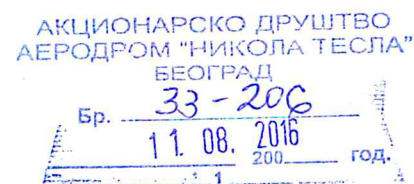
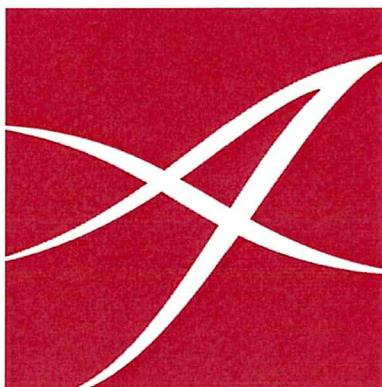


# JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



In accordance with Article 53 of the Capital Market Act (Official Gazette of RS No. 31/2011 and 112/2015) and in accordance with the Regulations on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies published by the Commission for Securities, Joint Stock Company Belgrade Nikola Tesla Airport announces:

## **THE QUARTERLY REPORT FOR THE SECOND QUARTER, WHICH CONTAINS DATA FOR THE FIRST SIX MONTHS OF 2016**



## **C o n t e n t**

### **1. Financial statements for the second quarter of 2016 and for the period I-VI 2016**

- Income Sheet for the second quarter of 2016 and for the period I-VI 2016;
- Balance Sheet on 30.06.2016;
- Report on other results for the period I-VI 2016;
- Statement on changes in capital up to 30.06.2016;
- Cash Flow Statement for the period I-VI 2016; and
- Notes to the financial statements with 30.06.2016 conclusive.

### **2. Report on company operations for the second quarter of 2016 and for the period I-VI 2016**

### **3. Statement**

**FINANCIAL STATEMENTS 30 June, 2016**

- 1. INCOME SHEET for the second quarter of 2016 and for the period I-VI 2016;**
- 2. BALANCE SHEET on 30 June, 2016;**
- 3. REPORT ON OTHER RESULTS for the period I-VI 2016;**
- 4. STATEMENT ON CHANGES IN CAPITAL for the period I-VI 2016;**
- 5. CASH FLOW STATEMENT for the period I-VI 2016;**
- 6. NOTES TO THE FINANCIAL STATEMENTS on 30 June, 2016.**

**02 August 2016**

**INCOME SHEET**  
In the period from 1 January to 30 June, 2016

**INCOME SHEET**

for the period from 01.01.2016 to 30.06.2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2016)	Cumulative (01.01-30.06.2016)	Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)
1	2	3	4	5	6	7	8
	<b>REVENUES OF REGULAR BUSINESS</b>						
60 to 65, excep. 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		2,160,664	3,920,357	2,009,253	3,719,368
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	5	34,305	56,054	2,895	34,536
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	5	659	998	404	768
605	6. Revenue from sale of goods in foreign market	1008	5	33,646	55,056	2,491	33,768
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	1,895,733	3,456,639	1,795,661	3,312,286
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	832,783	1,477,517	751,483	1,358,741
615	6. Revenues from sale of products and services in foreign market	1015	7	1,062,950	1,979,122	1,044,178	1,953,545
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		230	230		
65	IV OTHER OPERATING REVENUES	1017	9	230,396	407,434	210,697	372,546

**INCOME SHEET (continued)**  
**In the period from 1 January to 30 June, 2016**

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2016)	Cumulative (01.01-30.06.2016)	Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)
1	2	3	4	5	6	7	8
	<b>EXPENDITURES OF REGULAR BUSINESS</b>						
50 to 55, 62 and 63	<b>B. OPERATING EXPENSITURES</b> (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		1,171,360	2,389,172	1,030,023	2,036,493
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	29,036	51,234	1,284	32,303
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	11	26,222	76,179	31,310	62,191
513	VI. COSTS OF FUEL AND ENERGY	1024	12	54,494	127,286	56,527	136,978
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	13	713,889	1,419,313	621,528	1,112,735
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	67,231	168,397	59,644	166,682
540	IX. AMORTIZATION COSTS	1027	15	211,877	416,893	190,317	374,810
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	2,000	2,000	3,000	8,000
55	XI. INTANGIBLE COSTS	1029	17	66,611	127,870	66,413	142,794
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		989,304	1,531,185	979,230	1,682,875
	G. OPERATING LOSS (1018 – 1001) ≥ 0	1031					
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		64,714	126,312	76,645	180,293
66, excep. 662, 663 and 664	I. FINANCIAL REVENUES FROM RELATED PARTIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0			
660	1. Financial revenues from parent companies and subsidiaries	1034					
661	2. Financial revenues from other related parties	1035					
665	3. Revenue from participation in profit of associated legal entities and joint ventures	1036					
669	4. Other financial revenues	1037					
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	27,939	53,406	66,372	102,248

**INCOME SHEET (continued)**  
**In the period from 1 January to 30 June, 2016**

- in thousands RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2016)	Cumulative (01.01-30.06.2016)	Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)
1	2	3	4	5	6	7	8
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	36,775	72,906	10,273	78,045
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		28,072	54,494	32,457	78,821
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	11,550	21,640	13,193	24,316
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	16,522	32,854	19,264	54,505
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		36,642	71,818	44,188	101,472
	Ž. LOSS FROM FINANCING (1040 – 1032)	1049		0			
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	285	285	9,437	9,437
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	0	7	705,567	1,205,225
67 and 68, excp. 683 and 685	J. OTHER REVENUES	1052	24	34,571	36,265	18,620	1,916,856
57 and 58, excp. 583 and 585	K. OTHER EXPENDITURES	1053	25	13,556	17,103	5,332	9,901
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	1,047,246	1,622,443	340,576	2,495,514

**INCOME SHEET (continued)**  
**In the period from 1 January to 30 June, 2016**

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.04-30.06.2016)	Cumulative (01.01-30.06.2016)	Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)
1	2	3	4	5	6	7	8
	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					
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	1,047,246	1,622,443	340,576	2,495,514
	O. LOSS BEFORE TAX (1055 – 1054 + 1057 – 1056)	1059					
	P. INCOME TAX						
721	I. INCOME TAX EXPENDITURE	1060	26	107,495	171,552	48,330	308,726
part of 722	II. DEFERRED TAX EXPENDITURE	1061	26	62,892	76,829	949	
part of 722	III. DEFERRED INCOME TAX	1062		0		0	15
723	R. EARNINGS PAID BY EMPLOYER	1063					
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	27	876,859	1,374,062	291,297	2,186,803
	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					

**BALANCE SHEET**  
**On 30 June, 2016**

BALANCE SHEET

on 30.06. 2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	<b>ASSETS</b>					
0	A. NON-PAID UP SUBSCRIBED CAPITAL	1				
	B. FIXED ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	2		21,778,295	21,730,626	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	3	28	77,911	80,523	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	77,911	80,523	
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	29	21,576,851	21,529,104	0
020, 021 & part 029	1. Land	11	29	9,137,520	9,120,668	
022 & part 029	2. Buildings	12	29	9,698,642	9,858,745	
023 & part 029	3. Plants and equipment	13	29	2,475,337	2,482,528	
024 & part 029	4. Investment property	14	29	26,073	26,073	
025 & part 029	5. Other property, plants and equipment	15	29	3,619	3,619	
026 & part 029	6. Property, plants and equipment in progress	16	29	170,960	20,236	
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	29	64,700	17,235	
3	III. BIOLOGICAL AGENCIES (0020 + 0021 + 0022 + 0023)	19		105	120	0
030, 031 & part 039	1. Forests and perennial plants	20				
032 & part 039	2. Livestock unit	21	29	105	120	
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		123,428	120,879	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	30	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	31	123,427	120,878	



**BALANCE SHEET (cont'd.)  
On 30 June, 2016**

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	<b>ASSETS</b>					
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		7,071,360	6,540,995	0
Class 1	I STOCKS (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		137,028	141,272	0
10	1. Material, spare parts, tools and small inventory	45	32	108,565	94,820	
11	2. Unfinished production and unfinished services	46				
12	3. Ready products	47				
13	4. Goods	48	33	1,787	12,301	
14	5. Non-current assets intended for sale	49				
15	6. Advances paid for stock and services	50	34	26,676	34,151	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		1,655,034	1,701,939	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	35	948,325	1,069,267	
205 & part 209	6. Buyers abroad	57	36	706,709	632,672	
206 & part 209	7. Other receivables from sale	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	37	196,195	90,631	
236	V FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME SHEET	61				
23except. 236 and 237	VI SHORT-TERM INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62		3,982,695	3,876,640	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	38	82,512	77,841	
233 & part 239	4. Short-term credits and loans abroad	66				
234, 235, 238 & part 239	5. Other short-term financial investments	67	39	3,900,183	3,798,799	
24	VII CASH AND CASH EQUIVALENTS	68	41	1,057,794	704,127	
27	VIII VALUE ADDED TAX	69				
28except. 288	IX PREPAYMENTS AND ACCRUED INCOME	70	42	42,614	26,386	
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	71		28,849,655	28,271,621	0
88	Б. OFF-BALANCE SHEET ASSETS	72	62	763,734	320,491	

**BALANCE SHEET (cont'd.)**  
**On 30 June, 2016**

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	<b>LIABILITIES</b>					
	A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)	401	43	26,229,109	25,697,984	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	44	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	45	4,120,259	2,842,810	
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLES, PROPERTY, PLANTS AND EQUIPMENT	414	45	148,390	148,390	
33except. 330	VI. NON-REALISED INCOMES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance of group account 33 except 330)	415	45	12,788	12,788	
33except. 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	46	1,374,062	2,120,386	0
340	1. Non-distributed profit of previous years	418	46	0	144,356	
341	2. Non-distributed profit of the current year	419	46	1,374,062	1,976,030	
	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		995,772	1,017,814	0
40	I LONG-TERM RESERVES (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	47	191,993	225,020	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	48;49	108,947	110,239	
405	5. Reserves for litigations	430	48;89	83,046	114,781	
402 и 409	6. Other long-term reserves	431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		803,779	792,794	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, 2016**

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	<b>LIABILITIES</b>					
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;51	803,779	792,794	
416	7. Liabilities base on financial leasing	439				
419	8. Other long-term liabilities	440			0	
498	V. DEFERRED TAX LIABILITIES	441	26	165,137	88,308	
42 to 49 (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		1,459,637	1,467,515	0
42	I SHORT-TERM FINANCIAL OBLIGATIONS (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443	52	51,393	101,380	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	51,393	101,380	
430	II RECEIVED PRIPAYMENT, DEPOSITS AND BAILS	450	53	88,179	62,361	
43 except 430	III BUSINESS LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		212,305	240,783	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	168,673	204,483	
436	6. Suppliers abroad	457	55	1,841	10,916	
439	7. Other business liabilities	458	56	41,791	25,384	
44, 45 и 46	IV OTHER SHORT-TERM LIABILITIES	459	57	953,254	858,225	
47	V LIABILITIES FROM VALUE ADDED TAX	460	58	53,184	25,809	
48	VI LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	461	59;60	8,953	96,616	
49 except 498	VII ACCRUALS AND DEFERRED INCOME	462	61	92,369	82,341	
	D. LOSS OVER CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	463				
	DJ. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		28,849,655	28,271,621	0
89	E. OFF-BALANCE SHEET LIABILITIES	465	62	763,734	320,491	

STATEMENT ON OTHER COMPREHENSIVE RESULT in the period 1 January to 30 June, 2016

STATEMENT ON OTHER RESULTS								
for the period from 01.01.2016 to 30.06.2016								
- In thousands RSD -								
Group of accounts-account	POSITION	ADP	Note No.	Amount				
				Current year		Previous year		
				Quarter (01.04-30.06.2016)	Cumulative (01.01-30.06.2016)	Quarter (01.04-30.06.2015)	Cumulative (01.01-30.06.2015)	
1	2	3	4	5	6	7	8	
	<b>A. NET RESULTS FROM OPERATIONS</b>							
	I. NET PROFIT (ADP 1064)	2001	27	876,859	1,374,062	291,297	2,186,803	
	II. NET LOSS (ADP 1065)	2002						
	<b>B. OTHER COMPREHENSIVE PROFITS AND LOSS</b>							
	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						
	b) decrease in revaluation reserves	2004		0		0	0	
	2. Actuarial gains and losses on defined benefit plans							
331	a) gains	2005						
	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						
	<b>I. OTHER GROSS COMPREHENSIVE PROFIT</b>							
	(2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) – (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			0	0	0	
	<b>II. OTHER GROSS COMPREHENSIVE LOSS</b>							
	(2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) – (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		0	0	0	0	
	<b>III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD</b>	2021						
	<b>IV. NET OTHER COMPREHENSIVE PROFIT</b>							
	(2019 – 2020 – 2021) ≥ 0	2022			0	0	0	
	<b>V. NET OTHER COMPREHENSIVE LOSS</b>							
	(2020 – 2019 + 2021) ≥ 0	2023		0	0	0	0	
	<b>B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD</b>							
	<b>I. TOTAL NET COMPREHENSIVE PROFIT</b>							
	(2001 – 2002 + 2022 – 2023) ≥ 0	2024		876,859	1,374,062	291,297	2,186,803	
	<b>II. TOTAL NET COMPREHENSIVE LOSS</b>							
	(2002 – 2001 + 2023 – 2022) ≥ 0	2025		0	0	0	0	
	<b>G. TOTAL NET COMPREHENSIVE PROFIT OR LOSSY (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 &gt; 0</b>	2026		876,859	1,374,062	291,297	2,186,803	
	1. Attributable to majority owners of capital	2027						
	2. Attributable to owners who do not have control	2028						

STATEMENT ON CHANGES IN CAPITAL  
In the period from 1 January to 30 June, 2016

STATEMENT ON CHANGES IN CAPITAL in the period from 01.01 to 30.06.2016

- in thousands RSD -

Serial No.	DESCRIPTION	Capital components										Components of other result							Total capital (line 1a col. 3 to col. 19) - (line 1a col. 3 to col. 15) ≥ 0	Loss above capital (line 1a col. 3 to col. 19) - (line 1a col. 3 to col. 15) ≥ 0												
		ADP	Core capital	ADP	Non-paid subscribed capital	ADP	Reserves	ADP	Reserves	ADP	Loss	ADP	Repurchased own shares	ADP	Non-distributed profit	ADP	Revaluated reserves	ADP			Actuarial gains and losses	ADP	Gains or losses from investments in equity instruments	ADP	Gains or losses from equity interest in other profit or loss of associated companies	ADP	Profit and loss based on foreign operations and conversion of financial statements	ADP	Gains or losses on hedging instruments of cash flow	ADP	Gains or losses on securities available for sale	ADP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17																
1	Opening balance on 01.01.2015																															
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	4020	1,534,430	4056	0	4074	0	4092	2,839,860	4110	148,569	4128	5177	4146	0	4238	0	4218	0	4200	0	4200	0	4220	0	4238	0	25,101,646	0	
	Correction of materially significant errors and changes of accounting policies																															
2	a) corrections on the debit side of the account	4003	0	4021	0	4057	0	4075	0	4093	0	4111	0	4129	0	4147	0	4165	0	4183	0	4201	0	4219	0	4236	0	4254	0	4245	0	0
	b) corrections on the credit side of the account	4004	0	4022	0	4058	0	4076	0	4094	0	4112	0	4130	0	4148	0	4166	0	4184	0	4202	0	4220	0	4237	0	4255	0	0	0	0
	Updating of opening balance on 01.01.2015																															
3	a) corrected debit balance of account (1a + 2a - 2b) ≥ 0	4005	0	4023	0	4059	0	4077	0	4095	0	4113	0	4131	0	4149	0	4167	0	4185	0	4203	0	4221	0	4238	0	4256	0	4246	0	0
	b) corrected credit balance of account (1b - 2a + 2b) ≥ 0	4006	20,573,610	4024	1,534,430	4060	0	4078	0	4096	2,839,860	4114	148,569	4132	5177	4150	0	4168	0	4186	0	4204	0	4222	0	4240	0	4258	0	25,101,646	0	0
	Changes in the previous 2015																															
4	a) Turnover on the debit side of the account	4007	0	4025	0	4061	0	4079	0	4097	4,010,503	4115	179	4133	1543	4151	0	4169	0	4187	0	4205	0	4223	0	4241	0	4259	0	4247	0	0
	b) Turnover on the credit side of the account	4008	0	4026	0	4062	0	4080	0	4098	3,291,029	4116	0	4134	8954	4152	0	4170	0	4188	0	4206	0	4224	0	4242	0	4260	0	596,338	0	0
	Balance at the end of prev. year on 31.12.2015																															
5	a) debit balance of account (3a + 4a - 4b) ≥ 0	4009	0	4027	0	4063	0	4081	0	4099	0	4117	0	4135	0	4153	0	4171	0	4189	0	4207	0	4225	0	4243	0	4261	0	4248	0	0
	b) credit balance of account (3b - 4a + 4b) ≥ 0	4010	20,573,610	4028	2,842,810	4064	0	4082	0	4100	2,120,386	4118	148,390	4136	12,788	4154	0	4172	0	4190	0	4208	0	4226	0	4244	0	4262	0	26,897,884	0	0
	Correction of materially significant errors and changes of accounting policies																															
6	a) corrections on the debit side of the account	4011	0	4029	0	4065	0	4083	0	4101	0	4119	0	4137	0	4155	0	4173	0	4191	0	4209	0	4227	0	4245	0	4263	0	4250	0	0
	b) corrections on the credit side of the account	4012	0	4030	0	4066	0	4084	0	4102	0	4120	0	4138	0	4156	0	4174	0	4192	0	4210	0	4228	0	4246	0	4264	0	0	0	0
	Corrected opening balance of the current year on 01.01.2016																															
7	a) corrected debit balance of account (5a + 6a - 6b) ≥ 0	4013	0	4031	0	4067	0	4085	0	4103	0	4121	0	4139	0	4157	0	4175	0	4193	0	4211	0	4229	0	4247	0	4265	0	4252	0	0
	b) corrected credit balance of account (5b - 6a + 6b) ≥ 0	4014	20,573,610	4032	2,842,810	4068	0	4086	0	4104	2,120,386	4122	148,390	4140	12,788	4158	0	4176	0	4194	0	4212	0	4230	0	4248	0	4266	0	26,897,884	0	0
	Changes in the current 2016																															
8	a) turnover on the debit side of account	4015	0	4033	0	4069	0	4087	0	4105	2,120,386	4123	0	4141	0	4159	0	4177	0	4195	0	4213	0	4231	0	4249	0	4267	0	2,120,386	4251	0
	b) turnover on the credit side of account	4016	0	4034	0	4070	0	4088	0	4106	1,374,062	4124	0	4142	0	4160	0	4178	0	4196	0	4214	0	4232	0	4250	0	4268	0	2,651,811	0	0
	Balance at the end of curr. year on 30.06.2016																															
9	a) debit balance of account (7a + 8a - 8b) ≥ 0	4017	0	4035	0	4071	0	4089	0	4107	0	4125	0	4143	0	4161	0	4179	0	4197	0	4215	0	4233	0	4251	0	4269	0	4256	0	0
	b) credit balance of account (7b - 8a + 8b) ≥ 0	4018	20,673,610	4036	4,120,389	4072	0	4090	0	4108	1,374,062	4126	148,390	4144	12,788	4162	0	4180	0	4198	0	4216	0	4234	0	4252	0	4270	0	26,233,109	0	0

**CASH FLOW STATEMENT**  
In the period from 1. January to 30 June, 2016

CASH FLOW STATEMENT

in the period from 01.01.2016 to 30.06.2016

- in thousands RSD-

Positions	ADP	Amount	
		Current year I-VI 2016	Previous year I-VI 2015
1	2	3	4
<b>A. CASH FLOWS FROM BUSINESS ACTIVITY</b>			
I. Cash inflow from business activities (1 to 3)	3001	4,517,319	5,108,949
1. Sale and received advance payments	3002	4,047,784	4,501,892
2. Interests received from business activity	3003	8,600	19,285
3. Other inflows from regular operations	3004	460,935	587,772
II. Cash outflow from business activities (1 to 5)	3005	2,749,180	2,695,026
1. Payments for suppliers and given advance payments	3006	691,884	634,884
2. Salaries, salary compensations and other personal expenses	3007	1,312,357	1,004,606
3. Paid interest	3008	41,985	21,981
4. Income-tax	3009	382,210	707,130
5. Payment from other public revenues	3010	320,744	326,425
III. Net cash inflow from business activities ( I - II )	3011	1,768,139	2,413,923
IV. Net cash outflow from business activities ( II - I )	3012		
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
I. Cash inflow from investment activity (1 to 5)	3013	53,780	97,240
1. Sale of shares and portions (net inflows)	3014	0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	3015		
3. Other financial investments (net inflows)	3016		
4. Interests received from investment activities	3017	53,780	97,240
5. Dividends received	3018	0	0
II. Cash outflows from investment activities (1 to 3)	3019	608,745	2,842,037
1. Purchase of shares and portions (net outflows)	3020	0	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	3021	535,959	367,732
3. Other financial investments (net outflows)	3022	72,786	2,474,305
III. Cash net inflow from investment activities ( I - II )	3023	0	0
IV. Cash net outflow from investment activities ( II - I )	3024	554,965	2,744,797

**CASH FLOW STATEMENT (cont'd.)**  
**In the period from 1. January to 30 June, 2016**

CASH FLOW STATEMENT

in the period from 01.01.2016 to 30.06.2016

- in thousands RSD-

Positions	ADP	Amount	
		Current year I-VI 2016	Previous year I-VI 2015
1	2	3	4
<b>V. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
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
II. Cash outflow from financing activities (1 to 6)	3031	866,316	1,759,646
1. Redemption of own shares and portions	3032	0	0
2. Long-term loans (outflows)	3033	51,319	50,440
3. Short-term loans (outflows)	3034		0
4. Other liabilities (outflows)	3035	0	0
5. Financial leasing	3036		
6. Paid-up dividends	3037	814,997	1,709,206
III. Net cash inflow from financing activities (I-II)	3038		
IV. Net cash outflow from financing activities (II-I)	3039	866,316	1,759,646
<b>G. OVERALL CASH INFLOW (3001 + 3013 + 3025)</b>	3040	4,571,099	5,206,189
<b>D. OVERALL CASH OUTFLOW (3005 + 3019 + 3031)</b>	3041	4,224,241	7,296,709
<b>DJ. NET CASH INFLOW (3040 – 3041)</b>	3042	346,858	
<b>E. NET CASH OUTFLOW (3041 – 3040)</b>	3043	0	2,090,520
<b>Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD</b>	3044	704,127	2,803,851
<b>Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION</b>	3045	15,808	32,712
<b>I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION</b>	3046	8,999	25,291
<b>J. CASH AT THE END OF ACCOUNTING PERIOD</b> (3042 – 3043 + 3044 + 3045 – 3046)	3047	1,057,794	720,752

**JSC BELGRADE NIKOLA TESLA AIRPORT**  
**NOTES TO FINANCIAL STATEMENTS**  
**30 June, 2016**



## 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.

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<i>Head-office</i>	11180 Belgrade 59, Surčin
<i>Registration number</i>	07036540
<i>Tax identification number</i>	100000539
<i>Activity code and name</i>	5223-Air-traffic services

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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 June, 2016 the Company had 1,889 engaged workers of which 1,288 employees of the Company and 496 permanent employees, employees on a definite period of time 792, temporary workers 222, and 379 workers engaged through youth organizations (on 31 December 2015 there were 1,871 engaged workers, of which 491 permanent employees, 762 employed for a definite period of time, 454 workers engaged through youth organizations, and 164 workers engaged in temporary and occasional jobs).

In the first quarter of 2016, the average number of employees engaged by the Company at the end of each month was 1,893 (497 permanent employees, 786 employees for a definite period of time, 169 workers engaged in temporary and occasional jobs, 441 workers engaged through youth organizations (during 2015 there were on average 1,782 employees: 485 permanent employees, 617 employed for a definite period of time, 435 workers hired through youth organizations, 65 workers through OZB Komerc and 181 workers engaged in temporary and occasional jobs).

### **1.3. Management structure**

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

The Assembly comprises of the company Shareholders entitled to participate in Assembly work. The Shareholder, in possession of 1% of ordinary shares (34,289 shares) is entitled to participate in Assembly work.

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

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

### **1.4. Ownership structure**

After change of legal form into a closed joint stock company, the Central depository and clearing house registered on 07.07.2010, 34,289,350 shares; 100% in ownership of Republic of Serbia.

The Government of Republic Serbia, on 09.12.2010 made the Decision No. 023-9103/2010-1, by which citizens of Republic of Serbia, the employees and former employees of the Company have acquired the right to 16.85% of ownership of the Company. After transfer of the right to free of charge shares to citizens, employees and former employees, Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the Decision on admission of shares to Prime Listing 04/4 No. 478/11 dated on 28.01.2011, the shares of the Company are accepted on 'A' Listing of the Belgrade Exchange Market. Stock trade on the Belgrade Exchange Market commenced on 07.02.2011.

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

### **2.1 Basis for composition and presentation of financial statements**

Financial statements for the I-VI 2016 are prepared in a manner and in accordance with the legislation, which was used in the preparation of annual financial statements for 2015, which is fully stated in Note 2, to financial statements for 2015.

Financial statements for the I-VI 2016 were approved at the meeting of the Supervisory Board on 10.08.2016.

## **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 from services is recognized when the service is rendered, or proportionately during the performance of services if it lasts for more than one accounting period.

Revenue from lease based on operational leasing are recognized evenly over the lease.

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

#### **3.1 Incomes and outcomes (cont'd.)**

Revenue is measured at the fair value of the funds received or receivable, in net amount after deduction of discounts and value added tax.

Revenue from interest and dividends are recognized in accordance with the principle of the formation in favour of the accounting period to which they relate, using the effective interest method.

With the date on which revenues are recognized are also recognized corresponding expenditures (principle of causality of revenue and expenditure).

Operating expenditures are recognized in the income statement according to utilization of acquired services or as they are incurred.

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.

#### **3.3. Conversion of foreign exchange amount**

Transactions denominated in foreign currencies are converted into dinars at the official exchange rates established on the Interbank Exchange Market, prevailing at the transaction date.

Assets and liabilities denominated in foreign currencies at the balance sheet date are converted into dinars by applying the official exchange rates established on the Interbank Exchange Market, in effect on that day.

Gains and losses arising from transactions in foreign currencies and from the recalculation of monetary items in the balance sheet items denominated in foreign currencies are credited or charged to the income statement as gains or losses from exchange rate differences.

Non-monetary items in the balance sheet are not recalculated at the balance sheet date but are carried at historical cost, calculated at the exchange rate on the date of transaction, except for non-monetary items that are measured at fair value, in which case they are recalculated at the exchange rate on the date of determination of fair value. Revenues and Expenditures based on exchange rate differences and currency clause effects are recorded in the income statement of the recorded period.

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

#### 3.3. Conversion of foreign exchange amount (cont'd.)

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	30.06.2016	31.12.2015
<b>Middel exchange rate of NBS:</b>	Value in RSD	
EUR	123.3115	121.6261
USD	111.0714	111.2468
CHF	113.2857	112.5230
GBP	148.7473	164.9391

Liabilities based on long-term loans from the EIB 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 is presented in the following table:

Description	30.06.2016	31.12.2015
<b>Contracted exchange rate:</b>	Value in RSD	
EUR - for EIB loan	123.6814	121.991

#### 3.4. Real estates, plants, equipment, biological resources

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

#### 3.5. 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 fair value of real estate makes their market value, which is determined by the assessment. Revaluation takes place only when the fair value of a revalued asset differs materially from its carrying amount. Gains from revaluation are recognized in other gains and losses in favour of the revaluation reserve in equity. Do the amounts previously recognized losses from the revaluation or impairment recognized in the income statement, gains from revaluation are recognized in the income statement, and the rest of gains are recognized in other gains and losses. Losses on revaluation are recognized after valuation or testing for impairment, and are recognized in other gains and losses up to the amount of previously recognized revaluation reserve in equity and the remainder of losses are recognized in the income statement. At expenditure or disposal of assets related revaluation reserve is transferred directly to undistributed profit.

The last assessment of the value of property, plant and equipment was made on 31.12.2014.

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

#### 3.5. 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 assets are amortized according to the estimated useful life.

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

#### 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 2015 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 2016 are given in the following table:

DESCRIPTION	2016	2015
<b>Building facilities</b>	%	%
Water and electricity facilities	2.27 - 7.14	2.27 - 7.14
Roads, airports and parking lots	2.22 - 33.33	2.22 - 33.33
Other building facilities	5.00 - 50.00	5.00 - 50.00
Flats given to employees for use	1.49	1.49
<b>Equipment</b>	%	%
New specific equipment	6.67 - 50.00	6.67 - 50.00
Equipment for road traffic	6.67 - 33.33	6.67 - 33.33
Equipment for PTT and TV	10 - 50.00	10 - 50.00
Equipment for air traffic	4 - 50.00	4 - 50.00
Measuring and control devices and specific devices	4.00 - 33.33	4.00 - 33.33
Labor. equipment, teaching aids and med. devices	20.00 - 25	20.00 - 25
Electronic, calculating machines and computers	16.67 - 33.33	16.67 - 33.33
Furniture and equipment for general purposes	4.00 - 50.00	4.00 - 50.00
Equipment for road traffic under financial leasing	8.33 - 33.33	8.33 - 33.33
Equipment and plants	10.00 - 25.00	10.00 - 25.00
Tools and inventory	25.00 - 100.00	25.00 - 100.00
<b>Intangible investments</b>	%	%
Software and licenses	10.00 - 50.00	10.00 - 50.00

#### 3.7. Investment property

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

The Company has engaged a certified appraiser - Institute for Economic Research Belgrade, to assess the value of investment property as on 31.12.2015.

In the report on assessment of the fair value the investment property is determined by the weight of probability of estimated value using the replacement cost method and the yield method.

### **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, 2016, 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

##### *Income tax*

Income tax expense in the income statement represents the sum of current tax expense and deferred tax expense not recognized within other gains and losses or directly in equity.

Receivables and liabilities in respect of current income tax or deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to offset the recognized amounts and if it intends to settle on a net basis or simultaneously realize the asset and settle the liability.

##### *Current income tax*

Assets and liabilities arising from current income taxes represent liabilities or receivables from the fiscal authorities in connection with the current or prior periods that are not implemented on the date of these financial statements.

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 2016, the earliest previous tax period from which they can use unused tax credit is the tax account or PK form in 2006. 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. The carrying value of deferred tax assets is examined on the balance sheet date and adjusted if necessary to comply with the current assessment of the taxable profits of future periods.

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.

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

#### 3.10. Taxes and contributions (cont'd.)

##### *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.

##### **Tax risks**

The tax laws of the Republic of Serbia are often differently interpreted 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 interpretations. As a result of the foregoing, transactions may be challenged by tax authorities and the Company could be assessed additional taxes, penalties and interest. Period of obsolescence tax liability is five years. This practically means that tax authorities could determine payment of outstanding liabilities within five years from the origination of the liability.

#### 3.11. Benefits for employees

##### *Taxes and contributions to funds for social security of employees*

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

##### *Reserving for terminal wages and jubilee bonuses*

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

- 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 authorized actuary, Aleksandar Perišić, to assess provisions for retirement benefits and jubilee awards on 31 December 2015. The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 49.



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

#### 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.

#### 3.13. 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).

De-recognition of financial assets is when the contractual rights to the cash flows arising from the financial asset expire or when substantially all the risks and rewards are transferred. De-recognition of financial liabilities is when the obligation is extinguished, settled, cancelled or expired.

##### ***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.

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

#### **3.14. Financial instruments (cont'd.)**

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 include cash on current accounts at banks and in hand and highly liquid investments with maturity up to three months after the acquisition, which can be quickly converted to known amounts of cash, and which is not subject to significant risk of changes in value.

#### ***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.

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

#### **3.15. The capital, reserves and payment of profits (dividends)**

The basic capital consists of the nominal value of the issued shares.

Other components of the capital include:

- Revaluation reserves based on the revaluation of property, plant and equipment
- Actuarial gains and losses on defined benefit plans
- Other reserves

All retained gains and accumulated losses in this and prior periods are recognized in undistributed profit and loss.

Distributed profits (dividends) are recognized under liabilities when the Assembly of the Company adopts a decision on profit distribution.

#### **3.16. Provisions, contingent assets and contingent liabilities**

Provision for legal disputes, harmful contracts or other requirements towards the Company is recognized when for the Company's performance arise a legal or constructive obligation as a result of past events, when it is a certain outflow of economic benefits from the Company and when amounts of these outflows can be reliably estimated. Time or the exact amount of the outflow may still be uncertain.

Restructuring costs are recognized only when there is a detailed formal plan for the restructuring and the management has announced the main features of the plan to everyone a plan has influence to or the execution of the plan has already begun. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available on the date of adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar obligations, the likelihood of outflow for settling is determined at the level of obligations class. Provisions are discounted to present value, in the event that the amount of discounting is materially significant.

Any remuneration in connection with the obligations for which it is certain that the Company will realize from third parties are recognized as a separate asset. However, this asset cannot be a larger amount than the related provision.

No obligation, that is, no provision is recognized if there is not a certain outflow of economic benefits arising from present obligations. Such situations are disclosed as a contingent liability, except in cases where the possibility of outflow is small.

#### **3.17. Summary of significant accounting estimates**

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.

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

#### **3.17. Summary of significant accounting estimates**

##### **3.17.1. 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, 2016 for about RSD 41.689 thousand (year ended on 31 March 2015: RSD 76.788 thousand).

##### **3.17.2. 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.

##### **3.17.3. 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.

##### **3.17.4. 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.

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.

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

#### **3.17. Summary of significant accounting estimates**

##### **3.17.4. Fair value (cont'd.)**

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.

### **4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES**

Article 4 of the Rule book on the provision of ground handling services at airports - Official Gazette of RS No. 61/2015, stipulates that the airport operator and provider of ground handling services separate accounts (accounts) for the provision of ground handling services from the accounts for other activities, in accordance with applicable accounting standards. In the annual financial statements of the airport operator shall be visible absence of any related financial flows between provision of ground handling services and its activities as airport operator.

From 01.07.2016 started separate billing of ground handling services from other services of the airport operator, then determining attributable direct expenditures on the accounting documents of the airport operator and ground handling activities, as well as allocation of indirect expenditures on airport operators and ground handling activities on the basis of the adopted keys for allocation of indirect expenditures. Based on the above, the separation of business results of ground handling activities from airport operator's activities will in the future be made on the basis of recorded exact data on revenues and expenditures.

Separation of business operations, i.e. realized revenues and expenditures of the Airport for the first half of 2016, to business activities of the airport operator and the business activities of ground handling services was carried out on the basis of the adopted Amended Business Plan for 2016 by the Supervisory Board (Decision No.33 -179/1 dated 24.06.2016), that is on the basis of by plan adopted parameters for separation of ground handling services from the airport operator's activities and defined planned participation of related expenditures, and according to the Rule book on the provision of ground handling services at airports. Based on the above is compiled Income Sheet for the first half of 2016 in which financial results of the airport operator's activities and activities of ground handling services are shown separately, as follows:

**4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES (cont'd.)**

**INCOME SHEET for Ground Handling and Airport Operator**  
for the period from 01.01.2016 to 30.06.2016

- in thousands RSD -

Group of accounts- account	POSITION	ADP	Note No.	Amount		
				Current year		
				Airport operator (01.01-30.06.2016)	Ground Handling (01.01-30.06.2016)	Total Airport (01.01-30.06.2016)
1	2	3	4	5	6	7(5+6)
<b>REVENUES OF REGULAR BUSINESS</b>						
60 to 65, except 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		3,187,837	732,520	3,920,357
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	5	56,054	0	56,054
604	5. Revenues from sale of goods in domestic market	1007	5	998	0	998
605	6. Revenue from sale of goods in foreign market	1008	5	55,056	0	55,056
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	2,724,119	732,520	3,456,639
614	5. Revenues from sale of products and services in domestic market	1014	6	1,183,406	294,111	1,477,517
615	6. Revenues from sale of products and services in foreign market	1015	7	1,540,713	438,409	1,979,122
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		230	0	230
65	IV OTHER OPERATING REVENUES	1017	9	407,434	0	407,434
<b>EXPENDITURES OF REGULAR BUSINESS</b>						
50 to 55, 62 and 63	B. OPERATING EXPENSITURES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		1,669,467	719,705	2,389,172
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	51,234	0	51,234
51 except 513	V. COSTS OF MATERIAL	1023	11	52,296	23,883	76,179
513	VI. COSTS OF FUEL AND ENERGY	1024	12	94,326	32,960	127,286
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	13	885,143	534,170	1,419,313
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	136,107	32,290	168,397
540	IX. AMORTIZATION COSTS	1027	15	332,726	84,167	416,893
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	1,972	28	2,000
55	XI. INTANGIBLE COSTS	1029	17	115,663	12,207	127,870
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		1,518,370	12,815	1,531,185

**4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES (cont'd.)**

INCOME SHEET for Ground Handling and Airport Operator						
for the period from 01.01.2016 to 30.06.2016						
- in thousands RSD -						
Group of accounts- account	POSITION	ADP	Note No.	Amount		
				Current year		
				Airport operator (01.01-30.06.2016)	Ground Handling (01.01-30.06.2016)	Total Airport (01.01-30.06.2016)
1	2	3	4	5	6	7(5+6)
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		126,312	0	126,312
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	53,406	0	53,406
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	72,906	0	72,906
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		54,494	0	54,494
562	II. INCOME EXPENDITURES (TOWARD THIRD PARTIES)	1046	20	21,640	0	21,640
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	32,854	0	32,854
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		71,818		71,818
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	285	0	285
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	7	0	7
67 and 68, except 683 and 685	J. OTHER REVENUES	1052	24	36,247	18	36,265
57 and 58, except 583 and 585	K. OTHER EXPENDITURES	1053	25	15,934	1,169	17,103
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	1,610,779	11,664	1,622,443
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	1,610,779	11,664	1,622,443
	P. INCOME TAX					
721	I. INCOME TAX EXPENDITURE	1060	26	169,766	1,786	171,552
part of 722	II. DEFERRED TAX EXPENDITURE	1061		76,829	0	76,829
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	27	1,364,184	9,878	1,374,062
	<b>TOTAL REVENUES (1001+1032+1050+1052)</b>			<b>3,350,681</b>	<b>732,538</b>	<b>4,083,219</b>
	<b>TOTAL EXPENDITURES (1018+1040+1051+1053)</b>			<b>1,739,902</b>	<b>720,874</b>	<b>2,460,776</b>

5. REVENUES FROM SALE OF GOODS	I-VI 2016	I-VI 2015
	in 000 RSD	in 000 RSD
Revenues from sale of beverages in catering facilities	422	307
Revenues from sale of fuel on domestic market	576	461
<b>Revenues from sale of goods on domestic market</b>	<b>998</b>	<b>768</b>
Revenues from sale of goods- kerosene (reexport)	55,056	33,749
Revenues from sale of fuel on foreign market	0	19
<b>Revenues from sale of goods on foreign market</b>	<b>55,056</b>	<b>33,768</b>
<b>Total revenues from sale of goods</b>	<b>56,054</b>	<b>34,536</b>

Revenues from the sale of services of the Airport in domestic and foreign markets in the first half of 2016 were separated on revenues from services provided by the airport operator's activities and revenues made by the activity of ground handling services on the basis of real income and by the plan adopted parameters for the separation of ground handling services from the airport operator's activities, as shown in the following table:

6. REVENUES FROM SALE OF SERVICES IN DOMESTIC MARKET WITH REVENUES OF GROUND HANDLING SERVICES	I-VI 2016					I-VI 2015		
	Revenues of Airport Operator	Revenues of Ground Handling	Total revenues of Airport (with for.buyer branches)	Revenues from for. buyer branches	Revenues w/o foreign buyer branches	Total revenues of Airport (with for.buyer branches)	Revenues from for. buyer branches	Revenues w/o foreign buyer branches
	2	3	4 (2+3)	5	6 (4-5)	7	8	9(7-8)
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
Passenger service*	577,136	24,447	601,583	44,751	556,832	544,920	42,998	501,922
Security fee	197,780	0	197,780	8,890	188,890	198,630	8,780	189,850
Landing	102,887	0	102,887	18,606	84,281	102,340	16,314	86,026
Aircraft handling *	-	116,170	116,170	24,946	91,224	114,476	23,581	90,895
Infrastructure	64,340	0	64,340	14,116	50,224	63,498	13,333	50,165
Air-bridges	5,022	0	5,022	5,022	-	4,113	4,113	0
Lighting	28,335	0	28,335	724	27,611	27,976	696	27,280
Aircraft abode tax	2,313	0	2,313	-	2,313	2,445	32	2,413
Aircraft de-icing services*	0	31,908	31,908	2,068	29,840	27,957	871	27,086
Com. usage of apron	25,272	0	25,272	-	25,272	30,883	-	30,883
Usage of the CUTE system	34,178	0	34,178	2,216	31,962	34,006	2,225	31,781
Service on special request *	7,314	48,948	56,262	383	55,879	26,006	425	25,581
Renting of advertisement space	30,806	0	30,806	-	30,806	16,520	-	16,520
Public services	79,430	0	79,430	426	79,004	80,004	605	79,399
Cargo-custom services*	0	71,447	71,447	371	71,076	60,406	230	60,176
DCS services*	0	0	-	-	-	-	-	-
Lost and found services *	0	406	406	406	-	447	447	-
Use of parking	24,368	0	24,368	300	24,068	18,705	25	18,680
Other services *	4,225	785	5,010	230	4,781	5,409	122	5,287
<b>I Total services in domestic market</b>	<b>1,183,406</b>	<b>294,111</b>	<b>1,477,517</b>	<b>123,455</b>	<b>1,354,063</b>	<b>1,358,741</b>	<b>114,797</b>	<b>1,243,944</b>

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 6 and 7, 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 WITH REVENUES OF GROUND HANDLING SERVICES	I-VI 2016					I-VI 2015			
	Revenues of Airport Operator	Revenues of Ground Handling	Total revenues of Airport (w/o for.buyer branches)	Revenues from for. buyer branches	Revenues with foreign buyer branches	Total revenues of Airport (w/o for.buyer branches)	Revenues from for. buyer branches	Revenues with foreign buyer branches	
	1	2	3	4 (2+3)	5	6 (4-5)	7	8	9(7-8)
	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.	у 000 дин.
Passenger service*	705,596	22,671	728,267	44,751	773,018	695,244	42,998	738,242	
Security fee	156,394	0	156,394	8,890	165,284	153,549	8,780	162,329	
Landing	305,346	0	305,346	18,606	323,952	298,624	16,314	314,938	
Aircraft handling *	0	338,408	338,408	24,946	363,354	350,110	23,581	373,691	
Infrastructure	201,041	0	201,041	14,116	215,157	201,800	13,333	215,133	
Air-bridges*	81,363	9,041	90,404	5,022	95,426	88,658	4,113	92,771	
Lighting	31,847	0	31,847	724	32,571	32,553	696	33,249	
Aircraft abode tax	12,286	0	12,286	-	12,286	12,528	32	12,560	
Aircraft de-icing services*	0	26,468	26,468	2,068	28,536	19,480	871	20,351	
Usage of the CUTE system	39,500	0	39,500	2,216	41,716	39,002	2,225	41,227	
Service on special request *	811	12,061	12,872	383	13,255	14,581	425	15,006	
Renting of advertisement space	734	0	734	-	734	0	0	0	
Public services	643	0	643	426	1,069	615	605	1,220	
Cargo-custom services*	0	6,189	6,189	371	6,560	6,821	230	7,051	
Consulting services	0	0	0	-	0	12,096	0	12,096	
DCS services*	0	13,265	13,265	-	13,265	13,834	0	13,834	
Lost and found services *	0	6,888	6,888	406	7,294	8,020	447	8,467	
Other services *	5,152	3,418	8,570	530	9,097	6,030	147	6,177	
<b>II Total services in foreign market</b>	<b>1,540,713</b>	<b>438,409</b>	<b>1,979,122</b>	<b>123,455</b>	<b>2,102,576</b>	<b>1,953,545</b>	<b>114,797</b>	<b>2,068,342</b>	
<b>Total revenues from the sale of products and services (I+II)</b>	<b>2,724,119</b>	<b>732,520</b>	<b>3,456,639</b>	<b>-</b>	<b>3,456,639</b>	<b>3,312,286</b>	<b>-</b>	<b>3,312,286</b>	

8. REVENUES FROM SALE OF SERVICES PER GEOGRAPH. REGION	I-VI 2016	I-VI 2015
	in 000 RSD	in 000 RSD
Serbia	1,354,063	1,243,944
Germany (Lufthansa+Germanwings+European+Air Berlin+Euroj)	306,712	293,898
Montenegro (Montenegro +other buyers MN)	241,464	238,519
Austria (Austrian Airlines branch +Niki)	123,352	114,197
Switzerland (Swiss Air)	155,465	167,632
Russia (Aeroflot)	166,359	163,193
Turkey (Turkish +Pegasus+Mondial+Corendon Airlines+OnurAir+Freebird)	236,979	241,236
France (Air France)	239	323
Italy (Al Italia)	76,781	76,654
Abu Dhabi (Etihad Air branch +Etihad Air)	74,832	70,873
Hungary (Wiz air + Cityline)	320,806	310,621
Romania (Tarom)	22,493	18,243
Tunisia (Tunis Air)	14,113	17,980
Greece (Olympic +Olympic branch+Aegean)	54,459	38,941
England (Easyjet)	34,187	50,748
Norway (Norwegian)	47,973	32,864
Polland (Polskie linie)	33,474	33,375
Dubai (Fly Dubai)	36,751	35,259
Qatar (Qatar Airways)	49,081	36,647
Slovenia (Adria Airways+Solin Air+Fenixsped branch)	-	11,457
<b>Other foreign buyers</b>	<b>107,056</b>	<b>115,682</b>
	<b>3,456,639</b>	<b>3,312,286</b>

<b>9. OTHER BUSINESS REVENUES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Revenues from lease to domestic legal persons	404,057	364,405
Revenues from lease to foreign legal persons	3,377	8,141
	<b>407,434</b>	<b>372,546</b>

<b>10. PURCHASE VALUE OF SOLD GOODS</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Purchase value of sold retail goods	361	215
Purchase value of sold kerosene - re-export	50,873	32,088
	<b>51,234</b>	<b>32,303</b>

<b>11. COSTS OF MATERIAL</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Costs of production material (basic materials, tools and inventory, working and official clothing and footwear)	49,137	31,203
Overhead costs of material (office material)	3,969	8,809
Costs of spare parts	14,434	9,989
Costs of tools and inventory	8,639	12,190
	<b>76,179</b>	<b>62,191</b>

<b>12. COSTS OF FUEL AND ENERGY</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Costs of gasoline and diesel fuel	29,892	31,497
Costs of oil fuel for heating	11,289	22,364
Costs of electric energy	86,105	83,117
	<b>127,286</b>	<b>136,978</b>

<b>13. COSTS OF SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Gross salaries and salary reimbursements - employees	811,152	609,804
Gross salaries and salary reimburs. - management	13,056	15,627
Taxes and contributions at the cost of employer	147,533	111,952
Costs of reimburs. Per service contract and royalties	319	34
Costs of reimbursement for youth organizations etc.	277,213	274,121
Costs of reimburs. for members of SB,SA, rev.committee	4,192	4,286
Transport of employees	33,209	27,156
Costs of business trip	2,636	5,536
Terminal wages and jubilee bonuses	751	412
Difference for payment to the budget of RS, based on the Law on the reduction of public sector wages	74,092	59,596
Premiums for voluntary pension insurance	42,407	-
Solidarity allowance (newborns, treatment, natural disasters etc.)	8,101	4,211
Compensation on Contracts for professional development	3,683	-
Other personal expenditures	969	-
	<b>1,419,313</b>	<b>1,112,735</b>

<b>14. COSTS OF PRODUCTION SERVICES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Costs of engagement of employees through OZB for:		
- aircraft ground handling	-	25,232
-guarding etc.	-	23,559
IT services on passenger and baggage check-in	24,919	9,304
Costs of phone and other PTT services	11,927	10,480
Costs of maintenance services	68,137	63,475
Lease costs	23,007	17,384
Advertising costs	21,173	580
Costs of catering services of tenants-(re-invoiced to airlines)	989	781
Costs of utilities	13,394	12,493
Costs of other production services	4,851	3,394
	<b>168,397</b>	<b>166,682</b>

<b>15. AMORTIZATION COSTS</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Amortization costs for intangible assets	10,808	6,662
Amortization costs for property	215,844	204,184
Amortization costs for equipment	190,241	163,964
	<b>416,893</b>	<b>374,810</b>

<b>16. COSTS OF LONG-TERM RESERVING</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Costs of reserving for litigations	2,000	8,000
	<b>2,000</b>	<b>8,000</b>

<b>17. INTANGIBLE COSTS</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Costs of occupational health Air Serbia	5,288	5,288
Costs of cleaning services	24,831	21,702
Costs of engagement of OZB employees for:		
-technical support maintenance	-	4,505
-administration jobs (economic and legal)	-	17,294
Costs of other non-production services	26,259	24,047
Costs of representation	1,953	2,775
Costs of insurance	12,109	13,079
Costs of payment system	2,709	2,572
Membership	5,964	4,157
Property tax and other reimbursements	39,619	40,603
Other intangible costs	9,138	6,772
	<b>127,870</b>	<b>142,794</b>

<b>18. INTEREST INCOME</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Interest in term deposits in RSD	17,921	50,448
Interest for RSD deposits in current accounts	1,583	22,844
Interest in term deposits in foreign currency	26,548	22,093
Interest for foreign currency in current accounts	2,808	5,850
Interest on housing loans	425	501
Камате по судским решењима	4,121	512
Interest on court decisions	<b>53,406</b>	<b>102,248</b>

The decline in interest revenues on dinar assets was a result of declining state of the amount of time and "a vista" local currency funds, as well as a significant drop in interest rates in both time and 'a vista' funds.

<b>19. POSITIVE EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Revenues from realized exchange rate differences	53,418	74,588
Revenues from non-realized exchange rate differences	16,753	3,294
Revenues from effects of contracted currency clause (realized & non-realized)	2,735	163
	<b>72,906</b>	<b>78,045</b>

<b>20. INTEREST EXPENDITURES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Interest for long-term EIB loan	19,755	21,534
Default interest in the country	164	342
Interest for untimely paid public revenues	1,721	2,440
	<b>21,640</b>	<b>24,316</b>

<b>21. NEGATIVE EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Negative exchange rate differences-realized	20,926	46,124
Negative exchange rate differences- non-realized	11,912	7,449
Expenditures from effects of contr. currency clause-realized	16	344
Expenditures from effects of contr. currency clause-non-realized	-	588
	<b>32,854</b>	<b>54,505</b>

<b>22. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Value adjustment of receivables:		
- from natural persons for housing loans (cancellation of impairment on collection basis )	285	9,437
	<b>285</b>	<b>9,437</b>

<b>23. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Impairment of receivables from housing loans	-	-
Value adjustment of receivables from buyers	7	1,205,225
	<b>7</b>	<b>1,205,225</b>

<b>24. OTHER REVENUES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Revenues from sale of equipment and materials	181	280
Revenues of collected, corrected receivables from buyers	199	1,912,924
Revenues from cancel.of reser.for litigations and emp.benefits	32,573	235
Revenues from indemnity from legal and natural persons	2,273	1,555
Revenues from charged court costs	96	261
Revenues of previous years	925	1,559
Positive effects of contracted revaluation	14	2
Other non-mentioned revenues	4	40
	<b>36,265</b>	<b>1,916,856</b>

Decrease of other revenues in the reporting period compared to the same period previous year is a result of collection of receivables from previous years, which is recorded as a one-time income in the first half of 2015.

Namely, revenue realized in the first half of 2015, on the position "other revenues" is mostly, in the amount of RSD 1,897,107 thousand, a result of payment of the second and last debt instalment, that Public Debt Administration of the Republic of Serbia has taken over, for corrected and uncollected receivables from 2012 and 2013. As above receivables are fully settled on 31.03.2015 and in the balance of receivables from buyers on 31.12.2015 there is no more significant amount of outstanding corrected receivables (Note 64 – credit risk), in business operations of 2016 there is no longer expected significant level of realized revenues on the position "other revenues". Stated revenue was extraordinary, and one-time revenue in 2015, due to which, in order to perceive reality and comparability of operations results should be excluded from 2015, when analyzing the Company's business operation in the first half of 2016, compared to the first half of 2015.

<b>25. OTHER EXPENDITURES</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Loss from sale and write-off of equipment	-	4
Loss from sale and write-off of biological resources	15	-
Litigation expenses	202	855
Costs fro humanitarian, health and scientific purposes	7,522	5,665
Expenditures of previous years	582	209
Other non-mentioned expenditures	5,782	518
Expenditures for trade unions	3,000	2,650
	<b>17,103</b>	<b>9,901</b>

## 26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES

<b>a) Components of profit tax</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Period tax expenditure	171,552	308,726
Correction of period tax expenditure	-	-
<b>Period tax expenditure after correction</b>	<b>171,552</b>	<b>308,726</b>
Deferred period tax expenditure	76,829	-
Deferred period tax revenue	-	15
Correction of period deferred tax revenue	-	-
	248,381	308,711
Effective tax rate	15.31%	12.37%

<b>b) Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Profit before tax	1,622,443	2,495,514
Profit tax calculated at rate of 15%	243,366	374,327
Tax effect of expenditures not acknowledged in tax balance	12,683	86,458
Correction in tax effects of amortization expenditure not acknowledged in tax balance	-	-
Tax credit for investment in fixed assets of the previous years	(84,497)	(152,059)
Correction of using tax credits from previous years	-	-
Period tax expenditure	<b>171,552</b>	<b>308,726</b>

<b>v) Achieved, unused and unrecognized tax credit (TC)</b>					in 000 RSD	
	Year of expiry	Amount of transferred TC	Correction of TC	Used TC	Outstanding TC for transfer	
		from 2015	for amended PDP	in 2016	30.06.2016	
Year of origination of tax credit						
2006	2016	-	0	-	-	
2007	2017	-	0	-	-	
2008	2018	-	0	-	-	
2012	2022	32,304	0	32,304	-	
2013	2023	184,137	0	52,193	131,944	
2014	-	-	-	-	-	
<b>Balance of tax credit ( TC )</b>		<b>216,441</b>	<b>0</b>	<b>84,497</b>	<b>131,944</b>	

**26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES (Cont'd.)**

Changes on account of deferred tax liabilities and deferred tax assets as of 31.03.2016 and as of 31.12.2015 are shown in the following table:

in 000 RSD

<b><u>g) Deferred tax assets (deferred tax liabilities) 2015</u></b>	01.01.2015	Recognized in other gains & losses 2015	Recognised in income sheet 2015	31.12.2015
<b>Long-term assets</b>				
Intangible assets, property, plant, equipment and investment property	(276,056)	-	8,981	(267,075)
<b>Long-term liabilities</b>				
Provision for compensations and other employee benefits	7,039	(1,343)	10,840	16,536
Provision for litigations	-	-	17,312	17,312
<b>Short-term liabilities</b>				
Taxes, contributions and other levies	665	-	(479)	186
<b>Other</b>				
Unused tax losses	-	-	-	-
Unused tax credits	237,201	-	(92,468)	144,733
	<b>(31,151)</b>	<b>(1,343)</b>	<b>(55,814)</b>	<b>(88,308)</b>

<b><u>g) Deferred tax assets (deferred tax liabilities) 2016</u></b>	01.01.2016	Recognized in other gains & losses I-VI 2016	Recognized in income sheet I-VI 2016	30.06.2016
<b>Long-term assets</b>				
Intangible assets, property, plant, equipment and investment property	(267,075)	-	12,713	(254,362)
<b>Long-term liabilities</b>				
Provision for compensations and other employee benefits	16,536	-	(194)	16,342
Provision for litigations	17,312	-	(4,855)	12,457
<b>Short-term liabilities</b>				
Taxes, contributions and other levies	186	-	4	190
<b>Other</b>				
Unused tax losses	-	-	-	-
Unused tax credits	144,733	-	(84,497)	60,236
	<b>(88,308)</b>	<b>-</b>	<b>(76,829)</b>	<b>(165,137)</b>

## 26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES (Cont'd.)

Balance of recognized deferred tax assets as of 30.06.2016 amounts to RSD 89,225 thousand, of which RSD 60,236 thousand relates to the recognition of the remaining planned amount of the use of transferred tax credit in 2016, on the basis of the adopted Rebalancing plan of the Company for 2016. Other recognized deferred tax assets as of 30.06.2016 is done based on the applicable corporate income tax rate of 15% on the balance of the provisions for retirement provisions for jubilee benefits, provisions for litigation and on the balance of unpaid public revenues, as the same relate to temporary differences that will be recognized in tax period in which the same are paid. The balance of recognized deferred tax liabilities as of 30.06.2015 amounts to RSD 254,362 thousand.

After application of the requirements of IAS 12 that is offsetting of deferred tax assets and deferred tax liabilities on the balancing date, the balance of deferred tax liabilities as of 30.06.2016 amounts to RSD 165,137 thousand (31.12.2015 RSD 88,308 thousand).

Effects from changes in deferred tax assets and liabilities in relation to the initial balance, in the amount of RSD 76,829 thousand, are recognized at the expense of the period deferred tax expenditures.

<b>27. PROFIT PER SHARE</b>	<b>I-VI 2016</b>	<b>I-VI 2015</b>
	in 000 RSD	in 000 RSD
Net profit for owners	1,374,062	2,186,803
Net profit correction	-	-
<b>Net profit after correction</b>	<b>1,374,062</b>	<b>2,186,803</b>
Average weighted number of shares	34,289,350	34,289,350
Basic earnings per share <b>in RSD</b>	<b>40.07</b>	<b>63.77</b>

## 28. INTANGIBLE ASSETS

in 000 RSD

DESCRIPTION	30.06.2016	31.12.2015
<b>Purchaser value</b>		
Initial balance	102,871	35,289
Procurements during the year	8,196	67,582
Alienation, removal from inventory and sale	-	-
<b>Final balance</b>	<b>111,067</b>	<b>102,871</b>
<b>Value correction</b>		
Initial balance	22,348	9,366
Amortization in the current year	10,808	12,982
Alienation, removal from inventory and sale	-	-
<b>Final balance</b>	<b>33,156</b>	<b>22,348</b>
<b>Net present value</b>	<b>77,911</b>	<b>80,523</b>

Total investment into intangible assets in the amount of RSD 8,196 thousand refers to procurement of application software for designing and project development.



in 000 RSD										
29. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL RESOURCES	DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total property, plants and equipment	Biological resources - livestock
	<b>Purchase value</b>									
	Initial balance, 01.01.2015	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165
	Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-
	<b>Balance on 01.01.2015 after correction</b>	<b>9,120,668</b>	<b>10,102,565</b>	<b>2,320,426</b>	<b>21,467</b>	<b>3,619</b>	<b>5,768</b>	<b>31,265</b>	<b>21,605,778</b>	<b>165</b>
	Purchaser during the year	-	-	495,154	-	-	693,953	-	693,953	-
	Transfer from current investments	-	184,331	-	-	-	(679,485)	-	-	-
	Alienation, disbursement and sale	-	(42)	(2,978)	-	-	-	-	(3,020)	(5)
	Other	-	-	-	-	-	-	1,782	1,782	-
	<b>Assets fair value estimation</b>									
	Revaluation revenues	-	-	-	4,606	-	-	-	4,606	-
	Revaluation expenditures	-	-	-	-	-	-	-	-	(40)
	<b>Final balance, 31.12.2015</b>	<b>9,120,668</b>	<b>10,286,854</b>	<b>2,812,602</b>	<b>26,073</b>	<b>3,619</b>	<b>20,236</b>	<b>33,047</b>	<b>22,303,099</b>	<b>120</b>
	<b>Value correction</b>									
	Initial balance, 01.01.2015	-	-	4,268	-	-	-	15,812	20,080	-
	Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-
	<b>Balance on 01.01.2015 after correction</b>	<b>-</b>	<b>-</b>	<b>4,268</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,812</b>	<b>20,080</b>	<b>-</b>
	Amortization in the current year	-	428,134	326,762	-	-	-	-	754,896	-
	Alienation, disbursement and sale	-	(25)	(956)	-	-	-	-	(981)	-
	<b>Final balance, 31.12.2015</b>	<b>-</b>	<b>428,109</b>	<b>330,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,812</b>	<b>773,995</b>	<b>-</b>
	<b>Net current value, 31.12.2015</b>	<b>9,120,668</b>	<b>9,858,745</b>	<b>2,482,528</b>	<b>26,073</b>	<b>3,619</b>	<b>20,236</b>	<b>17,235</b>	<b>21,529,104</b>	<b>120</b>
	<b>Net current value, 31.12.2014</b>	<b>9,120,668</b>	<b>10,102,565</b>	<b>2,316,158</b>	<b>21,467</b>	<b>3,619</b>	<b>5,768</b>	<b>15,453</b>	<b>21,585,698</b>	<b>165</b>

Activation of investments in 2015 amounts to RSD 679,485 thousand, of which for equipment RSD 495,154 thousand (2 De/anti-icing vehicles in the amount of RSD 129,800 thousand, one bus RSD 30,424 thousand, 3 electric tractors in the amount of RSD 12,338 thousand, equipment for aircraft removal RSD 17,343 thousand, perimeter protection system in the amount of RSD 82,290 thousand, x-ray device in the amount of RSD 11,316 thousand, 3 liquid explosive detectors in the amount of RSD 9,990 thousand, 2 GPUs in the amount of RSD 13,450 thousand, computer equipment in the amount of RSD 72,995 thousand and other equipment in the amount of RSD 26,494 thousand, increase of the value of 5 air-bridges in the amount of RSD 46,626 thousand, increase of the value of airfield lighting system in the amount of RSD 25,550 thousand, increase of the value of fire alarm system RSD 8,634 thousand, increase of the value of telephone switchboard in the amount of RSD 6,904 thousand), while to construction facilities refer RSD 184,331 thousand (increase of the value of buildings of Terminal 1 and Terminal 2 by RSD 101,178 thousand, runway and apron by RSD 27,562 thousand and activation of D security check-in point in the amount of RSD 55,591 thousand). Balance of the investments in progress as of 31.12.2015 amounts to RSD 20,236 thousand (balance on 31.12.2014 was RSD 5,768 thousand)

29. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND BIOLOGICAL RESOURCES (cont'd.)											in 000 RSD
DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total property, plants and equipment	Biological resources - livestock		
<b>Purchase value</b>											
Initial balance, 01.01.2016	9,120,668	10,286,854	2,812,602	26,073	3,619	20,236	33,047	21,605,778	120		
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-		
<b>Balance on 01.01.2016 after correction</b>	<b>9,120,668</b>	<b>10,286,854</b>	<b>2,812,602</b>	<b>26,073</b>	<b>3,619</b>	<b>20,236</b>	<b>33,047</b>	<b>22,303,099</b>	<b>120</b>		
Purchaser during the year	-	-	-	-	-	406,367	-	406,367	-		
Transfer from current investments	16,852	55,741	183,050	-	-	(255,643)	-	-	-		
Alienation, disbursement and sale	-	-	-	-	-	-	-	-	(15)		
Other	-	-	-	-	-	-	47,465	47,465	-		
<b>Assets fair value estimation</b>											
Revaluation revenues	-	-	-	-	-	-	-	-	-		
Revaluation expenditures	-	-	-	-	-	-	-	-	-		
<b>Final balance, 30.06.2016</b>	<b>9,137,520</b>	<b>10,342,595</b>	<b>2,995,652</b>	<b>26,073</b>	<b>3,619</b>	<b>170,960</b>	<b>80,512</b>	<b>22,756,931</b>	<b>105</b>		
<b>Value correction</b>											
Initial balance, 01.01.2016	-	428,109	330,074	-	-	-	15,812	773,995	-		
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-		
<b>Balance on 01.01.2016 after correction</b>	<b>-</b>	<b>428,109</b>	<b>330,074</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,812</b>	<b>773,995</b>	<b>-</b>		
Amortization in the current year	-	215,844	190,241	-	-	-	-	406,085	-		
Alienation, disbursement and sale	-	-	-	-	-	-	-	-	-		
<b>Final balance, 30.06.2016</b>	<b>-</b>	<b>643,953</b>	<b>520,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,812</b>	<b>1,180,080</b>	<b>-</b>		
<b>Net current value, 30.06.2016</b>	<b>9,137,520</b>	<b>9,698,642</b>	<b>2,475,337</b>	<b>26,073</b>	<b>3,619</b>	<b>170,960</b>	<b>64,700</b>	<b>21,576,851</b>	<b>105</b>		
<b>Net current value, 01.01.2016</b>	<b>9,120,668</b>	<b>9,858,745</b>	<b>2,482,528</b>	<b>26,073</b>	<b>3,619</b>	<b>20,236</b>	<b>17,235</b>	<b>21,529,104</b>	<b>120</b>		

Activation of investments in the first half of 2016 amounted to RSD 255,643 thousand of which relates to equipment RSD 183,050 thousand (computer equipment in a value of RSD 88,015 thousand (226 pcs); baggage dollies RSD 15,369 thousand (50 pcs); aircraft toilet service unit RSD 10,455 thousand (1 pc); 2 elevators in the amount of RSD 12,953 thousand; belt loader RSD 26,568 thousand (4 pcs); cameras RSD 20,670 thousand (144 pcs); segment doors RSD 1,924 thousand (4 pcs); and other equipment RSD 7,096 thousand). For land acquisition refers RSD 16,852 thousand (11,235 m<sup>2</sup>). Activation of investments on construction facilities amount to RSD 55,741 thousand, of which to increase of the value of terminal building RSD 54,556 thousand – renovation of the connecting part of the building.

Balance of investments in progress as of 30.06.2016 amounts to RSD 170,960 thousand, of which to inactivated equipment relates RSD 101,495 thousand, as follows: RSD 86,056 thousand for 18 explosive detectors, RSD 13,507 thousand for computer equipment (78 pcs of monitors). Inactivated works on construction facilities – investments into buildings RSD 69,465 thousand.

<b>30. PARTICIPATION IN CAPITAL OF OTHER LEGAL ENTITIES AND OTHER SECURITIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	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)
	-	-
<b><i>Participation in capital of banks in liquidation</i></b>		
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)
	-	-
<b><i>Participation in capital of foreign legal entities</i></b>		
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
	<b>1</b>	<b>1</b>

<b>31. OTHER LONG-TERM FINANCIAL INVESTMENTS</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	6,151	6,161
Long-term time deposits	-	-
Long-term loans to employees	294,695	296,817
Receivables for sold socially owned housing	1,173	1,201
Receivables for purchase of solidarity housing	2,264	2,686
Total gross	304,283	306,865
Current maturities of long-term investments in Societe International de Telecommunications Aeronautiques Swisse (SITA)	(613)	(614)
Current maturities of long-term loans to employees	(10,565)	(15,595)
Adjustment to fair value of long-term loans to employees	(169,678)	(169,778)
	<b>123,427</b>	<b>120,878</b>

Receivables from employees for long-term loans for purchase and tenant purchaser of apartments as of 30.06.2016 amount to RSD 298,132 thousand (including current maturities in the amount of RSD 10,565 thousand). Effects of adjustment to fair value amount to total of RSD 170,036 thousand (RSD 169,678 thousand for the part of long-term receivables from employees and RSD 358 thousand for the part referring to current maturities of long-term receivables). The aforementioned relates to loans to employees for meeting the housing needs granted for a period of 20-40 years. The estimate of the fair value of housing loans as of 31.12.2015 is performed by the Institute for Economic Research Belgrade, by projection of future cash flows from collection of receivables for housing loans using discount rates (built-up method): from 7.5% to 20% depending on whether and in what intervals housing Loans are revalued or contracted with currency clause, whether they have contracted interest rate or are contracted without interest rate.

<b>32. MATERIAL, SPARE PARTS, TOOLS AND SUPPLIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Basic material	60,378	62,052
Spare parts	19,415	17,738
Tools and supplies	28,834	15,092
Value correction of material and spare parts stock	(62)	(62)
	<b>108,565</b>	<b>94,820</b>

<b>33. GOODS</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Goods in warehouse-kerosene	1,735	12,236
Goods in retail trade	52	65
	<b>1,787</b>	<b>12,301</b>

<b>34. ADVANCES FOR SUPPLIES AND SERVICES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Advances for services in the country	26,455	34,627
Advances for foreign services	1,341	644
Advance value correction	(1,120)	(1,120)
	<b>26,676</b>	<b>34,151</b>

<b>35. BUYERS IN THE COUNTRY</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
<b>Total balance of receivables from buyers in the country-gross</b>	<b>1,107,219</b>	<b>1,228,157</b>
-Value correction of the previous period	(158,890)	(129,497)
-Value correction of the current period	(4)	(29,393)
<b>Total balance of value correction</b>	<b>(158,894)</b>	<b>(158,890)</b>
	<b>948,325</b>	<b>1,069,267</b>

Receivables from the buyers in the country on 30.06.2016 in the amount of RSD 1,107,219 thousand of which to undue receivables refer RSD 772,042 thousand, due receivables up to 30 days RSD 22,840 thousand and due receivables over 30 days RSD 312,337 thousand.

Total value correction of receivables from buyers in the country in the amount of RSD 158,894 thousand mainly relates to impairment of receivables from sued buyers in the amount of RSD 145,886 thousand and other domestic buyers RSD 13,008 thousand.

<b>36. BUYERS ABROAD</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
<b>Total balance of receivables from foreign buyers - gross</b>	<b>731,430</b>	<b>657,300</b>
-Value correction of the previous period	(24,429)	(14,373)
-Value correction of the current period	(292)	(10,255)
<b>Total balance of value correction</b>	<b>(24,721)</b>	<b>(24,628)</b>
	<b>706,709</b>	<b>632,672</b>

Receivables from foreign buyers on 30.06.2016 amounted to RSD 731,430 thousand (undue RSD 499,025 thousand, due up to 30 days RSD 139,605 thousand and due over 30 days RSD 92,800 thousand). Total value correction of receivables from foreign buyers in the amount of RSD 24,721 thousand refer to value correction of receivables from sued buyers in the amount of RSD 6,543 thousand and other foreign buyers RSD 18,178 thousand.

<b>37. OTHER RECEIVABLES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Receivables from buyers in the contry for default interest	4,363	3,538
Receivables for interest on term deposits	43,685	53,939
Receivables from employees	1,307	1,398
Other receivables	34,784	35,507
Receivables for overpaid income tax	115,807	-
<b>Total receivables- gross</b>	<b>199,946</b>	<b>94,382</b>
-Value corr.from buyers for default interest of previous years	(467)	(467)
-Value corr.from buyers for default interest of the current year	-	-
-Value corr.from employees of the earlier peiod	(832)	(788)
Value corr.from employees of the current period	-	(44)
-Value corr.of other receivables	(2,452)	(2,452)
<b>Total balance of value correction</b>	<b>(3,751)</b>	<b>(3,751)</b>
	<b>196,195</b>	<b>90,631</b>

<b>38. SHORT-TERM CREDITS AND LOANS IN THE COUNTRY</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Short-term loans to employees (wint. stores, heat. means - 6 months)	82,512	77,841
	<b>82,512</b>	<b>77,841</b>

<b>39. OTHER SHORT-TERM FINANCIAL INVESTMENTS</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Short-term time deposits	3,889,363	3,783,133
Current maturities of loans given to employees	10,565	15,595
Curr.maturities of long-term investments in Societe International de Telecomm.Aeronautiques Swisse (SITA)	613	614
	<b>3,900,541</b>	<b>3,799,342</b>
Adjustment to fair value of loans given to employees	(358)	(543)
	<b>3,900,183</b>	<b>3,798,799</b>

Short-term time deposits with balance on 30.06.2016 are disclosed in the amount of RSD 3,889,363 thousand, and relate to foreign currency and dinar deposits, for the period of six months.

40. CHANGES ON VALUE CORRECTION till 30.06.2016							in 000 RSD
Description of change on value correction	Long-term financial investments (Note 31)	Stock of material and spare parts (Note 32)	Advances for material and services (Note 34)	Receivables for goods, services and default interest (Notes 35,36,37)	Short-term financial investments (Note 39)	Total	
Initial balance 01.01.2015	210,168	62	1,079	2,654,123	647	2,866,079	
Correction at cost of current period	-	-	41	39,692	-	39,733	
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	
Charged corrected receivables	(9,249)	-	-	(1,946,330)	(512)	(1,956,091)	
Value reconciliation	(31,141)	-	-	(38,688)	408	(69,421)	
Write-off	-	-	-	(521,960)	-	(521,960)	
Exchange rate differences	-	-	-	432	-	432	
Other	-	-	-	-	-	-	
<b>Final balance 31.12.2015</b>	<b>169,778</b>	<b>62</b>	<b>1,120</b>	<b>187,269</b>	<b>543</b>	<b>358,772</b>	
Correction at cost of current period	-	-	-	7	-	7	
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	
Charged corrected receivables	(100)	-	-	(199)	(185)	(484)	
Value reconciliation	-	-	-	-	-	-	
Write-off	-	-	-	-	-	-	
Exchange rate differences	-	-	-	289	-	289	
Other	-	-	-	-	-	-	
<b>Final balance 30.06.2016</b>	<b>169,678</b>	<b>62</b>	<b>1,120</b>	<b>187,366</b>	<b>358</b>	<b>358,584</b>	

<b>41. CASH AND CASH EQUIVALENTS</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Current account - in RSD	216,756	46,539
Current account - in foreign currency	838,666	652,584
Treasury	6	890
Other funds	2,366	4,114
<b>Total cash- balance</b>	<b>1,057,794</b>	<b>704,127</b>

<b>42. PREPAYMENTS AND ACCRUED INCOME</b>	<b>30.06.2016.</b>	<b>31.12.2015.</b>
	u 000 din.	u 000 din.
Prepaid VAT + overpaid VAT	1,798	5,054
Prepaid insurance costs for the future period	4,052	8,836
Prepaid other costs for the future period	33,939	5,939
Calculated and non-invoiced income for the current period	0	6,461
Pre-calculated costs	2,825	96
	<b>42,614</b>	<b>26,386</b>

<b>43. CAPITAL</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Share capital	20,573,610	20,573,610
Reserves	4,120,259	2,842,810
Revaluation reserves	148,390	148,390
Actuarial gains	12,788	12,788
Undistributed profit of earlier years	-	144,356
Undistributed profit of the current year	1,374,062	1,976,030
	<b>26,229,109</b>	<b>25,697,984</b>

#### 44. 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.

#### 44. SHARE CAPITAL (cont'd.)

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.

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:

<b><i>Share capital 25.01.2011 (transition to open joint-stock company)</i></b>	<b>Value in 000 RSD</b>	<b>Number of shares</b>	<b>% of particip.</b>
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and ex-employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
	<b>20,573,610</b>	<b>34,289,350</b>	<b>100.00%</b>

The capital structure on 30.06.2016 and 31.12.2015 was the following:

<b>Shareholder</b>	<b>30.06.2016</b>			<b>31.12.2015</b>		
	<b>Value in thousand RSD</b>	<b>Number of shares</b>	<b>% particip.</b>	<b>Value in thousand RSD</b>	<b>Number of shares</b>	<b>% particip.</b>
Republic of Serbia	17,106,319	28,510,532	83.15%	17,106,319	28,510,532	83.15%
Domestic and foreign natural persons	2,044,620	3,407,700	9.94%	2,048,446	3,414,076	9.96%
Domestic and foreign legal entities	670,444	1,117,406	3.26%	707,642	1,179,404	3.44%
Custody entities	752,227	1,253,712	3.66%	711,203	1,185,338	3.46%
	<b>20,573,610</b>	<b>34,289,350</b>	<b>100.00%</b>	<b>20,573,610</b>	<b>34,289,350</b>	<b>100.00%</b>



45.OTHER CAPITAL COMPONENTS	Reserves	Revaluations reserves based on revaluation of property, plant and equipment	Actuarial gains
<b>Balance on 01.01.2015</b>	<b>1,534,430</b>	<b>148,569</b>	5177
Legal reserves	-	-	0
Statutory reserves	1,308,380	-	0
Revaluation reserves for land	-	-	0
Revaluation reserves for buildings	-	-	0
Revaluation reserves for equipment	-	-	0
The decrease in revaluation reserves for equipment	-	(179)	0
Actuarial gains on reserves for retirement benefits	-	-	8,954
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	(1,343)
<b>Balance on 31.12.2015</b>	<b>2,842,810</b>	<b>148,390</b>	<b>12,788</b>
Legal reserves	-	-	-
Statutory reserves	1,277,449	-	-
Revaluation reserves for land	-	-	-
Revaluation reserves for buildings	-	-	-
Revaluation reserves for equipment	-	-	-
The decrease in revaluation reserves for equipment	-	-	-
Actuarial gains on reserves for retirement benefits	-	-	-
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	-
<b>Balance on 30.06.2016</b>	<b>4,120,259</b>	<b>148,390</b>	<b>12,788</b>

Reserves are created in accordance with the Company's Articles of Association.

<b>46. NON-DISTRIBUTED PROFIT</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
<b>Initial balance 01.01.</b>	<b>2,120,386</b>	<b>2,695,507</b>
Initial balance correction	-	144,353
<b>Corrected initial balance 01.01.</b>	<b>2,120,386</b>	<b>2,839,860</b>
Distribution of undistributed profit for dividend	(750,937)	(1,333,170)
Transfer to statutory reserves	(1,277,449)	(1,308,380)
Participation of employees in profit distribution	(92,000)	(53,957)
<b>Net profit of the current period</b>	<b>1,374,062</b>	<b>3,291,026</b>
Net profit correction	-	-
<b>Total net profit of the current period</b>	<b>1,374,062</b>	<b>3,291,026</b>
Decision on distribution of interim dividend	0	1,314,996
<b>Undistributed profit of the current period</b>	<b>1,374,062</b>	<b>1,976,030</b>
Profit of the previous years, resulting from transfer of revaluation reserves into profit at selling fixed assets in the current year	0	3
Correction of undistributed profit from earlier period	0	144,353
<b>Total undistributed profit of earlier years</b>	<b>0</b>	<b>144,356</b>
<b>Undistributed profit</b>	<b>1,374,062</b>	<b>2,120,386</b>

At the regular session of the Assembly of the Company on 27.06.2016 is made Decision on the distribution of the total undistributed profit as of 01.01.2016 in the amount of RSD **2,120,386** thousand as follows:

- Gross dividend RSD 750,937 thousand;
- Company reserves RSD 1,277,449 thousand;
- Participation of employees in the profit RSD 92,000 thousand.

Total undistributed profit of the current year as of 30.06.2016 in the amount of RSD **1,374,062** thousand is the result of the realized net profit in the first half of 2016.

<b>47. LONG-TERM RESERVES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Reserves for terminal pays for employees	41,591	41,934
Reserves for jubilee bonuses	67,356	68,305
Reserves for litigations	83,046	114,781
	<b>191,993</b>	<b>225,020</b>

#### 48. CHANGES ON LONG-TERM RESERVES

Changes in long-term provisions for retirement benefits, jubilee awards and litigations in the period I-VI of 2016, compared to 31.12.2015 are shown in the following table:

CHANGES IN RESERVES	in 000 RSD			
	Terminal wages	Jubilee bonuses	Total	Litigations
Balance on 01.01.2015	46,924	64,313	111,237	74,090
Reserves during the year	7,189	13,055	20,244	53,000
Actuarial gains	(8,954)	(3,797)	(12,751)	-
Cancellation during the year	(64)	(33)	(97)	(498)
Pay off during the year	(3,161)	(5,233)	(8,394)	(11,811)
<b>Balance on 31.12.2015</b>	<b>41,934</b>	<b>68,305</b>	<b>110,239</b>	<b>114,781</b>
Balance on 01.01.2016	41,934	68,305	110,239	114,781
Reserves during the current year	0	0	0	2,000
Actuarial gains	-	-	-	-
Cancellation during the current year	-	(1)	(1)	(32,572)
Pay off during the year	(343)	(948)	(1,291)	(1,163)
<b>Balance on 30.06.2016</b>	<b>41,591</b>	<b>67,356</b>	<b>108,947</b>	<b>83,046</b>

#### 49. THE ASSUMPTIONS USED WHEN MAKING CALCULATION OF RESERVES FOR RETIREMENT BENEFITS AND JUBILEE BONUSES AND CALCULATION OF RESERVES

<i>a) The assumptions used when making calculation of reserves for retirement benefits and jubilee bonuses</i>	2016	2015
Discount rate		5.50%
Estimated growth rate of average earnings		2.00%
Fluctuation percentage		3.00%
Amount of average net earning in XI/2015		76,360
Total number of employees on 31.12.		1253
Number of retired workers who received terminal pay at retirement		11

<i>b) The calculation of the reserves for employee benefits as of 31.12.2015</i>	in 000 RSD	
	Retirement benefits	Jubilee bonuses
	in 000 RSD	in 000 RSD
<b>1. Reserves on 31.12.2014</b>	<b>46,924</b>	<b>64,313</b>
2. Interest expense	2,581	3,537
3. The cost of current work	4,608	9,518
4. The cost of past work	-	-
5. Actuarial (gain) /loss	(8,954)	(3,797)
6. Cancellation of provisions during 2015 in the business books of the Company	(3,225)	(5,266)
<b>7. The total net change in the amount reserved in 2015 (1+2+3+4+5+6)</b>	<b>(4,990)</b>	<b>3,992</b>
<b>8 Balance of reserving on 31.12. 2015 (1+7)</b>	<b>41,934</b>	<b>68,305</b>

50. LONG-TERM LOANS	30.06.2016	31.12.2015
	in 000 RSD	in 000 RSD
Abroad	855,172	894,174
Current maturities	(51,393)	(101,380)
	<b>803,779</b>	<b>792,794</b>

51. LONG-TERM LOANS	Annual interest rate	Date of maturity	Remaining amount 30.06.2016 (EUR)	30.06.2016	31.12.2015
				in 000 RSD	in 000 RSD
<u>Long-term loans abroad</u>					
European Investment Bank	4,07-5,16%	2025.r.	6,914,314.58	855,172	894,174
<b>Total long-term loans (a+b)</b>			<b>6,914,314.58</b>	<b>855,172</b>	<b>894,174</b>
Current maturities of long-term loans:			-415,524.19	-51,393	-101,380
			<b>6,498,790.39</b>	<b>803,779</b>	<b>792,794</b>

Long-term loans abroad reported on 30.06.2016 in the amount of RSD 855,172 thousand (EUR 6,914,314.58, of which in 2016 mature for payment EUR 415,524.19 or RSD 51,393 thousand), 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.

<i>receivables from long-term loans</i>	Principle		Non-booked interest	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
up to one year	51,393	101,380	18,969	38,563
from one year up to two years	102,785	101,380	34,461	33,990
from two years up to three	102,785	101,380	29,825	29,418
from three years up to four	102,785	101,380	25,189	24,845
from four years up to five	102,785	101,380	20,553	20,272
from five years up to ten years	392,639	387,274	39,653	39,111
over ten years	-	-	-	-
	<b>855,172</b>	<b>894,174</b>	<b>168,650</b>	<b>186,199</b>

<b>52. OTHER SHORT-TERM FINANCIAL LIABILITIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
<i>Current maturities</i>		
Long-term loan EIB	51,393	101,380
Other long-term liabilities-financial leasing	-	-
	<b>51,393</b>	<b>101,380</b>

<b>53. RECEIVED ADVANCES, DEPOSITS AND SECURITY</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Advances received from domestic buyers	39,743	32,983
Advances received from foreign buyers	13,323	13,025
Subscriptions from domestic buyers	9,050	5,470
Subscriptions from foreign buyers	26,063	10,883
	<b>88,179</b>	<b>62,361</b>

<b>54. SUPPLIERS IN THE COUNTRY</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Suppliers in the country-for services	74,169	95,434
Suppliers in the country-for investments in progress	13,025	9,962
Suppliers in the country-for equipment	81,479	99,087
	<b>168,673</b>	<b>204,483</b>

<b>55. SUPPLIERS ABROAD</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Suppliers abroad-for services	1,841	10,916
Suppliers abroad-for equipment	-	-
	<b>1,841</b>	<b>10,916</b>

<b>56. OTHER LIABILITIES FROM OPERATION</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Other liab. from operation-for charged purchase on behalf of other	36,963	24,846
Other liabilities from operation	4,828	538
	<b>41,791</b>	<b>25,384</b>

<b>57. OTHER SHORT-TERM LIABILITIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Liabilities for salaries	79,864	-
Liabilities for interest	-	21,884
Liabilities for dividend of 2015	750,937	-
Liabilities for interim dividend of 2015	-	814,997
Liabilities arising from participation in the profits-gross	92,003	3
Other short-term liabilities	30,450	21,341
	<b>953,254</b>	<b>858,225</b>

<b>58. LIABILITIES FOR VAT</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Liabilities for VAT	53,184	25,809
	<b>53,184</b>	<b>25,809</b>

<b>59. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER LEVIES</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Liabilities for income tax	-	59,744
Correction of liabilities for income tax from 2010-2014	-	35,106
Liabilities for taxes, customs duty and other levies	720	720
Taxes, contributions and other levies	8,233	1,046
	<b>8,953</b>	<b>96,616</b>

<b>60. LIABILITIES FOR INCOME TAX - structure</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Balance on 01.01. of the current year	<b>94,850</b>	<b>458,336</b>
Correction of income tax	0	35,106
Correction of initial balance	94,850	493,442
Specified income tax liabilities for the current year	171,553	607,090
Correction of income tax liabilities	-	-
Specified income tax liabilities for the current year - total	171,553	607,090
Paid income tax liabilities	(94,850)	(458,336)
Overpaid income tax	115,807	-
Advance payment of income tax in the current year	(287,360)	(547,346)
Liability for payment of income tax	-	<b>94,850</b>

<b>61. ACCRUALS AND DEFERRED INCOME</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Accrued expenses for the reporting period	72,596	56,087
Calculated revenues for the future period	16,002	19,999
Other accruals and deferred income	3,771	6,065
Taxes, contributions and other duties	-	190
	<b>92,369</b>	<b>82,341</b>

<b>62. OFF-BALANCE REGISTER</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Received blank bills - pieces	1,782	1,625
Given blank bills domestic - pieces	27	42
Received guarantees - RSD	297,311	257,732
Received guarantees - foreign currency	99,140	54,632
Received foreign currency collaterals	359,155	0
Given guarantees - RSD	7,500	7,500
Solidarity funds from employee salaries	627	627
<b>Total off-balance assets and liabilities</b>	<b>763,734</b>	<b>320,491</b>

Dinar received guarantees in the amount of RSD 297,311 thousand mainly relate to guarantees received from suppliers for good performance or guarantee for fault repair within the warranty period. Received foreign currency guarantees in the amount of RSD 99.140 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 to guarantees received foreign buyers for the safety and timeliness in payment of services. Received foreign currency collaterals in the amount of RSD 359,155 thousand relate to guarantee for foreign currency time deposit.

63. FAIR VALUE OF ASSETS

ASSETS	Accounting value in 000 RSD 30.06.2016	Fair value in 000 RSD 30.06.2016	Accounting value in 000 RSD 31.12.2015	Fair value in 000 RSD 31.12.2015	The hierarchy of fair value- Levels	Valuation techniques and inputs
1	2	3	4	5	6	7
Fixed assets	21,315,118	21,315,118	21,465,560	21,465,560	Level 3	Evaluation of a certified appraiser 31.12.2014
Investment property	26,073	26,073	26,073	26,073	Level 3	Evaluation of a certified appraiser 31.12.2015
Shares in capital of other legal entities	1	1	1	1	Level 2	Management estimates that they are not recoverable- the banks in bankruptcy
Long-term and short-term financial investments- housing loans	128,096	128,096	130,384	130,384	Level 3	Discounting the cash flows as follows: 20% for housing loans which are not revalued; 9% for housing loans that are revalued annually and have an interest rate of 0.5%, 7.5% for housing loans with foreign currency clause and interest rate of 0.5%; 9.25% for housing loans which are revalued every six months and 9.5% for housing loans that are revalued annually
Receivables from buyers	1,655,034	1,655,034	1,701,939	1,701,939	Level 3	Management's estimates of the recoverability in acc.with IAS 39
Other receivables	80,388	80,388	113,395	113,395	Level 3	Management's estimates of the recoverability in acc.with IAS 39

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

		30.06.2016		31.12.2015		in 000 RSD	
64 FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT		total	value corr.	net amount	total	value corr.	net amount
Categories of financial instruments							
<b>Financial assets</b>							
<b>1</b>	<b>Long-term financial investments</b>	<b>671,789</b>	<b>(548,361)</b>	<b>123,428</b>	<b>669,340</b>	<b>(548,461)</b>	<b>120,879</b>
	- Long-term time deposits	5,538	-	5,538	5,547	-	5,547
	- 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	287,567	(169,678)	117,889	285,109	(169,778)	115,331
<b>2</b>	<b>The receivables stated at nominal value</b>	<b>5,905,841</b>	<b>(187,724)</b>	<b>5,718,117</b>	<b>5,857,022</b>	<b>(187,812)</b>	<b>5,669,210</b>
	- Receivables from buyers	1,838,649	(183,615)	1,655,034	1,885,457	(183,518)	1,701,939
	- Short-term financial investments	3,983,053	(358)	3,982,695	3,877,183	(543)	3,876,640
	- Interest receivables	48,048	(467)	47,581	57,828	(467)	57,361
	- Other receivables	36,091	(3,284)	32,807	36,554	(3,284)	33,270
<b>3</b>	<b>Cash and cash equivalents</b>	<b>1,057,794</b>	<b>-</b>	<b>1,057,794</b>	<b>704,127</b>	<b>-</b>	<b>704,127</b>
		<b>7,635,424</b>	<b>(736,085)</b>	<b>6,899,339</b>	<b>7,230,489</b>	<b>(736,273)</b>	<b>6,494,216</b>
<b>Financial liabilities</b>							
1	Long-term loans	803,779	0	803,779	792,794	0	792,794
2	Current maturities of long-term loans	51,393	-	51,393	101,380	-	101,380
3	Current maturities of long-term financial leasing	0	0	0	0	0	0
4	Short-term liabilities	212,305	-	212,305	240,783	-	240,783
		<b>1,067,477</b>	<b>-</b>	<b>1,067,477</b>	<b>1,134,957</b>	<b>-</b>	<b>1,134,957</b>

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.



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

### Financial risk management objectives

Financial risks include market risk (foreign exchange and interest rate), credit risk and liquidity risk. Financial risks are reviewed on a timely basis and are preferably avoided by reducing the Company's exposure to these risks. The Company does not use any financial instruments to avoid the impact of financial risk to the business operations because such instruments are not widely used, and there is no organized market for such instruments in the Republic of Serbia.

### I MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign exchange rates and changes in interest rates. Market risk exposures are examined through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, or in the manner in which the Company operates or measure this risk.

#### 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.

The Company does not use special financial instruments to protect against risk, considering that in Serbia such instruments are not common.

The stability of the economic environment in which the Company operates, largely depends on the measures of government in the economy, including the establishment of appropriate legal and regulatory framework.

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

Currency description	<u>Total assets</u>				<u>Total liabilities</u>	
	30.06.2016		31.12.2015		30.06.2016	31.12.2015
	gross	net	gross	net		
EUR	4,297,055	4,102,298	3,904,003	3,709,037	856,094	896,088
USD	593,806	593,806	570,872	570,872	1,598	6,908
CHF	356	356	356	356	0	0
GBP	9	9	13	13	0	0
<b>Dinar contervalue of assets and liabilities in a currency</b>	<b>4,891,226</b>	<b>4,696,469</b>	<b>4,475,244</b>	<b>4,280,278</b>	<b>857,692</b>	<b>902,996</b>
Value of assets and liabilities in RSD	2,744,198	2,202,870	2,755,245	2,213,938	209,785	231,961
<b>Total</b>	<b>7,635,424</b>	<b>6,899,339</b>	<b>7,230,489</b>	<b>6,494,216</b>	<b>1,067,477</b>	<b>1,134,957</b>

By the analysis of the currency structure of financial assets and liabilities as of 30.06.2016, along with the balance as of 31.12.2015, it can be concluded that the financial assets contracted with

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

### a) Currency risk (foreign exchange risk) (cont'd.)

currency clause are higher than the contracted financial liabilities in foreign currencies. Financial liabilities contracted in foreign currency are generally of long-term nature.

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

The following table presents a sensitivity analysis of the Company to increase and decrease in RSD rate of 10%, in comparison to the foreign currency. The sensitivity analysis includes only outstanding receivables and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in exchange rates. A positive number in the table indicates an increase of the result in the current period when RSD strengthens against the currency in question. 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  
**30.06.2016**

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%
	324,620		59,221		36		1	
Profit/loss		-324,620		-59,221		-36		-1

in 000 RSD  
**31.12.2015**

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%
	281,295		56,396		36		1	
Profit/loss		-281,295		-56,396		-36		-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:

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

**b) Risk of interest rate change (cont'd.)**

in 000 RSD

Financial assets-net	30.06.2016			31.12.2015		
	total	value corr.	net amount	total	value corr.	net amount
<b>No interest</b>						
Partic.in capital of other legal entities	378,684	(378,683)	1	378,684	(378,683)	1
Receivables from buyers	1,838,649	(183,615)	1,655,034	1,885,457	(183,518)	1,701,939
Interest receiv. and other receivables	84,139	(3,751)	80,388	94,382	(3,751)	90,631
Short-term financial investments	82,512	-	82,512	77,841	-	77,841
<b>No interest total</b>	<b>2,383,984</b>	<b>(566,049)</b>	<b>1,817,935</b>	<b>2,436,364</b>	<b>(565,952)</b>	<b>1,870,412</b>
<b>Fixed interest rate</b>						
Long-term financial invest.	293,105	(169,678)	123,427	290,656	(169,778)	120,878
Short-term financial invest.	3,900,541	(358)	3,900,183	3,799,342	(543)	3,798,799
<b>Fixed-total</b>	<b>4,193,646</b>	<b>(170,036)</b>	<b>4,023,610</b>	<b>4,089,998</b>	<b>(170,321)</b>	<b>3,919,677</b>
<b>Variable interest rate</b>						
Cash and cash equivalents	1,057,794	-	1,057,794	704,127	-	704,127
<b>Variable-total</b>	<b>1,057,794</b>	<b>0</b>	<b>1,057,794</b>	<b>704,127</b>	<b>0</b>	<b>704,127</b>
	<b>7,635,424</b>	<b>(736,085)</b>	<b>6,899,339</b>	<b>7,230,489</b>	<b>(736,273)</b>	<b>6,494,216</b>
<b>Financial liabilities</b>						
<b>No interest</b>						
Liabilities from operation	212,305	0	212,305	240,783	0	240,783
<b>No interest-total</b>	<b>212,305</b>	<b>0</b>	<b>212,305</b>	<b>240,783</b>	<b>0</b>	<b>240,783</b>
<b>Fixed interest rate</b>						
Long-term loans	803,779	0	803,779	792,794	0	792,794
Current maturity of long-term liabilities	51,393	0	51,393	101,380	0	101,380
<b>fixed-total</b>	<b>855,172</b>	<b>0</b>	<b>855,172</b>	<b>894,174</b>	<b>0</b>	<b>894,174</b>
<b>Variable interest rate</b>						
Current maturity of long-term liabilities	0	0	0	0	0	0
<b>Variable-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>1,067,477</b>	<b>0</b>	<b>1,067,477</b>	<b>1,134,957</b>	<b>0</b>	<b>1,134,957</b>

#### 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.

The Company performs the reconciliation of assets and liabilities annually, with balance as of 30.11. of the current year, or more times during the year for specific clients, if the need arises. As of 30.06.2016 and on 31.12.2015, as reconciled receivables with our largest buyers.

Structure of receivables from buyers	30.06.2016	share	31.12.2015	share
	in 000 RSD		in 000 RSD	
Air Serbia	559,744	30.44%	722,881	38.34%
JAT Tehnika	205,256	11.16%	204,979	10.87%
Dufry doo	83,492	4.54%	58,646	3.11%
International CG	41,492	2.26%	41,492	2.20%
Air Serbia-Ketering d.o.o.	40,176	2.19%	35,883	1.90%
Aviogenex d.o.o.	48,563	2.64%	44,066	2.34%
Austrian-branch	23,174	1.26%	25,845	1.37%
Other domestic buyers	105,322	5.73%	94,365	5.00%
<b>Total domestic buyers</b>	<b>1,107,219</b>	<b>60.22%</b>	<b>1,228,157</b>	<b>65.14%</b>
Montenegro Airlines	204,026	11.10%	207,751	11.02%
Wizz Air	110,860	6.03%	140,017	7.43%
Deutsche Lufthansa	55,450	3.02%	46,523	2.47%
Turkish Airlines	31,478	1.71%	34,663	1.84%
Etihad Airlines	42,349	2.30%	33,838	1.79%
Aeroflot	36,758	2.00%	27,268	1.45%
Alitalia	20,678	1.12%	20,596	1.09%
Qatar Airways	8,394	0.46%	16,165	0.86%
Swiss Air	53,946	2.93%	19,357	1.03%
Other foreign buyers	167,491	9.11%	111,121	5.89%
<b>Total foreign buyers</b>	<b>731,430</b>	<b>39.78%</b>	<b>657,300</b>	<b>34.86%</b>
<b>Total gross receivab. from domestic and foreign buyer:</b>	<b>1,838,649</b>	<b>100.00%</b>	<b>1,885,457</b>	<b>100.00%</b>
Total value correction	183,615		183,518	
<b>Total net receivables</b>	<b>1,655,034</b>		<b>1,701,939</b>	

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

##### II CREDIT RISK (Cont'd.)

The Company has large receivables from domestic and foreign buyers on 30.06.2016 (RSD 1,838,649 thousand), so that the credit risk is constantly there. To reduce this risk, the Company regularly monitors the implementation of the collection, analyzes the value of the collection achieved within the contracted period, collection with exceeded contracted period, the balance and age structure of outstanding receivables as per buyers.

The greater the percentage share of individual buyers in total receivables the higher credit risk, especially if these buyers have unstable liquidity and on that basis, exceeded contracted payment deadline.

Receivables from domestic buyers for goods and services on 30.06.2016 in the amount of RSD 1,107,219 thousand, accounted for 60.22% of total receivables from buyers for goods and services. Total balance of value adjustment of receivables from domestic buyers was RSD 158,894 thousand (charged to results of previous years RSD 158,890 thousand and charged to result of the current year RSD 4 thousand), so the net value of receivables from domestic buyers amounts to RSD 948,325 thousand.

Receivables from foreign buyers for goods and services amounted to RSD 731,430 thousand, which makes 39.78% of total receivables for goods and services. Total balance of value adjustment of receivables from foreign buyers is RSD 24,721 thousand (charged to results of previous years RSD 24,718 thousand and charged to results of the current year RSD 3 thousand), so the net value of receivables from foreign buyers amounts to RSD 706,709 thousand.

Age structure of receivables	30.06.2016	share	31.12.2015	share
	in 000 RSD		in 000 RSD	
Undue receivables from buyers - uncorrected	1,271,067	69.13%	1,453,062	77.07%
Undue receivables from buyers - corrected	0	0.00%	6,868	0.36%
<b>Total undue receivables</b>	<b>1,271,067</b>	<b>69.13%</b>	<b>1,459,930</b>	<b>77.43%</b>
Due receivables up to 60 days-uncorrected	194,531	10.58%	175,627	9.31%
Due receivables up to 60 days-corrected	0	0.00%	2,494	0.13%
<b>Total due receivables up to 60 days</b>	<b>194,531</b>	<b>10.58%</b>	<b>178,121</b>	<b>9.45%</b>
Due receivables over 60 days-uncorrected	189,436	10.30%	73,250	3.88%
Due receivables from buyers over 60 days-corrected	183,615	9.99%	174,156	9.24%
<b>Total due receivables over 60 days</b>	<b>373,051</b>	<b>20.29%</b>	<b>247,406</b>	<b>13.12%</b>
<b>Total receivables- gross</b>	<b>1,838,649</b>	<b>100.00%</b>	<b>1,885,457</b>	<b>100.00%</b>
<b>Total value correction</b>	<b>183,615</b>		<b>183,518</b>	
<b>Total receivables - net (gross - correction)</b>	<b>1,655,034</b>		<b>1,701,939</b>	

Undue receivables from domestic and foreign buyers for goods and services on 30.06.2016, amount to RSD 1,271,067 thousand (and on 31.12.2015 amounted to RSD 1,459,930 thousand).

Due receivables from domestic and foreign buyers for goods and services which on 30.06.2016, are not older than 60 days, amount to RSD 194,531 thousand (and on 31.12.2015 they amounted to RSD 178,121 thousand).

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

### II CREDIT RISK (Cont'd.)

Due receivables from domestic and foreign buyers for goods and services, on 30.06.2016, older than 60 days, amounted to RSD 373,051 thousand (and on 31.12.2015 they amounted to RSD 247,406 thousand).

Due corrected receivables from domestic and foreign buyers for goods and services older than 60 days as at 30.06.2016 amounted to RSD 183,615 thousand, of which for value correction of receivables of the current period was placed RSD 7 thousand, and at the cost of the results of previous years RSD 183,608 thousand (due corrected receivables from domestic and foreign buyers for goods and services older than 60 days on 31.12.2015 amounted to RSD 174,156 thousand).

Due uncorrected receivables from domestic and foreign buyers for goods and services older than 60 days as of 30.06.2016 amounted to RSD 189,436 thousand. These receivables are not corrected due to the assessment of certainty of collection of those receivables.

### 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.

<b>Maturities of financial assets</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Up to 30 days	2,332,741	1,558,930
1 - 3 months	2,390,933	2,440,280
3-12 months	2,034,353	2,319,613
1 - 5 years	42,238	78,527
over 5 years	99,074	96,866
	<b>6,899,339</b>	<b>6,494,216</b>

The average time to collect receivables from customers in the first quarter of 2016 amounted to 77 days (2015: 111 days). For the shortening of the average time to collect receivables from buyers in the first half of 2016, compared to 2015 is influenced by regular collection of accounts receivable maturities, by our largest customer Air Serbia, as well as the collection of receivables from 2015 in accordance with the concluded reprograms which define the terms of payment of receivables incurred in 2015 and earlier years.

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

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

<b>Interest maturity</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Up to 30 days	6,626	4,060
1 - 3 months	41,422	37,743
3-12 months	0	16,025
	<b>48,048</b>	<b>57,828</b>

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

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.

<b>Maturity of financial liabilities</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Up to 30 days	212,305	240,783
1 - 3 months	12,368	12,199
3-12 months	39,025	89,181
1 - 5 years	411,141	405,522
over 5 years	392,638	387,272
	<b>1,067,477</b>	<b>1,134,957</b>

In the total liabilities of the Company the largest share have liabilities based on long-term loans in the amount of RSD 855,172 thousand, of which in 2016 becomes due RSD 51,393 thousand.

Liabilities towards suppliers on 30 June, 2016 are disclosed in the amount of RSD 212,305 thousand (on 31 December 2015: RSD 240,783 thousand). Suppliers do not charge interest on arrears to due liabilities, whereby the Company due liabilities to suppliers, in accordance with the policy of financial risk management, settles within the agreed period. Average time of settlement of liabilities towards suppliers in the first half of 2016 is 63 days (48 days in 2015).

<b>Maturities of interest (for loans)</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
Up to 30 days	-	-
1 - 3 months	4,499	4,733
3-12 months	14,470	33,830
1 - 5 years	110,028	108,524
over 5 years	39,653	39,112
	<b>168,650</b>	<b>186,199</b>

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

### 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. 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 reporting current period of 2016 and the end of 2015 are as follows:

	<b>30.06.2016</b>	<b>31.12.2015</b>
	in 000 RSD	in 000 RSD
<b>1 Indebtedness (ADP 432 + ADP 443)</b>	<b>855,172</b>	<b>894,174</b>
2 Cash and cash equivalents (ADP 068)	1,057,794	704,127
<b>I GROSS INDEBTEDNESS (1-2)</b>	<b>(202,622)</b>	<b>190,047</b>
3 Ratio of indebtedness against capital ( I/5 )	-0.0077	0.0074
4 Short-term financial investments (ADP 062)	3,982,695	3,876,640
<b>II NET INDEBTEDNESS ( I-5 )</b>	<b>(4,185,317)</b>	<b>(3,686,593)</b>
5 Capital (ADP 401)	<b>26,229,109</b>	<b>25,697,984</b>
6 Ratio of indebtedness against capital ( II/5 )	-0.1596	-0.1435

## 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 (In the period I-VI 2016: total number of 20; in the period I-VI 2015: 21). In the period I-VI 2016 was paid in the gross amount RSD 17,248 thousand (in the period I-VI 2015: RSD 19,913 thousand).

Management benefits	I-VI 2016		I-VI 2015	
	No.	Amount in 000 RSD	No.	Amount in 000 RSD
<b>Management</b>				
Earnings	11	13,056	12	15,627
Participation in profit distribution		0		0
<b>Total management</b>	<b>11</b>	<b>13,056</b>	<b>12</b>	<b>15,627</b>
Remuneration to mem. of Supervisory Board	7	3,149	7	3,278
Remuneration to mem. of Audit Commission	1	455	1	403
Remun. to mem. of Shareholders Assembly	1	588	1	605
Total for members of Supervisory Board, Audit Commission and Shareholders Assembly	<b>9</b>	<b>4,192</b>	<b>9</b>	<b>4,286</b>
<b>TOTAL:</b>	<b>20</b>	<b>17,248</b>	<b>21</b>	<b>19,913</b>



## 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. The management believes that tax liabilities are adequately calculated and recorded.

## 67. LITIGATION

On 30 June, 2016, against the Company there are litigations in the amount of RSD 157.195 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 2016 the Company has made provisions for potential losses on these litigations in the amount of RSD 83,046 thousand (on 31.12.2015 it was RSD 114,781 thousand)(Notes 47 and 48). According to the assessment of the Company's management on this basis they does not expect additional significant losses in the future period.

## 68. EVENTS AFTER THE REPORTING PERIOD

In accordance with IAS 10 "Events after the reporting period", we found no existence of other events that may influence or affect the truthfulness and objectivity of the financial statements for the period that ended on 30 June 2016, or would require adjustment of the financial statements.

In Belgrade, 02 August 2016



Legal representative



АКЦИОНАРСКО ДРУШТВО  
АЕРОДРОМ "НИКОЛА ТЕСЛА"  
БЕОГРАД  
Бр. 33-204  
11. 08. 2016 год.  
200

**JOINT-STOCK COMPANY BELGRADE  
NIKOLA TESLA AIRPORT**

**BUSINESS REPORT FOR THE SECOND QUARTER OF  
2016 AND FOR THE PERIOD I-VI 2016**

**BELGRADE, AUGUST 2016**

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## 1. GENERAL DATA OF THE COMPANY

<b>1</b>	<b>Business name</b>	<b>AD AERODROM "NIKOLA TESLA" BEOGRAD</b>
	<b>Head office and address</b>	11180 Belgrade 59
	<b>Register number</b>	07036540
	<b>TIN</b>	100000539
<b>2</b>	<b>web site and e-mail address</b>	<a href="http://www.beg.aero">www.beg.aero</a> ; <a href="mailto:kabinet@beg.aero">kabinet@beg.aero</a>
<b>3</b>	<b>Number and date of the Rescript on Company registration</b>	<p><b>Registration number: BD 4874/2005</b> <b>Date of registration: 15.16.2005</b></p> <p><b>Registration number:BD91540/2012</b> <b>Date of registration: 09.07.2012</b></p> <p><b>Registration number: BD100187/2012</b> <b>Date of registration: 20.07.2012</b></p>
<b>4</b>	<b>Activity (code and description)</b>	5223- Air-traffic services
<b>5</b>	<b>Number of employees</b>	1287 employees on 30.06.2016
<b>6</b>	<b>Core capital value</b>	<b>RSD 20,573,610,000</b> (on 30.06.2016)
<b>7</b>	<b>Name, head office of auditor who revised the last financial statement</b>	"GRANT THORNTON REVIZIT" d.o.o. Kneginje Zorke 2/1, Beograd
<b>8</b>	<b>Number of issued shares, ISIN number and CFI code</b>	<b>Number of ordinary shares 34,289,350</b> (on 30.06.2016) <b>CFI code ESVUFR</b> <b>ISIN number RSANTBE11090</b>
<b>9</b>	<b>Organised exchange market on which the shares are exchanged</b>	Beogradska berza ad Beograd, Omladinskih brigada 1, 11070 Novi Beograd

## 2. MANAGEMENT DATA:

Management members on 30.06.2016

<b>Shareholders' Assembly:</b>		
<b>No.</b>	<b>Name, surname and place of residence</b>	<b>Education, permanent employment (business name of the company and work position)</b>
1	Vladimir Dimitrijević, Belgrade	Master of Economic Sciences, Executive Director of Public Enterprise „Pošta Srbije“

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

<b>The Executive Board</b>		
<b>No.</b>	<b>Name, surname and place of residence</b>	<b>Education, permanent employment (business name of the company and work position)</b>
1	Saša Vlasisavljević, 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

## 2.1. REVIEW OF CORPORATE GOVERNANCE RULES

JSC Belgrade Nikola Tesla Airport, as a member of the Chamber of Commerce of Serbia adopted 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 Company's website [www.beg.aero](http://www.beg.aero).

The rules of this Code are supplement to the current legislation, so that no provision of the Code abolishes the legal rule that governs the same question differently. Also, the Code does not in any way change the meaning, or proper interpretation of the legal provisions. The Code is within the limits of the law, because it covers matters that are not regulated by law (the so-called Legal vacuum), or is regulated by dispositive legal norms.

The Code contains two types of rules:

- 1) Recommendations - rules that a for-profit corporation has to accept and act upon them, and which can be recognized in the Code by the use of the word "should";
- 2) proposals - rules that are considered desirable practice in corporate governance, which in the Code can be identified by the use of the words "may," "should," and so on.

The recommendations contained in this Code outline minimum standards for public joint stock companies (members of the Serbian Chamber of Commerce) should accept and act on them, and if they do not do so or do not do so in the manner prescribed by this Code, it is necessary that they provide an explanation for discrepancy done within the statement on implementation of the code of corporate governance in accordance with the Law on companies.

## Ten largest shareholders

S. No.	Name of shareholder	Number of shares
1	2	3
1)	THE REPUBLIC OF SERBIA	28,510,532
2)	KJK FUND II SICAV SIF	441,137
3)	RAIFFEISEN BANK AD BEOGRAD– custody account KS	384,439
4)	RAIFFEISEN BANK AD– custody account KS	191,868
5)	EAST CAPITAL (LUX) – BALKAN FUND	145,038
6)	SOCIETE GENERALE BANKA SRBIJA– custody account-FO	126,066
7)	SOCIETE GENERALE BANKA SRBIJA– custody account-FO	87,344
8)	UNICREDIT BANK SRBIJA AD– custody account – KS	82,762
9)	RAIFFEISEN BANK AD – custody account KS	80,000
10)	DANSKE INVEST TANS – BALKAN FUN	74,771

### 3. AIR TRAFFIC TURNOVER

In the period I-VI 2016 it was achieved total air traffic turnover, as follows:

- 27,156 air movements,
- 2,111,690 passengers and
- 8,383 tons of cargo and mail.

In the period I-VI 2016 it was achieved total air traffic turnover, as follows:

- 15,107 air movements,
- 1,241,676 passengers and
- 4,545 tons of cargo and mail.

#### 3.1. AIR MOVEMENT TURNOVER

Achieved number of air movements per traffic types in the period I-VI 2016 is shown in the following table.

Number of air movements per traffic types I-VI 2016

Traffic types	Achiev. I-VI 2015	Rebalancing plan I-VI	Achiev. I-VI 2016	Index	Index	Particip. I-VI 2015	Particip. I-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	47	47	34	72	72	0.16	0.12
International air traffic-domestic carriers	15,692	15,587	15,226	97	98	55.67	56.07
International air traffic-foreign carriers	12,450	12,553	11,896	96	95	44.17	43.81
<b>TOTAL:</b>	<b>28,189</b>	<b>28,187</b>	<b>27,156</b>	<b>96</b>	<b>96</b>	<b>100.00</b>	<b>100.00</b>

The data from the table indicate total number of air movements in the period from I-VI 2016 amounts to 27,156, which by 4% lower than last year for the same period and by 4% lower compared to the number foreseen by the Rebalancing plan for the period I-VI 2016. The planned number of air movements is determined based on the official schedule of flight timetable.

Within carrier pattern of the total traffic in the period I-VI 2016, the dominant role is of the domestic carriers in international air traffic with 56.07%; then there are foreign carriers in international air traffic with 43.81% and at the end, domestic carriers in domestic air traffic with share of 0.12%.

When observing period I-VI 2016 compared to the same period in 2015, there was a growth in the share of domestic carriers in international air traffic from 55.67% to 56.07% and the fall of foreign carriers in international air traffic from 44.17 % to 43.81% share.



In international air traffic of domestic carriers, in the period I-VI 2016 is achieved total turnover of 15,226 air movements which is by 3% lower compared to the same period previous year and by 2% lower in comparison to the Rebalancing Plan for the period I-VI 2016.

The dominant role in international air traffic of domestic carriers in the first half of 2016 is of Air Serbia with 97.50% share.

**Number of air movements in international air traffic of domestic carriers**

Air carriers	Achiev. I-VI 2015	Rebalancing plan I-VI 2016	Achiev. I-VI 2016	Index	Index	Particip. I-VI 2015	Particip. I-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
<b>Air Serbia</b>	15,240	15,121	14,846	97	98	97.12	97.50
<b>Others</b>	452	466	380	84	82	2.88	2.50
<b>TOTAL:</b>	15,692	15,587	15,226	<b>97</b>	<b>98</b>	<b>100.00</b>	<b>100.00</b>

**Air Serbia** has achieved in the period i-VI 2016 in international air traffic 14,846 air movements.

Under other domestic carriers in international air traffic are: Air Pink, Princ Aviation, Avio Služba, Verano Motors with realized 380 air movements, in the period I-VI 2016, they participated with 2.50% in the total international air traffic of domestic carriers, which is by 16% lower compared to the achievement in the same period previous year and by 18% lower compared to Rebalancing plan for the reporting period.

**Number of air movements of foreign carriers in international air traffic**

Air carriers	Achiev. I-VI 2015	Rebal. Plan I-VI 2016	Achiev. I-VI 2016	Index	Index	Particip. I-VI 2015	Particip. I-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Montenegro Airlines	1,529	1,607	1,452	95	90	12.28	12.21
Lufthansa	1,386	1,437	1,316	95	92	11.13	11.06
Wizz Air	1,275	1,306	1,278	100	98	10.24	10.74
Austrian Airlines	910	959	904	99	94	7.31	7.60
Turkish Airlines	799	858	799	100	93	6.42	6.72
Aeroflot	722	741	730	101	99	5.80	6.14
Swiss International	706	567	602	85	106	5.67	5.06
Swift Air	495	519	494	0	95	3.98	4.15
Swiftair Hellas S.A	0	249	261	0	105	0.00	2.19
Solinair	467	0	0	0	0	3.75	0.00
Alitalia	406	354	338	83	95	3.26	2.84
Etihad Airways	370	377	365	99	97	2.97	3.07
Tarom	296	310	330	111	106	2.38	2.77
LOT	283	292	281	99	96	2.27	2.36
Raf Avia	282	276	310	110	112	2.27	2.61
Aegean Airlines	272	286	272	100	95	2.18	2.29
Qatar Airways	256	379	272	106	72	2.06	2.29
Easy Jet	226	145	144	64	99	1.82	1.21
Pegasus Airlines	184	253	212	115	84	1.48	1.78
Flydubai	160	159	160	100	101	1.29	1.34
Norwegian Air	114	149	168	147	113	0.92	1.41
Belavia	104	106	108	104	102	0.84	0.91
Tunis Air	92	92	72	78	78	0.74	0.61
Ural Airlines JSC	0	0	76	0	0	0.00	0.64
Aircairo Company	80	82	24	30	29	0.64	0.20
Croatia Airlines	35	37	34	97	92	0.28	0.29
Vueling Airlines	22	23	22	100	96	0.18	0.18
Air Baltic	0	40	0	0	0	0.00	0.00
Ellinair	0	0	6	0	0	0.00	0.05
B & H Airlines	20	0	0	0	0	0.16	0.00
Tap Portugal	14	0	0	0	0	0.11	0.00
Gazprom	12	0	7	58	0	0.10	0.06
Atlas Jet	2	0	2	0	0	0.02	0.02
Niki Luftfahrt	0	0	3	0	0	0.00	0.03
Adria Airways	0	0	1	0	0	0.00	0.01
Others	931	950	853	92	90	7.48	7.17
<b>TOTAL:</b>	<b>12,450</b>	<b>12,553</b>	<b>11,896</b>	<b>96</b>	<b>95</b>	<b>100.00</b>	<b>100.00</b>

In the period I-VI 2016 there were 31 foreign air carriers and 1 domestic air carrier, and in the same period of 2015 there were 29 foreign air carriers and 1 domestic air carrier.

**In international traffic of foreign carriers** in the first half of 2016 it was achieved 11,896 air movements, which is by 4% lower score in comparison with the same period previous year and by 5% lower compared to the Rebalancing Plan for the reporting period of 2016.

We must also highlight the new foreign carriers who were present in the period I-VI 2016, in the same period last year they were not, and they are: Adria Airways on destination to Ljubljana, Ellinair to destination Heraklion, Niki Luftfahrt to destinations Berlin, Bologna, Sarajevo, Swiftair Hellas to destinations to Athens, Ljubljana, Thessaloniki, Ural Airlines to destinations Moscow, Domodedov. It should be noted that there were reductions of flights on certain destinations: Lufthansa - Frankfurt, Munich (5%), Montenegro Airlines - Podgorica (5%).

In the pattern of foreign carriers in the period I-VI 2016 the most significant role is of Montenegro Airlines with 12.21%, Lufthansa with 11.06%, then Wizz Air with 10.74% of share. These three air carriers achieve 34.01% in international air traffic of foreign carriers.

With the share ranging from 7.60% to 5.06% in this type of air traffic are: Austrian Airlines (7.60%), Turkish Airlines (6.72%), Aeroflot (6.14%), and Swiss International (5.06%), with total share of 25.52% of the total international air traffic of foreign carriers.

**Cargo traffic** of express mail in the period I-VI 2016 is carried out by 4 (four) foreign air carriers: Turkish Airlines, Raf Avia, Swiftair and Swift Air Hellas.

**Low Cost carriers** in the period I-VI 2016 are: Norwegian Air, EasyJet, Pegasus Airlines, Wizz Air, Flydubai and Vueling Airlines.

If individual participation of air carriers in total international air traffic is considered (domestic and foreign carriers), in the period I-VI 2016 the dominant role of all carriers is of Air Serbia with 54.74%.

## II QUARTER

Achieved number of air movements per traffic types in the II quarter of 2016 is shown in the following table.

**Number of air movements per traffic types IV-VI 2016**

Traffic types	Achiev. IV-VI 2015	Rebal. plan IV-VI 2016	Achiev. IV-VI 2016	Index	Index	Particip. IV-VI	Particip. IV-VI
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	30	30	9	30	30	0.20	0.06
International air traffic-domestic carriers	8,625	8,599	8,749	101	102	56.44	57.91
International air traffic-foreign carriers	6,626	6,844	6,349	96	93	43.36	42.03
<b>TOTAL:</b>	<b>15,281</b>	<b>15,473</b>	<b>15,107</b>	<b>99</b>	<b>98</b>	<b>100.00</b>	<b>100.00</b>

The data from the table indicate total number of air movements in the II quarter of 2016 amounts to 15,107, which is 1% lower than last year for the same period and 2% lower compared to the number foreseen by the Rebalancing plan for the II quarter of 2016.

Within carrier pattern of the total traffic in the II quarter of 2016, the dominant role is of the domestic carriers in international air traffic with 57.91%; then there are foreign carriers in international air traffic with 42.03% and at the end, domestic carriers in domestic air traffic with share of 0.06%.

**In international air traffic of domestic carriers**, in the II quarter of 2016 is achieved total turnover of 8,749 air movements which is 1% higher compared to the same period previous year and 2% higher in comparison to the Rebalancing Plan for the II quarter of 2016.

In international air traffic of foreign carriers, in the II quarter of 2016, it was achieved 6,349 air movements which is by 4% less than the realization of the II quarter of the previous year and 7% less than in the Rebalancing plan in the II quarter of 2016.

Foreign carriers that started their service in the II quarter of 2016 are: Adria Airways, Aircairo Company, Atlas Jet, United Airlines, Ellinair and Gazprom-GZP.

If we consider individual participation of the carriers in the total international air traffic (domestic and foreign carriers), realized in the II quarter of 2016, the largest share has carrier Air Serbia with 56.65%.

**Number of air movements in international air traffic of domestic carriers**

Air carriers	Achiev. IV-VI 2015	Rebal. Plan IV-VI 2016	Achiev. IV-VI 2016	Index	Index	Part. IV-VI 2015	Part. IV-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	
<b>Air Serbia</b>	8,367	8,335	8,553	102	103	97.01	97.76
<b>Others</b>	258	264	196	76	74	2.99	2.24
<b>TOTAL:</b>	<b>8,625</b>	<b>8,599</b>	<b>8,749</b>	101	<b>102</b>	<b>100.00</b>	<b>100.00</b>

**Air Serbia** in the II quarter of 2016 made 8,553 airline operations, which is 2% higher than in the same period of the previous year and 3% higher compared to the rebalancing plan in the II quarter of 2016, so that it accounted for 97.76% of international air traffic of domestic carriers.

### 3.2. PASSENGER TURNOVER

In the period I-VI 2016 a total passenger turnover of 2,111,690 was achieved, which is by 1% lower than in the same period in 2015 and by 4% lower in comparison with the Rebalancing Plan for the period I-VI 2016.

#### Passenger turnover per traffic types

Traffic type	Achiev. I-VI 2015	Rebal. Plan I-VI 2016	Achiev. I-VI 2016	Index	Index	Particip. I-VI 2015	Particip. I-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	47	64	42	89	66	0.00	0.00
International air traffic-domestic carriers	1,145,478	1,176,478	1,111,248	97	94	53.59	52.62
International air traffic-foreign carriers	991,964	1,029,964	1,000,400	101	97	46.41	47.37
<b>TOTAL:</b>	<b>2,137,489</b>	<b>2,206,506</b>	<b>2,111,690</b>	<b>99</b>	<b>96</b>	<b>100.00</b>	<b>100.00</b>

The greatest participation in passenger turnover per air traffic types for the period I-VI 2016 is of domestic carriers in international air traffic with 52.62%, then foreign carriers in international air traffic with 47.38%.

The number of the passengers transported by domestic carriers in international air traffic in the first half of 2016 is by 3% lower compared to the same period last year, and by 6% lower compared to the Rebalancing Plan for I-VI 2016.

The number of the passengers transported by foreign carriers in international air traffic for the period I-VI 2016 is by 1% higher compared to the same period previous year and by 3% lower in comparison to the Rebalancing Plan for the same period 2016.

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

Ser.No.	Air carriers	Achiev. I-VI 2015	Achiev. I-VI 2016	Index
1	2	3	4	5(4/3)
1	<b>Air Serbia</b>	1,144,396	1,110,360	97
2	<b>Wizz Air</b>	193,057	199,539	103
3	<b>Lufthansa</b>	136,000	131,334	97
4	<b>Montenegro</b>	113,166	114,953	102
5	<b>Swiss International</b>	92,143	82,687	90
6	<b>Others</b>	458,680	472,775	103
<b>TOTAL:</b>		<b>2,137,442</b>	<b>2,111,648</b>	<b>99</b>

In the total number of passengers in international air traffic in the period I-VI 2016, the largest share is of Air Serbia with 52.58% followed by: Wizz Air (9.44%), Lufthansa (6.22%), Montenegro Airlines (5.44%) and Swiss International (3.92%).

Passenger turnover of Air Serbi in international air traffic per destin. with greatest number of passengers

Ser.No.	Destination	Achiev. I-VI 2015	Achiev. I-VI 2016	Index
1	2	3	4	5(4/3)
1	Paris	79,442	75,587	95
2	Zurich	76,618	89,845	117
3	Podgorica	59,711	63,242	106
4	Moscow	58,304	48,477	83
5	Amsterdam	48,938	51,820	106
6	Other	821,383	781,389	95
<b>TOTAL:</b>		<b>1,144,396</b>	<b>1,110,360</b>	<b>97</b>

## II QUARTER

Planned and achieved passenger turnover in II quarter of 2016 as well as comparable data on achieved turnover in the same period 2015, are shown in the following table.

### Passenger turnover per traffic types

Traffic type	Achievement IV-VI 2015	Rebalancing Plan IV-VI	Achievement IV-VI 2016	Index	Index	Particip. IV-VI	Particip. IV-VI
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	22	31	8	36	26	0.00	0.00
International air traffic-domestic carriers	682,932	703,932	679,784	100	97	54.68	54.75
International air traffic-foreign carriers	566,058	595,058	561,884	99	94	45.32	45.25
<b>TOTAL:</b>	<b>1,249,012</b>	<b>1,299,021</b>	<b>1,241,676</b>	<b>99</b>	<b>96</b>	<b>100.00</b>	<b>100.00</b>

On the basis of the data presented it can be concluded that the traffic of passengers in II quarter of 2016 decreased by 1% compared to the realization for the same period in 2015 and amounted to 1,241,676 passengers, which is 4% less than in the Rebalancing Plan for the same period in 2016.

The greatest participation in achieved passenger traffic in II quarter of 2016, by types of air traffic, have domestic carriers in international air traffic with 54.75% share, followed by foreign carriers in international air traffic with 45.25%.

Number of passengers carried by domestic carrier in international air traffic in II quarter of 2016, is at the same level compared to the realization in the same period of the previous year and 3% lower compared to the Rebalancing plan in II quarter of 2016.

Number of passengers carried by the foreign carrier in international air traffic in II quarter of 2016 was 1% lower than the realization for the same period last year and 6% lower than in the Rebalancing plan for the same period in 2016.

### 3.3. CARGO TURNOVER

In period I-VI 2016, cargo turnover was achieved in the amount of 3,839 tons, which is by 27% higher than in the same period of the previous year and 18% higher compared to the Rebalancing Plan for the reporting period 2016.

**Cargo and mail turnover in tons**

Traffic type	Achiev. I-VI 2015	Rebal. Plan I-VI 2016	Achiev. I-VI 2016	Index	Index	Particip. I-VI 2015	Particip. I-VI 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	0	0	4	0	0	0.00	0.05
International air traffic-domestic carriers	1,747	2,025	1,902	109	94	26.53	22.69
International air traffic-foreign carriers	4,839	5,107	6,477	134	127	73.47	77.26
<b>TOTAL:</b>	<b>6,586</b>	<b>7,132</b>	<b>8,383</b>	<b>127</b>	<b>118</b>	<b>100.00</b>	<b>100.00</b>

In international air traffic of domestic airline, cargo and mail traffic in the period I-VI 2016 was by 9% higher than the turnover for the same period of the previous year and 6% lower than in the Rebalancing Plan for the period in 2016.

In international air traffic foreign carrier cargo and mail traffic in the period I-VI 2016 was by 34% higher than the turnover for the same period of the previous year and by 27% higher than in the Rebalancing Plan for the period in 2016.

## II QUARTER

In II quarter 2016 the turnover of cargo and mail of 4,545 tons, which is by 31% higher than in the previous year for the reference period and by 21% higher compared to the Rebalancing Plan in II quarter of 2016.

**Cargo and mail turnover in tons**

Traffic type	Achievement IV-VI 2015	Rebal. Plan IV-VI	Achievement IV-VI 2016	Index	Index	Particip. IV-VI	Particip. IV-VI
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	868	1,005	999	115	99	24.99	21.98
International air traffic-foreign carriers	2,605	2,756	3,546	136	129	75.01	78.02
<b>TOTAL:</b>	<b>3,473</b>	<b>3,761</b>	<b>4,545</b>	<b>131</b>	<b>121</b>	<b>100.00</b>	<b>100.00</b>

In international air traffic of domestic carrier cargo and mail traffic in II quarter of 2016 increased by 15% compared to the turnover for the same period last year and is 1% lower than in the Rebalancing Plan in II quarter of 2016.

In international air traffic foreign carrier cargo and mail traffic in II quarter of 2016 increased by 36% compared to the same period last year and by 29% compared to the Rebalancing Plan in II quarter of 2016.

**PHYSICAL VOLUME OF TRAFFIC I-VI 2015/2016**

Type of traffic	Achievement I-VI 2015		Rebalancing Plan I-VI 2016		Achievement I-VI 2016		Index	
		Share		Share		Share		
2	3		4		5		6(5/3)	7(5/4)
<b>Domestic traffic</b>								
Air movements	47	0	47	0	34	0	72	72
Passengers	47	0	64	0	42	0	89	66
Air goods and mial (tons)	0	0	0	0	4	0	0	0
<b>International traffic- domestic carriers</b>								
Air movements	15,692	56	15,587	55	15,226	56	97	98
Passengers	1,145,478	54	1,176,478	53	1,111,248	53	97	94
Air goods and mial (tons)	1,747	27	2,025	28	1,902	23	109	94
<b>International traffic- foreign carriers</b>								
Air movements	12,450	44	12,553	45	11,896	44	96	95
Passengers	991,964	46	1,029,964	47	1,000,400	47	101	97
Goods and mial (air+ truck) (tons)	4,839	73	5,107	72	6,477	77	134	127
<b>Total</b>								
Air movements	28,189	100	28,187	100	27,156	100	96	96
Passengers	2,137,489	100	2,206,506	100	2,111,690	100	99	96
Goods and mail air+truck (tons )	6,586	100	7,132	100	8,383	100	127	118



#### 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 2016 JSC Belgrade "Nikola Tesla" Airport achieved the total revenue in amount of RSD 4,083,219,452. Thus achieved total revenue is 30% lower in comparison to the achieved revenues in the same period of the previous year and 10% lower in relation to the Rebalancing Plan for the same period.

When comparing the nominal realized total revenues in the period I-VI of 2016 with the same period in 2015 it should be taken into account the fact that on 31.03.2015 the Public Debt Administration of RS made payment of assumed debt in the amount of RSD 1,897,107,221, which is revenue in the first quarter of 2015 and related to the write off of receivables from previously years.

The pattern of the achieved revenues for I-VI 2016 is shown in the table **Revenue pattern by service types**.

In the pattern of achieved revenues for the period I-VI 2016 **business revenues** have the greatest participation amounting to RSD 3,920,356,661 which is 96% in the total revenues. Thus achieved revenues are **5% higher** than the same in the same period of the previous year and 11% lower in relation to Rebalancing Plan for I-VI 2016.

Within business revenues, revenues generated by providing **air services** amount to RSD 1,298,400,572 which is 32% of the total revenues. These revenues are at the same level compared to the same period last year and by 4% lower in relation to Rebalancing Plan for I-VI 2016.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 1,684,024,428 for I-VI 2016, which is 41% of the total achieved revenues and are higher as compared with the revenues from passenger service and security fees in the same period of the previous year by 6% and are lower by 3% in relation to Rebalancing Plan for the I-VI 2016.

In the period I-VI 2016 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 77,636,138 and are by 15% higher than revenues achieved on this basis in the same period of the previous year and at the same level in relation to Rebalancing Plan for the same period.

In the period I-VI 2016 the revenues from **other services** are 12% higher than in the same period of the previous year and they are by 9% lower in relation to Rebalancing Plan for I-VI 2016, and were achieved in the amount of RSD 396,577,396. Such achieved from other services mostly refer to: public utilities, CUTE, services on special request- work order, etc.

**The revenues from sales of goods** mainly refer to the revenues from the sale of kerosene and in the period I-VI 2016 it was sold 1,033 tons of kerosene while in the same period of the previous year was sold 440 tons of kerosene. Realized revenue from the sale of goods for the period I-VI 2016 is higher by 62% in comparison to the same period of 2015 and by 80% lower compared to Rebalancing Plan for the reporting period.

In the period I-VI 2016 from the **lease of business premises** there is achieved revenue of RSD 407,664,474 which is by 9% higher than in the same period 2015, and by 20% lower compared to Rebalancing Plan for the same period. The greatest portion of these revenues refers to lease of business premises to Dufry d.o.o. Company.

**Financial revenues** (group 66) in the period I-VI 2016 are disclosed in amount of RSD 126,312,301 and are lower by 30% in comparison to the same period of the previous year. The reason for the reduction in financial income compared to the same period of the previous year is decline in revenue from interest on dinar funds was as a result of declining state of the amount of time and "a vista" dinar funds, as well as the significant decline in interest rates on both the term and the "a vista" funds.

In the pattern of financial revenues for I-VI 2016 the greatest part refers to foreign exchange differences-realized in the amount of RSD 56,152,760, then to interest revenues in the amount of RSD 53,405,668 and to non-realized foreign exchange differences in the amount of RSD 16,753,873.

**Other revenues** (group 67 and 68) in the period I-VI 2016 were achieved in the amount of RSD 36,550,490 and are significantly lower in comparison to the same period 2015. On 31.03.2015 Public Debt Administration of the Republic of Serbia made payment of the assumed debt in the amount of RSD 1,897,107,221 – written off receivables of Air Serbia, which in the previous years were put on value correction of receivables.

The main buyers from the point of participation in sales revenues in the period I-VI 2016 are: Air Serbia RSD 1,091,903 thousand (31.08%), Deutsch Lufthansa RSD 274,921 thousand (7.83%) and Montenegro Airlines RSD 241,021 thousand (6.86%).

REVENUE PATTERN

Ser. No.	Type of service	Description	Realization I-VI 2015	Rebalancing Plan I-VI 2016	Realization I-VI 2016	INDEX	
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	<b>Air services domestic carriers</b>						
	614000+614004+614300+614302+614303+614304	Landing	86,025,875	89,299,858	84,281,872	98	94
	614010+614014+614310+614312+614313+614314	Lighting	27,280,284	28,057,698	27,610,948	101	98
	614030+614034+614330+614332+614333+614334	Handling	90,895,527	94,892,404	91,224,510	100	96
	614040+614042+614043+614044	Infrastructure	50,164,407	53,651,398	50,223,539	100	94
	614050	Air-bridges	0	0	0	0	0
	614020+614024+614320+614323+614324	Aircraft abode tax	2,413,624	2,227,914	2,313,184	96	104
I	<b>Total air services (domestic carriers):</b>		<b>256,779,716</b>	<b>268,129,272</b>	<b>255,654,054</b>	<b>100</b>	<b>95</b>
	<b>Air services foreign carriers</b>						
	615010+615011+615012+615013+615014	Landing	314,938,107	329,468,966	323,951,835	103	98
	615020+615021+615022+615023+615024	Handling	373,690,818	387,326,998	363,353,424	97	94
	615030+615031+615032+615033+615034	Lighting	33,249,048	34,522,905	32,571,304	98	94
	615040+615042+615043+615044	Infrastructure	215,133,000	223,355,760	215,157,278	100	96
	615060+615062	Air-bridges	92,771,064	96,683,146	95,426,236	103	99
	615000+615001+615002+615003+615004	Aircraft abode tax	12,559,638	13,630,193	12,286,442	98	90
II	<b>Total air services (foreign carriers):</b>		<b>1,042,341,674</b>	<b>1,084,987,968</b>	<b>1,042,746,518</b>	<b>100</b>	<b>96</b>
I+II	<b>Total air services</b>		<b>1,299,121,390</b>	<b>1,353,117,240</b>	<b>1,298,400,572</b>	<b>100</b>	<b>96</b>
	<b>Passenger service</b>						
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	9,454	10,241	13,971	148	136
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./f.t.	501,911,700	570,204,746	556,817,669	111	98
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for.car.	738,242,495	797,259,594	773,018,404	105	97
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	352,179,158	376,643,773	354,174,385	101	94
III	<b>Total passenger service</b>		<b>1,592,342,807</b>	<b>1,744,118,354</b>	<b>1,684,024,428</b>	<b>106</b>	<b>97</b>
I+II+III	<b>Total air services and passenger service</b>		<b>2,891,464,197</b>	<b>3,097,235,594</b>	<b>2,982,425,000</b>	<b>103</b>	<b>96</b>
	<b>CCW services</b>						
	612500+612510	CCW services dom. market	60,176,170	70,398,131	71,076,101	118	101
	613300 +613310 (foreign)	CCW services for. market	7,050,617	7,076,151	6,560,037	93	93
IV	<b>Total CCW services</b>		<b>67,226,787</b>	<b>77,474,282</b>	<b>77,636,138</b>	<b>115</b>	<b>100</b>
V	<b>Total services in air traffic (I to IV):</b>		<b>2,958,690,983</b>	<b>3,174,709,876</b>	<b>3,060,061,138</b>	<b>103</b>	<b>96</b>
	<b>Other services</b>						
1	614360+615100+615102	DCS services	13,833,858	17,401,220	13,265,223	96	76
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	40,586,006	80,913,743	69,134,665	170	85
3	614130+614131+615072+615071	VIP Lounge	2,776,091	2,825,203	2,689,815	97	95
4	614140+614142+615090+615092	CUTE (dom + for)	73,007,677	93,207,456	73,677,993	101	79
5	615080+614380	Lost and found	8,466,629	11,232,285	7,294,408	86	65
6	6146+615120+615400+615401	Public utilities	80,619,068	87,261,125	80,072,954	99	92
7	614820+615170	Catering ser. Business Club	1,022	675	0	0	0
8	614870+615810	Advertising space	16,519,903	34,493,056	31,539,483	191	91
9	614883	Commer.use of apron	30,883,418	34,830,337	25,271,568	82	73
10	614160+614164+615110+615114	Aircraft de-icing service	47,437,988	31,309,072	58,376,597	123	186
11	Other non-mentioned services dom + foreign		39,463,433	42,061,268	35,254,692	89	84
VI	<b>Other services (1 to 11):</b>		<b>353,595,094</b>	<b>435,535,440</b>	<b>396,577,396</b>	<b>112</b>	<b>91</b>
VII	<b>Total 61 - Revenues from sale of services (V+VI)</b>		<b>3,312,286,078</b>	<b>3,610,245,315</b>	<b>3,456,638,534</b>	<b>104</b>	<b>96</b>
	<b>Revenues from sale of goods:</b>						
VIII	<b>60 - Revenues from sale of kerosene + goods</b>		<b>34,536,357</b>	<b>273,721,862</b>	<b>56,053,653</b>	<b>162</b>	<b>20</b>
IX	<b>Total (60+61) Revenues from sale (VII+VIII)</b>		<b>3,346,822,434</b>	<b>3,883,967,177</b>	<b>3,512,692,187</b>	<b>105</b>	<b>90</b>
X	<b>64 и 65 - Renting of office space</b>		<b>372,546,040</b>	<b>509,235,706</b>	<b>407,664,474</b>	<b>109</b>	<b>80</b>
XI	<b>BUSINESS REVENUES ( IX+X)</b>		<b>3,719,368,475</b>	<b>4,393,202,883</b>	<b>3,920,356,661</b>	<b>105</b>	<b>89</b>
XII	<b>66 - FINANCIAL REVENUES</b>		<b>180,293,134</b>	<b>140,043,622</b>	<b>126,312,301</b>	<b>70</b>	<b>90</b>
1	interest		102,247,837	89,791,172	53,405,668	52	59
2	exchange rate differences -realised		74,751,148	50,252,451	56,152,760	75	112
3	exchange rate differences -non-realised		3,294,150	0	16,753,873	509	0
XIII	<b>67 и 68 OTHER REVENUES</b>		<b>1,926,292,574</b>	<b>14,882,027</b>	<b>36,550,490</b>	<b>2</b>	<b>246</b>
XIV	<b>Total revenues (XI+XII+XIII)</b>		<b>5,825,954,183</b>	<b>4,548,128,533</b>	<b>4,083,219,452</b>	<b>70</b>	<b>90</b>

## II QUARTER

In the period IV-VI 2016 JSC Belgrade "Nikola Tesla" Airport achieved the total revenue in amount of RSD 2,260,234,158. Thus achieved total revenue is 7% higher in comparison to the achieved revenues in the same period of the previous year and 10% lower in relation to the Rebalancing Plan for the same period.

In the pattern of achieved revenues for the period IV-VI 2016 **business revenues** have the greatest participation amounting to RSD 2,160,663,360 and are 8% higher than the same in the same period of the previous year and 11% lower in relation to Rebalancing Plan for IV-VI 2016.

Within business revenues, revenues generated by providing **air services** amount to RSD 705,071,906. These revenues are higher than the same in the period last year by 3% and lower by 5% in relation to Rebalancing Plan for IV-VI 2016.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 965,620,205 for IV-VI 2016, and are higher as compared with the revenues from passenger service and security fees in the same period of the previous year by 5% and are lower by 6% in relation to Rebalancing Plan for the IV-VI 2016.

In the period IV-VI 2016 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 40,510,705 and are by 13% higher than revenues achieved on this basis in the same period of the previous year and lower by 1% in relation to Rebalancing Plan for the same period.

In the period IV-VI 2016 the revenues from **other services** are 22% higher than in the same period of the previous year and they are by 17% lower in relation to Rebalancing Plan for IV-VI 2016, and were achieved in the amount of RSD 184,529,968. The largest share in these revenues relate to: revenues from CUTE, services on special request- work order, public utilities etc.

**The revenues from sales of goods** mainly refer to the revenues from the sale of kerosene and in the period IV-VI 2016 it was sold 596 tons of kerosene while in the same period of the previous year was sold 17 tons of kerosene. Realized revenue from the sale of goods for the period IV-VI 2016 is considerably higher in comparison to the same period of 2015 and by 75% lower compared to Rebalancing Plan for the reporting period.

In the period IV-VI 2016 from the **lease of business premises** there is achieved revenue of RSD 230,626,544 which is by 9% higher than in the same period 2015, and by 9% lower compared to Rebalancing Plan for the same period. The greatest portion of these revenues refers to lease of business premises to Dufry d.o.o. Company.

**Financial revenues** (group 66) in the period IV-VI 2016 are disclosed in amount of RSD 64,713,817 and are lower by 16% in comparison to the same period of the previous year and by 8% compared to Rebalancing Plan for the period IV-VI 2016. The reason for the reduction in financial income compared to the same period of the previous year is decline in revenue from interest on dinar funds was as a result of declining state of the amount of time and "a vista" dinar funds, as well as the significant decline in interest rates on both the term and the "a vista" funds.

In the pattern of financial revenues for IV-VI 2016 the greatest part refers to interest revenues in the amount of RSD 27,938,196, then to realized foreign exchange differences in the amount of RSD 21,017,311 and to non-realized foreign exchange differences in the amount of RSD 15,758,310.

**Other revenues** (group 67 and 68) in the period IV-VI 2016 were achieved in the amount of RSD 34,856,981 and are higher by 24% in comparison to the same period 2015 and considerably higher compared to the Rebalancing Plan for IV-VI 2016.

**REVENUE PATTERN**

S.No.	Type of service	Description	Realization IV-VI 2015	Rebalancing Plan IV-VI 2016	Realization IV-VI 2016	INDEX	
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	<b>Air services domestic carriers</b>						
	614000+614004+614300+614302+614303+614304	Landing	46,410,708	49,030,322	50,455,458	109	103
	614010+614014+614310+614312+614313+614314	Lighting	12,769,066	15,405,153	14,405,618	113	94
	614030+614034+614330+614332+614333+614334	Handling	49,432,669	52,100,924	53,596,816	108	103
	614040+614042+614043+614044	Infrastructure	27,247,004	29,457,441	29,586,680	109	100
	614050	Air-bridges	0	0	0	0	0
	614020+614024+614320+614323+614324	Aircraft abode tax	1,228,283	1,223,242	1,413,578	115	116
<b>I</b>	<b>Total air services (domestic carriers):</b>		<b>137,087,730</b>	<b>147,217,082</b>	<b>149,458,150</b>	<b>109</b>	<b>102</b>
	<b>Air services foreign carriers</b>						
	615010+615011+615012+615013+615014	Landing	167,804,776	180,895,803	174,462,190	104	96
	615020+615021+615022+615023+615024	Handling	198,300,432	212,662,908	193,285,469	97	91
	615030+615031+615032+615033+615034	Lighting	12,737,679	18,954,892	13,816,628	108	73
	615040+615042+615043+615044	Infrastructure	114,499,361	122,634,068	115,715,516	101	94
	615060+615062	Air-bridges	49,993,233	53,084,136	51,524,019	103	97
	615000+615001+615002+615003+615004	Aircraft abode tax	6,614,125	7,483,693	6,809,935	103	91
<b>II</b>	<b>Total air services (foreign carriers):</b>		<b>549,949,607</b>	<b>595,715,499</b>	<b>555,613,757</b>	<b>101</b>	<b>93</b>
<b>I+II</b>	<b>Total air services</b>		<b>687,037,336</b>	<b>742,932,582</b>	<b>705,071,906</b>	<b>103</b>	<b>95</b>
	<b>Passenger service</b>						
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	5,130	6,030	5,264	103	87
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./i.t.	300,047,375	335,731,627	330,247,823	110	98
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for.car.	417,061,234	469,419,558	428,696,261	103	91
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	204,081,444	221,764,598	206,670,857	101	93
<b>III</b>	<b>Total passenger service</b>		<b>921,195,183</b>	<b>1,026,921,812</b>	<b>965,620,205</b>	<b>105</b>	<b>94</b>
<b>I+II+III</b>	<b>Total air services and passenger service</b>		<b>1,608,232,519</b>	<b>1,769,854,394</b>	<b>1,670,692,111</b>	<b>104</b>	<b>94</b>
	<b>CCW services</b>						
	612500+612510	CCW services dom. market	31,862,119	37,127,348	37,274,467	117	100
	613300 +613310 (foreign)	CCW services for. market	3,840,583	3,731,899	3,236,238	84	87
<b>IV</b>	<b>Total CCW services</b>		<b>35,702,702</b>	<b>40,859,247</b>	<b>40,510,705</b>	<b>113</b>	<b>99</b>
<b>V</b>	<b>Total services in air traffic (I to IV):</b>		<b>1,643,935,221</b>	<b>1,810,713,641</b>	<b>1,711,202,817</b>	<b>104</b>	<b>95</b>
	<b>Other services</b>						
1	614360+615100+615102	DCS services	7,859,310	8,700,610	7,618,136	97	88
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	22,407,421	40,456,872	41,182,289	184	102
3	614130+614131+615072+615071	VIP Lounge	1,983,852	1,412,602	1,365,225	69	97
4	614140+614142+615090+615092	CUTE (dom + for)	42,191,300	46,603,728	42,764,283	101	92
5	615080+614380	Lost and found	4,765,692	5,616,142	4,318,306	91	77
6	6146+615120+615400+615401	Public utilities	35,358,602	43,630,562	41,083,121	116	94
7	614820+615170	Catering ser. Business Club	0	337	0	0	0
8	614870+615810	Advertising space	8,794,117	22,931,726	15,921,905	181	69
9	614883	Commer.use of apron	13,312,833	17,415,169	13,537,018	102	78
10	614160+614164+615110+615114	Aircraft de-icing service	171,712	15,654,536	97,357	57	1
11	Other non-mentioned services dom + foreign		14,880,853	21,030,634	16,642,327	112	79
<b>VI</b>	<b>Other services (1 to 11):</b>		<b>151,725,691</b>	<b>223,452,918</b>	<b>184,529,968</b>	<b>122</b>	<b>83</b>
<b>VII</b>	<b>Total 61 - Revenues from sale of services (V+VI)</b>		<b>1,795,660,912</b>	<b>2,034,166,559</b>	<b>1,895,732,785</b>	<b>106</b>	<b>93</b>
	<b>Revenues from sale of goods:</b>						
<b>VIII</b>	<b>60 - Revenues from sale of kerosene + goods</b>		<b>2,895,386</b>	<b>136,860,931</b>	<b>34,304,031</b>	<b>1185</b>	<b>25</b>
<b>IX</b>	<b>Total (60+61) Revenues from sale (VII+VIII)</b>		<b>1,798,556,298</b>	<b>2,171,027,490</b>	<b>1,930,036,816</b>	<b>107</b>	<b>89</b>
<b>X</b>	<b>64 и 65 - Renting of office space</b>		<b>210,697,014</b>	<b>254,617,853</b>	<b>230,626,544</b>	<b>109</b>	<b>91</b>
<b>XI</b>	<b>BUSINESS REVENUES ( IX+X)</b>		<b>2,009,253,312</b>	<b>2,425,645,343</b>	<b>2,160,663,360</b>	<b>108</b>	<b>89</b>
<b>XII</b>	<b>66 - FINANCIAL REVENUES</b>		<b>76,645,525</b>	<b>70,021,811</b>	<b>64,713,817</b>	<b>84</b>	<b>92</b>
1	interest		66,371,854	44,895,586	27,938,196	42	62
2	exchange rate differences -realised		37,894,444	25,126,225	21,017,311	55	84
3	exchange rate differences -non-realised		-27,620,773	0	15,758,310	-57	0
<b>XIII</b>	<b>67 и 68 OTHER REVENUES</b>		<b>28,056,298</b>	<b>7,441,014</b>	<b>34,856,981</b>	<b>124</b>	<b>468</b>
<b>XIV</b>	<b>Total revenues (XI+XII+XIII)</b>		<b>2,113,955,135</b>	<b>2,503,108,168</b>	<b>2,260,234,158</b>	<b>107</b>	<b>90</b>

## 4.2. EXPENDITURES

In the period I-VI 2016 **total expenditures** were achieved in the amount of RSD 2,460,776,448. Thus achieved expenditures are 26% lower than the expenditures achieved in the same period of the previous year and 30% lower than the figures in the Rebalancing Plan for I-VI 2016.

**The purchase value of sold goods** (group 50) almost completely refers to the purchase value of the sold kerosene. **Purchase value of sold kerosene** is RSD 50,873,247 which is by 59% higher than in the same period of the previous year and 80% lower in comparison to Rebalancing Plan for I-VI 2016.

**The costs of material and energy** (group 51) for the period I-VI 2016 amount to RSD 203,465,192 and participate in total expenditure with 8% and mostly refer to: costs of electrical power, costs of basic material, costs of fuel for freight vehicles, spare parts for investment maintenance of fixed assets, etc.

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 2016 RSD 1,419,313,162 which is by 28% higher compared to the same period last year. It should be noted that the change in the structure of ways of engaging employees in the Company in favour of the permanent staff has effect in increase of the cost of reimbursements and salaries, and at the same time in reduction of costs of production services and intangible costs. Such increase of the cost of reimbursements and salaries and other personal expenditures is the result of increased number of employees, engaged by employment contracts for indefinite and definite period of time.

The costs of salaries of employees (gross II account groups 520 and 521) at Belgrade "Nikola Tesla" Airport amount to RSD 971,740,864 while costs for persons engaged through Youth organizations (youth organizations Fan, Beograd, Knez, Medijator and Europa- account 524000) amount to RSD 193,219,948.

Group 52 apart from gross II salaries includes also reimbursements by contracts (service contracts), reimbursements per temporary and occasional jobs, contracts for additional work, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport of employees, costs of trips, joint assistance and jubilee bonuses, etc.).

In the **costs of production services** (group 53) which for the period I-VI 2016 amount to RSD 168,397,724 and they are by 1% higher compared to the same period last year.

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

- **the costs of transport services** in the period I-VI 2016 amount to RSD 36,846,693 and in the most part refer to: the costs of information and passenger check-in services, then monthly support of ITT for passenger and baggage check-in etc.;

- **the costs of maintenance services** in the period I-VI 2016 amount to RSD 68,137,138 and are higher by 7% compared to the same period 2015 due to considerable increase of costs of maintenance services on IT equipment;

- **the costs of lease** in the period I-VI 2016 amount to RSD 23,006,626 and mainly refer to lease of business premises by legal entities, lease of licences and network and server infrastructure.

- **the costs of advertising** in the period I-VI 2016 amount to RSD 21,172,883 and are considerably higher compared to the same period previous year, due to organizing important sports events in the Republic of Serbia and needs of sponsorship thereof and for the general social support to development of sports culture;

- **the costs of other services** which in the period I-VI 2016 amount to RSD 19,234,383 mostly referring to the costs of water, drainage, utilities and the other and are lower by 52% compared to the same period 2015.

The costs of **amortization and reserving** (group 54) for the period I-VI 2016 amounted to RSD 418,892,589, and are higher by 9% compared to the same period last year while they are lower by 1% compared to planned figures for the period I-VI 2016.

**Intangible costs** (group 55) for the period I-VI 2016 amount to RSD 127,870,041 and are lower by 10% compared to the same period last year.

**Pattern of intangible costs (group 55) include:**

- **The costs of non-production services** in the period I-VI 2016 are realized in the amount of RSD 56,377,743 and are most significant costs in the group of intangible costs and in most part refer to the costs of the cleaning services in the amount of RSD 24,830,938. In addition to costs of non-production services pattern of intangible costs includes also:
  - The representation costs which in the period I-VI 2016 amount to RSD 1,953,283;
  - The costs of insurance premiums which in the period I-VI 2016 amount to RSD 12,109,376;
  - The costs of payment operations which in the period I-VI 2016 amount to RSD 2,708,855;
  - The costs of memberships which in the period I-VI 2016 amount to RSD 5,963,466;
  - Tax costs which in the period I-VI 2016 amount to RSD 39,618,842, of which the largest part refers to property tax in the amount of RSD 30,667,650;
  - Other intangible costs which in the period I-VI 2016 amount to RSD 9,138,476.

**Financial expenditures** (group 56) in period I-VI 2016 are disclosed in the amount of RSD 54,493,709 and are 31% lower than in the same period of the previous year.

In the pattern of financial expenditures, realized expenditures from interest have the largest share and participate with 40%, and amount to RSD 21,639,840. Such realized expenditures from interest are lower than in the same period of last year by 11%. Those interest expenses mainly relate to interest on long-term borrowings (EIB - reconstruction of Terminal).

Realized foreign exchange losses in the period I-VI 2016 were realized in the amount of RSD 20,941,457 and accounted for 38% of the total financial expenditures pattern. Thus achieved realized foreign exchange losses are lower compared to the same period of the previous year by 55%. The reason for this decrease in realized foreign exchange losses were fluctuations in the exchange rate between the moment of invoicing and payment.

Unrealized foreign exchange losses in the period I-VI 2016 were achieved in the amount of RSD 11,912,412 and accounted for 22% of total financial expenditures pattern. Thus achieved unrealized foreign exchange losses are higher than in the same period of the previous year by 48%. The reason for this increase in unrealized foreign exchange losses are large oscillations in exchange rate in the reporting period, that is, in the first six months of 2015 (30.06.2015 - Euro 120.6042) compared to 01.01.2015 (EUR 120.9583) we had a drop in the exchange rate while in 2016 (30.06.2016 - euro 123.3115) compared to 01.01.2016 (euro 121.6261) there was a growth in the euro exchange rate.



**Other expenditures** (group 57, 58 and 59) in period I-VI 2016 were achieved in the amount of RSD 17,110,155 while in the same period last year they were RSD 1,215,125,743.

Such a large difference occurred mainly because value correction of domestic buyers in the period I-VI 2015 mostly referred to receivables from the buyer, Air Serbia, while in the same period of 2016 it is not present.

Main suppliers from the point of turnover in the period I-VI 2016 are: OZ Europa PTZ (RSD 137,020,958), Analysis (RSD 103,266,695), Macchina security (RSD 99,950,400) etc.

**EXPENDITURE PATTERN**

Acc.	Account name	Realization I-VI 2015	Rebalancing Plan I-VI 2016	Realization I-VI 2016	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5	6 (5/3)	7 (5/4)
50	PURCHASE VALUE OF SOLD GOODS	32,302,972	258,032,303	51,233,875	159	20
501	PURCHASE VALUE OF SOLD GOODS	32,302,972	258,032,303	51,233,875	159	20
51	COSTS OF MATERIALS AND ENERGY	199,168,581	402,274,732	203,465,192	102	51
511	COSTS OF MATERIALS FOR PRODUCTION	31,203,432	134,788,007	49,136,783	157	36
512	COSTS OF OVERHEADS	8,809,261	18,675,000	3,969,713	45	21
513	COSTS OF FUEL AND ENERGY	136,977,612	162,500,000	127,285,773	93	78
514	COSTS OF SPARE PARTS	9,987,915	60,664,061	14,434,196	145	24
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	12,190,361	25,647,665	8,638,728	71	34
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	1,112,734,670	1,266,821,963	1,419,313,162	128	112
520	SALARIES AND REIMBURSEMENTS-GROSS	625,431,196	704,197,733	824,207,688	132	117
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	111,952,169	125,120,935	147,533,176	132	118
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	33,916	52,758	319,532	942	606
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	274,120,416	270,738,513	277,212,911	101	102
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	4,286,393	4,102,147	4,192,192	98	102
529	OTHER PERSONAL EXPENDITURES AND REIMBURSEMENTS	96,910,580	162,609,877	165,847,664	171	102
53	COSTS OF PRODUCTION SERVICES	166,682,293	517,019,203	168,397,724	101	33
531	COSTS OF TRANSPORTATION SERVICES	45,151,507	44,294,644	36,846,693	82	83
532	COSTS OF MAINTENANCE SERVICES	63,474,824	368,276,933	68,137,138	107	19
533	COSTS OF LEASE	17,384,471	45,004,472	23,006,626	132	51
535	COSTS OF ADVERTISING	580,000	32,287,400	21,172,883	3650	66
539	COSTS OF OTHER SERVICES	40,091,491	27,155,754	19,234,383	48	71
54	COSTS OF AMORTIZATION AND RESERVES	382,810,458	421,750,000	418,892,589	109	99
540	COSTS OF AMORTISATION	374,810,458	400,000,000	416,892,589	111	104
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	8,000,000	21,750,000	2,000,000	25	9
55	INTANGIBLE COSTS	142,794,075	361,522,458	127,870,041	90	35
550	COSTS OF NON-PRODUCTION SERVICES	72,836,271	281,983,713	56,377,743	77	20
551	COSTS OF REPRESENTATION	2,775,181	3,462,155	1,953,283	70	56
552	INSURANCE PREMIUMS	13,078,615	20,766,347	12,109,376	93	58
553	COSTS OF PAYMENT SYSTEM	2,572,158	2,943,539	2,708,855	105	92
554	COSTS OF MEMBERSHIPS	4,156,964	4,017,059	5,963,466	143	148
555	COSTS OF TAXES	40,603,118	38,513,048	39,618,842	98	103
559	OTHER INTANGIBLE COSTS	6,771,769	9,836,597	9,138,476	135	93
I	BUSINESS EXPENDITURES	2,036,493,051	3,227,420,658	2,389,172,583	117	74
56	FINANCIAL EXPENDITURES	78,821,440	34,172,034	54,493,709	69	159
562	INTEREST EXPENDITURES	24,315,899	22,458,654	21,639,840	89	96
563	NEGATIVE EXCHANGE RATE DIFFERENCES	53,573,610	11,484,080	32,838,023	61	286
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	931,931	229,300	15,845	2	7
II	FINANCIAL EXPENDITURES	78,821,440	34,172,034	54,493,709	69	159
57	OTHER EXPENDITURES	9,900,301	11,162,203	17,103,267	173	153
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	3,546	50,640	0	0	0
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	0	3,120	15,000	0	481
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	0	0	347	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	126,843	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	9,896,755	10,981,600	17,087,920	173	156
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	1,205,225,442	242,917,410	6,888	0	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITIES AVAILABLE FOR SALE	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN. INVESTMENTS	1,205,225,442	242,917,410	6,888	0	0
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	1,215,125,743	254,079,612	17,110,155	1	7
	<b>TOTAL EXPENDITURES</b>	<b>3,330,440,234</b>	<b>3,515,672,305</b>	<b>2,460,776,448</b>	<b>74</b>	<b>70</b>

## II QUARTER

In the period IV-VI 2016 **total expenditures** were achieved in the amount of RSD 1,212,988,345. Thus achieved expenditures are 32% lower than the expenditures achieved in the same period of the previous year and 23% lower than the figures in the Rebalancing Plan for IV-VI 2016.

**The purchase value of sold goods** (group 50) almost completely refers to the purchase value of the sold kerosene. **Purchase value of sold kerosene** is RSD 28,884,937 which is considerably higher than in the same period of the previous year and 78% lower in comparison to Rebalancing Plan for IV-VI 2016.

**The costs of material and energy** (group 51) for the period IV-VI 2016 amount to RSD 80,716,505 and participate in total expenditure with 7% and mostly refer to: costs of electrical power, costs of fuel for freight vehicles, spare parts for investment maintenance of fixed assets, costs of basic material etc.

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 2016 RSD 713,889,173 which is by 15% higher compared to the same period last year.

The costs of salaries of employees (gross II account groups 520 and 521) at Belgrade "Nikola Tesla" Airport amount to RSD 488,582,453 while costs for persons engaged through Youth organizations (youth organizations Fan, Beograd, Knez, Medijator and Europa- account 524000) amount to RSD 95,552,282.

Group 52 apart from gross II salaries includes also reimbursements by contracts (service contracts), reimbursements per temporary and occasional jobs, contracts for additional work, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport of employees, costs of trips, joint assistance and jubilee bonuses, etc.).

In the **costs of production services** (group 53) which for the period IV-VI 2016 amount to RSD 67,231,854 and they are by 13% higher compared to the same period last year.

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

- **the costs of transport services** in the period IV-VI 2016 amount to RSD 21,133,499 and in the most part refer to: the costs of information and passenger check-in services, then monthly support of ITT for passenger and baggage check-in etc.;
- **the costs of maintenance services** in the period IV-VI 2016 amount to RSD 23,155,774 and are lower by 49% compared to the same period 2015 due to considerable decrease of costs of maintenance of other fixed assets;
- **the costs of lease** in the period IV-VI 2016 amount to RSD 10,624,248 and mainly refer to lease of business premises by legal entities, lease of licences and network and server infrastructure.
- **the costs of advertising** in the period IV-VI 2016 amount to RSD 3,673,884 and are considerably higher compared to the same period previous year, due to organizing important sports events in the Republic of Serbia and needs of sponsorship thereof and for the general social support to development of sports culture;
- **the costs of other services** which in the period IV-VI 2016 amount to RSD 8,644,449 mostly referring to the costs of water, drainage, utilities and the other and are higher by 10% compared to the same period 2015.

The costs of **amortization and reserving** (group 54) for the period IV-VI 2016 amounted to RSD 213,876,552, and are higher by 11% compared to the same period last year and by 1% compared to Rebalancing Plan for the period IV-VI 2016.

**Intangible costs** (group 55) for the period IV-VI 2016 amount to RSD 66,610,845 and are at the level of costs of the same period last year.

**Pattern of intangible costs (group 55) include:**

- **The costs of non-production services** in the period IV-VI 2016 are realized in the amount of RSD 31,942,525 and are most significant costs in the group of intangible costs and in most part refer to the costs of the cleaning services in the amount of RSD 12,628,080. In addition to costs of non-production services pattern of intangible costs includes also:
- **The representation costs** which in the period IV-VI 2016 amount to RSD 880,859;
- **The costs of insurance premiums** which in the period IV-VI 2016 amount to RSD 5,813,783;
- **The costs of payment operations** which in the period IV-VI 2016 amount to RSD 1,519,286;
- **The costs of memberships** which in the period IV-VI 2016 amount to RSD 1,869,105;
- **Tax costs** which in the period IV-VI 2016 amount to RSD 19,855,226;
- **Other intangible costs** which in the period IV-VI 2016 amount to RSD 4,730,062.

**Financial expenditures** (group 56) in period IV-VI 2016 are disclosed in the amount of RSD 28,071,491 and are 14% lower than in the same period of the previous year.

In the pattern of financial expenditures, the largest participation have realized expenditures from realized negative exchange rate differences amounting to RSD 19,120,563, followed by realized expenditures from interest amounting to RSD 11,550,166 and at the end realized expenditures from unrealized negative exchange rate differences.

**Other expenditures** (group 57, 58 and 59) in period IV-VI 2016 were achieved in the amount of RSD 13,555,976 while in the same period last year they were RSD 710,899,003.

Such a large difference occurred mainly because of value correction of domestic buyers in the period IV-VI 2015 mostly referred to receivables from the buyer, Air Serbia, while in the same period of 2016 it is not present.

**EXPENDITURE PATTERN**

Acc.	Account name	Realization	Rebalancing Plan	Realization	Index	
		IV-VI 2015	IV-VI 2016	IV-VI 2016	7 (6/4)	8 (6/5)
1	2	4	5	6	7 (6/4)	8 (6/5)
50	PURCHASE VALUE OF SOLD GOODS	1,283,918	129,016,151	29,035,948	2262	23
501	PURCHASE VALUE OF SOLD GOODS	1,283,918	129,016,151	29,035,948	2262	23
51	COSTS OF MATERIALS AND ENERGY	87,835,922	201,137,366	80,716,505	92	40
511	COSTS OF MATERIALS FOR PRODUCTION	7,955,863	67,394,004	10,533,278	132	16
512	COSTS OF OVERHEADS	5,608,135	9,337,500	2,939,581	52	31
513	COSTS OF FUEL AND ENERGY	56,526,286	81,250,000	54,493,489	96	67
514	COSTS OF SPARE PARTS	6,735,055	30,332,030	6,490,152	96	21
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	11,010,582	12,823,832	6,260,004	57	49
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	621,528,107	633,410,981	713,889,173	115	113
520	SALARIES AND REIMBURSEMENTS-GROSS	363,555,565	352,098,866	414,404,115	114	118
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	65,076,435	62,560,467	74,178,338	114	119
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	25,316	26,379	0	0	0
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	134,348,984	135,369,256	140,937,507	105	104
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	2,311,896	2,051,073	2,134,038	92	104
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	56,209,912	81,304,939	82,235,175	146	101
53	COSTS OF PRODUCTION SERVICES	59,643,804	264,884,601	67,231,854	113	25
531	COSTS OF TRANSPORTATION SERVICES	8,484,770	22,147,322	21,133,499	249	95
532	COSTS OF MAINTENANCE SERVICES	45,441,049	184,138,466	23,155,774	51	13
533	COSTS OF LEASE	-2,512,257	22,502,236	10,624,248	-423	47
535	COSTS OF ADVERTISING	340,000	22,518,700	3,673,884	1081	16
539	COSTS OF OTHER SERVICES	7,890,243	13,577,877	8,644,449	110	64
54	COSTS OF AMORTIZATION AND RESERVES	193,317,866	210,875,000	213,876,552	111	101
540	COSTS OF AMORTISATION	190,317,866	200,000,000	211,876,552	111	106
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	3,000,000	10,875,000	2,000,000	67	18
55	INTANGIBLE COSTS	66,412,847	186,177,524	66,610,845	100	36
550	COSTS OF NON-PRODUCTION SERVICES	30,409,530	146,408,152	31,942,525	105	22
551	COSTS OF REPRESENTATION	1,067,960	1,731,078	880,859	82	51
552	INSURANCE PREMIUMS	7,841,266	10,383,173	5,813,783	74	56
553	COSTS OF PAYMENT SYSTEM	1,445,443	1,471,770	1,519,286	105	103
554	COSTS OF MEMBERSHIPS	1,617,836	2,008,530	1,869,105	116	93
555	COSTS OF TAXES	20,728,056	19,256,524	19,855,226	96	103
559	OTHER INTANGIBLE COSTS	3,302,756	4,918,298	4,730,062	143	96
I	BUSINESS EXPENDITURES	1,030,022,464	1,625,501,624	1,171,360,878	114	72
56	FINANCIAL EXPENDITURES	32,457,257	17,086,017	28,071,491	86	164
562	INTEREST EXPENDITURES	13,193,267	11,229,327	11,550,166	88	103
563	NEGATIVE EXCHANGE RATE DIFFERENCES	19,784,394	5,742,040	16,508,761	83	288
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	-520,403	114,650	12,563	-2	11
II	FINANCIAL EXPENDITURES	32,457,257	17,086,017	28,071,491	86	164
57	OTHER EXPENDITURES	5,332,471	5,581,101	13,555,976	254	243
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	0	25,320	0	0	0
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	0	1,560	0	0	0
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	0	0	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	63,422	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	5,332,471	5,490,800	13,555,976	254	247
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	705,566,531	-70,332,591	0	0	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITES AVAILABLE FOR SALE	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	705,566,531	-70,332,591	0	0	0
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	710,899,003	-64,751,489	13,555,976	2	-21
	TOTAL EXPENDITURES	1,773,378,724	1,577,836,152	1,212,988,345	68	77

#### 4.3. SALARIES

In the period I-VI 2016 the total sum paid for salaries amounted RSD 824,207,688 (gross I), which is 32% higher than in the same period of 2015 and 17% higher in relation to Rebalancing Plan for I-VI of 2016.

#### SALARIES GROSS I

Month	Achievement I-VI 2015	Rebalancing Plan I-VI 2016	Achievement I-VI 2016	Index	
				5 (4/2)	6 (4/3)
1	2	3	4		
January	82,761,021	117,366,289	148,211,040	179	126
February	87,524,276	117,366,289	132,265,745	151	113
March	91,590,335	117,366,289	129,326,788	141	110
April	129,472,368	116,782,731	148,264,265	115	127
May	115,027,051	119,760,061	135,787,982	118	113
June	119,056,146	115,556,074	130,351,868	109	113
<b>Total salaries</b>	<b>625,431,196</b>	<b>704,197,733</b>	<b>824,207,688</b>	<b>132</b>	<b>117</b>

In the period I-VI 2016 were paid out salaries to employees according to individual employment contracts.

In the period I-VI 2016 salaries gross I amounted to RSD 106,790 and are lower than the last year by 4%. In the period I-VI 2016 average net salary in the Company was RSD 76,011 and is lower than the same for the previous year by 4%.

AVERAGE SALARY GROSS I		AVERAGE SALARY NET	
Month	JSC ANT	Month	JSC ANT
January	105,591	January	75,167
February	104,648	February	74,509
March	102,322	March	72,879
April	117,572	April	83,570
May	107,438	May	76,466
June	103,172	June	73,477
<b>Average I-VI 2016</b>	<b>106,790</b>	<b>Average I-VI 2016</b>	<b>76,011</b>
<b>Average I-VI 2015</b>	<b>111,176</b>	<b>Average I-VI 2015</b>	<b>79,073</b>
<b>I-VI 2016 / I-VI 2015</b>	<b>96</b>	<b>I-VI 2016 / I-VI 2015</b>	<b>96</b>

#### 4.4. FINANCIAL RESULT I-VI 2016

In the period I-VI 2016 was recorded a **gross profit** of the Company in the amount of RSD 1,622,443,004.

#### FINANCIAL RESULT

S.No.	Position	Achievement I-VI 2015	Rebalancing Plan I-VI 2016	Achievement I-VI 2016	Index	
					7 (6/4)	8 (6/5)
1	2	4	5	6		
1	Business revenues	3,719,368,475	4,393,202,883	3,920,356,661	105	89
2	Business expenditures	2,036,493,051	3,227,420,658	2,389,172,583	117	74
<b>3</b>	<b>Business profit (1-2)</b>	<b>1,682,875,424</b>	<b>1,165,782,225</b>	<b>1,531,184,078</b>	<b>91</b>	<b>131</b>
4	Financial revenues	180,293,134	140,043,622	126,312,301	70	90
5	Financial expenditures	78,821,440	34,172,034	54,493,709	69	159
<b>6</b>	<b>Financial profit (4-5)</b>	<b>101,471,694</b>	<b>105,871,588</b>	<b>71,818,592</b>	<b>71</b>	<b>68</b>
<b>6a</b>	<b>Financial loss (5-4)</b>					
7	Other revenues	1,926,292,574	14,882,027	36,550,490	2	246
8	Other expenditures	1,215,125,743	254,079,612	17,110,155	1	7
<b>9</b>	<b>Other profit (7-8)</b>	<b>711,166,831</b>		<b>19,440,334</b>	<b>3</b>	<b>0</b>
<b>9a</b>	<b>Other loss (8-7)</b>		<b>239,197,585</b>			
<b>10</b>	<b>Total revenues (1+4+7)</b>	<b>5,825,954,183</b>	<b>4,548,128,533</b>	<b>4,083,219,452</b>	<b>70</b>	<b>90</b>
<b>11</b>	<b>Total expenditures (2+5+8)</b>	<b>3,330,440,234</b>	<b>3,515,672,305</b>	<b>2,460,776,448</b>	<b>74</b>	<b>70</b>
<b>12</b>	<b>Total gross profit (10-11)</b>	<b>2,495,513,949</b>	<b>1,032,456,228</b>	<b>1,622,443,004</b>	<b>65</b>	<b>157</b>
<b>12a</b>	<b>Total gross loss (11-10)</b>					
13	Period tax expenditure	308,725,897		171,552,908	56	0
14	Deferred period tax expenditure			76,828,171	0	0
15	Deferred period tax revenue	15,350			0	0
16	Paid-up personal receiving to employer				0	0
<b>17</b>	<b>Net profit</b>	<b>2,186,803,401</b>	<b>1,032,456,228</b>	<b>1,374,061,925</b>	<b>63</b>	<b>133</b>

Thus disclosed gross profit is lower by 35% than the gross profit in the same period of 2015. It should be noted that such a decrease of profit in the period I-VI of 2016 compared to the same period 2015 is due to payment of funds by the Public Debt Administration of the Republic of Serbia on 31.03.2015 which paid outstanding debt and JSC ANT in this period received income of RSD 1,897,107,221, - written-off receivables of the previous years, put to value correction.

If the gross profit of 2015 were reduced by the payment of the Public Debt Administration of the Republic of Serbia in the amount of RSD 1,897,107,221, paid on 31.03.2015, gross profit for the period I-VI 2015 would amount to RSD 598,406,728, in this case, the gross profit in I-VI 2016 would be 2.7 times higher than in the same period of the previous year.

In the period I-VI 2016 is disclosed **net profit** of the Company in the amount of RSD 1,374,061,925.

## II QUARTER

In the period IV-VI 2016 was recorded a **gross profit** of the Company in the amount of RSD 1,047,245,813.

### FINANCIAL RESULT

S.No.	Position	Achievement IV-VI 2015	Rebalancing Plan IV-VI 2016	Achievement IV-VI 2016	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5		
1	Business revenues	2,009,253,312	2,425,645,343	2,160,663,360	108	89
2	Business expenditures	1,030,022,464	1,625,501,624	1,171,360,878	114	72
3	<b>Business profit (1-2)</b>	<b>979,230,848</b>	<b>800,143,719</b>	<b>989,302,482</b>	<b>101</b>	<b>124</b>
4	Financial revenues	76,645,525	70,021,811	64,713,817	84	92
5	Financial expenditures	32,457,257	17,086,017	28,071,491	86	164
6	<b>Financial profit (4-5)</b>	<b>44,188,267</b>	<b>52,935,794</b>	<b>36,642,326</b>	<b>83</b>	<b>69</b>
6a	<b>Financial loss (5-4)</b>					
7	Other revenues	28,056,298	7,441,014	34,856,981	124	468
8	Other expenditures	710,899,003	-64,751,489	13,555,976	2	-21
9	<b>Other profit (7-8)</b>		<b>72,192,503</b>	<b>21,301,005</b>	<b>0</b>	<b>30</b>
9a	<b>Other loss (8-7)</b>	<b>682,842,705</b>				
10	<b>Total revenues (1+4+7)</b>	<b>2,113,955,135</b>	<b>2,503,108,168</b>	<b>2,260,234,158</b>	<b>107</b>	<b>90</b>
11	<b>Total expenditures (2+5+8)</b>	<b>1,773,378,724</b>	<b>1,577,836,152</b>	<b>1,212,988,345</b>	<b>68</b>	<b>77</b>
12	<b>Total gross profit (10-11)</b>	<b>340,576,411</b>	<b>925,272,015</b>	<b>1,047,245,813</b>	<b>307</b>	<b>113</b>
12a	<b>Total gross loss (11-10)</b>					
13	Period tax expenditure	48,329,816		107,495,454	222	0
14	Deferred period tax expenditure	949,104		62,891,631	6,626	0
15	Deferred period tax revenue				0	0
16	Paid-up personal receiving to employer				0	0
17	<b>Net profit</b>	<b>291,297,491</b>	<b>925,272,015</b>	<b>876,858,729</b>	<b>301</b>	<b>95</b>

Thus disclosed gross profit is higher three times than the gross profit in the same period of 2015. It should be noted that such a increase of profit in the period IV-VI of 2016 compared to the same period 2015 is due to regular settlement of liabilities in the period IV-VI 2016 by the buyers, that is payment of liabilities in currency.

It is significant to note that the payment of funds by Public Debt Administration of the Republic of Serbia in the amount of RSD 1,897,107,221, which occurred in the first quarter of 2015, did not reflect in the observed period of the second quarter of 2016/2015.

In the period IV-VI 2016 is disclosed **net profit** of the Company in the amount of RSD 876,858,729.



#### 4.5 ECONOMIC PERFORMANCE INDICATORS FOR THE PERIOD I-VI 2016

##### RATIO ANALYSIS OF COMPANY OPERATIONS FOR THE PERIOD I-VI 2016

SER.NO.	DESCRIPTION OF RATIO INDICATORS		ADP	RATIO NO FOR I-VI 2016
1	LIQUIDITY INDICATORS	<b>Current liquidity ratio</b> (current assets / short-term liabilities)	0043 / 0442	4.84
		<b>Quick liquidity ratio</b> (current assets - stocks / short-term liabilities)	(0043-0044) / 0442	4.75
		<b>Cash liquidity ratio</b> (cash and cash equivalents / short-term liabilities)	0068 / 0442	0.72
		<b>Coefficient of financial stability</b> (fixed assets / core capital + long-term liabilities)	0002 / (0402+0432)	1.02
2	PROFITABILITY INDICATORS	<b>Net profit margin</b> (net profit / revenue from sale of goods + revenue from sale of services)	1064 / (1002+1009+1017) *100	35.05
		<b>Gross profit margin</b> (gross profit / revenue from sale of goods + revenue from sale of services)*100 <i>*Gross profit margin provides information how much revenue is left when all costs are settled after the realization of products and services on the market</i>	1058 / (1002+1009+1017) *100	41.39
		<b>Return on assets (ROA)</b> Net profit / Total assets	1064 / 0071*100	4.76
3	PRODUCTIVITY INDICATORS	Indebtedness ratio (total liabilities / fixed assets)	(0424+0442) / 0002	0.11
		Turnover ratio of short-term assets (total revenue / current assets)	tot.prod. / 0043	0.58
4	EBIT	Ebit (operating revenue-operating expenses)	1001-1018	1,531,184,077.73
5	EBITDA	Ebitda (operating revenue-operating expenses)+amortization	(1001-1018)+1027	1,948,076,666.54
6	SOLVENCY RATIO	Solvency ratio (total assets / total liabilities) <i>*Solvency is ability of the Company to pay all its obligations in due time. Company is solvent if ratio is &gt; or = 1</i>	0071 / (0424+0442)	11.75
7	EBITDA MARGIN	<b>Ebitda margin</b> (ebitda / operating revenues)*100 <i>*It shows the percentage gain in income of the Company not taking into account amortization and financial result</i>	Ebitda / 1001*100	49.69
8	NET WORKING CAPITAL	Net working capital - NWC (working capital - short-term liabilities)	0043-0442	5,611,722,706.67

## 5. GROUND HANDLING AT BELGRADE NIKOLA TESLA AIRPORT

The starting basis for this report is the Regulation on airports ground handling services (Official Gazette of the Republic of Serbia No. 61/2015 - hereinafter referred to as the Regulation).

According to the Regulation on the provision of ground handling services at airports, Belgrade Nikola Tesla Airport is responsible for accounting records of the business activities of the airport operator and the activity of providing ground handling services so as to ensure complete separation of accounts specified activities.

Rules define the types of services that Ground Handling provides to third parties are as follows:

- 1) Ground handling of aircraft on apron;
- 2) Ground handling of hold baggage;
- 3) Supply of aircraft with fuel and lubricants;
- 4) Ground handling of mail and goods, in part related to the physical handling at arrival, departure or transfer between the (cargo) terminal and the aircraft.

### 5.1. GROUND HANDLING REVENUES

Ground handling in the period I-VI 2016 realized a total income in the amount of RSD 732,537,515, which is 18% of the total revenues of the Company and it is by 5% lower than in the Rebalancing Plan of GH for the period I-VI 2016.

#### **Realized revenues of GH in the period I-VI 2016, from air services are:**

- Revenues from handling of domestic companies aircraft in I-VI 2016 were realized in the amount of RSD 91,224,510, which represents 100% of the realized revenues of ANT on this basis for the mentioned period 2016, and are 4% lower in relation to the Rebalancing plan for the period I-VI 2016;
- Revenues from handling of foreign companies aircraft in I-VI 2016 were realized in the amount of RSD 363,353,424, which represents 100% of the realized revenues of ANT on this basis for the mentioned period 2016, and are 6% lower in relation to the Rebalancing plan for the period I-VI 2016;
- Revenues from air bridges in the period I-VI 2016 were realized in the amount of RSD 9,040,430, which represents 9% of the revenues of ANT on this basis for the mentioned period 2016, and are 6% lower compared to the Rebalancing plan for the period I-VI 2016.

Total revenue of air services in the period I-VI 2016 is realized in the amount of RSD 463,618,364, which is 36% of the total revenues of ANT on this basis, while it is 6% lower than the amount of Rebalancing Plan for air services of GH for the period I-VI 2016.

#### **Realized revenues of GH in the period I-VI 2016 from the passenger service are:**

- Revenue from passenger services of domestic airline in the period I-VI 2016 was recorded in the amount of RSD 24,446,195, which represents 4% of the revenues of ANT on this basis for the mentioned period 2016, and it is 30% lower compared the Rebalancing plan for the period I-VI 2016;
- Revenue from passenger service of foreign airlines in I-VI 2016 was recorded in the amount of RSD 22,670,409, which represents 3% of the revenues of ANT on this basis for the mentioned period 2016, and it is 22% lower compared the Rebalancing plan for the period I-VI 2016;

**Realized revenues of GH in the period I-VI 2016 from CCW services are:**

- Total revenue from CCW services (domestic + foreign) in the period I-VI 2016 was recorded in the amount of RSD 77,636,138, and is at the level of achieved and planned revenue by Rebalancing Plan of ANT revenue in the period I-VI 2016;

**Realized revenue from other services of GH in the period I-VI 2016 are:**

- Revenues from DCS services in the amount of RSD 13,265,223 which is 100% of the revenues generated from DCS services of ANT for the period I-VI 2016;
- Revenues from services on special request – work-order in the amount of RSD 61,010,143, which is 88% of the revenue generated from services on special request – work-order of ANT for the period I-VI 2016;
- Revenues from Lost and Found services in the amount of RSD 7,294,408, which is 100% of the revenues generated from Lost and Found of ANT for the period I-VI 2016;
- Revenues from aircraft de-icing services in the amount of RSD 58,376,597, which is 100% of the revenues generated from aircraft de-icing services of ANT for the period I-VI 2016.

Total operating revenues achieved on the basis of services provided by GH, at ANT in the period I-VI 2016 amounted to RSD 732,519,458 and make 19% of the realized business revenue of ANT for 2016, while it is 5% lower compared to Rebalancing Plan for the revenue of GH for mentioned period.

Other revenues were realized in the amount of RSD 18,057 for the period I-VI 2016, and refer revenues from sale of secondary raw materials.

REVENUE PATTERN

Ser. No.	Type of service	Description	Realization ANT I-VI 2016	Rebalancing Plan of GH I-VI 2016	Realization GH I-VI 2016	INDEX	
						7 (6/5)	8 (6/4)
1	2	3	4	5	6	7 (6/5)	8 (6/4)
	<b>Air services domestic carriers</b>						
	614000+614004+614300+614302+614303+614304	Landing	84,281,872	0	0	0	0
	614010+614014+614310+614312+614313+614314	Lighting	27,610,948	0	0	0	0
	614030+614034+614330+614332+614333+614334	Handling	91,224,510	94,892,404	91,224,510	96	100
	614040+614042+614043+614044	Infrastructure	50,223,539	0	0	0	0
	614050	Air-bridges	0	0	0	0	0
	614020+614024+614320+614323+614324	Aircraft abode tax	2,313,184	0	0	0	0
I	<b>Total air services (domestic carriers):</b>		<b>255,654,054</b>	<b>94,892,404</b>	<b>91,224,510</b>	<b>96</b>	<b>36</b>
	<b>Air services foreign carriers</b>						
	615010+615011+615012+615013+615014	Landing	323,951,835	0	0	0	0
	615020+615021+615022+615023+615024	Handling	363,353,424	387,326,998	363,353,424	94	100
	615030+615031+615032+615033+615034	Lighting	32,571,304	0	0	0	0
	615040+615042+615043+615044	Infrastructure	215,157,278	0	0	0	0
	615060+615062	Air-bridges	95,426,236	9,668,315	9,040,430	94	9
	615000+615001+615002+615003+615004	Aircraft abode tax	12,286,442	0	0	0	0
II	<b>Total air services (foreign carriers):</b>		<b>1,042,746,518</b>	<b>396,995,313</b>	<b>372,393,853</b>	<b>94</b>	<b>36</b>
I+II	<b>Total air services</b>		<b>1,298,400,572</b>	<b>491,887,717</b>	<b>463,618,364</b>	<b>94</b>	<b>36</b>
	<b>Passenger service</b>						
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	13,971	0	0	0	0
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./i.t.	556,817,669	34,762,032	24,446,195	70	4
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for car.	773,018,404	28,935,038	22,670,409	78	3
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	354,174,385	0	0	0	0
III	<b>Total passenger service</b>		<b>1,684,024,428</b>	<b>63,697,070</b>	<b>47,116,604</b>	<b>74</b>	<b>3</b>
I+II+III	<b>Total air services and passenger service</b>		<b>2,982,425,000</b>	<b>555,584,786</b>	<b>510,734,968</b>	<b>92</b>	<b>17</b>
	<b>CCW services</b>						
	612500+612510	CCW services dom. market	71,076,101	70,398,131	71,076,101	101	100
	613300 +613310 (foreign)	CCW services for. market	6,560,037	7,076,151	6,560,037	93	100
IV	<b>Total CCW services</b>		<b>77,636,138</b>	<b>77,474,282</b>	<b>77,636,138</b>	<b>100</b>	<b>100</b>
V	<b>Total services in air traffic (I to IV):</b>		<b>3,060,061,138</b>	<b>633,059,068</b>	<b>588,371,106</b>	<b>93</b>	<b>19</b>
	<b>Other services</b>						
1	614360+615100+615102	DCS services	13,265,223	17,401,220	13,265,223	76	100
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	69,134,665	72,959,646	61,010,143	84	88
3	614130+614131+615072+615071	VIP Lounge	2,689,815	0	0	0	0
4	614140+614142+615090+615092	CUTE (dom + for)	73,677,993	0	0	0	0
5	615080+614380	Lost and found	7,294,408	11,232,285	7,294,408	65	100
6	6146+615120+615400+615401	Public utilities	80,072,954	0	0	0	0
7	614820+615170	Catering ser. Business Club	0	0	0	0	0
8	614870+615810	Advertising space	31,539,483	0	0	0	0
9	614883	Commer.use of apron	25,271,568	0	0	0	0
10	614160+614164+615110+615114	Aircraft de-icing service	58,376,597	31,309,072	58,376,597	186	100
11	Other non-mentioned services dom + foreign		35,254,692	5,236,955	4,201,982	80	12
VI	<b>Other services (1 to 11):</b>		<b>396,677,396</b>	<b>138,139,178</b>	<b>144,148,352</b>	<b>104</b>	<b>36</b>
VII	<b>Total 61 - Revenues from sale of services (V+VI)</b>		<b>3,456,638,534</b>	<b>771,198,246</b>	<b>732,519,458</b>	<b>95</b>	<b>21</b>
	<b>Revenues from sale of goods:</b>						
VIII	<b>60 - Revenues from sale of kerosene + goods</b>		<b>56,053,653</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
IX	<b>Total (60+61) Revenues from sale (VII+VIII)</b>		<b>3,512,692,187</b>	<b>771,198,246</b>	<b>732,519,458</b>	<b>95</b>	<b>21</b>
X	<b>64 и 65 - Renting of office space</b>		<b>407,664,474</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
XI	<b>BUSINESS REVENUES ( IX+X)</b>	<b>60+61+62+64+65</b>	<b>3,920,356,661</b>	<b>771,198,246</b>	<b>732,519,458</b>	<b>95</b>	<b>19</b>
XII	<b>66 - FINANCIAL REVENUES</b>		<b>126,312,301</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1	interest		53,405,668	0	0	0	0
2	exchange rate differences -realised		53,455,110	0	0	0	0
3	exchange rate differences -non-realised		19,451,524	0	0	0	0
XIII	<b>67 и 68 OTHER REVENUES</b>		<b>36,550,490</b>	<b>39,709</b>	<b>18,057</b>	<b>45</b>	<b>0</b>
XIV	<b>Total revenues (XI+XII+XIII)</b>		<b>4,083,219,452</b>	<b>771,237,955</b>	<b>732,537,515</b>	<b>95</b>	<b>18</b>

## 5.2. GROUND HANDLING EXPENDITURES

In the period I-VI 2016, **total expenditures** of GH are in the amount of RSD 720,847,284, which represents 29% of realized expenditure of ANT on this basis for the mentioned period 2016, and 5% is lower compared to the Rebalancing plan for period I-VI 2016.

Realized **cost of materials and energy** (group 51) in the period I-VI 2016 amounted to RSD 56,843,538 and participate in total expenditures of GH with 8% and mostly relate to: consumed basic material, the consumption of electricity, fuel for weight vehicles etc. Thus realized costs of materials and energy make up 28% of total realized expenditures of ANT, and are 49% lower than the total expenditures projected by Rebalancing Plan.

Within the total expenditure, the largest amount relates to the **expenses of salaries, benefits and other employee benefits** (group 52) for the period I-VI 2016 that amount to RSD 534,169,865, which makes up 38% compared to the expenditures of ANT, and are 22% higher than expenditures projected by Rebalancing Plan for the period I-VI 2016. We point out that under the costs of salaries, benefits and other employee benefits groups 520 and 521 are increased for the amount of RSD 39,187,818 for the costs of services provided by financial, commercial and legal department to GH.

Actual **costs of production services** (group 53) in the period I-VI 2016 were realized in the amount of RSD 32,290,047 and account for 19% of actually realized expenditures of ANT.

The structure of the realized costs of production services are:

- Transportation costs realized in the period I-VI 2016 amounted to RSD 22,628,362 and make 61% of realized expenditures of ANT;
- Realized costs of maintenance for the period I-VI 2016 amounted to RSD 5,170,623 and make 8% of the expenses of ANT;
- Realized costs of lease for the period I-VI 2016 amounted to RSD 1,133,285, and make 5% of the expenses of ANT. In fact, the costs of lease of GH towards are arranged by key achievements, i.e. for: costs of electricity (15%), the cost for water, sewer and utilities (15.36%), property tax (5.87%), amortization on real estate of ANT (0.13%), which is in total the amount of RSD 44,516,857. The above amount reduced the costs of AO on behalf of the planned lease of GH toward AO.
- The generated advertising expenses amounted to RSD 86,688.
- Realized costs of other services in the period I-VI 2016 amounted to RSD 3,271,090, and make 17% of the expenses of ANT.

Actual cost of amortization and provisions (group 54) in the period I-VI 2016 amounted to RSD 84,194,512, and make 20% of the expenses of ANT on the same basis for the same period, while they are by 53% higher than expenditures anticipated by Rebalancing Plan for the period I-VI 2016.

Actual costs (account group 55) in the period I-VI 2016 amounted to RSD 12,207,345, and make 10% of the expenses of ANT.

The structure generated intangible costs (group 55) are:

- Costs of non-production services (RSD 2,921,839)
- Representation expenses (RSD 139,770)
- Costs of insurance premiums (RSD 4,249,881)
- Costs of payment operations (RSD 491,830)
- Costs of membership fees (RSD 1,803,906)
- Tax costs (RSD 1,972,843)
- Other intangible costs (RSD 627,277)

Total operating expenditures achieved on the basis of services provided by GH, at ANT in the period I-VI 2016 amounted to RSD 719,705,308 and make 30% of the realized business expenditures of ANT for 2016, while they are by 5% lower than business expenditures of GH stipulated by Rebalancing Plan for that period.

Other expenditures were realized in the amount of RSD 1,168,976 for the period I-VI 2016 and largely relate to the donation of equipment, then donations for humanitarian, health and religious purposes, donations to trade unions.

**EXPENDITURE PATTERN**

Acc.	Account name	Realization of ANT + calculated I-VI 2016	REBALANCING PLAN OF GH I-VI 2016	Realization of GH I-VI 2016	Index	
					6 (5/4)	7 (5/3)
1	2	3	4	5	6 (5/4)	7 (5/3)
50	PURCHASE VALUE OF SOLD GOODS	51,233,875	14,057	0	0	0
501	PURCHASE VALUE OF SOLD GOODS	51,233,875	14,057	0	0	0
51	COSTS OF MATERIALS AND ENERGY	203,465,192	111,176,972	56,843,538	51	28
511	COSTS OF MATERIALS FOR PRODUCTION	49,136,783	44,205,789	20,994,395	47	43
512	COSTS OF OVERHEADS	3,969,713	8,767,939	1,863,780	21	47
513	COSTS OF FUEL AND ENERGY	127,285,773	34,739,250	32,959,691	95	26
514	COSTS OF SPARE PARTS	14,434,196	16,370,245	987,823	6	7
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	8,638,728	7,093,750	37,848	1	0
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	1,419,313,162	438,282,675	534,169,865	122	38
520	SALARIES AND REIMBURSEMENTS-GROSS	824,207,688	220,236,584	290,317,719	132	35
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	147,533,176	38,155,351	52,344,771	137	35
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	319,532	0	0	0	0
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	277,212,911	141,299,549	150,152,111	106	54
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	4,192,192	472,674	483,676	102	12
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	165,847,664	38,118,517	40,871,589	107	25
53	COSTS OF PRODUCTION SERVICES	168,397,724	97,611,834	32,290,047	33	19
531	COSTS OF TRANSPORTATION SERVICES	36,846,693	18,908,311	22,628,362	120	61
532	COSTS OF MAINTENANCE SERVICES	68,137,138	31,425,514	5,170,623	16	8
533	COSTS OF LEASE	23,006,626	45,343,374	1,133,285	2	5
535	COSTS OF ADVERTISING	21,172,883	56,250	86,688	154	0
539	COSTS OF OTHER SERVICES	19,234,383	1,878,385	3,271,090	174	17
54	COSTS OF AMORTIZATION AND RESERVES	418,892,589	54,884,935	84,194,512	153	20
540	COSTS OF AMORTISATION	416,892,589	54,584,935	84,166,912	154	20
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	2,000,000	300,000	27,600	9	1
55	INTANGIBLE COSTS	127,870,041	54,694,188	12,207,345	22	10
550	COSTS OF NON-PRODUCTION SERVICES	56,377,743	45,619,051	2,921,839	6	5
551	COSTS OF REPRESENTATION	1,953,283	142,462	139,770	98	7
552	INSURANCE PREMIUMS	12,109,376	6,240,000	4,249,881	68	35
553	COSTS OF PAYMENT SYSTEM	2,708,855	528,012	491,830	93	18
554	COSTS OF MEMBERSHIPS	5,963,466	1,253,276	1,803,906	144	30
555	COSTS OF TAXES	39,618,842	0	1,972,843	0	5
559	OTHER INTANGIBLE COSTS	9,138,476	911,387	627,277	69	7
I	BUSINESS EXPENDITURES	2,389,172,583	756,664,661	719,705,308	95	30
56	FINANCIAL EXPENDITURES	54,493,709	0	0	0	0
562	INTEREST EXPENDITURES	21,639,840	0	0	0	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	32,838,023	0	0	0	0
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	15,845	0	0	0	0
II	FINANCIAL EXPENDITURES	54,493,709	0	0	0	0
57	OTHER EXPENDITURES	17,103,267	1,067,000	1,168,976	110	7
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	0	0	0	0	0
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	15,000	0	0	0	0
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	347	0	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	0	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	17,087,920	1,067,000	1,168,976	110	7
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	6,888	0	0	0	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITIES AVAILABLE FOR SALE	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN. INVESTMENTS	6,888	0	0	0	0
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	17,110,155	1,067,000	1,168,976	110	7
	TOTAL EXPENDITURES	2,460,776,448	757,731,661	720,874,284	95	29

### 5.3. FINANCIAL RESULT OF GROUND HANDLING DEPARTMENT

#### FINANCIAL RESULT

S.No.	Position	Achievement of ANT + calculated I-VI 2015	REBALANCING PLAN OF GH I-VI 2016	Achievement of GH I-VI 2016	Index	
					6 (5/4)	7 (5/3)
1	2	3	4	5		
1	Business revenues	3,920,356,661	771,198,246	732,519,458	95	19
2	Business expenditures	2,389,172,583	756,664,661	719,705,308	95	30
3	<b>Business profit (1-2)</b>	<b>1,531,184,078</b>	<b>14,533,585</b>	<b>12,814,150</b>	<b>88</b>	<b>1</b>
3a	<b>Business loss (2-1)</b>				<b>0</b>	<b>0</b>
4	Financial revenues	126,312,301	0	0	0	0
5	Financial expenditures	54,493,709	0	0	0	0
6	<b>Financial profit (4-5)</b>	<b>71,818,592</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
6a	<b>Financial loss (5-4)</b>				<b>0</b>	<b>0</b>
7	Other revenues	36,550,490	39,709	18,057	45	0
8	Other expenditures	17,110,155	1,067,000	1,168,976	110	7
9	<b>Other profit (7-8)</b>	<b>19,440,334</b>			<b>0</b>	<b>0</b>
9a	<b>Other loss (8-7)</b>		<b>1,027,291</b>	<b>1,150,919</b>	<b>112</b>	<b>0</b>
10	<b>Total revenues (1+4+7)</b>	<b>4,083,219,452</b>	<b>771,237,955</b>	<b>732,537,515</b>	<b>95</b>	<b>18</b>
11	<b>Total expenditures (2+5+8)</b>	<b>2,460,776,448</b>	<b>757,731,661</b>	<b>720,874,284</b>	<b>95</b>	<b>29</b>
12	<b>Total gross profit (10-11)</b>	<b>1,622,443,004</b>	<b>13,506,294</b>	<b>11,663,231</b>	<b>86</b>	<b>1</b>
12a	<b>Total gross loss (11-10)</b>				<b>0</b>	<b>0</b>
13	Period tax expenditure	171,552,908		1,785,641	0	1
14	Deferred period tax expenditure	76,828,172		0	0	0
15	Deferred period tax revenue					
16	Paid-up personal receiving to employer					
17	<b>Net profit</b>	<b>1,374,061,924</b>		<b>9,877,590</b>	<b>0</b>	<b>1</b>

From above tables it can be concluded that the Ground Handling for the period I-VI 2016 realized total revenues in the amount of RSD 732,537,515, total expenditures in the amount of RSD 720,874,284, which resulted in gross profit in the amount of RSD 11,663,231. Such disclosed gross profit of GHD represents 1% of the total generated gross profit of ANT and is 14% lower than the gross profit anticipated by the Rebalancing Plan for the period I-VI 2016.



## 6. INFORMATION ON INVESTMENTS FOR PROTECTION OF ENVIRONMENT

Joint Stock Company Belgrade Nikola Tesla Airport is actively involved in solving the problems of environmental pollution and raising the environmental awareness of all employees and other persons he has direct and indirect contact with.

## 7. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES IN THE PERIOD I-VI 2016

### Purchase of two belt conveyors - electric elevators

- **Purpose:** increase of the capacity and quality of services provided to airlines in aircraft handling at loading and unloading of baggage, cargo and mail.
- **Value:** 12,953,032.00 RSD without VAT
- **Supplier:** *Vecar Viljuškari d.o.o.*, public contract number 17-167/2015 of 20.10.2015.
- **Status:** elevators have been delivered and are in operation since 17.02.2016.

### Start of implementation of automated passengers and baggage reconciliation system – BRS on flights of foreign airlines

- **Purpose:** To raise the level of service, safety, security and cost-effectiveness both to customers and airport in the process of passengers and baggage reconciliation.
- From 01.03.2016 system is in operation and full implementation for all the airlines operating from Belgrade Nikola Tesla Airport.
- With introduction of the system is made reorganization of the technological process of work at the same time with creating conditions for more regular flow of traffic and reduction of costs related to baggage handling.
- In the course of implementing the new system, training was organized for 132 employed in the Ground Handling Department, who directly apply automated system for passengers and baggage reconciliation.

### Procurement of 50 pieces of baggage apron dollies

- **Purpose:** To increase the capacity and quality of services provided to airlines in aircraft handling during loading and unloading of baggage, cargo and mail.
- **Value:** 15,368,850.00 RSD without VAT
- **Supplier:** CENTUM doo, Public procurement contract No.17-22/2016 dated 17.02.2016.
- **Status:** baggage dollies are delivered on 14th and 20.04.2016 and are in operation from 21.04.2016.

### Purchase of four belt conveyors - electric elevators

- **Purpose:** increase of the capacity and quality of services provided to airlines in aircraft handling at loading and unloading of baggage, cargo and mail.
- **Value:** 26,568,000.00 RSD without VAT
- **Supplier:** *Centum d.o.o.*, public contract number 17-20/2016 dated 17.02.2016.
- **Status:** elevators have been delivered and are in operation since 04.05.2016.

### **Purchase of one aircraft toilet service unit**

- Purpose: To increase the capacity and quality of services provided to airlines in aircraft handling when servicing aircraft toilets.
- Value: 10,455,000.00 RSD without VAT
- Supplier: *Centum* doo, Public procurement contract No. 17-21/2016 dated 17.02.2016.
- Status: Unit is delivered and is operational since 06.05.2016.

### **Training of employees in the field of security screening**

In accordance with the regulations in the field of aviation security, Belgrade Nikola Tesla Airport is obliged to conduct training in the field of aviation security i.e. to provide adequate initial, periodic and additional training. Employees must successfully complete the appropriate training before being authorized to independently apply security screening.

Training is conducted according to the curriculum approved by the Civil Aviation Directorate of the Republic of Serbia.

Security Department required training for operators of x-ray security screening sector and security guards sector such as:

- Training and refresher training for persons carrying out security screening of cabin baggage, hold baggage, cargo and mail.
- Training and refresher training for persons conducting security screening of passengers, persons who are not passengers and goods they carry.
- Training and refresher training for security screening and control of access of persons who are not passengers and vehicles they are driving.
- Training on the importance of security screening in aviation.

Estimated value of PP 3,600,000.00 RSD

The contract (per lots) concluded on 14. 03.2016 with company Jugoskan Ltd.

Planned implementation period is: March - December (in groups of 10 trainees, with a break during the summer season, June, July, August).

### **Explosive traces detector, 18 pieces**

Belgrade Nikola Tesla Airport was by Decision of the Civil Aviation Directorate of the Republic of Serbia No. 5/0-01-0044/2014-0055 of 26.08.2015 given order to take urgent measures and in shortest possible time carry out procurement and installation of explosives trace detectors (ETD) .

Equipment must meet standards ECAC Doc 30 Part II, and be on the list of ECAC Common Evaluation Process for Equipment. It is planned to purchase a total of 18 devices, which will be installed at passengers and hand baggage security screening points and at the security check points for control of persons who are not passengers and their belongings. ANT is required to examine by these devices on a basis of random sample 10-20% of passengers and their hand baggage on each flight, i.e. security check point.

The purchase of this equipment will also meet TCA standards related to announced flights to USA.

Estimated value: 33,500,000.00 RSD

Contract concluded on 16.03.2016 with the company Analysis d.o.o.

Equipment delivery in May.

### **"Upgrade" of existing explosives detectors ION SCAN 500DT, 2 pieces (9.2.)**

X-ray Security Screening Sector has initiated procurement for the upgrade of existing explosives detectors ION SCAN 500DT, produced in 2011, no longer in the list of ECAC-reference devices, which will by software upgrades be on the abovementioned list again.

Estimated value: 1,250,000.00 RSD

The contract concluded: with the company Jugoskan d.o.o.

Realized: on 18 April 2016

### **Shooting training**

Training in handling firearms and shooting for workers of security guards sector.

Estimated value: 2,650,000.00 RSD

Contract award decision: 04.03.2016

Contract forwarded to the initialling and signing on 31.03.2016 (selected Tenderer does not want to sign contract; requested that the same be sent back)

*The planned period of implementation of service: May 2017*

### **X-ray devices for hand baggage and screening of transfer cargo and mail**

X-ray security screening sector presently for security screening in waiting rooms – gates, uses also x-ray units in standard 1, which are borrowed from Boarder Police Station. Procurement is initiated for 4 x-ray units in standard 2 (three for hand baggage and 1 for cargo).

Estimated value: 33,500,000.00 RSD

Contract concluded: on 29.01.2016.

X-rays supplied: on 15.04.2016.

### **Aircraft de/anti-icing pad**

• **Purpose:** The technical documentation provides construction of an aircraft de/anti-icing pad together with associated installations and facilities. Planned surface of the pad together with service road and parking for vehicles will be about 20,500 m<sup>2</sup>. Construction of aircraft de/anti-icing pad includes:

- the extension of taxiway "F" to taxiway "B"
- aircraft de/anti-icing pad being performed simultaneously at two positions for aircraft code-letter "C", the maximum wing span 36 m, or in one position for aircraft of wing maximum span 65 m and a waiting position (two position of aircraft code letters "C" for waiting for treatment or one position for aircraft code-letter "E" to wait for treatment).
- the service road with two lanes in width by 4m, parking for vehicles from which aircraft de/anti-icing is done and space for the installation and station (prefabricated container to accommodate people operating vehicles for aircraft de/anti-icing and performing aircraft de/anti-icing treatment).

The purpose of construction aircraft de/anti-icing pad is to reduce the time to take off, as the newly planned pad would be located close to the threshold 12 of the runway, i.e. aircraft anti-icing time is extended (holdover time).

Changing the place of aircraft de/anti-icing operations to newly planned pad enables better management of parking positions on aprons, with a smaller possibility of delaying scheduled traffic.

• **Status:**

- **Development of technical documentation:** on 29.01.2016 Ministry of construction, transport and infrastructure issued building permit for extension of taxiway F and construction of de/anti-icing pad, and on 17.02.2016 Serbia and Montenegro air traffic services, SMATSA, submitted a positive opinion on documentation.
  
- The Directorate of Civil Aviation of the Republic of Serbia on 03.15.2016 passed a Decision approving the project for carrying out the extension of the taxiway F and building aircraft de/anti-pad. On 27.06.2016 the Ministry of Internal Affairs of the Republic of Serbia, Sector for emergency situations has given consent to the technical documentation regarding the foreseen fire protection measures.
  
- **Execution of works:** On 22.02.2016 Bid opening session was completed. The following bids were submitted:
  - Group of Tenderers Energoprojekt niskogradnja I Energoprojekt oprema,
  - Group of Tenderers AD Vojvodinaput Pančevo, Strabag and Elgra Vision
  - Group of Tenderers Planum, Ninelinženjering-eving and GP Graditelj.

By contract award decision of 01.03.2016, public procurement contract was awarded to the Tenderer Energoprojekt. Tenderers Planum and Vojvodinaput Pančevo forwarded requests for protection of rights.

By Decision dated 5.4.2016, the Commission for Protection of Rights in Public Procurement Procedures rejected the request submitted by AD Planum and accepted request of the tenderer Vovodinaput Pančevo. In accordance with the foregoing on 11.04.2016 a decision was made on awarding contract to the group of tenderers AD Vojvodinaput Pancevo, Strabag and Elgra Vision. Group of the tenderers consisting of Energoprojekt niskogradnja i Energoprojekt oprema filed a request for protection of the rights which was rejected by Decision on 26.05.2016 by the Republic Commission.

On 06.06.2016 is concluded contract on execution of works on the construction of aircraft de/anti-icing pad between Belgrade Nikola Tesla Airport and a group of bidders Vojvodinaput Pancevo, Strabag and Elgra Vision in the amount of 538,941,391.35 RSD, excluding VAT.

Acting as project supervisors are Mašinoprojekt Koprivica and Institut za puteve (Institute for Roads). The contract for the service of expert supervision of works is concluded with the Institute for Roads.

The procedure of public procurement for the service of technical inspection of the works performed is in progress.

Ministry of Interior, Border Police Station has given its consent for the execution of works in the area of border crossing.

From the Civil Aviation Directorate are obtained appropriate approvals for the organization of execution of works and placed fence.

The contractor and suppliers of the service of project and expert supervision were introduced into the job on 20.06.2016.

In order to maintain an optimal level of traffic capacity of the runway there is a change introduced in the functional system of the Airport - turntable for aircraft on the threshold 12. On 22.06.2016 the Directorate of Civil Aviation issued the approval to use the turntable on the threshold 12, and the Official note confirming that the turntable is executed in accordance with the approval.

The execution of works according to the agreed schedule is in progress.

### **Technical documentation for upgrade of finger hall C**

• **Purpose:** The technical documentation will provide for the upgrade of finger hall C, the total area of 11,000 m<sup>2</sup> 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 increase of technological capacities, there will be increase of the area intended for commercial facilities too. Larger commercial offer will lead to increase of the 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:** Consultations are in progress related to technical supervision of the project. The second set of remarks to the project for execution made by the Purchaser is passed to the designer.

### **Construction of D security check point facility**

• **Purpose:** Technical documentation provides for construction of D check point facility of 340 m<sup>2</sup>. Facility is made in two segments- closed part for X-ray control access and opened for control of vehicles and equipment. 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. One of the conditions for implementation of One Stop Security concept is improvement of work technology on check-point D, by which adoption the level of service of the Belgrade Nikola Tesla Airport will be in accordance with modern airports in EU and USA.

• **Status:** Approval of Emergency Situations Sector in terms of implemented measures for fire protection is delivered on 21.01.2016. On 02.03.2016 the Ministry of Construction, Transport and Infrastructure, has made a decision that JSC Belgrade Nikola Tesla Airport is allowed the use of executed works on the construction of D security check point. Realization of the subject investment is completed.

### **Restoration of the murals in Terminal 1**

- **Purpose:** The existing murals in Terminal 1 are over 30 years old and are in poor condition. Both murals are located indoors, one on the upper floor in a public area, and the other above the main entrance to Terminal 1. The murals were created when the Terminal 1 and have not been restored. The restoration of the mural "Flight of Icarus and Daedalus to the universe" of the artist Milos Bukinca in Terminal 1 began, and the restoration of the mural of artist Zuke Džumhura is in progress. During the later adaptation of the whole Terminal 1 it is planned installation of dedicated light for these murals.
- **Status:** The works on restoration of the murals on the upper floor of Terminal 1 are completed.

### **Implementation of the new CUPPS software platform**

- **Purpose:** Belgrade Nikola Tesla Airport with companies Asseco SEE and Travsys BV in October 2015 started the project of implementation of new CUPPS (Common Use Passenger Processing System) and CUSS (Common Use Self Service) platform that will replace the existing SITA CUTE (Common Use Terminal Equipment) and CUSS platform. CUPPS and CUSS is a technological platform that provides terminal access to various information systems, airlines, and systems for the registration of passengers to control the boarding of passengers and baggage, as well as to control the load of the aircraft whose use is essential in the process of ground handling. The platform also allows self-registration for the flight via cuss kiosks at the 2 kiosks that are currently in use at the Airport.

That platform enables users of airport services (airlines) to use on it their own systems for aircraft, passengers and goods handling, and also allows planning and rationalization of airport resources (check in counters, gates, transfer counter, etc.).

Implementation of the platform is completed, and Minutes on takeover of the system is signed on 03.03.2016.

- Value: RSD 66,818,933.17, VAT excluded
- Supplier: Group of Tenderers – ASSECO SEE D.O.O., Belgrade and Travsys BV, Holland

### **Video wall for video surveillance and flight schedule display system**

- **Purpose:** By this purchase is planned replacement of existing video wall in the main security center. Video wall located in the main security center was purchased in 2005 and after so many years of continuous operation it was necessary to replace it to avoid its malfunction which would prevent monitoring of video surveillance cameras. As this is a video wall that must be in operation without interruption, any irregularity would question the compatibility of work with safety procedures of the Company.

- Value: 8,699,702.00 RSD without VAT
- Supplier: Oblak tehnologije d.o.o

### **Storage and licenses for IP video surveillance system**

- **Purpose:** For the realization of the project of new video surveillance system it is necessary to provide the quality part of the system for storage and viewing of images generated by the cameras. IP video surveillance system enables that all data passing through the system are in digital format and can be easily placed on storage systems which are information systems for data storage. This system enables

quality cancelling, sorting and search of video footage, as well as their safety and preservation within the legal deadlines. Licences for the system enable connection of server - storage systems with IP cameras so that recording of video content on data storage system would be in function. Procurement is necessary for realization of the new IP video surveillance system from the point of view that without licenses and storage system, there is no function of storage and archive of images as well as connection of IP cameras to the rest of the system.

- **Status:** Delivery and installation completed.
- **Value:** RSD 19,885,511.95 excluding VAT,  
**Supplier:** TELEGROUP.

#### **Video surveillance cameras**

• **Purpose:** The video surveillance system is a key airport security system. As part of the implementation of the new system of video surveillance, based on digital IP technology it is necessary to provide appropriate cameras that also work on IP technology so that they can be integrated into the new system of video surveillance. Procurement is especially necessary because the existing analogue type camera, which does not include IP technology and cannot be integrated into a modern IP video surveillance system.

- **Value:** 21,698,322.00 RSD without VAT.
- **Supplier:** DBS Konsel

#### **Extending Microsoft licenses (true-up)**

• **Purpose:** With this procurement has been extended, or purchases an additional number of Microsoft licenses. The need to purchase additional licenses occurs due to the increased number of users on a computer network, or an increase in the number of workstations (desktop and notebook) as well as the number of servers the information systems of airport corporate computer network work on. The increase in the number of users means the increase of necessary licenses for the operating system and Office packages for workstations. Increase of the number of information systems involves increase of the number of licenses for operating systems for servers and databases.

- **Value:** 10,349,765.30 RSD without VAT.
- **Supplier:** E-SMART SYSTEMS.

#### **Standard IT equipment - according to the plan for 2015**

• **Purpose:** By planned procurement is continued the process of modernization of IT equipment in use, which started by procurements from previous years. The purchase of above equipment provides more efficient, more comfortable and better work of employees. Obsolete and worn out equipment will be out of use which enables to maintain the level of quality and reliability of equipment. Also, as a result of expansion of the airport the procurement of equipment covers new positions for which the need occur and serving of all the extended and new business processes in everyday business is made possible. The new equipment adequately provides IT support in automation and handling all the processes that are taking place. The procurement includes computers, printers, multifunctional devices and uninterrupted power supply units.

- **Status:** Procurement is organized in 4 lots, all contracts are signed and realized in the first quarter.
- **Value:** Total value of all four contracts (all four lots): RSD 14,375,709.00, VAT excluded.
- **Suppliers:** Direct Link, Oblak tehnologije, EnelPS and Asseco.

#### **Development of mobile applications for the iOS platform**

- **Purpose:** As one of the most common platform on which mobile devices operate the airport is developed a mobile application for the iOS platform in order to facilitate finding the information requested by the passengers, visitors and all users interested in specific information. The mobile application is one of the main sources of information for interested users and it was necessary to create the same so that the users could reach the requested information as quickly as possible. In the application it is possible to track departures and arrivals, they can get information on how to get to the airport, where you can buy, and you can view the airport maps, it is possible to obtain information about the airlines, car rental agencies and the like.
- **Status:** Signed Minutes on qualitative acceptance of the works and the application is published and available for download on the App Store.
- **Value:** 321,138.00 RSD without VAT.
- **Supplier:** Smart Data Analytics IP.

#### **Equipment and software for upgrading check-in counters**

- **Purpose:** The purchase planned equipping of new premises for the registration of passengers. Supply includes the necessary computer equipment and software to equip the new check-in counters and other facilities that are planned within the new premises, which is being prepared through the project for expansion of airport capacity.

Primarily, it foresees purchase of licenses and equipment for CUTE system which is used as a common technological platform for access to the various DCS (Departure Control System) systems for the registration of passengers. The new check-in counters, as well as those who currently in use at T1 and T2, will be equipped with CUTE equipment which will enable on the new check-in counters too automated passenger registration process through various DCS systems.

- **Status:** The Minutes on takeover of the equipment is signed on 01.04.2016.
- **Value:** RSD 9,844,296.00, VAT excluded.
- **Supplier:** NEPO SYSTEM d.o.o.

#### **Upgrade of mobile application**

- **Purpose:** As one of the most common platforms on which mobile devices operate, the airport developed a mobile application for the *Android* platform. The mobile application is one of the main sources of information for interested users and it was necessary to create the same so that the users could as quickly as possible reach the requested information. In the application it is possible to track departures and arrivals, get information on how to get to the airport, where you can buy, and you can also view the airport map, obtain information about the airlines, car rental agencies and so on. Upgrading of the application provided for removal of identified functional and design deficiencies.



Existing functionality is expanded and upgrade in sections:

- Web Check-In
- Rent-a-Car
- Airlines
- Taxi cab
- Maps of the airport - replacement of the old ones and adding new maps, display optimization

In addition to these standard functionalities are added by upgrade the following functionalities:

- Monitoring of flights - the ability to select an option to monitor specific flight
- Seasonal timetable - with the ability to search by airlines, from-to date, destination. Display of flights per day in the week when there is a specific flight
- Business Clubs
- The interface of the Serbian Cyrillic

- **Status:** The Minutes on qualitative acceptance of works is to be signed. The application is published and available for download on the Play Store.
- **Value:** 280,000.00 RSD without VAT.
- **Supplier:** Smart Data Analytics IP.

#### **Investment "Rehabilitation of concrete gutters on apron C from C1 to C6"**

• **Purpose:** Inspecting the existing concrete gutter on apron C from parking positions C1 to C6 was found that the corresponding concrete pipe has burst and that it does not perform its basic function drainage of storm water. It also leads to the breaking off of the concrete parts on the surface of the gutter which represents FOD on the manoeuvring areas. It is necessary to replace it in order to ensure adequate drainage, prevent further wash-out of the lower layers and the deterioration of the pavement structure, as well as eliminate the occurrence of FOD zone.

• **Status:** Execution of works on rehabilitation of concrete gutters is completed. Contractor is company GP "PLANUM" AD. Value of the contract for execution of works is RSD 21,323,971.00.

#### **Investment "Development of complete technical documentation for the reconstruction of the apron "B" and connection "H"**

• **Purpose:** Apron B and connection H which is located along the apron are in poor condition in terms of damage pavement. During a survey of the situation in 2012 and 2015, it was determined that the subject of maneuvering area according to the criterion regarding the pavement condition index value is to be reconstructed in order to lead to a satisfactory state. This measure is necessary because of the extension of the same century pavement, reduce the risk of FOD, and raising the level of customer service. Technical documentation is the first stage envisaged by the Law on Planning and Construction.

• **Status:** Public procurement procedure is carried out according to Plan from 2015, but there were no tenders. Procurement is cancelled due to lack of tenders.

### **Investment "Calorimeters"**

- **Purpose:** For the purpose of more quality and accurate monitoring of thermal energy consumption, it is planned installation of calorimeters on each heating branch. This would enable more precise calculation of consumption among all users at Nikola Tesla Airport.

- **Status:** Public procurement procedure is carried out according to Plan from 2015. Signed contract with supplier „ENING-ENERGETIKA INŽENJERING“ d.o.o. Beograd. Value of contract is RSD 3,788,659.51.

### **Investment "Transformer station remote monitoring system"**

- **Purpose:** To improve the reliability and security of electricity supply to consumers at the airport complex, it is necessary to collect and present in one place all the relevant information from the substation at the complex of the airport, i.e. introduce a system of remote monitoring and management of substations from one place, where the state of the electrical energy system of substations will be monitored by electrician on duty 24 hours a day, 365 days a year. For reliable operation of the plant is very important to get timely information and react to disturbances in substations, i.e. monitor and control system from one place. For this purpose it is planned to introduce a system for monitoring and control of substations from duty energy centre, room at Electro Service (DEC).

- **Status:** Public procurement was launched on the basis of a decision of the Supervisory Board on Investment.

### **Investment "Service of public lighting adaptation"**

- **Purpose:** In order to increase the quality of lighting and reduce power consumption at the airport complex, it is necessary to adapt the part of public lighting, entrance road in front of Terminal 2 of the parking lot of the police and Rent-a-car agencies, parking in front of the Connecting part and Terminal 1 (used by Rent a car agencies) and an access road from the city (gate of the building of new area control SMATSA) to the Terminal 1.

- **Status:** Public procurement was launched on the basis of a decision of the Supervisory Board on Investment. The tender dossier preparation is in progress.

### **Investment "Construction of perimeter fence"**

- **Purpose:** Continuation of works on the rehabilitation of the existing fence along the perimeter of the airport in order to increase the level of security and alignment of features with the new regulations.

- **Status:** The contract for execution of works is signed with representatives of the consortium company ELGRA VISION. After obtaining the consent of the Directorate of Civil Aviation to work organization project, the preparations for works started at the end of March 2016. Execution of works is in the final stage.

### **Investment "Development of detailed design of runway end safety area (RESA)"**

- **Purpose:** The subject of making technical documentation is construction of the runway end safety area (RESA - RUNWAY END SAFETY AREA) in front of the threshold 12 of the runway of Belgrade Nikola Tesla Airport.
- **Status:** Public procurement is completed according to procurement plan for 2015. The contract for the provision of services is signed with the "Institut za puteve" a.d. Beograd. The value of the contract is RSD 1,500,000.00.

### **Investment "Standing public water fountains"**

- **Purpose:** To raise the quality of service to passengers in the transit zone it is planned to set up two standing water fountains.
- **Status:** Public procurement is completed as per the procurement plan for 2015. The contract for the procurement of goods is signed with "Aqua still group" d.o.o. Beograd. Standing public fountains have been delivered and placed in the transit zone - A and C corridors.

### **The investment "Rehabilitation of Sorting Area T1"**

- **Purpose:** Due to the procurement of a new baggage transport system it is necessary to adapt the space of the old sorting area to functionally follow up the new system solutions. The procurement planned flooring replacement works, treatment of openings, air conditioning and, if necessary, strengthening of the structure.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investments.

### **The investment "Execution of works on reconstruction of facilities for fuel storage and refuelling"**

- **Purpose:** Based on the project of pre-existing condition and proposal of measures for the rehabilitation of the fuel tank, it is planned to carry out works on the rehabilitation of facilities for storage and refuelling at the airport Nikola Tesla. Execution of works is necessary for obtaining a use permit.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment.

### **Investment "Preparation of project documentation with technical inspection for rehabilitation and renovation of the pedestrian underpass between the arrival area of terminal 2 and the parking lot."**

- **Purpose:** Pedestrian underpass between the building of Terminal 2 and parking lot is extensively used by the passengers and meters and greeters. The plan is to renovate the underpass with advertising space in accordance with the new trends and technical solutions.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investments.

**Investment "Development of technical documentation" with the technical inspection of reconstruction of perimeter fence."**

• **Purpose:** The last phase of works on rehabilitation of the existing fence along the perimeter of the Airport in order to increase the level of security and align features with the new regulations.

• **Status:** Public procurement was launched on the basis of a decision of the Supervisory Board on Investment.

**Investment "Machines for works on maintenance of lighting system"**

• **Purpose:** Purchase of dedicated machines for execution of works on pavement structure for maintenance of field lighting system.

• **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment.

**Investment "Service of implementation of the system for remote monitoring and control of consumption of de-icing fluid on vehicles"**

• **Purpose:** Implementation of DTS systems with integrated collection, processing and distributing of data. The system provides a simplified principle of recording operations with increased level of safety and quality of service intended for the users of airport services.

• **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment.

**Lease, agreements and contracts with airlines**

- **29.01.2016** – Reduction of lease fee for office space in Terminal 1 in the amount of 50% of the monthly fee under the contract No. 14-15/2015 dated 26.03.2015. Reduction of lease fee is effective as of the invoice for January 2016 and will apply to the utilization of funds invested in the maintenance of the roof surfaces of the building of Terminal 1. 50% of calculated lease fee to be paid by transfer and 50% is compensated by works performed, according to the company "Air Serbia" invoice.
- **29.01.2016** – Conclusion of the Annex B to the standard Ground Handling Agreement concluded with company Air Serbia (Annex B20.13 No 11-3/2016 dated 11.02.2016);
- **04.03.2016** – made up Agreement 10-5/2016 of the debt repayment of the company "Airport Catering" in the amount of RSD 5,000,000.00, divided into 5 instalments with payment starting from 07.03.2016 to 07.07.2016.
- **10.03.2016** - given consent to an agreement on the repayment of debt of the company "Air Serbia" under Protocol No. 10-6/2016, signed on 15.03.2016;
- **15.03.2016** – made up Agreement 10-6/2016 of the repayment of debt of the company "Air Serbia" in the amount of RSD 701,632,615.37, divided into monthly instalments that will be paid in the period from 17.02.2016 to 31.12.2016.
- **17.03.2016** - Termination of the contract on the provision of ground handling services to company "WIZZ AIR". Termination entered into force on 16 June 2016 where ground handling services company were taken over by company "Sky Partner".

- **23.03.2016** - Conclusion of the Agreement on access to the centralized infrastructure concluded with "Euro Jet Flight services doo Beograd" (No. 08-7/2016 dated 23.03.2016)
- **13.04.2016** – made up Protocol. 10-11/2016 on the repayment of debt of company "Montenegro Airlines" in the amount of EUR 1,254,523.02, it was agreed that 12 instalments will be settled by the company in the period from 15.04.2016 to 25.09.2016;
- **20.04.2016** - opened commercial space JP "Pošta Srbije" on the upper floor of Terminal 2;
- **01.04.2016** - Conclusion of Annex B 16.0 to standard Ground Handling Agreement concluded with the company "Montenegro Airlines" (Annex B16.0 No. 11-6/2016 of 08.04.2016);
- **30.05.2016** - Conclusion of the Annex B 1.0 to standard Ground Handling Agreement concluded with "Ellinair" (SGHA No. 11-7/2016 of 30.05.2016)
- **17-19.06.2016** - visit of the Chinese President where ANT participated in the subject event.
- **23.06.2016** – Company Air Serbia began intercontinental flights to North America, NYC

### Training of employees in the Employees Training Centre

Staff who indirectly affects the safety of air traffic must be trained in a Training Centre authorized by DCA and must have certificates of training (Article 187, Law on Air Transport ("Official Gazette of RS", No.73/2010, 57/2011 and 93/2012). In accordance with the above mentioned Training Centre is authorized by DCA for training of staff performing the following professional tasks in aviation:

1. Aircraft, passengers and goods ground handling at the airport;
2. Fire & Rescue protection;
3. Transport of Dangerous Goods in air traffic;
4. Control of correctness of aircraft movement area, airport facilities and installations;
5. Supply of aircraft by fuel.

Under staff performing jobs of aircraft, passengers and baggage handling are understood the following job profiles:

1. Traffic Coordinator (**airport Duty Manager**);
2. Traffic Dispatcher (**traffic dispatcher and Flight coordination**);
3. Apron dispatcher (**ramp agent**);
4. Controller of aircraft, passengers and baggage handling (**supervisor of aircraft, passengers and baggage ground handling, inspector of final checks of aircraft de/anti-icing, stockman in bonded cargo warehouse**);
5. Aircraft Balancer;
6. Airport equipment operator (**driver and operator of traction units, passenger stairs, elevators, cargo loaders, water truck tanks, aircraft toilet service units, aircraft de/anti-icing units, air bridges, passengers apron buses, passengers and crew vans etc.**);
7. Generator operator (**operator of the GPU and Air Starter**);
8. Marshaller (**driver of special purpose vehicle Follow me, aircraft ground communications operator**);
9. The airport host or hostess aviation port (**ground stewardesses/stewards, passengers and baggage agents, passengers and baggage registration supervisors**).

Number of trainees in the period 1.1.2016 – 30.06.2016:

	ANT	Third parties
Traffic dispatcher	6	
Aircraft Balancer		1
Stewardess (cat. 1)	37	
Stewardess (cat. 2)	15	
Supervisor of aircraft handling control (cat. 1)	6	1
Traffic Coordinator	2	3
Marshaller (level 1)	2	3
Marshaller (level 2)		3
Airport equipment operator (level 1)	121	
Generator Operator	5	
Aircraft cargo loading foreman	12	
Aircraft cargo loading worker	50	
Baggage sorting worker	9	
Cargo loading worker in Cargo Warehouse	3	
Winter maintenance service		4
Maneuvering areas safety controller	14	3

Under the staff that performs fire - rescue protection are understood the following job profiles:

1. Commander;
2. Professional fireman (**fire and rescue unit and fire prevention ward**);
3. Support staff (**employed primarily on other jobs**);
4. Instructor (**instructors of practical training**).

Number of trainings in the period 1.1.2016 – 30.06.2016:

	ANT	Third parties
Professional fireman	64	
Support staff	22	
Training in fire protection	51	5

Under the staff that performs job of transport of dangerous goods in air traffic are understood:

1. Staff Category 1 - the sender or the person who takes over the responsibility of the sender;
2. Staff Category 2 - staff engaged in preparing packages of dangerous goods;

3. Staff Category 3 - staff that performs processing of dangerous goods;
4. Staff Category 4 - staff performing processing of cargo and mail (dangerous goods excluded);
5. Staff Category 5 - staff that performs handling and storage of cargo and mail;
6. Staff Category 6 - staff performing **acceptance of dangerous goods**;
7. Staff Category 7 - staff that performing acceptance of goods and mail (dangerous goods excluded);
8. Staff Category 8 - staff performing ground **handling of cargo, mail and baggage**;
9. Staff Category 9 - Staff who are engaged in passenger handling (**ground stewardesses / stewards, agents of passengers and baggage registration, supervisors of passenger and baggage registration**);
10. Staff category 10 - **Aircraft Balancer and supervisor of aircraft, passenger and goods ground handling**;
11. Staff Category 12 - Staff who are engaged in **x-ray security screening of passengers and baggage, cargo and mail**.

Number of trainees in the period 01.01.2016 – 30.06.2016:

	ANT	Third parties
Transport of dangerous goods in air traffic, cat. 7	7	
Transport of dangerous goods in air traffic, cat. 10	21	2
Transport of dangerous goods in air traffic, cat. 9	50	
Transport of dangerous goods in air traffic, cat. 5 and 8	110	

Under those performing the tasks of controlling the correctness of the aircraft movement area, airport facilities and installations are understood job profiles of the **Controller of correctness of aircraft movement area, airport facilities and installations**.

Under the staff performing supply of aircraft with fuel are understood following job profiles:

1. Fueller (**refueller driver and fuel operator**);
2. Fueller Assistant;
3. Stockman (**fuel stock-keeper**).

Number of trainees in the period 01.01.2016 – 30.06.2016:

ANT

Stockman	3
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In addition to these trainings all persons performing jobs within Security Restricted Area (employed and engaged at ANT, as well as third parties) are obliged to pass training of air traffic safety:

1. Basics of air traffic safety;
2. Independent vehicle/equipment operation in the SRA 1;
3. Independent vehicle/equipment operation in the SRA.

Number of trainees in the period 01.01.2016 – 30.06.2016:

	ANT	Third parties
Basics of air traffic safety	73	3
Independent vehicle/equipment operation in the SRA 1	5	11
Independent vehicle/equipment operation in the SRA 2	51	24

By signing of Air Transport Agreement between the Government of the Republic of Serbia and the Government of the United States of America (USA) and establishment of direct flights between the two countries, our employees have undergone training in provision of services to passengers with reduced mobility:

1. *PRM Training ACAA*;
2. *Skills workshop ACAA*.

Number of trainees in the period 01.01.2016 – 30.06.2016:

	ANT
<i>PRM Training ACAA</i>	40
<i>Skills workshop ACAA</i>	55

In addition to these trainings prescribed by national legislation the Training Centre performs a large number of **internal trainings** prescribed by internal training programs (in accordance with international ICAO and IATA standards) according to job requirements at the airport and by airlines. It should also be noted that such trainings cannot be obtained in any other existing training centre in our country, while their realization through centres abroad is first of all expensive and of questionable character because of its applicability (trainings are designed to jobs and real working conditions). Internal trainings carried out within the Training Centre of JSC Belgrade Nikola Tesla Airport:

- ✓ The foreman of cargo transshipment
- ✓ The foreman of baggage sorting area
- ✓ Transport worker - transshipment of cargo on aircraft / baggage sorting / cargo transshipment in BCW.



## **Recruitment and Selection**

In the period from 01.01.2016 to 30.06.2016, Human Resources Management Department has conducted 33 selections, during which 136 candidates were invited for an interview.

## **Committee obtaining approval for new employment and further engagement with the users of public funds**

JSC Belgrade Nikola Tesla Airport records growth in passenger numbers of over 30% in 2014 compared to 2013, and in 2015 trend of growth in passenger numbers continued.

By signing of the Air Transport Agreement between the Government of the Republic of Serbia and the Government of the United States of America (USA), which will allow the establishment of direct overseas flights, the possibility of further expansion of air traffic of the Republic of Serbia is opened.

JSC Belgrade Nikola Tesla Airport, in accordance with the Regulation on the procedure for obtaining approval for new employment and further engagement with the users of public funds ( "Official Gazette of RS", No. 113/13, 21/14, 66/14, 118/14 and 22/15) (hereinafter: Regulation), and for reasons of increased workload and improvement of the business, from the that Committee obtaining approval for new employment and further engagement with the users of public funds obtained the approval to increase of the number of employees and engaged persons as follows:

- 1) By conclusion of the Committee approval for new employment and further engagement with the users of public funds 51 No. 112-15916/2014 dated 23 December 2014, JSC Belgrade Nikola Tesla Airport has received approval for employment of 200 employees for a definite period of time;
- 2) Conclusion of the Committee 51 number: 112-1197/2015-2 dated 13 February 2015 approved employment of another 198 employees for a definite period of time;
- 3) The conclusion of the Committee 51 No: 112-3176/2015 of 23 March 2015, approved employment of another 200 employees for a definite period of time;
- 4) Conclusion of the Committee 51 number: 112-3628/2015-1 of 01 April 2015, gave approval for the extension of the validity of approval for persons engaged by Committee's Conclusion 51 Number: 112-15916/2014 dated 23 December 2014;
- 5) Conclusion of the Committee 51 number 112-6977/2015-1 of 30 June 2015 approved for a total of 803 people employed for a definite period of time and 65 persons engaged for professional development and training;
- 6) Conclusion of the Committee 51 number 112-11232/2015 of 19 October 2015 approved employment of 33 persons for an indefinite period of time;
- 7) Conclusion of the Committee 51 number 112-11662/2015 of 3 November 2015, approved employment of another 7 persons for an indefinite period of time;
- 8) Conclusion of the Committee 51 number 112-11662/2015-1 of 3 November 2015, approved a total of 831 persons, of which 802 are employees for a definite period of time and 29 engaged on other grounds (for professional development and training in accordance with the Article 201 of the Labour Law).
- 9) Conclusion of the Committee 51 number 112-14077/2015-1 of 29 December 2015 is extended previously given approval by Conclusion of the Committee 51 No. 112-11662/2015-1 of 3 November 2015.
- 10) Conclusion of the Committee 51 number 112-2596/2016 of 23 March 2016 approved employment of two persons for an indefinite period of time.

11) Conclusion of the Committee 51 number 112-2596/2016-1 of 23 March 2016 approved employment of 20 persons on the basis of the contract of temporary and occasional jobs and 40 persons engaged through youth organizations, for the period from 1 April to 31 July 2016.

Number of employees in JSC Belgrade Nikola Tesla Airport, under a contract of employment for a definite or indefinite period of time as of 30.06.2016, amounts to 1287.

#### **Professional development and training**

In July 2015 was announced public invitation for engagement of candidates for the professional development and training on jobs of traffic, mechanical, electrical, construction and legal profession, the profession in the field of security, passenger handling and computers electronics.

A total of 236 candidates has applied for, whose applications are handled by the Human Resources Management Department. Of the total number of applicants, 34 candidates fulfilled requirements, while with 26 candidates was signed contract on professional development and training.

#### **Start of SERBIA AIR flights to JFK, USA, A330-200**

On 23.06.2016 is successfully realized the first flight of AIR SERBIA, flight number JU500 for JFK, USA aircraft type A330-200, registration YU-ARA from our airport. The plan is to fly five times a week on route BEG-JFK-BEG. Engaged ground handling services have successfully realized ground handling of all to date flights. Development of operation procedures, additional staff training, supervision by line managers are some of the extra activities that preceded the successful realization of the subject flights.

#### **Termination of Ground Handling Agreement with airline WIZZ AIR**

WIZZ AIR has informed JSC Belgrade Nikola Tesla Airport that it terminates Ground Handling Agreement, and that their new company service provider will be company SKY PARTNER. Company for rendering of ground handling services SKY PARTNER, based on agreement with airline WIZZ AIR, started operations on handling of WIZZ AIR flights on 16.06.2016.

#### **Explosive inhibiting containers, 8 pcs.**

It is justified by the need for an increased level of security arisen by displacement of security restricted zone, which is now closer to the aircraft. It is foreseen to put trash and items that are not subject to security screening into the containers. In this way, is reduced risk of potentially hazardous explosive waste (which could not be recognized as such), and the unexamined seemingly unsuspecting items which can be explosives.

Estimated value: 2,700,000.00 RSD

Bids opening: 24.02.2016

Contract concluded on 17.05.2016 with company Jugoscan d.o.o.

### **Cabins for explosive trace detectors, 12 pieces**

With planned procurement of explosive trace detectors, which will be installed at passengers and hand baggage security screening check points and at the security check points for control of persons who are not passengers and their belongings it is necessary to provide also cabins which will protect these devices. Cabins can also be used for manual examination of passengers.

Procurement published on 29.03.2016

Estimated value: 1,800,000.00 RSD

Bids opening: on 14.04.2016

Contract concluded on 26.05.2016 with company DOMKO d.o.o.

### **Protection against ionizing radiation training course**

X-ray security screening sector, while performing basic activities of x-ray screening use x-ray devices emitting ionizing radiation.

To obtain a license to conduct such activities for the airport "Nikola Tesla", it is necessary among other things to meet the following criteria:

It is necessary to submit to Serbian radiation protection and nuclear safety agency a certificate of competency to work with sources of ionizing radiation and implement measures for protection against ionizing radiation for all operators.

X-ray security screening sector trained in the past a number of operators, but there are about another 80 operators to be trained.

Procurement published: on 30.03.2016

Estimated value: 1,100,000.00 RSD

Bids opening: on 08.04.2016

Contract concluded on 30.05.2016 with company Institut za nuklearne nauke „Vinča“, Centar za permanentno obrazovanje.

### **Walk Through Metal Detectors, 4 pieces**

X-ray security screening sector needs walk through metal detectors in standard 2, for the new security check points.

Belgrade Nikola Tesla Airport has 4 (four) walk through metal detectors in standard 1, which cannot be upgraded. Walk through metal detectors will be in standard 2, and with improvements such as:

- A larger number of localization detection zones;
- The smaller dimensions of the door;
- Walk through counter;
- Ability to set up the camera;
- High level of adaptation during installation (no influence of external factors on the operation of the door).

Procurement published on 08.03.2016

Estimated value: 7,000,000.00 RSD

Bids opening: 08.04.2016

Contract concluded on 20.05.2016 with company Jugoscan d.o.o.

### **Belt stanchions**

Based on the National programme for aviation security it is necessary to deny access to passengers and to persons who are not passengers to equipment used for security screening. Restricting access is possible by placing the belt stanchions which represent an appropriate barrier and prevent access to X-ray devices and containers for the disposal of prohibited items. CAD by Decision No. 5/4-03-0014/2015 of 04.08.2015 ordered ANT to place a physical barrier in all waiting rooms, which will protect passengers and their cabin baggage from unauthorized interference from the point they are security screened. The simplest barrier that would not affect the appearance and functionality of the waiting rooms stanchions. X-ray security screening sector for security screening uses in total 19 X-ray devices in 12-gates waiting rooms. Length of the system (X-ray device + input rollers + output rollers) is 6-9 m, which means that it takes 80 belt stanchions.

Procurement published: on 25.03. 2016  
Estimated value: 1,500,000.00 RSD  
Bids opening: on 06.04.2016  
Contract concluded on 10.05.2016 with company „Texhomerkur“ d.o.o.

### **X-ray Devices 6040**

X-ray security screening sector presently for security screening in waiting rooms – gates, uses also x-ray units in standard 1, which are borrowed from Boarder Police Station. Procurement is initiated for 4 x-ray units in standard 2 for hand baggage, so that when procurements are completed in the first half of 2016, x-ray devices in standard 1 will no longer be used in waiting rooms – gates.

Procurement published: on 23.03.2016  
Estimated value: 30,000,000.00 RSD  
Bargaining is scheduled for: 22.04.2016.  
Contract award decision filed on 20.05.2016 – Smiths Heimann GmbH

### **Tray repositioning system in gates**

X-ray screening sector in June 2016 completed the acquisition of 7 (seven) tray repositioning systems in gates, for seven X-ray machines 6040-2 is, which are acquired for security screening in gates. These systems are necessary for placement of belongings of passengers during security screening in gates. With the systems we have procured 140 trays for liquid screening in X-ray devices.

Procurement published on 05.04.2016  
Estimated value: 8,000,000.00 RSD  
The contract concluded on 20.05.2016 with company "Centum" d.o.o.

### **X-ray device in standard 3**

X-ray screening sector in June 2016 completed the acquisition of "X-ray device in standard 3" for screening of hold baggage in Terminal 2. This is procurement for the year 2016. Until strengthening of the floor joists is completed in place where mentioned device should be installed in Terminal 2, island 300, X-ray screening sector will use it to check suspicious transfer baggage, and for operators' training, because it differs significantly from the X-ray devices in standard 2, which are now in operation at ANT.

Procurement published on 22.04.2016  
Estimated value: 168,750,000.00 RSD  
Contract award decision filed on 03.06.2016 – Smiths Heimann GmbH

### **Procurement of office containers for employees and parking kiosk**

Containers are necessary for the purpose of opening temporary jobs in the open air (building sites in the security restricted zone). It is necessary to provide space during at the fire training area for the preparation of exercises (2 pieces for security guards; 2 pieces for rescue&fire service). Due to the lack of commercial space on the air side, it is necessary to obtain 5 containers, primarily for the needs of airlines. It is necessary to provide working space for the Head of Service and stay at the workplace of Marshalls. Parking P3 is in the commercial offer of ANT, but there is no adequate infrastructure to enable quality job performance.

Submitted by X-ray security sector to Public Procurement Division for their opinion and publication.

Estimated value: RSD 6,600,000.00.

Public Procurement procedure is suspended as none of the tenders were acceptable.

### **Procurement of raw materials for the production of ID cards**

Raw material is necessary for making of airport passes for authorities and organizations who perform their activity at the border crossing, i.e. airport.

Procurement published: 31.03.2016

Estimated value: 761,200.00 RSD

Bids opening: 04.05.2016

Contract signed on 01.07.2016.

### **Renovation of the ground floor of Terminal 1 and a connecting part**

- **Purpose:** Expansion of traffic capacity and commercialization of space in Terminal 1 and the connecting part in order to improve quality of service. Arrangement includes the dismantling of existing commercial space on the ground floor of Terminal 1 and the connecting part (counters, travel agencies, shops and restaurants) and a complete renovation and equipping of the space with new, modern, interior design solutions. This position provides also for arranging space for baggage claim area in Terminal 1, which includes dismantling of equipment for sorting and transfer of baggage, and complete renovation and equipping of the space.

- **Status:**

- **Development of technical documentation:** On 18.02.2016 is provided Decision of the Civil Aviation Directorate approving documentation: Study- Technology exploitation of the Connecting part (excerpt from the preliminary design for renovation of the ground floor hall of Terminal 1 and Connecting part).
- **Execution of works:** on 21.01.2016 a decision was made on the award of a public contract for execution of works on the renovation of the Connecting part to group of tenderers W. D. Concord West, Interfast and Dabicom. An appeal was filed by the tenderer Morava In, to which the reply was forwarded to the Republic Commission for Protection of Rights in Public Procurement Procedures on 05.02.2016. Commission by Decision dated 12.02.2016 rejected the request for protection of rights as unfounded.  
On 29.02.2016 with a group of tenderers W. D. Concord West, Interfast and Dabicom is concluded Contract for execution of works on renovation of the Connecting part at the Belgrade Nikola Tesla Airport. The value of the contract is RSD 53,499,079.18, excluding VAT.

Works on implementation of the subject investment are completed on 17.05.2016. Civil Aviation Directorate of the Republic of Serbia by Decision dated 20.06.2016 approved use of the facility of connecting part between Terminal 1 and Terminal 2.

### **Reconstruction of existing and construction of new route of heating pipeline**

• **Purpose:** Existing district heating network in the section from 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. For this reason and because of the age of installation, it is necessary to dislocate heating pipeline passing below Terminal and the Connecting part between Terminal 1 and Terminal 2.

Installation of pre-insulated pipes will lead to a reduction in heat losses in the network, as well as hot water losses (which has already been largely achieved by the construction of new primary hot water pipeline branch from the boiler room to the canteen restaurant). Also, for the planned extension of finger hall "C" as well as aircraft de/anti-icing pad, it is necessary to provide for a new branch of heating pipeline (from connection to terminal 2) as the capacities of the substation in Terminal 2 are used up.

• **Status:**

- **Development of technical documentation:** Obtained approval of the Ministry of Interior of the Republic of Serbia, Sector for emergency management to technical documentation in terms of fire protection measures, on 24.05.2016.
- **Execution of works:** on 29.02.2016 Bid opening procedure was conducted. On 08.04.2016 is made Decision to suspend public procurement procedure, as it was not obtained any acceptable tender.

Tenderer Dabicom sent on 22.06.2016 request to the Republic commission for protection of rights in public procurement procedures, to which was sent reply by Belgrade Nikola Tesla Airport on 27.04.2016. On 28.06.2016 Republic commission for protection of rights rejected request of the Tenderer as unfounded.

### **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 1989. 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 noticed deficiencies by Review Committee is in progress.

### **Road that will connect the apron A and apron B**

• **Purpose:** The road that will connect the apron A and apron B is intended for movement of vehicles and equipment for aircraft, handling as well as for movement of official vehicles to technical facilities and heating plant. The new road will allow movement of official vehicles without entering the area which is under the responsibility of the airport traffic control, i.e. without crossing lines of aircraft movements and movements of official vehicles and equipment for aircraft ground handling.

• **Status:**

- **Development of technical documentation:** On 18.02.2016 the Decision is obtained from the Civil Aviation Directorate approving the feasibility study with preliminary design for the construction of road. Review Committee on 17.03.2016 approved the feasibility study and preliminary design. On 25.05.2016 issued Decision on construction permit. Ministry of Interior of the Republic of Serbia, Sector for emergency management on 29.06.2016 issued Decision giving approval to technical documentation in terms of fire protection measures.
- **Execution of works:** On 26.05.2016 conducted bids opening procedure. The contract was awarded to the group of bidders Vojvodinaput Pancevo and Strabag. The value of the Contract on public works signed on 10.06.2016 amounts to 19,833,528.62 RSD, excluding VAT. Contract with expert supervision services by company Mase was signed on 10.06.2016 after the completion of the public procurement procedure.

On 24.06.2016, the contractor and expert supervisor are introduced into the business.

### **Preparation of the study analysis of Nikola Tesla Airport capacities**

• **Purpose:** The study should indicate the necessary technological and technical capacities of airport infrastructure, technology of work, and capacity utilization at peak load. To this end, the service provider will carry out comprehensive survey of airport processes and conduct the necessary analysis of the collected data. After the completion of the analysis the service provider will through the study indicate which capacities can be brought into line with the standards using existing resources, which are the weak points of airport processes with suggestions for their improvement, as well as the conclusions regarding the further development of airport capacity and traffic forecast.

• **Status:** On 22.03.2016 bids opening procedure conducted. By decision on 28.04.2016 contract was awarded to the group of bidders Egis and Egis Avia. On 09.05.2016, Tenderer ARUP filed a request for protection of rights to the Republic Commission, to which was sent reply from the Belgrade Nikola Tesla Airport on 12.05.2016. Tenderer DORNIER CONSULTING filed a request for protection of rights on 19.05.2016 and the answer was delivered on 23.05.2016.

### **Renovation of the Cargo Warehouse**

• **Purpose:** Due to the significant increase in the total volume of cargo traffic in 2015, preparations for the establishment of traffic with the United States, the poor state of workspace and other cargo warehouse space, there is a need for investment in renovation of workspaces and associated installations, as well as the handling operations space and surface areas.

• **Status:** On 28.04.2016 conducted the procedure of opening the bids. After the completed expert evaluation of bids, the contract is awarded to the Bidder Morava In. The public procurement contract in the amount of 34,543,940 RSD, without VAT was signed on 09.06.2016. The formation of the exit A10 is completed and began the dismantling and demolition of premises within the warehouse.

## **Procurement of Visual Docking Guidance System**

- **Purpose:** By installation of the system in the parking position A6-A10 aircraft acceptance system is completed and upgraded at all contact positions. Procurement and installation of aircraft visual guidance docking system (VDGS) allows technical assistance to the pilot when parking aircraft, increasing the level of safety in the realization of the critical operations and shortens the engagement of marshalls, Follow Me vehicle and aircraft parking time.

In addition to the basic information that the system displays to the crew of the aircraft such as parking positions designation, the position of the aircraft relative to the center line / parking position stop point and speed of entry of the aircraft into position, there is an option of system display of specific information relevant to employees in the operational center of the airport. Those information are primarily related to restrictions on the parking of aircraft at adjacent positions, if the system is automatically aware of the irregularity, which in turn increases the level of safety and reduces the likelihood of errors due to human factor.

- **Status:** Prepared tender documentation for the purchase of aircraft visual guidance docking system. Tender opening was conducted on 01.04.2016.

By Decision on 12.05.2016 Contract is awarded to the group of Tenderers Elgra Vision and MC Corona. Contract is concluded on 15.06.2016. Value of the contract is RSD 21,775,350, VAT excluded. Decision on commission for follow-up of implementation of the contract is expected.

## **New fire base**

- **Purpose:** According to the inspection reports of CAD, the existing capacity to accommodate fire and rescue equipment, vehicles and personnel are at a very low level and requires the urgent intervention to improve the accommodation of the service and the equipment they use. In order to solve the acute problem and find solid and long-term solution for this functional unit of the airport, it is concluded that there is a need for construction of a new fire center, in a location that is provided by planned act of DUP Airport "Belgrade".

- **Status:** Collection of necessary information and conducting of initial analysis is done in order to determine the terms of reference and conditions of implementation of this project.

On 23.05.2016 conducted procurement procedure for preliminary solutions of fire base. As the most favorable tender is selected tender of - Studio Simić, Belgrade.

On 09.06.2016 signed contract with Studio Simić, in the amount of 390,000 RSD without VAT. Preparation of preliminary design is in progress.

Since the beginning of the Investment project, Investment and Development Department directly communicates and cooperates with representatives of airport fire and rescue service.



#### **Investment "Segment doors for baggage make-up areas"**

- **Purpose:** Public procurement conducted, selected the most favourable Tenderer and signed contract No. 18-8/2016 with contractor in the value of RSD 1,924,340.00. The procurement foresees replacement of industrial doors on make-up areas – total 4 doors. Replacement is done due to the obsolescence of the doors and for requirements of work in special conditions.
- **Status:** Dismantling of old doors and installation of new doors are planned by the beginning of May 2016. Doors are prepared and put into operation on 27 June after which final payment is made thus fulfilling the contract.

#### **Investment "Development of investment and technical documentation of reconstruction analysis and construction of manoeuvring areas at Belgrade Nikola Tesla Airport"**

- **Purpose:** Documentation includes the analysis of alternative solutions to improve the condition of runway pavement structure. The proposed alternative solutions depend on the approved project period (up to 5 or 25 years) and on the solutions of pavement structure (flexible, rigid or a combination). Analysis, in addition to pavement structure, includes traffic analysis, cost-benefit and risk management. Based on the obtained data decision will be made on further strategy of maintaining the existing runway.
- **Status:** Public procurement is carried out according to plan from 2015. The examination of tenders by expert commission for implementation of the public procurement is in progress.

#### **Investment "Supply of mud and fuel oil pump"**

- **Purpose:** Acquisition of new pumps as replacement of existing worn-out pumps. The accuracy of these pumps is essential for the correct and reliable operation of fuel oil installations and rainwater drainage.
- **Status:** Repeated public procurement procedure is in progress.

#### **Investment "Replacement of DG4 with UPS and diesel support generator"**

- **Purpose:** Provision of reliable and safe operation of critical consumers supplied from TS TERMINAL 2
- **Status:** The public procurement procedure was conducted. The contract for the procurement of goods was signed with a group of bidders VITREUM DOO Belgrade, TEHNIOUNION-EXIM, Sremska Kamenica, and TEHNOLINK DOO Čenej on 09.06.2016. Value of the contract with VAT amounts to 113,061,600.00 RSD.

## 7.1. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES AFTER THE PERIOD I-VI 2016

### Investment "BAGGAGE HANDLING SYSTEM"

- **Purpose:** Includes the purchase of the transport system in the location-connecting part between T1 and T2 and T1, equipping with baggage check-in counters, collector belts, conveying belts, baggage scanning devices, central system of supervision and management. It understands assembly-disassembly work, setting and commissioning of the complete system through a phased implementation.
- **Status:** Public procurement launched and published on the website on 04.04.2016. Public opening of bids is scheduled for 10.05.2016. Contract was signed with a group of bidders PREMAR SERVICES AG, Zug, Switzerland, and PROFLUSS GmbH, Leichlingen, Germany in the amount of 6,299,985.50 euros without VAT. The contract was filed in the archives of Airport on 15.06.2016. Currently preparation and coordination of all the activities that precede the installation of the transport system take place. Realization is expected in late 2016 or early 2017.

### Investment "WORKS ON IMPROVING LIGHTING SYSTEM OF CONNECTION D"

- **Purpose:** Public procurement is carried out to increase the safety and capacity of the connection D and taxiway A in LVP conditions. The purchase planned improvement of the lighting system in order to increase the overall safety of the traffic in low visibility conditions on the taxiway D and in the zone intersecting taxiway A and taxiway D.
- **Status:** Public procurement procedure is completed. Contract for execution of works is signed on 02.06.2016 with „ELGRAD VISION“ d.o.o. Belgrade. Value of the contract VAT included amounts to RSD 44,801,808.00. Beginning of implementation is expected by the middle of July 2016.

### Preparation of the study analysis of Nikola Tesla Airport capacities

- **Status:** On 04.07.2016 Republic Commission for Protection of Rights in Public Procurement Procedures passed Decision, in which request of the bidder Ove Arup & Partners International Limited, was rejected as unfounded. On 14.07.2016 Decision of the Republic Commission was delivered, rejecting the request of bidders Dornier.

### Renovation of the Cargo Warehouse

- **Status:** On 12.07.2016 the CAD has made overview of the works performed at exit A10 and announced the issuance of a positive solution for the use of that resource.

### Adaptation of the passengers check-in area

- **Purpose:** As a result of the increasing number of passengers, there is a need for increasing the number of check-in counters for departing passengers. Increasing the capacity of the check-in area has for its purpose facilitation of uninterrupted traffic flow at peak times. Adaptation of existing space on the ground floor of Terminal 1 is planned in order to relieve the existing check-in counters in Terminal 1 and Terminal 2.

In addition, it provides for the development of space for the purposes of setting up a new system for registration in the hall and a transport system in the baggage sorting area.

The concept of spatial planning will be harmonized with the modern trends in passenger terminals and will contain the most modern solutions in the field of air industry.

- **Status:** The procedure of opening of bids was conducted 11.07.2016.

At the opening of the bids is submitted tender of company Mašinoprojekt kopring. Expert evaluation of bids is in progress.

### **New boiler room**

- **Purpose:** The existing boiler room supplies thermal energy to facilities at the complex Aerodrom Nikola Tesla and is old more than 40 years.

Boiler room capacity is 47.9 MW, of which a large part is unused, as boiler TPK- 20 MW is for many years out of order. On boilers were repeatedly carried out repairs in different degrees and reduced operating parameters, indicating a low operating reliability of boilers. Due to the deterioration of boilers, equipment and devices, malfunctions are frequent during the heating season.

Since there is a need for connection of new consumers to the existing heating system, it is necessary to reconstruct and improve the system, or build a new energy block.

- **Status:** Tender documentation is published and the deadline for submission of bids is 07.19.2016.

In the period March-April in the Fire & Rescue Service was carried out training and examination for extension of a certificate of training for the professional firefighters. The said training and passing of the exam confirmed that staff are trained and maintenance of the airport fire category is at the highest level. Confirmation of training and preparedness of the Fire & Rescue Service was confirmed also by the inspectors CAD after completion of examinations which was also noted in the Minutes.

Public procurement procedure fire truck 8x8 with an extended extinguishing arm and expert assessment of the bids received is in progress. The purchase of the said fire truck will contribute to determining the readiness of the Fire & Rescue Service for maintenance of fire category of the airport and the smooth operation of overseas flights with aircraft that are in the 8th or 9th fire category.

### **Standard IT equipment - according to the plan for 2016**

- **Purpose:** By foreseen procurement continues process of modernization of IT equipment in use, which started with procurements from previous years. The purchase of above equipment will provide more efficient, more comfortable and better work of employees. From the use is excluded obsolete and worn out equipment and equipment will be renewed which enables to maintain the level of quality and reliability of equipment. Also, as a result of expansion of the airport, purchase of equipment will cover new positions for which a need has arisen and it is possible to serve all the extended and new business processes in everyday business. The new equipment adequately provides IT support in automation and handling of all the processes that are taking place. It is foreseen procurement of computers, printers, multifunction devices, computers for thin clients and ID card printers. This procurement will round up many year planned modernization of IT equipment, and is particularly important to emphasize that the new identification card printer will be such that the ID card printing on it will satisfy the most demanding safety requirements prescribed by TSA.

- **Status:** Contracts send to Tenderers for their signature.

## **II Phase of perimeter protection**

- **Purpose:** This capital investment represents the second phase of works to protect the perimeter of the Belgrade Nikola Tesla Airport. A second phase is planned protection all along the fence by quadruple protection system, which builds on the first phase of perimeter protection. System is designed in a way that is fully adapted to protect the perimeter of the Belgrade Nikola Tesla Airport. Perimeter Intrusion Detection System that is installed on the fence allows first intrusion warning by allowing detection of any fence climbing activity and locates a place of entry in all weather conditions. This information is further passed to the CCTV system which activates specific cameras, allowing visual verification and monitoring of intruders. With a system that is installed in the first phase an effective perimeter security system will be provided that will prevent potential intruders to reach their target unnoticed within the secured zone.

- **Value:** RSD 119,649,200.00 VAT excluded.
- **Status:** Contract is at the stage of signing.

## **Ramps for parking positions**

- **Purpose:** Parking systems provide full control of parking lots: provide information on the number of free and occupied parking places in real time, control the billing system, accelerate the flow of vehicles and improve the efficiency of utilization of the parking lot. These systems facilitate the process of parking and increase the level of safety of vehicles and people on the parking lot. Planned parking systems consist of several different components, such as ramps, gates, tollbooths, indicators of vacancies, the notification panel for users and management software. This system combines all the parking spaces at the Belgrade Nikola Tesla Airport in a single system, which allows centralized local or remote management, ensuring optimum parking capacity utilization.

- **Value:** RSD 14,913,450.00 VAT excluded.
- **Supplier:** Macchina Security.

## **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.

- **Status:** Signing of the contract in progress.

### **Monitors for IDS with accessories**

• **Purpose:** By this investment is planned purchase of monitors and panels with accessories for IDS system (Information Display System), which will at the airport increase the number of units for display of information and allow the use up of the functionality of the new IDS system. IDS is a system for displaying a variety of information to passengers, employees and other users of airport services through workstations, as well as through the monitors and the panels (video walls) which are arranged within terminal building.

This investment will also enable equipping of new passenger check-in counters with monitors after the reconstruction of Terminal 1 and the connecting part, and setting up additional information monitors and at the designated locations.

In this way the further utilization of the functionality of the new IDS system will be enables, which in addition to information about flight schedule enable viewing various multimedia content, commercial content (commercials, campaigns, promotions), information for emergency needs (integration with fire alarm systems, evacuation systems) and so on. In Appendix No. 2 there is a layout of set monitors and panels in the airport building.

- **Value:** 13,507,320.00 RSD excluding VAT
- **Supplier:** E-PORT Solution System, Belgrade
- **Status:** Equipment delivered, Minutes signed on 10.06.2016.

### **CUTE equipment**

• **Purpose:** Procurement involved renewal of the part of CUTE (CUPPS) equipment installed in Terminal 2 and Terminal 1. CUTE (CUPPS) equipment that is currently in use is implemented at the airport in 2012 and for a period of 3 years has been the subject of maintenance under the warranty conditions of the manufacturer. The extension of this type of maintenance is provided through the purchase and signing a contract for the implementation of the new CUTE (CUPPS) system.

One part of the CUTE (CUPPS) equipment, which is in use at the airport, has malfunctions which repair is not included in the maintenance under the manufacturer's warranty conditions. Given the age of the device and increased level of exploitation, due to increase in the volume of traffic, it was necessary to replace part of equipment the order to prevent the possibility of frequent breakdowns that can threaten the very process of passengers and baggage handling.

Also it should be noted that due to advancements in technology of registration of passengers and baggage there was a need for devices that support new technologies.

- **Status:** Contract signed, delivery time 45 days (21.08.2016)
- **Value:** 12,275,550.00 RSD without VAT.
- **Supplier:** ASSECO SEE d.o.o.

### **Service of improvement of intranet portal functionality**

• **Purpose:** The procurement foresees improvement and automation of the following:

- Improvement of internal portal, which should provide more advanced functionality and space (site) for each of the departments within which employees from each of the department could share and work on documents as well as many other features.

- Development of application solution for public procurement, which will cover and automate all the processes that are taking place in relation to public procurements.

- Development of application solution for the registry office that will cover and automate all processes that take place within our archives and in filling, flow and submission of documents to be processed daily.

Implementation of this project should provide to employees a central point of exchange of documentation and obtaining information and documents that are used in everyday business. In addition, the introduction of automation and the use of electronic documents, in the process of public procurement and registry office, would significantly save paper, toner and wear of devices, as well as staff time that is spent on copying data that are already in the system.

- **Status:** Contract signed on 06.06.2016. Preparation of the solution in progress.
- **Value:** 5,883,500.00 RSD without VAT.
- **Supplier:** E-Smart Systems d.o.o.

#### **Lease and meetings with airlines**

- On **01.07.2016** - Came into force supplement to the Price List of leasing business premises with the date of application from 01.07.2016 , which replaced Price List of leasing business premises No. 33-101/2 of 19.04.2016. Reason for supplement of the Price List is a new item 1.7. relating to lease fee with common expenses in the amount of 34.60 euros per square meter for newly built office space in the connecting part of Terminal 1. Fee is given without VAT on a monthly basis. The calculation is done according to the middle exchange rate on the date of tax liability. Proposed lease fee of newly built office space in the connecting part of Terminal 1 is at the level lease fee for office space in Terminal 2. The reconstruction of the connecting part of Terminal 1 increased in the surface and quality of office space. The basic concept is the modernization of part of the building with the use of modern materials in the interior, new equipment and new space design with visual opening of the facade. Due to constant changes of certain functions of space in the previous period in the connecting part of Terminal 1, with the use of different architectural - interior solutions, which have affected the traffic technology and the realization of the offer of airport commercial facilities, it was decided to proceed with the preparation of architectural - technological solutions of the connecting part of Terminal 1. Construction works are completed and craft works are in the final phase. The Supervisory Board at the meeting held on 06.03.2016 passed the Decision No. 33-157/1, adopting Price List of leasing business premises No. 33-157/2 of 03.06.2016 with the date of application 01.07.2016.
- On **05.07.2016** - Meeting with representatives of the LH Group (Lufthansa, Swiss, Austrian Airlines).

## 8. DESCRIPTION OF MOST SIGNIFICANT RISKS AND UNCERTAINTIES FOR THE PERIOD I-VI 2016

If JSC Belgrade Nikola Tesla Airport does not obtain the approval of the Commission for obtaining approval for new employment and further engagement in users of public funds, the functioning of the Airport would be significantly affected, i.e. Airport would not be able to perform its core business. In case of non receipt of the approval of the Commission, JSC Belgrade Nikola Tesla Airport would have to cancel 802 employment contracts to persons employed for a definite period of time or engaged through youth organizations and contracts for temporary and occasional jobs due to reasons of increased workload. The loss of such a large number of people would definitely affect the operations of JSC Belgrade Nikola Tesla Airport.

**Risk 1:** Non-distribution of incoming messages for load distribution planning in aircraft of Lufthansa Group.

**Potential cause:** Inability of reception of incoming messages send to us by the company service for centralized planning of aircraft loading due to poor quality of equipment provided by Lufthansa.

**Potential consequences:** Lack of adequate preparation for aircraft ground handling, which led to work under pressure to meet the timeframes of aircraft handling.

**Risk 2:** The non-renewal, or failure to sign new Ground Handling Agreements of JSC BNTA with other airlines.

**Potential cause:** the possibility that SKY PARTNER offers lower charges of services than JSC Belgrade Nikola Tesla Airport.

**Potential consequences:** loss of income of JSC Belgrade Nikola Tesla Airport and outflow of employees transferring to SKY PARTNER, due to the loss of Ground Handling Agreements with other airlines.

**Completion of the works on renovation of the connecting part between Terminal 1 and 2**, which is a segment of the future Terminal 2b. where it is expected additional app.1200 square meters, of which more than 350 m<sup>2</sup> is a commercial space. Renovation of the connecting part was done due to the new need for better functioning and organization of the airport and contributes to:

- \* Better organization and space utilization
- \* Increased of revenue from commercial facilities and advertising
- \* Transparency and accessibility for passengers
- \* More modern and more contemporary look and sense of space
- \* Increasing energy efficiency

**Strengthening of other ground handling service providers** with the possibility of losing some of the services users, airlines.

**Strengthening of airports in the region** (Niš, Skopje, Pristina, Zagreb) that may affect the outflow of the part of passengers and thus as a result consideration of the airlines to shift part of the operations to other locations.

**Interest of the company ANA** (All Nippon Airways) for potential charter flights to Belgrade.

**Internal risks:**

- Saturation of projected airport capacity in terms of number of passengers, commercial content for which demand is growing, as well as parking positions,
- Deterioration of the part of existing infrastructure (part of the maneuvering areas, part of the terminal capacity, part of the primary hot water network, the primary lines of water supply and sewage systems which are more than 40 years old, facility for accommodation of the Fire & Rescue Service is unsuitable for that purpose),
- Unresolved property relations of the land plots and buildings in the immediate neighbouring environment of the airport, on the locations foreseen for the potential expansion of the airport system.

**External risks:**

- Limitation of development under the existing obsolete and outdated planning act until adoption of a new planning document.
- Growing competition from international airports in neighboring countries,
- Inadequate connection with both the downtown of the City of Belgrade, as well as the broader region of Serbia, having in mind the growth in the number of passengers and introduction of direct flights to the United States,
- The need for continuous improvement of security measures, and consequently increase of the cost,
- The expansion of other airports in Serbia and potential divert of the part of traffic flows, increasing competition at the local level,
- A small number of Tenderers who are licensed for development of technical documentation i.e. construction of facilities for which a building permit is issued by the Ministry (for airports for public air transportation),
- Seasonality and fluctuation in demand, which can be a challenge in planning future capacities.
- In the period I-III 2016, there was a risk that due to a defect of one of the three main airport fire trucks Airport can not accept aircraft of the fire category 8, and 9.



## **9. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT**

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

### **9.1. 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 30.06.2016, 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 30.06.2016 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 JSC 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.

### **9.2. CREDIT RISK**

The Company estimates that the greatest of the risks affecting financial instruments is credit risk. The Company has huge receivables of domestic and foreign buyers and the credit risk permanently exists. In order to diminish this risk, the Company monitors charging realisation on regular basis. It analyses value of collection in the currencies, that is, in contracted terms, delays in payment default and monitoring of outstanding receivables.

### **9.3. LIQUIDITY RISK AND CASH FLOW**

Management of liquidity risk demands special attention of the Management of the Company. Therefore the Management has established business policy mostly based on financing from own resources. Borrowed funds are mostly long-term resources and short-term obligations can be covered from short-term receivables.

**10. MAJOR ACTIVITIES OF THE COMPANY WITH RELATED PARTIES**

JSC Airport Nikola Tesla Belgrade has no related parties.

**10.1. Existance of branches**

JSC Belgrade Nikola Tesla Airport does not have branches within the Company.

Belgrade, August 2016

Chairman of the Executive Board

Acting Director General  
Saša Vlasisavljević



Finance Department Director

*D. Pejović*  
Dobrila Pejović

*S. O.*

**Director General's Office**



11180 Београд 59, Србија

T: +381 11 209 4802

E: kabinet.abnt@beg.aero

SITA: BEGOWXH

F: +381 11 2286187

www.beg.aero

**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 year 2016 is drafted in line with appropriate international standards of financial reporting and that it shows true and impartial data on property, obligations, financial position and operating, profits and losses, cash flows and changes on the capital of the Company.

**Acting Director General**

  
\_\_\_\_\_  
**Saša Vlaisavljević**

**Finance Director**

  
\_\_\_\_\_  
**Dobriša Pejović**



**Head of Accountancy**

  
\_\_\_\_\_  
**Zorka Latinović**

*E.O.*