise the operational level – negotiations on active markets. To analyze historical markets and understand the possibility of returning to these markets. To carry out an organized and designed approach at new markets. To analyze the business policy in the real estate domain.
- To implement reengineering of business processes and staff restructuring in all companies included in the Energoprojekt Group. To perform respective analysis of existing financial and personnel resources. To achieve a better use of own resources and regular payment of salaries.
- To establish internal monitoring and internal audit of operations in Energoprojekt Holding plc. and the Energoprojekt Group (procedures, staffing, operation).
- To secure sustainable growth and development of the Energoprojekt Group, to increase the value of the share capital and payment of dividends.
- To secure transparency in operations and presentation of Energoprojekt to the public by providing relevant information through the Stock Exchange and regular communication with domestic and foreign investors, partners and professionals in the general public.

The most important threats and dangers to which the company is exposed: expansion and escalation of the global economic crisis and the euro zone crisis; foreign companies from most populated countries with cheap manpower as competition; 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.

Pursuant to provisions of Articles 515 and 516 of the Law on Enterprises and decisions on the compulsory repurchase of shares adopted on general meetings (held on 31.03.2014), Energoprojekt Holding plc has performed compulsory repurchase of shares from all remaining shareholders in the following subsidiaries: Energoprojekt Visokogradnja plc, Energoprojekt Hidroinzenjering plc, Energoprojekt Urbanizam i arhitektura plc. and Energoprojekt Energodata plc. Shares were repurchased from all remaining shareholders

who are not under lien or otherwise blocked, in accordance with the terms of the Decisions on Compulsory Share Buyout issued by the General Meetings of the mentioned companies

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 A-listed companies on the Belgrade Stock Exchange.

### **Transactions with related parties**

Receivables from related parties arise mostly from the sales of services and are due within 15 days from the invoice date. The Company received blank bills of exchange and authorizations as collateral. Detailed explanation is given in the "Note to financial statements".

### **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 areas and business premises), 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 REPORT)

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To the best of our knowledge, the Quarterly Financial Statement for the first quarter 2014 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 reports.

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

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Legal representative:

Energoprojekt Holding plc



Director for Finance, Accounting and Planning

*Zvezdan D.*

Dinastijaki Zipovski, Ph D in Economics



Chief Executive Officer

*Vladimir Milovanović*

Vladimir Milovanović, Dipl.Ing.  
(Hons.)ME, Ms(PM)



#### 4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE FIRST QUARTER 2014 \*

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Note \*:

- The quarterly report of Energoprojekt Holding plc for the 1st quarter 2014 has been approved and adopted on 12th May 2014 at the 139th General Meeting of the Executive Board of the reporting company.

In Belgrade, May 2014

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning



*Dimitriki Zipovski*  
Dimitriki Zipovski, Ph D in Economics

Legal representative:

Energoprojekt Holding plc

Chief Executive Officer



*Vladimir Milovanović*  
Vladimir Milovanović, Dipl.Ing.  
(Hons.)ME, Ms(PM)