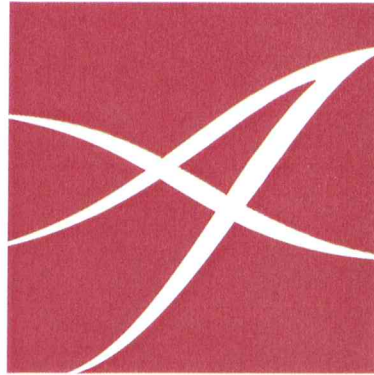


АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
Бр. 04-43
14. 05. 2015 год.

JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



**THE QUARTERLY REPORT FOR THE PERIOD I-III 2015,
WHICH CONTAINS DATA FOR THE FIRST THREE MONTHS
OF THE BUSINESS YEAR**

In accordance with Article 53 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 and 5/2015) published by the Commission for Securities.

**2015
YEAR**



Content of the report:

1. Financial statements for I-III 2015
 - Income Sheet
 - Report on other results
 - Balance Sheet
 - Statement on changes in capital
 - Cash Flow Statement
 - Notes to the financial statements

2. Report on company operations for I-III 2015

3. Statement

FINANCIAL STATEMENTS for I-III 2015

- 1. INCOME SHEET for I-III 2015**
- 2. REPORT ON OTHER RESULTS for I-III 2015**
- 3. BALANCE SHEET on 31 March, 2015**
- 4. STATEMENT ON CHANGES IN CAPITAL for I-III 2015**
- 5. CASH FLOW STATEMENT for I-III 2015**
- 6. NOTES TO THE FINANCIAL STATEMENTS on 31 March 2015**

INCOME SHEET

**In the period from 1 January to 31 March 2015
(in thousand RSD)**

INCOME SHEET

for the period from 01.01.2015 to 31.03.2015

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	REVENUES OF REGULAR BUSINESS				
60 to 65, except 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		1,710,115	1,571,763
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002		31,641	201,317
600	1. Revenues from sale of goods to parent companies and subsidiaries in domestic market	1003			
601	2. Revenues from sale of goods to parent companies and subsidiaries in foreign markets	1004			
602	3. Revenues from sale of goods to other related parties in domestic market	1005			
603	4. Revenue from sale of goods to other related parties in foreign markets	1006			
604	5. Revenues from sale of goods in domestic market	1007		364	326
605	6. Revenue from sale of goods in foreign market	1008	5	31,277	200,991
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	7,8,9	1,516,625	1,235,531
610	1. Revenues from sale of products and services to parent com. and subsidiaries in domestic market	1010			
611	2. Revenues from sale of products and services to parent com. and subsidiaries in foreign market	1011			
612	3. Revenues from sale of products and services to other related parties in domestic market	1012			
613	4. Revenues from sale of products and services to other related parties in foreign market	1013			
614	5. Revenues from sale of products and services in domestic market	1014	6	607,258	482,056
615	6. Revenues from sale of products and services in foreign market	1015	7	909,367	753,475
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		0	0
65	IV OTHER OPERATING REVENUES	1017	10	161,849	134,915

INCOME SHEET (continued)
In the period from 1 January to 31 March 2015

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	EXPENDITURES OF REGULAR BUSINESS				
50 to 55, 62 and 63	B. OPERATING EXPENSITURES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		1,006,470	1,220,111
50	I. PURCHASE VALUE OF SOLD GOODS	1019	11	31,019	193,641
62	II. REVENUES FROM ACTIVATION OF USE OF OWN PRODUCTS AND GOODS	1020		0	0
630	III. INCREASE OF STOCK VALUE OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021			
631	IV. DECREASE OF STOCK VALUE OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022			
51 except 513	V. COSTS OF MATERIAL	1023	12	30,881	56,120
513	VI. COSTS OF FUEL AND ENERGY	1024	13	80,451	90,230
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	14	491,207	366,140
53	VIII. COSTS OF PRODUCTION SERVICES	1026	15	107,038	221,319
540	IX. AMORTIZATION COSTS	1027		184,493	179,019
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	5,000	0
55	XI. INTANGIBLE COSTS	1029	17	76,381	113,642
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		703,645	351,652
	G. OPERATING LOSS (1018 – 1001) ≥ 0	1031			
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		103,648	66,800
66, except 662, 663 and 664	I. FINANCIAL REVENUES FROM RELATED PARTIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0	0
660	1. Financial revenues from parent companies and subsidiaries	1034			
661	2. Financial revenues from other related parties	1035			
665	3. Revenue from participation in profit of associated legal entities and joint ventures	1036			
669	4. Other financial revenues	1037			

INCOME SHEET (continued)
In the period from 1 January to 31 March 2015

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	35,876	45,201
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	67,772	21,599
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		46,364	30,736
56, except 562, 563 and 564	I. FINANCIAL EXPENDITURES FROM RELATED PARTIES RELATION AND OTHER FIN. EXPENDITURES (1042 + 1043 + 1044 + 1045)	1041		0	0
560	1. Financial expenditures from relation with parent com. and subsidiaries	1042			
561	2. Financial expenditures from relation with other related parties	1043			
565	3. Expenditures from participation in the loss of associated legal entities and joint ventures	1044			
566 and 569	4. Other financial expenditures	1045			
562	II. INCOME EXPENDITURES (TOWARD THIRD PARTIES)	1046	20	11,123	11,644
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	35,241	19,092
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		57,284	36,064
	Ž. LOSS FROM FINANCING (1040 – 1032)	1049		0	0
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	0	177
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	499,659	349,548
67 and 68, exc. 683 and 685	J. OTHER REVENUES	1052	24	1,898,236	39,026
57 and 58, exc. 583 and 585	K. OTHER EXPENDITURES	1053	25	4,568	16,665
	L. PROFIT FROM REGULAR OPERATING BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	2,154,938	60,706
	LJ. LOSS FROM REGULAR OPERATING BEFORE TAX (1031 – 1030 + 1049 – 1048 + 1051 – 1050 + 1053 – 1052)	1055			
69-59	M. NET PROFIT FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1056			
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1057			

INCOME SHEET (continued)
In the period from 1 January to 31 March 2015

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	2,154,938	60,706
	O. LOSS BEFORE TAX (1055 – 1054 + 1057 – 1056)	1059			
	P. PROFIT TAX				
721	I. PERIOD TAX EXPENDITURE	1060	26	260,396	9,770
part 722	II. DEFERRED PERIOD TAX EXPENDITURE	1061			
part 722	III. DEFERRED PERIOD TAX REVENUE	1062	26	964	2,783
723	R. PAID PERSONAL INCOME OF THE EMPLOYER	1063			
	S. NET PROFIT				
	(1058 – 1059 – 1060 – 1061 + 1062)	1064	27	1,895,506	53,719
	T. NET LOSS				
	(1059 – 1058 + 1060 + 1061 – 1062)	1065			
	I NET PROFIT DUE TO MINORITY SHAREHOLDERS	1066			
	II NET PROFIT DUE TO MAJORITY OWNER	1067			
	III EARNINGS PER SHARE		27		
	1. Basic earnings per share in RSD	1068			
	2. Reduced (diluted) earnings per share	1069			

STATEMENT ON OTHER COMPREHENSIVE RESULT
In the period from 1 January to 31 March 2015
(in thousand RSD)

STATEMENT ON OTHER COMPREHENSIVE RESULT

for period from 01.01.2015 to 31.03.2015

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Notes No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET RESULTS FROM OPERATIONS				
	I. NET PROFIT (ADP 1064)	2001	27	1,895,506	53,719
	II. NET LOSS (ADP 1065)	2002			
	B. OTHER COMPREHENSIVE PROFITS AND LOSS				
	a) Items that will not be reclassified in income sheet in future periods				
	1. Changes in the revaluation of intangible assets, property, plant and equipment				
330	a) increase in revaluation reserves	2003			0
	b) decrease in revaluation reserves	2004		133	
	2. Actuarial gains and losses on defined benefit plans				
331	a) gains	2005			0
	b) losses	2006			
	3. Gains or losses on investments in equity capital instruments				
332	a) gains	2007			
	b) losses	2008			
	4. Gains or losses on shares in other comprehensive profit or loss of associated companies				
333	a) gains	2009			
	b) losses	2010			
	b) Items that can subsequently be reclassified in income sheet in future periods				
	1. Gains or losses based on recalculation of financial statements of foreign operations				
334	a) gains	2011			
	b) losses	2012			
	2. Gains or losses on hedging instruments of net investment in a foreign operation				
335	a) gains	2013			
	b) losses	2014			
	3. Gains or losses on risk hedging instruments of cash flow				
336	a) gains	2015			
	b) losses	2016			
	4. Gains or losses on securities available for sale				
337	a) gains	2017			
	b) losses	2018			
	I. OTHER GROSS COMPREHENSIVE PROFIT				
	(2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			0

STATEMENT ON OTHER COMPREHENSIVE RESULT (cont'd)
In the period from 1 January to 31 March 2015
(in thousand RSD)

- in thousand RSD -

Group of accounts, account	POSITION	ADP	Notes No.	Amount	
				Current year	Previous year
	II. OTHER GROSS COMPREHENSIVE LOSS				
	(2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		133	
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			
	IV. NET OTHER COMPREHENSIVE PROFIT				0
	(2019 – 2020 – 2021) ≥ 0	2022			
	V. NET OTHER COMPREHENSIVE LOSS			133	
	(2020 – 2019 + 2021) ≥ 0	2023			
	B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD				
	I. TOTAL NET COMPREHENSIVE PROFIT			1,895,373	53,719
	(2001 – 2002 + 2022 – 2023) ≥ 0	2024			
	II. TOTAL NET COMPREHENSIVE LOSS			0	
	(2002 – 2001 + 2023 – 2022) ≥ 0	2025			
	G. TOTAL NET COMPREHENSIVE PROFIT OR LOSS (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		0	0
	1. Attributable to majority owners of capital	2027			
	2. Attributable to owners who do not have control	2028			

BALANCE SHEET
On 31 March 2015
(in thousand RSD)

BALANCE SHEET

on 31.03. 2015

- in thousand RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
	ASSETS					
0	A. NON-PAID UP SUBSCRIBED CAPITAL	1				
	B. FIXED ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	2		21,656,577	21,714,561	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	3	28	24,962	25,923	0
010 & part 019	1. Investments in development	4				
011, 012 & part 019	2. Concessions, patents, licences, trade marks, software and other rights	5	28	24,962	25,923	
013 & part 019	3. Goodwill	6				
014 & part 019	4. Other intangible assets	7				
015 & part 019	5. Intangible assets in progress	8				
016 & part 019	6. Advances for intangible assets	9				
2	II. REAL ESTATE, PLANTS AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	28	21,542,830	21,585,698	0
020, 021 & part 029	1. Land	11	28	9,120,668	9,120,668	
022 & part 029	2. Buildings	12	28	10,001,037	10,102,565	
023 & part 029	3. Plants and equipment	13	28	2,365,471	2,316,158	
024 & part 029	4. Investment property	14	28	21,467	21,467	
025 & part 029	5. Other property, plants and equipment	15	28	3,619	3,619	
026 & part 029	6. Property, plants and equipment in progress	16	28	18,255	5,768	
027 & part 029	7. Investments in some. else's property, plant and equipment	17				
028 & part 029	8. Advances for property, plants and equipment	18	28	12,313	15,453	
3	III. BIOLOGICAL AGENCIES (0020 + 0021 + 0022 + 0023)	19		165	165	0
030, 031 & part 039	1. Forests and perennal plants	20				
032 & part 039	2. Livestock unit	21	28	165	165	
037 & part 039	3. Biological agencies in progress	22				
038 & part 039	4. Advances for biological agencies	23				
04. except 047	IV. LONG-TERM FINANCIAL INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24		88,620	102,775	0
040 & part 049	1. Shares in subsidiaries	25				
041 & part 049	2. Shares in associated companies and joint ventures	26				
042 & part 049	3. Shares in other legal entities and other securities available for sale	27	29	1	1	
part 043, part 044 & part 049	4. Long-term investments to parent companies and subsidiaries	28				
part 043, part 044 & part 049	5. Long-term investments to other related parties	29				
part 045 & part 049	6. Long-term investments in the country	30				
part 045 & part 049	7. Long-term investments abroad	31				
046 & part 049	8. Securities hold to maturity	32				
048 & part 049	9. Other long-term financial investments	33	30	88,619	102,774	

BALANCE SHEET (cont'd.)
On 31 March 2015
(in thousand RSD)

- in thousand RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34		0	0	0
050 & part 059	1. Receivables from parent company and subsidiaries	35				
051 & part 059	2. Receivables from other related parties	36				
052 & part 059	3. Receivables from sale on trade credit	37				
053 & part 059	4. Receivables from sale per contracts on financial leasing	38				
054 & part 059	5. Receivables based on guarantees	39				
055 & part 059	6. Disputed and doubtful receivables	40				
056 & part 059	7. Other long-term receivables	41				
288	V. DEFERRED TAX ASSETS	42				
	G. TURNOVER PROPERTY	43		7,750,679	6,201,901	0
	(0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)					
Class 1	I STOCKS (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		143,751	131,446	0
10	1. Material, spare parts, tools and small inventory	45	31	113,574	109,808	
11	2. Unfinished production and unfinished services	46				
12	3. Ready products	47				
13	4. Goods	48	32	15,697	20,612	
14	5. Non-current assets intended for sale	49				
15	6. Advances paid for stock and services	50	33	14,480	1,026	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		962,846	1,144,824	0
200 & part 209	1. Buyers in the country – parent companies and subsidiaries	52				
201 & part 209	2. Buyers abroad – parent companies and subsidiaries	53				
202 & part 209	3. Buyers in the country – other related parties	54				
203 & part 209	4. Buyers abroad – other related parties	55				
204 & part 209	5. Buyers in the country	56	34	426,060	676,715	
205 & part 209	6. Buyers abroad	57	35	536,786	468,109	
206 & part 209	7. Other receivables from sale	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	36	105,179	45,124	
236	V FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME SHEET	61				
23 except 236 and 237	VI SHORT-TERM INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62		3,398,101	2,031,124	0
230 & part 239	1. Short-term loans and invest. – parent com. and subsidiaries	63				
231 & part 239	2. Short-term loans and investments – other related parties	64				
232 & part 239	3. Short-term credits and loans in the country	65	37	23,158	34,818	
233 & part 239	4. Short-term credits and loans abroad	66				
234, 235, 238 & part 239	5. Other short-term financial investments	67	38	3,374,943	1,996,306	
24	VII CASH AND CASH EQUIVALENTS	68	41	3,117,913	2,803,851	
27	VIII VALUE ADDED TAX	69				
28 except 288	IX PREPAYMENTS AND ACCRUED INCOME	70	42	22,889	45,532	
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	71		29,407,256	27,916,462	0
88	DJ. OFF-BALANCE SHEET ASSETS	72	62	471,183	511,663	

BALANCE SHEET (cont'd.)
On 31 March 2015
(in thousand RSD)

- in thousand RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL (0402 + 0411 - 0412 + 0413 + 0414 + 0415 - 0416 + 0417 + 0420 - 0421) ≥ 0 = (0071 - 0424 - 0441 - 0442)	401		26,852,666	24,957,293	0
30	I CORE CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	402		20,573,610	20,573,610	
300	1. Share capital	403	43	20,573,610	20,573,610	
301	2. Shares of limited liability companies	404				
302	3. Stakes	405				
303	4. State capital	406				
304	5. Social capital	407				
305	6. Cooperative shares	408				
306	7. Share issue premium	409				
309	8. Other core capital	410				
31	II NON-PAID SUBSCRIBED CAPITAL	411				
047 & 237	III REPURCHASED OWN SHARES	412				
32	IV RESERVES	413	44	1,534,430	1,534,430	
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLES, PROPERTY, PLANTS AND EQUIPMENT	414	45	148,436	148,569	
33 except 330	VI. NON-REALISED INCOMES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance of group account 33 except 330)	415	46	5,177	5,177	
33 except 330	VII. NON-REALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance of group account 33 except 330)	416				
34	VIII NON-DISTRIBUTED PROFIT (0418 + 0419)	417	47	4,591,013	2,695,507	0
340	1. Non-distributed profit of previous years	418	47	2,695,507	0	
341	2. Non-distributed profit of the current year	419	47	1,895,506	2,695,507	
	IX. SHARE WITHOUT RIGHT OF CONTROL	420				
35	X.LOSS (0422 + 0423)	421		0	0	0
350	1. Loss of previous years	422				
351	2. Loss of the current year	423				
	B. LONG-TERM RESERVES AND LIABILITIES (0425 + 0432)	424		1,072,595	1,074,592	0
40	I LONG-TERM RESERVES (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	48	188,793	185,327	0
400	1. Reserves for costs within guarantee period	426				
401	2. Reserves for restoration of natural resources	427				
403	3. Reserves for restructuring costs	428				
404	4. Reserves for retirement and other employee benefits	429	49	109,703	111,237	
405	5. Reserves for litigations	430	49	79,090	74,090	
402 & 409	6. Other long-term reserves	431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		883,802	889,265	0
410	1. Liabilities that may be converted into capital	433				
411	2. Liabilities toward parent companies and subsidiaries	434				
412	3. Liabilities toward other related parties	435				

BALANCE SHEET (cont'd.)
On 31 March 2015
(in thousand RSD)

- in thousand

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
413	4. Liabilities from securities for a period longer than one year	436				
414	5. Long-term credits and loans in the country	437				
415	6. Long-term credits and loans abroad	438	50	883,802	889,265	
416	7. Liabilities base on financial leasing	439				
419	8. Other long-term liabilities	440				
498	V. DEFERRED TAX LIABILITIES	441	26	209,646	210,610	
42 to 49 (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		1,272,349	1,673,967	0
42	I SHORT-TERM FINANCIAL OBLIGATIONS (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443		88,147	100,824	0
420	1.Short-term loans from parent companies and subsidiaries	444				
421	2. Short-term loans from other related parties	445				
422	3. Short-term credits and loans in the country	446				
423	4. Short-term credits and loans abroad	447				
427	5. Liabilities on fixed assets and assets from discontinued operations intended for sale	448				
424, 425, 426 and 429	6. Other short-term financial obligations	449	52	88,147	100,824	
430	II RECEIVED PRIPAYMENT, DEPOSITS AND BAILS	450	53	60,438	47,432	
43 except 430	III BUSINESS LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		94,311	172,638	0
431	1. Suppliers – parent com. and subsidiaries in the country	452				
432	2. Suppliers – parent com.and subsidiaries abroad	453				
433	3. Suppliers – other related parties in the country	454				
434	4. Suppliers – other related parties abroad	455				
435	5. Suppliers in the country	456	54	53,382	132,746	
436	6. Suppliers abroad	457	55	23,815	32,649	
439	7. Other business liabilities	458	56	17,114	7,243	
44, 45 & 46	IV OTHER SHORT-TERM LIABILITIES	459	57	213,570	733,787	
47	V LIABILITIES FROM VALUE ADDED TAX	460	58	50,100	66,619	
48	VI LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	461	59	627,845	463,726	
49 except 498	VII ACCRUALS AND DEFERRED INCOME	462	61	137,938	88,941	
	D. LOSS OVER CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	463				
	DJ. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		29,407,256	27,916,462	0
89	E. OFF-BALANCE SHEET LIABILITIES	465	62	471,183	511,663	

STATEMENT ON CHANGES IN CAPITAL
In the period from 1 January to 31 March 2015
(in thousand RSD)

STATEMENT ON CHANGES IN CAPITAL in the period from 01.01. to 31.03.2015

Serial No.	DESCRIPTION	Capital components										Components of other result						Total capital [line 16 col.3 to col. 15] + [line 15] - [line 16 col.3 to col.15] ≥ 0		
		30	31	32	35	7	8	9	10	11	12	13	14	15	16					
1	Opening balance on 01.01.2014																			
1	a) debit balance of account	4001	4019	4037	4055	4073	4091	4127	4145	4163	4181	4199	4217	4235	0	4244				
	b) credit balance of account	4002	20,573,610	4020	0	4038	1,529,339	4056	0	4074	0	4092	16,205,410	0	4146	0	4200	0	22,119,154	
	Correction of materially significant errors and changes of accounting policies																			
2	a) corrections on the debit side of the account	4003	0	4021	0	4039	0	4057	0	4075	0	4093	2,884,411	0	4147	0	4201	0	4236	
	b) corrections on the credit side of the account	4004	0	4022	0	4040	0	4058	0	4076	0	4094	0	4148	0	4166	0	4202	0	4245
	Updating of opening balance on 01.01. 2014																			
3	a) corrected debit balance of account (1a + 2a - 2b) ≥ 0	4005	0	4023	0	4041	0	4059	0	4077	0	4095	4113	0	4149	0	4203	0	4237	
	b) corrected credit balance of account (1b - 2a - 2b) ≥ 0	4006	20,573,610	4024	0	4042	1,529,339	4060	0	4078	0	4096	13,321,414	0	4150	0	4204	0	4222	
	Changes in the previous 2014																			
4	a) Turnover on the debit side of the account	4007	0	4025	0	4043	0	4061	0	4079	0	4097	735,798	4115	0	4151	0	4205	0	4238
	b) Turnover on the credit side of the account	4008	0	4026	0	4044	5,091,406	4062	0	4080	0	4098	3,417,984	4116	5,177,415	4170	4206	0	4224	
	Balance at the end of prev. year on 31.12.2014																			
5	a) debit balance of account (3a + 4a - 4b) ≥ 0	4009	0	4027	0	4045	0	4063	0	4081	0	4099	0	4117	0	4153	0	4207	0	4239
	b) credit balance of account (3b - 4a - 4b) ≥ 0	4010	20,573,610	4028	0	4046	1,534,430	4064	0	4082	0	4100	2,695,507	4118	5,177,415	4172	4208	0	4226	
	Correction of materially significant errors and changes of accounting policies																			
6	a) corrections on the debit side of the account	4011	0	4029	0	4047	0	4065	0	4083	0	4101	0	4119	0	4155	0	4209	0	4240
	b) corrections on the credit side of the account	4012	0	4030	0	4048	0	4066	0	4084	0	4102	0	4120	0	4156	0	4210	0	4248
	Corrected opening balance of the current year on 01.01. 2014																			
7	a) corrected debit balance of account (5a + 6a - 6b) ≥ 0	4013	0	4031	0	4049	0	4067	0	4085	0	4103	0	4121	0	4157	0	4211	0	4241
	b) corrected credit balance of account (5b - 6a + 6b) ≥ 0	4014	20,573,610	4032	0	4050	1,534,430	4068	0	4086	0	4104	2,695,507	4122	5,177,415	4176	4212	0	4230	
	Changes in the current 2015																			
8	a) turnover on the debit side of the account	4015	0	4033	0	4051	0	4069	0	4087	0	4105	0	4123	0	4159	0	4213	0	4242
	b) turnover on the credit side of the account	4016	0	4034	0	4052	0	4070	0	4088	0	4106	1,895,506	4124	0	4160	0	4211	0	4232
	Balance at the end of curr. year on 31.03.2015																			
9	a) debit balance of account (7a + 8a - 8b) ≥ 0	4017	0	4035	0	4053	0	4071	0	4089	0	4107	4143	4161	0	4197	0	4215	0	4243
	b) credit balance of account (7b - 8a + 8b) ≥ 0	4018	20,573,610	4036	0	4054	1,534,430	4072	0	4090	0	4108	4,591,013	4144	5,177,416	4180	4216	0	4234	

CASH FLOW STATEMENT
In the period from 1. January to 31 March 2015
(in thousand RSD)

CASH FLOW STATEMENT

in the period from 01.01.2015 to 31.03.2015

- in thousand RSD-

Position	ADP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM BUSINESS ACTIVITY			
I. Cash inflow from business activities (1 to 3)	3001	3,480,078	1,421,501
1. Sale and received advance payments	3002	3,267,291	1,271,886
2. Interests received from business activity	3003	17,986	32,482
3. Other inflows from regular operations	3004	194,801	117,133
II. Cash outflow from business activities (1 to 5)	3005	1,019,515	1,134,823
1. Payments for suppliers and given advance payments	3006	382,661	747,257
2. Salaries, salary compensations and other personal expenses	3007	389,969	291,471
3. Paid interest	3008	5,308	5,650
4. Income-tax	3009	99,317	28,198
5. Payment from other public revenues	3010	142,260	62,247
III. Net cash inflow from business activities (I - II)	3011	2,460,563	286,678
IV. Net cash outflow from business activities (II - I)	3012		0
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Cash inflow from investment activity (1 to 5)	3013	13,548	27,289
1. Sale of shares and portions (net inflows)	3014	0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	3015		0
3. Other financial investments (net inflows)	3016	0	14,908
4. Interests received from investment activities	3017	13,548	12,381
5. Dividends received	3018	0	0
II. Cash outflows from investment activities (1 to 3)	3019	1,547,197	281,462
1. Purchase of shares and portions (net outflows)	3020	0	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	3021	224,888	281,462
3. Other financial investments (net outflows)	3022	1,322,309	0
III. Cash net inflow from investment activities (I - II)	3023	0	
IV. Cash net outflow from investment activities (II - I)	3024	1,533,649	254,173
V. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	0	0
1. Core capital increase	3026	0	0
2. Long-term loans (net inflows)	3027	0	0
3. Short-term loans (net inflows)	3028	0	0
4. Other long-term liabilities	3029	0	0
5. Other short-term liabilities	3030	0	0

CASH FLOW STATEMENT (cont'd.)
In the period from 1.January to 31 March 2015
(in thousand RSD)

- in thousand RSD-

Position	ADP	Amount	
		Current year	Previous year
1	2	3	4
II. Cash outflow form financing activities (1 to 6)	3031	612,877	29,985
1. Redemption of own shares and portions	3032	0	0
2. Long-term loans (outflows)	3033	12,160	11,261
3. Short-term loans (outflows)	3034	0	0
4. Other liabilities (outflows)	3035	0	0
5. Financial leasing	3036	0	18,724
6. Paid-up dividends	3037	600,717	0
III. Net cash inflow from financing activities (I-II)	3038		0
IV. Net cash outflow from financing activities (II-I)	3039	612,877	29,985
G. OVERALL CASH INFLOW (3001 + 3013 + 3025)	3040	3,493,626	1,448,790
D. OVERALL CASH OUTFLOW (3005 + 3019 + 3031)	3041	3,179,589	1,446,270
DJ. NET CASH INFLOW (3040 – 3041)	3042	314,037	2,520
E. NET CASH OUTFLOW (3041 – 3040)	3043	0	0
Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	3044	2,803,851	896,778
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3045	24,058	11,501
I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3046	24,033	7,097
J. CASH AT THE END OF ACCOUNTING PERIOD (3042 – 3043 + 3044 + 3045 – 3046)	3047	3,117,913	903,702

JSC BELGRADE NIKOLA TESLA AIRPORT
NOTES TO FINANCIAL STATEMENTS
31 March 2015

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, taxing and parking and aircraft, passenger and cargo handling). Apart from the basic activity of rendering airport services, the Company, as side activities, provides other services at airport complex, satisfying the needs of service users, domestic and foreign air carriers.

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

By a Decision of the Government of Republic of Serbia of 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 Business 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 in Business Registers Agency 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.

1.2. Number of employees and engaged persons

On Balance Sheet date on 31.03.2015 the Company had 1.694 engaged persons of which 886 refer to permanent employees (on 31. December 2014 it was 1.682 engaged workers, of which 475 permanent employees).

1.3. 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 1% 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 has to be an independent member of the Supervisory Board.

The Executive Board has 5 executive directors including the General Director. The Executive directors are assigned by the Supervisory Board of the Company.

1.4. Ownership structure

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.

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for composition and presentation of financial statements

Financial statements for the I-III 2015 are prepared in a manner and in accordance with the legislation, which was used in the preparation of annual financial statements for 2014, which is fully stated in Note 2, to financial statements for 2014.

Financial statements for the I-III 2015 were approved at the meeting of the Supervisory Board on 14.05.2015.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES

3.1 Incomes and outcomes

Sales revenue is recognized when the risks and benefits associated with the right of ownership is transferred to the customer, and that includes the date of delivery to the customer. Revenue is measured at the fair value of the consideration received or to be received, in the net amount after deducting the discounts and value added tax.

Expenses are accounted for on an accrual basis of revenue and expenditure.

Maintenance and repair of fixed assets are recorded in the income statement in the accounting period when they arise.

3.2. Costs of borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are included in the purchase value of the asset and until that period when all the activities are essentially completed, necessary to prepare the asset for the intended use or sale. Assets being qualified relate to the assets which required a significant period of time to get ready for its intended use.

Income from investments realized on the basis of the temporary investment of borrowed funds is deducted from the borrowing costs incurred intended to finance assets that qualify.

All other borrowing costs are recognized in the income statement in the period to which they relate.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

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 bases; as follows:

- during the year in collection of receivables and payment of liabilities in foreign currency at the official exchange rate of the National Bank of Serbia, which occur as a result of differences in the exchange rate on the date of purchase and the exchange rate on the date of payment, as realized positive or negative exchange rate differences, 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 balance sheet as follows:

Average foreign exchange rates, determined at the interbank foreign exchange market, used in the conversion of foreign currency balance sheet positions into dinars, for the major currencies were as follows:

	31.03.2015	31.12.2014
EUR	120.2153	120.9583
USD	111.4240	99.4641
CHF	114.8188	100.5472
GBP	164.5883	154.3650

Liabilities based on long-term loans from the EIB and obligations of Hypo Leasing, are converted into RSD counter value at an agreed selling rate of the bank.

Selling rate of banks on the date of financial statements preparation are presented in the following table:

Agreed rate:	Value in RSD	
EUR - for EIB loan	120.5759	121.3212
EUR - for Hypo leasing		122.7727

3.4. Real estates, plants, equipment, biological resources

Property, plant and equipment that meet the requirements for recognition of assets are carried at their purchase price or cost. Cost represents the invoiced amount plus all expenses incurred to its intended use.

After initial recognition, property, plant and equipment are presented at revalued amount that reflects their fair value at the date of revaluation, less the total amount of the value correction based on amortization and total amount of value correction for impairment loss.

The Company has engaged a certified appraiser - the Company for financial engineering and consulting - Servo Mihalj - Agroekonomik to assess the value of property, plant and equipment as at 31.12.2014.

Tools and supplies, whose useful life is longer than one year and individual purchase price greater than the average gross salary in the Republic, are recognized as property, plant and equipment at purchase cost. These amounts are amortized according to the estimated life of use.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.4. Real estates, plants, equipment, biological resources (cont'd.)

Gains or losses arising from write-offs or alienation are recognized as income or expense in the income statement.

3.5 Intangible investments

Intangible assets relate to purchased software and licenses and are presented at purchase price less amortization and are written off by straight-line method over a period of two to ten years.

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

Depreciation of property, plant and equipment is calculated using straight-line method over the estimated useful life. The depreciation rates that were used in the 2014 business year, as well as the rate of amortization calculated based on the useful life of the assets according to the evaluation report, which started to be applied in the first quarter of 2015 are given in the following table:

DESCRIPTION	31.03.2015 after evaluation	31.12.2014 before estimated fair value
Building facilities	%	%
Water and electricity facilities	2,27 - 7,14	1,50 - 10,00
Roads, airports and parking lots	2,22 - 20,00	2,00 - 12,5
Other building facilities	5,00 - 20,00	5,00 - 20,00
Flats given to employees for use	1.49	1.42
Equipment	%	%
New specific equipment	5,26 - 50,00	5,00 - 33,33
Equipment for road traffic	9,00 - 33,33	6,67 - 33,33
Equipment for PTT and TV	11,11 - 50,00	10,00 - 33,33
Equipment for air traffic	8,33 - 25,00	6,67 - 20,00
Measuring and control devices and specific devices	5,00 - 25,00	5,00 - 50,00
Laboratory equipment, teaching aids and medical devices	25,00 - 33,33	14.29
Electronic, calculating machines and computers	16,67 - 25,00	11,11 - 33,33
Furniture and equipment for general purposes	11,00 - 25,00	10,00 - 50,00
Equipment for road traffic under financial leasing	12,50 - 25,00	6,67 - 25,00
Equipment and plants	20,00 - 25,00	5,00 - 50,00
Tools and inventory	33,00 - 100,00	33,00 - 100,00
Intangible investments	%	%
Software and licenses	10,00 - 50,00	10,00 - 50,00

3.7. Investment property

Investment properties are properties that the Company, as the owner, holds to earn rentals or for capital appreciation or for both of them, and not for use in the provision of services or for administrative purpose or sale in the ordinary course of business. Initial measurement of investment property during the acquisition is carried at purchase value or cost price. After initial recognition, valuation of investment property is carried at fair value at the end of each business year. Positive and negative effects from changes in fair value of investment property are recognized through the income statement.

The Company has engaged a certified appraiser - Institute for Economic Research Belgrade, to assess the value of investment property as on 31.12.2014.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.8. Impairment

At each balance sheet date the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that there has been a loss due to the impairment of such assets. If any such indication exists, the recoverable amount of assets is estimated so that the extent of the impairment loss could be determined. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit, to which the asset belongs.

The recoverable amount is net selling price or value in use, whichever is higher. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using the discount rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset.

If the estimated recoverable amount of the asset (or cash generating unit) is less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Losses from impairment are recognized as an expense immediately, unless the relevant asset is land or buildings that are not used as investment property carried at a revalued amount, in which case the impairment loss is treated as a reduction in the value of revaluation.

With the subsequent reversal of the impairment, the carrying amount of the asset (cash generating unit) is increased to the revised estimated recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined in previous years if there were no losses recognized in this asset (cash generating unit) due to impairment. A reversal of an impairment loss is recognized immediately in income, unless the relevant asset is carried at appraised value, in which case the reversal of the impairment loss is treated as an increase due to revaluation.

On March 31, 2015, based on the Company's management estimates there are no indications that the value of the assets is impaired.

3.9. 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. Cost includes the invoiced value, transport and acquisition costs.

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

Inventories are recorded at the sales price. At the end of the accounting period, their value is adjusted to cost allocation, price differences, calculated on an average basis between the purchaser cost of realized goods and supplies in stock at the end of the year.

Charged to other expenses shall be corrected inventory value in cases where it determines that is necessary to bring value to their net estimated realizable value (including inventories with slow turnover, excess and obsolete inventories). Damaged inventory and inventory that does not meet the standards are written off.

3.10. Taxes and contributions

Current income tax

Current income tax represents an amount calculated by applying the statutory income tax rate of 15% on the tax base determined in the tax balance, which represents the amount of profit before tax after deduction of the effects of adjusting income and expenses, in accordance with the tax regulations of the Republic of Serbia, with the decrease in the statutory income tax credits.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.10. Taxes and contributions

The Law on Corporate Income Tax of the Republic of Serbia do not envisage that any tax losses of the current period be used to recover taxes paid in previous years. However, losses which are included in the tax balance until 2009, can be used to reduce the tax base in future periods over the next ten years from the vesting date, and the losses realized and recognized in the tax statement for 2010 and beyond, can be used to reduce the tax base in future periods, but not longer than five years.

The Law on Corporate Income Tax of the Republic of Serbia in the part of tax credit provides that taxpayers who have until December 31, 2013 were entitled to a tax incentive under Art. 48. The previous law, and expressed the information in the tax return and the tax return for 2013, cannot be entitled to use up to the deadline and in the manner prescribed by the earlier law. According to Art.48 Paragraph 5 of the previous law, "unused tax credits can be offset against income tax in future periods up to the prescribed limit of 33% (for large and medium-sized enterprises), but not longer than ten (10) years that you apply as of the tax balance sheet for the year 2003 ". In determining the income tax for 2015, the earliest previous tax period from which they can use unused tax credit is the tax account or PK form in 2005. Transferred tax credit is used in the order of investment.

Deferred income 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 of 15% whose use is expected in the period when the asset is realized or the liability settled.

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.

3.11. Benefits for employees

Taxes and contributions to funds for social security of employees

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.

Reserving for terminal wages and jubilee bonuses

Based on the Collective Bargaining Agreement adopted on 12.02.2015 the Company is obliged to pay to the employees:

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.11. Benefits for employees

- Terminal wage for retirement in amount of 4 average month salaries without tax and contributions paid at the employer's in the very month before payment of terminal wage
- Jubilee awards for total time spent in employment with the employer in the amount of the average monthly salary without tax and contributions paid by the employer for the month preceding the month in which the employee is entitled to jubilee awards as follows:

10 years – one average month salary
20 years – two average month salaries
30 years - three average month salaries
35 years for women and men- four average month salaries.

Because of the obligations regulated by collective agreement, the Company at the end of each business year assesses reserving for terminal wages and jubilee bonuses in accordance with the requirements of standard IAS 19- Employee Benefits.

The Company has engaged an auditing firm AUDITOR to assess provisions for retirement benefits and jubilee awards on 31 December 2014. The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 49.

3.12. Leasing

Leasing is classified as financial leasing whenever all the risks and benefits arising from ownership of assets are transferred to the fullest extent to the lessee by lease. All other leases are classified as operating leases.

The Company as lessor

Revenues based on operating leases (income from rents) are recognized using the straight-line method over the lease period. Indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as lessee

Assets held by financial leasing contracts are initially recognized as assets of the Company at the present value of the minimum lease payments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability from financial leasing.

Payment of lease instalments is allocated between financial expenses and reduction of the lease liability in order to achieve a constant rate of participation in the outstanding amount of the obligation. Finance expenses are recognized immediately in the income statement, except if directly attributable to assets that are qualified for use, in which case they are capitalized in accordance with the general policy of the Company's borrowing costs.

Rate based on operating leases are recognized as an expense on a straight-line basis during the lease term, unless there is another systematic basis that better reflects the time pattern which economic benefits from the leased asset.

In the event that lease incentives are granted, those included in the operational leasing and are recognized as a liability. The benefit of incentives is recognized as a reduction in expenses for rent on a straight-line basis, unless there is another systematic basis that better reflects the time structure of consumption of economic benefits from the leased asset.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.13. 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.

3.14. Financial instruments

Any contractual right from which arises a financial asset and a financial liability or equity instrument is recognized as a financial instrument on the settlement date.

Upon initial recognition, financial assets and financial liabilities are measured at cost, being the fair value of compensation given (in the case of assets) or received (in the case of liabilities).

Long term investments

Long-term investments after initially are measured by:

- Fair values, if held for trading,
- Amortized cost, if you have a fixed maturity date,
- Cost, if they do not have a fixed maturity date.

Long-term investments held for trading and for which, due to the lack of an active market, it is not possible to determine a market value, are carried at purchase cost.

Long-term loans granted to employees are measured at fair value discounted by applying market interest rates.

Short-term receivables and investments

Short-term receivables and investments include receivables from sales and other receivables, as well as short-term loans to employees.

Receivables from sales of goods and services are measured by the cost of the original invoice. Invoiced interest related to the sale of goods and services are recognized as other receivables and are recorded in income in the period in which they arise.

Other receivables and investments originated by the company are measured at amortized cost.

Any difference between the carrying amount and subsequent measurement is recognized as a gain or loss in the period in which incurred.

Devaluation of funds

At each balance date, objective evidences of the value of assets are evaluated, by analysis of expected net cash inflows.

For all receivables for which there is reasonable doubt that they will not be collected in a nominal amount, corrections shall be made. Direct write-off shall be made only after the end of the litigation or by decision of the management body.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.14. Financial instruments

Financial liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term liabilities), short-term operating liabilities and other liabilities.

Financial liabilities are initially recognized at the proceeds received. After initial recognition, financial liabilities are measured at the amount by which the liabilities are initially recognized, reduced by repayments of principal, increased by the amount of capitalized interest and reduced by any write-off approved by the creditor. Interest payable on financial liabilities is charged to financial expenses in the period to which they relate, and presented within other short-term liabilities and accruals and deferred income.

4. SUMMARY OF IMPORTANT ACCOUNTING EVALUATIONS

Presentation of financial statements requires the Company management to use the best possible estimates and reasonable assumptions that have effect to the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as revenues and expenditures during the reporting period. These estimates and assumptions are based on information available at the date of the financial statements. Actual results may differ from estimated.

Shown below are the key assumptions concerning the future and other key sources of estimating uncertainty at the balance sheet date, which represent a significant risk for material adjustments to the balance sheet items in the following financial year.

4.1. Amortisation and amortisation rate

Calculation of amortization and amortization rates are based on projected economic useful life of property, plant and equipment. Once a year, the Company assesses the economic useful life based on current forecasts.

In addition, due to the significance of fixed assets in the total assets of the Company, any change in the aforementioned assumptions may lead to material effects on the financial position of the Company as well as the financial result. As an example, if the Company shorten the average useful life by 10%, this would result in additional amortization charges for the year ended on 31 December 2014 for about RSD 81.125 thousand (year ended on 31 December 2013: RSD 72.913 thousand).

4.2. Correction of values of uncollectible receivables

We calculated value correction for receivables older than 60 days, based on the estimated losses due to customer inability to fulfil the obligations. Our estimate is based on the aging analysis of receivables, historical write-offs, credit worthiness of our customers and changes in the conditions of sale, in determining the adequacy of the value correction of doubtful and disputed receivables. This includes assumptions about future customer behaviour and the resulting future collections. Management believes that no additional value correction of receivables is necessary, with the exception of value correction already reported in the financial statements.

4.3 Litigations

Overall, provisions have largely been subject to estimates. The Company assesses the likelihood of adverse cases may occur as a result of past events and assesses the amount required to settle the obligation. Assessment of potential liabilities arising from legal disputes is carried out by internal expert services or external advisors.

Although the Company respects the precautionary principle when evaluating, considering that there is a large dose of uncertainty, in some cases actual results may differ from these estimates.

4.4. Fair value

The fair value for the purposes of disclosure under the requirements of IFRS 13 is defined as the price that would be received for the sale of assets, or paid to transfer obligations in a regular transaction between market participants on the measurement date.

Business policy of the Company is to disclose information about the fair (fair) value of assets and liabilities for which official market information exist and when fair value is materially different from the carrying value. In the Republic of Serbia there is no sufficient market experience, stability and liquidity for the purchase and sale of receivables and other financial assets or liabilities, given that published market information is not readily available. Hence, fair value can not be reliably determined in the absence of an active market. The Company's management assesses risk and when it estimates that the value of assets stated in its books may not be realized, it makes value corrections. In the opinion of the company management, the amounts in these financial statements reflect the value that is, in the circumstances, the most valid and useful for reporting purposes.

4. SUMMARY OF IMPORTANT ACCOUNTING EVALUATIONS (cont'd.)

4.4. Fair value

Policy of the Company to disclose information about the fair (fair) value of assets and liabilities for which published market prices and whose fair value is materially different from the carrying value. In the Republic of Serbia, sufficient market experience, stability and liquidity for the purchase and sale of receivables and other financial assets or liabilities, given that published market information is not readily available. Hence, fair value can not be reliably determined in the absence of an active market. The Company's management assesses risk and when it estimates that the value of assets stated in its books may not be realized, it makes value corrections. In the opinion of management of the Company, the amounts in these financial statements reflect the value that is, in the circumstances, the most valid and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The fair value is the price that would be charged or paid for the transfer of responsibilities in a regular transaction at the primary or most favorable market on the date of measurement, the current market conditions, and regardless of whether that price is directly observable or estimated using other valuation techniques.

Valuation techniques that are applied for measuring fair value, should make maximum use of relevant observable inputs and minimize the use of unobservable inputs.

To increase consistency and comparability in fair value measurements and related disclosures the fair value hierarchy shall be determined, which classifies into three levels inputs for valuation techniques that are used in determining the fair value according to the structure below:

Inputs Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities to which the entity has access at the date of weighing. Assumptions of level 1 inputs relate to the existence of the primary market for the asset or liability or, in the absence of the primary market, the most advantageous market for the asset or liability; and whether the entity can realize the transaction for the asset or liability based on market price at the date of measurement.

Inputs Level 2 - inputs that are not quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs that are not quoted prices, if they are visible for assets or liabilities and inputs supported by market.

Inputs Level 3 - unobservable inputs for the asset or liability that entity develops using the best information available in the circumstances. So, all reasonably available information about the market participants assumptions are considered. Unobservable inputs are considered market participant assumptions and meet the objective of fair value measurement.

5. REVENUES FROM SALE OF GOODS IN FOREIGN MARKET	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Revenues from sale of goods-kerosene (re-export)*	31,258	200,991
Revenues from sale of fuel in foreign market	19	0
	31,277	200,991

6. REVENUES FROM SALE OF SERVICES IN DOMESTIC MARKET	I-III 2015			I-III 2014		
	Revenues with foreign buyer branches	Revenues from foreign buyer branches	Revenues w/o foreign buyer branches	Revenues with foreign buyer branches	Revenues from foreign buyer branches	Revenues w/o foreign buyer branches
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
-						
Passenger service	220,358	18,490	201,868	195,137	23,439	171,698
Security fee	81,107	3,781	77,326	64,398	5,161	59,237
Landing	47,113	7,498	39,615	39,517	9,032	30,485
Aircraft handling *	52,733	11,270	41,463	47,707	13,424	34,283
Infrastructure	29,286	6,369	22,917	26,395	7,571	18,824
Air-bridges	1,656	1,656	0	1,731	1,731	0
Lighting	15,185	674	14,511	11,500	1,040	10,460
Aircraft abode tax	1,185	0	1,185	1,472	236	1,236
Aircraft de-icing services	27,919	870	27,049	11,722	711	11,011
Com. usage of apron *	17,571	0	17,571	13,067	0	13,067
Usage of the CUTE system	13,808	957	12,851	5,625	1,138	4,487
Service on special request *	11,511	129	11,382	5,036	127	4,909
Renting of advertisement space	7,726	0	7,726	5,878	0	5,878
Public services	40,586	329	40,257	15,429	205	15,224
Cargo-custom services	28,341	27	28,314	23,119	4	23,115
DCS services*	0	0	0	0	0	0
Lost and found services *	194	194	0	182	182	0
Use of parking	2,262	13	2,249	2,244	0	2,244
Other services *	8,717	65	8,652	11,897	937	10,960
	607,258	52,322	554,936	482,056	64,938	417,118

Revenue from services realized by foreign companies that were registered in the Republic of Serbia as a "branch", are recorded in the books as income from domestic customers. Since the physical scope of services of specified branches is recorded in the Company as a physical volume of services of foreign companies, said revenue in Note 5 and 6, are shown in the way they are recorded in accounting, and also in a separate column as revenues from sales of goods and services from registered branches, for insight in the amount and participation of these revenues, which are recorded as revenues generated in the domestic market, but the essence is that the origin of these revenues is the foreign market.

7. REVENUES FROM SALE OF SERVICES IN FOREIGN MARKET	I-III 2015			I-III 2014		
	Revenues w/o for. buyer branches	Revenues from for. buyer branches	Revenues with for. buyer branches	Revenues w/o for. buyer branches	Revenues from for. buyer branches	Revenues with for. buyer branches
	000 RSD	000 RSD	000 RSD	000 RSD	000 RSD	000 RSD
Passenger service	302,691	18,490	321,181	263,220	23,439	286,659
Security fee	66,990	3,781	70,771	61,598	5,161	66,759
Landing	139,635	7,498	147,133	110,521	9,032	119,553
Aircraft handling *	164,120	11,270	175,390	132,704	13,424	146,128
Infrastructure	94,265	6,369	100,634	67,496	7,571	75,067
Air-bridges	41,122	1,656	42,778	26,184	1,731	27,915
Lighting	19,837	674	20,511	15,654	1,040	16,694
Aircraft abode tax	5,946	0	5,946	6,848	236	7,084
Aircraft de-icing services	19,347	870	20,217	11,811	711	12,522
Usage of the CUTE system	17,008	957	17,965	15,731	1,138	16,869
Service on special request *	6,667	129	6,796	5,597	127	5,724
Renting of advert. space	0	0		0	0	0
Public services	4,674	329	5,003	416	205	621
Cargo-custom services	3,183	27	3,210	7,025	4	7,029
Rev. from consultancy ser.	12,096	0	12,096	11,464	0	11,464
DCS services*	5,975	0	5,975	5,637	0	5,637
Lost and found services *	3,507	194	3,701	2,406	182	2,588
Other services*	2,304	78	2,382	9,163	937	10,100
	909,367	52,322	961,689	753,475	64,938	818,413
Total revenues from sale of products and services	1,516,625		1,516,625	1,235,531		1,235,531

*Revenues marked with asterisk are revenues from services of Ground Handling Department.

8. Revenues from sale of services per geographic region	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Serbia	554,936	417,118
Germany (Lufthansa+Germanwings + European+Eurojet)	147,684	143,342
Montenegro (Montenegro +other buyers MN)	104,152	69,153
Austria (Austrian Airlines branch +Niki)	52,003	62,813
Switzerland (Swiss Air)	69,454	70,300
Russia (Aeroflot)	78,829	75,006
Turkey (Turkish +Pegasus + Mondial)	113,924	109,162
France (Air France)	75	58
Italy (Al Italia+ Air one)	38,172	33,120
Abu Dhabi (Etihad Air branch +Etihad Air)	35,686	24,521
Hungary (Wiz air + Cityline)	141,800	103,738
Romania (Tarom)	8,857	4,514
Tunisia (Tunis Air)	5,422	5,026
Greece (Olympic +Olympic branch+Aegean)	17,886	11,253
England (Easyjet)	33,039	22,591
Norway (Norwegian)	9,292	7,991
Poland (Polskie linie)	11,672	8,749
Dubai (Fly Dubai)	18,541	17,625
Qatar (Qatar Airways)	18,486	13,663
Slovenia (Adria Airways + Solin Air)	79	7,176
Other foreign buyers	56,636	28,612
	1,516,625	1,235,531

9. Revenues from sale of services per buyers	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Air Serbia-Serbia	437,812	337,178
Deutsche Lufthansa-Germany	134,573	124,612
Montenegro Airlines-Montenegro	104,152	68,864
Branch Austrian Airlines-Austria	52,003	62,813
Swiss Air-Switzerland	69,454	70,300
Turkish Airlines-Turkey	84,788	80,475
Aeroflot-Russia	78,829	75,006
Adria Airways-Slovenia	0	2,803
Alitalia-Italy	38,172	33,120
Air France-France	75	58
German wings-Germany	0	8,277
Norwegian-Norway	9,292	7,991
EasyJet-England	33,039	22,591
Wiz Air+ branch (Hungary)	141,800	103,738
Tarom-Romania	8,857	4,514
Pegasus- Turkey	17,040	17,223
Tunis Air- Tunisia	5,422	5,026
Fly Dubai-Dubai	18,541	17,625
Greece – Olympic +branch	0	3,912
Iran Air-Iran	29,876	20,662
Qatar airways-Qatar	18,486	13,663
Etihad Airways PJSC-Abu Dhabi	35,686	24,521
NIS AD-Serbia	10,987	6,346
JAT Tehnika -Serbia	12,020	9,028
Parking service-Serbia	7,172	6,775
Alma Quatro *Air Media-Serbia	4,727	3,473
Dufry doo Beograd-Serbia	9,171	6,896
Mondial Bodrum-for consultancy services-Turkey	12,096	11,464
Other domestic buyers- Serbia	73,047	47,422
Other foreign buyers	69,508	39,155
	1,516,625	1,235,531

10. OTHER BUSINESS REVENUES	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Revenues from lease to domestic legal persons	160,084	132,454
Revenues from lease to foreign legal persons	1,765	2,461
	161,849	134,915

11. PURCHASE VALUE OF SOLD GOODS	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Purchase value of sold retail goods	79	157
Purchase value of sold kerosene - re-export	30,940	193,484
	31,019	193,641

12. COSTS OF MATERIAL	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Costs of production material (basic materials, tools and inventory, working and official clothing and footwear)	23,247	25,748
Overhead costs of material (office material)	3,201	7,998
Costs of spare parts	3,253	12,042
Costs of tools and inventory	1,180	10,332
	30,881	56,120

13. COSTS OF FUEL AND ENERGY	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Costs of gasoline and diesel fuel	16,022	23,515
Costs of oil fuel for heating	20,513	14,836
Costs of electric energy	43,916	51,879
	80,451	90,230

14. COSTS OF SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	I-III 2015	I-III 2014
	in 000 RSD.	in 000 RSD.
Gross salaries and salary reimbursements - employees	254,082	176,426
Gross salaries and salary reimburs. - management	7,794	9,605
Taxes and contributions at the cost of employer	46,876	33,292
Costs of reimburs. Per service contract and royalties	9	-
Costs of reimbursement for youth organizations etc.	139,771	132,737
Costs of reimburs. for natural persons - cont. on add. work	-	347
Costs of reimburs. for members of SB, SA, rev. committee	1,974	2,164
Transport of employees	11,876	9,355
Costs of business trip	1,636	1,538
Terminal wages and jubilee bonuses	232	20
Other personal expenditures	26,957	656
	491,207	366,140

The cost benefits to youth cooperatives and other forms of engagement presented in the first quarter of 2015 in the amount of RSD 139.771 thousand, in the largest amount of RSD 87.653 thousand, relate to employee involvement through youth organizations and engagement under contract for temporary and occasional jobs in the amount of RSD 52.118 thousand, according to the needs and requirements of increasing volume of services.

15. COSTS OF PRODUCTION SERVICES	I-III 2015	I-III 2014
	in 000 RSD.	in 000 RSD.
Costs of engaging youth organizations for:		
- aircraft ground handling	25,228	58,687
-guarding etc.	23,559	72,891
IS services on passenger and baggage check-in	5,386	9,243
Costs of phone and other PTT services	6,053	6,892
Costs of maintenance services	18,034	34,264
Lease costs	19,897	16,578
Advertising costs	240	5,230
Costs of catering services of tenants-(re-invoiced to airlines)	449	8,354
Costs of utilities	6,051	6,943
Costs of other production services	2,141	2,237
	107,038	221,319

16. COSTS OF LONG-TERM RESERVING	I-III 2015	I-III 2014
	in 000 RSD.	in 000 RSD.
Costs of reserving for terminal wages	-	-
Costs of reserving for jubilee bonuses	-	-
Costs of reserving for litigations	5,000	-
	5,000	-

17. INTANGIBLE COSTS	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Costs of occupational health Air Serbia	2,644	2,644
Costs of cleaning services	10,824	13,515
Costs of engagement of youth organizations for:		
-technical support maintenance	4,506	18,909
-administration jobs (economic and legal)	17,294	30,757
Costs of other non-production services	7,159	11,448
Costs of representation	1,707	1,183
Costs of insurance	5,237	7,359
Costs of payment system	1,127	1,423
Membership	2,539	2,131
Property tax and other reimbursements	19,875	18,862
Other intangible costs	3,469	5,411
	76,381	113,642

18. INTEREST INCOME	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Interest in term deposits in RSD	11,444	7,233
Interest for RSD deposits in current accounts	9,707	1,011
Interest in term deposits in foreign currency	11,677	878
Interest for foreign currency in current accounts	2,837	5,111
Interest on housing loans	211	154
Interest on court decisions	-	30,814
	35,876	45,201

19. POSITIVE EXCHANGE REATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Revenues from realized exchange rate differences	36,694	19,232
Revenues from non-realized exchange rate differences	30,915	969
Revenues from effects of contracted currency clause	163	1,398
	67,772	21,599

20. INTEREST EXPENDITURES	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Interest for long-term EIB loan	10,764	11,437
Interest for financial leasing	-	193
Default interest in the country	298	13
Interest for untimely paid public revenues	61	1
	11,123	11,644

21. NEGATIVE EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Negative exchange rate differences-realized	30,455	9,879
Negative exchange rate differences- non-realized	3,334	8,986
Expenditures from effects of contracted currency clause	1,452	227
	35,241	19,092

22. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Value adjustment of receivables:		
-from buyers	-	177
	-	177

23. EXPENDITURES FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Value correction of doubtful and disputed receivables	499,659	349,548
	499,659	349,548

Impairment of receivables disclosed in the first quarter of 2015 in the amount of RSD 499,659 thousand for the most part, in the amount of RSD 495,648 thousand, refer to impairment of receivables from company JSC Air Serbia Belgrade, of which to receivables with maturity up to 60 days refer USD 415,750 thousand, and to receivables older than 60 days RSD 79,898 thousand.

24. OTHER REVENUES	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Revenues from sale of equipment and materials	257	-
Revenues of collected, corrected receivables from buyers	1,897,549	31,509
Revenues from cancel.of reser.for litigations and emp.benefits	-	1
Revenues from indemnity from legal and natural persons	340	6,013
Revenues from charged court costs	56	1,116
Revenues of previous years	15	385
Other non-mentioned revenues	19	2
	1,898,236	39,026

Income from collection of previously corrected receivables disclosed in the first quarter of 2015 in the amount of RSD 1,897,549 thousand in largest part amounting to RSD 1,897,107 thousand refer to the receivables collected from Public Debt Administration of the Republic of Serbia. Namely, under the Law on taking over liabilities of the company Air Serbia toward legal and physical entities for provided services and delivered goods and conversion of liabilities into public debt of the Republic of Serbia (Official Gazette of the RS142 / 2014 of 25.12.2014), the debt was taken over in the amount of RSD 4,290,638 thousand. On 29 December 2014, the Public Debt Administration of the Republic of Serbia has carried out settlement of the first part of liabilities of Air Serbia in the amount of RSD 2,145,319 thousand.

On 31 March 2015, the Public Debt Administration of the Republic of Serbia has carried out settlement of Part 2. Part of obligations of Air Serbia in the amount of RSD 2,145,319 thousand, of which the amount of RSD 1,897,807 thousand is recorded on the income of the first quarter of 2015 based on the collected value correction of receivables from Air Serbia, which was debited to expenditures of the Company in 2012 and 2013, on the basis of value adjustment of these receivables.

25. OTHER EXPENDITURES	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Loss from sale and write-off of equipment	4	-
Litigation expenses	855	-
Costs fro humanitarian, health and scientific purposes	2,414	12,510
Expenditures of previous years	95	2,408
Other non-mentioned expenditures	-	547
Expenditures for trade unions	1,200	1,200
	4,568	16,665

26. PROFIT TAX		
a) <i>Components of profit tax</i>	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Period tax expenditure	260,396	9,770
Correction of tax expenditure	-	-
Period tax expenditure after correction	260,396	9,770
Deferred period tax expenditure	-	-
Deferred period tax revenue	964	2,783
	259,432	6,987

b) <i>Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate</i>	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Profit before tax	2,154,938	60,706
Profit tax calculated at rate of 15%	323,241	9,106
Tax effect of expenditures not acknowledged in tax balance	65,410	5,476
Tax credit for investment in fixed assets of the current period	-	-
Tax credit for investment in fixed assets of the previous years	(128,255)	(4,812)
Other-effect of differences in the transfer pricing on income tax	-	-
Period tax expenditure	260,396	9,770

Account of deferred tax liabilities and assets in the first quarter of 2015 and in 2014 is shown in the following table:

26. PROFIT TAX (cont'd.)

v) Table of changes in deferred tax assets and tax liabilities	I-III 2015	I-XII 2014
	in 000 RSD	in 000 RSD
Deferred tax assets		
Balance on 1 January	245,818	-
Subsequent recognized deferred tax credits	-	237,201
Deferred tax assets for terminal wages	-	7,952
Deferred tax assets for unpaid taxes	-	665
Balance on 31 December	245,818	245,818
Deferred tax liabilities		
Balance on 1 January	456,428	435,863
Effects arising from the valuation of property, plant and equipment	-	26,218
Effects arising from assessment of actuarial gains	-	913
Temporary differences between tax and accounting amortization	(964)	(6,566)
Balance on 31 December	455,464	456,428
Deferred tax liabilities - offsetting balance on 31 December	209,646	210,610

g) Achieved, unused and unrecognized tax credit (TC)				in 000 RSD
	Year of expiry	Amount of transferred TC	Used TC	Outstanding TC for transfer
Year of origination of tax credit		from 2013	in 2015	31.03.2015
2006	2016	93,719	93,719	-
2007	2017	33,154	33,154	-
2008	2018	57,663	1,382	56,281
2012	2022	156,179	-	156,179
2013	2023	188,815	-	188,815
2014		-	-	-
Balance of tax credit (TC)		529,530	128,255	401,275

27. PROFIT PER SHARE	I-III 2015	I-III 2014
	in 000 RSD	in 000 RSD
Net profit for owners	1,895,506	53,719
Net profit correction	-	-
Net profit after correction	1,895,506	53,719
Average weighted number of shares	34,289,350	34,289,350
Basic profit per share in RSD	55.28	1.57

28. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL RESOURCES in 000 RSD.

DESCRIPTION	Intangible assets	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total property, plants and equipment	Biological resources - livestock
Purchase value										
Initial balance, 01.01.2014	37,234	9,034,813	10,403,526	3,413,161	20,963	3,619	1,219,824	32,702	24,128,608	266
Initial balance correction	-	-	-	-	-	-	-	-	-	-
Balance on 01.01.2014 after correction	37,234	9,034,813	10,403,526	3,413,161	20,963	3,619	1,219,824	32,702	24,128,608	266
Purchaser during the year	22,428	-	-	-	-	-	784,858	-	784,858	-
Transfer from current investments	-	-	1,677,540	321,374	-	-	(1,998,914)	-	-	-
Alienation, disbursement and sale	(24,373)	-	(7,693)	(7,043)	-	-	-	(1,437)	(14,736)	-
Other	-	-	-	-	-	-	-	(1,437)	(1,437)	-
Assets fair value est. on 31.12.2014	-	-	-	-	-	-	-	-	-	-
Revaluation reserves	-	85,855	35,890	53,042	-	-	-	-	174,787	-
Revaluation revenues	-	-	3,551	36,690	504	-	-	-	40,745	-
Revaluation expenditures	-	-	(86)	(34)	-	-	-	-	(120)	(101)
Current value reduced by accum.amortiz.	-	-	(2,010,163)	(1,496,764)	-	-	-	-	(3,506,927)	-
Final balance, 31.12.2014	35,289	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165
Value correction										
Initial balance, 01.01.2014	27,956	-	1,559,862	1,151,327	-	-	-	12,691	2,723,880	-
Initial balance correction	-	-	-	-	-	-	-	-	-	-
Balance on 01.01.2014 after correction	27,956	-	1,559,862	1,151,327	-	-	-	12,691	2,723,880	-
Amortization in the current year	5,783	-	454,858	356,395	-	-	-	-	811,253	-
Alienation, disbursement and sale	(24,373)	-	(4,557)	(6,690)	-	-	-	-	(11,247)	-
Reversal of impairment at assets fair value estimation 31.12.2014	-	-	(2,010,163)	(1,496,764)	-	-	-	-	(3,506,927)	-
Advance impairment	-	-	-	-	-	-	-	3,121	3,121	-
Final balance, 31.12.2014	9,366	-	-	4,268	-	-	-	15,812	20,080	-
Net current value, 31.12.2014	25,923	9,120,668	10,102,565	2,316,158	21,467	3,619	5,768	15,453	21,585,698	165
Net current value, 31.12.2013	9,278	9,034,813	8,843,664	2,261,834	20,963	3,619	1,219,824	20,011	21,404,728	266

28. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL RESOURCES (Cont'd.) in 000 RSD.

DESCRIPTION	Intangible assets	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total property, plants and equipment	Biological resources - livestock
Purchaser value										
Initial balance, 01.01.2015	35,289	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165
Initial balance correction	-	-	-	-	-	-	-	-	-	-
Balance on 01.01.2015 after correc.	35,289	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165
Purchase during the year	1,523	-	-	-	-	-	142,782	-	142,782	-
Transfer from current investments	-	-	-	130,295	-	-	(130,295)	-	-	-
Alienation, disbursement and sale	-	-	-	(981)	-	-	-	-	(981)	-
Other	-	-	-	-	-	-	-	(3,140)	(3,140)	-
Final balance, 31.03.2015	36,812	9,120,668	10,102,565	2,449,740	21,467	3,619	18,255	28,125	21,744,439	165
Value correction										
Initial balance, 01.01.2015	9,366	-	-	4,268	-	-	-	15,812	20,080	-
Initial balance correction	-	-	-	-	-	-	-	-	-	-
Balance on 01.01.2015 after correct.	9,366	-	-	4,268	-	-	-	15,812	20,080	-
Amortization in the current year	2,484	-	101,528	80,480	-	-	-	-	182,008	-
Alienation, disbursement and sale	-	-	-	(479)	-	-	-	-	(479)	-
Final balance, 31.03.2015	11,850	-	101,528	84,269	-	-	-	15,812	201,609	-
Net current value, 31.03.2015	24,962	9,120,668	10,001,037	2,365,471	21,467	3,619	18,255	12,313	21,542,830	165
Net current value, 31.12.2014	25,923	9,120,668	10,102,565	2,316,158	21,467	3,619	5,768	15,453	21,585,698	165

29. PARTICIPATION IN CAPITAL OF OTHER LEGAL ENTITIES AND OTHER SECURITIES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Privredna banka a.d. Beograd	392	392
<i>Minus: value correc.of partic.in capital of banks in bankruptcy</i>	(392)	(392)
	-	-
<i>Participation in capital of banks in liquidation</i>		
Union banka a.d. Beograd- in liquidation	667	667
Beogradska banka a.d. Beograd- in liquidation	18,988	18,988
Beobanka a.d. Beograd- in liquidation	38	38
	19,693	19,693
Minus: value correc.of partic.in capital of banks in liquidation	(19,693)	(19,693)
	-	-
<i>Participation in capital of foreign legal entities</i>		
Mondial Bodrum - Turkey	358,598	358,598
Societe International de Telecom. Aeronautiques Swisse (SITA)	1	1
Minus: value corr.of particip. in capital of Mondial Bodrum-Turkey	(358,598)	(358,598)
	1	1
	1	1

30. OTHER LONG-TERM FINANCIAL INVESTMENTS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	6,441	5,750
Long-term time deposits	-	-
Long-term loans to employees	300,870	318,796
Receivables for sold socially owned housing	1,229	1,250
Receivables for purchase of solidarity housing	2,946	3,038
Total gross	311,486	328,834
Current maturities of long-term investments in Societe International de Telecommunications Aeronautiques Swisse	(583)	(521)
Current maturities of long-term loans to employees	(12,116)	(15,371)
Adjustment to fair value of long-term loans to employees	(210,168)	(210,168)
	88,619	102,774

Long-term loans granted to employees are presented as of 31.03.2015 in the amount of RSD 305,045 thousand (including current maturities in the amount of RSD 12,116 thousand and the effects of adjustment to fair value in the amount of RSD 210,168 thousand) relate to loans granted to employees for meeting the housing needs for a period of 20-40 years. The estimate of the fair value of housing loans as of 31.12.2014 are performed by the Institute for Economic Research Belgrade, by projection of future cash flows from collection of receivables for housing loans using discount rates (built-up method): from 10% to 20% depending on whether and in what intervals housing Loans are revalued or contracted with currency clause, whether they have contracted interest rate or are contracted without interest rate.

31. MATERIAL, SPARE PARTS, TOOLS AND SUPPLIES- ADP 0045	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Basic material	95,416	91,990
Spare parts	14,759	15,117
Tools and supplies	3,461	2,763
Value correction of material and spare parts stock	(62)	(62)
	113,574	109,808

32. GOODS - ADP 0048	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Goods in warehouse-kerosene	15,673	20,585
Goods in retail trade	24	27
	15,697	20,612

33. ADVANCES FOR SUPPLIES AND SERVICES- ADP 0050	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Advances for services in the country	14,778	1,470
Advances for foreign services	781	635
Advance value correction	(1,079)	(1,079)
	14,480	1,026

34. BUYERS IN THE COUNTRY	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Total balance of receivables from buyers in the country	1,661,489	3,293,944
-Value correction of the previous period	(736,657)	(2,066,369)
-Value correction of the current period	(498,772)	(550,860)
Total balance of value receivables	(1,235,429)	(2,617,229)
	426,060	676,715

Receivables from the buyers in the country on 31.03.2015 in the amount of RSD 1,661,489 thousand for the most part, in the amount of RSD 1,009,899 thousand, refer to receivable from Air Serbia of which the amount of RSD 514,301 thousand for services rendered in the period 01.10 2014 - 31.12.2014 and amount of RSD 495,698 thousand for services in the period 01.01.2015 – 31.03.2015. The remaining amount of receivables of RSD 651,590 thousand refer to receivables from: JAT-Tehnika (RSD 205,401 thousand), Dufry d.o.o. (RSD 227,086 thousand) which is collected on 02.04.2015; Aviogeneks (RSD 37,249 thousand), Air Serbia-Catering (RSD 28,034 thousand) and other domestic buyers (RSD 112,369 thousand).

35. BUYERS ABROAD	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Total balance of receivables from foreign buyers - gross	553,033	483,711
-Value correction of the previous period	(15,457)	(14,761)
-Value correction of the current period	(790)	(841)
Total balance of value receivables	(16,247)	(15,602)
	536,786	468,109

36. OTHER RECEIVABLES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Receivables from buyers in the contry for default interest	5,840	21,100
Receivables for interest on term deposits	80,426	24,780
Receivables from employees	1,500	1,043
Other receivables	22,268	19,493
Receivables for overpaid income tax	-	-
Total receivables- gross	110,034	66,416
-Value corr.from buyers for default interest of previous years	(1,518)	(17,413)
-Value corr.from buyers for default interest of the current year	(97)	(639)
-Value corr.from employees of the earlier peiod	(788)	(788)
-Value corr.of other receivables	(2,452)	(2,452)
Total balance of value correction	(4,855)	(21,292)
	105,179	45,124

37. SHORT-TERM CREDITS AND LOANS IN THE COUNTRY	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Short-term loans to employees (winter stores, heat. means - 6 mont)	23,158	34,818
	23,158	34,818

38. OTHER SHORT-TERM FINANCIAL INVESTMENTS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Short-term deposits	3,362,891	1,981,061
Current maturities of loans given to employees	12,116	15,371
Curr.maturities of long-term investments in Societe International de Telecomm.Aeronautiques Swisse (SITA)	583	521
	3,375,590	1,996,953
Adjustment to fair value of loans given to employees	(647)	(647)
	3,374,943	1,996,306

39. SHORT-TERM DEPOSITS BY BANKS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Hypo Alpe Adria Bank a.d., Beograd	1,491,061	952,916
Komercijalna banka Beograd	360,646	362,875
Findomestic banka	350,000	-
Piraeus banka a.d. Beograd	360,646	362,875
Aik banka	300,538	302,395
Marfin banka	500,000	-
	3,362,891	1,981,061

Short-term deposits with balance on 31.03.2015 shown in the amount of RSD 3,362,891 thousand, related to foreign currency deposits, the deposit period of up to six months, with interest rate for the euro of 2% - 2.75% and for USD - of 2,9 % and term deposits in RSD for six months, with interest rate for dinars from 8.49 to 8.75%.

40. CHANGES ON VALUE CORRECTION till 31.03.2015

Description of change on value correction	in 000 RSD						
	Cash and cash equivalents (Note 41)	Long-term financial investments (Note 30)	Stock of material and spare parts (Note 31)	Advances for material and services (Note 33)	Receivables from buyers for goods, services and default interest (Notes 34, 35, 36)	Short-term financial investments (Note 38)	Total
Initial balance 01.01.2014	-	169,327	62	755	4,308,052	326	4,478,522
Correction at cost of current period	-	-	-	1,079	553,153	-	554,232
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	-
Charged corrected receivables	-	(1,143)	-	-	(2,178,011)	(255)	(2,179,409)
Value reconciliation	-	48,771	-	-	608	608	49,379
Write-off	-	(6,787)	-	(755)	(18,243)	(32)	(25,817)
Exchange rate differences	-	-	-	-	1,116	-	1,116
Other	-	-	-	-	(11,944)	-	(11,944)
Final balance 31.12.2014	-	210,168	62	1,079	2,654,123	647	2,866,079
Correction at cost of current period	-	-	-	-	499,659	-	499,659
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	-
Charged corrected receivables	-	-	-	-	(1,897,549)	-	(1,897,549)
Value reconciliation	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	298	-	298
Other	-	-	-	-	-	-	-
Final balance 31.03.2015	-	210,168	62	1,079	1,256,531	647	1,468,487

41. CASH AND CASH EQUIVALENTS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Current account - in RSD	2,254,814	2,118,809
Current account - in foreign currency	860,648	680,987
Treasury	50	1,767
Other funds	2,401	2,288
Total cash- balance	3,117,913	2,803,851

42. PREPAYMENTS AND ACCRUED INCOME	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Prepaid VAT + overpaid VAT	974	16,165
Prepaid insurance costs for the future period	15,511	8,801
Prepaid other costs for the future period	2,549	8,738
Calculated and non-invoiced income for the current period	0	11,828
Pre-calculated costs	3,855	0
	22,889	45,532

43. SHARE CAPITAL

On the basis of the Law on amendments and supplements to the Law on right to free shares and financial compensation realized by the citizens in the privatization process, the Company was obliged to carry out a change of legal form until 30 June 2010 and disclose its capital in shares of a certain nominal value of the based on the adjusted book value of equity. In 2010, on the basis of Resolution of the Government of the Republic of Serbia No.023-448 / 2010-1, recommendations were made to the Company, to make a selection of the best consultant who will assess the market value of equity and provide assistance in preparing and carrying out the legal changes of the form from a public company into a stock company.

The Government of the Republic of Serbia on 17 June 2010 adopted the Decision No.023-4432 / 2010 on the legal form of the Company from a public company into a closed joint stock company.

The change is registered at the Business Registers Agency by Decision No. BD 68460/2010 dated 22 June 2010, subscribing capital in total amount of EUR 214,556,965, which on the date of entry was RSD 20,573,610 thousand.

In the Central Securities Depository, on 7 July 2010, was registered 34,289,350 shares with a nominal value of RSD 600 per share, which were on 31.12.2010 in the property of the Republic of Serbia.

In accordance with the Law on right to free shares and financial compensation realized by the citizens in the privatization procedure ("Official Gazette" no. 123/07 and 30/10) on 09 December 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103 / 2010-1, right to transfer 16.85% of the Company ownership acquired citizens of the Republic of Serbia, employees and ex-employees of the Company.

On 21 January 2011, the Company's Assembly adopted the Decision No. 21-2 / 1 on the conversion of the Company from closed into open joint stock company. The change was registered at the Business Registers Agency by Decision No. BD 765/2011 dated 24 January 2011.

43. SHARE CAPITAL (cont'd.)

The capital structure after the transfer of ownership of the data from the Central Securities Depository and Clearing House on 25 January 2011, was as follows:

<i>Share capital 25.01.2011 (transition to open joint-stock company)</i>	Value in RSD thousand	Number of shares	% of particip.
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%

The capital structure on 30.04.2015 and 31.12.2014 was the following:

Shareholder	30.04.2015			31.12.2014		
	Value in 000 RSD	Број акција	% particip.	Value in 000 RSD	Number of shares	% particip.
Republic of Serbia	17,106,317	28,510,529	83.15%	17,106,316	28,510,526	83.15%
Domestic and foreign natural persons	2,058,827	3,431,379	10.01%	2,098,404	3,497,340	10.20%
Domestic and foreign legal entities	679,831	1,133,051	3.30%	674,207	1,123,679	3.28%
Custody entities	728,635	1,214,391	3.54%	694,683	1,157,805	3.38%
	20,573,610	34,289,350	100.00%	20,573,610	34,289,350	100.00%

44. RESERVES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Legal reserves	-	-
Statutory reserves	1,534,430	1,534,430
	1,534,430	1,534,430

45. REVALUATION RESERVES BASED ON THE REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Revaluation reserves for land	72,977	85,855
Recognition of DTL charged to revaluation reserves	-	(12,878)
Revaluation reserves for buildings	30,506	35,890
Recognition of DTL charged to revaluation reserves	-	(5,384)
Revaluation reserves for equipment	44,953	53,042
Recognition of DTL charged to revaluation reserves	-	(7,956)
Total revaluation reserves	148,436	174,787
Total recognition of DTL charged to revaluation reserves	-	(26,218)
Total net revaluation reserves	148,436	148,569

46. ACTUARIAL GAINS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Actuarial gains on reserves for retirement benefits	5,177	6,090
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	(913)
	5,177	5,177

47. NON-DISTRIBUTED PROFIT	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Initial balance 01.01.	2,695,507	16,205
Initial balance correction	-	(2,884)
Corrected initial balance 01.01.	2,695,507	13,321
Distribution of profit	-	(8,230)
Transfer to statutory reserves	-	(5,091)
Participation of employees in profit distribution	-	-
Profit of the current period	1,895,506	3,417,984
Decision on distribution of interim dividend	0	722,477
	4,591,013	2,695,507

At the meeting of the Supervisory Board held on 18 December 2014, a decision was made on the distribution of interim dividend No. 05-193 / 1, in the amount of RSD 722.477 thousand, based on interim financial statements for the period from January to October 2014.

The Executive Board made a decision on 23.02.2015 on payment of interim dividends to majority shareholder RS for 2014 in the amount of 600,717 thousand. Payment of interim dividend was made on 26.02.2015 from the account of the Company, and to other shareholders will be paid during 2015.

48. LONG-TERM RESERVES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Reserves for terminal pays for employees	46,606	46,924
Reserves for jubilee bonuses	63,097	64,313
Reserves for litigations	79,090	74,090
	188,793	185,327

49. CHANGES ON LONG-TERM RESERVES

Changes in long-term provisions for retirement benefits, jubilee awards and litigations in the first quarter of 2015 and 2014 are shown in the following table:

	in 000 RSD			
	Terminal wages	Jubilee bonuses	Total	Litigations
Balance on 01.01.2014	48,501	66,217	114,718	61,936
Reserves during the year	10,910	4,308	15,218	38,930
Actuarial gains	(6,090)	0	(6,090)	-
Cancellation during the year	-	(1)	(1)	(1,132)
Pay off during the year	(6,397)	(6,211)	(12,608)	(25,644)
Balance on 31.12.2014	46,924	64,313	111,237	74,090
Balance on 01.01.2015	46,924	64,313	111,237	74,090
Reserves during the current year	0	0	0	5,000
Actuarial gains	-	-	-	-
Cancellation during the current year	-	-	-	-
Pay off during the year	(319)	(1,215)	(1,534)	-
Balance on 31.03.2015	46,605	63,098	109,703	79,090

49. CHANGES ON LONG-TERM RESERVES (cont'd.)

49. The assumptions used when making calculation of reserves for retirement benefits	2015	2014
Discount rate	-	8.00%
Estimated growth rate of average earnings	-	2.00%
Fluctuation percentage	-	2.00%
Amount of average net earning in XI/2014	-	81,020
Total number of employees on 31.12.	-	475
Number of retired workers who received terminal pay at retirement	-	20

	in 000 RSD	
49a. The calculation of the reserves for employee benefits as of 31.12.2014	Retirement benefits	Jubilee bonuses
	in 000 RSD	in 000 RSD
1. Reserves on 31.12.2013 in the business books of the Company	48,501	66,217
2. Adjusted reserves for retirement benefits on 31.12.2013 due to change of benefit plan	50,282	-
3. Reserves on 31.12.2013 applying assumptions valid at the date of the previous calculation	53,014	56,743
4. Cancellation of provisions during 2014 in the business books of the Company	(6,397)	6212
5. Reserves on 31.12.2014	46,924	64,313
6. Interest expense	4,022	4,800
7. The cost of current work	(1,290)	8,062
8. The cost of past work	8,178	-
9. Actuarial (gain) /loss	(6,090)	7,569
10. The total net change in the amount reserved (6+7+8+9)	4,820	4,308

50. LONG-TERM LOANS	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Abroad	971,949	990,089
Current maturities	(88,147)	(100,824)
	883,802	889,265

51. LONG-TERM LOANS	Annual interest rate	Date of maturity	Remaining amount 31.03.2015 (EUR)	31.03.2015 in 000 RSD	31.12.2014 in 000 RSD
<u>Long-term loans abroad</u>					
European Investment Bank	4,07-5,16%	2025.r.	8,060,887.15	971,949	990,089
Total long-term loans (a+b)			8,060,887.15	971,949	990,089
Current maturities of long-term loans:			-731,048.38	-88,147.00	-100,824.00
			7,329,838.77	883,802	889,265

Long-term loans abroad reported on 31.03.2015 in the amount of RSD 971,949 thousand (EUR 8,060,887.15), relate to the remaining obligations under the Agreement on financing the project of urgent rehabilitation of transport concluded on 13.12.2001 between the EIB and the Republic of Serbia. The said contract, the Company was granted a loan in the amount of 13,000,000 euros for investment and rehabilitation of airport infrastructure. The loan was granted with a repayment period up to 2025, with an interest rate of 5.16% for the first tranche of 3,000,000.00 EUR, 4.85% for the second tranche of 3,000,000.00 Euros and 4.07% for the third tranche of 7,000,000.00 EUR. Repayment of the first tranche of the loan shall be made in 31 equal semi-annual instalments starting from 05.12.2007; the second tranche is repayable in 30 equal semi-annual instalments starting from 20.02.2009, while the third tranche began to be repaid from 20.06.2010 in 32 instalments.

<u>receivables from long-term loans</u>	Principle		Non-booked interest	
	31.03.2015 in 000 RSD	31.12.2014 in 000 RSD	31.03.2015 in 000 RSD	31.12.2014 in 000 RSD
up to one year	88,147	100,824	37,372	42,899
from one year up to two years	100,204	100,824	38,116	38,351
from two years up to three	100,204	100,824	33,596	33,804
from three years up to four	100,204	100,824	29,076	29,256
from four years up to five	100,204	100,824	24,556	24,708
from five years up to ten years	430,232	432,891	57,085	57,438
over ten years	52,754	53,078	1,619	1,620
	971,949	990,089	221,420	228,076

52. OTHER SHORT-TERM FINANCIAL LIABILITIES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
<i>Current maturities</i>		
Long-term loan EIB	88,147	100,824
<i>Other long-term liabilities-financial leasing</i>	-	-
	88,147	100,824

53. RECEIVED ADVANCES, DEPOSITS AND SECURITY	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Advances received from domestic buyers	21,730	16,784
Advances received from foreign buyers	15,933	14,129
Subscriptions from domestic buyers	6,395	5,933
Subscriptions from foreign buyers	16,380	10,586
	60,438	47,432

54. SUPPLIERS IN THE COUNTRY	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Suppliers in the country-for services	43,227	66,953
Suppliers in the country-for investments in progress	9,308	58,095
Suppliers in the country-for equipment	847	7,698
	53,382	132,746

55. SUPPLIERS ABROAD	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Suppliers abroad-for services	13,110	21,879
Suppliers abroad-for equipment	10,705	10,770
	23,815	32,649

56. OTHER LIABILITIES FROM OPERATION	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Other liabilities from operation-for charged purch.on behalf of com	7,287	6,504
Other liabilities from operation	9,827	739
	17,114	7,243

57. OTHER SHORT-TERM LIABILITIES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for salaries	70,250	-
Liabilities for interest	-	-
Liabilities for dividend from 2013	-	1,394
Liabilities for dividend from 2014	123,154	722,477
Liabilities arising from participation in the profits-net	3	3
Other short-term liabilities	20,163	9,913
	213,570	733,787

58. LIABILITIES FOR VAT	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for VAT for XII 2014	50,100	66,619
	50,100	66,619

59. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for income tax	619,415	458,336
Liabilities for taxes, customs duty and other fees	660	4,523
Taxes, contributions and other fees	7,770	867
	627,845	463,726

60. LIABILITIES FOR INCOME TAX	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Balance on 01.01. of the current year	458,336	0
Specified income tax liabilities for the current year	260,396	597,105
Closing of income tax liabilities from overpay. of previous years	-	(91,772)
Closing of liabilities from advance payment of income tax in 2015	(99,317)	(46,997)
Liability for payment of income tax	619,415	458,336

61. ACCRUALS AND DEFERRED INCOME	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Accrued expenses for the period	91,056	55,072
Calculated revenues for the future period	46,882	24,345
Other accruals and deferred income	-	9,524
Taxes, contributions and other duties	-	-
	137,938	88,941

62. OFF-BALANCE REGISTER	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Received blank bills - pieces	1,529	1,471
Given blank bills domestic - pieces	50	50
Received guarantees - RSD	236,233	261,592
Received guarantees - foreign currency	229,828	244,950
Given guarantees - RSD	4,500	4,500
Given guarantees - foreign currency	-	-
Solidarity funds from employee salaries	621	620
Total off-balance assets and liabilities	471,183	511,663

Dinar received guarantees in the amount of RSD 236,233 thousand mainly relate to guarantees received from suppliers for good performance or a guarantee of fault repair within the warranty period.

Received foreign currency guarantees in the amount of RSD 229.828 thousand mainly relate to guarantees received from foreign suppliers for good performance, for fault repair within the warranty period or for reimbursement of advance payments as well as from buyers for the safety and timeliness in payment of services.

63. FAIR VALUE OF ASSETS 31.12.2014

ASSETS	Accounting value in 000 RSD	Fair value in 000 RSD	The hierarchy of fair value- Level	Valuation techniques and inputs
Fixed assets	21,543,010	21,543,010	Level 3	Evaluation of a certified appraiser
Investment property	21,467	21,467	Level 3	Evaluation of a certified appraiser
Shares in capital of other legal entities	1	1	Level 2	Management estimates that they are not recoverable- the banks in bankruptcy
Long-term and short-term financial investments- housing loans	112,268	112,268	Level 3	Discounting the cash flows as follows: 20% for housing loans which are not revalued; 11,5% for housing loans that are revalued annually and have an interest rate of 0.5%, 10% for housing loans with foreign currency clause and interest rate of 0.5%; 11,9% for housing loans which are revalued every six months and 12% for housing loans that are revalued annually
Receivables from buyers	1,144,824	1,144,824	Level 3	Management's estimates of the recoverability in acc.with IAS 39
Other receivables	45,124	45,124	Level 3	Management's estimates of the recoverability in acc.with IAS 39

The above table includes only financial resources, because the Company has no financial liabilities that are disclosed at initial recognition at fair value.

in 000 RSD

64 FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Categories of financial instruments	31.03.2015		31.12.2014			
	total	value corr.	net amount	total	value corr.	net amount
1 Long-term financial investments	677,471	(588,851)	88,620	691,626	(588,851)	102,775
- Long-term time deposits	5,858	-	5,858	5,229	-	5,229
- Participation in bank capital	20,085	(20,085)	0	20,085	(20,085)	0
- Participation in capital of foreign legal entities	358,599	(358,598)	1	358,599	(358,598)	1
- Long-term housing loans given to employees	292,929	(210,168)	82,761	307,713	(210,168)	97,545
2 The receivables stated at nominal value	5,723,305	(1,257,179)	4,466,126	5,875,842	(2,654,770)	3,221,072
- Receivables from buyers	2,214,522	(1,251,676)	962,846	3,777,655	(2,632,831)	1,144,824
- Short-term financial investments	3,398,748	(647)	3,398,101	2,031,771	(647)	2,031,124
- Interest receivables	86,385	(1,615)	84,770	46,092	(18,052)	28,040
- Other receivables	23,650	(3,241)	20,409	20,324	(3,240)	17,084
3 Cash and cash equivalents	3,117,913	-	3,117,913	2,803,851	-	2,803,851
	9,518,689	(1,846,030)	7,672,659	9,371,319	(3,243,621)	6,127,698
Financial liabilities						
1 - Long-term loans	883,802	0	883,802	889,265	0	889,265
2 - Current maturities of long-term loans	88147	-	88,147	100824	-	100,824
3 - Current maturities of long-term financial leasing	0	0	0	0	0	0
4 - Short-term liabilities	94311	-	94,311	172638	-	172,638
	1,066,260	-	1,066,260	1,162,727	-	1,162,727

Basic financial instruments of the Company are cash and cash equivalents, accounts receivable, financial investments that arise directly from the Company operation, as well as long-term loans, liabilities to suppliers and other liabilities which main purpose is the financing of the current operations of the company. In the normal course of business, the Company is exposed to financial risks (market risk, credit risk and liquidity risk).

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

Financial risk management objectives

I MARKET RISK

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

a) Currency risk (foreign exchange risk)

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, accounts receivable from buyers, liabilities from long-term loans, financial leases and liabilities to foreign suppliers.

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

in 000 RSD

	<u>Total assets</u>				<u>Total liabilities</u>	
	31.03.2015		31.12.2014		31.03.2015	31.12.2014
	gross	net	gross	net		
EUR	3,143,386	2,916,324	2,969,310	2,742,893	988,281	1,012,030
USD	516,612	516,612	425,678	425,678	7,482	9,953
CHF	361	361	318	318	0	0
GBP	14	14	10	10	0	0
Dinar controvalue of assets and liabilities in a currency-total	3,660,373	3,433,311	3,395,316	3,168,899	995,763	1,021,983
Value of assets and liabilities in RSD	5,858,315	4,239,348	5,976,003	2,958,799	70,497	140,744
Total	9,518,688	7,672,659	9,371,319	6,127,698	1,066,260	1,162,727

By the analysis of the currency structure of financial assets and liabilities as of 31.03.2015, along with the balance as of 31.12.2014, it can be concluded that the funds contracted with currency clause indexed higher than the contracted financial liabilities in foreign currencies. Financial liabilities contracted in foreign currency are generally of long-term nature.

The Company is sensitive mainly to changes in the exchange rate of the euro (EUR) and U.S. Dollar (USD).

The following table presents a sensitivity analysis of the Company to increase and decrease in RSD rate of 10%, in comparison to the foreign currency. The sensitivity analysis includes only outstanding receivables and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in exchange rates. A positive number in the table indicates an increase of the result in the current period when RSD strengthens against the currency in question.

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (Cont'd.)

a) Currency risk (foreign exchange risk) (Cont'd.)

In the case of weakening of RSD by 10% compared to the foreign currency, the effect on the current period would be negative.

in 000 RSD

31.03.2015

Changes	EUR effect		USD effect		CHF effect		GBP effect	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit/	192,804		50,913		36		1	
(loss)		-192,804		-50,913		-36		-1

in 000 RSD

31.12.2014

Changes	EUR effect		USD effect		CHF effect		GBP effect	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit/	173,086		41,573		32		1	
(loss)		-173,086		-41,573		-32		-1

b) Risk of interest rate change

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

The Company has placed cash and cash equivalents in the group of interest-bearing financial assets with variable interest rates, because it contracted with banks "a vista" interest of variable character, depending on the amount in current accounts and the reference 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 generally defined with fixed interest rate.

Variable interest rates are contracted in financial leasing. Changes in interest rates would not materially affect the revenues and expenditures of the Company, or cash flows as liabilities with a variable interest rate are fully settled during the business year.

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

in 000 RSD

Financial resources-net	31.03.2015			31.12.2014.		
	total	value corr.	net amount	total	value corr.	net amount
No interest						
Partic.in capital of other legal entities	378,684	(378,683)	1	378,684	(378,683)	1
Receivables from buyers	2,214,522	(1,251,676)	962,846	3,777,655	(2,632,831)	1,144,824
Interest receiv. and other receiv.	110,035	(4,856)	105,179	66,416	(21,292)	45,124
Short-term financial investments	23,158	-	23,158	37,200	-	37,200
No interest total	2,726,399	(1,635,215)	1,091,184	4,259,955	(3,032,806)	1,227,149
Fixed interest rate						
Long-term financial invest.	298,787	(210,168)	88,619	312,942	(210,168)	102,774
Short-term financial invest.	3,375,590	(647)	3,374,943	501,298	(326)	500,972
Fixed-total	3,674,377	(210,815)	3,463,562	814,240	(210,494)	603,746
Variable interest rate						
Cash and cash equivalents	3,117,913	-	3,117,913	2,803,851	-	2,803,851
Variable-total	3,117,913	0	3,117,913	2,803,851	0	2,803,851
	9,518,689	(1,846,030)	7,672,659	7,878,046	(3,243,300)	4,634,746

Financial liabilities						
No interest						
Liabilities from operation	94,311	0	94,311	172,638	0	172,638
No interest-total	94,311	0	94,311	172,638	0	172,638
Fixed interest rate						
Long-term loans	883,802	0	883,802	889,265	0	889,265
Current maturity of long-term liabilities	88,147	0	88,147	100,824	0	100,824
fixed-total	971,949	0	971,949	990,089	0	990,089
Variable interest rate						
Current maturity of long-term liabilities	0	0	0	0	0	0
Variable-total	0	0	0	0	0	0
	1,066,260	0	1,066,260	1,162,727	0	1,162,727

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

v) 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 does not operate with securities that are subject to price change in securities market. Furthermore, the Company has no turnover of goods subject to price change. The greatest item in turnover of goods is kerosene which has a transit goods treatment.

II CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk, representing the risk that debtors will not be in position to settle their debts in full and in due time, which would result in the financial loss for the Company. The Company's exposure to this risk is limited to the amount of receivables from buyers at the balance sheet date.

Company has huge receivables of domestic and foreign buyers on 31.03.2015 (RSD 2,214,522 thousand), and 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 31.03.2015 in the amount of 1,661,489 thousand RSD, participate with 75.03% in total receivables from buyers for goods and services and mostly refer to receivables from Air Serbia a.d., which amount to 1,009,899 thousand RSD, Jat Tehnika in the amount of RSD 205,401 thousand, Dufry doo in the amount of RSD 227,086 thousand. Total value correction of receivables from domestic buyers amount to RS 1,235,429 thousand (charged to results of previous years RSD 736,657 thousand and charged to results for the current year RSD 498 772 thousand), so that net value of receivables from domestic buyers amount to RSD 426,060 thousand.

Receivables from foreign buyers for goods and services amount to 553,033 thousand RSD, which makes 24.97% of total receivables from buyers for goods and services. Total value correction of receivables from foreign buyers amount to RSD 16,247 thousand (charged to results of previous years RSD 15,457 thousand and charged to results for the current year RSD 790 thousand), so that net value of receivables from foreign buyers amount to RSD 536,786 thousand.

II CREDIT RISK (Cont'd.)

Age structure of receivables	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Undue receivables from buyers - uncorrected	614,809	27.76%	1,005,838	26.63%
Undue receivables from buyers - corrected	66,725	3.01%	1,964,412	52.00%
Total undue receivables	681,534	30.78%	2,970,250	78.63%
Due receivables up to 60 days-uncorrected	313,483	14.16%	110,979	2.94%
Due receivables up to 60 days-corrected	348,975	15.76%	338,931	8.97%
Total due receivables up to 60 days	662,458	29.91%	449,910	11.91%
Due receivables over 60 days-uncorrected	34,554	1.56%	28,007	0.74%
Due receivables from buyers over 60 days-corrected	835,976	37.75%	329,488	8.72%
Total due receivables over 60 days	870,530	39.31%	357,495	9.46%
Total receivables- gross	2,214,522	100.00%	3,777,655	100.00%
Total value correction	1,251,676		2,632,831	
Total receivables - net (gross - correction)	962,846		1,144,824	

Undue receivables from buyers-uncorrected	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	0	0.00%	0	0.00%
Public Debt Admin. (Air Serbia from previous yers)	0	0.00%	248,212	24.68%
Dufry doo	56,116	9.13%	166,005	16.50%
JAT Tehnika	96,357	15.67%	96,412	9.59%
Wizz Air	78,518	12.77%	96,519	9.60%
Montenegro	107,525	17.49%	42,134	4.19%
Austrian Airlines Branch	15,802	2.57%	20,546	2.04%
Lufthansa	48,125	7.83%	49,166	4.89%
Turkish	30,977	5.04%	32,670	3.25%
Swiss	24,317	3.96%	26,364	2.62%
Aeroflot	27,705	4.51%	26,712	2.66%
Mondial	0	0.00%	12,196	0.00%
Etihad Airways	11,741	1.91%	10,598	1.05%
Alitalia	0	0.00%	10,180	1.01%
Other	117,626	19.13%	168,124	16.71%
Total:	614,809	100.00%	1,005,838	98.79%

Undue receivables from buyers-corrected	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Public Debt Admin. (Air Serbia -value corr.from previous years)	0	0.00%	1,880,665	0.00%
Air Serbia	66,725	100.00%	83,747	0.00%
Total:	66,725	100.00%	1,964,412	0.00%

II CREDIT RISK (Cont'd.)

Due receivables up to <u>60 days</u> -uncorrected	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	0	0.00%	0	0.00%
Fly Dubai	2,429	0.77%	8,381	7.55%
JAT Tehnika	9,914	3.16%	259	0.23%
Montenegro	53,636	17.11%	53,947	48.61%
Polskie linie lot	2,563	0.82%	3,294	2.97%
Norwegian	0	0.00%	1,342	1.21%
Easyjet	12,425	3.96%	4,071	3.67%
Wizz Air	135	0.04%	7,429	6.69%
Swiftzair Aviation	3,297	1.05%	1,819	1.64%
Dufry	170,970	54.54%	0	0.00%
Swiss Air	16,547	5.28%	640	0.58%
Aviation Museum	5,400	1.72%	1	0.00%
Air Cairo	2,984	0.95%	272	0.25%
Airport Catering	2,658	0.85%	95	0.09%
Other	30,525	9.74%	29,429	26.52%
Total:	313,483	100.00%	110,979	100.00%

Due receivables up to <u>60 days</u> -corrected	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	348,975	100.00%	338,931	100.00%
Other buyers	0	0.00%	0	0.00%
Total:	348,975	100.00%	338,931	100.00%

Due receivables over 60 days-uncorrected (estimated certainty of collection)	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
JAT Tehnika	4,110	11.89%	11,911	42.53%
Sita	5,018	14.52%	5,049	18.03%
Montenegro Airlines	8,751	25.33%	0	0.00%
Other	16,675	48.26%	11,047	39.44%
Total:	34,554	100.00%	28,007	100.00%

Due receivables over 60 days-corrected	31.03.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	594,199	71.08%	91,623	27.81%
JAT Tehnika	95,019	11.37%	95,019	28.84%
International CG	41,452	4.96%	41,452	12.58%
Aviogeneks doo	34,773	4.16%	32,022	9.72%
Air Serbia- Catering	24,741	2.96%	24,741	7.51%
Other buyers	45,792	5.48%	44,631	13.55%
Total:	835,976	100.00%	329,488	100.00%

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

II CREDIT RISK (Cont'd.)

Undue receivables from domestic and foreign customers for goods and services on the day of 31.03.2015, amount to RSD 681,534 thousand (and on 31.12.2014 amounted to RSD 2,970,250 thousand), of which to receivables value correction of the current period are put undue receivables of Air Serbia in the amount of RSD 66,725 thousand.

Due receivables from domestic and foreign buyers for goods and services on the day of 31.03.2015, amount to RSD 1,532,988 thousand (and on 31.12.2014 they amounted to RSD 807,405 thousand), of which to receivables value correction of the current period are put RSD 432,837 thousand.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to settle its liabilities on the terms of their maturity.

The ultimate responsibility for liquidity risk management is on the management of the company, which has established appropriate management system for short-term, medium-term and long-term financing of the Company as well as liquidity management. By continuous monitoring of planned and actual cash flows, the Company maintains adequate cash reserves, and also maintains adequate maturities of financial assets and liabilities.

The following tables present details of outstanding contractual maturities of financial resources. The amounts shown are based on the undiscounted cash flows arising on the basis of financial resources based on the earliest date on which the Company will be able to collect receivables.

Maturity of financial resources	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	5,861,339	3,548,725
1 - 3 months	32,591	379,418
3-12 months	1,635,704	1,976,228
1 - 5 years	74,916	120,405
over 5 years	68,109	102,922
	7,672,659	6,127,698

Interest maturity	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	29,146	22,398
1 - 3 months	0	0
3-12 months	57,239	23,694
	86,385	46,092

The stated maturity of interest receivables are contained within disclosure of maturity of financial resources.

The following tables present details of outstanding contractual obligations of the Company. The amounts shown are based on the undiscounted cash flows arising from financial liabilities based on the earliest date on which the Company will be required to settle such obligations.

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

III - LIQUIDITY AND CASH FLOW RISK (Cont'd.)

Maturities of financial liabilities	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	94,311	172,638
1 - 3 months	38,045	12,132
3-12 months	50,102	88,692
1 - 5 years	400,818	403,295
over 5 years	482,984	485,970
	1,066,260	1,162,727

Maturities of interest (for loans and financial leasing)	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	0	0
1 - 3 months	16,620	5,296
3-12 months	20,753	37,603
1 - 5 years	125,344	126,119
over 5 years	58,694	59,058
	221,411	228,076

The average time of collection of receivables from buyers in the first quarter of 2015 is 166 days (2014: 170 days).

Average time of settlement of obligations to suppliers in the first quarter of 2015 was 32 days (during 2014: 31 days).

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, at the same time maximizing profit increase of the owner, through the optimization of debt and equity. In addition to its own capital, which consists of core capital, reserves and undistributed profit, the Company uses the borrowed funds in the form of long-term loans and financial leasing. Free cash flow from current accounts, the Company invests in the form of short-term deposits.

Indicators of indebtedness of the Company as at the end of the observed current period of 2015 and the end of 2014 are as follows:

	31.03.2015	31.12.2014
	in 000 RSD	in 000 RSD
1 Indebtedness (ADP 432 + ADP 443)	971,949	990,089
2 Cash and cash equivalents (ADP 068)	3,117,913	2,803,851
I GROSS INDEBTEDNESS (1-2)	(2,145,964)	(1,813,762)
3 Ratio of indebtedness against capital (I/5)	-0.0799	-0.0727
4 Short-term financial investments (ADP 062)	3,398,101	2,031,124
II NET INDEBTEDNESS (I-5)	(5,544,065)	(3,844,886)
5 Capital (ADP 401)	26,852,666	24,957,293
6 Ratio of indebtedness against capital (II/5)	-0.2065	-0.1541

65. MANAGEMENT EARNINGS

The Company paid remuneration to key management, including members of the Supervisory Board, the Audit Commission and the General Assembly of Shareholders and directors and other managers (The first quarter of 2015: total number of 21; the first quarter of 2014: 20). In the first quarter of 2015 in the gross amount is paid RSD 9,768 thousand (the first quarter of 2014: RSD 11,769 thousand).

Management benefits	31.03.2015	31.03.2014
	in 000 RSD	in 000 RSD
Management	0	0
Earnings	7,794	9,605
Participation in distribution	0	0
	7,794	9,605
Remuneration to members of Supervisory Board	1,610	1,718
Remuneration to members of Audit Commission	62	127
Remun. to members of Shareholders Assembly	302	319
	1,974	2,164

66. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may differ from the management interpretation. Although management believes that tax liabilities adequately calculated and recorded, the risk remains that the tax authorities will have different interpretation of tax issues.

67. LITIGATION

On March 31, 2015, against the Company there are litigations in the amount of RSD 123.346 thousand (excluding the effects of default interest). Amounts of final losses on litigations can be increased on the basis of default interest up to the completion of the settlement, or until the date of final payment by disputes. On 31 March 2015 the Company has made provisions for potential losses on these litigations in the amount of RSD 79,090 thousand (Note 48). According to the assessment of the Company's management on this basis they does not expect additional significant losses in the future period.

68. EVENTS AFTER THE REPORTING PERIOD

Dufry d.o.o. Belgrade has paid on 02.04.2015 the amount of RSD 166,005 thousand for invoices relating to accounting of differences on the harmonization of MGN.

In Belgrade, 05 May 2015



Legal representative

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АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
Бр. 04-44
14. 05. 2015 год.
1

**BUSINESS REPORT
I-III 2015**

BELGRADE, MAY 2015

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1. GENERAL DATA OF THE COMPANY

1	Business name	AD AERODROM "NIKOLA TESLA" BEOGRAD
	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	Registration number: BD 4874/2005 Date of registration: 15.16.2005
4	Activity (code and description)	5223-Air-traffic services
5	Number of employees	886 employees on 31.03.2015
6	Core capital value	RSD 20,573,610,000.00 on 31.03.2015
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 31.03.2015) CFI code ESVUFR ISIN number RSANTBE11090
9	Organised exchange market on which the shares are exchanged	Beogradska berza ad Beograd, Omladinskih brigada 1, 11070 Novi Beograd

2. AIR TRAFFIC TURNOVER

In the period I-III 2015 it was achieved total air traffic turnover, as follows:

- 12,908 air movements,
- 888,477 passengers and
- 3,114 tons of cargo and mail.

2.1. AIR MOVEMENT TURNOVER

In the period from I-III 2015 it was achieved the following number of air movements per traffic types:

Number of air movements per traffic types

Traffic types	Achievement I - III 2014	Plan I - III 2015	Achievement I - III 2015	Index		Particip. I - III 2014	Particip. I - III 2015
				5(4/2)	6(4/3)		
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	38	46	17	45	37	0.32	0.13
International air traffic- domestic carriers	6,110	7,035	7,067	116	100	50.66	54.75
International air traffic- foreign carriers	5,912	6,223	5,824	99	94	49.02	45.12
TOTAL:	12,060	13,304	12,908	107	97	100.00	100.00

The data from the table indicate total physical air traffic volume in the period from I-III 2015, which is by 7% higher compared to the same period last year and by 3% lower than number of air movements forecasted in the Business plan for I-III 2015.

Within carrier pattern of the total traffic in I-III 2015 domestic carriers have dominant role in international air traffic with participation of 54.75%; then there are foreign carriers in international air traffic with 45.12% and at the end, domestic carriers in domestic air traffic with participation of 0.13%.

In relation to previous year there is an increase of participation of domestic carriers in international air traffic, and decrease in participation of foreign carriers in international air traffic.

In international air traffic of domestic carriers total turnover of 7,067 air movements was achieved, which is by 16% higher compared to the previous year and at the same level compared to the Plan for I-III 2015. Domestic carriers in international traffic are: Air Serbia and others.

Dominant role in international air traffic of domestic carriers is of Air Serbia with 97.25%.

Air Serbia has an increase of air movements in the first quarter of 2015 compared to the same period of 2014 of 17%, and related to Business Plan for the same period of 1%.

Air Serbia achieved in the period I-III 2015 in international air traffic 6,873 air movements, and in the period I-III 2014 it was 5,853 air movements.

In the first quarter of 2015 Air Serbia carried out flights to 5 new destinations, such as: Beirut, Istanbul, Tirana, Warsaw and Zagreb.

Other carriers in international air traffic are: Avio Služba, Princ Aviation, Air Pink, Verano Motors and others who had a decrease of 25% in comparison to achievement in I-III 2014 and as much in comparison to the Business plan for I-III 2015.

Number of air movements of foreign carriers in international air traffic

Air carriers	Achiev. I - III 2014	Plan I - III 2015	Achiev. I - III 2015	Index		Particip. I - III 2014	Particip. I - III 2015
				5(4/2)	6(4/3)		
1	2	3	4			7	8
Montenegro Airlines	578	696	688	119	99	9.78	11.81
Lufthansa	837	720	672	80	93	14.16	11.54
Wizz Air	677	594	571	84	96	11.45	9.80
Austrian Airlines	535	462	438	82	95	9.05	7.52
Turkish Airlines	428	386	377	88	98	7.24	6.47
Aeroflot	359	360	358	100	99	6.07	6.15
Swiss International	352	284	292	83	103	5.95	5.01
Swift Air	0	256	246	0	96	0.00	4.22
Solinair	123	256	231	188	90	2.08	3.97
Alitalia	254	224	224	88	100	4.30	3.85
Etihad Airways	180	180	184	102	102	3.04	3.16
Easyjet	144	154	148	103	96	2.44	2.54
Tarom	86	152	146	170	96	1.45	2.51
Raf Avia	0	128	132	0	103	0.00	2.27
Qatar Airways	102	102	126	124	124	1.73	2.16
Aegean Airlines	84	124	122	145	98	1.42	2.09
LOT	80	98	105	131	107	1.35	1.80
Flydubai	92	80	82	89	103	1.56	1.41
Pegasus Airlines	90	78	78	87	100	1.52	1.34
Belavia	52	104	52	100	50	0.88	0.89
Norwegian Air	34	32	32	94	100	0.58	0.55
Tunis Air	26	26	28	108	108	0.44	0.48
Aircairo Company	4	26	26	650	100	0.07	0.45
B & H Airlines	99	128	20	20	16	1.67	0.34
Tap Portugal	0	105	14	0	13	0.00	0.24
Vueling Airlines	0	2	2	0	100	0.00	0.03
Cityline Hungary	128	0	0	0	0	2.17	0.00
Germanwings	52	0	0	0	0	0.88	0.00
ČSA	52	52	0	0	0	0.88	0.00
Nesma Airlines	0	48	0	0	0	0.00	0.00
Adria Airways	48	0	0	0	0	0.81	0.00
Olympic Air	44	0	0	0	0	0.74	0.00
Gazprom	6	0	0	0	0	0.10	0.00
Others	366	366	430	117	117	6.19	7.38
TOTAL:	5,912	6,223	5,824	99	94	100.00	100.00

In the first quarter of 2015 there were 26 foreign air carriers and 1 domestic air carrier.

In international traffic of foreign carriers in the period I-III 2015 was achieved 5,824 air movements, which is by 1% lower score in comparison with the same period of previous year and by 6% lower compared to Business plan for I-III 2015.

In foreign carrier pattern in the period I-III 2015 Montenegro Airlines with the participation of 11.81% has the most significant role, than Lufthansa with 11.54% and Wizz Air with 9.80%. These three companies achieved 33.16% of international traffic of foreign carriers.

With the percentage of participation in this type of air traffic in the range of 7.52 to 3.97 are: Austrian Airlines (7.52%), Turkish Airlines (6.47), Aeroflot (6.15%), Swiss International (5.01 %), Swift Air (4.22%) and Solinair (3.97%) with a total share of 33.34%.

Cargo traffic of express mail is carried out by three carriers: Raf Avia, Solinair and Swiftair Aviation.

Low Cost carriers in I-III 2015, there are six of them: **EasyJet** on destination Milan and Geneva, **Fly Dubai** on route Dubai, **Norwegian Air Shuttle** on destinations Oslo and Stockholm, **Wizz Air** on destinations Beauvais – Paris, Dortmund, Eindhoven, Gothenburg - Landvetter, Larnaca, London, Malmo, Memmingen, Mulhouse, Budapest and Stockholm-Skavsta,, **Pegasus Airlines** Sabiha and **Aircairo Company** on destinations Hurghada and Stuttgart .

If international air traffic is considered as a whole (domestic and foreign carriers), Air Serbia has a dominant role amid all air-carriers with participation of 53.32%.

2.2. PASSENGER TURNOVER

Total passenger turnover of 888,477 was achieved in the first quarter 2015, which is by 13% higher than the achievement in the first quarter of 2014 and 9% in comparison with the Business plan for I-III 2015.

Passenger turnover per traffic types

Traffic type	Achiev. I-III 2014	Plan I-III 2015	Achiev. I-III 2015	Index	Index	Particip. I-III 2014	Particip. I-III 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	45	47	25	56	53	0.01	0.00
International air traffic- domestic carriers	368,878	384,078	462,546	125	120	46.97	52.06
International air traffic- foreign carriers	416,373	433,351	425,906	102	98	53.02	47.94
TOTAL:	785,296	817,476	888,477	113	109	100.00	100.00

The greatest participation in passenger turnover per air traffic types in I-III 2015 is of domestic carriers in international air traffic with 52.06%, then foreign carriers in international air traffic with 47.94%.

The number of the passengers transported by foreign carriers in international air traffic in I-III 2015 is 2% higher compared to the previous year and 2% lower in comparison to the Business plan in I-III 2015.

The number of the passengers transported by domestic carriers in international air traffic is 25% higher compared to the previous year and 20% in comparison with the Business plan for I-III 2015.

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

Ser.No.	Air Carriers	Achiev. I - III 2014	Achiev. I - III 2015	Index	Particip. I - III 2014	Particip. I - III 2015
1	2	3	4	5(4/3)	6	7
1	Air SERBIA	368,389	462,166	125	46.91	52.02
2	Wizz Air	91,715	83,968	92	11.68	9.45
3	Lufthansa	52,526	56,944	108	6.69	6.41
4	Montenegro	42,007	48,730	116	5.35	5.48
5	Turkish Airlines	35,755	36,822	103	4.55	4.14
6	Others	194,859	199,822	103	24.81	22.49
	TOTAL:	785,251	888,452	113	100.00	100.00

The total number of passengers in international air traffic in I-III 2015 is 888,452 which is 13% higher than in the same period in 2014.

In respect of air carriers Air Serbia is the leading carrier by number of transported passengers in international air traffic with 52.02% and is followed by: Wizz Air with 9.45%, Lufthansa with 6.41%, Montenegro Airlines with 5.48% and Turkish airlines with 4.14%.

Passenger turnover of Air Serbi in international air traffic per destinations with the greatest number of passengers

Ser. No.	Destinations	Achiev. I - III 2014	Achiev. I - III 2015.	Index
1	2	3	4	5(4/3)
1	Zurich	28,346	34,929	123.22
2	Paris	29,013	34,127	117.63
3	Podgorica	24,897	25,363	101.87
4	Moscow	25,396	22,501	88.60
5	Amsterdam	13,693	19,855	145.00

2.3. CARGO TURNOVER

In the period I-III 2015, cargo turnover was achieved in the amount of 3,114 tons, which is 28% higher than in the same period of the previous year and as much higher compared to the Business plan for I-III 2015.

In the period I-III 2015 cargo turnover in international air traffic of domestic carriers is higher by 55% in comparison to the previous year and by 55% in comparison to the Business plan for I-III 2015. In international air traffic of foreign air carriers, achievement in the period I-III 2015 is higher by 20% in comparison to the same period of the previous year and as much in relation to the Business plan for I-III 2015. There has been no cargo turnover in domestic air traffic in 2015 as well as in the previous year.

Cargo turnover in tons

Traffic type	Achiev. I-III 2014	Plan I-III 2015	Achiev. I-III 2015	Index	Index	Particip. I-III 2014	Particip. I-III 2015
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	569	569	880	155	155	23.37	28.26
International air traffic- foreign carriers	1,866	1,866	2,234	120	120	76.63	71.74
TOTAL:	2,435	2,435	3,114	128	128	100.00	100.00

PHYSICAL VOLUME OF TRAFFIC

Type of traffic	Achievement I-III 2014		Business Plan I-III 2015		Achievement I-III 2015		index	
		Partic.		Partic.		Partic.		
2	3		4		5		6(5/3)	7(5/4)
Domestic traffic								
Air movements	38	0	46	0	17	0	45	37
Passengers	45	0	47	0	25	0	56	53
Air goods and mial (tons)	0	0	0	0	0	0	0	0
International traffic- domestic carriers								
Air movements	6,110	51	7,035	53	7,067	55	116	100
Passengers	368,878	47	384,078	47	462,546	52	125	120
Air goods and mial (tons)	569	23	569	23	880	28	155	155
International traffic- foreign carriers								
Air movements	5,912	49	6,223	47	5,824	45	99	94
Passengers	416,373	53	433,351	53	425,906	48	102	98
Goods and mial (air+ truck) (tons)	1,866	77	1,866	77	2,234	72	120	120
Total								
Air movements	12,060	100	13,304	100	12,908	100	107	97
Passengers	785,296	100	817,476	100	888,477	100	113	109
Goods and mail air+truck (tons)	2,435	100	2,435	100	3,114	100	128	128

3. REVENUES AND EXPENDITURES

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

3.1. REVENUES

In the period I-III 2015 JSC Belgrade "Nikola Tesla" Airport achieved the total revenue in amount of RSD 3,711,999,048. Thus achieved total revenue is 121% higher in comparison to the achieved revenues in the same period of the previous year and 57% higher in relation to the plan for the same period.

The pattern of the achieved revenues for I-III 2015 is shown in the table **revenue pattern by service types**.

In the pattern of achieved revenues in I-III 2015 **business revenues** have the greatest participation of 46% in the total revenues amounting to RSD 1,710,115,163. The achieved revenues are 9% higher than the same in the same period of the previous year and 2% lower in relation to plan for I-III 2015.

Within business revenues, revenues generated by providing **air services** amount to RSD 612,084,054 which is 16% of the total revenues. These revenues are higher by 25% compared to the same period last year and by 4% lower in relation to the plan for I-III 2015.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 671,147,624 for I-III 2015, which is 18% of the total achieved revenues and are higher compared to revenues of passenger service and security fees in the same period last year by 15% and higher by 5% in relation to the plan for the same period.

In the period I-III 2015 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 31,524,085 and are by 5% higher than revenues on this basis in the same period in 2014 and by 5% in relation to the plan for the same period.

In the period I-III 2015 the revenues from **other services** are 51% higher than in the same period of the previous year and 34% in relation to the plan for I-III 2015 and were achieved in the amount of RSD of 201,869,404. The increase in revenues in the first quarter of 2015 compared to the first quarter of the previous year is due to the increase in revenue from: utilities (re-invoiced income of electricity in the first quarter of 2015), aircraft de-icing service, revenues from services on special request – work order etc. The largest share in these revenues have: revenues from aircraft de-icing, revenues from utility services, revenues from CUTE and revenues on special request – work order.

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene. In the period I-III 2015 it was sold 424 tons of kerosene, while in the same period of the previous year it was sold 2,232 tons of kerosene. Achieved revenues from sale of kerosene for the period I-III 2015 are lower by 84.45% in relation to the same period of 2014, while in relation to planned figures for the period I-III 2015 they are lower by 71.06%.

The main reason for the decrease in revenue from the sale of kerosene in the period I-III 2015 compared to the same period of the previous year is the change in business policy of air carriers, that is orientation towards other suppliers, which resulted in fewer number of customers and therefore a lower amount of kerosene sold.

In the period I-III 2015, from **renting office space** was realized income in the amount of RSD 161,849,027 which is 20% more than in the same period of 2014, and 15% less than the planned values for the same period. Most of these revenues refer to renting of office space to Dufry d.o.o.

Financial revenues (group 66) in the period I-III 2015 are disclosed in amount of RSD 103.647.610 and are higher by 55% in comparison to the same period of the previous year.

In the pattern of financial revenues for I-III 2015 the greatest part refers to revenues from foreign exchange differences-realized in the amount of RSD 36,856,704 (they are higher by 91% compared to the same period of the previous year and by 12% higher in relation to planned figures for the same period 2015), then revenues from interest in the amount of RSD 35,875,983 (they are lower by 21% compared to the same period last year) and non-realized exchange rate differences in the amount of RSD 30,914,923.

Other revenues (group 67 and 68) in the period I-III 2015 were achieved in the amount of RSD 1,898,236,276 and are considerably higher in comparison to the same period in 2014 mostly due to collected write-offs from Air Serbia that in the previous years was placed on impairment of receivables, so that the Public Debt Administration of the Republic of Serbia made a payment of assumed debt in the amount of RSD 1,897,107,000 on 31.03.2015.

The main buyers from the point of participation in sales revenue in the period I-III 2015 are: Air Serbia RSD 439,211 thousand, Deutsch Lufthansa RSD 134,573 thousand and Montenegro Airlines RSD 104.544 thousand.

REVENUE PATTERN

Ser. No.	Type of service	Description	Realizaiton I-III 2014	Plan I-III 2015	Realization I-III 2015	INDEX	
						7 (6/4)	8 (6/5)
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	Air services domestic carriers						
	612000+612300	Landing	30,484,485	37,752,435	39,615,167	130	105
	612010+612310	Lighting	10,459,960	11,432,969	14,511,218	139	127
	612030+612330	Handling	34,282,947	40,666,908	41,462,858	121	102
	612040	Infrastructure	18,824,001	23,996,238	22,917,402	122	96
	612050	Air-bridges	0	0	0		
	612020+612320	Aircraft abode tax	1,236,045	1,499,969	1,185,341	96	79
I	Total air services (domestic carriers):		95,287,439	115,348,518	119,691,987	126	104
	Air services foreign carriers						
	613010+613011	Landing	119,553,462	156,866,330	147,133,330	123	94
	613020+613021	Handling	146,127,536	188,798,746	175,390,386	120	93
	613030+613031	Lighting	16,694,109	17,121,209	20,511,369	123	120
	613040	Infrastructure	75,066,766	104,621,442	100,633,639	134	96
	613060	Air-bridges	27,914,605	44,195,688	42,777,831	153	97
	613000+613001	Aircraft abode tax	7,083,671	7,770,100	5,945,513	84	77
II	Total air services (foreign carriers):		392,440,149	519,373,516	492,392,067	125	95
I+II	Total air services		487,727,588	634,722,034	612,084,054	125	96
	Passenger service						
	614400 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	13,960	3,088	4,323	31	140
	614410+614412 - dom. carriers/inter.traffic	Passenger service d.c./i.t.	171,683,976	188,719,053	201,864,325	118	107
	615200+615210+615212 - foreign carriers	Passenger service for.car.	286,658,721	307,712,823	321,181,261	112	104
	614420+614430+614432+615230+615232	Security fees	125,995,267	139,974,382	148,097,714	118	106
III	Total passenger service		584,351,923	636,409,346	671,147,624	115	105
I+II+III	Total air services and passenger service		1,072,079,511	1,271,131,381	1,283,231,677	120	101
	CCW services						
	612500+612510	CCW services dom. market	23,114,991	23,659,479	28,314,051	122	120
	613300 +613310 (foreign)	CCW services for. market	7,028,960	6,392,370	3,210,034	46	50
IV	Total CCW services		30,143,951	30,051,848	31,524,085	105	105
V	Total services in air traffic (I to IV):		1,102,223,462	1,301,183,229	1,314,755,762	119	101
	Other services						
1	614100+614360+615100	DCS services	5,636,879	9,175,834	5,974,548	106	65
2	614110+614112+614170+614180+614391+615891+615	Special request - work order	10,633,195	14,369,602	18,178,585	171	127
3	614130+614131+615072+614370+615071+615072	VIP Lounge	833,652	1,171,095	792,240	95	68
4	614140+614390+615090	CUTE (dom + for)	21,356,048	26,568,887	30,816,378	144	116
5	615080+614380	Lost and found	2,587,748	5,395,024	3,700,937	143	69
6	6146+615120+615400+615401	Public utilities	15,845,061	34,539,815	45,260,466	286	131
7	614820+615170	Catering ser. Business Club	9,097,109	12,343,476	1,022	0	0
8	614870+615810	Advertising space	5,877,541	6,598,862	7,725,786	131	117
9	614883	Commer.use of apron	13,066,953	15,511,631	17,570,585	134	113
10	614160+615110	Aircraft de-icing service	23,533,480	7,431,266	47,266,276	201	636
11	Other non-mentioned services dom + foreign		24,839,418	17,035,194	24,582,580	99	144
VI	Other services (1 to 11):		133,307,084	150,140,686	201,869,404	151	134
VII	Total 61 - Revenues from sale of services (V+VI)		1,235,530,546	1,451,323,915	1,516,625,166	123	104
	Revenues from sale of goods:						
VIII	60 - Revenues from sale of kerosene + goods		201,317,243	109,559,632	31,640,971	16	29
IX	Total (60+61) Revenues from sale (VII+VIII)		1,436,847,789	1,560,883,547	1,548,266,136	108	99
X	64 и 65 - Renting of office space		134,914,555	190,796,219	161,849,027	120	85
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	1,571,762,344	1,751,679,766	1,710,115,163	109	98
XII	66 - FINANCIAL REVENUES		66,800,257	61,422,369	103,647,610	155	169
1	interest		45,201,005	24,583,551	35,875,983	79	146
2	exchange rate differences -realised		19,256,076	33,024,116	36,856,704	191	112
3	exchange rate differences -non-realised		2,343,175	3,814,702	30,914,923	1,319	810
XIII	67 и 68 OTHER REVENUES		39,202,558	546,210,609	1,898,236,276	4,842	348
XIV	Total revenues (XI+XII+XIII)		1,677,765,159	2,359,312,743	3,711,999,048	221	157

3.2. EXPENDITURES

In the period I-III 2015 **total expenditures** were achieved in the amount of RSD 1,557,061,510. Thus achieved expenditures are 4% lower than the expenditures achieved in the same period of the previous year and 27% lower than planned expenditures for I-III 2015.

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 30,939,798 or 84% less than in the same period of the previous year and 69% less in comparison to the Plan for I-III 2015. As kerosene is registered both on revenues and expenditures, the real revenue of the Company is realised price difference, which amounted for the period I-III 2015 to RSD 317.981. Average participation of price difference in sale value of kerosene for the period I-III 2015 is 1.02%.

The costs of materials (group 51) in the first quarter of 2015 in the amount of RSD 111,332,660 participate in total expenditures with 7% and mostly refer to: costs of electrical power, costs of basic material, cost of oil fuel for heating, cost of petrol and diesel fuel as well as spare parts for investment maintenance of fixed assets.

Within total expenditures one of the largest amounts refer to the **costs of salaries, reimbursements and other personal expenditures** (group 52), amounting for the period I-III 2015 to RSD 491,206,563 which is by 34% higher than in the same period last year. This increase in salaries was primarily due to changes in the legal employment status of a number of persons engaged from OZB Komerc in JSC Belgrade Nikola Tesla Airport, as well as increasing number of workers based on the contract on temporary and occasional jobs. The costs of salaries of employees (gross II Chambers excluded) of Belgrade "Nikola Tesla" Airport amount to RSD 308,751,365; whereas the costs for persons engaged through Youth organizations amount to RSD 87,652,710 (youth organizations Fan, Beograd, Knez, Medijator and Europa). Apart from salaries in the group 52 there are also included reimbursements by contracts (service contracts), reimbursements per temporary and occasional jobs, additional work contract, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport of employees, costs of business trips, solidarity allowance and jubilee awards).

The costs of **amortization and reserving** (group 54) for the period I-III 2015 amounted to RSD 189.492.592, where the included net cost of amortization amounted RSD 184.492.592.

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 70,586,676. Adding this amount to total costs for salaries, reimbursements and other personal earnings of employees (group 52) we come to the amount of RSD 561,793,238, which makes 36% 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 25,228,446, then monthly support of ITT for passenger and baggage check-in, costs of PPT services, costs of information and passenger check-in, and others.
- **the costs of maintenance services** are higher by 46% with current maintenance of IT equipment.
- **the costs of other services** mostly referring to the services of OZB Komerc for Security department in the amount of RSD 23,559,079, then the costs of water, drainage, and the other.
- **the costs of leaser** mainly refer to lease of licenses and network and server infrastructure. Costs of lease are higher in the first quarter of 2015 compared to the same period last year by 20%, mostly due to costs of the lease of licenses which are higher by 96% compared to last year.
- **the costs of advertising** mostly refer to sponsorship.

Pattern of **the intangible costs** includes:

- **the costs of non-production services**, where the most part refers to the costs of services of OZB Komerac for the Technical maintenance, Investment, Commercial and Legal departments in the amount of RSD 21,799,150, then the cleaning services, costs of occupational health - Air Serbia and others.

- **The costs of insurance premiums**
- **Taxing costs**
- **The costs of payment operations**
- **The costs of membership fees**
- **The costs of representation and**
- **Other intangible costs**

The costs of salaries, reimbursements and other earnings (group 52), the services of OZB Komerac and amortization realised in the period I-III 2015 in total amount of RSD 746,285,831 make 48% of total expenditures and 20% of total revenues of JSC Belgrade "Nikola Tesla" Airport is needed to cover them.

Financial expenditures (group 56) in period I-III 2015 are disclosed in the amount of RSD 46,364,183 and are 51% higher than in the same period of the previous year.

Realized negative exchange rate differences are in the amount of RSD 30,662,280 and participate with 66% in the pattern of total financial expenditures.

In the pattern of financial expenditures, expenditures realized from interest participate with 24%, and amount to RSD 11,122,632 and are 4% 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).

Non-realised negative exchange rate differences in the first quarter of 2015 were achieved in the amount of RSD 4,579,270 and are lower by 51% compared to the same period last year.

Other expenditures (group 57 and 58) in period I-III 2015 were achieved in the amount of RSD 504,226,741, while in the same period last year they were RSD 366,212,568. Most of these expenditures refer to value correction of domestic buyers– the major part refers to Air Serbia in the amount of RSD 495,598,198 (default interest excluded), than donations for humanitarian, medical and religious purposes.

Main suppliers from the point of turnover in I-III 2015: Europlast (RSD 155,760 thousand), OZB Komerac (RSD 65,797 thousand).

EXPENDITURE PATTERN

Acc.	Account name	Realization I-III 2014	Plan I-III 2015	Realization I-III 2015	INDEX	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
50	PURCHASE VALUE OF SOLD GOODS	193,641,355	100,612,500	31,019,054	16	31
501	PURCHASE VALUE OF SOLD GOODS	193,641,355	100,612,500	31,019,054	16	31
51	COSTS OF MATERIALS AND ENERGY	146,349,764	218,495,402	111,332,660	76	51
511	COSTS OF MATERIALS FOR PRODUCTION	25,747,930	82,752,962	23,247,569	90	28
512	COSTS OF OVERHEADS	7,998,032	7,011,424	3,201,126	40	46
513	COSTS OF FUEL AND ENERGY	90,229,645	80,870,975	80,451,326	89	99
514	COSTS OF SPARE PARTS	12,042,023	34,858,486	3,252,860	27	9
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	10,332,134	13,001,555	1,179,778	11	9
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	366,139,660	598,426,669	491,206,563	134	82
520	SALARIES AND REIMBURSEMENTS-GROSS	186,030,799	358,084,220	261,875,631	141	73
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	33,291,981	64,092,386	46,875,734	141	73
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	0	390,000	8,599	0	2
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	132,737,247	134,973,921	139,771,432	105	104
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	346,759	169,417	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	2,164,200	2,360,101	1,974,498	91	84
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	11,568,674	38,356,623	40,700,668	352	106
53	COSTS OF PRODUCTION SERVICES	221,318,843	193,892,649	107,038,489	48	55
531	COSTS OF TRANSPORTATION SERVICES	74,821,024	29,696,875	36,666,737	49	123
532	COSTS OF MAINTENANCE SERVICES	34,264,227	104,978,273	18,033,775	53	17
533	COSTS OF LEASE	16,578,221	27,696,740	19,896,728	120	72
535	COSTS OF ADVERTISING	5,230,392	7,117,379	240,000	5	3
539	COSTS OF OTHER SERVICES	90,424,979	24,403,382	32,201,248	36	132
54	COSTS OF AMORTIZATION AND RESERVES	179,018,953	230,075,000	189,492,592	106	82
540	COSTS OF AMORTISATION	179,018,953	225,000,000	184,492,592	103	82
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	3,500,000	0	0	0
549	OTHER LONG-TERM RESERVES	0	1,575,000	5,000,000	0	317
55	INTANGIBLE COSTS	113,642,411	122,962,132	76,381,228	67	62
550	COSTS OF NON-PRODUCTION SERVICES	77,273,505	65,053,323	42,426,741	55	65
551	COSTS OF REPRESENTATION	1,183,404	1,760,000	1,707,220	144	97
552	INSURANCE PREMIUMS	7,358,594	20,136,619	5,237,349	71	26
553	COSTS OF PAYMENT SYSTEM	1,422,538	1,582,500	1,126,715	79	71
554	COSTS OF MEMBERSHIPS	2,131,154	2,214,270	2,539,128	119	115
555	COSTS OF TAXES	18,862,132	26,837,414	19,875,062	105	74
559	OTHER INTANGIBLE COSTS	5,411,084	5,378,005	3,469,013	64	65
56	FINANCIAL EXPENDITURES	30,735,682	29,592,206	46,364,183	151	157
562	INTEREST EXPENDITURES	11,643,906	13,340,956	11,122,632	96	83
563	NEGATIVE EXCHANGE RATE DIFFERENCES	18,865,210	16,163,750	33,789,217	179	209
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	226,566	87,500	1,452,334	641	1,660
57	OTHER EXPENDITURES	16,664,934	409,553,750	4,567,830	27	1
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	0	1,130,000	3,546	0	0
575	PROTECTION FROM REVALUATION RISK	1,086	1,250	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	400,000,000	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	16,663,848	8,422,500	4,564,284	27	54
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	349,547,634	226,012,500	499,658,911	143	221
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	349,547,634	226,012,500	499,658,911	143	221
TOTAL EXPENDITURES		1,617,059,235	2,129,622,808	1,557,061,510	96	73

3.3. SALARIES

In the period I-III 2015 the total sum paid for salaries amounted RSD 261,875,631 (gross I), which is 41% higher than in the same period of 2014 and 27% less in relation to Plan for the first quarter of 2015.

SALARIES GROSS I

Month	Achievement I-III 2014	Revised Plan I-III 2015	Achievement I-III 2015	Index	
				5 (4/2)	6 (4/3)
1	2	3	4	5 (4/2)	6 (4/3)
January	58,763,373	114,802,319	74,223,219	126	65
January-Christmas bonus	0	8,537,802	8,537,802	0	100
February	58,526,830	111,403,981	87,524,276	150	79
February-Christmas bonus	12,094,150	0	0	0	0
March	56,646,423	123,340,121	91,590,335	162	74
Total salaries	173,936,627	349,546,422	253,337,829	146	72
Total bonus	12,094,150	8,537,802	8,537,802	71	100
Total salaries + bonus	186,030,776	358,084,224	261,875,631	141	73

In the period I-III 2015 salaries were paid out to employees according to individual work contracts as well as single payments of Christmas bonuses to all employees, in the same amount of RSD 9,000.00 net.

In the period I-III 2015 Gross I salaries are increased by 41% compared to the Gross I salaries in the period I-III 2014 for reasons of the increase of the number of permanent employees who are employed from OZB Komerc.

In the period I-III of the current year average Gross I salary with bonus for Christmas in the Company amounted to RSD 113,698 and is less than the same for the previous year by 13%. The reason for this reduction is the application of the The Law on the temporary regulation of the base for calculation and payment of salaries i.e. earnings and other regular income with the users of public funds, published in the Official Gazette No. 116/2014. Average net salary with bonus for Christmas in the Company amounted to RSD 80,839.

AVERAGE GROSS I

Month	JSC ANT
January	124,335
February	112,023
March	104,737
Average I-III 2015	113,698

Average I-III 2014	130,571
I-III 2015 / I-III 2014	87

AVERAGE SALARY NET

Month	JSC ANT
January	88,297
February	79,661
March	74,558
Average I-III 2015	80,839

Average I-III 2014	92,649
I-III 2015 / I-III 2014	87

3.4. FINANCIAL RESULT I-III 2015

In the period I-III 2015 **gross profit** of the company was disclosed in the amount of RSD 2,154,937,538.

FINANCIAL RESULT

RSD

Ser. No.	Position	Achievement I-III 2014	Plan I-III 2015	Achievement I-III 2015	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5		
1	Business revenues	1,571,762,344	1,751,679,766	1,710,115,163	109	98
2	Business expenditures	1,220,110,986	1,464,464,352	1,006,470,587	82	69
3	Business profit (1-2)	351,651,358	287,215,414	703,644,576	200	245
4	Financial revenues	66,800,257	61,422,369	103,647,610	155	169
5	Financial expenditures	30,735,682	29,592,206	46,364,183	151	157
6	Financial profit (4-5)	36,064,575	31,830,163	57,283,427	0	180
6a	Financial loss (5-4)					
7	Other revenues	39,202,558	546,210,609	1,898,236,276	4,842	348
8	Other expenditures	366,212,568	635,566,250	504,226,741	138	79
9	Other profit (7-8)			1,394,009,535		
9a	Other loss (8-7)	327,010,010	89,355,641			
10	Total revenues (1+4+7)	1,677,765,159	2,359,312,744	3,711,999,049	221	157
11	Total expenditures (2+5+8)	1,617,059,235	2,129,622,808	1,557,061,511	96	73
12	Total gross profit (10-11)	60,705,924	229,689,936	2,154,937,538	3,550	938

Such disclosed gross profit is much higher than gross profit in the same period last year due to payment made by Public Debt Administration of the Republic of Serbia in the amount of RSD 1,897,107,000.

Decision of the Executive Board No. 04-25 of 25.02.2015 approved the payment of interim dividend to shareholder Republic of Serbia for 2014 in total amount of RSD 600,716,782.82. The payment was made from the account of the Company on 26.02.2015.

4. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES IN THE FIRST QUARTER OF 2015

CHANGE OF EMPLOYMENT STATUS OF EMPLOYEES ENGAGED OUT OF DIRECT EMPLOYMENT

After numerous requests for obtaining approval for new employment and further work engagement forwarded first to the Ministry of Civil Engineering, Transport and Infrastructure (in the period from February 2014), then to the competent Ministry of Economy, ANT by Conclusion of the Commission for approval for new employment and further work engagement with public fund users 51 No. 112-15916 / 2014 of 23 December 2014, has received approval for temporary employment of 200 employees, previously engaged in jobs of the primary registered activity of ANT (security, technical maintenance and ground handling) and for the period from 23 December 2014 to 23 April 2015, with whom employment contract was concluded starting with 01.01.2015. Mentioned period is extended to 30 June 2015.

Conclusion of the Commission 51 No: 112-1197/2015-2 of 13.02.2015 approved temporary employment of another 200 employees, for the period from 1 March to 30 June 2015, and the Company on 5 February 2015, in accordance with the Regulation, submitted a request for employment of 200 employees more.

Conclusion of the Commission 51 No: 112-3176/2015 of 23/03/2015, approved temporary employment for another 200 employees, for the period from 1 April to 30 June 2015 with whom employment contracts were concluded on 01/04/2015.

TECHNICAL DOCUMENTATION FOR CONSTRUCTION OF AIRCRAFT DE/ANTI-ICING APRON

- Purpose: The technical documentation will be provided to build an aircraft de/anti-icing apron together with associated installations and facilities. Planned surface of the apron together with service road and parking for vehicles will be about 20,500 m².
- Status: Initiated public procurement procedure for selection of the most favourable tenderer for development of technical documentation.

TECHNICAL DOCUMENTATION FOR UPGRADE FINGER HALL C

Purpose: The technical documentation will be provide for the upgrade of finger hall C, the total area of 11,000 m² gross. Upgrading of building is planned for the area of the expanded part of apron C, from the parking position C6 to parking position C10. It is anticipated that the new facility's height is GF + 1. Upgrade of finger hall C is of major importance for increasing the terminal capacity. In addition to increasing technological capacity, there will be an increase in the space intended for commercial facilities. Larger commercial offer will lead to increase revenue of non-aviation services. Primarily, the idea is that after the construction of this space the same is offered to adequate commercial facilities such as restaurants, duty free and duty paid shops and other facilities that are specifically applicable for this type of space.

- Status: Initiated public procurement procedure for the selection of the most favourable tenderer for preparation of technical documentation.

TECHNICAL DOCUMENTATION FOR CONSTRUCTION OF THE BUILDING OF D CHECK POINT

- Purpose: Technical documentation provides for construction of D check point facility of 340 m². Construction of D check point is essential to raise security of the border crossing to an appropriate level and to improve security control of persons and vehicles on the security check point D. By improving operational technologies in check point D, in addition to the above mentioned security aspects, the very movement of persons and vehicles into security restricted area will accelerate and improved.

- Status: Development of the main design is completed in 2014. Obtaining of the necessary approvals for construction is in progress.

ADAPTATION OF TERMINAL 1 WITH THE INTRODUCTION OF A NEW BORDER CROSSING

- Purpose: The expansion of capacities and commercialization of space in Terminal 1 in order to improve the quality of services and increase revenues of non-aviation services. New border crossing is primarily intended for passengers who register for their flights in Terminal 1, but will also be able to pass a certain amount of passengers who board for their flights in Terminal 2 that will relieve the existing border crossing in Terminal 2. The plan is to extend the existing commercial offer which will lead to increase of revenue out of aviation services. Primarily, the idea is that after the construction of this space the same is offered to adequate commercial facilities such as restaurants, duty free and duty paid shops and other facilities that are specifically applicable for this type of space.
- Status: The technical documentation for the arrangement of a new border crossing on the upper floor of Terminal 1 is prepared. On the basis of technical documentation Tender Dossier is prepared and published for selection of the most favourable tenderer for the execution of works on the arrangement of a new border crossing.

RECONSTRUCTION OF EXISTING AND CONSTRUCTION OF NEW ROUTE OF HEATING PIPELINE

- Purpose: Existing district heating network in the section canteen to the substation in the building of Terminal 2 is over 25 years old and partially goes under the terminal building. Leaks in this part of the route would jeopardize the stability of the building and rehabilitation alone would be extremely difficult to implement. Modernization of heating pipeline foresees relocation of the route that passes beneath Terminal 1, connecting part and Terminal 2, as well as placing of modern pre-insulated pipes over the entire length of the route, which will lead to a reduction in heat losses in the network, and therefore to financial savings. Also, the new route of the heating pipeline should supply thermal energy also to the terminal building which will be located in the extension of finger hall C.
- Status: Initiated public procurement procedure for the selection of the most favourable tenderer for preparation of technical documentation.

MAKING OF PRE-FEASIBILITY STUDY WITH GENERAL DESIGN

- Purpose: Valid planning documentation, on the basis of which it is possible to plan new facilities, buildings and infrastructure in the area of Nikola Tesla Airport dates back to 1982. Airport Nikola Tesla has already reached and met most of the capacities provided for in that planning documentation, and is disabled to develop further in accordance with the new modern trends in the airline industry, as well as to follow the significant increase in the number of aircraft movements and the number of handled passengers and goods. Preparation of preliminary feasibility study with the general design will enable to start legal procedures for the adoption of new planning documents, which will itself facilitate the development of the airport in several phases over the next 30 years.
- Status: Elimination of objections of the Review Committee and the Civil Aviation Directorate made to the previous feasibility study with the general design is in progress.

REACHED AN AGREEMENT WITH JKP PARKING SERVIS ON RETURN OF THE PART OF PARKING PLACES TO POSITION P1.1

- With entry into force of Annex XI to the Agreement on business cooperation No. 764/2008 of 23.06.2008 (JKP Parking Servis No. 6855 of 23.06.2008), by which the space that is in parking position drawing marked as P1.1 with a total of 102 parking spaces is exempted from common exploitation and made at disposal and use of JSC Belgrade Nikola Tesla Airport. Parking positions marked in the drawing as P2, a total of 200 parking spaces are still subject to regulation of business cooperation in the field of services and use of the parking space in the

aggregate area with JKP Parking servis in the manner and under conditions defined by the mentioned Basic Agreement and subsequent Annexes.

- In this way appropriate commercial effect will be achieved from renting of parking places for Rent-a-Car Company. Although the basic fees are reduced from RSD 2,500,000 per month to RSD 1,157,142.86 per month, the difference will be compensated by renting to rent-a-car companies and third parties. Price of parking space rent in the part P1.1 for Rent-a-Car customers is RSD 7,000 per month per position while for the other customers it is RSD 3,000 per month per position.

In addition to commercial effect, the new parking spaces will be used for renting primarily to Rent-a-Car tenants of office space and thus will significantly relieve the area of international arrivals and regulate the system of renting vehicles which will increase the quality of service for passengers at the Airport Nikola Tesla.

CHAMBER 40 m³ FOR GOODS WITH THE TEMPERATURE REGIME FROM +15°C TO+25°C

- Purpose: Increase of storage capacities in above temperature regime on the basis of demand of business partners, along with raising the quality of service and level of income

- Value: RSD 495,495.00 excluding VAT

Contractor: ART FRIGO doo from Belgrade, the Contract on Public Procurement No. 18/11 of 27.01.2015 for delivery and installation of Chamber

- Status: Fixed asset is in function from 20.02.2015, Inventory No. 17122

ELECTRONIC WEIGHING SCALE 10 TONS

- Purpose: Increase of the capacity of measuring equipment at the export checkpoint customs bond in order to improve handling of the growing volume of export shipments

- Value: RSD 660,000.00 excluding VAT

Contractor: VAGAR from Novi Sad, Public procurement contract number 18/77 of 30.12.2014 for dismantling of the existing scale, preparatory construction works as well as delivery, installation and certification of the new electronic scale, capacity 10 tons

- Status: The fixed asset is in function from 31.03.2015.

PURCHASE OF TWO AIRCRAFT DE/ANTI-ICING VEHICLES

- Purpose: Increase of the capacity and quality of services provided to airlines, i.e. creation of conditions for safer and more regular flow of traffic during periods of poor weather conditions during winter season.

- Value: RSD 129,800,000.00 without VAT

Supplier: Europlast d.o.o., Public procurement contract number 17-158/2014 of 21.10.2014.

- Status: The vehicles are delivered and in operation from 06.02.2015.

INSTALLATION OF ADDITIONAL SITE FOR REFILL OF AIRCRAFT DE/ANTI-ICING FLUIDS

- Purpose: Increase of capacity and more efficient loading and unloading of aircraft de/anti-icing fluid on the ground, i.e. creating of conditions for a more efficient use of vehicles for aircraft de-anti-icing.

- Value: RSD 1,116,319.50 without VAT

Contractor: Ening-energetika inženjering do.o.o., Public Procurement Contract No. 18-69/2014 of 09.12.2014.

- Status: The installation built in and put into operation on 27.03.2015.

In the first quarter of 2015 were initiated public procurements for the following services and works which realization is expected in the second and third quarter of this year:

1. The technical documentation for the reconstruction of apron B and taxiway joint H,
2. Investment and technical analysis for reconstruction and construction of manoeuvring areas at the Airport Nikola Tesla,
3. The technical documentation for the reconstruction of the perimeter fence,
4. Technical documentation for the legalization of the tank facility,
5. The establishment of basic geodetic network of airport,
6. Supply of roll-up doors,
7. Technical control of project documentation of evacuation from the cargo warehouse,
8. Amendment of the project of fixed installations for gas extinguishing systems-Inergen,
9. Project of evacuation from cargo warehouse.

RENEWAL AND EXPANSION OF MICROSOFT LICENSES (SA - SOFTWARE ASSURANCE)

Purpose: this procurement provides the right to use as well as technical support for Microsoft products.

JSC Airport Nikola Tesla as per previously concluded MS Enterprise Contract No. E5444791 06/2259 dated 28.02.2012, with a validity period up to 02.28.2015, has a permanent right to use licenses; and those versions of the product that were published at the time of termination of this contract, as well as earlier versions.

JSC Airport Nikola Tesla has renewed said contract upon expiry, so that for the software that it covers it provided only SA licenses, i.e. for already existing licenses continued to pay only the technical support - Software Assurance (SA) which practically provides a right to new versions of the software during the newly-contracted period. For all new software products which were not covered by the previous contract, the Purchaser effected procurement of licenses and technical support (LIC / SA). Validity of renewed MS Enterprise contract is from 01.03.2015 to 28.02.2018.

This investment provided for the extension of existing Microsoft licenses at significantly lower prices. As contract was signed for three years during this period licenses can be additionally purchased (Microsoft True-up) for all Microsoft products if business processes so require. As the preferential rates are significantly lower than usual and that due to the expansion of business processes occurs constant need to expand the licenses, by this are made considerable savings. In case existing licenses are not renewed in time the right to a preferential price (SA) is lost, and a new contract is signed with significantly higher prices of licenses.

• Value: RSD 34,390,167.00 without VAT Vendor: E-SMART SYSTEMS, Contract no. 17-40/2015 of 25.03.2015.

INFORMATION SECURING SERVICE AND MAINTAINING OF THE CONTINUITY OF OPERATIONS OF INTERNAL SERVICES OF NIKOLA TESLA AIRPORT

• Purpose: this project provides information of commercial significance, as well as the smooth operation of the internal services in case of a disaster (rain, floods, electrical shock, etc.). Maintaining operation continuity of internal services is a key part of the business because it is, in variety of natural disasters, necessary to keep all business information and ensure the continuity of internal services. Proper storage of business data and the realization of the smooth functioning of business services precisely represent a form of prevention of data and services protection in case of incidents. By this project Airport secures its information and stores them in a safe place, while the internal services operate continuously.

• Value: RSD 14,384,999.96 without VAT

Supplier: EUNET, according to the Contract no. 17-24 / 2015 of 04.03.2015.

5. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Due to market risks, which influence on financial instruments, the management of the Company vigilantly monitors risky developments and take precautionary measures for risk management.

5.1. MARKET RISK

When analysing the market and its impact on the Company's operations, primarily on the financial instruments, the Company perceives risks of changes in foreign exchange rates (currency risk) risks of changes in interest rates, and the risk of changes in prices of services.

a) Currency risk

The analysis of the assets and resources of the Company on 31.03.2015, primarily of cash and cash equivalents, receivables from buyers, liabilities from long-term loans, financial leasing and the like can be said that the Company is exposed to foreign exchange risk.

By detailed analysis of the currency structure of financial assets and liabilities as of 31.03.2015 can be concluded that the funds are contracted with currency clause and that exceed the agreed financial obligations in the currency. Financial liabilities contracted in currencies are generally long-term nature. Based on the above facts it follows that Belgrade Nikola Tesla Airport does not operate with a high exposure to currency risk.

b) Risk of interest rate change

Risk of change of interest rate does not represent significant risk for the Company. Financial instruments with contracted interest are mainly defined with fixed interest rate. Therefore, change of interest rate will not considerably influence revenues and expenditures of the Company.

5.2. CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk. The Company has huge receivables of domestic and foreign buyers and the credit risk permanently exists. In order to diminish this risk, the Company monitors charging realisation on regular basis. It analyses value of recovery in contracted term, payment default and non-recovered receivables.

Receivables from buyers refer to many clients, whereof the greatest part refers to receivables from Air Serbia.

5.3. 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. Outside funds are mostly long-term resources and short-term obligations can be covered from short-term receivables.

6. MAJOR ACTIVITIES OF THE COMPANY WITH RELATED PARTIES

JSC Airport Nikola Tesla Belgrade has no related parties on the basis of the Company Law (Official Gazette of RS No.36/2011, 99/2011, 83/2014 and 5/2015 article 62) consequently no business activities with related parties.

Belgrade, May 2015

Chairman of the Executive Board

Acting Director General
Saša Vlasisavljević



Finance Department Director

D. Pejović
Dobriša Pejović

Б.О.

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STATEMENT

Hereby we state that, according to our best knowledge, the quarterly report for the thirist quarter, which contains data for the first three months of the business 2015 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.

Acting Director General



Saša Vlasisavljević

Finance Director



Dobrila Pejović



Head of Accountancy



Zorka Latinović

С. О.