

JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



SEMU – ANNUAL REPORT

In accordance with Article 52. of the Capital Market Act (Official Gazette of RS No. 31/2011) and in accordance with the Regulations on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies (Official Gazette of RS No. 14/2012) published by the Commission for Securities.

2014

YEAR



AIRPORT NIKOLA TESLA JSC BELGRADE
11180 BELGRADE 59
Register no. 07036540
TIN 100000539

АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
09 Бр. 4701
13.08. 2014 год.

FINANCIAL STATEMENTS FOR I-VI 2014

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Belgrade, 31 July, 2014

BALANCE SHEET ON 30.06.2014

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	ASSETS				
	A. NON-CURR. ACT. PROPER. (002+003+004+005+009)	001		21,792,855	21,573,986
00	I. NON-PAID UP SUBSCRIBED CAPITAL	002			
012	II. GOODWILL	003			
01 without 012	III. INTANGIBLE INVESTMENTS	004	17	11,531	9,278
	IV. REAL ESTATES, PLANTS , EQUIPMENT AND BIOLOGICAL AGENCIES (006+007+008)	005	17	21,620,141	21,404,994
020,022,023,026, 027(part), 028(part), 029	1. Property, plants and equipment	006	17	21,598,911	21,383,764
024, 027(part), 028 (part)	2. Investment property	007	17	20,964	20,964
021, 025, 027(part), 028(part)	3. Biological agencies	008	17	266	266
	V. LONG-TERM FINANCIAL INVESTMENTS (010+011)	009		161,183	159,714
030 to 032, 039(part)	1. Share in capital	010	18	3	3
033 to 038, 039 (part), minus 037	2. Other long-term financial investments	011	18a	161,180	159,711
	B. TURNOVER PROPERTY (013+014+015)	012		3,037,471	2,602,694
10 to 13, 15	I. STOCKS	013	19	217,184	140,585
14	II. NON-CURRENT ASSETS INTENDED FOR SALE AND ASSETS OF OPERATION DISCONTINUED	014		-	-
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015		2,820,287	2,462,109
20, 21 and 22 except 223	1. Receivables	016	20	1,143,991	881,414
223	2. Receivables of amount paid above income-tax	017		77,263	91,772
23 minus 237	3. Short-term financial investments	018	21	620,016	538,172
24	4. Cash and cash equivalents	019	22	965,067	896,778
27 and 28 except 288	5. VAT and prepayments and accrued income	020	23	13,950	53,973
288	V. DEFERRED TAX LIABILITIES	021		-	-
	G. BUSINESS PROPERTY (001+012 +021)	022		24,830,326	24,176,680
29	D. LOSS ABOVE CAPITAL AMOUNT	023			

	Dj. TOTAL ASSETS (022+023)	024		24,830,326	24,176,680
88	E. OFF-BALANCE ASSETS	025	35	481,231	566,762
	OBLIGATIONS				
	A. CAPITAL (102+103+104+105+106-107+108-109-110)	101		22,589,913	22,116,270
30	I. CORE CAPITAL	102	24	20,573,610	20,573,610
31	II. NON-PAID UP SUBSCRIBED CAPITAL	103		-	-
32	III. RESERVES	104	25	1,534,430	1,529,339
330 and 331	IV. REVALUATION RESERVES	105		-	-
332	V. NON-REALISED INCOMES FROM SECURITIES	106		-	-
333	VI. NON-REALISED LOSSES FROM SECURITIES	107	26	-	-
34	VII. NON-DISTRIBUTED PROFIT	108	27	481,873	13,321
35	VIII. LOSS	109		-	-
037 and 237	IX . REPURCHASED OWN SHARES	110		-	-
	B. LONG-TERM RESERVES AND LIABILITIES (112+113+116)	111		1,810,020	1,624,547
40	I. LONG-TERM RESERVES	112	28	160,123	176,654
41	II. LONG-TERM LIABILITIES (114+115)	113		947,746	938,388
414,415	1. Long-term loans	114	29	947,746	938,388
41 without 414 and 415	2. Other long-term liabilities	115	30	-	-
	III. SHORT-TERM LIABILITIES (117+118+119+120+121+122)	116		702,151	509,505
42 except 427	1. Short term liabilities	117	31	49,389	125,368
427	2. Liabilities from assets intended for sale and assets of operation discontinued	118		-	-
43 and 44	3. Business liabilities	119	32	393,715	319,537
45 and 46	4. Other short-term liabilities	120	33	51,917	2,640
47, 48 except 481 and 49 except 498	5. Liabilities from VAT and other public revenues and accrued costs and deferred revenues	121	34	207,130	61,960
481	6. Liabilities from profit-tax	122		-	-
498	V DEFERRED TAX LIABILITIES	123	36	430,393	435,863
	G. TOTAL OBLIGATIONS (101+111+123)	124		24,830,326	24,176,680
89	D. OFF-BALANCE SHEET LIABILITES	125	35	481,231	566,762

INCOME SHEET in period from 01/01/2014 to 30/06/2014

BALANCE SHEET in the period 01.01.2014. to 30.06.2014

in thousand RSD

Group of accounts, account	POSITION	ADP	Note No.	Amount			
				Current period		Previous period	
				Quarter (01.04.-30.06.2014)	Cumulative (01.01-30.06.2014)	Quarter (01.04.-30.06.2013)	Cumulative (01.01-30.06.2013)
1	2	3	4	6	7	6	7
	A. REVENUE AND EXPENDITURES FOR REGULAR BUSINESS						
	I. OPERATING REVENUES (202+203+204-205+206)	201		2,112,941	3,684,703	1,608,691	2,863,311
60 61	1. Revenues from sale of goods	202	5	1,931,147	3,367,995	1,466,512	2,601,533
62	2. Revenues from consumption of own products	203					
630	3. Increase in value of inventories	204					
631	4. Decrease in value of inventories	205					
64 65	5. Other operating revenues	206	5a	181,794	316,708	142,179	251,778
	II. OPERATING EXPENDITURES (208 do 212)	207		1,181,656	2,401,766	1,143,659	2,268,877
50	1. Purchase value of sold goods	208	6	184,620	378,261	143,878	234,096
51	2. Costs of material	209	7	103,192	249,542	69,442	191,566
52	3. Costs of salaries, salarz comp., and other personal exp.	210	8	379,417	745,557	306,329	602,885
54	4. Costs of amortiyation and reservations	211	9	186,205	365,224	186,076	361,971
53 55	5. Other operating expenditures	212	10	328,221	663,182	437,934	868,359
	III. BUSINESS REVENUE (201-207)	213		931,286	1,282,937	466,032	594,434
	IV. BUSINESS LOSS (207-201)	214					
66	V. FINANCIAL REVENUES	215	11	25,615	92,415	73,089	98,324
56	VI. FINANCIAL EXPENDITURES	216	12	23,799	54,535	37,335	84,993
67 68	VII. OTHER REVENUES	217	13	5,213	44,416	8,845	12,588
57 58	VIII. OTHER EXPENDITURES	218	14	461,113	827,325	574,421	580,198
	IX. PROFIT FROM REGULAR OPERATING BEFORE TAX (213-214+215-216+217-218)	219	15	477,202	637,908	-	40,156
	X. LOSS FROM REGULAR OPERATING BEFORE TAX (214-213-215+216-217+218)	220		-	-	(64,790)	-
69 - 59	XI. NET PROFIT OF OPERATIONS DISCONTINUED	221					
59 - 69	XII. NET LOSS OF OPERATIONS DISCONTINUED	222					
	B. PROFIT BEFORE TAX (219-220+221-222)	223		477,202	637,908		40,156
	V. LOSS BEFORE TAX (220-219+222-221)	224		-	-	(64,790)	-
	G. PROFIT TAX						
721	1. Period tax expenditure	225	15	51,735	51,505	(2,771)	11,037
722	2. Deferred period tax expenditure	226					
722	3. Deferred period tax revenue	227		2,687	5,470	3,526	6,807
723	D. Paid-up personal receiving to employer	228					
	D. NET PROFIT (223-224-225-226+227-228)	229		428,154	481,873	-	36,926
	E. NET LOSS (224-223+225+226-227+228)	230				(68,493)	
	Ž. NET PROFIT FOR MINORITY INVESTORS	231					
	Z. NET PROFIT FOR OWNERS OF PARENT LEGAL ENTITY	232					
	I. PROFIT PER SHARE						
	1. Basic profit per share	233					
	2. Diluted profit per share	234					
	TOTAL REVENUES (201+215+217)			2,143,769	3,821,534	1,690,626	2,964,223
	TOTAL EXPENDITURES (207+216+218)			1,666,667	3,283,626	1,756,416	2,924,068

In Belgrade, 31.07.2014

CASH FLOW STATEMENT in period from 01/01/2014 till 30/06/2014

<i>POSITION</i>	<i>ADP</i>	Amount (in thousand RSD)	
		(01.01-30.06. 2014)	(01.01-30.06. 2013)
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
A.CASH FLOWS FROM BUSINESS ACTIVITY			
I. Cash inflow from business activities (1 to 3)	301	3,129,738	2,437,662
1. Sale and received advance payments	302	2,742,192	2,188,023
2. Interests received from business activity	303	32,406	4,581
3. Other inflows from regular operations	304	355,140	245,058
II. Cash outflow from business activities (1 to 5)	305	2,323,054	2,143,333
1. Payments for suppliers and given advance payments	306	1,447,294	1,443,744
2. Salaries, salary compensations and other personal expenses	307	688,632	563,343
3. Paid interest	308	23,457	34,912
4. Income-tax	309	46,997	20,753
5. Payment from other public revenues	310	116,674	80,581
III. Net cash inflow from business activities (I - II)	311	806,684	294,329
IV. Net cash outflow from business activities (II - I)	312	0	0
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Cash inflow from investment activity (1 to 5)	313	28,647	335,747
1. Sale of shares and portions (net inflows)	314	0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	315	556	
3. Other financial investments (net inflows)	316	0	300,451
4. Interests received from investment activities	317	28,091	35,296
5. Dividends received	318	0	0
II. Cash outflows from investment activities (1 to 3)	319	697,510	545,825
1. Purchase of shares and portions (net outflows)	320	0	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	321	619,148	545,825
3. Other financial investments (net outflows)	322	78,362	
III. Cash net inflow from investment activities (I - II)	323		
IV. Cash net outflow from investment activities (II - I)	324	668,863	210,078

V. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 3)	325	0	0
1. Core capital increase	326	0	0
2. Long-term and short-term loans (net inflows)	327		
3. Other long-term and short-term liabilities	328		
II. Cash outflow from financing activities (1 to 4)	329	77,320	94,250
1. Redemption of own shares and portions	330		
2. Long-term and short-term loans and other liabilities (net outflows)	331	48,172	51,039
3. Financial leasing	332	29,148	43,211
4. Paid-up dividends	333	0	0
III. Cash net inflow from financing activities (I - II)	334	0	0
IV. Cash net outflow from financing activities (II - I)	335	77,320	94,250
G. OVERALL CASH INFLOW (301+313+325)	336	3,158,385	2,773,409
D. OVERALL CASH OUTFLOW ((305+319+329)	337	3,097,884	2,783,408
Đ. NET CASH INFLOW ((336-337)	338	60,501	
E. NET CASH OUTFLOW (337-336)	339		9,999
Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	340	896,778	214,383
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	341	16,184	7,584
I. I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	342	8,396	7,868
J. CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342)	343	965,067	204,100

In Belgrade, 31.07.2014

STATEMENT ON CHANGES IN CAPITAL
in the period from 01.01.2014 to 30/06/2014

in thousand RSD

No.	Description	Core capital (30 without 309)	Other capital (309)	Non-paid subscribed capital (31)	Issue premium (320)
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
1	Balance on 01/01 of the previous year of 2013	20,573,610	0	0	0
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	0	0	0	0
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	0	0	0	0
4	Corrected initial balance on January 1st of the previous year of 2013 (1+2-3)	20,573,610	0	0	0
5	Total increase in the previous year	0	0	0	0
6	Total decrease in the previous year	0	0	0	0
7	Balance on 31/12 of the previous year of 2013 (4+5-6)	20,573,610	0	0	0
8	Correction of materially significant errors and changes of accounting policies in current year-increase	0	0	0	0
9	Correction of materially significant errors and changes of accounting policies in current year-decrease	0	0	0	0
10	Corrected initial balance on January 1st of the current year 2014 (7+8-9)	20,573,610	0	0	0
11	Total increase in the current year	0	0	0	0
12	Total decrease in the current year	0	0	0	0
13	Balance on 30/06 of the current year of 2014 (10+11-12)	20,573,610	0	0	0

No.	Description	Reserves (321 and 322)	Reserves (330 and 331)	Non-realized profits from securities (332)	Non-realized losses from securities (333)
	1	6	7	8	9
1	Balance on 01/01 of the previous year of 2013	1,297,787	0	0	291
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	0	0	0	0
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	0	0	0	0
4	Corrected initial balance on January 1st of the previous year of 2013 (1+2-3)	1,297,787	0	0	291
5	Total increase in the previous year	231,552	0	0	0
6	Total decrease in the previous year	0	0	0	291
7	Balance on 31/12 of the previous year of 2013 (4+5-6)	1,529,339	0	0	0
8	Correction of materially significant errors and changes of accounting policies in current year-increase	0	0	0	0
9	Correction of materially significant errors and changes of accounting policies in current year-decrease	0	0	0	0
10	Corrected initial balance on January 1st of the current year 2014 (7+8-9)	1,529,339	0	0	0
11	Total increase in the current year	5,091	0	0	0
12	Total decrease in the current year	0	0	0	
13	Balance on 30/06 of the current year of 2014 (10+11-12)	1,534,430	0	0	0

No.	Description	Non-distributed profit (34)	Loss below capital amount (35)	Repurchased own shares and portions (037 and 237)	Total (2+3+4+5+6+7+8-9+10-11-12)
	<i>1</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
1	Balance on 01/01 of the previous year of 2013	727,657	0	0	22,598,763
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	0	0	0	0
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	0	0	0	0
4	Corrected initial balance on January 1st of the previous year of 2013 (1+2-3)	727,657	0	0	22,598,763
5	Total increase in the previous year	16,205			247,757
6	Total decrease in the previous year	727,657			727,366
7	Balance on 31/12 of the previous year of 2013 (4+5-6)	16,205	0	0	22,119,154
8	Correction of materially significant errors and changes of accounting policies in current year-increase	0	0	0	0
9	Correction of materially significant errors and changes of accounting policies in current year-decrease	2,884	0	0	2,884
10	Corrected initial balance on January 1st of the current year 2014 (7+8-9)	13,321	0	0	22,116,270
11	Total increase in the current year	481,873			486,964
12	Total decrease in the current year	13,321			13,321
13	Balance on 30/06 of the current year of 2014 (10+11-12)	481,873	0	0	22,589,913

Notes to Financial Statement on 30.06.2014



JSC Belgrade Nikola Tesla Airport

JSC BELGRADE NIKOLA TESLA AIRPORT

11180 BELGRADE 59

Register no. 07036540

TIN 100000539

NOTES FOR FINANCIAL STATEMENT

FOR I-VI 2014

Belgrade, 31.07.2014

1. FOUNDING AND OPERATION OF THE COMPANY

1.1. General data of the company

The Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: the Company) has been established for provision of airport services (aircraft landing, take-off, taxiing and parking and aircraft, passenger and cargo handling). Apart from the basic activity, Airport Nikola Tesla JSC Belgrade, as side activities, provides other services at airport complex, satisfying the needs of service users, domestic and foreign air carriers.

Whilst operation of the Airport dates back to March 25, 1928, at the location on Bežanijska kosa, operation on the current location (Surčin) started in 1962.

By a Decision of the Government of Republic of Serbia from 1992, the Airport was re-registered as Javno preduzeće (public company) Aerodrom „Beograd“ and in 2006, also by a decision of the Government it got the name JP Aerodrom „Nikola Tesla“.

The Government of Republic of Serbia on 17/06/2010 made the Decision no. 023-4432/2010, on change of legal form of JP Aerodrom "Nikola Tesla" Beograd from a public company into closed joint stock company. The change of legal form is registered with the Registers Agency on 22/06/2010 by the Rescript no.BD 68460/2010.

After the change of legal form the company continued its business under the full name Akcionarsko društvo Aerodrom "Nikola Tesla" Beograd.

By the Rescript of the Registers Agency no: BD 7651/2011 dated on 24/01/2011, Akcionarsko društvo Aerodrom Nikola Tesla Beograd was registered as an open joint stock company.

Head-office	Belgrade 59, 11180 Surčin
Register number	07036540
Tax identification number	100000539
Activity code and name	5223-Air-traffic services

According to the classification criteria from the Law on accounting and audit AD Aerodrom "Nikola Tesla" Beograd is classified as a large legal person.

On 30/06/2014 the Company had 480 employees (averagely during I half of 2014 - 482 employees, and on 31/12/2013 481 employees (averagely during the period I-XII 2013 - 468 employees) and on 30.06.2013 / 464 employees (average during I half of 2013 – 464 employees).

1.2. Management structure

The Company has established two-tier management system. The Bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly comprises of the company Shareholders entitled to participate in Assembly work. The Shareholder, in possession of 10% of ordinary shares (34,289 shares) is entitled to participate in Assembly work.

The Supervisory Board has 7 members assigned by the Assembly of the Company. The Supervisory Board may form different experts committees with at least three members, whereof one is a member of the Supervisory Board.

The Executive Board has 4 executive directors including the General Director. The Executive directors are assigned by the Supervisory Board of the Company.

1.3. Ownership

After change of legal form into a closed joint stock company, the Central depository and clearing house registered on 07/07/2010, 34,289,350 shares, 100% in ownership of Republic of Serbia.

The Government of Republic Serbia, on 09/12/2010 made the Decision no. 023-9103/2010-1, by which citizens of Republic of Serbia, the employees and former employees of the Company have acquired the right to 16.85% of ownership of the Company. After transfer of the right to free of charge shares to citizens, employees and former employees, Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the Decision on admission of shares to Prime Listing 04/4 no. 478/11 dated on 28/01/2011, the shares of the Company are accepted on 'A' Listing of the Belgrade Exchange Market. Stock trade on the Belgrade Exchange Market commenced on 07/02/2011.

On 25/01/2011, based on data of the central depositing and clearing house, the Company had 4,822,137 shareholders and on 31/12/2013 it had 2,913,010 shareholders. The biggest shareholders on 31/12/2013 are Republic of Serbia (83.06%). On 30.06.2014 (01.07.2014), the largest portion of shares is still with the Republic of Serbia (83.15%), then domestic and foreign natural persons (10.29%), domestic and foreign legal entities (3.31%) and custody persons (3.25%).

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements for the first half of 2014 have been prepared in a manner and in accordance with the legislation which was used in the preparation of annual financial statements for 2013 and is fully specified in Note 2 to the Financial Statements for 2013. The financial statements for the first half 2014 are approved at the meeting of the Supervisory Board 07.08.2014.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES

Significant accounting policies applied on the financial statements, being the subject of these Notes, are primarily based on the Rulebook on accounting and accounting policies of the Company. If certain accounting aspects are not clearly set out in the Rulebook, applied accounting policies are based on applicative legal, professional and internal regulations.

3.1 Incomes and outcomes

Incomes are disclosed according to invoice value, decreased by discounts given, acknowledged complaints and VAT.

Incomes are recognized in a moment when service is provided or goods are delivered, i.e. when all risks of performed operations are transferred to buyer. For services that are provided for longer period, incomes are recognized in proportion with operation performance.

Outcomes are recognized concurrently with recognition of incomes for which the outcomes arose (concept of causality of incomes and outcomes).

Costs of current maintenance of fixed assets are covered from current incomes.

3.2. Costs of borrowings

Costs of borrowings refer to interests and other costs arising in connection with resource borrowing. According to the relevant provisions of IAS 23, the costs of borrowing that can be directly ascribed to acquisition, assets build-up to be enabled for usage, are included in purchase value or cost value of such assets. Other costs of borrowing are recognized as outcomes of period from which they originate.

3.3. Conversion of foreign exchange amount

Incomes and outcomes according to exchange rate differences and effects of currency clause are registered in balance sheet of the relevant period.

Incomes and outcomes from exchange rate differences are established according to two basis, as follows:

- during the year on the basis of realised (paid) receivables and liabilities in foreign currency at official middle exchange rate of the National Bank of Serbia, on the date of operation change, as realised positive or negative exchange rate differences or realised effects of currency clause, and
- on the date of balance draw up, as a result of application of exchange rates on balance positions (receivables and liabilities on balance date), disclosed in foreign currency, as non-realised positive or negative exchange rate differences or non-realised effects of currency clause at official middle exchange rate of the National Bank of Serbia, on the date of operation change as follows:

Description	30.06.2014	31.12.2013
Middle ex.rate of NBS:	Value in RSD	
EUR	115.7853	114.6421
USD	84.8493	83.1282
CHF	95.1947	93.5472
GBP	144.4608	136.9679

Certain liabilities disclosed in foreign currency, are converted into RSD applying contracted exchange rate, effective on operation change date (liabilities for long-term loans from EIB, and liabilities for financial leasing from Hypo leasing).

The indicated outstanding liabilities were also converted per contracted Euro rate, on the balance date, as follows:

Description	30.06.2014	31.12.2013
Contracted exc.rate:	Value in RSD	
EUR - for EIB loan	116.1327	114.9860
EUR - for Hypo leasing	117.5221	116.3617

In the period I-VI 2014 total positive net effect on business result of the Company is achieved in the amount of RSD 6,495 thousand, based on realised and non-realised exchange rate differences and currency clause, as follows:

- Based on realised exchange rate differences, positive net effect in the amount of RSD 10,723 thousand, and
- Based on non-realised exchange rate differences, negative net effect in the amount of RSD 4,228 thousand.

3.4. Real estates, plants, equipment, biological and intangible investments

Initial valuing of real estates, plants, equipment, biological resources and intangible investments is performed upon purchase value. Resource built-up in own setting is recognized upon cost price providing they do not exceed market value. Purchase value consists of invoice value of obtained resources increased by all costs incurred up to their utilization. (IAS 16 Properties, plants and equipment).

After initial recognition, properties, plants and equipment are registered at cost of revaluing reserves, which represents their fair value at the date of revaluing, decreased for total amount of correction value against amortization and total amount of correction value against loss from depreciation (IAS 36 Property value depreciation).

3.5. Amortisation of properties, plants, equipment and intangible investments

Amortisation is calculated for each resource individually according to estimated value of the resource at the beginning of the year, i.e. according to purchase value of the resources activated during the year, by application of proportional method. Calculating of amortization begins on the next day after putting resources into operation.

Amortization rate is based on projected economic service life of properties, plants and equipment and intangible investments.

In the period I-VI 2014 the same amortization rates were applied as in 2013.

Description	30.06.2014
Building facilities	%
Water and electricity facilities	1,50-6.67
Roads, airports and parking lots	2,00-11,11
Equipment	%
New specific equipment	5,00-20.00
Equipment for road traffic	6,67-33.33
Equipment for PTT and TV	11.11
Equipment for air traffic	6,67-20.00
Measuring and control devices and specific devices	5,00-50,00
Laboratory equipment, teaching aids and medical devices	14,29
Electronic, calculating machines and computers	11,11-33.33
Furniture and equipment for general purposes	10,00-50,00
Equipment under financial leasing	6,67-25,00
Intangible assents	%
Software and licenses	10,00-50,00

3.6. Investment property

Initial valuing of investment real estate is carried out per purchase value. After initial recognition, valuing of investment real estate is carried out per value in accordance with IAS 40- investment real estates.

Profit or loss incurred due to change of fair value of investment real estate to lower or higher position is disclosed at cost of other outcomes or in favour of other incomes in accounting period. Such assessment does not affect basis for calculating of amortization according to tax regulations.

3.7. Stocks

Stocks are disclosed per purchase value, i.e. cost value or net sale value, depending on the fact which one is lower.

Net sale value is price for sale of stocks in nominal operation conditions after price decrease by sale costs.

Calculation of stock output is determined by the method of average weighed purchase price.

3.8. Taxes and contributions

Current taxes

Income tax represents amount calculated and paid in accordance with taxing regulations of Republic of Serbia. Final amount of income-tax duty is determined by application of 10% rate on tax basis determined in tax balance of the Company. Tax basis disclosed in tax balance includes income disclosed in official balance sheet which is corrected for fixed differences defined by taxing regulations of Republic of Serbia. Profit tax rate applied after January 1, 2013 is 15%.

According to the Law on Corporate Income Tax, based on the explanations of the Ministry of Finance on the connection between income tax payers legal entities with Serbia, br.430-00-40/2014-04, dated 03.02.2014, the Company conducts a significant number of transactions with related parties. Study on transfer pricing was done in 2013 and it was delivered to the Tax Administration in delivering the tax balance sheet for 2013. Results of the study were to enter taxable income for 2013, for which, the first time this year, the legal limit for submission is on 29 June 2014. The effect of transfer pricing has increased income tax liabilities of the Company and thereby diminish the realized net profit for RSD 2,442 thousand, compared to the originally reported results in approved financial statements for 2013. Given that the above changes are not materially significant, the Company decided that the same is recorded by adjusting the opening balance of 2014 (reduction of profit and an increase in liabilities for income taxes for RSD 2442 thousand), which is disclosed in Note No.27.

Deferred tax

Deferred tax effects arise as a consequence of difference between basis for amortization calculation according to accounting and tax regulations. Also, this difference accrues on basis of existence of equipment with purchase value in the moment of purchase lower than average gross salary in RS, on basis of non-used tax loan for investments in real estate, plants and equipment and in other cases when there is time difference between tax liability arising and tax payment due date. Deferred tax liabilities are recognized for all chargeable temporary differences, while deferred tax resources are recognized in extent in which it is possible for chargeable profits to be available for usage of deducting temporary differences.

Deferred tax resources and liabilities are calculated at the tax rate whose use is expected in the period when the asset is realized or the liability settled. On 30.06.2014, deferred tax resources and liabilities are calculated at the rate of 15% (December 31, 2013: 15%).

Deferred income taxes are charged or credited in the income statement, except when it relates to items that are directly credited or charged to capital, and in this circumstance the deferred tax is also recognized within the capital.



Taxes and contributions independent of results

Taxes and contributions independent of results include real estate and other taxes and contributions in line with republic, tax and general regulations. These taxes and contributions are disclosed within other business expenditures.

3.9. Benefits for employees

Taxes and contributions for salaries and reimbursements

In line with regulations applicative in Republic of Serbia, the Company pays contributions to state funds which provide social security of employees. Such obligations include contributions for employees at cost of employer in amounts calculated at rates proscribed by relevant regulations. The company is, also obliged to suspend contributions from gross salaries of employees and pay that, in name of employees, to those funds. Contributions at cost of employer and contributions at cost of employees are booked as expenditures of related period.

Restructuring

Process of restructuring of the Company has started in 2004 and it has been finished in 2009.

Reserving for terminal wages and jubilee bonuses in line with IAS-19

Based on Art.66 of the Collective Bargaining Agreement (26/03/2012) the Company was obliged to pay to the employees:

- Terminal wage for retirement in amount of 4 average month salaries at the employer's in the very month before payment of terminal wage (Art.67), and
- Jubilee Award for total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid by the employer for the month preceding the month in which the employee is entitled to jubilee award (Article 72) as follows:
 - 10 years – one average monthly salary;
 - 20 years – two average monthly salaries;
 - 30 years - three average monthly salaries;
 - 35 years for women and for men- four average monthly salaries.

Due to obligations under the Collective Agreement at the end of every business year the Company makes assessment of reserving for terminal wages and jubilee bonuses in line with IAS-19- Reimbursements for employees. Changes in reserves are given in Note 28.

3.10. Liabilities for loans and financial leasing

The Company has obligations per loans with payment linked with exchange rate of EUR. The loans are agreed with fix interest rates (Note 29).

Obligations per interests for long-term loans with due date in current and subsequent years are not disclosed in balance sheet, but in Note 29, there is list of interests in detail, per due dates.

The Company declared leased equipment in balance sheet at current value of minimal leasing instalments at the beginning of leasing period, according to the provisions of IAS 17- Leasing. Corresponding liabilities toward lessors are registered in balance sheet as liabilities per financial leasing.

Expenditures of interests per financial leasing are registered in balance sheet on corresponding expenditure invoices, after fulfilment of obligations on related basis. All future instalments of financial leasing will not be declared in balance sheet, but in the Note 30 it is disclosed amount of liabilities for interest per financial leasing.

3.11. Information on business segments

The Company performs business activity as single business segment, provision of airport services. Accordingly, information relating to sales income per products and services, geographical information on income from sales, represent disclosure at company level (Note 5).

3.12. Financial instruments and aims of financial risk management

Financial instruments represent financial resources and financial obligations independent of their duration.

Financial resources and obligations are registered in balance sheet of the Company, from the moment of contractual binding to instrument.

Financial resources are no more recognized from the moment when the Company loses control over contracted rights on those instruments, which occurs when beneficial interest on instrument is realized, expired, abandoned or assigned. Financial obligation is no more recognized when the Company fulfils its obligation or when contractual obligation is annulled or expired.

Due to market risks, affecting on changes on financial resources and obligations, management of the Company regularly and thoroughly follow movements, which can create risks, and take measures necessary for risk management.

Risks arising in operating with financial resources and obligations are:

-market risk, -credit risk, -liquidity risk, -cash flow risk.

In purpose of simpler recognition of risks that follow financial instruments and risk management, the Company has categorized financial instruments as follows:

A: Financial resources

1. Long-term financial investments, as follows:
 - Long-term time deposits
 - Participation in capital of the banks which are mostly in liquidation process and, in compliance with regulations and applied accounting standards correction of their value is performed in the entirety.
 - Share in capital of foreign legal persons, for which correction of the value was carried out in line with the contract
 - Long-term housing loans given to employees are disclosed at fair value by discounting with application of market interest rate.
2. Receivables, disclosed in nominal value-decreased by the correction of value, which is carried out based on estimation of possibility to recover them, as follows:
 - Receivables from buyers
 - Short-term financial investments
 - Other receivables (no claims for overpaid tax).
3. Cash and cash equivalents (cash on current accounts and cash account)

B: Financial obligations

- Long-term loans
- Financial leasing
- Other long-term liabilities
- Part of long-term loans with due date in next year (current maturities)
- Part of long-term leasing with due date in next year (current maturities)
- Part of other long-term liabilities with due date in next year (current maturities)
- Short term liabilities (without received advancements, liabilities for gross salaries, liabilities for VAT and income tax.)

Within these categories there are categories defined in details, where monitoring of movements is organized and necessary actions are taken in order to avoid or diminish risks. Summaries of financial instruments, per structure and risks related to management thereof, are given in the Note 37, concurrently for the current and the previous year.

4. SUMMARY OF IMPORTANT ACCOUNTING EVALUATIONS

4.1. Amortisation and amortisation rate

Revision of useful duration is made at the end of business year and correction of amortisation rate is based on that estimation. Considering that this correction does not represent change of accounting policy, there is no backward correction.

4.2. Correction of values of uncollectible receivables

Value correction is booked at cost of income statement for all receivables and investments not collected within period of 60 days after due date and assessed by management as uncollectible. The Company carried out value correction, charging result of the current period, of individual uncollected receivables from domestic and foreign buyers, services and interests, which were older than 60 days on 30/06/2014 and which were estimated as uncollectible by Management, in total amount of RSD 788,537 thousand (Rsd 786,829 thousand for services and RSD 1,708 thousand for default interest). The Summary of receivables older than 60 days is given in Notes 20 and 37 (within the explanation of credit risk).

Collecting of previously corrected receivables is booked in favour of incomes. During the analysed period corrected receivables for goods, services and default interests from previous years are collected in the amount RSD 32,384 thousand (for services RSD 32,144 thousand and for interest RSD 240 thousand) and recorded as revenues of the current period. Uncollected receivables are written off according to court decision, pursuant to settlement agreement between contractual parties or according to decision of the relevant body of the Company. The list of changes in correction of value is given in Note No. 22a.

4.3 Litigations

During measurement and recognition of reserving and establishing level of exposure to potential obligation referring to current litigation the management of the Company makes certain assessments. The assessments are necessary for establishment of possibility of negative outcome and determination of amount necessary for payment against final court decision (verdict, court settlement and similar). Due to uncertainty of assessment procedure, real expenses may differ from expenses determined during assessment. Due to that fact the assessments are corrected when the Company reached new information, mainly with support of internal professional sectors or external advisers. On 30/06/2014 the company made new reserving in the amount of RSD 2,000 thousand. The list of reserving changes for litigations in the current year compared with the previous year is presented in Note 28.

4.4. Fair value

Fair value of financial instruments without active trade is determined by application of appropriate estimation methods. Management of the Company makes assessment of risks and in cases when it is estimated that property value from business books will not be realised, it makes correction of value.

4.5 Reconciliation of receivables and indebtedness

The Company makes reconciliation of its receivables and obligation annually, with balance on 10/31 of the current year, or several times during the year for certain clients, if there is a need.

5. BUSINESS REVENUES - ADP 202	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
<i>Revenues from sale of goods and ser. in domestic market</i>		
Revenues from sale of goods in domestic market	1,630	1,420
Passenger service	427,381	296,656
Security fee	152,729	86,872
Landing	69,558	32,913
Aircraft handling *	76,261	40,766
Infrastructure	41,856	21,663
Air-bridges	0	0
Lighting	21,034	11,081
Aircraft abode tax	2,850	1,301
Aircraft de-icing services	11,011	624
Commercial usage of apron *	27,477	31,413
Usage of the CUTE system	4,487	13,049
Service on special request *	10,360	4,041
Renting of advertisement space	11,782	20,639
Public services	63,753	67,199
Cargo-custom services	50,298	46,495
DCS services*	0	16
Lost and found services *	0	0
Income from the use of parking	18,081	17,633
Other services *	9,151	7,576
	999,699	701,357
<i>Revenues from sale of goods and ser. in foreign market</i>		
Revenues from sale of goods-kerosene (re-export) *	392,342	238,209
Passenger service	706,197	626,484
Security fee	160,393	142,267
Landing	291,215	228,405
Aircraft handling *	351,796	273,136
Infrastructure	191,041	143,376
Air-bridges	78,826	50,755
Lighting	31,383	22,284
Aircraft abode tax	15,241	9,828
Aircraft de-icing services	12,580	38,013
Commercial usage of apron *	40,766	36,231
Usage of the CUTE system	13,325	11,540
Service on special request *	18	0
Renting of advertisement space	1,189	1,267
Public services	15,427	14,286
Cargo-custom services	23,003	22,568
DCS services*	14,616	13,015
Lost and found services *	7,124	8,049
Other services *	21,814	20,463
	2,368,296	1,900,176
Total sale revenues	3,367,995	2,601,533

*revenues from services of Ground Handling Department

Revenues earned by the foreign companies registered in the Republic of Serbia as a "branch" are shown in Note 5 as income from sales of goods and services in foreign markets.

5. BUSINESS REVENUES - ASP 202 (continued)

a) Revenues from sale of goods and serv. per g. regions	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Serbia	999,699	701,357
Germany (Lufthansa+Germanwings+Eurojet and European)	307,835	326,003
Montenegro (Montenegro+other Mbuyers)	280,590	256,437
Austria (Austrian Airlines + Branch AA+Niki)	131,807	155,725
Switzerland	169,022	160,170
Russia	155,895	105,192
Turkey (Turkish+Pegasus+Mondial)	322,246	245,654
France	199	22,150
Italy (Alitalia+Air one)	73,973	71,293
Abu Dhabi (Branch Etihad Air+Etihad Air)	47,012	3,339
Hungary (Wizz air+Cityline)	298,356	197,553
Romania	12,849	17,880
Tunisia	18,221	18,101
England (Easyjet)	67,156	9,455
Norway	27,195	34,897
Poland (Polskie linie)	29,903	13,755
Dubai	112,221	118,893
Qatar	27,654	21,266
Slovenia (Adria Airways+Solin air)	11,794	29,090
Other	274,368	93,323
	3,367,995	2,601,533

b) Revenues from sales of goods and services per customers	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Air Serbia-Serbia	783,241	481,154
Deutsche Lufthansa-Germany	263,427	281,086
Montenegro Airlines-Montenegro	277,765	255,905
Austrian Airlines Branch-Austria	131,807	150,058
Swis Air- Switzerland	169,022	160,170
Turkish Airlines-Turkey	247,840	160,958
Aeroflot-Russia	155,895	105,192
Adria Airways-Slovenia	3,003	16,342
Alitalia-Italy	73,973	69,799
Air France-France	199	22,150
Germanwings-Germany	23,242	25,430
Norwegian-Norway	27,195	34,897
Easyjet-England	67,156	9,455
Wizz Air+branch (Hungary)	295,771	194,626
Tarom-Romania	12,849	17,880
Pegasus-Turkey	51,404	62,128
Tunis Air-Tunisia	18,221	18,101
Fly Dubai-Dubai	112,221	118,893
Iran Air-Iran	69,917	0
Qatar Airways-Qatar	27,654	21,266
Etihad Airways PJSC+branch-Abu Dhabi	47,012	3,339
NIS AD-Serbia	15,901	23,062
JAT Tehnika-Serbia	19,458	13,818
Parking servis-Serbia	13,859	14,165
Alma Quatro*Air Media -Serbia	6,854	10,261
Dufry doo Beograd	13,649	25,345
Mondial Bodrum -for consulting services	23,002	22,568
Other domestic customers	146,737	133,552
Other foreign customers	269,721	153,272
	3,367,995	2,601,533

5 a. OTHER BUSINESS REVENUES - ADP 206	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Revenues from prevention from insurance companies	0	0
Revenues from lease to domestic legal persons	309,873	247,634
Revenues from lease to foreign legal persons	6,835	4,144
	316,708	251,778

5 a. OTHER BUSINESS REVENUES - part ADP 206 -continued		
Rental income per customer	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Dufry doo Beograd	288,822	188,258
SU-PORT	4,257	4,359
AvioGenex	3,665	3,543
Jat Airways	2,957	2,859
Other domestic customers	10,172	48,615
Foreign customers	6,835	4,144
	316,708	251,778

6. PURCHASE VALUE OF SOLD GOODS - ADP 208	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Purchase value of sold retail goods	315	315
Purchase value of sold kerosene - re-export	377,946	233,781
	378,261	234,096

The increase in costs of the cost of kerosene is solely the result of a significant increase in the volume of demand and increased amounts of kerosene jet fuel sold to airlines (Turkish Airlines, Aerofuels and Iran Air) in the reporting period compared to the same period last year.

7. COSTS OF MATERIALS - ADP 209	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Costs of fixed materials	58,212	40,478
Costs of other materials	41,125	26,484
Costs of fuel	46,975	42,513
Costs of heating oil	17,346	23,936
Costs of electric power	85,884	58,155
	249,542	191,566

At the cost of materials position, the highest growth in the first half of 2014 compared to the same period last year has the cost of electricity, solely due to the increase of the average realized price of 1 kWh of electricity by 50% in the period.

8. COSTS OF SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EARNINGS - ADP 210	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Gross salaries and salary reimbursements - employees	355,575	335,920
Gross salaries and salary reimbursements - management	18,478	15,565
Taxes and contributions at the cost of employer	66,948	62,914
Costs of reimbursement per service contract and royalties	49	1,114
Costs of reimbursement for youth organizations (gross earnings of temporary employees)	274,696	150,107
Costs of reimburs. for natural persons -cont.on add.work	395	469
Costs of reimbursements for members of BoD, SB and SA	4,034	5,108
Transport of employees	18,384	23,084
Costs of business trips	3,331	4,684
Terminal wages and jubilee bonuses	192	1,245
Other personal expenditures	3,475	2,675
	745,557	602,885

9. COSTS OF AMORTIZATION AND RESERVING - ADP 211	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Costs of amortization	363,224	352,321
Costs of reserving for reimbursements and other benefits	-	-
Costs of reserving for litigations	2,000	9,650
	365,224	361,971

10. OTHER BUSINESS EXPENDITURES - ADP 212	I-VI 2014	I-VI 2013
	In RSD 000	In RSD 000
Costs of services of OZB Komerc	356,385	569,131
Costs of other transport and PTT services	29,307	35,760
Costs of maintenance services	73,240	61,914
Costs of leasing	17,842	12,920
Costs of advertising and promotion	16,206	26,538
Costs of research	-	-
Costs of water, drainage and public services	13,642	15,022
Costs of other production services	23,760	20,791
Costs of occupational health JAT	5,288	6,214
Costs of facility cleaning services	27,100	27,294
Costs of toher non/roduction services	34,041	25,696
Costs of representation	1,714	3,192
Costs of insurance	12,821	14,757
Costs of payment system	2,908	2,571
Membership fees	3,545	2,121
Property tax and other reimbursements	37,324	37,544
Other intangible costs	8,059	6,894
	663,182	868,359

In the half of 2014, on provision of services by OZB Commerce Ltd. Belgrade were engaged in an average of 638 employees (in the first half of 2013, were engaged in an average of 770 employees).

11. FINANCIAL REVENUES - ADP 215	I-VI 2014	I-VI 2013
	In 000 RSD	In 000 RSD
Revenues from interest	59,836	36,931
Revenues from realized exchange rate differences	26,681	22,185
Revenues from non-realized exchange rate differences	3,751	37,514
Revenues from effects of contracted currency clause-realized	39	882
Revenues from effects of contracted currency clause,nonrealiz	2,108	812
	92,415	98,324

12. FINANCIAL EXPENDITURES - ADP 216	I-VI 2014	I-VI 2013
	In thousand RSD	in thousand RSD
Expenditures from interest	28,451	28,957
Negative exchange rate differences-realized	15,718	50,957
Negative exchange rate differences - non-realized	10,076	4,786
Expend. from effects of contracted currency clause-realized	279	238
Expend. from effects of contracted currency clause-non-realize	11	55
	54,535	84,993

13. OTHER REVENUES - ADP 217	I-VI 2014	I-VI 2013
	in thousand RSD	in thousand RSD
Revenues from sale of equipment and materials	1,022	473
Revenues of collected, previously corrected receivables	32,384	1,046
Rev. of coll., prev. corr. receivables from Gold bank in bankrupt	-	1,335
Rev. of cancel. of reserving for litigation and employee benefits	501	5,060
Revenues from indemnity from legal and natural persons	7,039	2,218
Revenues from collected litigation costs	2,097	
Revenues of previous years	424	
Revenues from charged corr.receivables for housing loans	126	2,230
Revenues from calcel.of I.V. hous.loan due to transfer to v.corr.	816	
Other non-mentioned revenues	7	226
	44,416	12,588

14. OTHER EXPENDITURES - ADP 218	I-VI 2014	I-VI 2013
	In thousand RSD	In thousand RSD
Loss from sale of equipment	91	124
Expenditures from direct write-off of receivable	-	45
Expenses for humanitarian, religion and scientific purposes	22,525	10,748
Other non-mentioned expenditures	14,634	4,171
Ukidanje potraž. za stamb.zajmove zbog prelaska na v.k.	1,538	-
Costs from value corr. of receivables for services and interest	788,537	565,110
	827,325	580,198

Management, in the first half of 2014, after the evaluation of collectability of receivables, made the decision to correct the accounts receivables for goods, services and default interest in the amount of 788,537 thousand (786,829 for services and 1,708 penalty interest) where the major part value correction in the amount of 703,616 thousand (702,913 service and 703 penalty interest), refers to the airline company Air Serbia ad Belgrade, and 56,225 thousand to JAT Tehnika, 25,221 thousand (24,910 for services and 311 for default interest) to AVIOGENEX and 3,475 thousand (2,781 services and 694 penalty interest) to other customers. (For the first half of 2013 was corrected 565,110 thousand, of which the value correction for former Jat Airways refers to 564,353 thousand).

15. PROFIT TAX - ADP 225, 226 and 227				
a) Components of profit tax				
			I-VI 2014	I-VI 2013
			in thousand RSD in thousand RSD	
Period tax expenditure ADP 225			61,505	11,037
Deferred period tax expenditure ADP 226			-	-
Deferred period tax revenue ADP 227			5,470	6,807
			56,035	4,230
b) Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate				
			I-VI 2013	I-VI 2012
			in thousand RSD in thousand RSD	
Profit before tax			537,908	40,155
Profit tax calculated at rate of 15% for 2013 and 2014			80,686	6,023
Tax effect of expenditures not acknowledged in tax balance			11,113	10,450
Tax credit for investment in fixed assets of the current period			-	(5,436)
Tax credit for investment in fixed assets of the previous years			(30,294)	-
Other			-	-
Period tax expenditure ADP 225			61,505	11,037
c) Realized, non-utilized and non-recognized tax credit (TC)				
	Year of expiry	Amount of transfer.	Utilized	in thousand RSD Outstanding
Year of origination of tax credit		2013	2014	30.06.2014
2004	2014	121,717	30,294	91,423
2005	2015	106,634	-	106,634
2006	2016	159,464	-	159,464
2007	2017	33,154	-	33,154
2008	2018	57,663	-	57,663
2012	2022	156,179	-	156,179
2013	2023	190,236	-	190,236
Balance of tax credit (TC)		825,047	30,294	794,753
16. PROFIT PER SHARE - ADP 233				
			I-VI 2014	I-VI 2013
			in thousand RSD in thousand RSD	
Net profit for owners in RSD thousand			481,873	35,925
Average weighted number of shares			34,289,350	34,289,350
Basic profit per share in RSD			14.05	1.05

17. PROPERTIES, PLANTS, EQUIPMENT AND INTANGIBLE PROPERTY -ADP 004,006,007,008										in thousand RSD	
DESCRIPTION	Land	Constructing facilities	Equipment	Current investm. and advancements	Total ADP 006	Investment property ADP 007	Livestock unit ADP 008	Intangible investments ADP 004			
Purchase value											
Initial balance 01/01/2014	9,034,813	10,403,525	3,416,781	1,252,525	24,107,644	20,964	266	37,235			
Correction of initial balance based on assessment	-	-	-	-	-	-	-	-			
Balance after correction 01/01/2014	9,034,813	10,403,525	3,416,781	1,252,525	24,107,644	20,964	266	37,235			
Purchase during the year	-	-	-	550,549	550,549	-	-	3,922			
Transfer from current investments	-	-	92,670	(92,670)	-	-	-	-			
Alienation, disbursement and sale	-	-	(3,539)	-	(3,539)	-	-	-			
Other	-	-	-	26,273	26,273	-	-	-			
Final balance 30/06/2014	9,034,813	10,403,525	3,505,912	1,736,677	24,680,927	20,964	266	41,157			
Value correction											
Initial balance 01/01/2014	-	1,559,862	1,151,327	12,691	2,723,880	-	-	27,957			
Correction of initial balance based on assessment	-	-	-	-	-	-	-	-			
Balance after correction 01/01/2014	-	1,559,862	1,151,327	12,691	2,723,880	-	-	27,957			
Amortization in current year	-	193,820	167,735	-	361,555	-	-	1,669			
Alienation, disbursement and sale	-	-	(3,419)	-	(3,419)	-	-	-			
Other	-	-	-	-	-	-	-	-			
Final balance 30/06/2014	-	1,753,682	1,315,643	12,691	3,082,016	-	-	29,626			
Net current value 30/06/2014	9,034,813	8,649,843	2,190,269	1,723,986	21,598,911	20,964	266	11,531			
Net current value 31/12/2013	9,034,813	8,843,663	2,265,454	1,239,834	21,383,764	20,964	266	9,278			

Investments in progress and advances on 30.06.2014 in amount of RSD 1,723,986 thousand, mainly relate to ongoing investments in amount of RSD 1,677,703 thousand as follows: reconstruction and expansion of finger halls A, and C (Phase 1 and Phase 2) in the amount of RSD 858,492 thousand, reconstruction of apron C in the amount of RSD 306,063 thousand, rehabilitation taxiway A in the amount of RSD 96,488 thousand and taxiway E in the amount of 84,702 thousand, construction of transformer station T1 in the amount of 84,911 thousand, renovation and construction of the system room with technical block in the amount of 46,919 thousand, the construction of new route of heating pipeline 39,417 thousand, construction of reservoirs for water supply of sprinkler installation in the amount of 18,113 thousand for fire and smoke curtains 21,929 thousand, purchase of X-ray equipment 84,004 thousand and other investments in the amount of 36,665 thousand, as well as advance payments for property, plant and equipment amounting to RSD 46,283 thousand.

18. PARTICIPATION IN CAPITAL - ADP 010	30.06.2014.	31.12.2013.
	RSD	RSD
<i>Participation in capital of banks in bankruptcy</i>		
Privredna banka ad Beograd	392	392
<i>Minus: Val.corr.participation in capital banks in bankruptcy</i>	(392)	(392)
	-	-
<i>Participation in capital of banks in liquidation</i>		
Union banka AD Beograd- in liquidation	667	667
Beogradska banka AD Beograd-in liquidation	18,988	18,988
Beobanka AD Beograd-in liquidation	38	38
	19,693	19,693
<i>Minus: Val.corr.participation in capital of banks in liquidation</i>	(19,693)	(19,693)
	-	-
<i>Participation in capital of foreign legal entities</i>		
Mondijal-Bodrum -Turkey	358,598	358,598
Societe Intern. de Telecom. Aeronautiques Swisse (SITA)	3	3
<i>Minus: Correct. of val. of particip. in cap. of Mondijal Bodrum-Turke</i>	(358,598)	(358,598)
	3	3
	3	3

Because of the bankruptcy proceedings against the Commercial Bank ad Belgrade, the Company has estimated that on 31.12.2013, there has been impairment of securities - Equity investments Commerce Bank Belgrade, which has made the elimination of accumulated unrealized losses on these securities available for sale in the income statement in 2013.

18.a. OTHER LONG-TERM FINANS.INVEST-AOP 011	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Telecommunications Aeronautiques Swisse (SITA)	5,088	4,985
Long-term time deposits	-	-
Long-term loans given to employees	333,194	337,550
Receivables from sold social flats	1,265	1,321
Receivables for repurchase of solidarity flats	3,260	3,475
	342,807	347,331
Current maturities of long-term investments in Societe International de Telecommunications Aeronautiques Swisse (SITA)	(451)	(442)
Current maturities of long-term time deposits	-	-
Current maturities of long-term loans given to employees	(12,667)	(17,851)
Balancing of long-term loans given to employees to fair values	(168,509)	(169,327)
	161,180	159,711

Long term loans to employees are stated as on 30.06.2014 in the amount of RSD 337,719 thousand (including current maturities amounting to 12,667 thousand and the effects of fair value in the amount of RSD 168,509 thousand) relate to loans granted to employees for meeting the housing needs for the period of 20-40 years.

19. STOCKS AND GIVEN LOANS - ADP 013	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Basic materials	105,261	90,011
Spare parts	13,091	5,898
Tools and small inventory	4,984	2,586
Goods in warehouse	24,454	33,639
Goods in retail trade	92	43
Given advancements	69,364	8,470
Correction of values of stock materials and spare parts	(62)	(62)
	217,184	140,585

20. RECEIVABLES, ADP 016	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Receivables from buyers in the country	5,618,383	4,714,148
Receivables from buyers abroad	535,178	423,705
Receivables from buyer in the country for default interest	39,849	36,718
Receivables from banks for time and a vista funds	7,875	6,758
Receivables from employees	2,069	1,836
Other receivables	5,034	6,301
Total gross receivables	6,208,388	5,189,466
Value corr. of receivables from buyers in the country from prev. years	(4,224,359)	(2,343,699)
Value correction of receivables from buyers in the country current period	(786,803)	(1,911,915)
Value corr. of receivables from foreign buyers from previous years	(13,955)	(9,171)
Exchange rate differences for value corr. foreign buyers prev. years	(167)	29
Value corr. of receiv. from foreign buyers from current period	(26)	(5,703)
Value corr. of receivables from buyers for default interests prev. years	(34,926)	(18,496)
Value corr. of receivables from buyers for default interests current period	(1,708)	(16,670)
Correction of values of other receivables	(2,453)	(2,427)
Total correction of values- impairment	(5,064,397)	(4,308,052)
Net receivables (receivables corrected by correction of value)	1,143,991	881,414

Receivables as of 30/06/2014 in the amount of RSD 6,208,388 thousand include receivables from domestic and foreign customers for goods, services, default interest and other receivables, of which the largest amount relates to receivables from the company Air Serbia ad Belgrade; receivables for services and default interest in the amount of RSD 5,180,501 thousand.

Balanced of the total correction of values of receivables as of 30/06/2014 in the amount of RSD 5,064,397 thousand relates to:

- o Correction of value from previous years in the amount of RSD 4,275,835 thousand, of which 4,042,426 thousand refer to Air Serbia ad Belgrade,
- o Correction of value from the current year in the amount of RSD 788,562 thousand, of which RSD 703,616 thousand, refers to Air Serbia ad Belgrade.

21. SHORT-TERM FINANCIAL INVESTMENTS ADP 018	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Short-term loans given to employees	36,492	37,200
Short-term time deposits	570,608	483,005
Current maturities of long-term time deposits	-	-
Current maturities of long-term loans given to employees	12,667	17,851
Current Maturities of long-term investment in SITA Swisse (SITA)	451	442
Total short-term investments - gross	620,218	538,498
Balancing of loans given to employees to fair values	(202)	(326)
Net short term invest (corrected for value correction)	620,016	538,172
<i>Display of short-term time deposits from banks</i>	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Hypo Alpe Adria banka a.d, Belgrade	220,608	133,005
Findomestic banka Beograd	200,000	-
UniCreditbank a.d., Belgrade	150,000	150,000
Piraeus banka a.d. Beograd	-	200,000
	570,608	483,005

Short-term deposits as of 30.06.2014 shown in the amount of RSD 570,608 thousand, relate to foreign currency and dinar deposits, the interest rate for foreign currency deposits from 2.56 to 2.98% and the interest rate for dinar deposits in the range of 8.59 to 9.22% , the period of term up to six months, which is after the deadline re-deposited in domestic banks.

22. CASH AND CASH EQUIVALENTS - ADP 019	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Current account - RSD	123,793	33,288
Current account - foreign currency	838,241	859,667
Treasury	37	218
Other funds	2,996	3,605
Total cash - balance	965,067	896,778

22a CHANGES ON VALUE CORRECTION until 30.06.2014		RSD thousand				
	Cash and cash equivalents (Note 22)	Long-term financial investments (Note 18)	Stock materials and spare parts (Note 19)	Receivables from buyers (Note 20)	Short-term financial investments (Note 21)	Total
Initial balance 01/01/2013	58,012	177,079	100	2,393,116	539	2,628,846
Correction at cost of current period	-	-	-	1,934,288	-	1,934,288
Devaluation of long-term financial investments and securities	-	-	-	-	-	-
Charged, corrected receivables	(1,335)	(2,245)	-	(18,221)	(362)	(22,163)
Value reconciliation	-	(2,195)	-	-	161	(2,034)
Writ-off	(56,643)	(3,312)	-	(978)	(12)	(60,945)
Exchange rate differences	(34)	-	-	29	-	(5)
Other	-	-	(38)	(182)	-	(220)
Final balance 31/12/2013	-	169,327	62	4,308,052	326	4,477,767
Correction at cost of current period	-	-	-	788,537	-	788,537
Devaluation of long-term financial investments and securities	-	-	-	-	-	-
Charged, corrected receivables	-	(2)	-	(32,384)	(124)	(32,510)
Value reconciliation	-	-	-	-	-	-
Writ-off	-	-	-	-	-	-
Exchange rate differences	-	-	-	167	-	167
Other	-	(816)	-	25	-	(791)
Final balance 30/06/2014	-	168,509	62	5,064,397	202	5,233,170

23. VAT AND PREPAYMENTS AND ACCRUED INCOME ADP 020		30.06.2014	31.12.2013
		in thousand RSD	in thousand RSD
Deferred VAT + overpaid VAT		940	22,149
Costs of insurance paid in advance		6,482	12,622
Other costs paid in advance referring to future period		4,094	11,503
Accrued income relating to the current period		0	5,243
Accrued expensed		2,434	2,456
		13,950	53,973
24. SHARE CAPITAL - ADP 102			
	Value in RSD thousand	Number of shares	% of participation
Share capital 01/25/2011			
Republic of Serbia	17,107,193	28,511,988	83.15%
Employee and ex-employee of the Company	574,004	956,673	2.79%
Citizens of Republic of Serbia	2,892,413	4,820,689	14.06%
	20,573,610	34,289,350	100.00%
	Value in RSD thousand	Number of shares	% of participation
Share capital 31/12/2013			
Republic of Serbia	17,089,007	28,481,679	83.06%
Domestic natural persons	2,177,793	3,629,655	10.59%
Domestic legal entities	132,967	221,612	0.65%
Foreign natural persons	8,789	14,648	0.04%
Foreign legal entities	513,208	855,346	2.49%
Custody entities	651,846	1,086,410	3.17%
	20,573,610	34,289,350	100.00%
	Value in RSD thousand	Number of shares	% of participation
Share capital 30.06.2014			
Republic of Serbia	17,106,319	28,510,532	83.15%
Domestic and foreign natural persons	2,117,341	3,528,901	10.29%
Domestic and foreign legal entities	682,010	1,136,683	3.31%
Custody entities	667,940	1,113,234	3.25%
	20,573,610	34,289,350	100.00%
25. RESERVES ADP 104		30.06.2014	31.12.2013
		thousand RSD	thousand RSD
Legal reserves		0	0
Statutory reserves		1,534,430	1,529,339
		1,534,430	1,529,339

26. NON-REALISED LOSSES FROM SECURITIES ADP 107	30.06.2014	31.12.2013
	000 RSD	000 RSD
Initial balance on 01/01	0	291
Increase due to decrease of fair value (shares in PBB)	0	0
Decrease due to increase of fair value	0	-291
	-	-
27. NON-DISTRIBUTED PROFIT - ADP 108	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Initial balance on 01.01.	16,205	727,657
<i>Initial balance correction</i>	<i>(2,884)</i>	<i>0</i>
Corrected initial balance on 01.01.	13,321	727,657
Part of the profit distrib. to the Establisner (dividena), under Decision of the Shareholders Assembly on profit distribution for 2013 (the Decision no. 21-14/1 from 30/06/2014)	(6,836)	(363,997)
Part of the profit distrib. to the OTHER SHAREHOLDERS (dividend), Decision of the Sharehold. Assembly on profit distrib. for 2012 (the Decision no. 21-13/1 from 27/06/2013)	(1,394)	(74,221)
Part of the profit distrib. for reserves of the Company, under Decision of the Shareholders Assembly on profit distrib for 2013 (the Decision no. 21-14/1 from 30/06/2014)	(5,091)	(231,551)
Part of the profit distributed for partic. of employees, under Decision of the Shareholders Assembly on profit distribution for 2012 (the Decision no. 21-13/1 from 27/06/2013)	-	(57,888)
Profit from current operations	481,873	16,205
Total profit balance at the end of analized period	481,873	16,205

28. LONG-TERM RESERVES ADP 112	30.06.2014	31.12.2013		
	thousand RSC	thousand RS		
employees	47,846	48,501		
Reserves for jubilee bonuses	64,841	66,217		
Reserves for litigations	47,436	61,936		
	160,123	176,654		
		thousand RS		
Changes on reserves	Terminal wages	Jubilee bonuses	Litigations	Total
Balance on 01/01/2013	39,167	55,842	116,699	211,708
Reserves during the year	10,660	15,544	2,080	28,284
Cancellation during the year			-47,502	-47,502
Pay off during the year	(1,326)		(9,341)	(15,836)
Balance on 31/12/2013	48,501	66,217	61,936	176,654
Balance on 01/01/2014	48,501	66,217	61,936	176,654
Reserves during the current year	0		2,000	2,000
Cancellation during the year	-	(1)	(500)	(501)
Pay off during the year	(655)	(1,375)	(16,000)	(18,030)
Balance on 30/06/2014	47,846	64,841	47,436	160,123

29. LONG-TERM LOANS ADP 114	30.06.2014	31.12.2013
	thousand RSC	thousand RS
In the country	0	0
Abroad	996,002	1,033,947
Current maturities	(48,256)	(95,559)
	947,746	938,388

Receivables from long-term loans	Principal		Non-booked interests	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013
	thousand	thousand	thousand	thousand
up to one year	48,256	95,559	22,165	44,969
from one year up to two years	96,512	95,559	41,064	40,659
from two years up to three	96,512	95,559	36,711	36,349
from three years up to four	96,512	95,559	32,358	32,038
from four years up to five	96,512	95,559	28,005	27,728
from five years up to ten years	460,082	455,539	69,332	68,647
over ten years	101,616	100,613	10,851	10,744
	996,002	1,033,947	240,486	261,134

	Annual interest rate	Maturity date	Outstanding amount on	31.12.2013	
			30.06.2014 (EUR)	30.06.2014	in thousand RSD
a) Long-term loans in the country					
Piraeus banka a.d. Belgrade	4.50%	26.05.2013.g.	0	0	0
b) Long-term loans abroad					
European Investment Bank	4,07-5,16%	2025.g.	8,576,411	996,002	1,033,947
Total long-term loans(a+b)			8,576,411	996,002	1,033,947
Current maturities of long-					
a) in country			0	-	-
b) Abroad				(48,256)	(95,559)
Total curr receiv. of long-term loans(a+b):				(48,256)	(95,559)
				947,746	938,388

Long-term borrowings are stated as at 30.06.2014 in the amount of RSD 996,002 thousand (€ 8,576,411), refer to the remaining obligations under the Agreement on funding the Emergency Road Repair concluded 13.12.2001 between the EIB and the Republic of Serbia. By the aforementioned agreement, the Company was granted a loan in the amount of 13,000,000 euros for investment and renovation of airport infrastructure. The loan was granted with repayment period up to 2025, with an interest rate of 5.16% for the first installment of 3,000,000.00 Euros, 4.85% for the second tranche of EUR 3,000,000.00 and 4.07% for the third tranche of 7,000,000,00 euros. Repayment of the first tranche of the loan shall be made in 31 equal semi-annual installments starting from 05.12.2007, the second tranche is repayable in 30 equal semi-annual installments starting from 20.02.2009 and the third installment began to be repaid from 20.06.2010 in 32 equal semi-annual installments.

30. OTHER LONG-T. LIABIL, ADP 115	30.06.2014	31.12.2013
	thous. RSD	thous. RSD
Liabilities from financial leasing	1,133	29,809
	0	0
	1,133	29,809
Current maturities of other long term liabilities	(1,133)	(29,809)
	-	-

<i>Liabilities from financial leasing</i>	sum of minimal leasing installments		current value of minimal leasing installments	
	30.06.2014	31.12.2013	30.06.2014	31.12.2013
<i>Due on</i>	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
up to one year	1,136	30,056	1,133	29,809
from one to three years	-	-	-	-
interest	1,136	30,056	1,133	29,809
	(3)	(247)		
Current value of min. leasing installments	1,133	29,809	1,133	29,809
Current maturities of financial leasing				(29,809)
			1,133	0

Obligations under financial leases reported as of 30/06/2014 in the amount of RSD 1,133 thousand in general referred to the remaining obligations to the Hypo Alpe Adria Leasing, relating to the procurement of special airport equipment. That obligation will be settled in full by the end of 2014.

31. SHORT-TERM FINANCIAL LIABILITIES - ADP 117	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
<i>Current maturity</i>		
Long-term loans	48,256	95,559
<i>Other long-term liabilities</i>	1,133	29,809
	49,389	125,368

32. BUSINESS LIABILITIES - ADP 119	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Received advance payments	55,641	36,769
Suppliers in country	193,677	152,855
Suppliers abroad	133,081	127,078
Other operating liabilities	11,316	2,835
	393,715	319,537

33. OTHER BUSINESS LIABILITIES - ADP 120	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Liabilities for salaries	31,395	239
Liabilities for dividend-net	3	3
Other short-term liabilities	20,519	2,398
	51,917	2,640

34. LIABILITES FOR VAT, OTHER PUBL.EXPENDITURES AND ACCRUED COSTS AND DEFERRED REVENUES ADP 121	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Liabilities for VAT	52,626	6,691
Liabilities for customs and other duties	1,132	860
Calculated costs	142,867	37,743
Calculated revenues of future periods	3,410	14,920
Other accrued costs and deferred revenues	-	941
Taxes, contributions and other duties	7,095	805
	207,130	61,960

Accrued expenditures in the amount of RSD 142,867 thousand related to accrued expenditures for services performed and not invoiced by suppliers during the first half of 2014. At the moment of receipt of invoices, the services will be recorded through accounts payables.

35. OFF-BALANCE REGISTER ADP 125	30.06.2014	31.12.2013
	thousand RSD	thousand RSD
Blank promissory notes received -nos	1,489	1,313
Given promissory notes local-nos	73	182
Received guarantees in RSD	214,342	199,056
Received guarantees-foreign currency	261,773	362,592
Given guarantees- RSD	4,500	4,500
Given guarantees- foreign currency	0	0
Solidarity funds from employee salaries	615	612
Total off-balance assets and liabilities	481,231	566,762

36. DEFERRED TAX LIABILITIES-ADP 123		
	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Current accounting value of fixed property on balance date	10,870,703	11,139,624
Current value of fixed property for taxing purposes on balance date	8,000,658	8,233,112
Difference between accounting and tax current value of fixed property	2,870,045	2,906,512
PERMANENT DIFFERENCE - for equipment below average gross value on balance date	759	759
Temporary difference on balance date	2,869,286	2,905,753
Deferred tax liability on balance date (15% of temporary differences)	430,393	435,863
Deferred tax liability (15% of security)	0	0
Balance of the account 498000 before booking	435,863	439,429
Difference for accounting on deferr. (6-8)	-5,470	-3,566
Difference for the booking on deferred liabilities	0	0
Deferred tax liabilities, booked on result increase/decrease	-5,470	-3,566
Deferred tax resources based on estimation of utilization of tax loan-result increase	0	0
Deferred tax resources based on reserves for terminal wages-result increase	0	0
Deferred tax resources based on unpaid taxes	0	0
	5,470	3,566
Balance of deferred tax liabilities after set off with tax resources	430,393	435,863

Deferred tax liabilities relate to temporary differences between the bases on which property, plant and equipment and investment property are recognized in the income tax and the carrying amount of these assets in the financial statements of the Company (pursuant to the applicable income tax rate of 15% to the amount of determined difference).

37 FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Categories of financial instruments	30.06.2014				31.12.2013			
	total	correction of value	net amount	total	total	correction of value	net amount	total
Financial resources								
1 Long-term financial investments	708,375	(547,192)	161,183	707,724	(548,010)	159,714	159,714	
-Long-term time deposits	4,637	-	4,637	4,543	-	4,543	4,543	
-Participation in bank capital	20,085	(20,085)	0	20,085	(20,085)	0	0	
-Participation in capital of foreign legal entities	358,601	(358,598)	3	358,601	(358,598)	3	3	
-Long-term housing loans given to employees	325,052	(168,509)	156,543	324,495	(169,327)	155,168	155,168	
2 Receivables disclosed at nominal value	6,828,606	(5,084,599)	1,764,007	5,727,964	(4,308,378)	1,419,586	1,419,586	
-Receivables from buyers	6,153,561	(5,025,310)	1,128,251	5,137,853	(4,270,459)	867,394	867,394	
-Short-term financial investments	620,218	(202)	620,016	538,498	(326)	538,172	538,172	
Receivables from interest	47,724	(36,634)	11,090	43,476	(35,166)	8,310	8,310	
-Other receivables	7,103	(2,453)	4,650	8,137	(2,427)	5,710	5,710	
3 Cash and cash equivalents	965,067	-	965,067	896,778	-	896,778	896,778	
	8,502,048	(5,611,791)	2,890,257	7,332,466	(4,856,388)	2,476,078	2,476,078	
Financial obligations								
1 -Long-term loans	947,746	0	947,746	938,388	0	938,388	938,388	
2 -Financial leasing- long-term part	-	-	0	0	-	0	0	
3 -Other long-t. liabilities-Direction for constructing land	0	0	0	0	0	0	0	
4 -Current maturities of long-t. loans	48,256	-	48,256	95,559	-	95,559	95,559	
5 -Current maturities of long-t. financial leasing	1,133	0	1,133	29,809	0	29,809	29,809	
6 -Current maturities of other long-t. liabilities	-	-	0	-	-	0	0	
7 -Short-term liabilities	338,074	-	338,074	282,768	-	282,768	282,768	
	1,335,209	-	1,335,209	1,346,524	-	1,346,524	1,346,524	

Basic financial instruments of the Company cash and cash equivalents, receivables, financial investments arising directly from the Company's business, the Company is exposed to financial risks (market risk, credit risk and liquidity risk) operations, as well as long-term loans, obligations towards suppliers or other liabilities primarily intended to finance current operations. In the normal course of business, the Company is exposed to financial risks (market risk, credit risk and liquidity risk).

Aims of financial risk management

I MARKET RISK

In analysis of market impact on financial instrument, the Company observes risk of exchange rate change (currency risk), interest rate change risk and risk of price change.

a) Currency risk (foreign currency risk)

The Company is exposed to foreign currency risk through cash and cash equivalents, receivables, liabilities from long-term loans, financial leasing liabilities and liabilities to foreign suppliers.

Accounting values of financial resources and obligations in RSD thousand, disclosed in foreign currency on date of reporting in the Company are the following:

	in 000 RSD					
	Total assets				Total liabilities	
	30.06.2014		31.12.2013		30.06.2014	31.12.2013
	gross	net	gross	net		
EUR	1,419,956	1,237,097	1,287,382	1,102,884	1,064,546	1,153,759
USD	398,354	398,354	351,849	351,849	65,670	37,075
CHF	300	300	296	296	0	0
GBP	8	8	9	9	0	0
RSD counter value in curr.-total	1,818,618	1,635,759	1,639,536	1,455,038	1,130,216	1,190,834
RSD val.	6,683,430	1,254,498	5,692,930	1,021,040	204,993	155,690
Total	8,502,048	2,890,257	7,332,466	2,476,078	1,335,209	1,346,524

The analysis of the currency structure of financial assets and liabilities on 30.06.2014 compared to the balance on 31.12.2013 shows that the funds contracted with foreign currency exceed the contracted financial obligations in foreign currencies. Financial liabilities contracted in currencies are generally long-term nature, from which it results that the Company does not operate with a high currency risk.

The Company is sensitive mainly to changes in the exchange rate of the euro (EUR) and the American dollar (USD).

The following table presents a sensitivity analysis of the Company to increase and decrease the dinar exchange rate of 10%, compared to the observed foreign currency. The sensitivity analysis includes only outstanding receivables and payables expressed in foreign currencies and shows their change of 10% at the end of the reporting period in the foreign currency exchange rates. A positive number in the table indicates the increase in the results of the current period when Dinar strengthens against the currency in question. In the case of depreciation of the Dinar by 10% compared to the foreign currency impact on the results of the current period would be negative.

		In thousand RSD							
		30.06.2014							
		EUR effect		USD effect		CHF effect		GBP effect	
Changes		10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit / loss		35,541	-35,541	33,268	-33,268	30	-30	1	-1

		In thousand RSD							
		31.12.2013							
		EUR effect		USD effect		CHF effect		GBP effect	
Changes		10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit / loss		13,362	-13,362	31,477	-31,477	30	-30	1	-1

b) Risk of interest rate change

The Company is exposed to interest rate risk on assets and liabilities with floating interest rate.

Risk of interest rate change does not represent significant risk for the Company, as categories of financial instruments with contracted interest, are mainly defined by fixed interest rate.

Variable interest rate is agreed for financial leasing.

Change of interest rates would not materially significantly affect incomes and expenditures of the Company or money flows as the share of obligations contracted with variable interest rate is insignificant in the total contracted obligations. Total outstanding obligations for interest on financial leasing in the amount of RSD 3 thousand will be due by the end of 2014. (Note No.30)

Financial instruments classified by categories of interest and non-interest resources are disclosed in the following summary:

In thousand RSD

Financial assets-net	30.06.2014			31.12.2013		
	total	value correc.	net amount	total	value correc.	net amount
No interest						
Share in capital of other legal entities	378,686	(378,683)	3	378,686	(378,683)	3
Receivables from buyers	6,153,561	(5,025,310)	1,128,251	5,137,853	(4,270,459)	867,394
Interest and other receivables	54,827	(39,087)	15,740	51,613	(37,593)	14,020
Short-term financial investments	36,492	0	36,492	37,200	0	37,200
Cash and cash equivalents	965,067	-	965,067	896,778	-	896,778
No interest-total	7,588,633	(5,443,080)	2,145,553	6,502,130	(4,686,735)	1,815,395
Fixed interest rate						
Long-term financial investments	329,689	(168,509)	161,180	329,038	(169,327)	159,711
Short-term financial investments	583,726	(202)	583,524	501,298	(326)	500,972
Fixed-total	913,415	(168,711)	744,704	830,336	(169,653)	660,683
	8,502,048	(5,611,791)	2,890,257	7,332,466	(4,856,388)	2,476,078
Financial obligations						
No interest						
Operating liabilities	338,074	0	338,074	282,768	0	282,768
No interest-total	338,074	0	338,074	282,768	0	282,768
Fixed interest rate						
Long term loans	947,746	0	947,746	938,388	0	938,388
Curr.matur.long term oblig.	48,256	0	48,256	95,559	0	95,559
Fixed-total	996,002	0	996,002	1,033,947	0	1,033,947
Variable interest rate						
Other long t. liabil	0	0	0	0	0	0
Curr.matur.long term oblig.	1,133	0	1,133	29,809	0	29,809
Variable-total	1,133	0	1,133	29,809	0	29,809
	1,335,209	0	1,335,209	1,346,524	0	1,346,524

a) Risk of price change

The Company estimates that there is no risk of price change, because financial instruments of the Company are not subject to price change on the market.

The Company in very little extent deals with securities, subject to price change in exchange market. Furthermore, the Company has no turnover of goods subject to price change. The greatest item in traffic of goods is kerosene traffic with transit goods treatment.

II CREDIT RISK

The Company estimates that of all the risks to which financial instruments may be exposed to, the largest is credit risk which is the risk that counterparties will not be able to settle its debts in full and on time, which would result in a financial loss for the Company.

Company has huge receivables of domestic and foreign buyers on 30.06.2014 (6.153.561 thousand RSD), so the credit risk permanently exists. In order to decrease this risk the Company regularly monitors charging, analyses charging value realised in due period, charging after due date and uncollected receivables.

Higher percentage of individual share in total receivables can represent higher credit risk especially if the buyer has unstable liquidity and if due to that reason contracted payment term exceeds.

Receivables from domestic buyers for goods and services on 30.06.2014 in the amount of 5,618,383 thousand RSD, participate with 91.30% in total receivables from buyers for goods and services and mostly refer to receivables from Air Serbia a.d., which amount to 5,145,872 thousand RSD, which makes 91.59% of total uncollected receivables from domestic buyers. Considerable participation in uncollected receivables from domestic buyers has also Jat Tehnika with 3.44% or 193.493 thousand RSD, which together makes 95.03% of totally uncollected receivables from domestic buyers.

Receivables from foreign buyers for goods and services in the amount of 535,178 thousand RSD, which makes 8.70% of total receivables from buyers for goods and services.

Increase in balance of receivables from domestic buyers on 30/06/2014 by 19.18% in comparison to the balance on 31/12/2013, indicates increase in credit risk, as most of the increase of receivables refer to one buyer (Air Serbia a.d., increase of receivables by 20.31%).

Due receivables from domestic and foreign buyers for goods and services due over 60 days on 30.06.2014 amount to RSD 5,037,949 thousand (and on 31.12.2013 it was 4,329,215 thousand RSD) from which is corrected 99.75% or RSD 5,025,310 thousand, and receivables in the amount of RSD 12,639 thousand or 0.25% are not corrected, as for the same is estimated certainty of collection. The amount of RSD 4,238,481 thousand is corrected at the cost of the result of the Company in earlier years and RSD 786,829 thousand at the cost of the result of the Company in current 2014. The greatest participation in due corrected receivables for goods and services, in the amount of RSD 4,711,413 thousand or 93.75% is that of Air Serbia a.d.

Part of the receivables for goods and services, corrected in the previous years (at the cost of the result of previous years), and insignificantly collected in 2014 in the amount of 32,144 thousand RSD was recorded in favour of the result for the company for 2014. Stated refer to collected corrected receivables from Air Serbia a.d. in the amount of RSD 3,030 thousand, to collected corrected receivables from JAT Tehnika in the amount of RSD 23,726 thousand, RSD 4,432 thousand from Air Serbia-Catering and RSD 956 thousand for corrected receivables from other buyers.

Summary of receivables and value corrections from current and earlier years, per buyers of goods and services, (for accounts 202 and 203), on 30/06/2014 concurrently with balance on 31/12/2013, with account of corrected receivables in the period from 01/01/ to 30/06/2014 is given in the following table.

Summary of receivables and value corrections per buyers, for accounts 202 and 203, on 30.06.2014 concurrently with balance on 31/12/2013, with account of corrected receivables in the period from 01/01/ to 30/06/2014

No.	Buyer's name	30.06.2014				31.12.2013		Charging of disputable receivables in period I-VI 2014		
		Receivables per buyers in 000 RSD	% Share in total receiv.	Value correction in RSD thousand from prev. years	Value correction in RSD thousand from curren.	tot. corr. value	Receivables per buyers in 000 RSD		% Share in total receiv.	Value correction in 000 RSD
1	Air Serbia	5,145,872	83.62	4,008,500	702,913	4,711,413	4,277,027	83.25	4,011,530	3,030
2	Jat Tehnika d.o.o.	193,493	3.14	125,120	56,225	181,345	195,022	3.80	148,846	23,726
3	International OG	41,452	0.67	41,452	0	41,452	41,452	0.81	41,452	0
4	Air-Serbia Katering d.o.o.	25,061	0.41	24,741	0	24,741	29,428	0.57	29,173	4,432
5	Aviogenex d.o.o.	28,324	0.46	34	24,910	24,944	22,290	0.43	34	0
6	Montenegro Airlines	44,222	0.72	0	0	0	35,962	0.70	0	0
7	Wtzz Air+Branch	114,031	1.85	0	0	0	75,744	1.47	0	0
8	Fly Dubai	17,609	0.29	0	0	0	35,885	0.70	0	0
9	Deutsche Lufthansa	53,653	0.87	22	22	22	50,449	0.98	22	0
10	Branch of Austrian Airlines	29,774	0.48	0	0	0	25,442	0.50	0	0
11	Swiss Air	34,972	0.57	0	0	0	25,186	0.49	0	0
12	Turkish Airlines	37,993	0.62	0	0	0	47,018	0.92	0	0
13	Spanair	25	0.00	19	0	19	24	0.00	19	0
14	Other domestic and fore. buyers	387,080	6.29	38,426	2,781	41,207	276,924	5.39	39,383	966
I	TOTAL (ACCOUNT 202+203)	6,153,561	100.00	4,238,314	786,829	5,025,143	5,137,853	100.00	4,270,459	32,144
15	Rating of correction of for buyers	0		167	0	167	0		0	0
II	Balance on balance sheet date	6,153,561		4,238,481	786,829	5,025,310	5,137,853		4,270,459	32,144
No.	Revision of balance of receivables from dom and fore. buyers	Amount in RSD thousand on 30/06/2014	% share in tot. receiv. from buyers	Value corr. from prev. period in RSD thousand	Value corr. for (I-VI 2014) in RSD thousand	Tot. val. corr 30/06/2014 in thousand RSD	Amount in RSD thousand on 31/12/2013	Index	% portion of balance of dom. buyers w within total receivables from buyers in domestic market on 30.06.2014	
1	Domestic market buyers	5,618,383	91.30	4,224,359	786,803	5,011,162	4,714,148	119.18	JAT Airways	91.59
2	Foreign market buyers	535,178	8.70	14,122	26	14,148	423,705	126.31	Jat Tehnika	3.44
I	Total receivables from buyers of goods and services (1+2)	6,153,561	100.00	4,238,481	786,829	5,025,310	5,137,853	119.77	Amount	95.03
									Other dom. buyers	4.97
									Total. dom. buy	100.00

Napomene uz finansijske izveštaje na dan 30.06.2013.

AD Aerodrom Nikola Tesla Beograd

Age distribution of receivables from buyers for goods and services is given in the following table.

Age pattern of receivables	30.06.2014	share	31.12.2013	share
	in 000 RSD		in 000 RSD	
Undue receivables from buyers	683,259	11.10%	542,208	10.55%
Due receivables, up to 60 days	432,353	7.03%	266,430	5.19%
Due, corrected receivables over 60 days	5,025,310	81.67%	4,270,459	83.12%
Due, non-corrected receivables over 60 days	12,639	0.21%	58,756	1.14%
Total receivables-gross	6,153,561	100.00%	5,137,853	100.00%
Total receivables - net (gross minus correction)	1,128,251		867,394	

Summary of overdue receivables not older than 60 days on 30.06.2014 and on 31.12.2013:

	30.06.2014.	share	31.12.2013.	share
	in thousand RSD		in thousand RSD	
Air Serbia	351,973	81.41%	208,232	78.16%
Fly Dubai	3,421	0.79%	17,072	6.41%
JAT Tehnika	8,869	2.05%	8,204	3.08%
Montenegro	0	0.00%	2,028	0.76%
Aitalia	6,434	1.49%	3	0.00%
Norwegian	5,992	1.39%	789	0.30%
Deutsche Lufthansa	5	0.00%	1,893	0.71%
Wizz Air	10,503	2.43%	0	0.00%
Germanwings	5,521	1.28%	2,048	0.77%
Others	39,635	9.17%	26,161	9.82%
Due receivables up to 60 days, on 30.06.2014	432,353	100.00%	266,430	100.00%

Summary of overdue receivables over 60 days that have not been corrected at the cost of the Company's results, based on assessment of recoverability, which is done according to the Regulations on Accounting and the accounting policies of the Company:

	30.06.2014	share	31.12.2013	share
	in thousand RSD		in thousand RSD	
Pegasus Airlines	1,371	10.85%	0	0.00%
JAT-Tehnika	0	0.00%	34,229	58.26%
Sita	4,833	38.24%	0	0.00%
Aviogeneks	0	0.00%	19,883	33.84%
Others	6,435	50.91%	4,644	7.90%
Due, uncorrected receivables over 60 days (estimated recoverability)	12,639	100.00%	58,756	100.00%

On the day 30.06.2014.godine, the Company has not develued receivables over 60 days in the amount of RSD 12,639 thousand.

Age pattern of receivables from Air Serbia due on 30.06.2014 and 31.12.2013

Description	Receivables for services, default interest excluded 30.06.2014	Default interest receivables 30.06.2014	Total receivables, default interest included 30.06.2014	Total receivables, default interest included 31.12.2013
1	2	3	4 (2+3)	5
RECEIVABLES from Air Serbia on the balance date	5,145,872	34,629	5,180,501	4,310,952
Undue receivables from Air Serbia	82,485	0	82,485	57,265
Receivables from Air Serbia, due up to 60 days	351,974	0	351,974	208,232
Receivables from Air Serbia, due over 60 days	4,711,413	34,629	4,746,042	4,045,455
Receivables from Air Serbia, due over 60 days-corrected in the current year	702,913	703	703,616	1,927,331
Receivables from Air Serbia, due over 60 days-corrected in previous years	4,008,500	33,926	4,042,426	2,118,124
Total corrected receivables from Air Serbia due over 60 days	4,711,413	34,629	4,746,042	4,045,455
Total non-corrected receiv. from Air Serbia due over 60 days - agreement with Air Serbia	0	0	0	0

Total receivables from Air Serbia on 30.06.2014 amount to RSD 5,180,501 thousand, of which receivables for goods and services RSD 5,145,872 thousand, and for default interest RSD 34,629 thousand.

Of the total amount of overdue receivables older than 60 days from Air Serbia in the amount of RSD 4,746,042 thousand on 30.06.2014:

- RSD 4,042,426 thousand relates to unpaid corrected receivables for services and default interest from previous years, and
- RSD 703,616 thousand relates to the corrected unpaid receivables for services and default interests, at the cost of the result of the analyzed period 2014, referring to current receivables over 60 days, which were estimated as uncertain to be collected.

III - LIQUIDITY RISK AND CASH FLOWS

Liquidity is the ability of the Company to meet its obligations on their maturities. The ultimate responsibility for liquidity risk management is on the management of the Company, which established a proper system of managing the short-term, medium-term and long-term financing of the Company and liquidity management. By continuous monitoring of projected and actual cash flows, the Company maintains adequate cash reserves, and also maintains an adequate ratio of maturities of assets and liabilities.

Maturity of financial resources	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Up to 30 days	2,259,090	1,443,265
1 - 3 months	449,053	802,701
3-12 months	20,930	70,398
1 - 5 years	161,184	31,241
over 5 years	0	128,473
	2,890,257	2,476,078

Maturity of financial liability	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Up to 30 days	339,207	289,142
1 - 3 months	0	23,513
3-12 months	48,256	95,481
1 - 5 years	384,711	382,236
over 5 years	563,035	556,152
	1,335,209	1,346,524

Maturity of receivables for interests per loans	30.06.2014	31.12.2013
	in 000 RSD	in 000 RSD
Up to 30 days	2	81
1 - 3 months	5,352	17,966
1-12 months	16,814	27,169
1 - 5 years	138,138	136,774
over 5 years	80,183	79,391
	240,489	261,381

In the Table of liquidity risk and cash flow risk, there are presented cash flows, i.e. time of expected inflow and outflow of resources. The total financial resources in net amount are higher than total obligations and also based on due dates liquidity is not endangered because short-term obligations are much less than short-term liquid resources. Within the structure of short-term resources the most important value is of receivables from domestic and foreign customers, cash and cash equivalents and short-term investments that are after the cash first by degree of liquidity.

Financial liabilities of long-term character in the amount of RSD 947,746 thousand which participate with 70.98% in the total financial liabilities of the Company in full refer to long-term loan from the EIB. Long-term financial liabilities due within 1 to 5 years and over 5 years are higher than financial resources in that period. It is expected that the Company will be able to obtain financing from its future current business, which will be sufficient, in addition to the settlement of current liabilities, to cover agreed – future long-term borrowings and interest.

Currently estimated liquidity should be viewed with caution, because the analysis was done only on the basis of balance on 30.06.2014 and not on the basis of future total turnover, which can disrupt the existing balance of liquid assets, if in future business the relationship between the supply of services to customers changes.

In addition to the above, there is a risk of compromising liquidity, and if in the future does not improve the collection of receivables from customers who mainly participate in the balance of due receivables.

In order that the Company could manage the risks of the financial instruments it is necessary that it properly manages the capital risk too.

Capital risk management

The aim of capital risk management is provision of such a structure of capital that will secure safety in operating, liquidity and solvency. Apart from own capital, consisting of core capital, reserves and non-distributed profit, the Company also utilizes resources of other persons in the form of long-term loans and financial leasing. The Company invests free resources from current accounts in the form of short-term deposits.

Indebtedness indicators of the Company with balance at the end of the period I-VI 2014 and at the end of 2013 are the following:

	<u>30.06.2014</u>	<u>31.12.2013</u>
	In thousand RSD	In thousand RSD
1 Indebtedness (ADP 113 + ADP 117)	997,135	1,063,756
2 Cash and cash equivalents (ADP 019)	965,067	896,778
I GROSS INDEBTEDNESS (1-2)	32,068	166,978
3 Ratio of indebtedness against capital (I/5)	0.0014	0.0076
4 Short-term financial investments (ADP 018)	620,016	538,172
II NET INDEBTEDNESS (I-5)	(587,948)	(371,194)
5 Capital (ADP 101)	22,589,913	22,116,270
6 Ratio of indebtedness against capital (II/5)	-0.0260	-0.0168

1. Indebtedness includes long-term obligations per loans, other long-term obligations and obligations per financial leasing, as well as short-term maturities based on long-term obligations.
2. The liquid assets I (first) degree in addition to cash and cash equivalents may include short-term investments, that the Company may without the risk, in the shortest possible time, convert into the cash;
3. Capital includes share capital, reserves of the Company and non-distributed profit.

In Belgrade, 31.07.2014

Person responsible for drafting of financial statements



 Zorka Latinović



 Legal representative

**JOINT STOCK COMPANY AIRPORT NIKOLA TESLA
BELGRADE**

АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
09 Бр. 4656
11.08. 2014 год.

**BUSINESS REPORT FOR THE SECOND QUANRTER OF
2014 AND FOR PERIOD
I – VI 2014**

BELGRADE, 31 JULY 2014

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1. GENERAL DATA OF THE COMPANY

1	Business name	JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
	Head office and address	11180 Belgrade 59
	Register number	07036540
	TIN	100000539
2	web site and e-mail address	www.beg.aero ; kabinet@beg.aero
3	Number and date of the Rescript on Company registration	Number of registration: BD 4874/2005 Date of registration: 06/15/2005
4	Activity (code and description)	5223-Air-traffic services
5	Number of employees	480 employees on 30/06/2014
6	Core capital value	RSD 20,573,610,000 on 30/06/2014
7	Name, head office of auditor who revised the last financial statement	Deloitte d.o.o, No. 8 Terazije St, Belgrade
8	Number of issued shares, ISIN number and CFI code	Number of ordinary shares 34,289,350 (on 30/06/2014) CFI code ESVUFR ISIN number RSANTBE11090
9	Organised exchange market on which the shares are exchanged	Beogradska berza ad Beograd, No. 1 Omladinskih brigada St, 11070 Novi Beograd

Ten leading shareholders on 01/07/2014

No.	Name of shareholder	Number of shares	% of participation
1)	REPUBLIKA SRBIJA	28,510,532	83.15
2)	KJK FUND II SICAV SIF	441,137	1.29
3)	RAIFFEISEN BANK AD BEOGRAD – CUSTODY ACCOUNT	387,421	1.13
4)	EAST CAPITAL (LUX) – BALKAN FUND	183,881	0.54
5)	UNICREDIT BANK SRBIJA A.D. – CUSTODY ACCOUNT	133,470	0.39
6)	UNICREDIT BANK SRBIJA AD – CUSTODY ACCOUNT	130,064	0.38
7)	DANSKE INVEST TRANS – BALKAN FUN	116,054	0.34
8)	UNICREDIT BANK SRBIJA AD – CUSTODY ACCOUNT	80,000	0.23
9)	POLUNIN DISCOVERY FUNDS	70,516	0.21
10)	SOCIETE GENERALE BANKA SRBIJA – CUSTODY ACCOUNT	67,349	0.20

2. MANAGEMENT DATA:

Management members on the date 30.06.2014:

The Supervisory Board:		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Snežana Paunović, Peć	Economist, President of Municipal Assembly Dečani
2	Darko Glišić, Ub	Geodetic Engineer, President of Ub Municipality
3	Jovan Vorkapić, Belgrade	Bachelor of Laws, Director of the Directorate for Property of the Republic of Serbia
4	Aleksandar Marković, Belgrade	Bachelor of Economy, member of the Assembly of the City of Belgrade
5	Goran Mirković, Belgrade	Economist, Senior Associate for completion of documentation and coordination of monitoring the implementation of the contracts
6	Petar Jarić, Belgrade	Bachelor of Economy, Director of „JP poslovni prostor Zemun“
7	Dragoslav Stanković, Doljevac	Economist, Jugoistok, Niš

The Executive Board:		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Prof. Velimir Radosavljević, PhD, Belgrade	PhD ME JSC Airport Nikola Tesla Belgrade, General Director
2	Violeta Jovanović, Belgrade	MA of economy, JSC Airport Nikola Tesla Belgrade, Executive Director
3	Dejan Milovanović, Prokuplje	Specialist, Vocational Engineer of Agriculture, JSC Airport Nikola Tesla Belgrade, Executive Director
4	Zoran Stojković, Belgrade	Bachelor of Laws, JSC Airport Nikola Tesla Belgrade, Executive Director

Data on number of shares owned by management members are in the book of shareholders, as an official document issued by the Central Securities Depository and Clearing House.

AD Aerodrom "Nikola Tesla" Beograd, as member of Chamber of Economy of Serbia, has accepted *the Corporate management Codex*, issued in the Official Gazette of Republic of Serbia, no 99/2013, as well as on the web site of the Company www.beg.aero

3. AIR TRAFFIC TURNOVER

In the period I-VI 2014 it was achieved total air traffic turnover, as follows:

- 27,312 air movements,
- 1,988,564 passengers and
- 5,512 tons of cargo and mail.

In the period I-VI 2014 it was achieved total air traffic turnover, as follows:

- 15,252 air movements,
- 1,203,268 passengers and
- 3,077 tons of cargo and mail.

3.1. AIR MOVEMENT TURNOVER

Achieved number of air movements per air traffic type in the period I-VI 2014 shown in the table

Air traffic type	Achieveme I-VI 2013	Plan I-VI 2014	Achievemen I-VI 2014	Index	Index	Share I-VI 2013	Share I-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	45	49	53	118	108	0.22	0.20
International air traffic-domestic carriers	8,560	14,897	14,184	166	95	41.88	51.93
International air traffic-foreign carriers	11,834	13,395	13,075	110	98	57.90	47.87
TOTAL:	20,439	28,341	27,312	134	96	100.00	100.00

The data from the table indicate that the achieved number of air movements in the period I-VI 2014 is 27,312 and that it is higher by 34% in comparison to the same period in 2013 and by 4% lower than in the Plan for the period I-VI 2014. The planned number of air movements is established based on the scheduled official flight time table.

Domestic carriers have dominant participation in total air traffic, within carrier pattern in I-VI 2014, with participation of 51.93%; there are foreign carriers in international air traffic with 47.87% and finally domestic carriers in domestic air traffic with participation of 0.20%.

Considering achievement in the period I-VI 2014 in relation to the same period in 2013 there is a high increase in participation of the domestic air carriers in international air traffic from 41.88% to 51.93% and fall of foreign carriers in the international air traffic from 57.90% to 47.87%.

In international air traffic of domestic carriers in the period I-VI 2014 total turnover of 14,184 air movements was achieved, which is by 66% more than in the same period of the previous year and by 5% lower in comparison to the Plan for I-VI 2014.

Domestic carriers in international air traffic are: Air Serbia and others.

Air Serbia with 95.45% of participation in international air traffic of domestic carriers has a dominant role during the first six-month period of 2014.

In the period I-VI 2014 Air Serbia achieved in international air traffic 13,538 air movements, which is by 76% higher than in the same period of the previous year and by 3% lower than in the Plan for the analysed period.

Internacional CG did not operate in the period I-VI 2014 while in the same period last year achieved 6 air movements, and it was not in the Plan for the analysed period.

Other domestic carriers in international air traffic are: Air Pink, Neonukleon, Pelikan Airways, Princ Aviation, Avio Služba, Verano Motors and others with achieved 646 air movements, in the period I-VI 2014, they participated with 4,55% in total international air traffic of domestic carriers, which is 24% lower in comparison to achievement in the same period of the previous year and 26% lower in comparison to the Plan for the analysed period.

Number of air movements of foreign carriers in inter. traffic in the period I-VI

Carriers	Achievem. I-VI 2013	Plan I-VI 2014	Achievem. I-VI 2014	Index	Index	Share I-VI 2013	Share I-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Lufthansa	1,709	1,744	1,527	89	88	14.44	11.68
Wizz Air	1,325	1,509	1,522	115	101	11.20	11.64
Montenegro Airlines	1,379	1,365	1,367	99	100	11.65	10.46
Austrian Airlines	1,168	1,171	1,105	95	94	9.87	8.45
Turkish Airlines	604	954	906	150	95	5.10	6.93
Swiss International	720	754	793	110	105	6.08	6.07
Aeroflot	483	723	723	150	100	4.08	5.53
Alitalia	326	438	522	160	119	2.75	3.99
Easy Jet	62	154	396	639	257	0.52	3.03
Etihad Airways	32	362	362	1.131	100	0.27	2.77
B & H Airlines	4	206	272	6.800	132	0.03	2.08
LOT	130	196	262	202	134	1.10	2.00
Solinair	494	504	249	50	49	4.17	1.90
Tarom	262	326	236	90	72	2.21	1.80
Aegean Airlines	0	0	222	0	0	0.00	1.70
Cityline Hungary	256	244	218	85	89	2.16	1.67
Qatar Airways	152	168	206	136	123	1.28	1.58
Pegasus Airlines	226	248	194	86	78	1.91	1.48
Flydubai	180	178	178	99	100	1.52	1.36
Germanwings	142	144	128	90	89	1.20	0.98
Norwegian Air	156	134	112	72	94	1.32	0.86
Belavia	0	104	108	0	104	0.00	0.83
ČSA	96	98	102	106	104	0.81	0.78
Tunis Air	94	80	92	98	115	0.79	0.70
Adria Airways	262	263	50	19	19	2.21	0.38
Darwin Airlines	0	0	50	0	0	0.00	0.38
Raf Avia	0	0	48	0	0	0.00	0.37
Olympic Air	280	258	44	16	17	2.37	0.34
Aircairo Company	24	76	38	158	50	0.20	0.29
Freebird Airlines	18	18	36	200	200	0.15	0.28
Croatia Airlines	18	18	36	200	200	0.15	0.28
Onur Air	0	0	28	0	0	0.00	0.21
Nesma Airlines	24	24	24	100	100	0.20	0.18
Gazprom	18	0	10	56	0	0.15	0.08
Vueling Airlines	0	0	10	0	0	0.00	0.08
Sky Work	58	0	0	0	0	0.49	0.00
Air France Malev	120	0	0	0	0	1.01	0.00
Niki Luftfahrt	56	0	0	0	0	0.47	0.00
Sky Airlines	10	0	0	0	0	0.08	0.00
Atlas Jet	10	10	0	0	0	0.08	0.00
Air One	8	0	0	0	0	0.07	0.00
Nouvelair Tunisie	4	0	0	0	0	0.03	0.00
Others	924	924	899	97	97	7.81	6.88
TOTAL:	11,834	13,395	13,075	110	98	100.00	100.00

In the period I-VI 2014 there were 35 foreign carriers and 1 domestic carriers and in the same period of the previous year there were 36 foreign and 2 domestic carriers.

In international air traffic of foreign carriers in the first semester of 2014 it was achieved 13,075 air movements, which is 10% higher score in comparison with the previous year and 2% lower as compared with the Plan for the analysed period of 2014. The reasons for the increased number of air movements in I-VI of 2014 compared to the same period last year are the new carriers Aegean Airlines on routes to Athens, Heraklion and Rhodes, Belavia on routes to Budapest and Minsk, Darwin Airlines on the line to Geneva, Raf Avia on route to Budapest, Onur Air on the lines to Antalya and Bodrum and Vueling Airlines on the line to Barcelona as well as the introduction of new destinations with Easyjet -Rome and Geneva, B & H Airlins - Sarajevo, Swiss international - Geneva and Wizz Air - Larnaca.

In foreign carrier pattern in the period I-VI 2014 Lufthansa with the participation of 11.68% has got the most significant role, than there is and Wizz Air with 11.64% and Montenegro Airlines with 10.46%. These three companies achieved 33.78% of international traffic of foreign carriers.

With participation from 8.45% to 3.99% in this air traffic type there are: Austrian Airlines, Turkish Airlines, Swiss Internacional, Aeroflot and Alitalia which together achieved 30.97% of the total international air traffic of foreign carriers.

Cargo traffic of express mail in the period I-VI 2014 was performed by three foreign carriers: Solinair, Raf Avia instead of Cityline Hungary and CSA.

Low cost carriers in the same period were: Wizz Air, Easy Jet, Pegasus Airlines, Flydubai, Norwegian Air, Germanwings, Aircairo Company and Vueling Airlines.

Considering single participation of carriers (domestic and foreign) in international air traffic, achieved in the period I-VI 2014, Air Serbia has the greatest share of 49.66%.

II Quarter

Achieved number of air movements per air traffic type in the period IV-VI 2014 is shown in the table.

Number of air movements per air traffic type in the period IV-VI

Air traffic type	Achievem IV-VI 2013	Plan IV-VI 2014	Achievem IV-VI 2014	Index		Share IV-VI 2013	Share IV-VI 2014
				5(4/2)	6(4/3)		
1	2	3	4			7	8
Domestic air traffic	24	25	15	63	60	0.21	0.10
International air traffic-domestic carriers	4,890	8,027	8,074	165	101	42.56	52.94
International air traffic-foreign carriers	6,576	7,099	7,163	109	101	57.23	46.96
TOTAL:	11,490	15,151	15,252	133	101	100.00	100.00

The data from the table indicate that the achieved number of air movements in the period IV-VI 2014 is 15,252 and that it is higher by 33% in comparison to the same period in 2013 and by 1% higher than in the Plan for the period IV-VI 2014.

Domestic carriers have dominant participation in total air traffic, within carrier pattern in IV-VI 2014, with participation of 52.94%; then there are foreign carriers in international air traffic with 46.96% and at the end, domestic carriers in domestic air traffic with participation of 0.10%.

In international air traffic of domestic carriers in the second quarter of 2014 there were achieved 8,074 air movements, which is 65% higher score in comparison with the previous year and 1% as compared with the Plan for the second quarter of 2014.

In the period IV-VI 2014, Air Serbia achieved 7,685 air movements, which is 75% higher than in the same period of the previous year and 2% higher related to the Plan for the period IV-VI 2014. It participated in international air traffic of domestic carriers with share of 95.18%.

Internacional CG did not operate in the II quarter of 2014, while in the same period last year it achieved 6 air movements.

In international air traffic of foreign carriers in the second quarter of 2014 there were achieved 7,163 air movements, which is 9% higher compared to the second quarter last year and 1% higher than the Plan for II quarter 2014.

Foreign carriers which began their operations in the second quarter in 2014 are: B&H Airlines, Aegean Airlines, Belavia, Darwin Airlines, Raf Avia, Onur Air and Vueling Airlines.

Considering single participation of carriers (domestic and foreign) in international air traffic, achieved in the period IV-VI 2014, Air Serbia has the greatest share of 50.44%

3.2. PASSENGER TURNOVER

In period I-VI 2014 total passenger turnover of 1,988,564 pax was achieved, which is 32% more than in the same period of 2013 and 3% more than in the Plan for the period I-VI 2014.

Passenger turnover per air traffic type in the period I-VI

Air traffic type	Achievem I-VI 2013	Plan I-VI 2014	Achievem I-VI 2014	Index	Index	Share I-VI 2013	Share I-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	45	45	49	109	109	0.00	0.00
International air traffic-domestic carriers	565,903	884,789	965,994	171	109	37.55	48.58
International air traffic-foreign carriers	941,095	1,038,216	1,022,521	109	98	62.45	51.42
TOTAL:	1,507,043	1,923,050	1,988,564	132	103	100.00	100.00

The greatest participation in passenger turnover per air traffic types in the period I-VI of 2014 is 51.42% of foreign carriers in international air traffic, then there are domestic carriers in international air traffic with 48.58%.

The number of the passengers transported by domestic carriers in international air traffic is 71% higher in the first half of 2014 in comparison with the same period of the previous year and 9% higher compared to the Plan for I-VI 2014.

The number of passengers transported by foreign carriers in international air traffic in the period I-VI 2014 is 9% higher than the achievement in the same period of 2013 and 2% lower in comparison to the Plan for the same period of 2014.

Passenger turnover in international air traffic per carriers with the highest number of passengers

Ser. No.	Carriers	Achievement I-VI 2013	Achievement I-VI 2014	Index	Share I-VI 2013	Share I-VI 2014
1	2	3	4	5(4/3)	6	7
1	Air Serbia	563,832	964,708	171	37.41	48.51
2	Wizz Air	191,898	217,978	114	12.73	10.96
3	Lufthansa	137,897	126,336	92	9.15	6.35
4	Montenegro	115,355	106,732	93	7.65	5.37
5	Swiss International	91,429	92,440	101	6.07	4.65
6	Others	406,587	480,321	118	26.98	24.15
	TOTAL:	1,506,998	1,988,515	132	100.00	100.00

In total number of transported passengers in international air traffic in the period I-VI of 2014, Air Serbia has the greatest share with 48.51%, then there are: Wizz Air with participation of 10.96%, Lufthansa with 6.35%, Montenegro Airlines with 5.37% and Swiss International with 4.65%.

Air Serbia in the period I-VI 2014 compared to the same period 2013 has higher number of air movements which caused the increase in number of passengers.

Passenger turnover of Air Serbia in inter. traffic per dest. with highest num. of passengers

Ser.No.	Destinations	Achievement I-VI 2013	Achievement I-VI 2014	Index
1	2	3	4	5(4/3)
1	Paris	47,742	74,158	155
2	Zurich	34,245	64,993	190
3	Moscow	43,367	58,156	134
4	Podgorica	42,805	55,589	130
5	Tivat	22,467	43,138	192
6	Other	373,206	668,674	179
	TOTAL:	563,832	964,708	171

II Quarter

Planned and achieved passenger turnover in the period IV-VI 2014, as well a comparative data on achieved turnover in the same period of 2013 are given in the table.

Passenger turnover per air traffic type in the period IV-VI

Air traffic type	Achievem. IV-VI 2013	Plan IV-VI 2014	Achievem. IV-VI 2014	Index	Index	Share IV-VI 2013	Share IV-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	30	29	4	13	14	0.00	0.00
International air traffic-domestic carriers	341,200	533,466	597,116	175	112	37.77	49.62
International air traffic-foreign carriers	562,089	620,097	606,148	108	98	62.22	50.38
TOTAL:	903,319	1,153,592	1,203,268	133	104	100.00	100.00

Based on the shown data, we can conclude that turnover of 1,203,268 pax in the period IV-VI of 2014 is 33% higher than the achievement in the same period of 2013, which is 4% higher than in the Plan for the same period of 2014.

The greatest participation in achieved passenger turnover per air traffic types in the period I-VI of 2014 is 50.38% of foreign carriers in international air traffic, then there are domestic carriers in international air traffic with 49.62%.

The number of the passengers transported by domestic carriers in international air traffic in II quarter 2014 is 75% higher in comparison with the achievement in the same period of the previous year and also 12% higher in comparison to the Plan for I-VI 2014.

The number of the passengers transported by foreign carriers in international air traffic in IV-VI 2014 is 8% higher than in the same period of the previous year and 2% lower than in the Plan for the same period 2014.

3.3. CARGO TURNOVER

In the period I-VI 2014, 5,512 tons of cargo turnover was achieved, which is 27% more than in the same period of the previous year and the same percentage more than in the Plan for the analysed period of 2014.

Cargo and mail turnover in tons in the period I-VI

Type of air-traffic	Achievem. I-VI 2013	Plan I-VI 2014	Achievem. I-VI 2014	Index	Index	Share I-VI 2013	Share I-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	0	0	0	0	0	0.00	0.00
International air traffic-domestic carriers	827	829	1,286	156	155	19.08	23.33
International air traffic-foreign carriers	3,508	3,510	4,226	120	120	80.92	76.67
TOTAL:	4,335	4,339	5,512	127	127	100.00	100.00

In domestic air traffic, cargo turnover was not performed in the period I-VI 2014 nor in the same period of the previous year.

In international air traffic of domestic carriers cargo turnover in the period I-VI 2014 was 56% higher as compared with the same period of the previous year and 55% higher in comparison to the Plan for the analysed period of 2014.

In international air traffic of foreign carriers cargo turnover in the period I-VI 2014 was 20% higher as compared with the achieved turnover in same period of the previous year and the same percentage higher in comparison to the Plan for the same period 2014.

II Quarter

In period IV-VI 2014, 3,077 tons of cargo turnover was achieved, which is 31% more than in the same period of the previous year and 30% more than in the Plan for the period IV-VI 2014.

Cargo and mail turnover in tons in the period IV-VI

Air traffic type	Achievem. IV-VI 2013	Plan IV-VI 2014	Achievem. IV-VI 2014	Index	Index	Share IV-VI 2013	Share IV-VI 2014
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	0	0	0	0	0	0.00	0.00
International air traffic-domestic carriers	431	432	717	166	166	18.30	23.30
International air traffic-foreign carriers	1,924	1,926	2,360	123	123	81.70	76.70
TOTAL:	2,355	2,358	3,077	131	130	100.00	100.00

In international air traffic of domestic carriers cargo turnover in the period IV-VI 2014 was 66% higher as compared with the achieved turnover in the same period of the previous year and the same percentage higher in comparison to the Plan for the same period 2014.

In international air traffic of foreign carriers cargo turnover in the period IV-VI 2014 was 23% higher as compared with the achieved turnover in same period of the previous year and the same percentage higher in comparison to the Plan IV-VI 2014.

PHYSICAL VOLUME OF TRAFFIC

Ser. No.	Type of traffic	Achievement I-VI 2013		Plan I-VI 2014		Achievement I-VI 2014		Index	
			Share		Share		Share		
1	2	3		4		5		6(5/3)	7(5/4)
I	Domestic traffic								
	Air movements	45	0	49	0	53	0	118	108
	Passengers	45	0	45	0	49	0	109	109
	Air goods and mail (tons)	0	0	0	0	0	0	0	0
II	International traffic-domestic carriers								
	Air movements	8,560	42	14,897	53	14,184	52	166	95
	Passengers	565,903	38	884,789	46	965,994	49	171	109
	Air goods and mail (tons)	827	19	829	19	1,286	23	156	155
III	International traffic-foreign carriers								
	Air movements	11,834	58	13,395	58	13,075	48	110	98
	Passengers	941,095	62	1,038,216	54	1,022,521	51	109	98
	Air goods and mail, air + truck(tons)	3,508	81	3,510	81	4,226	77	120	120
I+II+III	Total								
	Air movements	20,439	100	28,341	100	27,312	100	134	96
	Passengers	1,507,043	100	1,923,050	100	1,988,564	100	132	103
	Air goods and mail, air + truck(tons)	4,335	100	4,339	100	5,512	100	127	127

4. REVENUES AND EXPENDITURES

The Company performs its business activity as single business segment. Accordingly, revenues and expenditures are disclosed at company level.

4.1. REVENUES

In the period I-VI 2014 JSC Airport Nikola Tesla achieved the total revenue in amount of RSD 3,821,534,371.00. Thus achieved total revenue is 29% higher in comparison to the achieved revenues in the same period of the previous year and at the same level in comparison to the planned figures for the period 2014.

The pattern of the achieved revenues for I-VI 2014 is shown in the table **Revenue pattern per service types**.

In the pattern of achieved revenues in the period I-VI of 2014 **Business revenues** have the greatest participation of 96% of the total revenues with RSD 3,684,703,641.00. Thus achieved business revenues are 29% higher than the achieved business revenues for the same period of the previous year and 1% lower than the planned figures for the period I-VI 2014.

Within business revenues RSD 1,171,061,426.00 refers to provision of **air services** (landing, handling, lighting, infrastructure, aircraft abode, air bridges) in the period I-VI 2014, which is 31% of totally achieved revenues. These revenues are 40% higher than the same in the same period of the previous year and 14% higher than the planned figures in the period I-VI 2014. Increase of revenue from air services is the result of increased number of air movements of the carrier Air Serbia and foreign carriers.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 1,446,700,611.00 for I-VI 2014, which is 38% of the total achieved revenues and as compared with the revenues from passenger service in the same period of the previous year, these revenues are 26% higher and 3% lower than the planned figures for the same period 2014.

In the period I-VI 2014 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 65,724,743.00 and they are 8% higher than the revenues on this basis in the same period in 2013 and by 3% more than the planned figures for the same period in 2014.

Total revenue from services related to air transportation (air services, passenger service with fees for security services and cargo warehouse) in the period I-VI 2014 amounted to RSD 2,683,486,780 and compared with the same period last year they are higher by 31% and 4% higher than the plan for the reporting period.

In the period I-VI 2014 the revenues from **other services** are 7% lower than in the same period of the previous year, 18% lower than the planned figures for I-VI 2014 and were achieved in the amount of RSD of 290,536,723.00. Reason for decrease is due to less achieved revenue from VIP lounge services, advertising space and aircraft de-icing services. The greatest participation in these revenues refers to: revenues from public utility services, revenues from CUTE system, revenues for commercial usage of apron, services on request and aircraft de-icing services. This group of revenues also include revenues from consulting services rendered to Mondial.

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene. In the period I-VI 2014 it was sold 4,404 tons of kerosene, while in the same period of the previous year it was sold 2,651 tons of kerosene. Achieved revenues from sale of kerosene and goods for the period I-VI 2014 are higher by 64% in comparison to the same period of 2013, while in comparison to the planned figures for the period I-VI 2014 they had decrease of 23%.

The main reason for increase of revenues from kerosene sale in the period I-VI 2014 in comparison to the same period of the previous year is the presence of new companies with higher

quantity of fuel supply such as: Aeroflot and Iran Airlines, while Turkish Airlines increased supply from 373 tons to 764 tons.

Achieved revenues from sale of kerosene in the period I-VI 2014 is lower than planned figure for the same period 2014 by 23% mainly because achieved quantity of sold kerosene is lower than planned and that planned exchange rate of USD for 2014 (USD = 91,4 RSD) is higher than average middle exchange rate for the period I-VI 2014 (USD = 84,3 RSD).

In the period I-VI 2014 revenues from renting of **business facilities** are achieved in the amount of RSD 316,707,972.00, which is 26% higher than in the same period of 2013 and 8% higher than the planned figures for the same period 2014. The greatest portion of these revenues refers to renting of business facilities to Dufry Company.

Financial revenues (group 66) in the period I-VI 2014 are disclosed in amount of RSD 92,414,763.00 and are lower by 6% in comparison to the same period of the previous year because the unrealised exchange rate differences in the period I-VI 2014 were significantly lower than in I-VI 2013.

In the pattern of financial revenues for I-VI 2014 the greatest part refers to interest in amount of RSD 59,836,248.00, then realised exchange rate differences in amount of RSD 26,719,826.00 and non-realised exchange rate differences in amount of RSD 5,858,689.00.

Other revenues (group 67 and 68) in the period I-VI 2014 were achieved in the amount of RSD 44,415,968.00 and are significantly higher in comparison to the same period in 2013.

The reason of thus disclosed increase of these revenues is that in the period I-VI 2014 collected receivables are significantly higher and in previous years were on the position of value correction. The largest share refers to JAT Tehnika in the amount of RSD 23,726,524.00, Air Serbia Catering in the amount of RSD 4,432,551.00 and Air Serbia in the amount of RSD 3,029,327.00.

Reason for increase of other revenues is also achieved revenue of compensation damages from legal entities – foreign which was not present in the same period last year and higher achieved revenue from collected court costs.

Major buyers, from the point of participation in revenues from sale in I-VI 2014 are: Air Serbia, Deutsch Lufthansa and Montenegro Airlines.

II Quarter

In the period IV-VI 2014 JSC Airport Nikola Tesla achieved the total revenue in amount of RSD 2,143,769,213.00. Thus achieved total revenue is 27% higher in comparison to the achieved revenues in the same period of the previous year and 3% higher in comparison to the planned figures for that period 2014.

In the pattern of achieved revenues for the period IV-VI 2014 **business revenues** had greatest share with RSD 2,112,941,297.00 and they are 31% higher than in the same period of the previous year and 3% higher than in the Plan for the same period of 2014.

Within business revenues, RSD 683,333,838.00 refers to revenues achieved by rendering **air services** in the period IV-VI 2014. These revenues are 45% higher than the same in the same period of the previous year and 24% higher than the planned figures for IV-VI 2014.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 862,348,688.00 for IV-VI 2014 and these revenues are 29% higher than the same figure in 2013 and 3% lower than the planned figures for the same period 2014.

In the period IV-VI 2014 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 35,580,793.00 and they are 10% higher than the revenues on this basis in the same period in 2013 and by 3% higher than the planned figures for the same period in 2014.

In the period IV-VI 2014 the revenues from **other services** are 8% higher than in the same period of the previous year, 11% lower than the planned figures for IV-VI 2014 and were achieved in the amount of RSD 157,229,639.00. The greatest participation in these revenues refers to: Revenues from public utility service, revenues from CUTE, revenues from commercial usage of apron.

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene. In the period IV-VI 2014 it was sold 2,172 tons of kerosene, while in the same period of the previous year it was sold 1,673 tons (presence of new companies Aeroflot and Iran Airlines that did not takeover supplies last year). Achieved revenues from sale of kerosene and goods for the period IV-VI 2014 is higher by 32% in comparison to the same period of 2013 and lower by 25% in comparison to the planned figures for the period IV-VI 2014.

In the period IV-VI 2014 revenues from renting of **business facilities** are achieved in the amount of RSD 181,793,418.00, which is 28% higher than in the same period of 2013 and 24% higher than the planned figures for the same period. The greatest portion of these revenues refers to renting of business facilities to Dufry Company.

Financial revenues (group 66) in the period IV-VI 2014 are disclosed in amount of RSD 25,614,506.00 and are lower by 65% in comparison to the same period of the previous year because non-realised exchange rate differences and realised exchange rate differences in the period IV-VI 2014 are significantly lower than in the same period of the last year. In the pattern of financial revenues for IV-VI 2014 the greatest part refers to interest in amount of RSD 14,635,243.00, then realised exchange rate differences in amount of RSD 7,463,750.00 and non-realised exchange rate differences in the amount of RSD 3,515,514.00.

Other revenues (group 67 and 68) in the period IV-VI 2014 were achieved in the amount of RSD 5,213,410.00 and they are 41% lower in comparison to the same period in 2013. The reason of thus disclosed decrease of these revenues is that in the period IV-VI 2014 is lower revenues from cancellation of long-term reserves and revenues from adjustment of values for residential loans that are revalued - ruccency clause.

REVENUE PATTERN

I	Type of service 2	Description 3	Realization I-VI 2013 4	Plan I-VI 2014 5	Realization I-VI 2014 6	Index 7(6.4)	Index 8(6.5)
	Air services domestic carriers						
	61200+612300	Landing	32,912,818	65,253,625	69,558,363	211	107
	612010+612310	Lighting	11,080,951	21,344,863	21,033,992	190	99
	612030+612330	Handling	40,765,557	79,394,613	76,261,320	187	96
	612040	Infrastructure	21,663,137	26,863,178	41,855,960	193	156
	612050	Air-bridges	0	11,412	0	0	0
	612020+612320	Aircraft abode tax	1,301,135	1,396,011	2,849,561	219	204
I	Total air services (domestic carriers):		107,723,598	194,263,703	211,559,196	196	109
	Air services foreign carriers						
	613010+613011	Landing	228,405,383	260,999,517	291,214,815	127	112
	613020+613021	Handling	273,136,314	311,686,237	351,795,741	129	113
	613030+613031	Lighting	22,284,362	28,430,906	31,383,181	141	110
	613040	Infrastructure	143,376,181	161,811,423	191,041,226	133	118
	613060	Air-bridges	50,755,324	59,233,687	78,825,958	155	133
	613000+613001	Aircraft abode tax	9,827,791	11,911,020	15,241,309	155	128
II	Total air services (foreign carriers):		727,785,355	834,072,789	959,502,230	132	115
I-II	Total air services		835,508,953	1,028,336,492	1,171,061,426	140	114
	Passenger service						
	612400 - domestic carriers - domestic traffic	Passenger service domestic carr/ traff	2,379	25,446	13,960	587	55
	612412 - transfer passengers - international traffic	Transfer passengers - inter. Traffic	296,653,971	450,251,966	363,324,314	122	81
	612410 - domestic carriers - international traffic	Passenger service d. Carr/intl traff	0	0	64,042,987	0	0
	613200 (foreign carriers)	Passeng. Service intl carr	626,483,530	721,292,677	701,316,365	112	97
	613212 - transfer passengers - inter. Traffic	Transfer pax - inter.traffic	0	0	4,880,400	0	0
	612420+612430+613230	security fees	229,139,346	315,696,263	313,122,585	137	99
III	Total passenger service		1,152,279,225	1,487,266,352	1,446,700,611	126	97
I-III	Total air services and passenger service		1,987,788,178	2,515,602,844	2,617,762,037	132	104
	CCW services						
	612500+612510	CCW services dom.market	46,494,554	48,508,426	50,298,135	108	104
IV	613300 +613310 (foreign)	CCW services foreign market	14,286,154	15,171,212	15,426,608	108	102
	Total CCW services		60,780,708	63,679,638	65,724,743	108	103
V	Total services in air traffic (I to IV):		2,048,568,887	2,579,282,483	2,683,486,780	131	104
	Other services						

1	612100+612360+613100	DCS services	13,031,090	16,152,460	14,615,574	112	90
2	612110+612170+612180+612891+613892+613893+613895	Workorder	15,578,307	19,279,508	23,685,080	152	123
3	612130+612131+613072+612370+613071	VIP saloon	3,339,293	3,623,888	1,692,128	51	47
4	612140+612390+613090	CUTE (dom + foreign)	49,279,719	60,299,484	45,253,166	92	75
5	613080+612380	Lost and found services	8,049,273	9,373,655	7,124,058	89	76
6	6126+613120+613400+613401	Public services	68,465,483	74,009,112	64,942,223	95	88
7	612820+612821+613170	Catering services business class	16,793,335	18,703,860	21,028,908	125	112
8	612870+613810	Advertising space	20,638,932	19,610,767	11,800,269	57	60
9	612883	Commercial usage of apron	31,412,895	38,926,670	27,477,259	87	71
10	612160+613110	Aircraft de-icing service	38,637,790	41,585,473	23,591,322	61	57
11	Other non-mentioned services-dom+foreign		48,109,786	51,284,280	49,326,737	103	96
VI	Other services (1 to 11):		313,335,903	352,849,157	290,536,723	93	82
VII	Total 61-Revenues from sale of services (V+VI)		2,361,904,789	2,932,131,640	2,974,023,503	126	101
	Revenues from sale of goods:						
VIII	60 Revenues from sale of kerosene + goods		239,628,725	512,959,465	393,972,165	164	77
IX	Total (60++61) REVENUES FROM SALE (VII+VIII)		2,601,533,514	3,445,091,105	3,367,995,669	129	98
X	64 i 65 - Renting of business facilities		251,778,081	293,176,590	316,707,972	126	108
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	2,853,311,595	3,738,267,695	3,684,703,641	129	99
XII	66-FINANCIAL REVENUES		98,324,080	47,772,391	92,414,763	94	193
1	interests		36,930,842	47,772,391	59,836,248	162	125
2	exchange rate differences -realised		23,067,277	0	26,719,826	116	0
3	exchange rate differences -non-realised		38,325,961	0	5,858,689	15	0
XIII	67 and 68 OTHER REVENUES		12,587,757	34,417,528	44,415,968	353	129
XIV	Total revenues (XI+XII+XIII)		2,964,223,432	3,820,457,615	3,821,534,371	129	100

4.2. EXPENDITURES

In the period I-VI 2014 **total expenditures** were achieved in the amount of RSD 3,283,625,607.00. Thus achieved expenditures are 12% higher than the expenditures achieved in the same period of the previous year and 2% higher than the figures in the Plan for I-VI 2014.

The purchase value of sold goods (group 50) almost completely refers to the purchase value of the sold kerosene. For **purchase value of sold kerosene** it was spent RSD 377,945,817.00 or 62% more than in the same period of the previous year and 23% less in comparison to the Plan for I-VI 2014. Regarding the fact that the kerosene is registered both on revenues and expenditures, the real revenue of the Company is realised price difference, which amounted for the period I-VI 2014 RSD 14,375,465.00. Average difference participation in sale value of kerosene for the period I-VI 2014 is 3.66%, while in the same period of the previous year it was 1.86%.

The costs of materials (group 51) participates in total expenditures with 8% and mostly refer to: costs of power supply, spent basis material, costs of gasoline, cost of diesel fuel and heating oil and costs for spare parts for investment maintenance of the means of labour.

Within total expenditures the most part refer to **costs of salaries, reimbursements and other personal earnings** (group 52) which for the period I-VI 2014 amount to RSD 745,556,465.00 and it is 24% more than in the same period of the previous year, primarily because a number of persons engaged over OZB Komerc are transferred to the status of employees through a temporary and occasional jobs. The costs of salaries of employees (gross II - Chambers excluded) of Airport Nikola Tesla Belgrade amount to RSD 441,000,456.00, whereas the costs for persons engaged through Youth organizations amount to RSD 176,101,409.00 (youth organizations: Fan, Beograd, Knez, Medijator and Europa). Apart from salaries in the group 52 there are also included reimbursements per contracts (service contracts), reimbursements per temporary and occasional jobs, part-time work contracts, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport, business trip wages, costs of business trips and joint assistance and jubilee awards).

Costs of **amortization and reserves** (group 54) for the period I-VI 2014 amount RSD 365,224,211.00; RSD 363,224,211.00 thereof refer to amortization and RSD 2,000,000.00 refer to reserves for litigations.

The most of the **costs of production services** (group 53) and **intangible costs** (group 55) refers to the **costs of services** of OZB Komerc RSD 356,385,252.00. Adding this amount to total costs for salaries, reimbursements and other personal earnings of employees (group 52) we come to the amount of RSD 1,101,941,716.00, which makes 33.56% of total expenditures of the period I-VI 2014.

Pattern of **the costs of production services** includes:

- **the costs of transport services**, where the most part refers to the costs of services of OZB Komerc for Ground-handling department in the amount of RSD 116,904,053.00, the costs of monthly IT support for passenger and baggage check-in, the costs of postal services and others.
- **the costs of maintenance services** are higher by 18% in I-VI 2014 in comparison to the same period of the previous year, mainly because increased costs of maintenance services on fixed assets.
- **the costs of other services** mostly referring to the services of OZB Komerc for Security department in the amount of RSD 143,600,442.00, then the costs of Dufry's services, water, drainage and others.
- **costs of leasing** are 38% higher in I-VI 2014 in comparison to the same period of the previous year mainly due to leasing of licences and network and server infrastructure (EUNET).
- **costs of advertising** in the period I-VI 2014 are 39% lower than in the same period of the previous year due to decreased sponsorship - advertising.

Pattern of **the intangible costs** includes:

- **costs of non-production services** where most part refer to: the costs of services of OZB Komerc for the Technical maintenance, Investment, Commercial, Financial and Legal departments in the amount of RSD 95,880,757.00, then the cleaning services, the services of newly-incorporated company – agricultural operative, costs of occupational health-JAT, health services – health inspection, services on existing ERP sistemu and others.

Besides the costs of non-production services the pattern of intangible costs include:

The costs of insurance premiums

Taxing costs

The costs of payment operations

The costs of membership fees

The representational costs and

Other intangible costs

In the period I-VI 2014 the realised costs of salaries, reimbursements and other earnings (group 52), the services of OZB Komerc and amortization in total amount of RSD 1,465,165,927.00 make 44.62% of total expenditures and 38.34% of total revenues in I-VI 2014 of Airport Nikola Tesla Belgrade is needed to cover them.

Financial expenditures (group 56) in the period I-VI 2014 are disclosed in the amount of RSD 54,534,825.00 and are 36% lower than in the same period of the previous year.

The achieved expenditures realised from interest participate with 52.17% in the pattern of total financial expenditure and amount to RSD 28,451,299.00 and are 2% lower than in the same period of the previous year. The mentioned expenditures from interest refer to the interests for long-term liabilities per loans (EIB – reconstruction of the Terminal and financial leasing).

Realised exchange rate differences in the period I-VI 2014 are achieved in the amount of RSD 15,996,460.00 (and mostly refer to: realised negative exchange rate differences for receivables) and they are included in that pattern of total financial expenditures with 29.33%, while in the same period of 2013 they amounted to RSD 51,195.249.00.

The non-realised exchange rate differences in the period I-VI 2014 are achieved in the amount of RSD 10,087,065.00 (and mostly refer to: non-realised negative exchange rate differences for liabilities for loans- EIB) and they are included in that pattern of total financial expenditures with 18.50%, while in the same period of 2013 they amounted to RSD 4,840,963.00.

Other expenditures (group 57, 58 and 59) in the period I-VI 2014 are achieved in the amount of RSD 827,324,939.00 and are higher 43% than the same in the same period of the previous year. Value correction of domestic and foreign buyers for the period I-VI 2014 amount to RSD 788,537,308.00 and most part thereof refer to value correction of Air Serbia in the amount of RSD 703,615,860.00 with default interest.

Within other expenditures there are costs of donations, humanitarian expenditures through registered humanitarian organizations to repair flood damage and costs of compensation on the basis of reductions in net income of persons in the public sector - the solidarity tax refund.

Main suppliers, from the point of turnover in the period I-VI 2014 are: OZB Komerc, Sibex export-import and Morava IN.

II Quarter

In the period IV-VI 2014 **total expenditures** were achieved in the amount of RSD 1,666,566,372.00. Thus achieved expenditures are 5% lower than the expenditures achieved in the same period of the previous year and 3% higher than the figures in the Plan for IV-VI 2014.

The purchase value of sold goods (group 50) almost completely refers to the purchase value of the sold kerosene. For **purchase value of sold kerosene** it was spent RSD 184,461,884.00 or 28% more than in the same period of the previous year and 25% less in comparison to the Plan for IV-VI 2014. Regarding the fact that the kerosene is also registered both on revenues and expenditures, the real revenue of the Company is realised price difference, which amounted for the period IV-VI 2014 to RSD 6,868,168,00. Average participation of price difference in sale value of kerosene for the period IV-VI 2014 is 3.59% while in the same period last year it was 1.12%.

The costs of materials (group 51) participates in total expenditures with 6% and mostly refer to: costs of electrical power, costs of basic material, costs of gasoline, diesel fuel, as well as spent spare parts for investment maintenance of fixed assets and spent basic material. Achieved costs of materials in the period IV-VI 2014 are 50% higher than in the same period of the previous year.

Within total expenditures the most part refer to **costs of salaries, reimbursements and other personal earnings** (group 52) which amount RSD 379,416,804.00 for the period IV-VI 2013 and it is 24% higher than in the same period of the previous year, primarily due to transfer of certain number of persons engaged through OZB Komerc into status of employees through temporary and occasional jobs. The costs of salaries of employees (gross II Chambers excluded) of Aerodrom "Nikola Tesla" Beograd amount to RSD 221,677,676.00, whereas the costs for persons engaged through Youth organizations amount RSD 89,676,582.00 (youth organizations . Fan, Beograd, Knez, Medijator and Europa). Apart from salaries in the group 52 there are also included reimbursements per contracts (service contracts), reimbursements per temporary and occasional jobs, part-time work contracts, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport, business trip wages, costs of business trips and joint assistance).

Costs of **amortization and reserves** (group 54) for the period IV-VI 2014 amount RSD 186,205,258.00, RSD 184,205,258.00 thereof refer to amortization and RSD 2,000,000.00 refer to reserves for litigations.

The most of the **costs of production services** (group 53) and **intangible costs** (group 55) refers to **the costs of services** of OZB Komerc RSD 175,141,030.00. Adding this amount to total costs for salaries, reimbursements and other personal earnings of employees (group 52) we come to the amount of RSD 554,557,834.00, which makes 33.28% of total expenditures of the period.

Pattern of **the costs of production services** includes:

- **the costs of transport services**, where the most part refers to the costs of services of OZB Komerc for Ground-handling department in the amount of RSD 58,217,908.00, then monthly support for passenger and baggage check-in, the costs of postal services, the costs of informing and passenger check-in-SITA, Air France, and others.
- **the costs of maintenance services** are higher by 26% in the period IV-VI 2014 in comparison to the same period of the previous year.
- **the costs of other services** mostly referring to the services of OZB Komerc for Security department in the amount of RSD 70,708,677.00, then costs of services provided by Dufry, the costs of water, drainage, the and others.
- **costs of leasing** are 79% lower in the period IV-VI 2014 in comparison to the same period of 2013, primarily due to lower costs for leasing of network and server infrastructure, and mainly refer to leasing of business premises.
- **costs of advertising** in the period IV-VI 2014 are 45% higher than in the same period of the previous year, because the costs of sponsorship in the period IV-VI 2014 are significantly higher than in the same period of the previous year.

Pattern of **the intangible costs** includes:

- **costs of non-production services** where most part refer to: - the costs of services of OZB Komerc for the Technical maintenance, Investment, Commercial, Financial and Legal departments in the amount of RSD 46,214,444.00, then cleaning services, the services of newly-incorporated company – agricultural operative, costs of occupational health-JAT, services on existing ERP system and others.

Besides the costs of non-production services the pattern of intangible costs also include:

The costs of insurance premiums

Taxing costs

The costs of payment operations

The costs of membership fees

The representational costs and

Other intangible costs

In the period IV-VI 2014 the realised costs of salaries, reimbursements and other earnings (group 52), the services of OZB Komerc and amortization in total amount of RSD 738,763,092.00 make 44% of total expenditures and 34.46% of total revenues in IV-VI 2014 of Airport Nikola Tesla Belgrade is needed to cover them.

Financial expenditures (group 56) in the period IV-VI 2014 are disclosed in the amount of RSD 23,799,143.00 and are 36% lower than in the same period of the previous year.

Expenditures realised from interest participate with 70.62% in the pattern of total financial expenditures and amount to RSD 16,807,394.00 and are higher by 16% compared to the same period of the previous year. The mentioned expenditures from interest refer to the interests for long-term liabilities per loans (EIB – reconstruction of the Terminal), default interests and financial leasing.

Realised negative exchange rate differences are achieved in the amount of RSD 5,965,074.00 (and mostly refer to: realized negative exchange rate differences for time deposits and realized negative exchange rate differences for receivables and are included with 25.07% in the pattern of total financial expenditures.

Non-realised exchange rate differences are achieved in the amount of RSD 1,026,675.00 (and mostly refer to: negative exchange rate differences for liabilities per loans – EIB) and they participate with 4.31% in pattern of total financial expenditures.

Other expenditures (group 57, 58 and 59) in the period IV-VI 2014 are achieved in the amount of RSD 461,112,371.00 and are 20% lower than the same in the same period of the previous year. Value correction of domestic and foreign buyers for the period IV-VI 2014 amount to RSD 438,989,674.00 and most part thereof refer to value correction of Air Serbia in the amount of RSD 380,056,259.00.

EXPENDITURE PATTERN

Account	Account name	Realization	Plan	Realization	INDEX
		I-VI 2013	I-VI 2014	I-VI 2014	
1	2	3	4	5	6 (5/3)
50	PURCHASE VALUE OF SOLD GOODS	234,096,224	492,052,773	378,260,987	162
501	PURCHASE VALUE OF SOLD GOODS	234,096,224	492,052,773	378,260,987	162
51	COSTS OF MATERIAL	191,566,106	554,371,686	249,541,919	130
511	COSTS OF MATERIALS FOR PRODUCTION	40,477,692	170,841,789	58,211,449	144
512	COSTS OF OVERHEADS	26,484,068	120,440,184	41,125,108	155
513	COSTS OF FUEL AND ENERGY	124,604,346	263,089,712	150,205,361	121
52	SALARIES, REIMBURSEMENTS	602,884,408	679,975,997	745,556,465	124
520	SALARIES AND REIMBURSEMENTS-GROSS	351,484,978	379,733,018	374,052,617	106
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	62,913,908	67,972,593	66,947,839	106
522	REIMBURSEMENT FOR SERVICE CONTRACTS	1,114,365	781,615	48,546	4
524	COSTS OF REIMBUR. PER TEMPORARY AND OCCASIONAL JOBS-GROSS	150,106,404	180,257,229	274,695,509	183
525	REIMBURSEMENT FOR NATURAL PERSONS-GROSS	468,947	0	395,306	84
526	REIMBURSEMENT MEMBERS OF BoD, SuperRv.B, Assembly-GROSS	5,108,217	5,096,989	4,034,380	79
529	OTHER PERSONAL EXPENDITURES	31,687,589	46,134,553	25,382,268	80
53	COSTS OF PRODUCTION SERVICES	602,289,691	772,035,918	434,502,082	72
531	COSTS OF TRANSPORTATION SERVICES	202,578,562	247,171,262	146,211,482	72
532	COSTS OF MAINTENANCE SERVICES	61,914,003	244,550,467	73,240,764	118
533	COSTS OF LEASE	12,920,079	28,787,432	17,842,320	138
535	COSTS OF ADVERTISING	26,538,336	18,532,000	16,205,708	61
536	COSTS OF MARKET RESEARCH	0	600,000	0	0
539	COSTS OF OTHER SERVICES	298,338,711	232,394,757	181,001,808	61
54	COSTS OF AMORTIZATION AND RESERVES	361,970,994	383,594,943	365,224,211	101
540	COSTS OF AMORTISATION	352,321,524	383,594,943	363,224,211	103
549	COSTS OF RESERVING FOR LITIGATIONS	9,649,470	0	2,000,000	21
55	INTANGIBLE COSTS	266,069,365	303,514,615	228,680,181	86
550	COSTS OF NON-PRODUCTION SERVICES	198,991,140	210,518,160	162,309,678	82
551	COSTS OF REPRESENTATION	3,191,726	4,031,534	1,713,734	54
552	INSURANCE PREMIUMS	14,757,266	27,875,908	12,820,747	87

553	COSTS OF PAYMENT SYSTEM	2,570,932	3,153,324	2,907,712	113	92
554	COSTS OF MEMBERSHIPS	2,120,404	2,010,181	3,545,581	167	176
555	COSTS OF TAXES	37,543,991	47,450,935	37,323,722	99	79
559	OTHER INTANGIBLE COSTS	6,893,906	8,474,574	8,059,007	117	95
56	FINANCIAL EXPENDITURES	84,993,081	23,385,167	54,534,825	64	233
562	INTEREST EXPENDITURES	28,956,869	23,385,167	28,451,299	98	122
563	NEGATIVE EXCHANGE RATE DIFFERENCES	55,743,106	0	25,793,093	46	0
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	293,105	0	290,432	99	0
57	OTHER EXPENDITURES	15,088,691	18,787,972	37,224,764	247	198
570	LOSS FROM EXPENDITURES	123,564	185,780	91,199	74	49
575	CONTRACTED PROTECTION FROM RISK	1,510	869	1,086	72	125
576	DIRECT WRITE-OFF OF RECEIVABLES	45,000	25,895	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	14,918,618	18,575,428	37,132,479	249	200
58	EXPENDITURES FROM PROPERTY DEVALORIZATION	565,109,425	0	790,074,916	140	0
585	IMPAIRMENT OF RECEIVABLES AND SHORT-TERM FIN. INVESTMENTS	565,109,425	0	790,074,916	140	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	25,259	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	25,259	0	0
	TOTAL EXPENDITURES	2,924,067,985	3,227,719,070	3,283,625,607	112	102

4.3. SALARIES

In the period I-VI 2014 the total sum paid for salaries amounted RSD 374,052,617.00 (gross I), which is 6% higher than in the same period of 2013 and 1% less than the planned amount for the same period of 2014. The reason of salary increase in the period I-VI 2014 in comparison to the same period 2013 is increase in number of employees and salaries.

Summary of paid salaries (gross I) in the period I-VI of the current year is given in the table per months:

SALARIES GROSS I

Month	Achievement I-VI 2013	Plan I-VI 2014	Achievement I-VI 2014	Index	
				5 (4/2)	6 (4/3)
1	2	3	4		
January	55,655,824	59,499,367	58,763,373	106	99
January-Christmas bonus	11,657,998	12,218,472	0	0	0
February	53,560,252	57,499,367	58,526,830	109	102
February-Christmas bonus	0	0	12,094,150	0	0
March	52,204,941	57,824,335	56,646,423	109	98
April	54,366,755	61,324,335	59,635,426	110	97
April-Eastern bonus	11,657,998	12,218,472	12,119,827	104	99
May	58,728,207	61,324,335	59,112,442	101	96
June	53,653,003	57,824,335	57,154,146	107	99
Total salaries	328,168,982	355,296,074	349,838,641	107	98
Total bonus	23,315,996	24,436,944	24,213,977	104	99
Total salaries+ bonus	351,484,978	379,733,018	374,052,617	106	99

We can see in the table that in the period I-VI 2014 there were paid out salaries to employees according to individual work contracts as well as single payments, as Christmas and Eastern bonuses, to each employee, in the same amount of RSD 18,000.00 net.

In the period I-VI of the current year average gross salary with the Christmas and Eastern bonuses in the Company amounted RSD 131,485.00 and is 3% higher than the same for the previous year. Average net salary with the Christmas and Eastern bonuses in the Company amounted RSD 93,289.00. Course of average gross I salary in the Company is shown in the table:

GROSS I

Month	JSC ANT
January	124,059
February	148,081
March	119,572
April	151,679
May	124,783
June	120,733
Average I-VI 2014	131,485

AVERAGE SALARY NET

Month	JSC ANT
Januar	88,078
Februar	104,935
Mart	84,935
April	107,448
Maj	88,589
Jun	85,751
Average I-VI 2014	93,289

4.4. FINANCIAL RESULT IN I-VI 2014

In the period I-VI 2014 **net profit** of the company was disclosed in the amount of RSD 481,873,484.00.

FINANCIAL RESULT FOR THE PERIOD I-VI

RSD

No.	POSITION	Realisation	Plan	Realisation	Index	
		I-VI 2013	I-VI 2014	I-VI 2014	6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
1	Business revenues	2,853,311,595	3,738,267,695	3,684,703,641	129	99
2	Business expenditures	2,258,876,789	3,185,545,931	2,401,765,844	106	75
3	Business profit (1-2)	594,434,806	552,721,764	1,282,937,798	216	232
4	Financial revenues	98,324,080	47,772,391	92,414,763	94	193
5	Financial expenditures	84,993,081	23,385,167	54,534,825	64	233
6	Financial profit (4-5)	13,330,999	24,387,224	37,879,938	284	155
6a	Financial loss (5-4)					
7	Other revenues	12,587,757	34,417,528	44,415,968	353	129
8	Other expenditures	580,198,116	18,787,972	827,324,939	143	4,403
9	Other profit (7-8)		15,629,556		0	0
9a	Other loss (8-7)	567,610,359		782,908,971	138	0
10	Total revenues (1+4+7)	2,964,223,432	3,820,457,615	3,821,534,371	129	100
11	Total expenditures (2+5+8)	2,924,067,985	3,227,719,070	3,283,625,607	112	102
12	Total gross profit (10-11)	40,155,447	592,738,545	537,908,765	1,340	91
12a	Total gross loss (11-10)					
13	Period tax expenditure	11,037,186		61,505,454	557	
14	Deferred period tax expenditure	0		0	0	
15	Deferred period tax revenue	6,806,675		5,470,173	80	
16	Paid-up personal receiving to employer (interim dividend)	0		0	0	
17	Net profit	35,924,935		481,873,484	1,341	

It is important to point out that the financial result (gross profit and net profit) of Airport Nikola Tesla Belgrade for the first six-months period of 2014 is disclosed in lower amount due to inability to collect receivables from Air Serbia.

Due to uncollected receivables from Air Serbia the amount of RSD 703,615,860.00 is disclosed on operational costs as correction of value of uncollected receivables from Air Serbia older than 60 days, gross profit of the Company is decreased by the same amount and net profit is accordingly decreased.

Provided that the receivables were regularly collected from Air Serbia gross profit of JSC Airport Nikola Tesla for I-VI 2014 would be RSD 1,241,524,625.00.

5. DESCRIPTION OF ALL IMPORTANT BUSINESS OCCURRENCES FROM THE PERIOD I-VI 2014

Management bodies

Ordinary Shareholders Assembly of JSC Belgrade Nikola Tesla was held on 30.06.2014 in the large conference room of Belgrade Lounge, Belgrade – Surčin, on the complex of Belgrade Nikola Tesla Belgrade, with beginning at 12.00 hours noon.

Shareholders Assembly of JSC Belgrade Nikola Tesla Airport has adopted the Financial Statements for year 2013, Independent Auditor's Report on Audit of Financial Statements for year 2013, Annual Business Report for year 2013, the Report of the Supervisory Board.

Shareholders Assembly of JSC Belgrade Nikola Tesla made the decision that profit realized in 2013 in the amount of RSD 13,320,836.58 is distributed as follows:

- For gross dividend – total of RSD 8,229,444.00; for RS 28,481,679 x 0,24 = 6,835,602.96 and small shareholders 5,807,671 x 0,24 = 1,393,841.04;
- for reserves of the Company the amount of RSD 5,091,392.58.

Also at the shareholders meeting member of Supervisory Board, Branisla Joka was resolved and the new members of the Supervisory Board of JSC Belgrade Nikola Tesla Airport elected: Aleksandar Marković, Petar Jarić, Goran Mirković.

For auditor of the financial statements of JSC Belgrade Nikola Tesla Airport for 2014 Shareholders' Assembly chose the company "Deloitte" Ltd.

The Company has adopted a decision on the amendment to pricelists of airport services of JSC Belgrade Nikola Tesla Airport.

Works

Works on rehabilitation of Taxiway "A"(TWY A km0 +724 - km 3+000) and connection "E"

In the first quarter of 2014 were carried out all necessary work on the rehabilitation of taxiway "A" (TWY A km 0 +724 - km 3 +000) and connection "E".

By this rehabilitation a new layer of asphalt on the surface of 60,700 m2 is made, repair of the basic track of taxiway according to ICAO recommendations - making of stabilized green area of 8,000 m2 along the edge of the pavement, as well as the rehabilitation of the existing lighting system of taxiway A and connection E - replacing 240 bases with lights. The total value of works is RSD 108,053,798.83. The contractor, consortium of "GP Planum" ad Belgrade - Zemun, "Minelinženjering Eving" doo Beograd, has completed all works on 25.05.2014 and CAD has inspected them on 26.05.2014 and after that taxiway was put into operation.

Replacement of lights SSO PAPI 12

JSC Belgrade Nikola Tesla Airport on 01/09/2014 with ELGRA VISION Ltd. Belgrade concluded the Agreement on Public Procurement 17-7/2014 for the execution of works on replacement of SSO PAPI 12 lights. Contracted value of works is RSD 5.975.600.00 VAT excluded. The contractor has been introduced into the business by signing a contract. The contractual deadline for completion is 75 days.

Works on replacement of SSO PAPI 12 lights were completed entirely on 18/02/2014. Instead of the old PAPI lights ALSTOM TO 737 that were in use for more than twenty years, the new PAPI lights ERNI type EL-219-PAPI are built in. New lights have better optics and are easier to adjust the angle of radiation.

Light pointer of approach angle of PAPI lights are very important assistance to the pilot in the final stages of landing on the runway. Functional correctness and precision setting of PAPI lights is essential to the safety of the aircraft during landing.

Winter Maintenance

On 01 April 2014 are completed all activities of the Airport Winter Maintenance for the winter season 2013/ 2014. In Stock remained 105 tons of urea and about 45,000 lit of runway anti-icing liquid that will be used for the next winter season. Activities have started to overhaul winter machinery and prepare them for the next season.

Procedure was carried out and signed contract for the supply of special socket for cleaning of runway maneuvering areas and other surfaces for movement of aircraft so that the runway sweeper Overassen RS 400 will be engaged throughout the year.

Contract No. 17-79/2014 is signed with the company Europlast on 08/04/2014, socket is delivered by middle of July, and installation of equipment is expected after obtaining of permit for stay and movement at boarder crossing for authorized service provider from Norway.

Maintenance of company fleet

Maintenance of Airport company fleet is conducted according to planned schedule of service intervals for routine maintenance and the corresponding requirements for corrective maintenance.

Execution of contract for procurement and installation of Visual Docking Guidance System- VDGS

JSC Belgrade Nikola Tesla Airport concluded on 06.01.2014 concluded contract for procurement No. 17-3/2014 with the renowned Swedish company FMT for the supply of goods, "Visual Docking Guidance System- VDGS" in the amount of € 339,699.00. The contract provides for procurement of 11 devices for aircraft visual docking guidance for parking positions C1 - C6 and A1 -A5 , as well as software that will connect all the devices to Airport Dispatch Centre. Using these devices in aircraft parking will completely eliminate the human factor as a possible cause of error and increase the accuracy and reliability of the guidance.

Until 07.05.2014. were set up all devices, calibrated, tested and successively released into operation after obtaining the approval of the Directorate of Civil Aviation.

Rehabilitation and modernization of air bridges C1-C5

Between 06/03/2014 and 07.04.2014 a tender for the rehabilitation and modernization of air bridges C1 and C5 was published. The Committee has carried out opening of tenders, reviewed them, and prepared an expert report. Signing of the contract is in progress. Subject of the contract is replacement of the system for vertical movement, PC, PLC, safety systems and sensors to increase safety and security of the old air bridges.

Flat plate baggage carousels

In this period two flat plate baggage carousels were installed and put into operation in the hall for baggage claim, all as per contract No.17-79/2013 with the Chinese company CIMC

TIANDA. Total value of contract was EUR 149,800.00. Takeover of equipment, testing and commissioning was done until 23.06.2014.

The second phase of reconstruction and extension of the waiting rooms and finger halls A and C

Airport Nikola Tesla Belgrade concluded Contract on 17.09.2013 with the consortium, which is a leading member of the company Morava In Krusevac, on Public Procurement No. 17-49 / 2013 for the works on the second phase of reconstruction of the waiting room and hallway fingerskih A and C. The contract value of the works is RSD 227 744 401, 55. Also, with the consortium, which is a leading member of the company Morava In Krusevac, is concluded public procurement contract number 17-133 / 2014 for the construction of additional works on the reconstruction and extension of the waiting room and hallway fingerskih A and C (Phase II). The agreed value of the additional works is RSD 2,334,191.20. The contractor has been introduced into business on 07.10.2013.

The second phase of extension and adaptation of terminal area includes works on the expansion and modernization of the waiting rooms and finger hall C. Technical documentation envisage upgrading of a new space between the gate C4 and the gate C5, area of 311.32 m², and the reconstruction of the existing surface area of 2304.12 m². Due to the increased volume of traffic a new gate C7 is formed for dispatch of passengers to open parking positions.

Expansion of the waiting rooms and finger hall C increases terminal capacity and quality of services provided to passengers. This provides additional space for commercial facilities and creates conditions for additional non-airline revenues.

Work on the second phase of the reconstruction and upgrading of the waiting rooms and finger halls A and C have been completed. Auditors of Civil Aviation Directorate of the Republic of Serbia have inspected the works performed and issued decision approving the use of aggregate waiting rooms C 3-4 and C 5-7, as well as gates C3, C4, C5, C6 and C7. Start of inspection of the works by the inspectors of the Department for Emergency Situations, Ministry of Internal Affairs is scheduled for 23.07.2014. A request for technical examination of the works performed is submitted to Ministry of Transport, Construction and Urban Planning.

By completion of the works on the second phase of reconstruction and upgrading of the waiting rooms and finger halls A and C, a conceptual architectural arrangement of finger hall C has also been completed.

Waiting rooms A4a - A4b for dispatch of passengers to open positions

JSC Belgrade Nikola Tesla Airport has on 17.09.2013 with Company Morava from Krusevac, concluded the Agreement on Public Procurement No.17-5/2014 for works on adaptation of waiting rooms A4a - A4b for dispatch of passengers to open positions. Contracted value of works is RSD 27,879,931.60. The contractor has been introduced into business on 16/01/2014. The contractual deadline for completion is 28 days.

Due to the increased number of passengers, investment projects (the second phase of reconstruction of the waiting rooms and finger halls A and C and replacement of air bridges A1-A5) and the planned timetable of the company 'Air Serbia', for the smooth flow of traffic during peak hours it was necessary to provide additional gates.

In the first half of 2014 works were completed on adaptation of the waiting rooms A4a and A4b, area of 450 m², which is used for dispatch of passengers to open parking positions. It is anticipated that the passengers on the first floor level of Terminal 2 pass existing customs and passport control. After crossing the restricted area, passengers are directed by signs to waiting rooms A4a A4b. After the X-ray control and boarding control at the exits of the waiting rooms, passengers are transported by bus to the aircraft parked at remote positions.

Works on adaptation of waiting rooms for exit to open positions A4a - A4b are executed according to the solution with technical description and the bill of quantities of a certified designer. The works include:

- Architecture and construction and finishing works on refurbishment and modernization of the interior
- Repair, replacement and maintenance of all installations (strong and weak electricity, water and sewage, ventilation, air conditioning)
- Reconditioning of elevator and escalators

The work was carried out within the agreed timeframe. The final value of the works is RSD 26,709,882.50. Auditors of Civil Aviation Directorate of the Republic of Serbia have inspected the works performed and issued Decision approving the use of waiting room for exit to open positions A4a - A4b.

Expansion of the apron C - fence and additional works

JSC Belgrade „Nikola Tesla“ Airport on 04.03.2014 concluded public procurement contract with the consortium, which leading member is the company Planum from Belgrade, No. 17-4/2013 for execution of additional works on expansion of apron C. Contracted value of works is RSD 11,691,002.80. The contractor has been introduced into business on 25.03.2014. The contractual deadline for completion is 30 days.

Additional works on expansion of apron C include surplus works based on contract and work on setting up a fence around extended part of apron C. The contract envisages setting up a new fence, length of 296 m, in order to meet the requirements for securing of airport complex. The fence of the airport complex, in addition to security (intrusion prevention) and technological functions (preventing the passage of animals that can endanger aircraft movement), formally represents the state border line.

The work was carried out within the agreed timeframe. Auditors Civil Aviation Directorate of the Republic of Serbia have inspected the works performed and issued Decision approving the use of part of the permanent fence installed along apron C (C7 - C10). A request for technical examination of the works performed on the expansion of apron C is submitted to Ministry of Transport, Construction and Urban Planning.

The construction of the new route of heat pipeline

JSC Airport Nikola Tesla Belgrade on 04.09.2013, with the consortium, which is a leading member of the firm Konvar from Belgrade, concluded Contract on Public Procurement No. 17-45 / 2013 for the construction of the new route of heating pipeline. Contract value of the works is RSD 44,201,880.75. The contractor has been introduced into business on 23.09.2013. The contractual deadline for completion is 110 days. On 05.12.2013 Annex I to the Contract was concluded stipulating that works will continue after the end of the heating season.

The works include the construction of new pipelines route and reconstruction of the part of existing pipeline. Length of new primary branches of heating pipeline is 750 m in diameter Φ 300 mm. Relocation of the primary route of pipeline passing beneath a concrete apron, has for the main objective prevention of adverse events that may occur due to a broken pipe, which would result in the suspension of traffic due to the intervention. In addition, it is envisaged to expand the capacity of district heating network, which creates the possibility of a subsequent connection of new facilities to be constructed during the planning period. The construction of new pipelines will reduce heat losses in the network, as well as the loss of hot water, which will lead to less consumption of water, fuel oil and electricity (and thus will reduce the pollution of the environment).

Work on the construction of new pipelines route have been completed. Start of inspection of the works by the inspectors of the Department for Emergency Situations, Ministry of Internal Affairs is scheduled for 23.07.2014. A request for technical inspection of the construction work

on the new route pipeline is submitted to Ministry of Transport, Construction and Urban Planning.

First phase of reconstruction and extension of waiting rooms and finger halls A and C

From the Ministry of Construction and Urban Planning is obtained on 13.02.2014 Decision approving the use of executed works on the first phase of reconstruction and extension of A and C waiting rooms and finger halls. The procedure of takeover of executed works started.

Transformer station Terminal 1

From the Ministry of Construction and Urban Planning is obtained on 24.03.2014 Decision approving the use of executed works on construction of transformer station Terminal 1.

6. DESCRIPTION OF SIGNIFICANT RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

During the analysis of the market impact on the financial instruments, the Company recognizes that there is the risk from changes in foreign exchange rates (currency risk), risks of changes in interest rates and the risk of price changes.

6.1 MARKET RISK

a) Currency risk

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, receivables, liabilities from long-term loans, finance leases and liabilities to foreign suppliers.

The analysis of the currency structure of the financial assets and liabilities as of 30.06.2014, along with the balance as on 31.12.2013, it can be concluded that the Company operates with a low currency risk. Financial liabilities contracted in foreign currency are generally long-term nature.

b) Risk of interest rate change

The Company is exposed to risk from changes in interest rates on assets and liabilities with floating interest rate.

The risk of changes in interest rates on the Company does not represent a significant risk, because the categories of financial instruments that have contractual interest are mainly defined with a fixed interest rate.

Variable interest rate was agreed for the financial leasing.

Changes in interest rates would not materially affect the revenues and expenditures of the Company, or the cash flows as a share of liabilities with a variable interest rate is insignificant in the total contractual obligations.

c) Price change risk

The Company estimates that there is no risk of price changes as the categories of financial instruments that the Company has available are not subject to price changes in the market.

Company in a very small scale operates with securities that are subject to changes in market prices of securities. In addition, the Company has no circulation of goods that are subject to price changes. The largest item in the turnover of goods is sale of kerosene, which is treated as goods in transit.

6.2 CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk which is the risk that a counterparty will not be able to settle their debts in full and on time, which would result in a financial loss to the Company.

The Company has huge receivables of domestic and foreign buyers on 30.06.2014 (RSD 6,153,561 thousand), and the credit risk permanently exists. In order to decrease this risk the Company regularly monitors realisation of payment, analyses charging value realised in due period, payments with exceeded maturity date and uncollected receivables.

The greater percentage of individual customers share the greater credit risk is, especially if those customers are with unstable liquidity and on this basis exceed the agreed payment term.

Receivables from buyers relate to a large number of customers, of which the largest portion relates to receivables from Air Serbia.

6.3 LIQUIDITY RISK AND CASH FLOW

Management of liquidity risk demands special attention of the Management of the Company. Therefore the Management has established business policy mostly based on financing from own resources. Borrowed funds are generally of long-term nature, and short-term liabilities can be covered by short-term receivables. However, despite the above, there is a risk of compromising liquidity, if in the future the collection of receivables from customers who mainly participate in due receivables is not improved.

7. INFORMATION ON SIGNIFICANT TRANSACTIONS BETWEEN RELATED PARTIES OF THE FIRST SIX MONTHS OF THE FINANCIAL YEAR

According to the Ministry of Finance, related parties of JSC Airport Nikola Tesla Belgrade are all legal entities in which equity, that is managing bodies, the Republic of Serbia has a share of at least 25%.

Belgrad, 31. July 2014

Executive Director



Zoran Stojković



Executive Director



Violeta Jovanović

Executive Director



Dejan Milovanović

Poslovni kabinet

01No / Broj:
Date / Datum:



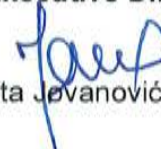
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TRANSLATION

STATEMENT

Hereby we state that, according to our best knowledge, the quarterly report for the second quarter, which contains data for the first six months of business 2014 is drafted in line with appropriate international standards of financial reporting and that it shows true and impartial data on property, obligations, financial position and operating, profits and losses, cash flows and changes on the capital of the Company.

Executive Director


Violeta Jovanović, M.Econ.


Executive Director


Zoran Stojković, LLB



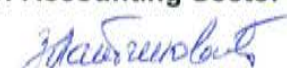
Executive Director


Dejan Milovanović, Eng.

 **Director of Finance**


Predrag Ralević

Head of Accounting Sector


Zorka Latinović