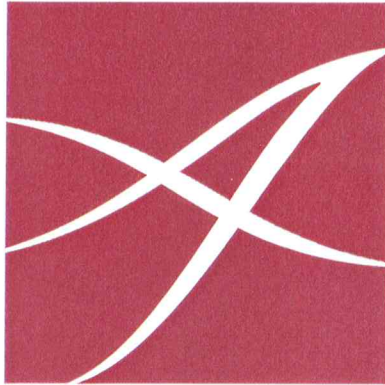


JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



**THE QUARTERLY REPORT FOR THE SECOND QUARTER,
WHICH CONTAINS DATA FOR THE FIRST SIX 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-VI 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-VI 2015

3. Statement

FINANCIAL STATEMENTS 30 June 2015

1. **INCOME SHEET** for the period from 01.01. to 30.06.2015, which include data for the second quarter of 2015;
2. **REPORT ON OTHER RESULTS** for the period from 01.01. to 30.06.2015, which include data for the second quarter of 2015;
3. **BALANCE SHEET** on 30 June, 2015;
4. **STATEMENT ON CHANGES IN CAPITAL** from 01.01. to 30.06.2015;
5. **CASH FLOW STATEMENT** for the period from 01.01. to 30.06.2015;
6. **NOTES TO THE FINANCIAL STATEMENTS 30 June, 2015.**

03 August 2015

INCOME SHEET
In the period from 1 January to 30 June, 2015

INCOME SHEET

for the period from 01.01.2015 to 30.06.2015

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
	REVENUES OF REGULAR BUSINESS						
60 to 65, excep. 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		2,009,253	3,719,368	2,112,941	3,684,703
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002		2,895	34,536	192,655	393,972
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		404	768	1,304	1,630
605	6. Revenue from sale of goods in foreign market	1008	5	2,491	33,768	191,351	392,342
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	7,8.9	1,795,661	3,312,286	1,738,492	2,974,023
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 companies 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	751,483	1,358,741	650,092	1,132,148
615	6. Revenues from sale of products and services in foreign market	1015	7	1,044,178	1,953,545	1,088,400	1,841,875
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016					0
65	IV OTHER OPERATING REVENUES	1017	10	210,697	372,546	181,794	316,708

INCOME SHEET (continued)
In the period from 1 January to 30 June, 2015

-in thousands RSD-

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
	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		1,030,023	2,036,493	1,181,655	2,401,766
50	I. PURCHSE VALUE OF SOLD GOODS	1019	11	1,284	32,303	184,620	378,261
62	II. REVENUES FROM ACTIVATION OF USE OF OWN PRODUCTS AND GOODS	1020					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 excp.513	V. COSTS OF MATERIAL	1023	12	31,310	62,191	43,217	99,337
513	VI. COSTS OF FUEL AND ENERGY	1024	13	56,527	136,978	59,975	150,205
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	14	621,528	1,112,735	379,417	745,557
53	VIII. COSTS OF PRODUCTION SERVICES	1026	15	59,644	166,682	213,183	434,502
540	IX. AMORTIZATION COSTS	1027		190,317	374,810	184,205	363,224
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	3,000	8,000	2,000	2,000
55	XI. INTANGIVBLE COSTS	1029	17	66,413	142,794	115,038	228,680
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		979,230	1,682,875	931,286	1,282,937
	G. OPERATING LOSS (1018 – 1001) ≥ 0	1031					
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		76,645	180,293	25,615	92,415
66, excp. 662, 663 and 664	I. FINANCIAL REVENUES FROM RELATED PARTIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033					
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 30 June, 2015

-in thousands RSD-

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	66,372	102,248	14,635	59,836
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	10,273	78,045	10,980	32,579
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		32,457	78,821	23,799	54,535
56, excp. 562, 563 and 564	I. FINANCIAL EXPENDITURES FROM RELATED PARTIES RELATION AND OTHER FIN. EXPENDITURES (1042 + 1043 + 1044 + 1045)	1041					0
560	1. Financial expenditures from relation with parent companies 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	13,193	24,316	16,807	28,451
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	19,264	54,505	6,992	26,084
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		44,188	101,472	1,816	37,880
	Ž. LOSS FROM FINANCING (1040 – 1032)	1049					
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	9,437	9,437	765	942
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	705,567	1,205,225	440,528	790,075
67 and 68, excp. 683 and 685	J. OTHER REVENUES	1052	24	18,620	1,916,856	4,448	43,474
57 and 58, excp. 583 and 585	K. OTHER EXPENDITURES	1053	25	5,332	9,901	20,585	37,250
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	340,576	2,495,514	477,202	537,908
	L. OPERATING LOSS BEFORE TAX (1031 – 1030 + 1049 – 1048 + 1051 – 1050 + 1053 – 1052)	1055					
69-59	M. NET INCOME FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1056					
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1057					

INCOME SHEET (continued)
In the period from 1 January to 30 June, 2015

-in thousands RSD-

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	340,576	2,495,514	477,202	537,908
	O. LOSS BEFORE TAX (1055 – 1054 + 1057 – 1056)	1059					
	P. INCOME TAX						
721	I. INCOME TAX EXPENDITURE	1060	26	48,330	308,726	51,735	61,505
part of 722	II. DEFERRED TAX EXPENDITURE	1061		949			
part of 722	III. DEFERRED INCOME TAX	1062	26	0	15	2,687	5,470
723	R. EARNINGS PAID BY EMPLOYER	1063					
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	27	291,297	2,186,803	428,154	481,873
	T. NET LOSS (1059 – 1058 + 1060 + 1061 – 1062)	1065					
	I NET INCOME OF MINORITY SHAREHOLDERS	1066					
	II NET PROFIT OF THE MAJORITY OWNER	1067					
	III PROFIT PER SHARE		27				
	1. Basic earning per share	1068					
	2. Reduced (diluted) earning per share	1069					

STATEMENT ON OTHER COMPREHENSIVE RESULT
In the period from 1 January to 30 June, 2015

STATEMENT ON OTHER RESULTS							
for the period from 01.01.2015 to 30.06.2015							
- in thousands RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
	A. NET RESULTS FROM OPERATIONS						
	I. NET PROFIT (ADP 1064)	2001	27	291,297	2,186,803	428,154	481,873
	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		0	132	0	
	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	0	0	0

STATEMENT ON OTHER COMPREHENSIVE RESULT (cont'd)
In the period from 1 January to 30 June, 2015

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	Quarter (01.04-30.06.2014)	Cumulative (01.01-30.06.2014)
1	2	3	4	5	6	7	8
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		0	132	0	0
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021					
	IV. NET OTHER COMPREHENSIVE PROFIT (2019 – 2020 – 2021) ≥ 0	2022		0	0		0
	V. NET OTHER COMPREHENSIVE LOSS (2020 – 2019 + 2021) ≥ 0	2023		0	132	0	0
	B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD						
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 – 2002 + 2022 – 2023) ≥ 0	2024		291,297	2,186,671	428,154	481,873
	II. TOTAL NET COMPREHENSIVE LOSS (2002 – 2001 + 2023 – 2022) ≥ 0	2025		0	0	0	0
	G. TOTAL NET COMPREHENSIVE PROFIT OR LOSSY (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		291,297	2,186,671	428,154	481,873
	1. Attributable to majority owners of capital	2027					
	2. Attributable to owners who do not have control	2028					

BALANCE SHEET
On 30 June, 2015

BALANCE SHEET

on 30.06. 2015

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year 30.06.2015	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		21,587,359	21,714,561	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	3	28	60,773	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	60,773	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	21,428,185	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	9,898,381	10,102,565	
023 & part 029	3. Plants and equipment	13	28	2,329,623	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	42,075	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	12,352	15,453	
3	III. BIOLOGICAL AGENCIES (0020 + 0021 + 0022 + 0023)	19		165	165	0
030, 031 & part 039	1. Forests and perennial 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		98,236	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	98,235	102,774	

BALANCE SHEET (cont'd.)
On 30 June, 2015

- in thousands RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Previous year		
				Current year 30.06.2015	Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
	ASSETS					
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 (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		6,414,062	6,201,901	0
Class 1	I STOCKS (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		167,187	131,446	0
10	1. Material, spare parts, tools and small inventory	45	31	125,361	109,808	
11	2. Unfinished production and unfinished services	46				
12	3. Ready products	47				
13	4. Goods	48	32	18,043	20,612	
14	5. Non-current assets intended for sale	49				
15	6. Advances paid for stock and services	50	33	23,783	1,026	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		908,025	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	266,061	676,715	
205 & part 209	6. Buyers abroad	57	35	641,964	468,109	
206 & part 209	7. Other receivables from sale	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	36	64,456	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		4,534,652	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	76,500	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	4,458,152	1,996,306	
24	VII CASH AND CASH EQUIVALENTS	68	41	720,752	2,803,851	
27	VIII VALUE ADDED TAX	69				
28 except. 288	IX PREPAYMENTS AND ACCRUED INCOME	70	42	18,990	45,532	
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	71		28,001,421	27,916,462	0
88	Б. OFF-BALANCE SHEET ASSETS	72	62	307,692	511,663	

BALANCE SHEET (cont'd.)
On 30 June, 2015

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Previous year		
				Current year 30.06.2015	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		25,756,838	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 and 237	III REPURCHASED OWN SHARES	412				
32	IV RESERVES	413	44	2,842,811	1,534,430	
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLES, PROPERTY, PLANTS AND EQUIPMENT	414	45	148,437	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	2,186,803	2,695,507	0
340	1. Non-distributed profit of previous years	418	47		0	
341	2. Non-distributed profit of the current year	419	47	2,186,803	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		1,072,935	1,074,592	0
40	I LONG-TERM RESERVES (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	48	186,274	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	108,773	111,237	
405	5. Reserves for litigations	430	49	77,501	74,090	
402 и 409	6. Other long-term reserves	431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		886,661	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 30 June, 2015

- in thousands RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year 30.06.2015	Previous year	
					Final balance 31.12.2014	Initial balance 01.01.2013
1	2	3	4	5	6	7
	LIABILITIES					
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	886,661	889,265	
416	7. Liabilities base on financial leasing	439				
419	8. Other long-term liabilities	440				
498	V. DEFERRED TAX LIABILITIES	441	26	210,595	210,610	
42 to 49 (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		961,053	1,673,967	0
42	I SHORT-TERM FINANCIAL OBLIGATIONS (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443		50,264	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	50,264	100,824	
430	II RECEIVED PRIPAYMENT, DEPOSITS AND BAILS	450	53	61,118	47,432	
43 except 430	III BUSINESS LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		113,121	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	88,133	132,746	
436	6. Suppliers abroad	457	55	4,779	32,649	
439	7. Other business liabilities	458	56	20,209	7,243	
44, 45 и 46	IV OTHER SHORT-TERM LIABILITIES	459	57	503,234	733,787	
47	V LIABILITIES FROM VALUE ADDED TAX	460	58	71,603	66,619	
48	VI LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	461	59	67,170	463,726	
49 except 498	VII ACCRUALS AND DEFERRED INCOME D. LOSS OVER CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	462 463	61	94,543	88,941	
	DJ. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		28,001,421	27,916,462	0
89	E. OFF-BALANCE SHEET LIABILITIES	465	62	307,692	511,663	

STATEMENT ON CHANGES IN CAPITAL in the period from 1 January to 30 June, 2015

STATEMENT ON CHANGES IN CAPITAL in the period from 01.01 to 30.06.2015

-- in thousands USD

Serial No.	DESCRIPTION	Capital components										Components of other result							16	17
		30	31	32	35	0471.237	34	330	331	332	333	334.1335	336	337	ADP					
		Core capital	ADP subscribed capital	Reserves	ADP Loss	ADP Repurchased own shares	ADP distributed profit	ADP Revaluated on reserves	ADP Actuarial gains and losses	ADP Gains or losses on equity investments in instruments	ADP Gains or losses on equity interest in other profit or loss of associated companies	ADP Profit and loss based on foreign operations and financial statements	ADP Gains or losses on hedging instruments of cash flow	ADP Gains or losses on securities available for sale	ADP Total capital	ADP Loss above capital				
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17				
1	Opening balance on 01.01.2014																			
1	a) debit balance of account	4001	4019	4037	4055	4073	4091	4109	4127	4145	4163	4181	4199	4217	4235	0	4244			
	b) credit balance of account	4002	20,573,610	4030	0	4038	16,205,410	4110	0	4146	0	4182	0	4218	0	22,119,154	0			
	Correction of materially significant errors and changes of accounting policies																			
2	a) corrections on the debit side of the account	4003	0	4039	0	4075	2,884,411	4111	0	4147	0	4183	0	4219	0	2,884,454	0			
	b) corrections on the credit side of the account	4004	0	4040	0	4076	0	4112	0	4148	0	4184	0	4220	0	0	0			
	Updating of opening balance on 01.01.2014																			
3	a) corrected debit balance of account (1a + 2a - 2b) ≥ 0	4005	0	4041	0	4077	4113	4113	0	4149	0	4185	0	4221	0	4185	0	4246		
	b) corrected credit balance of account (1b - 2a + 2b) ≥ 0	4006	20,573,610	4024	0	4042	13,321,414	4114	0	4150	0	4186	0	4222	0	22,116,270	0			
	Changes in the previous 2014																			
4	a) Turnover on the debit side of the account	4007	0	4043	0	4081	735,798	4115	0	4151	0	4187	0	4223	0	735,798	4247			
	b) Turnover on the credit side of the account	4008	0	4044	0	4080	3,417,984	4116	146,569	4152	5177	4188	0	4224	0	3,576,821	0			
	Balance at the end of prev. year on 31.12.2014																			
5	a) debit balance of account (3a + 4a - 4b) ≥ 0	4009	0	4045	0	4083	0	4117	0	4153	0	4189	0	4225	0	4248	0			
	b) credit balance of account (3b - 4a + 4b) ≥ 0	4010	20,573,610	4028	0	4082	2,695,507	4118	146,569	4154	5,177	4190	0	4226	0	24,867,293	0			
	Correction of materially significant errors and changes of accounting policies																			
6	a) corrections on the debit side of the account	4011	0	4047	0	4085	0	4119	0	4155	0	4191	0	4227	0	4240	0	4249		
	b) corrections on the credit side of the account	4012	0	4048	0	4086	0	4120	0	4156	0	4192	0	4228	0	0	0			
	Corrected opening balance of the current year on 01.01.2015																			
7	a) corrected debit balance of account (5a + 6a - 6b) ≥ 0	4013	0	4049	0	4087	0	4121	0	4157	0	4193	0	4229	0	4241	0	4250		
	b) corrected credit balance of account (5b - 6a + 6b) ≥ 0	4014	20,573,610	4032	0	4086	2,695,507	4122	146,569	4158	5,177	4194	0	4230	0	24,867,293	0			
	Changes in the current 2015																			
8	a) turnover on the debit side of the account	4015	0	4051	0	4089	2,695,507	4123	132	4141	0	4195	0	4231	0	4242	2,695,639	4251		
	b) turnover on the credit side of the account	4016	0	4052	0	4088	2,186,803	4124	0	4160	0	4196	0	4232	0	3,495,184	0			
	Balance at the end of curr. year on 30.06.2015																			
9	a) debit balance of account (7a + 8a - 8b) ≥ 0	4017	0	4053	0	4091	4125	4143	4161	4179	0	4197	0	4233	0	4243	0	4252		
	b) credit balance of account (7b - 8a + 8b) ≥ 0	4018	20,573,610	4036	0	4090	2,186,803	4126	146,437	4162	5,177	4198	0	4234	0	25,756,838	0			

CASH FLOW STATEMENT
In the period from 1. January to 30 June, 2015

CASH FLOW STATEMENT

in the period from 01.01.2015 to 30.06.2015

- in thousands RSD-

Positions	ADP	Amount	
		Current year I-VI 2015	Previous year I-VI 2014
1	2	3	4
A. CASH FLOWS FROM BUSINESS ACTIVITY			
I. Cash inflow from business activities (1 to 3)	3001	5,108,949	3,129,738
1. Sale and received advance payments	3002	4,501,892	2,742,192
2. Interests received from business activity	3003	19,285	32,406
3. Other inflows from regular operations	3004	587,772	355,140
II. Cash outflow from business activities (1 to 5)	3005	2,695,026	2,323,054
1. Payments for suppliers and given advance payments	3006	634,884	1,447,294
2. Salaries, salary compensations and other personal expenses	3007	1,004,606	688,632
3. Paid interest	3008	21,981	23,457
4. Income-tax	3009	707,130	46,997
5. Payment from other public revenues	3010	326,425	116,674
III. Net cash inflow from business activities (I - II)	3011	2,413,923	806,684
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	97,240	28,647
1. Sale of shares and portions (net inflows)	3014	0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	3015		556
3. Other financial investments (net inflows)	3016		0
4. Interests received from investment activities	3017	97,240	28,091
5. Dividends received	3018	0	0
II. Cash outflows from investment activities (1 to 3)	3019	2,842,037	697,510
1. Purchase of shares and portions (net outflows)	3020	0	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	3021	367,732	619,148
3. Other financial investments (net outflows)	3022	2,474,305	78,362
III. Cash net inflow from investment activities (I - II)	3023	0	
IV. Cash net outflow from investment activities (II - I)	3024	2,744,797	668,863
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 30 June, 2015

- in thousands RSD-

Positions	ADP	Amount	
		Current year I-VI 2015	Previous year I-VI 2014
1	2	3	4
II. Bash outflow form financing activities (1 to 6)	3031	1,759,646	77,320
1. Redemption of own shares and portions	3032	0	0
2. Long-term loans (outflows)	3033		
3. Short-term loans (outflows)	3034	50,440	48,172
4. Other liabilities (outflows)	3035	0	0
5. Financial leasing	3036		29,148
6. Paid-up dividends	3037	1,709,206	0
III. Net cash inflow from financing activities (I-II)	3038		0
IV. Net cash outflow from financing activities (II-I)	3039	1,759,646	77,320
G. OVERALL CASH INFLOW (3001 + 3013 + 3025)	3040	5,206,189	3,158,385
D. OVERALL CASH OUTFLOW (3005 + 3019 + 3031)	3041	7,296,709	3,097,884
DJ. NET CASH INFLOW (3040 – 3041)	3042		60,501
E. NET CASH OUTFLOW (3041 – 3040)	3043	2,090,520	0
Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	3044	2,803,851	896,778
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3045	32,712	16,184
I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3046	25,291	8,396
J. CASH AT THE END OF ACCOUNTING PERIOD (3042 – 3043 + 3044 + 3045 – 3046)	3047	720,752	965,067

JSC BELGRADE NIKOLA TESLA AIRPORT

**NOTES TO FINANCIAL STATEMENTS
30 June, 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 30.06.2015 the Company had 1.806 engaged persons of which 1.192 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 30 June, 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 30 June, 2015 were approved at the meeting of the Supervisory Board on 13.08.2015.

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:

Description	30.06.2015	31.12.2014
Middel exchange rate of NBS:	Value in RSD	
EUR	120.6042	120.9583
USD	107.7304	99.4641
CHF	115.7541	100.5472
GBP	169.4117	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:

Description	30.06.2015	31.12.2014
Contracted exchange rate:	Value in RSD	
EUR - for EIB loan	120.9660	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.

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

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

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.

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	30.06.2015	31.12.2014-after estimated fair value	31.12.2014- before estimated fair value
Building facilities	%	%	%
Water and electricity facilities	2,27 - 7,14	2,27 - 7,14	1,50 - 10,00
Roads, airports and parking lots	2,22 - 20,00	2,22 - 20,00	2,00 - 12,5
Other building facilities	5,00 - 20,00	5,00 - 20,00	5,00 - 20,00
Flats given to employees for use	1.49	1.49	1.42
Equipment	%	%	%
New specific equipment	5,26 - 50,00	5,26 - 50,00	5,00 - 33,33
Equipment for road traffic	9,00 - 33,33	9,00 - 33,33	6,67 - 33,33
Equipment for PTT and TV	11,11 - 50,00	11,11 - 50,00	10,00 - 33,33
Equipment for air traffic	8,33 - 25,00	8,33 - 25,00	6,67 - 20,00
Measuring and control devices and specific devices	5,00 - 25,00	5,00 - 25,00	5,00 - 50,00
Labor. equipment, teaching aids and med. devices	25,00 - 33,33	25,00 - 33,33	14.29
Electronic, calculating machines and computers	16,67 - 25,00	16,67 - 25,00	11,11 - 33,33
Furniture and equipment for general purposes	11,00 - 25,00	11,00 - 25,00	10,00 - 50,00
Equipment for road traffic under financial leasing	12,50 - 25,00	12,50 - 25,00	6,67 - 25,00
Equipment and plants	20,00 - 25,00	20,00 - 25,00	5,00 - 50,00
Tools and inventory	33,00 - 100,00	33,00 - 100,00	33,00 - 100,00
Intangible investments	%	%	%
Software and licenses	10,00 - 50,00	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 30 June, 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. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

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.

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.

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

3.11. Benefits for employees

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:

- 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 30 June 2015 for about RSD 37.481 thousand (year ended on 31 December 2014: RSD 81.125 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

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 MARKETS	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Revenues from sale of goods- kerosene (reexport) *	33,749	392,342
Revenues from sale of fuel in foreign market	19	0
	33,768	392,342

6. REVENUES FROM SALE OF SERVICES IN DOMESTIC MARKET	I-VI 2015			I-VI 2014		
	Revenues with for. buyer branches	Revenues from for. buyer branches	Revenues w/o foreign buyer branches	Revenues with for. buyer branches	Revenues from for. 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	544,920	42,998	501,922	476,162	48,781	427,381
Security fee	198,630	8,780	189,850	162,676	9,947	152,729
Landing	102,340	16,314	86,026	88,387	18,829	69,558
Aircraft handling *	114,476	23,581	90,895	104,379	28,118	76,261
Infrastructure	63,498	13,333	50,165	57,756	15,900	41,856
Air-bridges	4,113	4,113	0	4,243	4,243	0
Lighting	27,976	696	27,280	22,464	1,430	21,034
Aircraft abode tax	2,445	32	2,413	3,364	514	2,850
Aircraft de-icing services	27,957	871	27,086	11,722	711	11,011
Com. usage of apron *	30,883	0	30,883	27,477	0	27,477
Usage of the CUTE system	34,006	2,225	31,781	6,938	2,451	4,487
Service on special request *	26,006	425	25,581	10,693	333	10,360
Renting of advertisement space	16,520	0	16,520	11,782	0	11,782
Public services	80,004	605	79,399	64,172	419	63,753
Cargo-custom services	60,406	230	60,176	50,302	4	50,298
DCS services*	0	0	0	0	0	0
Lost and found services *	447	447	0	368	368	0
Use of parking	5,205	25	5,180	18,081	0	18,081
Other services *	18,909	122	18,787	11,182	2,031	9,151
	1,358,741	114,797	1,243,944	1,132,148	134,079	998,069

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-VI 2015			I-VI 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
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
Passenger service	695,244	42,998	738,242	657,416	48,781	706,197
Security fee	153,549	8,780	162,329	150,446	9,948	160,394
Landing	298,624	16,314	314,938	272,386	18,829	291,215
Aircraft handling *	350,110	23,581	373,691	323,678	28,118	351,796
Infrastructure	201,800	13,333	215,133	175,141	15,900	191,041
Air-bridges	88,658	4,113	92,771	74,583	4,243	78,826
Lighting	32,553	696	33,249	29,953	1,430	31,383
Aircraft abode tax	12,528	32	12,560	14,727	514	15,241
Aircraft de-icing services	19,480	871	20,351	11,869	711	12,580
Usage of the CUTE system	39,002	2,225	41,227	38,315	2,451	40,766
Service on special request *	14,581	425	15,006	12,992	333	13,325
Renting of advert. space	0	0		18	0	18
Public services	615	605	1,220	770	419	1,189
Cargo-custom services	6,821	230	7,051	15,422	5	15,427
Rev. from consultancy ser.	12,096	0	12,096	23,003	0	23,003
DCS services*	13,834	0	13,834	14,615	0	14,615
Lost and found services *	8,020	447	8,467	6,756	368	7,124
Other services*	6,030	147	6,177	19,785	2,029	21,814
	1,953,545	114,797	2,068,342	1,841,875	134,079	1,975,954
Total revenues from sale of products and services	3,312,286	0	3,312,286	2,974,023	0	2,974,023

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

8. Revenues from sale of services per geographic region	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Serbia	1,243,944	998,069
Germany (Lufthansa + Germanwings + European)	293,898	295,691
Montenegro (Montenegro +other buyers MN)	238,519	195,323
Austria (Austrian Airlines branch +Niki)	114,197	131,807
Switzerland (Swiss Air)	167,632	169,022
Russia (Aeroflot)	163,193	155,895
Turkey (Turkish +Pegasus+Mondial+Corendon Airlines+OnurAir+Freebird)	241,236	257,151
France (Air France)	323	199
Italy (Al Italia+ Air one)	76,654	73,973
Abu Dhabi (Etihad Air branch +Etihad Air)	70,873	47,012
Hungary (Wiz air + Cityline)	310,621	298,356
Romania (Tarom)	18,243	12,849
Tunisia (Tunis Air)	17,980	18,221
Greece (Olympic +Olympic branch+Aegean)	38,941	27,044
England (Easjet)	50,748	67,156
Norway (Norwegian)	32,864	27,195
Polland (Polskie linie)	33,375	29,903
Dubai (Fly Dubai)	35,259	31,786
Qatar (Qatar Airways)	36,647	27,654
Slovenia (Adria Airways + Solin Air)	11,457	11,794
Other foreign buyers	115,682	97,923
	3,312,286	2,974,023

9. Revenues from sale of services per buyers	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Air Serbia-Serbia	1,005,841	783,241
Deutsche Lufthansa-Germany	283,225	263,427
Montenegro Airlines-Montenegro	236,651	193,798
Branch Austrian Airlines-Austria	114,197	131,807
Swiss Air-Switzerland	167,632	169,022
Turkish Airlines-Turkey	185,023	180,662
Aeroflot-Russia	163,193	155,895
Adria Airways-Slovenia	0	3,003
Alitalia-Italy	76,654	73,973
Air France-France	323	199
German wings-Germany	0	23,242
Norwegian-Norway	32,864	27,195
EasyJet-England	50,748	67,156
Wiz Air+ branch (Hungary)	310,621	295,771
Tarom-Romania	18,243	12,849
Pegasus- Turkey	40,563	36,794
Tunis Air- Tunisia	17,980	18,221
Fly Dubai-Dubai	35,259	31,786
Greece – Olympic +branch	0	4,136
Iran Air-Iran	6,884	9,232
Qatar airways-Qatar	36,647	27,654
Etihad Airways PJSC-Abu Dhabi	70,873	47,012
NIS AD-Serbia	23,912	15,901
JAT Tehnika -Serbia	15,303	19,458
Parking service-Serbia	14,265	14,314
Alma Quatro *Air Media-Serbia	9,560	6,854
Dufry doo Beograd-Serbia	26,849	13,649
Mondial Bodrum-for consultancy services-Turkey	12,096	23,002
Other domestic buyers- Serbia	148,214	144,652
Other foreign buyers	208,666	180,118
	3,312,286	2,974,023

10. OTHER BUSINESS REVENUES	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Revenues from lease to domestic legal persons	364,405	309,873
Revenues from lease to foreign legal persons	8,141	6,835
	372,546	316,708

11. PURCHASE VALUE OF SOLD GOODS	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Purchase value of sold retail goods	215	315
Purchase value of sold kerosene - re-export	32,088	377,946
	32,303	378,261

12. COSTS OF MATERIAL	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Costs of production material (basic materials, tools and inventory, working and official clothing and footwear)	31,203	41,996
Overhead costs of material (office material)	8,809	12,071
Costs of spare parts	9,989	29,055
Costs of tools and inventory	12,190	16,215
	62,191	99,337

13. COSTS OF FUEL AND ENERGY	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Costs of gasoline and diesel fuel	31,497	46,975
Costs of oil fuel for heating	22,364	17,346
Costs of electric energy	83,117	85,884
	136,978	150,205

14. COSTS OF SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Gross salaries and salary reimbursements - employees	609,804	358,184
Gross salaries and salary reimburs. - management	15,627	15,869
Taxes and contributions at the cost of employer	111,952	66,948
Costs of reimburs. Per service contract and royalties	34	49
Costs of reimbursement for youth organizations etc.	274,121	274,696
Costs of reimburs. for natural persons - cont. on add. work	-	395
Costs of reimburs. for members of SB, SA, rev. committee	4,286	4,034
Transport of employees	27,156	18,384
Costs of business trip	5,536	3,331
Terminal wages and jubilee bonuses	412	192
Other personal expenditures	63,807	3,475
	1,112,735	745,557

The cost benefits to youth cooperatives and other forms of engagement presented in the first half of 2015 in the amount of RSD 274.121 thousand, in the largest amount of RSD 176.951 thousand, relate to employee involvement through youth organizations and engagement under contract for temporary and occasional jobs in the amount of RSD 97.170 thousand, according to the needs and requirements of increasing volume of services.

15. COSTS OF PRODUCTION SERVICES	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Costs of engaging youth organizations for:		
- aircraft ground handling	25,232	116,904
-guarding etc.	23,559	143,600
IT services on passenger and baggage check-in	9,304	14,839
Costs of phone and other PTT services	10,480	13,997
Costs of maintenance services	63,475	73,241
Lease costs	17,384	17,842
Advertising costs	580	16,206
Costs of catering services of tenants-(re-invoiced to airlines)	781	19,107
Costs of utilities	12,493	13,642
Costs of other production services	3,394	5,124
	166,682	434,502

16. COSTS OF LONG-TERM RESERVING	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Costs of reserving for terminal wages	-	-
Costs of reserving for jubilee bonuses	-	-
Costs of reserving for litigations	8,000	2,000
	8,000	2,000

17. INTANGIBLE COSTS	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Costs of occupational health Air Serbia	5,288	5,288
Costs of cleaning services	21,702	27,100
Costs of engagement of OZB employees for:		
-technical support maintenance	4,505	36,202
-administration jobs (economic and legal)	17,294	59,678
Costs of other non-production services	24,047	34,041
Costs of representation	2,775	1,714
Costs of insurance	13,079	12,821
Costs of payment system	2,572	2,908
Membership	4,157	3,545
Property tax and other reimbursements	40,603	37,324
Other intangible costs	6,772	8,059
	142,794	228,680

18. INTEREST INCOME	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Interest in term deposits in RSD	50,448	14,494
Interest for RSD deposits in current accounts	22,844	1,745
Interest in term deposits in foreign currency	22,093	2,120
Interest for foreign currency in current accounts	5,850	10,206
Interest on housing loans	501	457
Interest on court decisions	512	30,814
	102,248	59,836

19. POSITIVE EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Revenues from realized exchange rate differences	74,588	26,681
Revenues from non-realized exchange rate differences	3,294	3,751
Revenues from effects of contracted currency clause	163	2,147
	78,045	32,579

20. INTEREST EXPENDITURES	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Interest for long-term EIB loan	21,534	22,867
Interest for financial leasing	-	245
Default interest in the country	342	5,338
Interest for untimely paid public revenues	2,440	1
	24,316	28,451

21. NEGATIVE EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Negative exchange rate differences-realized	46,124	15,718
Negative exchange rate differences- non-realized	7,449	10,087
Expenditures from effects of contr. currency clause-realized	344	279
Expenditures from effects of contr. Curr. clause-non-realized	588	-
	54,505	26,084

22. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Value adjustment of receivables:		
-from buyers	-	
-for interests	-	-
-for housing loans	9,437	942
Other non-mentioned income	-	-
	9,437	942

23. EXPENDITURES FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Value correction of doubtful and disputed receivables	1,205,225	790,075
	1,205,225	790,075

Impairment of receivables disclosed in the first half of 2015 in the amount of RSD 1,205,225 thousand for the most part, in the amount of RSD 1,147,623 thousand, refer to impairment of receivables from company JSC Air Serbia Belgrade, of which to receivables with maturity older than 60 days refer RSD 600,246 thousand, and to receivables up to 60 days RSD 435,698 thousand and to receivables not matured and older refer RSD 111,679 thousand.

24. OTHER REVENUES	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Revenues from sale of equipment and materials	280	1,022
Revenues of collected, corrected receivables from buyers	1,912,924	32,384
Revenues from cancel.of reser.for litigations and emp.benefits	235	501
Revenues from indemnity from legal and natural persons	1,555	7,039
Revenues from charged court costs	261	2,097
Revenues of previous years	1,559	424
Other non-mentioned revenues	42	7
	1,916,856	43,474

Income from collection of previously corrected receivables disclosed in the first quarter of 2015 in the amount of RSD 1,912,924 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 1,897,107 thousand is recorded on the income of the first half 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-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Loss from sale and write-off of equipment	4	91
Litigation expenses	855	415
Costs fro humanitarian, health and scientific purposes	5,665	22,525
Expenditures of previous years	209	2,697
Other non-mentioned expenditures	518	9,122
Expenditures for trade unions	2,650	2,400
	9,901	37,250

26. PROFIT TAX		
a) Components of profit tax	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Period tax expenditure	308,726	61,505
Correction of tax expenditure	-	-
Period tax expenditure after correction	308,726	61,505
Deferred period tax expenditure	-	-
Deferred period tax revenue	15	5,470
	308,711	56,035

b) Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Profit before tax	2,495,514	537,908
Profit tax calculated at rate of 15%	374,327	80,686
Tax effect of expenditures not acknow. in tax balance	86,458	11,113
Tax credit for investment in fixed assets of the current period	-	-
Tax credit for investment in fixed assets of the previous years	(152,059)	(30,294)
Other-effect of differences in the transfer pricing on income tax	-	-
Period tax expenditure	308,726	61,505

26. PROFIT TAX (cont'd.)

Account of deferred tax liabilities and assets on 30.06.2015 and on 31.12.2014 is shown in the following table:

v) Table of changes in deferred tax assets and tax liabilities	30.06.2015	31.12.2014
	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 term.wages	(1,040)	7,952
Deferred tax assets for unpaid taxes	(465)	665
Balance on 31 December	244,313	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	(1,520)	(6,566)
Balance on 31 December	454,908	456,428
Deferred tax liabilities - offsetting balance	210,595	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 2014	in 2015	30.06.2015
2006	2016	93,719	93,719	-
2007	2017	33,154	33,154	-
2008	2018	57,663	25,186	32,477
2012	2022	156,179	-	156,179
2013	2023	188,815	-	188,815
2014		-	-	-
Balance of tax credit (TC)		529,530	152,059	377,471

27. PROFIT PER SHARE	I-VI 2015	I-VI 2014
	in 000 RSD	in 000 RSD
Net profit for owners	2,186,803	481,873
Net profit correction	-	-
Net profit after correction	2,186,803	481,873
Average weighted number of shares	34,289,350	34,289,350
Basic profit per share in RSD	63.77	14.05

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)	-	
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	41,512	-	-	-	-	-	214,647	-	214,647	-	
Transfer from current investments	-	-	-	178,340	-	-	(178,340)	-	-	-	
Alienation, disbursement and sale	-	-	-	(1,448)	-	-	-	-	(1,448)	-	
Other	-	-	-	-	-	-	-	(3,101)	(3,101)	-	
Final balance, 30.06.2015	76,801	9,120,668	10,102,565	2,497,318	21,467	3,619	42,075	28,164	21,815,876	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	6,662	-	204,184	163,964	-	-	-	-	368,148	-	
Alienation, disbursement and sale	-	-	-	(537)	-	-	-	-	(537)	-	
Final balance, 30.06.2015	16,028	-	204,184	167,695	-	-	-	15,812	387,691	-	
Net current value, 30.06.2015	60,773	9,120,668	9,898,381	2,329,623	21,467	3,619	42,075	12,352	21,428,185	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	

Total investments in progress in the reporting period amounted to EUR 214,647 thousand, of which the equipment referred 178,340 thousand, as follows: for the purchase of 2 De-icing vehicles for de-icing and anti-icing of aircraft in the amount of 129,800 thousand dinars, the purchase of computer equipment the amount of 34,063 thousand dinars and procurement of other equipment in the amount of 10,587 thousand dinars. The remainder of the investment in progress in the amount of 36,307 thousand relates to development of a new border crossing in Terminal 1 in the amount of 19,444 thousand and other current investments in the amount of 16,963 thousand. Total investment in intangible assets amounted to 41,512 thousand relating to the extension and expansion of Microsoft's license for a period of three years in the amount of 34,390 thousand and other intangible assets in the amount of 7,122 thousand dinars.

29. PARTICIPATION IN CAPITAL OF OTHER LEGAL ENTITIES AND OTHER SECURITIES	30.06.2015	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	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	6,228	5,750
Long-term time deposits	-	-
Long-term loans to employees	299,066	318,796
Receivables for sold socially owned housing	1,220	1,250
Receivables for purchase of solidarity housing	2,872	3,038
Total gross	309,386	328,834
Current maturities of long-term investments in Societe International de Telecommunications Aeronautiques Swisse	(564)	(521)
Current maturities of long-term loans to employees	(9,595)	(15,371)
Adjustment to fair value of long-term loans to employees	(200,992)	(210,168)
	98,235	102,774

Long-term loans granted to employees as at 30.06.2015 amounted 303,158 thousand (including current maturities in the amount of 9,595 thousand), and the effects of fair value for the portion of long-term loans amounted to 200,992 thousand dinars and 386 thousand dinars for the part that relates to the current portion of long-term loans. The above statements relating to loans granted to employees for meeting the housing needs given for a period of 20 - 40 years. The estimate of the fair value of housing loans as on 31.12.2014, is performed by the Institute for Economic Research in Belgrade, the projection of future cash flows from collection of receivables for housing loans using discount rates (built-up method): 10% to 20% depending on whether and in what intervals housing Loans revalued or contracted with currency clause, whether they have contracted rate or contracted without interest rates.

31. MATERIAL, SPARE PARTS, TOOLS AND SUPPLIES- ADP 0045	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Basic material	101,198	91,990
Spare parts	20,031	15,117
Tools and supplies	4,194	2,763
Value correction of material and spare parts stock	(62)	(62)
	125,361	109,808

32. GOODS - ADP 0048	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Goods in warehouse-kerosene	17,993	20,585
Goods in retail trade	50	27
	18,043	20,612

33. ADVANCES FOR SUPPLIES AND SERVICES- ADP 0050	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Advances for services in the country	24,174	1,470
Advances for foreign services	688	635
Advance value correction	(1,079)	(1,079)
	23,783	1,026

34. BUYERS IN THE COUNTRY	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Total balance of receivables from buyers in the country	2,169,225	3,293,944
-Value correction of the previous period	(721,633)	(2,066,369)
-Value correction of the current period	(1,181,531)	(550,860)
Total balance of value receivables	(1,903,164)	(2,617,229)
	266,061	676,715

Receivables from the buyers in the country on 30.06.2015 in the amount of RSD 2,169,225 thousand for the most part, in the amount of RSD 1,661,924 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 1,147,623 thousand for services in the period 01.01.2015 – 30.06.2015. The remaining amount of receivables of RSD 507,301 thousand refer to receivables from: JAT-Tehnika (RSD 193,883 thousand), Dufry d.o.o. (RSD 82,276 thousand), Aviogeneks (RSD 39,548 thousand), Internacionala CG (RSD 41,452 thousand) Air Serbia-Catering (RSD 30,378 thousand) and other domestic buyers (RSD 119,764 thousand).

35. BUYERS ABROAD	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Total balance of receivables from foreign buyers - gross	677,553	483,711
-Value correction of the previous period	(15,382)	(14,761)
-Value correction of the current period	(20,207)	(841)
Total balance of value receivables	(35,589)	(15,602)
	641,964	468,109

36. OTHER RECEIVABLES	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Receivables from buyers in the contry for default interest	5,135	21,100
Receivables for interest on term deposits	39,327	24,780
Receivables from employees	1,608	1,043
Other receivables	26,279	19,493
Receivables for overpaid income tax	-	-
Total receivables- gross	72,349	66,416
-Value corr.from buyers for default interest of previous years	(1,166)	(17,413)
-Value corr.from buyers for default interest of the current year	(3,487)	(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	(7,893)	(21,292)
	64,456	45,124

37. SHORT-TERM CREDITS AND LOANS IN THE COUNTRY	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Short-term loans to employees (wint. stores, heat. means - 6 months)	76,500	34,818
	76,500	34,818

38. OTHER SHORT-TERM FINANCIAL INVESTMENTS	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Short-term deposits	4,448,379	1,981,061
Current maturities of loans given to employees	9,595	15,371
Curr.maturities of long-term investments in Societe International de Telecomm.Aeronautiques Swisse (SITA)	564	521
	4,458,538	1,996,953
Adjustment to fair value of loans given to employees	(386)	(647)
	4,458,152	1,996,306

39. SHORT-TERM DEPOSITS BY BANKS	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Hypo Alpe Adria Bank a.d., Beograd	107,730	952,916
Komercijalna banka Beograd	475,980	362,875
Aik banka	803,021	302,395
Piraeus banka a.d. Beograd	475,980	362,875
Alpha banka Srbija	387,694	-
Procredit banka	482,417	-
Jubmes banka	301,511	-
Sberbank Srbija	456,316	-
Banka Intesa	107,730	-
Credit Agricole banka Srbija	250,000	-
Findomestic banka	400,000	-
Marfin banka	150,000	-
Oportunity banka	50,000	-
	4,448,379	1,981,061

Short-term deposits with balance on 30.06.2015 shown in the amount of RSD 4,448,379 thousand, related to foreign currency deposits, the deposit period of up to six months, with interest rate for the EUR of 0.7% - 2.05%, for USD - of 1.15 - 2.25 % and term deposits in RSD for six months, with interest rate of 5.5 - 8.5%.

40. CHANGES ON VALUE CORRECTION till 30.06.2015							in 000 RSD
Description of change on value correction	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	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	-	-	-	-	1,205,225	-	1,205,225
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	-
Charged corrected receivables	-	-	-	-	(1,912,924)	-	(1,912,924)
Value reconciliatoin	-	(9,176)	-	-	-	(261)	(9,437)
Write-off	-	-	-	-	-	-	-
Exchange rate differences	-	-	-	-	222	-	222
Other	-	-	-	-	-	-	-
Final balance 30.06.2015	-	200,992	62	1,079	1,946,646	386	2,149,165

41. CASH AND CASH EQUIVALENTS	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Current account - in RSD	338,399	2,118,809
Current account - in foreign currency	379,604	680,987
Treasury	9	1,767
Other funds	2,740	2,288
Total cash- balance	720,752	2,803,851

42. PREPAYMENTS AND ACCRUED INCOME	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Prepaid VAT + overpaid VAT	974	16,165
Prepaid insurance costs for the future period	8,858	8,801
Prepaid other costs for the future period	5,673	8,738
Calculated and non-invoiced income for the current period	29	11,828
Pre-calculated costs	3,456	0
	18,990	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 30.06.2015 and 31.12.2014 was the following:

Shareholder	30.06.2015			31.12.2014		
	Value in 000 RSD	Number of shares	% 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	2,053,703	3,422,838	9.98%	2,098,404	3,497,340	10.20%
Domestic and foreign legal entities	677,120	1,128,534	3.29%	674,207	1,123,679	3.28%
Custody entities	736,469	1,227,449	3.58%	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	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Legal reserves	-	-
Statutory reserves	2,842,811	1,534,430
	2,842,811	1,534,430

45. REVALUATION RESERVES BASED ON THE REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	30.06.2015	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	44,954	53,042
Recognition of DTL charged to revaluation reserves	-	(7,956)
Total revaluation reserves	148,437	174,787
Total recognition of DTL charged to revaluation reserves	-	(26,218)
Total net revaluation reserves	148,437	148,569

46. ACTUARIAL GAINS	30.06.2015	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	30.06.2015	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 undistributed profit for dividend	(1,333,170)	(8,230)
Transfer to statutory reserves	(1,308,381)	(5,091)
Participation of employees in profit distribution	(53,956)	-
Profit of the current period	2,186,803	3,417,984
Decision on distribution of interim dividend	0	722,477
	2,186,803	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. Decision on distribution of undistributed profit from 2014 is passed on a regular session of Company's Assembly, held on 23 June 2015. Payment of dividend to majority shareholder RS is made on 26 June, 2015 and to other shareholders will be paid during 2015.

48. LONG-TERM RESERVES	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Reserves for terminal pays for employees	46,081	46,924
Reserves for jubilee bonuses	62,692	64,313
Reserves for litigations	77,501	74,090
	186,274	185,327

49. CHANGES ON LONG-TERM RESERVES

Changes in long-term provisions for retirement benefits, jubilee awards and litigations in the first half 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	8,000
Actuarial gains	-	-	-	-
Cancellation during the current year	-	-	-	(234)
Pay off during the year	(843)	(1,621)	(2,464)	(4,355)
Balance on 30.06.2015	46,081	62,692	108,773	77,501

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

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	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Abroad	936,925	990,089
Current maturities	(50,264)	(100,824)
	886,661	889,265

51. LONG-TERM LOANS	Annual interest rate	Date of maturity	Remaining amount 30.06.2015 (EUR)	30.06.2015 in 000 RSD	31.12.2014 in 000 RSD
<u>Long-term loans abroad</u>					
European Investment Bank	4,07-5,16%	2025.r.	7,745,362.96	936,925	990,089
Total long-term loans (a+b)			7,745,362.96	936,925	990,089
Current maturities of long-term loans:			-415,524.19	-50,264	-100,824
			7,329,838.77	886,661	889,265

Long-term loans abroad reported on 30.06.2015 in the amount of RSD 936,925 thousand (EUR 7,745,362.96), 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	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
up to one year	50,264	100,824	20,820	42,899
from one year up to two years	100,529	100,824	38,239	38,351
from two years up to three	100,529	100,824	33,705	33,804
from three years up to four	100,529	100,824	29,170	29,256
from four years up to five	100,528	100,824	24,636	24,708
from five years up to ten years	431,624	432,891	57,269	57,438
over ten years	52,922	53,078	1,615	1,620
	936,925	990,089	205,454	228,076

52. OTHER SHORT-TERM FINANCIAL LIABILITIES	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
<i>Current maturities</i>		
Long-term loan EIB	50,264	100,824
Other long-term liabilities-financial leasing	-	-
	50,264	100,824

53. RECEIVED ADVANCES, DEPOSITS AND SECURITY	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Advances received from domestic buyers	23,324	16,784
Advances received from foreign buyers	15,818	14,129
Subscriptions from domestic buyers	5,826	5,933
Subscriptions from foreign buyers	16,150	10,586
	61,118	47,432

54. SUPPLIERS IN THE COUNTRY	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Suppliers in the country-for services	71,761	66,953
Suppliers in the country-for investments in progress	1,250	58,095
Suppliers in the country-for equipment	15,122	7,698
	88,133	132,746

55. SUPPLIERS ABROAD	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Suppliers abroad-for services	4,779	21,879
Suppliers abroad-for equipment	-	10,770
	4,779	32,649

56. OTHER LIABILITIES FROM OPERATION	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Other liabilities from operation-for charged purch.on behalf of com	11,858	6,504
Other liabilities from operation	8,351	739
	20,209	7,243

57. OTHER SHORT-TERM LIABILITIES	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for salaries	81,335	-
Liabilities for interest	-	-
Liabilities for dividend from 2013	-	1,394
Liabilities for dividend from 2014	347,834	722,477
Liabilities arising from participation in the profits-net	53,960	3
Other short-term liabilities	20,105	9,913
	503,234	733,787

58. LIABILITIES FOR VAT	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for VAT for XII 2014	71,603	66,619
	71,603	66,619

59. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER FEES	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Liabilities for income tax	59,932	458,336
Liabilities for taxes, customs duty and other fees	881	4,523
Taxes, contributions and other fees	6,357	867
	67,170	463,726

60. LIABILITIES FOR INCOME TAX	30.06.2015	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	308,726	597,105
Paid income tax liabilities for 2014	(458,336)	-
Closing of income tax liabilities from overpay. of previous years	-	(91,772)
Closing of liabilities from advance payment of income tax in 2015	(248,794)	(46,997)
Liability for payment of income tax	59,932	458,336

61. ПАСИВНА ВРЕМЕНСКА РАЗГРАНИЧЕЊА	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Обавезе за укалкулисане расходе за посматрани период	72,242	55,072
Обрачунати приходи будућег периода	22,238	24,345
Остала пасивна временска разграничења	63	9,524
Порези, доприноси и друге дажбине	-	-
	94,543	88,941

62. OFF-BALANCE REGISTER	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Received blank bills - pieces	1,585	1,471
Given blank bills domestic - pieces	50	50
Received guarantees - RSD	252,243	261,592
Received guarantees - foreign currency	50,325	244,950
Given guarantees - RSD	4,500	4,500
Given guarantees - foreign currency	-	-
Solidarity funds from employee salaries	623	620
Total off-balance assets and liabilities	307,692	511,663

Dinar received guarantees in the amount of RSD 252,243 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 50.325 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

ASSETS	Accounting value in 000 RSD 30.06.2015	Accounting value in 000 RSD 31.12.2014	Fair value in 000 RSD 31.12.2014	The hierarchy of fair value- Level	Valuation techniques and inputs
1	2	3	4	5	6
Fixed assets	21,352,291	21,543,010	21,543,010	Ниво 3	Evaluation of a certified appraiser
Investment property	21,467	21,467	21,467	Ниво 3	Evaluation of a certified appraiser
Shares in capital of other legal entities	1	1	1	Ниво 2	Management estimates that they are not recoverable- the banks in bankruptcy
Long-term and short-term financial investments- housing loans	101,780	112,268	112,268	Ниво 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	908,025	1,144,824	1,144,824	Ниво 3	Management's estimates of the recoverability in acc.with IAS 39
Other receivables	64,456	45,124	45,124	Ниво 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.

64 FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT		30.06.2015			31.12.2014			in 000 RSD
		total	value corr.	net amount	total	value corr.	net amount	
Categories of financial instruments								
Financial resources								
1	Long-term financial investments	677,911	(579,675)	98,236	691,626	(588,851)	102,775	
	- Long-term time deposits	5,664	-	5,664	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	293,563	(200,992)	92,571	307,713	(210,168)	97,545	
2	The receivables stated at nominal value	7,454,165	(1,947,032)	5,507,133	5,875,842	(2,654,770)	3,221,072	
	- Receivables from buyers	2,846,778	(1,938,753)	908,025	3,777,655	(2,632,831)	1,144,824	
	- Short-term financial investments	4,535,038	(386)	4,534,652	2,031,771	(647)	2,031,124	
	- Interest receivables	44,462	(4,653)	39,809	46,092	(18,052)	28,040	
	- Other receivables	27,887	(3,240)	24,647	20,324	(3,240)	17,084	
3	Cash and cash equivalents	720,752	-	720,752	2,803,851	-	2,803,851	
		8,852,828	(2,526,707)	6,326,121	9,371,319	(3,243,621)	6,127,698	
Financial liabilities								
1	Long-term loans	886,661	0	886,661	889,265	0	889,265	
2	Current maturities of long-term loans	50264	-	50,264	100,824	-	100,824	
3	Current maturities of long-term financial leasing	0	0	0	0	0	0	
4	Short-term liabilities	113,121	-	113,121	172,638	-	172,638	
		1,050,046	-	1,050,046	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						
	Total assets				Total liabilities	
	30.06.2015		31.12.2014		30.06.2015	31.12.2014
	gross	net	gross	net		
EUR	3,981,923	3,744,957	2,969,310	2,742,893	941,603	1,012,030
USD	503,778	503,778	425,678	425,678	101	9,953
CHF	366	366	318	318	0	0
GBP	13	13	10	10	0	0
Dinar contervalue of assets and liabilities in a currency-total	4,486,080	4,249,114	3,395,316	3,168,899	941,704	1,021,983
Value of assets and liabilities in RSD	4,366,748	2,077,007	5,976,003	2,958,799	108,342	140,744
Total	8,852,828	6,326,121	9,371,319	6,127,698	1,050,046	1,162,727

By the analysis of the currency structure of financial assets and liabilities as of 30.06.2015, 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).

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

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

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. 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

30.06.2015

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/ (loss)	280,335	-280,335	50,368	-50,368	37	-37	1	-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/ (loss)	173,086	-173,086	41,573	-41,573	32	-32	1	-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.

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

in 000 RSD

Financial resources-net	30.06.2015			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	2,846,778	(1,938,753)	908,025	3,777,655	(2,632,831)	1,144,824
Interest receiv. and other receiv.	72,349	(7,893)	64,456	66,416	(21,292)	45,124
Short-term financial investments	76,500	-	76,500	34,818	-	34,818
No interest total	3,374,311	(2,325,329)	1,048,982	4,257,573	(3,032,806)	1,224,767
Fixed interest rate						
Long-term financial invest.	299,227	(200,992)	98,235	312,942	(210,168)	102,774
Short-term financial invest.	4,458,538	(386)	4,458,152	1,996,953	(647)	1,996,306
Fixed-total	4,757,765	(201,378)	4,556,387	2,309,895	(210,815)	2,099,080
Variable interest rate						
Cash and cash equivalents	720,752	-	720,752	2,803,851	-	2,803,851
Variable-total	720,752	0	720,752	2,803,851	0	2,803,851
	8,852,828	(2,526,707)	6,326,121	9,371,319	(3,243,621)	6,127,698
Financial liabilities						
No interest						
Liabilities from operation	113,121	0	113,121	172,638	0	172,638
No interest-total	113,121	0	113,121	172,638	0	172,638
Fixed interest rate						
Long-term loans	886,661	0	886,661	889,265	0	889,265
Current maturity of long-term liabilities	50,264	0	50,264	100,824	0	100,824
fixed-total	936,925	0	936,925	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
	1,050,046	0	1,050,046	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 30.06.2015 (RSD 2,846,778 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 status and age structure of uncollected receivables by customers.

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.

Age structure of receivables from buyers	30.06.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	1,661,924	58.38%	514,301	13.61%
Public Debt Admin. (Air Serbia from previous yers)	0	0.00%	2,128,877	56.35%
Jat Tehnika	193,883	6.81%	203,602	5.39%
Dufry doo	82,276	2.89%	219,660	5.81%
International CG	41,452	1.46%	41,452	1.10%
Air Serbia-Ketering d.o.o.	30,378	1.07%	25,686	0.68%
Aviogenex d.o.o.	39,548	1.39%	34,778	0.92%
Other domestic buyers	119,764	4.21%	125,888	3.33%
Total domestic buyers	2,169,225	76.20%	3,294,244	87.20%
Montenegro Airlines	163,379	5.74%	96,374	2.55%
Wizz Air+Branch	142,698	5.01%	104,033	2.75%
Deutsche Lufthansa	68,281	2.40%	49,173	1.30%
Branch Austrian Airlines	25,371	0.89%	36,926	0.98%
Swiss Air	45,502	1.60%	27,015	0.72%
Turkish Airlines	40,603	1.43%	32,677	0.87%
Tunis air	44,574	1.57%	10,098	0.27%
Other foreign buyers	147,145	5.17%	127,145	3.37%
Total foreign buyers	677,553	23.80%	483,441	12.80%
Total gross receivables from domestic and foreign buyer	2,846,778	100.00%	3,777,655	100.00%
Total value correction	1,938,753		2,632,831	
Total net receivables (gross - correction)	908,025		1,144,824	

II CREDIT RISK (cont'd.)

Receivables from domestic customers for goods and services on 30.06.2015 in the amount of RSD 2,169,225 thousand, accounted for 76.20% of total receivables from customers for goods and services and mostly relate to receivables from Air Serbia ad, in the amount of RSD 1,661,924 thousand. Total balance of value adjustment of receivables from domestic customers was RSD 1,903,164 thousand (charged to results of previous years RSD 721,633 thousand and charged to result of the current year RSD 1,181,531 thousand), so the net value of receivables from domestic customers amounts to RSD 266,061 thousand.

Receivables from foreign customers for goods and services amounted to RSD 677,553 thousand, which makes 23.80% of total receivables for goods and services. Total balance of value adjustment of receivables from foreign buyers is RSD 35.589 thousand (charged to results of previous years RSD 15,382 thousand and charged to results of the current year RSD 20,207 thousand), so the net value of receivables from foreign customers amounts to RSD 641,964 thousand.

Age structure of receivables	30.06.2015.	share	31.12.2014.	share
	in 000 RSD		in 000 RSD	
Undue receivables from buyers - uncorrected	718,355	25.23%	1,005,838	26.63%
Undue receivables from buyers - uncorrected	111,679	3.92%	1,964,412	52.00%
Total undue receivables	830,034	29.16%	2,970,250	78.63%
Due receivables up to 60 days-uncorrected	189,670	6.66%	110,979	2.94%
Due receivables up to 60 days-corrected	435,698	15.30%	338,931	8.97%
Total due receivables up to 60 days	625,368	21.97%	449,910	11.91%
Due receivables over 60 days-uncorrected	0	0.00%	28,007	0.74%
Due receivables from buyers over 60 days-corrected	1,391,376	48.88%	329,488	8.72%
Total due receivables over 60 days	1,391,376	48.88%	357,495	9.46%
Total receivables- gross	2,846,778	100.00%	3,777,655	100.00%
Total value correction	1,938,753		2,632,831	
Total receivables - net (gross - correction)	908,025		1,144,824	

Undue receivables from domestic and foreign customers for goods and services on the day of 30.06.2015, amount to RSD 830,034 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 111,679 thousand.

Due receivables from domestic and foreign buyers for goods and services on the day of 30.06.2015, not older than 60 days, amount to RSD 625,368 thousand (and on 31.12.2014 they amounted to RSD 449,910 thousand), of which to receivables value correction of the current period are put receivables from Air Serbia in the amount of RSD 435,698 thousand.

Due receivables from domestic and foreign customers for goods and services, on 30.06.2015, older than 60 days, amounted to RSD 1,391,376 thousand are fully put to value correction of receivables of the current period. Due receivables from domestic and foreign customers for goods and services, older than 60 days, on 31.12.2014 amounted to RSD 329,488 thousand.

II CREDIT RISK (cont'd.)

<u>Undue receivables from buyers-uncorrected</u>	30.06.2015	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%
Jat Tehnika	82,276	11.45%	166,005	16.50%
Dufry doo	94,140	13.11%	96,412	9.59%
Wizz Air	116,316	16.19%	96,519	9.60%
Montenegro	92,269	12.84%	42,134	4.19%
Austrian Airlines Branch	23,279	3.24%	20,546	2.04%
Lufthansa	54,214	7.55%	49,166	4.89%
Turkish	40,601	5.65%	32,670	3.25%
Swiss	32,988	4.59%	26,364	2.62%
Aeroflot	31,011	4.32%	26,712	2.66%
Mondial	0	0.00%	12,196	0.00%
Etihad Airways	12,568	1.75%	10,598	1.05%
Alitalia	0	0.00%	10,180	1.01%
Other	138,692	19.31%	168,124	16.71%
Total:	718,355	100.00%	1,005,838	98.79%

<u>Undue receivables from buyers-corrected</u>	30.06.2015	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	111,679	100.00%	83,747	0.00%
Total:	111,679	100.00%	83,747	0.00%

<u>Due receivables up to 60 days-uncorrected</u>	30.06.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	0	0.00%	0	0.00%
Fly Dubai	2,550	1.34%	8,381	7.55%
JAT Tehnika	3,831	2.02%	259	0.23%
Montenegro	70,565	37.20%	53,947	48.61%
Polskie linie lot	2,045	1.08%	3,294	2.97%
Norwegian	1,946	1.03%	1,342	1.21%
Easyjet	11,418	6.02%	4,071	3.67%
Wizz Air	25,957	13.69%	7,429	6.69%
Swiss Air	12,514	6.60%	640	0.58%
Aerodrom Katering	1,928	1.02%	95	0.09%
Other	56,916	30.01%	31,521	28.40%
Total:	189,670	100.00%	110,979	100.00%

<u>Due receivables up to 60 days-corrected</u>	30.06.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
Air Serbia	435,698	100.00%	338,931	0.00%
Other buyers	0	0.00%	0	0.00%
Total:	435,698	100.00%	338,931	0.00%

Due receivables over 60 days-uncorrected (estimated certainty of collection)	30.06.2015	share	31.12.2014	share
	in 000 RSD		in 000 RSD	
JAT Tehnika	0		11,911	42.53%
Sita	0		5,049	18.03%
Other	0		11,047	39.44%
Total:	0		28,007	100.00%

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	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	1,637,083	3,548,725
1 - 3 months	2,502,747	379,418
3-12 months	1,972,724	1,976,228
1 - 5 years	210,058	120,405
over 5 years	3,509	102,922
	6,326,121	6,127,698

Interest maturity	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	6,759	22,398
1 - 3 months	21,899	0
3-12 months	15,804	23,694
	44,462	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 (Cont'd.)

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

Maturities of financial liabilities	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	113,121	172,638
1 - 3 months	12,096	12,132
3-12 months	38,168	88,692
1 - 5 years	402,114	403,295
over 5 years	484,547	485,970
	1,050,046	1,162,727

Maturities of interest (for loans and financial leasing)	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
Up to 30 days	0	0
1 - 3 months	4,987	5,296
3-12 months	15,833	37,603
1 - 5 years	125,750	126,119
over 5 years	58,884	59,058
	205,454	228,076

The average time of collection of receivables from buyers in the first half of 2015 is 140 days (2014: 170 days).

Average time of settlement of obligations to suppliers in the first half of 2015 was 40 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:

	30.06.2015	31.12.2014
	in 000 RSD	in 000 RSD
I Indebtedness (ADP 432 + ADP 443)	936,925	990,089
2 Cash and cash equivalents (ADP 068)	720,752	2,803,851
1 GROSS INDEBTEDNESS (1-2)	216,173	(1,813,762)
3 Ratio of indebtedness against capital (I/5)	0.0084	-0.0727
4 Short-term financial investments (ADP 062)	4,534,652	2,031,124
II NET INDEBTEDNESS (I-5)	(4,318,479)	(3,844,886)
5 Capital (ADP 401)	25,756,838	24,957,293
6 Ratio of indebtedness against capital (II/5)	-0.1677	-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 Executive directors and Department directors (The first half of 2015: total number of 21; the first qhalf of 2014: 21). In the first half of 2015 in the gross amount is paid RSD 19,895 thousand (the first half of 2014: RSD 19,903 thousand).

Management benefits	30.06.2015	30.06.2014
	in 000 RSD	in 000 RSD
Management	0	0
Earnings	15,627	15,869
Participation in distribution	0	0
	15,627	15,869
Remuneration to members of Supervisory Board	3,278	3,131
Remuneration to members of Audit Commission	403	264
Remun. to members of Shareholders Assembly	605	639
	4,286	4,034

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 June 30, 2015 against the Company there are litigations in the amount of RSD 125.259 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 30 June 2015 the Company has made provisions for potential losses on these litigations in the amount of RSD 77,501 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.

In Belgrade, 03 August 2015



 Legal representative

АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
Бр. 04-80
13. 08. 2015 год.

**QUARTERLY REPORT FOR THE SECOND QUARTER
OF 2015 AND FOR THE PERIOD I - VI 2015**

BELGRADE, 31 July 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	1192 employees on 30.06.2015
6	Core capital value	RSD 20,573,610,000.00 on 30.06.2015
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 30.06.2015) 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

Ten largest shareholders on 01.07.2015			
No.	Name of shareholder	Number of shares	% of participation
1)	THE REPUBLIC OF SERBIA	28,510,529	83.15
2)	KJK FUND II SICAV SIF	441,137	1.29
3)	RAIFFEISEN BANK AD BEOGRAD– custody account- KS	388,955	1.13
4)	RAIFFEISEN BANK AD BEOGRAD– custody account -KS	199,724	0.58
5)	EAST CAPITAL (LUX) – BALKAN FUND	145,038	0.42
6)	SOCIETE GENERALE BANKA SRBIJA– custody account-FO	126,066	0.37
7)	UNICREDIT BANK SRBIJA AD– custody account - KS	88,062	0.26
8)	DANSKE INVST TRANS-BALKAN FUN	85,034	0.25
9)	SOCIETE GENERALE BANKA SRBIJA– custody account- FO	76,219	0.22
10)	POLUNIN DISCOVERY FUNDS	70,516	0.21

1. MANAGEMENT DATA:

Management members on 30.06.20145

The Supervisory Board		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Vesna Stanković Jevđević,	BA in Economics, Assistant Director General of the Directorate for Procurement of the National Bank of Serbia
2	Mirko Manojlović, Belgrade	Bachelor of Economics, Director - "Paracentar" d.o.o. Belgrade
3	Ljubiša Dejković, Čuprija	Master of Electrical Engineering and Telecommunications, Investment Department - Automation and Telecommunications Service, Telekom Srbija
4	Srđan Minić, Belgrade	Bachelor of Economics, Operations Engineer for technical support and documentation, Telekom Srbija
5	Goran Mirković, Beograd	Economist, Senior Associate for completion of documentation and coordination of monitoring implementation of the contracts in the Institute for Manufacturing Banknotes and Coins
6	Petar Jarić, Belgrade	Bachelor of Economy, Director of "PE Office Space Zemun"
7	Dragoslav Stanković, Doljevac	Economist, Jugoistok, Niš

The Executive Board		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Saša Vlaisavljević, Belgrade	BSc. Traffic Engineer, JSC Belgrade Nikola Tesla Airport, Chairman of the Executive Board, acting Director General
2	Tatjana Jovanović, Belgrade	Master Politicologist, JSC Belgrade Nikola Tesla Airport, Executive Director
3	Dejan Milovanović, Prokuplje	Specialist Professional Engineer of Agriculture, JSC Belgrade Nikola Tesla Airport, Executive Director
4	Raša Ristivojević Belgrade	Bachelor of Economy, JSC Belgrade Nikola Tesla Airport, Executive Director
5	Zoran Stanković, Belgrade	Bachelor of Law, JSC Belgrade Nikola Tesla Airport, Executive Director

JSC Belgrade Nikola Tesla Airport, as a member of the Serbian Chamber of Commerce, has accepted the Code of Corporate Governance that was published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the website of the Company www.beg.aero.

3. AIR TRAFFIC TURNOVER

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

- **28,189 air movements,**
- **2,137,489 passengers and**
- **6,584 tons of cargo and mail.**

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

- **15,281 air movements,**
- **1,249,012 passengers and**
- **3,470 tons of cargo and mail.**

3.1. AIR MOVEMENT TURNOVER

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

Number of air movements per traffic types I-VI

Traffic types	Achievement I-VI 2014	Rebalanced plan I-VI 2015	Achievement I-VI 2015	Index	Index	Achiev. I-VI 2014	Achiev. I-VI 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	53	61	47	89	77	0.20	0.16
International air traffic-domestic carriers	14,184	15,262	15,692	111	103	51.93	55.67
International air traffic-foreign carriers	13,075	13,872	12,450	95	90	47.87	44.17
TOTAL:	27,312	29,195	28,189	103	97	100.00	100.00

The data from the table indicate total physical air traffic volume in the period from I-VI 2015 amounts to 28,189, which is by 3% higher compared to the same period last year and by 3% lower than Rebalanced plan for period I-VI 2015. Planned number of air movements is established based on planned official flight timetable.

Within carrier pattern of the total traffic in the period I-VI 2015 domestic carriers have dominant role in international air traffic with participation of 55.67%; then there are foreign carriers in international air traffic with 44.17% and at the end, domestic carriers in domestic air traffic with participation of 0.16%.

Looking achievement in the period I-VI 2015 compared to the same period in 2014, there was a growth in the participation of domestic carriers in international air traffic from 51.93% to 55.67% and the fall of foreign carriers in international air traffic from 47.87 % to 44.17% share.

Number of air movements of foreign carriers in international air traffic

Air Carriers	Achiev. I-VI 2014	Rebalanced plan I-VI 2015	Achiev. I-VI 2015	Index	Index	Partic. I-VI 2014	Particip. I-VI 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Montenegro Airlines	1,367	1,643	1,529	112	93	10.46	12.28
Lufthansa	1,527	1,410	1,386	91	98	11.68	11.13
Wizz Air	1,522	1,355	1,275	84	94	11.64	10.24
Austrian Airlines	1,105	1,032	910	82	88	8.45	7.31
Turkish Airlines	906	864	799	88	92	6.93	6.42
Aeroflot	723	724	722	100	100	5.53	5.80
Swiss International	793	725	706	89	97	6.07	5.67
Swift Air	0	256	495	0	193	0.00	3.98
Solinair	249	508	467	188	92	1.90	3.75
Alitalia	522	492	406	78	83	3.99	3.26
Etihad Airways	362	362	370	102	102	2.77	2.97
Tarom	236	377	296	125	79	1.80	2.38
LOT	262	316	283	108	90	2.00	2.27
Raf Avia	48	262	282	588	108	0.37	2.27
Aegean Airlines	222	262	272	123	104	1.70	2.18
Qatar Airways	206	206	256	124	124	1.58	2.06
Easy Jet	396	406	226	57	56	3.03	1.82
Pegasus Airlines	194	182	184	95	101	1.48	1.48
Flydubai	178	166	160	90	96	1.36	1.29
Norwegian Air	112	110	114	102	104	0.86	0.92
Belavia	108	216	104	96	48	0.83	0.84
Tunis Air	92	92	92	100	100	0.70	0.74
Aircairo Company	38	60	80	211	133	0.29	0.64
Croatia Airlines	36	36	35	97	97	0.28	0.28
Vueling Airlines	10	12	22	220	183	0.08	0.18
B & H Airlines	272	353	20	7	6	2.08	0.16
Tap Portugal	0	214	14	0	7	0.00	0.11
Gazprom	10	0	12	120	0	0.08	0.10
Atlas Jet	0	0	2	0	0	0.00	0.02
Cityline Hungary	218	0	0	0	0	1.67	0.00
Germanwings	128	0	0	0	0	0.98	0.00
ČSA	102	102	0	0	0	0.78	0.00
Adria Airways	50	0	0	0	0	0.38	0.00
Darwin Airlines	50	0	0	0	0	0.38	0.00
Olympic Air	44	0	0	0	0	0.34	0.00
Freebird Airlines	36	36	0	0	0	0.28	0.00
Onur Air	28	72	0	0	0	0.21	0.00
Nesma Airlines	24	122	0	0	0	0.18	0.00
Sky Work	0	0	0	0	0	0.00	0.00
Air France	0	0	0	0	0	0.00	0.00
Niki Luftfahrt	0	0	0	0	0	0.00	0.00
Sky Airlines	0	0	0	0	0	0.00	0.00
Air One	0	0	0	0	0	0.00	0.00
Nouvelair Tunisie	0	0	0	0	0	0.00	0.00
Others	899	899	931	104	104	6.88	7.48
TOTAL:	13,075	13,872	12,450	95	90	100.00	100.00

In the period I-VI 2015 there were 29 foreign carriers and 1 domestic carrier, and in the same period 2014 there were 35 foreign carriers and 1 domestic carrier.

In international air traffic of domestic carriers in the first half of 2015 a total turnover of 12,450 air movements was achieved, which is by 5% lower compared to the same period previous year and by 10% lower compared to the Rebalanced Plan for I-VI 2015. Reasons for decrease of air movements in I-VI 2015 in comparison to the same period previous year are smaller number of carriers and lower number of total flights for the mentioned period.

Also, we must emphasize new foreign carriers that were present in the period I-VI 2015 and in the same period last year they were not there, and they are: Swift Air with destinations Cologne and

Sofia, Tap Portugal with destinations Lisbon and Atlas Jet on destination Sabiha.

In the structure of foreign carrier in the period I-VI 2015, the most significant role is of Montenegro Airlines with 12.28% share, Lufthansa with 11.13% participation and Wizz Air with a 10.24% share. These three companies achieve 33.65% of international air traffic foreign carrier.

With a share of 7.31% - 5.67% in this type of air traffic are: Austrian Airlines (7.31%), Turkish Airlines (6.42%), Aeroflot (5.80%) and Swiss International (5.67%), which collectively generate 25.20% of the total international air traffic of foreign carriers.

Cargo traffic of express mail in the period I-VI 2015 is carried out by three carriers: Swiftair Aviation, Solinair and Raf Avia.

Low Cost carriers in the period I-VI 2015 are: Wizz Air, EasyJet, Fly Dubai, Pegasus and Norwegian Air.

If individual participation of carriers in total international air traffic is considered (domestic and foreign carriers), achieved in the period I-VI 2015 Air Serbia has a dominant with participation of 54.15%.

II Quarter

Achieved number of air movements by types of air traffic in the second quarter of 2015 is shown in the following table.

Number of air movements per traffic types IV-VI

Traffic types	Achiev. IV-VI 2014	Rebalanced Plan IV-VI 2015	Achiev. IV-VI 2015	Index	Index	Particip. IV-VI 2014	Particip. IV-VI 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	15	15	30	200	200	0.10	0.20
International air traffic-domestic carriers	8,074	8,227	8,625	107	105	52.94	56.44
International air traffic-foreign carriers	7,163	7,649	6,626	93	87	46.96	43.36
TOTAL:	15,252	15,891	15,281	100	96	100.00	100.00

Data from the table shows that the total number of achieved air movements in the II quarter of 2015 amounted to 15.281, and that is at the same level compared to the same period in 2014 and decreased by 4% compared to the Rebalanced plan of operations in the II quarter of 2015.

The structure of air carriers in the total air traffic in the II quarter of 2015, the largest share in the air movements was of domestic carriers in international air traffic with 56.44%, followed by foreign carriers in international air traffic with 43.36% at the end domestic carriers in domestic air traffic with a 0.20% share.

In international air traffic of domestic carriers, in the II quarter of 2015, turnover was 8,625 air movements which is by 7% more than realization in the same period of the previous year and by 5% more than in the rebalanced plan for the II quarter of 2015.

Air Serbia in the II quarter of 2015 recorded 8,367 air movements, which is by 9% more than in the same period last year and by 7% more than in the rebalanced plan in the II quarter of 2015, so it accounted for 97.01 % in international air traffic of domestic carriers.

In international air traffic of foreign carriers, in the II quarter of 2015, is realized 6,626 air movements which is by 7% less than the realization for the second quarter of the previous year and by 13% less compared to the Rebalanced plan in the II quarter of 2015.

Foreign carriers which began to operate in the II quarter of 2015 were: Swift Air and Atlas Jet.

If we consider individual participation of the carriers in the total international air traffic (domestic and foreign carriers), realized in the II quarter of 2015, the highest participation has carrier Air Serbia with 54.86%.

3.2. PASSENGER TURNOVER

Total passenger turnover of 2,137,489 was achieved in the period I-VI 2015, which is by 7% higher than the achievement in the same period of 2014 and 1% lower in comparison with the Rebalanced plan for I-VI 2015.

Passenger turnover per traffic types

Traffic type	Achiev. I-VI 2014	Rebalanced plan I-VI 2015	Achiev. I-VI 2015	Index	Index	Particip. I-VI 2014	Particip. I-VI 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	49	54	47	96	87	0.00	0.00
International air traffic-domestic carriers	965,994	1,054,076	1,145,478	119	109	48.58	53.59
International air traffic-foreign carriers	1,022,521	1,115,298	991,964	97	89	51.42	46.41
TOTAL:	1,988,564	2,169,428	2,137,489	107	99	100.00	100.00

The greatest participation in passenger turnover per air traffic types in I-VI 2015 is of domestic carriers in international air traffic with 53.59%, then foreign carriers in international air traffic with 46.41%.

The number of the passengers transported by domestic carriers in international air traffic is 19% higher compared to the previous year and 9% in comparison with the Rebalanced plan for I-VI 2015.

The number of the passengers transported by foreign carriers in international air traffic in I-VI 2015 is 3% lower compared to the previous year and 11% lower in comparison to the Rebalanced plan in I-VI 2015.

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

Ser.No.	Air Carriers	Achievement I-VI 2014	Achievement I-VI 2015	Index	Particip. I-VI 2014	Particip. I-VI 2015
1	2	3	4	5(4/3)	6	7
1	Air Serbia	964,708	1,144,396	119	48.51	53.54
2	Wizz Air	217,978	193,057	89	10.96	9.03
3	Lufthansa	126,336	136,000	108	6.35	6.36
4	Montenegro	106,732	113,166	106	5.37	5.29
5	Swiss International	92,440	92,143	100	4.65	4.31
6	Others	480,321	458,680	95	24.15	21.46
	TOTAL:	1,988,515	2,137,442	107	100.00	100.00

In the total number of passengers transported in international air traffic in I-VI 2015 the largest share is of Air Serbia with 53.54%, then follow: Wizz Air with 9.03%, Lufthansa with 6.36%, Montenegro Airlines with 5.29% and Swiss International with 4.31%.

Air Serbia in the period I-VI 2015 compared to the same period in 2014 had an increase of the number of passengers of 19% compared to the same period previous year.

Passenger turnover of Air Serbia in inter. air traffic per most numerous destinations

Ser.No.	Destinations	Achievement I-VI 2014	Achievement I-VI 2015	Index
1	2	3	4	5(4/3)
1	Paris	74,158	79,442	107
2	Zurich	64,993	76,618	118
3	Podgorica	55,589	59,711	107
4	Moscow	58,156	58,304	100
5	Amsterdam	32,806	48,938	149
6	Others	679,006	821,383	121
	TOTAL:	964,708	1,144,396	119

II Quarter

Planned and achieved turnover of passengers in the II quarter of 2015, as well as comparative data on realized turnover in the same period of 2014, are shown in the following table.

Passenger turnover per types of traffic

Traffic type	Achiev. IV-VI 2014	Rebalanced plan IV-VI 2015	Achiev. IV-VI 2015	Index	Index	Particip. IV-VI 2014	Particip. IV-VI 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	4	7	22	550	314	0.00	0.00
International air traffic- domestic carriers	597,116	669,998	682,932	114	102	49.62	54.68
International air traffic- foreign carriers	606,148	681,947	566,058	93	83	50.38	45.32
TOTAL:	1,203,268	1,351,952	1,249,012	104	92	100.00	100.00

Based on these data it can be concluded that the traffic of passengers in the II quarter of 2015 increased by 4% compared to realization for the same period in 2014 and amounted to 1,249,012 passengers which is 8% less than in the Rebalanced Plan for the same period in 2015.

The largest share in the realized passenger traffic in the II quarter of 2015, according to types of air traffic, have domestic carriers in international air traffic with 54.68% share, followed by foreign carriers in international air traffic with 45.32%.

Number of passengers carried by domestic carrier in international air traffic in the II quarter of 2015 is by 14% higher than realization in the same period of the previous year and 2% higher compared to the Rebalanced plan in the II quarter of 2015.

Number of passengers carried by the foreign carrier in international air traffic in the II quarter of 2015 was 7% lower than the realization for the same period last year and 17% lower compared to the Rebalanced plan for the same period in 2015.

3.3. CARGO TURNOVER

In the period I-VI 2015, cargo turnover was achieved in the amount of 6,584 tons, which is 19% higher than in the same period of the previous year and by 15% higher compared to the Rebalanced plan for I-VI 2015.

Cargo turnover in tons

Traffic type	Achiev. I-VI 2014	Rebalanced plan I-VI 2015	Achiev. I-VI 2015	Index	Index	Particip. I-VI 2014	Particip. I-VI 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	1,286	1,338	1,747	136	131	23.33	26.53
International air traffic- foreign carriers	4,226	4,396	4,837	114	110	76.67	73.47
TOTAL:	5,512	5,734	6,584	119	115	100.00	100.00

There has been no cargo turnover in domestic air traffic in I-VI 2015 as well as in the same period of the previous year.

In the period I-VI 2015 cargo turnover in international air traffic of domestic carriers is higher by 36% in comparison to the previous year and by 31% in comparison to the Rebalanced plan for I-VI 2015.

In international air traffic of foreign air carriers, achievement in the period I-VI 2015 is higher by 14% in comparison to the same period of the previous year and by 10% higher in relation to the Rebalanced plan for I-VI 2015.

II Quarter

In the II quarter of 2015, cargo turnover was 3,470 tonnes, which is by 13% more than in the previous year for the reference period and by 5% more compared to the Rebalanced plan in the II quarter of 2015.

Cargo turnover in tons

Traffic type	Achiev. IV-VI 2014	Rebalanced plan IV-VI 2015	Achiev. IV-VI 2015	Index	Index	Particip. IV-VI 2014	Particip. IV-VI 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	717	769	867	121	113	23.30	24.99
International air traffic- foreign carriers	2,360	2,530	2,603	110	103	76.70	75.01
TOTAL:	3,077	3,299	3,470	113	105	100.00	100.00

In international air traffic of domestic carriers, cargo turnover in the II quarter of 2015 is increased by 21% compared to the turnover for the same period of the previous year and by 13% compared to rebalanced plan in the II quarter of 2015.

In international air traffic of foreign carriers, cargo turnover in the II quarter of 2015 is increased by 10% compared to the same period last year and by 3% compared to rebalanced plan in the II quarter of 2015.

PHYSICAL VOLUME OF TRAFFIC

Ser.No.	Type of traffic	Achievement I-VI 2014		Rebalanced plan I-VI 2015		Achievement I-VI 2015		Index	
			Particip.		Particip.		Particip.		
1	2	3		4		5		6(5/3)	7(5/4)
I	Domestic traffic								
	Air movements	53	0	61	0	47	0	89	77
	Passengers	49	0	54	0	47	0	96	87
	Air goods and mail (tons)	0	0	0	0	0	0	0	0
II	International traffic- domestic carriers								
	Air movements	14,184	52	15,262	52	15,692	56	111	103
	Passengers	965,994	49	1,054,076	49	1,145,478	54	119	109
	Air goods and mail (tons)	1,286	23	1,338	23	1,747	27	136	131
III	International traffic- foreign carriers								
	Air movements	13,075	48	13,872	58	12,450	44	95	90
	Passengers	1,022,521	51	1,115,298	51	991,964	46	97	89
	Goods and mail (air+ truck) (tons)	4,226	77	4,396	77	4,837	73	114	110
I+II+III	Total								
	Air movements	27,312	100	29,195	100	28,189	100	103	97
	Passengers	1,988,564	100	2,169,428	100	2,137,489	100	107	99
	Goods and mail air+truck (tons)	5,512	100	5,734	100	6,584	100	119	115

4. REVENUES AND EXPENDITURES

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

4.1. REVENUES

In the period I-VI 2015 JSC Belgrade "Nikola Tesla" Airport achieved the total revenue in amount of RSD 5,825,954,183. Thus achieved total revenue is 52% higher in comparison to the achieved revenues in the same period of the previous year and 9% lower in relation to the Rebalanced plan for the same period 2015.

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

In the pattern of achieved revenues in I-VI 2015 **business revenues** have the greatest participation of 64% in the total revenues amounting to RSD 3,719,368,475. The achieved revenues are 1% higher than the same in the same period of the previous year and 9% lower in relation to Rebalanced plan for I-VI 2015.

Within business revenues, revenues generated by providing **air services** (landing, lighting, ground handling, infrastructure, air bridges, aircraft abode) in the period I-VI 2015 amount to RSD 1,299,121,390 which is 22% of the total revenues. These revenues are higher by 11% compared to the same period last year and by 7% lower in relation to the Rebalanced plan for I-VI 2015.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 1,592,342,807 for I-VI 2015, which is 27% of the total achieved revenues and are higher compared to revenues of passenger service in the same period last year by 10% and lower by 7% in relation to the Rebalanced plan for the same period 2015.

In the period I-VI 2015 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 67,226,787 and are by 2% higher than revenues on this basis in the same period in 2014 and by 5% lower in relation to the Rebalanced plan for the same period 2015.

Total revenues from services related to aviation (aviation services, passenger service with fees for security and services CCW) in the period I-VI 2015 amounted to RSD 2,958,690,983, and compared to the same period last year they increased by 10% and are by 7% lower compared to the Rebalanced plan for the observed period.

In the period I-VI 2015 the revenues from **other services** are 22% higher than in the same period of the previous year and 16% in relation to the planned figures for I-VI 2015 and were achieved in the amount of RSD 353,595,094. The increase in is due to the increase in revenue from utilities, special request – work order, CUTE (domestic +foreign) and aircraft de-icing services. The highest participation in these revenues have: revenues from utility services (22.80%), revenues from CUTE (20.65%), de-icing services (13.42%) and revenues from services on special request-work order (11.48%).

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene. In the period I-VI 2015 it was sold 440 tons of kerosene (the most important customer is Iran Airlines with 92.35%), while in the same period of the previous year it was sold 4,404 tons of kerosene. Achieved revenues from sale of kerosene and goods for the period I-VI 2015 are lower by 91% in relation to the same period of 2014, while in relation to planned figures for the period I-VI 2015 they are lower by 84%.

The main reason for the decrease in revenue from the sale of kerosene in the period I-VI 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.

The realized revenue from the sale of kerosene in the period I-VI 2015 is lower than planned amount for the same period 2015 by 84%.

In the period I-VI 2015, from **renting office space** was realized income in the amount of RSD 372,546,040 which is 18% more than in the same period of 2014, and 4% less than the planned values for the same period 2015. Most of these revenues refer to renting of office space to Dufry d.o.o.

Financial revenues (group 66) in the period I-VI 2015 are disclosed in amount of RSD 1080.293.134 and are higher by 95% in comparison to the same period of the previous year, as interest and realized exchange rate differences in the period I-VI 2015 are considerably higher than in the same period I-VI 2014.

In the pattern of financial revenues for I-VI 2015 the greatest part refers to revenues from interests in the amount of RSD 102,247,837, than from realized exchange rate differences in the amount of RSD 74,751,148 and non-realized exchange rate differences in the amount of RSD 3,294,150.

Other revenues (group 67 and 68) in the period I-VI 2015 were achieved in the amount of RSD 1,926,292,574 and are considerably higher in comparison to the same period in 2014.

Reason for such disclosed increase of other revenues is that in the period I-VI 2015 collected receivables are considerably higher, which were in previous years put to value correction. The most part of it refers to Air Serbia in the amount of RSD 1,897,107,221.

REVENUE PATTERN I-VI 2015/2014

Ser. No.	Type of service	Description	Realization I-VI 2014	Rebalanced Plan I-VI 2015	Realization I-VI 2015	INDEX	
1	2	3	4	5	6	7(6/4)	8(6/5)
	Air services domestic carriers						
	612000+612300	Landing	69,558,363	82,854,288	86,025,875	124	104
	612010+612310	Lighting	21,033,992	25,091,639	27,280,284	130	109
	612030+612330	Handling	76,261,320	89,250,606	90,895,527	119	102
	612040	Infrastructure	41,855,960	52,663,920	50,164,407	120	95
	612050	Air-bridges	0	0	0	0	0
	612020+612320	Aircraft abode tax	2,849,561	3,291,943	2,413,624	85	73
I	Total air services (domestic carriers):		211,559,196	253,152,396	256,779,716	121	101
	Air services foreign carriers						
	613010+613011	Landing	291,214,815	344,270,459	314,938,107	108	91
	613020+613021	Handling	351,795,741	414,351,702	373,690,818	106	90
	613030+613031	Lighting	31,383,181	37,575,473	33,249,048	106	88
	613040	Infrastructure	191,041,226	229,609,959	215,133,000	113	94
	613060	Air-bridges	78,825,958	96,995,129	92,771,064	118	96
	613000+613001	Aircraft abode tax	15,241,309	17,052,837	12,559,638	82	74
II	Total air services (foreign carriers):		959,502,230	1,139,855,558	1,042,341,674	109	91
I+II	Total air services		1,171,061,426	1,393,007,954	1,299,121,390	111	93
	Passenger service						
	614400 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	13,960	8,194	9,454	68	115
	614410+614412 - dom. carriers/inter.traffic	Passenger service d.c./i.t.	427,367,301	515,234,464	501,911,700	117	97
	615200+615210+615212 - foreign carriers	Passenger service for car.	706,196,765	816,583,929	738,242,495	105	90
	614420+614430+614432+615230+615232	Security fees	313,122,585	371,452,934	352,179,158	112	95
III	Total passenger service		1,446,700,611	1,703,279,522	1,592,342,807	110	93
I+II+III	Total air services and passenger service		2,617,762,037	3,096,287,476	2,891,464,197	110	93
	CCW services						
	612500+612510	CCW services dom. market	50,298,135	55,724,323	60,176,170	120	108
	613300 +613310 (foreign)	CCW services for. market	15,426,608	15,055,719	7,050,677	46	47
IV	Total CCW services		65,724,743	70,780,042	67,226,787	102	95
V	Total services in air traffic (I to IV):		2,683,486,780	3,167,067,518	2,958,690,983	110	93
	Other services						
1	614100+614360+615100	DCS services	14,615,574	19,233,960	13,833,858	95	72
2	614110+614112+614170+614180+614391+615891+615892+615893+615895	Special request - work order	23,685,080	28,739,204	40,586,006	171	141
3	614130+614131+615072+614370+615071+615072	VIP Lounge	1,692,128	2,342,190	2,776,091	164	119
4	614140+614390+615090	CUTE (dom + for)	45,253,166	55,692,474	73,007,677	161	131
5	615080+614380	Lost and found	7,124,058	10,790,049	8,466,629	119	78
6	6146+615120+615400+615401	Public utilities	64,942,223	69,079,631	80,619,068	124	117
7	614820+615170	Catering ser. Business Club	21,028,908	24,686,952	1,022	0	0
8	614870+615810	Advertising space	11,800,269	13,197,724	16,519,903	140	125
9	614883	Commer.use of apron	27,477,259	31,023,261	30,883,418	112	100
10	614160+615110	Aircraft de-icing service	23,591,322	14,862,533	47,437,988	201	319
11	Other non-mentioned services dom + foreign		49,326,737	34,070,388	39,463,433	80	116
VI	Other services (1 to 11):		290,536,723	303,718,365	353,595,094	122	116
VII	Total 61 - Revenues from sale of services (V+VI)		2,974,023,503	3,470,785,883	3,312,286,078	111	95
	Revenues from sale of goods:						
VIII	60 - Revenues from sale of kerosene + goods		393,972,165	219,119,263	34,536,357	9	16
IX	Total (60+61) Revenues from sale (VII+VIII)		3,367,995,669	3,689,905,146	3,346,822,434	99	91
X	64 и 65 - Renting of office space		316,707,972	387,871,438	372,546,040	118	96
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	3,684,703,641	4,077,776,584	3,719,368,475	101	91
XII	66 - FINANCIAL REVENUES		92,414,763	122,844,738	180,293,134	195	147
1	interest		59,836,248	49,167,102	102,247,837	171	208
2	exchange rate differences -realised		26,719,826	66,048,232	74,751,148	280	113
3	exchange rate differences -non-realised		5,858,689	7,629,404	3,294,150	56	43
XIII	67 и 68 OTHER REVENUES		44,415,968	2,175,080,639	1,926,292,574	4,337	89
XIV	Total revenues (XI+XII+XIII)		3,821,534,371	6,375,701,961	5,825,954,183	152	91

II Quarter

In the period IV-VI 2015 JSC Belgrade Nikola Tesla Airport recorded total revenue of RSD 2,113,955,135. Thus the total revenue realized is decreased by 1% compared to revenues in the same period last year and compared to Rebalanced plan for the same period in 2015 is decreased by 47%.

In the structure of revenues for the period IV-VI 2015, the largest share is of **business revenues** (group 60-65), which amounted to RSD 2,009,253,312 and are decreased by 5% compared to revenues for the same period last year and 14% lower than the Rebalanced plan for the same period in 2015.

Within business revenues on revenues generated by **air services** in the period IV-VI 2015 relate RSD 687,037,336. These revenues were higher than those in the same period of the previous year by 1% and by 9% lower compared to rebalanced plan for IV-VI 2015.

Revenue from **passenger service and security fee** were realized in the amount of RSD 921,195,183 dinars for the period IV-VI 2015 and were higher than the revenues from passenger service in the same period of the previous year by 7% and 14% lower than the planned figures for the same period in 2015

In the period IV-VI 2015 revenues from services in the **cargo-customs warehouse** were realized in the amount of RSD 35,702,702 and are at the same level compared to revenues in the same period of the previous year and by 12% lower compared to rebalanced plan for the same period in 2015.

In the period IV-VI 2015 revenues from **other services** decreased by 4% compared to the same period last year and by 1% compared to the planned values for IV-VI 2015 and were realized in the amount of RSD 151,725,691. The largest share in these revenues, have revenues from CUTE, utilities and from services on special request- work order.

Revenues from sale of goods relate mainly to revenues from the sale of kerosene. In the period IV-VI 2015 was sold 17 tons of kerosene, while in the same period last year is sold 2,172 tons of kerosene. Realized revenues from sales of kerosene and goods for IV-VI 2015 decreased by 98% compared to the same period last year and decreased by 97% compared to the planned values for IV-VI 2015.

In the period IV-VI 2015, from the **rent of office space** was realized revenue in the amount of RSD 210,697,014, which is 16% more than in IV-VI in 2014 and 7% more compared to planned values for the same period. Most of these revenues refer to rent of office space to Company Dufry Ltd.

Financial revenues (group 66) in the period IV-VI 2015 are presented in the amount of RSD 76,645,525, and are increased by of 199% compared to the same period last year, as interest rates and realized exchange rate differences are in the period IV-VI 2015 considerably higher than in the same period IV-VI 2014. In the structure of financial revenues for the period IV-VI 2015, the largest part refers to the interest in the amount of RSD 66,371,854 and realized foreign exchange differences in the amount of RSD 37,894,444.

Other revenues (group 67 and 68) in the period IV-VI 2015 were realized in the amount of RSD 28,056,298 and were significantly higher compared to the same period last year. The reason for the increase in these revenues shown is that in the period IV-VI 2015 are increased revenues from collected written-off receivables from other legal entities and valuation adjustments of housing loans which are revalued – currency clause.

REVENUE PATTERN IV-VI 2015/2014

Ser. No.	Type of service	Description	Realization IV-VI 2014	Rebalanced Plan IV-VI 2015	Realization IV-VI 2015	INDEX	
						7(6/4)	8(6/5)
1	2	3	4	5	6		
	Air services domestic carriers						
	612000+612300	Landing	39,073,877	45,101,853	46,410,708	119	103
	612010+612310	Lighting	10,574,032	13,658,671	12,769,066	121	93
	612030+612330	Handling	41,978,373	48,583,698	49,432,669	118	102
	612040	Infrastructure	23,031,960	28,667,682	27,247,004	118	95
	612050	Air-bridges	0	0	0		
	612020+612320	Aircraft abode tax	1,613,516	1,791,974	1,228,283	76	69
I	Total air services (domestic carriers):		116,271,757	137,803,877	137,087,730	118	99
	Air services foreign carriers						
	613010+613011	Landing	171,661,353	187,404,128	167,804,776	98	90
	613020+613021	Handling	205,668,205	225,552,956	198,300,432	96	88
	613030+613031	Lighting	14,689,072	20,454,264	12,737,679	87	62
	613040	Infrastructure	115,974,460	124,988,518	114,499,361	99	92
	613060	Air-bridges	50,911,353	52,799,440	49,993,233	98	95
	613000+613001	Aircraft abode tax	8,157,638	9,282,737	6,614,125	81	71
II	Total air services (foreign carriers):		567,062,081	620,482,042	549,949,607	97	89
I+II	Total air services		683,333,838	758,285,920	687,037,336	101	91
	Passenger service						
	614400 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	0	5,106	5,130		100
	614410+614412 - dom. carriers/inter.traffic	Passenger service d.c./i.t.	255,683,325	326,515,411	300,047,375	117	92
	615200+615210+615212 - foreign carriers	Passenger service for.car.	419,538,045	508,871,106	417,061,234	99	82
	614420+614430+614432+615230+615232	Security fees	187,127,318	231,478,552	204,081,444	109	88
III	Total passenger service		862,348,688	1,066,870,176	921,195,183	107	86
I+II+III	Total air services and passenger service		1,545,682,526	1,825,156,096	1,608,232,519	104	88
	CCW services						
	612500+612510	CCW services dom. market	27,183,144	32,064,844	31,862,119	117	99
	613300 +613310 (foreign)	CCW services for. market	8,397,649	8,663,350	3,840,583	46	44
IV	Total CCW services		35,580,793	40,728,194	35,702,702	100	88
V	Total services in air traffic (I to IV):		1,581,263,319	1,865,884,289	1,643,935,221	104	88
	Other services						
1	614100+614360+615100	DCS services	8,978,694	10,058,126	7,859,310	88	78
2	614110+614112+614170+614180+614391+615891+615892+615893+615895	Special request - work order	13,051,885	14,369,602	22,407,421	172	156
3	614130+614131+615072+614370+615071+615072	VIP Lounge	858,476	1,171,095	1,983,852	231	169
4	614140+614390+615090	CUTE (dom + for)	23,897,118	29,123,587	42,191,300	177	145
5	615080+614380	Lost and found	4,536,310	5,395,024	4,765,692	105	88
6	6146+615120+615400+615401	Public utilities	49,097,162	34,539,815	35,358,602	72	102
7	614820+615170	Catering ser. Business Club	11,931,799	12,343,476	0	0	0
8	614870+615810	Advertising space	5,922,729	6,598,862	8,794,117	148	133
9	614883	Commer.use of apron	14,410,306	15,511,631	13,312,833	92	86
10	614160+615110	Aircraft de-icing service	57,842	7,431,266	171,712	297	2
11	Other non-mentioned services dom + foreign		24,487,319	17,035,194	14,880,853	61	87
VI	Other services (1 to 11):		157,229,639	153,577,679	151,725,691	96	99
VII	Total 61 - Revenues from sale of services (V+VI)		1,738,492,957	2,019,461,968	1,795,660,912	103	89
	Revenues from sale of goods:						
VIII	60 - Revenues from sale of kerosene + goods		192,654,922	109,559,632	2,895,386	2	3
IX	Total (60+61) Revenues from sale (VII+VIII)		1,931,147,880	2,129,021,600	1,798,556,298	93	84
X	64 и 65 - Renting of office space		181,793,418	197,075,219	210,697,014	116	107
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	2,112,941,297	2,326,096,818	2,009,253,312	95	86
XII	66 - FINANCIAL REVENUES		25,614,506	61,422,369	76,645,525	299	125
1	interest		14,635,243	24,583,551	66,371,854	454	270
2	exchange rate differences -realised		7,463,750	33,024,116	37,894,444	508	115
3	exchange rate differences -non-realised		3,515,514	3,814,702	-27,620,773	-786	-724
XIII	67 и 68 OTHER REVENUES		5,213,410	1,628,870,031	28,056,298	538	2
XIV	Total revenues (XI+XII+XIII)		2,143,769,213	4,016,389,218	2,113,955,135	99	53

4.3. EXPENDITURES

In the period I-VI 2015 **total expenditures** were achieved in the amount of RSD 3,330,440,234. Thus achieved expenditures are 1% higher than the expenditures achieved in the same period of the previous year and 22% lower than Rebalanced plan for I-VI 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 32,087,791 or 92% less than in the same period of the previous year and 84% less in comparison to the Rebalanced Plan for I-VI 2015. The reason for such reduction of the purchase value of kerosene as compared to the same period last year and compared to the Rebalanced plan for the period I-VI 2015 is actually reduced consumption of kerosene for airlines as well as the cancellation of individual airlines for the supply of kerosene. Since kerosene is recorded on the income and expenditure, the actual revenue of the Company is the difference in price that for the period I-VI 2015 amounted to RSD 1,661,222. The average share of price difference in the sale price of kerosene for the period I-VI 2015 was 4.92%.

The costs of materials (group 51) in I-VI of 2015 amounted to RSD 199,168,581 participate in total expenditures with 6% and mostly refer to: costs of electrical power, costs of basic material, cost of oil fuel for heating, cost of fuel for commercial vehicles, 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-VI 2015 to RSD 1,112,734,670 which is by 49% 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 to JSC Belgrade Nikola Tesla Airport, as well as increasing number of employees. The costs of salaries of employees (gross II Chambers excluded) of Belgrade "Nikola Tesla" Airport amount to RSD 737,383,365; whereas the costs for persons engaged through Youth organizations amount to RSD 176,950,632 (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 most of the **costs of production services** (group 53) refers to the costs of maintenance services in total amount of RSD 63,474,824, which is by 13% less than the same costs in the same period of previous year and by 69% less compared to Rebalanced Plan for the period I-VI 2015. Within this group of costs the larger amount refers to costs of OZB Komerc for Ground Handling Department and Security Department in the amount of RSD 48,791,427, which is 81% less than the same costs in the same period last year.

This group of costs also includes:

- **Lease costs**
- **Costs for advertising and promotion** (they are considerably lower compared to the same period last year (by 96%) and compared to Rebalanced plan for the period I-VI 2015 (by 98%).
- **Costs of other services**

Costs of amortization and reserving (group 54) for the period I-VI 2015 amount to RSD 382,810,458 from which for the clear cost of amortization refer amount of RSD 374,810,458.

Within the **group of intangible costs** (group 55) the largest cost refers to the cost of production services in the amount of RSD 72,836,271. Of these the largest amount refers to the costs OZB Commerce for Technical Maintenance, Investment, Commercial and Legal Departments in the amount of RSD 21,799,150, which is 77% less compared to the same charges in the same period last year. This group of costs include also:

- **Representation costs**
- **Insurance premiums costs**
- **Payment operations costs**
- **Membership fee costs**
- **Taxing costs**
- **Other intangible costs**

Financial expenditures (group 56) in period I-VI 2015 are disclosed in the amount of RSD 78,821,440 which is by 45% higher than in the same period of the previous year and by 33% higher than Rebalanced Plan for the period I-VI 2015.

Realized negative exchange rate differences are in the amount of RSD 46,467,926 and participate with 59% in the pattern of total financial expenditures.

In the pattern of financial expenditures, expenditures realized from interest participate with 31%, and amount to RSD 24,315,899 and are 15% 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 I-VI of 2015 were achieved in the amount of RSD 8,037,616 and are lower by 20% compared to the same period last year.

Other expenditures (group 57 and 58) in period I-VI 2015 were achieved in the amount of RSD 1,215,125,743, while in the same period last year they were RSD 827,324,939. Most of these expenditures refer to value correction of domestic buyers– the major part refers to Air Serbia in the amount of RSD 1,147,622,413 (default interest excluded), as well as to value correction of foreign buyers, than donations for humanitarian, medical and religious purposes in the amount of RSD 4,883,716.

Main suppliers from the point of turnover in I-VI 2015 are: Europlast (RSD 156,654 thousand), OZ Europa (RSD 112,943 thousand).

EXPENDITURE PATTERN

Acc.	Account name	Realization I-VI 2014	Rebalanced Plan I-VI 2015	Realization I-VI 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	378,260,987	201,200,000	32,302,972	9	16
501	PURCHASE VALUE OF SOLD GOODS	378,260,987	201,200,000	32,302,972	9	16
51	COSTS OF MATERIALS AND ENERGY	249,541,919	423,456,730	199,168,581	80	47
511	COSTS OF MATERIALS FOR PRODUCTION	41,996,066	137,164,554	31,203,432	74	23
512	COSTS OF OVERHEADS	12,070,518	12,585,582	8,809,261	73	70
513	COSTS OF FUEL AND ENERGY	150,205,361	197,098,333	136,977,612	91	69
514	COSTS OF SPARE PARTS	29,054,590	55,715,381	9,987,915	34	18
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	16,215,383	20,892,880	12,190,361	75	58
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	745,556,465	1,196,768,959	1,112,734,670	149	93
520	SALARIES AND REIMBURSEMENTS-GROSS	374,052,617	720,147,160	625,431,196	167	87
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	66,947,839	125,778,921	111,952,169	167	89
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	48,546	780,000	33,916	70	4
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	274,695,509	269,947,842	274,120,416	100	102
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	395,306	338,833	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	4,034,380	4,720,203	4,286,393	106	91
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	25,382,268	75,056,000	96,910,580	382	129
53	COSTS OF PRODUCTION SERVICES	434,502,082	397,771,317	166,682,293	38	42
531	COSTS OF TRANSPORTATION SERVICES	146,211,482	60,543,644	45,151,507	31	75
532	COSTS OF MAINTENANCE SERVICES	73,240,764	204,555,042	63,474,824	87	31
533	COSTS OF LEASE	17,842,320	60,049,699	17,384,471	97	29
535	COSTS OF ADVERTISING	16,205,708	26,484,758	580,000	4	2
539	COSTS OF OTHER SERVICES	181,001,808	46,138,173	40,091,491	22	87
54	COSTS OF AMORTIZATION AND RESERVES	365,224,211	477,000,000	382,810,458	105	80
540	COSTS OF AMORTISATION	363,224,211	450,000,000	374,810,458	103	83
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	7,000,000	0	0	0
549	OTHER LONG-TERM RESERVES	2,000,000	20,000,000	8,000,000	400	40
55	INTANGIBLE COSTS	228,680,181	231,821,088	142,794,075	62	62
550	COSTS OF NON-PRODUCTION SERVICES	162,309,678	143,033,792	72,836,271	45	51
551	COSTS OF REPRESENTATION	1,713,734	2,543,472	2,775,181	162	109
552	INSURANCE PREMIUMS	12,820,747	11,487,668	13,078,615	102	114
553	COSTS OF PAYMENT SYSTEM	2,907,712	3,165,000	2,572,158	88	81
554	COSTS OF MEMBERSHIPS	3,545,581	4,364,568	4,156,964	117	95
555	COSTS OF TAXES	37,323,722	53,674,829	40,603,118	109	76
559	OTHER INTANGIBLE COSTS	8,059,007	13,551,760	6,771,769	84	50
56	FINANCIAL EXPENDITURES	54,534,825	59,184,413	78,821,440	145	133
562	INTEREST EXPENDITURES	28,451,299	26,681,913	24,315,899	85	91
563	NEGATIVE EXCHANGE RATE DIFFERENCES	25,793,093	32,327,500	53,573,610	208	166
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	290,432	175,000	931,931	321	533
57	OTHER EXPENDITURES	37,224,764	819,707,500	9,900,301	27	1
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	91,199	2,260,000	3,546	4	0
575	PROTECTION FROM REVALUATION RISK	1,086	2,500	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	800,000,000	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	37,132,479	17,445,000	9,896,755	27	57
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	790,074,916	452,025,000	1,205,225,442	153	267
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	790,074,916	452,025,000	1,205,225,442	153	267
59	EXPENDITURES OF PREVIOUS YEARS	25,259	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	25,259	0	0	0	0
TOTAL EXPENDITURES		3,283,625,607	4,258,935,007	3,330,440,234	101	78

II Quarter

In the period IV-VI 2015 **total expenditures** were achieved in the amount of RSD 1,773,378,724. Thus achieved expenditures are 6% higher than the expenditures achieved in the same period of the previous year and 17% lower than Rebalanced plan for IV-VI 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 1,147,993 or 99% less than in the same period of the previous year and 99% less in comparison to the Rebalanced Plan for IV-VI 2015. The reason for such reduction of the purchase value of kerosene as compared to the same period last year and compared to the Rebalanced plan for the period IV-VI 2015 is actually reduced consumption of kerosene for airlines as well as the cancellation of individual airlines for the supply of kerosene. Since kerosene is recorded on the income and expenditure, the actual revenue of the Company is the difference in price that for the period IV-VI 2015 amounted to RSD 1,343,241. The average share of price difference in the sale price of kerosene for the period IV-VI 2015 was 53.92%.

The costs of materials (group 51) in IV-VI of 2015 amounted to RSD 87,835,922 participate in total expenditures with 5% and mostly refer to: costs of electrical power, cost of fuel for commercial vehicles, tools and inventory below gross salary, 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 IV-VI 2015 to RSD 621,528,107 which is by 64% 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 to JSC Belgrade Nikola Tesla Airport, as well as increasing number of employees. The costs of salaries of employees (gross II Chambers excluded) of Belgrade "Nikola Tesla" Airport amount to RSD 428,631,999; whereas the costs for persons engaged through Youth organizations amount to RSD 89,297,922 (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 most of the **costs of production services** (group 53) in the period IV-VI 2015 refers to the costs of maintenance services in total amount of RSD 45,441,049, which is by 17% higher than the same costs in the same period of previous year and by 54% less compared to Rebalanced Plan for the period IV-VI 2015.

This group of costs also includes:

- **Costs of transport services**
- **Lease costs**
- **Costs for advertising and promotion** (they are considerably lower compared to the same period last year (by 97%) and compared to Rebalanced plan for the period IV-VI 2015 (by 98%).)
- **Costs of other services**
- **Costs of amortization and reserving** (group 54) for the period IV-VI 2015 amount to RSD 193,317,866 from which for the clear cost of amortization refer amount of RSD 190,317,866.

Within the **group of intangible costs** (group 55) for the period IV-VI 2015 the largest cost refers to the cost of production services in the amount of RSD 30,409,530.

This group of costs include also:

- **Representation costs**
- **Insurance premiums costs**
- **Payment operations costs**
- **Membership fee costs**
- **Taxing costs**
- **Other intangible costs**

Financial expenditures (group 56) in period IV-VI 2015 are disclosed in the amount of RSD 32,457,257 which is by 36% higher than in the same period of the previous year and by 10% higher than Rebalanced Plan for the period IV-VI 2015.

Realized negative exchange rate differences are in the amount of RSD 15,805,645 and participate with 49% in the pattern of total financial expenditures.

In the pattern of financial expenditures, expenditures realized from interest participate with 41%, and amount to RSD 13,193,267 and are 22% 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 IV-VI of 2015 were achieved in the amount of RSD 3,458,346 and are twice larger compared to the same period last year.

Other expenditures (group 57 and 58) in period IV-VI 2015 were achieved in the amount of RSD 710,899,003, while in the same period last year they were RSD 461,112,371. Most of these expenditures refer to value correction of domestic buyers– the major part refers to Air Serbia in the amount of RSD 652,024,215 (default interest excluded), as well as to value correction of foreign buyers, than donations for humanitarian, medical and religious purposes in the amount of RSD 2,833,716.

EXPENDITURE PATTERN

Acc.	Account name	Realization IV-VI 2014	Rebalanced Plan IV-VI 2015	Realization IV-VI 2015	INDEX	
					6a (5a/3a)	7a (5a/4a)
1	2	3a	4a	5a	6a (5a/3a)	7a (5a/4a)
50	PURCHASE VALUE OF SOLD GOODS	184,619,631	100,587,500	1,283,918	1	1
501	PURCHASE VALUE OF SOLD GOODS	184,619,631	100,587,500	1,283,918	1	1
51	COSTS OF MATERIALS AND ENERGY	103,192,155	204,961,328	87,835,922	85	43
511	COSTS OF MATERIALS FOR PRODUCTION	16,248,136	54,411,592	7,955,863	49	15
512	COSTS OF OVERHEADS	4,072,487	5,574,158	5,608,135	138	101
513	COSTS OF FUEL AND ENERGY	59,975,716	116,227,358	56,526,286	94	49
514	COSTS OF SPARE PARTS	17,012,567	20,856,896	6,735,055	40	32
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	5,883,249	7,891,325	11,010,582	187	140
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	379,416,804	598,342,290	621,528,107	164	104
520	SALARIES AND REIMBURSEMENTS-GROSS	188,021,818	362,062,940	363,555,565	193	100
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	33,655,858	61,686,534	65,076,435	193	105
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	48,546	390,000	25,316	52	6
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	141,958,262	134,973,921	134,348,984	95	100
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	48,546	169,417	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	1,870,180	2,360,101	2,311,896	124	98
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	13,813,594	36,699,376	56,209,912	407	153
53	COSTS OF PRODUCTION SERVICES	213,183,239	203,878,668	59,643,804	28	29
531	COSTS OF TRANSPORTATION SERVICES	71,390,458	30,846,769	8,484,770	12	28
532	COSTS OF MAINTENANCE SERVICES	38,976,537	99,576,769	45,441,049	117	46
533	COSTS OF LEASE	1,264,099	32,352,959	-2,512,257	-199	-8
535	COSTS OF ADVERTISING	10,975,316	19,367,379	340,000	3	2
539	COSTS OF OTHER SERVICES	90,576,828	21,734,792	7,890,243	9	36
54	COSTS OF AMORTIZATION AND RESERVES	186,205,258	246,925,000	193,317,866	104	78
540	COSTS OF AMORTISATION	184,205,258	225,000,000	190,317,866	103	85
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	3,500,000	0	0	0
549	OTHER LONG-TERM RESERVES	2,000,000	18,425,000	3,000,000	150	16
55	INTANGIBLE COSTS	115,037,770	108,858,956	66,412,847	58	61
550	COSTS OF NON-PRODUCTION SERVICES	85,036,173	77,980,468	30,409,530	36	39
551	COSTS OF REPRESENTATION	530,330	783,472	1,067,960	201	136
552	INSURANCE PREMIUMS	5,462,153	-8,648,951	7,841,266	144	-91
553	COSTS OF PAYMENT SYSTEM	1,485,173	1,582,500	1,445,443	97	91
554	COSTS OF MEMBERSHIPS	1,414,427	2,150,298	1,617,836	114	75
555	COSTS OF TAXES	18,461,591	26,837,414	20,728,056	112	77
559	OTHER INTANGIBLE COSTS	2,647,923	8,173,755	3,302,756	125	40
56	FINANCIAL EXPENDITURES	23,799,143	29,592,206	32,457,257	136	110
562	INTEREST EXPENDITURES	16,807,394	13,340,956	13,193,267	78	99
563	NEGATIVE EXCHANGE RATE DIFFERENCES	6,927,883	16,163,750	19,784,394	286	122
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	63,866	87,500	-520,403	-815	-595
57	OTHER EXPENDITURES	20,559,830	410,153,750	5,332,471	26	1
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	91,199	1,130,000	0	0	0
575	PROTECTION FROM REVALUATION RISK	0	1,250	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	400,000,000	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	20,468,631	9,022,500	5,332,471	26	59
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	440,527,282	226,012,500	705,566,531	160	312
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	440,527,282	226,012,500	705,566,531	160	312
59	EXPENDITURES OF PREVIOUS YEARS	25,259	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	25,259	0	0	0	0
TOTAL EXPENDITURES		1,666,566,372	2,129,312,199	1,773,378,724	106	83

4.3. SALARIES

In the period I-VI 2015 the total sum paid for salaries of employees amounted to RSD 625,431,196 (gross I), which is 67% higher than in the same period of 2014 and 13% less in relation to Rebalanced Plan for the period I-VI of 2015.

Overview of paid salaries (gross I) to employees in I-VI of the current year is given in the table by months:

SALARIES GROSS I

Month	Achievement I-VI 2014	Rebalanced Plan I-VI 2015	Achievement I-VI 2015	Index	
				5 (4/2)	6 (4/3)
1	2	3	4		
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
April	59,635,426	110,823,606	115,580,786	194	104
April-Easter bonus	12,119,827	8,537,802	13,891,582	115	163
May	59,190,994	123,340,121	115,027,051	194	93
June	57,154,146	119,361,408	119,056,146	208	100
Total salaries	349,917,193	703,071,557	603,001,812	172	86
Total bonus	24,213,977	17,075,604	22,429,384	93	131
Total salaries + bonus	374,131,170	720,147,161	625,431,196	167	87

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

In the period I-VI 2015 Gross I salaries are increased by 67% compared to the Gross I salaries in the period I-VI 2014 due to changes in the employment status of a number of persons engaged from OZB Commerce in Belgrade Nikola Tesla Airport, as well as increasing of the number of employees.

In the period I-VI of the current year average Gross I salary with bonus for Christmas and Easter in the Company amounted to RSD 111,176 and is less than the same for the previous year by 15%. The reason for this reduction is the application of 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 79,073.

AVERAGE SALARY GROSS I

Month	JSC ANT
January	124,335
February	112,023
March	104,737
April	120,192
May	104,409
June	101,359
Average I-VI 2015	111,176

AVERAGE SALARY NET

Month	JSC ANT
January	88,297
February	79,661
March	74,558
April	85,396
May	74,330
June	72,193
Average I-VI 2015	79,073

4.4. FINANCIAL RESULT I-VI 2015

In the period I-VI 2015 **gross profit** of the company was disclosed in the amount of RSD 2,495,513,949.

FINANCIAL RESULT						RSD	
S.No.	Position	Achiev.	Rebal. Plan	Achiev.	Index		
		I-VI 2014	I-VI 2015	I-VI 2015			
1	2	3	4	5	6 (5/3)	7 (5/4)	
1	Business revenues	3,684,703,641	4,077,776,584	3,719,368,475	101	91	
2	Business expenditures	2,401,765,844	2,928,018,094	2,036,493,051	85	70	
3	Business profit (1-2)	1,282,937,798	1,149,758,490	1,682,875,424	131	146	
4	Financial revenues	92,414,763	122,844,738	180,293,134	195	147	
5	Financial expenditures	54,534,825	59,184,413	78,821,440	145	133	
6	Financial profit (4-5)	37,879,938	63,660,325	101,471,694	268	159	
6a	Financial loss (5-4)						
7	Other revenues	44,415,968	2,175,080,639	1,926,292,574	4,337	89	
8	Other expenditures	827,324,939	1,271,732,500	1,215,125,743	147	96	
9	Other profit (7-8)		903,348,139	711,166,831	0	79	
9a	Other loss (8-7)	782,908,971			0	0	
10	Total revenues (1+4+7)	3,821,534,371	6,375,701,961	5,825,954,183	152	91	
11	Total expenditures (2+5+8)	3,283,625,607	4,258,935,007	3,330,440,234	101	78	
12	Total gross profit (10-11)	537,908,765	2,116,766,954	2,495,513,949	464	118	
12a	Total gross loss (11-10)						

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 1,897,107,221.

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.

5. DESCRIPTION OF ALL SIGNIFICANT OCCURRENCES IN THE PERIOD I-VI 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.

Management bodies

Extraordinary Meeting of the Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport, is held on 30.04.2015, in the large hall of the Lounge Beograd, Belgrade - Surčin, on the complex of Belgrade Nikola Tesla Airport, starting at 12 hours.

Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport relieved of duty members of the Supervisory Board, Aleksandar Markovic and Jovan Vorkapić and based on the conclusion of the Government of the Republic of Serbia No. 2292/1 of 31.03.2015, and appointed two new members of the Supervisory Board of JSC Belgrade Nikola Tesla Airport: Ljubisa Dejković and Mirko Manojlović.

Regular Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport, was held on 23.06.2014, in the large hall of the Lounge Beograd, Belgrade - Surčin, on the complex of Belgrade Nikola Tesla Airport, starting at 12 hours.

Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport adopted Financial Statements for 2014, Report of the independent auditor with accompanying financial statements of JSC Belgrade Nikola Tesla Airport for 2014, Business Report for 2014, Report of the Supervisory Board of the Company.

Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport has decided to distribute profit realized in 2014 in the amount of RSD 3,417,983,967.97 as follows:

- For gross dividend - a total of RSD 1,333,169,928.00;
- For disposal of Belgrade Nikola Tesla Airport – RSD 1,362,337,435.47 of which the Company reserves – RSD 1,308,380,630.28, for the participation of employees in the profit of the Company Belgrade Nikola Tesla Airport - RSD 53,956,805.19;
- According to the Decision br.05-193/1 dated 18.12.2014 for the payment of interim dividends is determined amount of RSD 722,476,604.50 of which the Republic of Serbia is paid the amount of RSD 600,716,782.82 on 26.02.2015.

For auditor of financial statements of Belgrade Nikola Tesla Airport for 2015 the Shareholders' Assembly has appointed the company "Grant Thornton Revizit" Ltd. from Belgrade.

Shareholders' Assembly of JSC Belgrade Nikola Tesla Airport adopted the Decision on amendment and supplement of the Decision on the rate of airport services of JSC Belgrade Nikola Tesla Airport, the Decision on preliminary approval to the BRS price list (Baggage Reconciliation Service – baggage sorting services) Decision on granting preliminary approval to the PRM price list (Passenger with reduced mobility - assistance services to passengers with reduced mobility).

Other significant occurrences in the period I-VI 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:** Upon completed public procurement procedure for selection of the most favourable tenderer for development of technical documentation for construction of aircraft de/anti-icing apron, is selected consortium with leading member, company Mašinoprojekt koprivica. On 09.06.2015 Supply Contract is concluded. Total value of contract is RSD 8,400,000 and deadline for development of technical documentation is 90 days from the date of contract conclusion. Designer has submitted two alternatives of conceptual design and making of Prefeasibility Study with Preliminary Design is in progress.

Technical documentation for upgrade of 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:** Upon completed public procurement procedure for the selection of the most favourable tenderer for preparation of technical documentation for upgrade of finger hall C, company Mašinoprojekt koprivica is selected. On 29.04.2015 is concluded Public Procurement Contract. Total amount of contract is RSD 18,970,000. Designer submitted two alternatives of Conceptual design for upgrade of finger hall C. Development of the second alternative of upgrade of finger hall C is in progress.

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. Ministry of Construction, Transport and Infrastructure issued a Decision on the building permit on 14.05.2015. After the public procurement procedure for selection of the most favourable tenderer for execution of works on construction of D check point, a consortium was selected headed by the company

Morava IN. The contract was signed on 15.07.2015. Introduction of the contractor to the job is in progress. The deadline for execution of the works is 120 days.

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:** Works on organizing new border crossings have been completed. The border crossing was put into operation on 23.06.2015. The total value of the works amounted to 45 million dinars.

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:** After the public procurement procedure for selection of the best bidder for the development of technical documentation was chosen company Quiddita. On 28.04.2015 the contract was concluded on procurement for technical documentation. The total contract value amounts to RSD 1.939.000. The deadline for preparation of technical documentation is 75 days from the date of signing the contract. Preliminary design was completed and forwarded to the Revision Committee for expert control.

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 Revision 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.

Arranging commercial space

• **Purpose:** Increase of airport capacities and the commercialization of space in Terminal 1 in order to improve the quality of services and increase revenues from non-aviation services. New organization of space is planned which involves the formation of offices, meeting rooms, room for operative services, break premises, kitchenettes as well as the formation of the premise for UPS installations. In order to improve the above premises works are planned on the making of suspended ceilings with lighting, partition walls, replacement of flooring, renovation of facades and finishing of the area.

• **Status:** After the public procurement procedure for selection of the best bidder for the execution of the works a consortium is selected, headed by the company Concord West. The deadline for completion of works is 40 days from the date of introduction into the business. Works are carried out according to the project that was prepared by Company Flow plus.

Decorating the ground floor of Terminal 1 and the connecting part

• **Purpose:** Increase of airport capacities and the commercialization of space in Terminal 1 in order to improve the quality of services and increase revenues from non-aviation services. Arrangement includes dismantling of existing commercial space in the connecting part and the ground floor of Terminal 1 (travel agencies counters, shops and restaurant) and a complete renovation and equipping of the space with new, modern, interior solutions. This position should also provide arranging of baggage claim area in Terminal 1, which includes the dismantling of equipment for sorting and transfer of baggage, and complete renovation and equipping of the space with new, modern, interior solutions.

• **Status:** After the public procurement procedure for selection of the best bidder for the development of technical documentation was chosen company Mašinoprojekt Koprivica. On 06.05.2015 the contract was concluded on public procurement for technical documentation. The total contract value amounts to RSD 780,000. The deadline for preparation of technical documentation is 30 days from the date of conclusion of the contract. Elimination of objections to Conceptual solutions are in progress.

Investment "Purchase of roll-up doors"

- **Purpose:** Public procurement completed, selected the most successful bidder and the contract signed under No. 17-56/2015 with the contractor in the amount of RSD 3,333,000.00. The purchase anticipates replacement of the industrial door on garage of fire brigade and on the facility of mechanization- total of 8 doors. Replacement is done due to obsolescence of doors and because of the need that doors meet certain requirements in speed and thermal insulation that existing doors does not meet.
- **Status:** Dismantling of old and installation of new doors began at the end of May and is completed by mid-June. All doors were installed, tested and put into operation by 12.06.2015.

Investment purchase of "Bus"

- **Purpose:** Public procurement was conducted, selected the most successful bidder and the contract signed under No. 17-117/2015 dated 22.07.2015 with the company "Centar S" in Belgrade, in the amount of EUR 252,900.00. The purchase planned purchase of one bus for transport of passengers on apron, which is equipped also for transportation of handicapped persons. Procurement is carried out after the performed analysis that due to the increased volume of traffic in the daily rush hour, it will be necessary to use six passenger buses simultaneously. Currently ANT owns four passenger buses.
- **Status:** Awaiting delivery of buses.

Service of public lighting adaptation and service of design of external luminous sign at Terminal 2

- **Purpose:** Public procurement was conducted, selected the most successful bidder and signed contracts under No. 17-47/2015 and 17-48/2015 with the contractor Electrical Energy in the amount of RSD 3,780,000.00 that is RSD 1,995,000.00. The purchase envisaged public lighting adaptation service around the parking lot P2 and making of inscription on the frieze of the roof of terminal 2 towards apron C.
- **Status:** The service is fully realized at the end of April and the first half of May.

Investment "Works on the lighting of the central line of the LS from positions B2 to B7 and works on lighting of the central line of the LS positions A10 to A14"

- **Purpose:** Public procurement was conducted, selected the most successful bidder and the contract signed under No.17-111/2015 with the contractor Mihajlo Pupin Institute, IMP Automatika, in the amount of RSD 26,107,171.21. The purchase envisaged construction and electrical installation works according to the main project of LS guidance of aircraft to positions on aprons A and C - Phase 2 and Phase 3 of the project, equipping of central lines (TWY, H, junctions K and L; TWG from A10 to A14) with modern LED lights.
- **Status:** Implemented a preparatory phase before the execution of the works, administration, coordination and organizational activities of the services of Belgrade Nikola Tesla Airport, contractors, supervision, established organization and work schedule, the expected works implementation period 27.07.2015-01.09.2015.

Investment "Adaptation of field lighting system remote monitoring and management of the manufacturer TRANSCON Czech Republic"

- Purpose: The public procurement procedure is in its final stage. Selection of the best bidder is expected. Purchase envisages modernization of existing cabinets and accompanying software, which would give new factory assembled and tested the main control unit of AMS system, equipped with modern components of a new generation devices with greater capacity, reliability, and advanced functions of supervision over the operation of LS equipment.

- Status: The public procurement procedure is in its final stage. Bids are opened, expected recommendations of the Committee, the decision on contract award, the conclusion of the contract. The expected period of realization is 21.08.2015-10.10.2015.

Implementation of information systems for the registration of passengers and baggage (DCS)

- **Purpose:** The right of use as well as technical support for the Information System for the registration of passengers and baggage of Belgrade Nikola Tesla Airport.

JSC Belgrade Nikola Tesla Airport in according with signed contracts for aircraft passengers and goods handling, is obliged to provide also passengers and baggage check-in and load sheet services for the group of airlines. Procurement is initiated by ITT Department, and realized in cooperation with employees of Ground Handling Department. The envisaged deadline for the implementation is 8 August 2015. In the period from 09 June to 14 July 2015, for all airlines that use the airport system; is made a successful migration from the old DCS Gaetan system to the new DCS iPort system. In due course is also realization of the process, and of passengers and baggage check-in by Internet, a service that has not been offered earlier by Belgrade Nikola Tesla Airport.

In the period of implementation of the system at the same time was passed training of employees for work on the new system, of Passenger Handling and Technical handling divisions, a total of 104 employees of GHD.

- **Purpose:** The right to use the information system for the registration of passengers and baggage of the group of airlines *Austrian Airlines, Lufthansa, SWISS*.

In May 2015, on request of the group of airlines *Austrian Airlines, Lufthansa, SWISS*, which for aircraft, passengers and baggage handling use their information system for registration, a migration was made from the Company's systems for the registration of passengers and baggage *DCS Picture* to *DCS Altea*. During the preparation and implementation of the said system, about 48 employees are trained from Passenger Handling of the Ground Handling Department. The request for migration of the system is sent by the specified group of airlines.

The company LOT - Polish Airlines has temporarily suspended flights from 01.06.2015

According to previous announcement of Polish Airlines LOT - Polish Airlines has temporarily suspended traffic on the route Warsaw-Belgrade until early 2016, as announced in a press release.

THERE IS A **NEW DCS SYSTEM** iPort INTRODUCED THAT HAS PUT OUR AIRPORT IN LINE OF AIRPORTS WITH THE MODERN SYSTEM FOR REGISTRATION OF PASSENGERS AND BAGGAGE.

Instead of the previous GAETAN system, after a long time of preparation and introduction procedure came into force on 01.07.2015 the new DCS system iPort.

In this regard, is introduced a new price of 0.55 euros per passenger processed in our DCS system instead of the previous 0.50 euros per passenger processed in our DCS system.

Suspension of the part of charter flights for the summer season 2015 which reduced the planned revenue from airline operations

Due to not issuing permits for the first wave of charter flights for the season S15 there is a decrease of realized flights compared to the previous season S14 which will affect the revenues generated based on airline operations.

JET FUEL PRICE CHANGES THAT LED TO THE REDUCTION OF REVENUES FOR THIS SERVICE

Due to the high price of **jet fuel** there has been drain of the part of customers and fall of revenues from the delivery of the same. After signing a contract with a new supplier it is expected to conclude contracts with new clients.

Conclusion of Annex I of the Lease Agreement with Air Serbia according to the Decision of the Supervisory Board of JSC Belgrade Nikola Tesla Airport - execution of works for investment maintenance of the roof of Terminal 1

• **Purpose:** Annex I made was based on the letter, which was filed in the archives of the Company under the number 3550 on 19.05.2015 and refers to the request of the tenant Air SERBIA for postponement of payment of the agreed rent until the completion of bringing business premises to the purpose, that is latest by 30.08.2015, as well as the harmonization of positions and statement of the lessee Air SERBIA on its willingness to carry out works for the investment maintenance of the roof above the premise. Main Lease Agreement is concluded on 26.03.2015 under No. 14-15/2015. In connection with the state of the subject business premises total area of 391,91 m², located in A finger hall and roof surface of the building of Terminal 1 above the office space for repairing, surface 620.00 m², a meeting was held between of the relevant Departments of JSC Belgrade Nikola Tesla Airport and Minutes was made on 15.05.2015 on the state of office space and a supplement of expert report of the City Bureau of Expertise, which was filed in the archives of the Company under number 4212/3 on 09.06.2015 and forms a part of Annex I to the Lease Agreement.

• **Status:** It is concluded Annex I to the Lease Agreement with the Joint Stock Company for Air Transportation Air SERBIA Belgrade No. 14-29/2015 of 09.06.2015 on the basis of previously adopted Decision of the Supervisory Board No. 05-193/1 of 29.05.2015.

Conclusion of the Government of the Republic of Serbia with the proposal Protocol on regulation of mutual rights and obligations between JSC Belgrade Nikola Tesla Airport and the Ministry of Internal Affairs of the Republic of Serbia

• **Purpose:** On the proposal of the Ministry of Internal Affairs the Government of the Republic of Serbia adopted Conclusion 05 number: 401-6099/2015-1 on 10.07.2015 in relation to the regulation of mutual rights and obligations between the Ministry of Internal Affairs and JSC Belgrade Nikola Tesla Airport. Conclusion recommended to the Supervisory Board of JSC Belgrade Nikola Tesla Airport to exempt direct beneficiary of budget funds, the Ministry of Interior, in the period from 01 January to 31 December 2015 from payment of fixed (common) costs for the use of office space arising from the Lease Agreement 1068/2005 dated 28.12.2005, Annex I No. 763/2006 of 03.10.2006 and Annex II No. 306/2007 of 22.06.2007 on transmission and supply of electricity No. 784/2006 of 16.10.2006 and the Contract on the use of communications systems No 760/2006 of 02.10.2006 and that Airport will continue to use and technically maintain of 11 X-ray devices for passengers and hand baggage security control free of charge according to the Minutes on the handover of x-ray device number 8225 of

20/12/2012, between the Border Police Station of Ministry of Internal Affairs of RS and Security Department of Belgrade Nikola Tesla Airport.

- **Status:** Agreement with the Ministry of Interior Affairs is in progress in connection with the implementation of the Protocol and preparation of materials for the proposal of decision of the Supervisory Board of JSC Belgrade Nikola Tesla Airport.

Expansion of IP telecommunications systems with contact center

• **Purpose:** The subject of the contract is the purchase and expansion of the telecommunication system and switchboard with new software platforms and user IP phones and equipment, as well as systems integration with other parts of IP telecommunications systems. This acquisition has significantly improved telecommunications system and switchboard by new possibilities and obtained a modern system of communications. Through this procurement a special system function was implemented that aims to reduce the cost of telephone calls from abroad. A special system option is implemented that translates service of mobile charging from abroad on a local call tariff. The result is significantly reduced phone bills for mobile services.

- Value: RSD 11,894,368.83 VAT excluded
- Supplier: Algotech d.o.o.

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.

The expansion of server and storage systems

• **Purpose:** This acquisition extended capacity of data storage systems, which have improved the performance and operation of said system. Modern equipment for data storage is purchased, which in conjunction with existing devices make up a unified system for safe and reliably storage and backup of data of the business information systems.

- Value: RSD 11,789,200.00 without VAT
- Supplier: MDS Information Engineering

Expansion of fire alarm systems

• **Purpose:** This investment represents an extension of fire alarm systems of the facilities of AIRPORT "NIKOLA TESLA" - TERMINAL 1, TERMINAL 2, TS 'RUNWAY' 'CONNECTING TRACT OF TOWER BUILDING AKL TO THE TERMINAL 1, ANNEX OF TERMINAL 1, CONNECTING PART OF TERMINAL 1 - TERMINAL 2, VIP LOUNGE AND TECHNICAL BASE, which provides for replacement of existing automatic fire detection alarms and dismantling of the existing central units and installation of new addressable fire control panels. It is anticipated networking of the newly exchanges of fire alarm systems with existing fire alarm control panels that are located in the building RCS ground floor and the room KRC into a single infrastructure. Designed addressable system is fully compatible with the existing addressable system that is built into the RCS and finger halls.

It is envisaged to connect fire panels to an existing computer network to connect to the system of early notification service for maintenance by sending an e-mail with a description of the event.

It is designed in a modern interactive addressable system for automatic fire detection which provides clear presentation of pre-alarm and alarm states showing the location of the activated detector.

The result of this investment will be modern and reliable fire alarm system in the building of Nikola Tesla Airport. Fire detection systems of all these facilities will be, in accordance with the new Law on Fire Protection, integrated into a single system, which is an essential element in the safety of the airport complex.

- Value: RSD 8,634,262.80 without VAT
- Supplier: MDS Information Engineering

The introduction of wireless Internet access in the complex of ANT

• **Purpose:** By entering into a contract on hire of network infrastructure wireless Internet access was introduced at the complex of the airport Nikola Tesla. Airport users will be able, until the end of the summer season, to use the service of wireless Internet access free of charge, throughout the airport complex. After that, there will be the possibility to use it free of charge for the first 30 minutes, with the possibility of buying Internet hours. In this way, users of the airport are provided with comfort and constant availability of information from the outside world, business correspondence, e-mails and other benefits.

- Supplier: Serbia Broadband - Serbian cable network

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 28.02.2015, 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 Supplier: E-SMART SYSTEMS, Contract no. 17-40/2015 of 25.03.2015.

Information systems for the registration of passengers and baggage - DCS

• **Purpose:** Information system for the registration of passengers and baggage - DCS (Departure Control System) is an information system that is used in the process of registration of passengers and baggage, aircraft boarding control of passengers, cargo loading and making of aircraft load sheets.

JSC Belgrade Nikola Tesla Airport has signed a contract for the supply, implementation and maintenance of DCS system. The implementation of the said system is in progress, and in August is foreseen start of system operation. The main role of this information system is to provide a process of aircraft, passengers and goods handling with the aim to provide a high level of service, safety, security and efficiency, both to clients and the airport. This system replaced DCS Gaetan, which is has been used at the airport for more than 10 years, and which termination of operation is announced by the end of July 2015.

- Value: 228,815.00 Euros without VAT
- Supplier: a group of bidders ASSECO SEE d.o.o. and RES2 BV, Contract no. 17-53/2015 of 15.04.2015.

Passengers and baggage reconciliation system - BRS

• **Purpose:** Purchaser of passengers and baggage reconciliation system - BRS enables the automation of the passengers and baggage reconciliation process at the Airport Nikola Tesla.

JSC Belgrade Nikola Tesla Airport has signed a contract for the supply, implementation and maintenance of BRS system. The implementation of the said system is in progress, and in August was set the beginning of its operation. The introduction of BRS system enables automation of the important process of work in aircraft, passengers and goods handling of and is one of the next steps in the development of an integrated environment of specific airport systems and provides increased support of information systems to business processes of the Airport. The system should provide a higher level of quality of the process of baggage handling, improving communication paths and providing a common service platform also for the agents involved in the process of passenger and baggage handling.

- Value: 193,890.00 Euros without VAT
- Supplier: a group of bidders ASSECO SEE d.o.o. and TRAVSYS BV, Contract no. 17-89/2015 of 06.05.2015.

Bag message service - BMS

• **Purpose:** The BMS is a service that is essential for the operation of BRS system and which allows its connection to the systems for registration of passengers and baggage (DCS) of airport users.

JSC Belgrade Nikola Tesla Airport has completed the implementation of this system on 24.06.2015, and the handover protocol was signed on 08.07.2015 after completion of testing for a period of 2 weeks. Bag Message is a service for the distribution of messages designed to provide IATA BAGGAGE INFORMATION MESSAGES both to airlines that need to distribute messages on baggage, and airports that need unified data transmission to their systems for baggage handling, for a number of different users (airlines, airport, etc.).

- Value: BAG MESSAGE SERVICE - BMS 112,704.00 euros without VAT
- Supplier: SITA INC BV, Contract no. 17-97/2014 from 29.04.2014.

Standard IT equipment

• **The purpose:** The foreseen procurement will extend the existing server capacity of DATA CENTER to the virtual environment, the implementation of new business information systems, as well as the migration of existing systems to the virtual environment.

- a. **BRS** (Baggage Reconciliation System) - A system for matching passengers and baggage
- b. **Microsoft SharePoint Server 2013** - includes the installation and configuration of servers, making internal portal and the development of modules, "Registry Office" and "Public Procurement", which will represent a very demanding services on the new portal.
- c. **Microsoft Exchange Server** - the extension of existing capacity.
- d. **Single Sign On Server** - Single Sign On (SSO for short) is an authentication process that allows the user presenting of his accreditation information only once to gain access to all allowed resources. After a user authenticates, he can run applications that he is authorized for.
- e. **ERP** (Enterprise Resource Planning) - software that will monitor the entire business of the company with all transactions and organization of the production process.
- f. **Back-up servers** - Back-up is a process that refers to making copies of the original source data in case the original source of the data is damaged.
- g. **Microsoft Lync** - communication server
- h. **System Center Configuration Manager** - Server that controls computers and servers, updates and maintenance updated version of the application, setup configuration and security policies, monitors state of systems.

As well as other Microsoft services.

- Value: RSD 9,776,600.00 without VAT
- Supplier: PAN COMPUTERS, Contract no. 17-61/2015 of 22.04.2015.

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

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.

6.1. 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 30.06.2015, 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 30.06.2015 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.

a. 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.

b. 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.

7. MAJOR ACTIVITIES OF THE COMPANY WITH RELATED PARTIES IN THE FIRST SIX MONTHS OF THE CURRENT BUSINESS YEAR

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, 31 July, 2015

Chairman of the Executive Board

Acting Director General
Saša Vlaisavljević



Finance Department Director

D. Pejović
Dobriša Pejović

C.O.

Director General's Office



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STATEMENT

Hereby we state that, according to our best knowledge, the quarterly report for the second quarter, which contains data for the first six months of 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.

**Executive Board President
Acting Director General**



Saša Vlasisavljević

Finance Director

D. Pejović

Dobrila Pejović

C.O.