

INCOME STATEMENT
for the period January 1 to Jun 30 , 2011

in 000 RSD

Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. BUSINESS REVENUE AND EXPENSES				
	I. BUSINESS REVENUE (202+203+204-205+206)	201	-	187,267	1,309,446
60 and 61	1. Sale revenue	202	6	175,733	5,812,143
62	2. Revenue from undertaking of outputs and goods for own purposes	203	6	299	394
630	3. Increase of inventories	204	-	-	182,601
631	4. Decrease of inventories	205	-	-	4,685,991
64 and 65	5. Other business revenue	206	7	11,235	299
	II. BUSINESS EXPENSES (208 to 212)	207	-	187,060	659,337
50	1. Cost value of sold goods	208	-	-	-
51	2. Cost of material	209	8	10,310	15,494
52	3. Staff costs	210	9	90,989	81,888
54	4. Depreciation and provisions costs	211	10	10,066	9,853
53 and 55	5. Other business expenses	212	11	75,695	552,102
	III. PROFIT FROM OPERATIONS (201 - 207)	213	-	207	650,109
	IV. LOSS FROM OPERATIONS (207 - 201)	214	-	-	-
66	V. FINANCIAL REVENUE	215	12	354,820	284,634
56	VI. FINANCIAL EXPENSES	216	12	93,254	224,531
67, 68	VII. OTHER REVENUE	217	13	20,414	-
57, 58	VIII. OTHER EXPENSES	218	13	681	9,324
	IX. PROFIT FROM OPERATIONS BEFORE TAX (213-214+215-216+217-218)	219	-	281,506	700,888
	X. LOSS FROM OPERATIONS BEFORE TAX (214-213-215+216-217+218)	220	-	-	-
69-59	XI. NET PROFIT FROM DISCONTINUED OPERATIONS	221	-	-	-
59-69	XII. NET LOSS FROM DISCONTINUED OPERATIONS	222	-	140	24
	B. PROFIT BEFORE TAX (219-220+221-222)	223	-	281,366	700,864
	V. LOSS BEFORE TAX (220-219+222-221)	224	-	-	-
	G. INCOME TAX				
721	1. Tax expenses for the period	225	-	21,705	15,305
722	2. Deferred tax expenses for the period	226	-	-	-
722	3. Deferred tax revenues for the period	227	-	-	-
723	D. EMPLOYER'S EARNINGS PAID	228	-	-	-
	Đ. NET PROFIT (223-224-225-226+227-228)	229	-	259,661	685,559
	E. NET LOSS (224-223+225+226-227+228)	230	-	-	-
	Ž. NET PROFIT BELONGING TO MINORITY INVESTORS	231	-	-	-
	Z. NET PROFIT BELONGING TO EQUITY HOLDERS OF THE PARENT COMPANY	232	-	-	-
	I. EARNINGS PER SHARE				
	1. Basic earnings per share	233	-	-	-
	2. Deceased (diluted) earnings per share	234	-	-	-
	Total revenue (201+215+217+221)			562,501	1,594,080
	Total expenses (207+216+218+222)			281,135	893,216
	Gross results			281,366	700,864

In Belgrade,

date 21.07.2 2011.

Person responsible for
preparation of financial
statements

Legal representative



BALANCE SHEET
on Jun 30, 2011

in 000 RSD

Group accounts account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NON-CURRENT ASSETS (002+003+004+005+009)	001	-	5,340,520	4,708,766
00	I. UNPAID SUBSCRIBED CAPITAL	002	-	-	-
012	II. GOODWILL	003	-	-	-
01 w/out 012	III. INTANGIBLE ASSETS	004	14	9,600	9,862
	IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	005	-	947,608	446,736
020,022,023, 026,027(part), 028(part), 029	1. Property, plant and equipment	006	15	450,913	446,736
024,027(part) 028(part)	2. Investment property	007	15	496,695	-
021,025,027 (part) and 028(part)	3. Biological assets	008	-	-	-
	V. LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	-	4,383,312	4,252,168
030 to 032, 039(part)	1. Equity share	010	16	4,244,494	4,249,980
033 to 038, 039(part) less 037	2. Other long-term financial investments	011	17	138,818	2,188
	B. CURRENT ASSETS (013+014+015)	012	-	2,724,430	2,686,228
10 to 13,15	I. INVENTORIES	013	18	1,912	133
14	II. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS	014	-	-	-
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015	-	2,722,518	2,686,095
20, 21 and 22, except 223	1. Receivables	016	19	760,300	997,026
223	2. Receivables for overpaid income tax	017	-	-	-
23 less 237	3. Short-term financial investments	018	20	1,801,080	1,182,997
24	5. Cash equivalents and cash	019	21	150,276	496,066
27 and 28 except 288	4. VAT and accruals	020	22	10,863	10,006
288	C. DEFERRED TAX ASSETS	021	-	-	-
	D. OPERATING ASSETS (001+012+021)	022	-	8,064,950	7,394,994
29	E. LOSS OVER CAPITAL	023	-	-	-
	F. TOTAL ASSETS (022+023)	024	-	8,064,950	7,394,994
88	G. OFF-BALANCE SHEET ITEMS	025	36	8,887,807	8,562,402

Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	CAPITAL AND LIABILITIES				
	A. CAPITAL (102+103+104+105+106-107+108-109-110)	101	-	7,153,215	6,953,286
30	I. ISSUED AND OTHER CAPITAL	102	23	4,855,761	3,814,302
31	II. UNPAID SUBSCRIBED CAPITAL	103	-	-	-
32	III. RESERVES	104	24	1,735,366	1,679,506
330 i 331	IV. REVALUATION RESERVES	105	25	43,080	57,829
	V. UNREALIZED GAINS BASED ON SECURITIES AVAILABLE FOR SALE	106	-	12,834	8,611
	V. UNREALIZED LOSSES BASED ON SECURITIES AVAILABLE FOR SALE	107	-	2,169	1,779
34	VII. RETAINED EARNINGS	108	26	508,343	1,395,127
35	VIII. LOSS	109	-	-	-
037 and 237	IX. REDEEMED OWN SHARES	110	27	-	310
	B. NON-CURRENT PROVISIONS AND LIABILITIES (112+113+116)	111	-	902,419	431,901
40	I. NON-CURRENT PROVISIONS	112	28	265,606	261,021
41	II. NON-CURRENT LIABILITIES (114+115)	113	-	236,710	8,700
414, 415	1. Long-term credits	114	29	233,633	-
41 w/out 414 and 415	2. Other non-current liabilities	115	30	3,077	8,700
	III. CURRENT LIABILITIES (117+118+119+120+121+122)	116	-	400,103	162,180
42, except 427	1. Short-term financial liabilities	117	31	339,157	2,145
427	2. Liabilities from assets held for sale and assets from discontinued operations	118	-	-	-
43 and 44	3. Liabilities from business operations	119	32	23,508	128,734
45 i 46	4. Other short-term liabilities	120	33	27,836	23,986
47, 48 except 481 and 49 except 498	5. VAT and other public liabilities and accruals	121	34	9,110	4,764
481	6. Income tax liabilities	122	34	492	2,551
498	C. DEFERRED TAX LIABILITIES	123	35	9,316	9,807
	D. TOTAL CAPITAL AND LIABILITIES (101+111+123)	124	-	8,064,950	7,394,994
89	E. OFF-BALANCE SHEET ITEMS	125	36	8,887,807	8,562,402

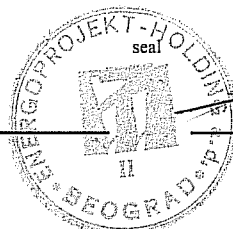
In Belgrade,

date 21.07.2011.

Person responsible for
preparation of financial
statements

Legal representative

Zorica J.



CASH FLOW STATEMENT
for the period January 1 to Jun 30, 2011


in 000 RSD

Position	EDP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM BUSINESS ACTIVITIES			
I. Cash flow from business activities (1 to 3)	301	588,461	1,099,574
1. Sale and received advance payments	302	585,143	1,053,842
2. Received interests from business activities	303	-	-
3. Other cash flow from regular operations	304	3,318	45,732
II. Cash outflow from business activities (1 to 5)	305	342,992	690,471
1. Cash to suppliers and advances paid	306	139,339	534,482
2. Staff costs	307	93,881	83,832
3. Interests paid	308	2,976	2,237
4. Income tax	309	73,598	31,362
5. Other public duties	310	33,198	38,558
III. Net cash flow from business activities (I-II)	311	245,469	409,103
IV. Net cash outflow from business activities (II-I)	312	-	-
B. CASH FLOW FROM INVESTMENTS			
I. Cash flow from investments (1 to 5)	313	140,250	8,407
1. Sale of shares and stakes (net inflow)	314	771	-
2. Sale of intangible assets, property, plant, equipment and biological assets	315	1,896	-
3. Other financial investments (net inflow)	316	-	-
4. Interests received from investments	317	11,177	8,407
5. Dividends received	318	126,406	-
II. Cash outflow from investments (1 to 3)	319	950,282	386,540
1. Acquisition of shares and stakes (net outflow)	320	6,223	-
2. Acquisition of intangible assets, property, plant, equipment and biological assets	321	520,030	4,773
3. Other financial investments (net outflow)	322	424,029	381,767
III. Net cash flow from investments (I-II)	323	-	-
IV. Net cash outflow from investments (II-I)	324	810,032	378,133
V. CASH FLOW FROM FINANCING ACTIVITIES			
I. Cash flow from financing activities (1 to 3)	325	254,250	-
1. Increase of capital assets	326	-	-
2. Long-term and short-term credits (net inflow)	327	254,250	-
3. Other long-term and short-term liabilities	328	-	-
II. Cash outflow from financing activities (1 to 4)	329	3,181	149,770
1. Acquisition of own shares and stakes	330	-	-
2. Long and short-term credits and other liabilities (net outflow)	331	-	147,769
3. Finance leasing	332	3,180	1,991
4. Dividends paid	333	1	10
III. Net cash flow from financing activities (I-II)	334	251,069	-
IV. Net cash outflow from financing activities (II-I)	335	-	149,770
G. TOTAL CASH FLOW (301+313+325)	336	982,961	1,107,981
D. TOTAL CASH OUTFLOW (305+319+329)	337	1,296,455	1,226,781
DJ. NET CASH FLOW (336-337)	338	-	-
E. NET CASH OUTFLOW (337-336)	339	313,494	118,800
Z. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	340	469,938	568,353
Z. GAINS ON EXCHANGE	341	-	329,938
I. LOSS ON EXCHANGE	342	6,168	283,425
J. CASH AT THE END OF THE ACCOUNTING PERIOD (338-339+340+341-342)	343	150,276	496,066

In Belgrade,

date 21.07. 2011.

Person responsible for
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Legal representative



STATEMENT OF CHANGES IN CAPITAL
for the period January 1 to Jun 30, 2011

No.	DESCRIPTION	EDP	Issued capital (group 30 without 309)	EDP	Other capital (account 309)	EDP	Unpaid sub-scribed capital (group 31)	EDP	Emission premium (account 320)	EDP	Reserves (account 311, 322)	EDP	Revaluation reserves (group 310,331)	EDP	Unrealized gains based on securities available for sale (account 332)	EDP	Unrealized losses based on securities available for sale (account 333)	EDP	Unrealized profit (group 34)	EDP	Losses on the capital value (group 35)	EDP	Retained own shares stakes (account 037, 237)	EDP	Total (group 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12)	EDP	Loss above capital (group 2)	
1	Balance on January 1,	-401	3,787,124	-414	27,178	-427	-440	1,596,010	-453	79,481	-466	53,103	-479	25,346	-492	9	10	11	12	13	14							
2	Correction of materially significant errors and changes in accounting policies in the previous year - increase	402		415		428	441		454		467	480		493														
3	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	403		416		429	442		455		468	481		494														
4	Corrected initial balance on January 1, of the previous year (no. 1+2-3)	404	3,787,124	-417	27,178	-430	-443	1,596,010	-456	79,481	-469	53,103	-482	25,346	-495													
5	Total increase in the previous year	405	1,650,126	-418		-431	-444	4,115	-457	23,442	-470	-483	10,263	496	2,008													
6	Total decrease in the previous year	406	1,271,414	-419		-432	-445	49	-458		-471	10,023	-484	19,707	-497													
7	Balance on December 31, previous year (no. 4+5-6)	407	4,165,836	-420	27,178	-433	-446	1,600,056	-459	102,923	-472	43,080	-485	15,902	-498													
8	Correction of materially significant errors and changes in accounting policies in the previous year - increase	408		421		434	447		460		473	486		499														
9	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	409		422		435	448		461		474	487		500														
10	Corrected initial balance on January 1, of the current year (no. 7+8-9)	410	4,165,836	-423	27,178	-436	-449	1,600,056	-462	102,923	-475	43,080	-488	15,902	-501													
11	Total increase in the current year	411	627,747	-424		-437	-450	414	-463	31,958	-476	-489	2,092	502	161													
12	Total decrease in the current year	412		425		438	451	5	464		477	490		516														
13	Balance on December 31, of the current year (no. 10+11-12)	413	4,828,583	-426	27,178	-439	-452	1,600,085	-465	134,881	-478	43,080	-491	12,834	-504	2,169												

In Belgrade,

date 21.07.2011.

Person responsible for preparation of financial statements

Legal representative



STATISTICAL ANNEX
for the period January 1 to Jun 30, 2011

AND GENERAL DATA ON THE LEGAL ENTITY, I.E. ENTREPRENEUR

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Number of business months (designation from 1 to 12)	601	6	6
2. Size designation (from 1 to 3)	602	3	3
3. Ownership designation (from 1 to 5)	603	2	2
4. Number of foreign (legal or physical) entities with equity share	604	-	-
5. Average number of employees based on the balance at the end of each month (whole number)	605	75	74

II GROSS CHANGES OF INTANGIBLE ASSETS AND REAL PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. designation	Gross	Correction of value	Net (col.4-5)
1	2	3	4	5	6
o1	1.Intangible assets				
	1.1. Balance at the beginning of the year	606	10,916	1,189	9,727
	1.2. Increase (acquisitions) during the year	607	-	-	-
	1.3. Decrease (sale, removal from inventory and impairment) during the year	608		-	127
	1.4.Revaluation during the year	609		-	-
	1.5.Balance at the end of the year (606+607-608+609)	610	10,916	1,316	9,600
o2	2. Real property, plant, equipment and biological assets				
	2.1. Balance at the beginning of the year	611	1,274,806	333,015	941,791
	2.2. Increase (acquisitions) during the year	612	27,252	-	27,252
	2.3. Decrease (sale, removal from inventory and ensuring) during the year	613	3,657	-	21,435
	2.4. Revaluation during the year	614		-	-
	2.5. Balance at the end of the year (611+612-613+614)	615	1,298,401	350,793	947,608

III STRUCTURE OF INVENTORIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. designation	Current year	Previous year
1	2	3	4	5
10	1. Inventories	616	-	-
11	2. Unfinished production	617	-	-
12	3. Finished products	618	-	-
13	4. Goods	619	-	-
14	5. Non-current assets held for sale	620	-	-
15	6. Advances given	621	1,912	133
	7.TOTAL (616+617+618+619+620+621=013)	622	1,912	133

IV STRUCTURE OF CAPITAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
300	1. Share capital	623	4,828,583	3,787,124
	in it: foreign capital	624	-	-
301	2. Share of limited liability company	625	-	-
	in it: foreign capital	626	-	-
302	3. Shares of members of partnership and limited-partnership company	627	-	-
	in it: foreign capital	628	-	-
303	4. State-owned capital	629	-	-
304	5. Socially-owned capital	630	-	-
305	6. Cooperative shares	631	-	-
309	7. Other capital shares	632	27,178	27,178
30	TOTAL: (623+625+627+629+630+631+632=102)	633	4,855,761	3,814,302

V EQUITY STRUCTURE

 Number of shares as a whole number
 Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
	1. Ordinary shares			
	1.1. Number of ordinary shares	634	9,467,810	9,467,810
part 300	1.2. Nominal value of ordinary shares - total	635	4,828,583	3,787,124
	2. Priority shares			
	2.1. Number of priority shares	636	-	-
part 300	2.2. Nominal value of priority shares - total	637	-	-
300	3. TOAL - nominal value of shares (635+637= 623)	638	4,828,583	3,787,124

VI RECEIVABLES AND LIABILITIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
20	1. Sale receivables (balance at the end of the year 639 ≤016)	639	492,768	905,139
43	2. Liabilities from operations (balance at the end of the year 640 ≤117)	640	23,439	128,046
part 228	3. Receivables during the year from insurance companies for damages (debt turnover without initial balance)	641	-	-
27	4. VAT paid during acquisition of goods and services (debt turnover without initial balance)	642	12,569	73,625
43	5. Business liabilities (receivables turnover without initial balance)	643	134,290	907,096
450	6. Liabilities for net income and income compensations (receivables turnover without initial balance)	644	47,406	41,757
451	7. Liabilities for salaries tax and salaries compensations paid by employees (receivables turnover without initial balance)	645	7,396	6,505
452	8. Liabilities for contributions on salaries and salaries compensations paid by employees (receivables turnover without initial balance)	646	10,077	8,926
461,462 and 723	9. Liabilities for dividends, profit share and employer's personal earnings (receivables turnover without initial balance)	647	-	-
465	10. Liabilities toward physical entities for compensations per contracts (receivables turnover without initial balance)	648	336	1,692
47	11. VAT collected during sale of products, goods and services (receivables turnover without initial balance)	649	33,621	32,100
	12. Control summary (from 639 to 649)	650	761,902	2,104,886

VII OTHER EXPENSES AND EXPENDITURES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	DEP designation	Current year	Previous year
1	2	3	4	5
513	1. Fuel and energy costs	651	5,542	11,536
520	2. Salaries and salaries compensations (gross)	652	64,881	56,593
521	3. Tax expenses and contributions on salaries and salaries compensations paid by employer	653	10,073	8,824
22,523,524 and 525	4. Expenses for compensations to physical entities (gross) based on contracts	654	2,817	3,120
526	5. Expenses of compensations to BoD & Supervision Board members (gross)	655	10,341	10,638
529	6. Other personal expenses and compensations	656	2,876	2,713
53	7. Expenses of production services	657	49,626	486,081
33, part 540 and part 525	8. Lease expenses	658	-	-
part 533, part 540 & part 525	9. Expenses of land lease	659	-	-
536,537	10. Expenses of research and development	660	-	-
540	11. Depreciation expenses	661	10,066	9,853
552	12. Expenses of insurance premiums	662	619	4,026
553	13. Payroll expenses	663	2,008	3,346
554	14. Membership fees	664	348	682
555	15. Tax expenses	665	5,233	31,317
556	16. Contributions	666	-	-
562	17. Interests	667	11,272	2,629
part 560, part 561 and 562	18. Interests expenses and a part of financial expenses	668	11,272	2,629
part 560, part 561 and part 562	19. Interests expenses per credits and banks and dfo	669	11,248	2,556
part 579	20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for protection of the Environment and sports	670	246	1,630
	21. Control summary (from 651 to 670)	671	198,468	638,173

VIII OTHER REVENUE

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
60	1. Goods sale revenue	672	-	-
640	2. Revenue from premiums, subsidies, dotations, recourses, compensations and tax duties returns	673	-	-
641	3. Revenue from conditioned donations	674	-	-
part 650	4. Revenue from land lease	675	-	-
651	5. Membership revenue	676	-	-
part 660, part 661, 662	6. Interests revenue	677	47,361	20,616
part 660, part 661, and part 662	7. Revenue from interests per accounts and deposits in banks and other financial organizations	678	5,097	8,454
part 660, part 661 and part 669	8. Revenue from dividends and profit share	679	276,045	42,630
	9. Control summary (from 672 to 679)	680	328,503	71,700

IX OTHER DATA

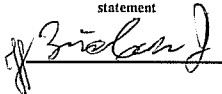
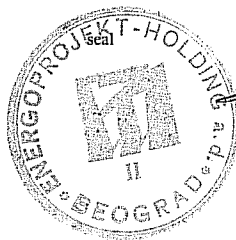
Amounts in 000 RSD

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Liabilities for accises (according to annual accises calculation)	681	-	-
2. Calculated custom duties and other import duties (total annual amount according to calculation)	682	-	-
3. Capital subsidies and other state subsidies for construction and acquisition of capital assets and intangible assets	683	-	-
4. State allocations for premiums, recourses and covering of current operating expenses	684	-	-
5. Other state allocations	685	-	-
6. Received donations from abroad and other non-returnable assets in money or nature from foreign legal and physical entities	686	-	-
7. Personal income of entrepreneurs from net profit (filled in by entrepreneurs only)	687	-	-
8. Control summary (from 681 to 687)	688	-	-

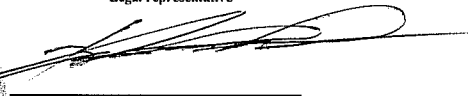
In Belgrade,

date 21.07.2011.

Person responsible for
preparation of financial
statement

Legal representative



**ENERGOPROJEKT HOLDING A.D.
BEOGRAD**

**Notes to the Financial Statements
as at June 30, 2011**

1. COMPANY BACKGROUND

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

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 125/2004) based on the Resolution of Compliance with the Companies Law and the Articles of Association adopted by the General Meeting on 28/09/2006.

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

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

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

Energoprojekt Holding a.d., Beograd consists of the parent company Energoprojekt Holding a.d., Beograd with its 10 (ten) subsidiaries (9 joint stock companies and 1 limited company) with an equity share of 50% or more, and 1 affiliated company with an equity share of 50%.

	Name of subsidiary	% Share of equity in subsidiary
1	EP-Visokogradnja a.d.	92,39
2	EP-Niskogradnja a.d.	93,32
3	EP-Oprema a.d.	67,87
4	EP-Hidroinženjering a.d.	94,84
5	EP-Urbanizam i arhitektura a.d.	94,40
6	EP-Promet d.o.o.	100,00
7	EP-Energodata a.d.	96,43
8	EP-Industrija a.d.	62,77
9	EP-Entel a.d.	86,26
10	EP-Garant a.d.o.	64,13

Name of affiliate	% Share of equity in affiliated company
1 Enjub d.o.o.	50,00

Our registered head office address is: Bulevar Mihaila Pupina 12, 11070 Beograd.

Tax registration number: 100001513.

Registration number: 07023014.

Registered business code :74150 (110620).

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

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements to which these Notes refer were prepared in accordance with the Law on Accounting and Auditing (RS Official Gazette 46/2006) and the underlying regulations, by applying the accounting policies described in Note 4 of this report and generally accepted practices in Serbia.

The Company's financial statements have been prepared in the form prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 119/08).

2.1. Functional and reporting currency

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

The figures in the financial statements are shown in RSD thousand, in the functional and domicile currency as at balance sheet date – 31/03/2011.

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

	30.06.2011.	30.06.2010.
EUR	102,4631	104,3704
USD	70,6398	85,4794

3. MANAGEMENT ESTIMATION AND ASSESSMENT

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

4. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

4.1 Principles of valuation – basic assumptions

The financial statements are prepared on the accrual basis of accounting and going concern.

Under this basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid). Financial statements prepared on the accrual basis (except Cash Flow Statement) inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the future and of resources that represent cash to be received in the future.

The financial statements are prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

4.2 Recognition of the elements of financial statements

An asset is recognized in the balance sheet when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

A liability is recognized in the balance sheet when it is probable that outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Income is recognized in the income statement when an increase in the future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Expenses are recognized in the income statement when a decrease in the future economic benefits related to a decrease in an asset or an increase of liability has arisen that can be measured reliably.

Under a financial concept of capital, such as invested money or invested purchasing power, capital is synonymous with the equity of the Company. The concept of capital is shown in the financial capital maintenance. Financial capital maintenance is measured into nominal monetary items-RSD. Under this concept a profit is earned only if the financial (or money) amount of the net assets at the end of period exceed the financial (or money) amount of net assets at the

beginning of the period, after excluding any distributions to, and contributions from, owners during the period.

4.3 Profits/losses on translation of foreign currencies

Cash, receivables and liabilities in foreign currencies are translated into the functional currency at the official rate of exchange ruling at the balance sheet date. Gains and losses arising on the translation of foreign currency receivables and liabilities into RSD amounts are treated as revenues/expenses of the period.

Cash, receivables and liabilities secured with a currency clause are translated at the official rate of exchange ruling at the balance sheet date, and the effects are recorded in the income statement as a financial revenue or expense.

4.4 Sales revenue

Sales revenue is defined based on invoices and completed sales transactions until the end of the accounting period, provided a debtor-creditor relation was created on that date and that an invoice was issued. Revenues are measured at the fair value of the consideration received or receivables taking into account the amount of any trade discount and volume rebates allowed by the company. The difference between the fair value and the nominal amount is recognized as interest revenue. Revenue from the sale of goods is recognized when all of the following conditions have been satisfied:

- the Company has transferred to the buyer any and all significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues from services rendered are recognized by reference to the stage of completion of the transaction at the balance sheet date.

4.5 Operating expenses

Operating expenses comprise of costs of purchase, material used, gross salaries and compensations for salaries, depreciation and provisions, producing costs and non material costs. The basic elements and principles of expense recognition are:

- expenses are recognized and stated when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably;

- expenses are recognized on the basis of a direct association between the costs incurred and the earnings (going concern);
- when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognized on the basis of systematic and rational allocation procedure;
- expenses are recognized immediately when an expenditure produces no future economic benefits or when future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as asset;
- expenses are also recognized in those cases when a liability is incurred without the recognition of an asset.

4.6 Profit and losses

Profit represents increases in economic benefits, include those arising on sale of fixed assets for price higher than net book value, unrealized gains arising on the sale of securities (when securities measured by their market price) and those resulting from increases in the net book value of fixed assets because of stopping circumstances causing their decreasing.

Losses arising on the sale of assets by prices lower than book value, those arising on the disposal of non write off fixed assets, damages which can be refunded in whole or separately from insurances and by applying principle of decrease in assets value.

4.7 Financial revenues and expenses

The financial revenues and expenses include revenue and expenses from interest weather due, paid or added to the amount of receivables or liabilities on the balance sheet date, gains and losses from exchange, as well as those arising from relation between entity, associates and subsidiaries and others.

Revenues from dividends are recognized as income in the year when they are approved for collection.

4.8 Income tax

Income tax represents the amount that is calculated in accordance with Serbian Republic Law. Tax obligation is calculated at 10% on the taxable income (in 2009: 10%). The taxable income represents gross income in the income statement, prepared in accordance with the accounting regulations, less some revenue and expenditure according to the tax regulations. Tax deductions are also applied (investments in fixed assets in the entity's registered line of business and other tax deductions according to the tax regulations for which the Company is eligible).

4.9 Deferred income tax

Deferred income tax is reserved entirely, applied liability method, for temporary differences arising from tax base and accounting amounts disclosed in the financial statements.

The amount of deferred income tax is determined by the legal rates in force.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities may also be offset against each other.

The Company applies IAS 12 which defines temporary differences and calculated deferred tax liabilities/assets. Temporary differences are the result of different tax bases for calculating depreciation for accounting and tax purposes according to the applicable regulations.

4.10 Employee benefits

4.10.1 Pension insurance and employee benefits

The Company makes payments on behalf of its employees duties to the Pension Fund of the Republic of Serbia. All employees are the members of this pension fund. All contributions arising from said obligation are recognized as an expense/liability at the time of the transaction. Companies within the System do not have their own pension funds or post-employment plans in the event of termination hence there are no pension duties.

4.10.2 Health insurance

The Company pays health insurance contributions which are recognized as an expense/liability when calculated.

4.10.3 Retirement bonus

The Company pays to its employees a retirement bonus equal to three net salaries obtained in the month preceding the retirement month (according to the terms of the Particular Collective Agreement) or the legal minimum if higher.

4.10.4 Post-employment benefits

A severance wage is payable in cases of consensual termination of an employment contract when the employer and employee agree on termination of employment in exchange for a severance wage, subject to management approval.

4.11 Intangible assets, property, plant and equipment, biological assets and investment property

Intangible assets are identifiable non monetary assets without physical substance controlled by the Company if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise.

Intangible assets comprise of: goodwill, licenses, concession, trademarks, accounting software, franchises, design and implementation of new products, processes or systems, copyrights, investment in other properties, plants and equipment, etc.

Property, plant and equipment are:

- tangible assets that are held by a company for use in the production or supply of goods or services, for rental to others, or for administrative purpose;
- tangible assets that are expected to be used during more than one period;

An item of property, plant and equipment is recognized as an asset:

- if it is probable that future economic benefits associated with the item will flow to the entity; and
- if the cost of the item can be measured reliably.

An item of property, plant and equipment are initially measured at its cost – purchase price. The cost price consists of the invoiced amount plus any directly attributable costs of bringing the asset to working condition for its intended use. Cost price of aforementioned assets produced in the own production comprises of direct and indirect costs relating to this investment.

The purchase cost or price cost includes borrowing costs which may be indirectly added to the purchase, construction or production the asset available for use in accordance with IAS/IFRS.

Subsequent expenses relating to an item of intangible asset, property, plant and equipment that has already been recognized is added to the carrying amount if the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the company.

Subsequent expenses are treated as subsequent investment:

- if the item's useful life is extended, including an increase in its capacity;
- if a substantial improvement in the quality of output is achieved; and
- if a substantial reduction in previously assessed operating costs is achieved.

All other subsequent expenses (maintenance costs, technical service, minor repairs etc.) are recognized as an expense when incurred.

After initial recognition as an asset, property, plant and equipment is carried at its purchase cost or cost less any accumulated depreciation and any accumulated impairment losses.

An item of intangible asset, property, plant and equipment is eliminated from the balance sheet on disposal or when the asset is permanently withdraw from use and no future economic benefits are expected from its disposal.

Gains or losses arising from retirement or disposal is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the income statement.

Investment property is property (land or a building – or part of a building – or both) held by the owner or by the lessee under a finance lease (long-term lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purpose or sale in the ordinary course of business. Investment property therefore generates cash flows which are largely independent from other property held by the Company.

An investment property should be measured initially at its cost. Transaction costs are included in the initial measurement.

Subsequent expenditure relating to an investment property that has already been recognized is added to the carrying amount of the investments property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

After initial recognition the investment property is measured by their fair value. Fair value is usually its market value. Fair value is measured as the most probable price reasonably obtainable in the market at the balance sheet date in keeping with the fair value definition. It is the best price reasonably obtainable by the seller.

A gain or loss arising from s change in the fair value of investment property is included in net profit or loss for the period in which it arises.

4.12 Depreciation

Depreciation base presents acquisition cost after determination of residual and retirement amount.

The residual value of an intangible asset is assumed to be zero unless:

1. there is a commitment by a third party to purchase the asset at the end of its useful life, or
2. there is an active market for the asset and residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

For the purposes of financial statements preparation, intangible assets are written off by the proportional method of amortization over a period of five years, excluding investments used over a fixed period, which are written off in accordance with the dates agreed in the contract.

Goodwill is not amortized but is subject to an impairment test conducted before the preparation of the financial reports in accordance with IAS.

Intangible assets with unlimited lifetime are not amortized.

Accounting of depreciation of intangible assets is applied from the beginning of the following month in relation to the month when the asset was put in use.

For tax balance purposes, depreciation of intangible assets is applied according to the relevant regulations.

Internally generated goodwill is not recognized as an intangible asset.

After initial recognition, property, plant & equipment is disclosed at cost value less total depreciation and impairment losses.

The basis for depreciation of property, plant & equipment consists of cost less residual value of the asset.

Property, plant & equipment is systematically depreciated over the useful life of the asset.

For financial reporting purposes, depreciation is accounted for using the proportional method over the estimated useful life of the asset. The estimated useful life of the asset is reviewed if needed, and if expectations significantly differ from previous estimates, depreciation rates are adjusted for the current and future periods.

For tax balance purposes, property, plant and equipment are classified and depreciated according to rates prescribed under tax laws.

Accounting of depreciation begins from the following month in relation to the month in which capital assets were put in use.

The applicable depreciation rates are:

	(%)
Buildings	1,3-15,0
Plants	5,0-25,0
Computers and accessories	20,0
Vehicles	12,5-16,0
Intangible investments	20,0

4.13 Financial investments

Financial investments represent financial assets initially measured at its cost, which is fair value of the consideration given for it. Transaction costs are included in the initial measurement of all financial assets.

For the purpose of measuring a financial asset subsequent to initial recognition financial assets are classified into four categories:

- a) financial assets held for trading, initially recognized at its fair value through profit or loss;
- b) held-to-maturity investments;
- c) loans and receivables originated by the company and not held for trading;
- d) available-for-sale financial assets.

A financial asset is classified as available for sale if it cannot be grouped into any of the other three categories of financial assets.

A financial asset is classified as hold to maturity, and not as available for sale, if the asset is part of portfolio of similar assets for which the trading model exists in order to obtain profit from short-term changes in price or dealer margins.

After initial recognition, the company measured financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

- loans and receivables, and investments held-to-maturity measured at amortized cost using the effective interest method;
- investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

There is insufficient market stability, experience and liquidity in Serbia in the process of financial assets trading and official information from the market is not available. Therefore it is usually not possible to measure the fair value as required by IFRS.

A recognized gain or loss arising from a change in the fair value of financial asset or financial liability that is not part of a hedging relationship, initially recognized at fair value through the profit or loss, now is recognized profit or loss in the income statement and for financial asset available for sale in the revaluation reserves.

4.14 Inventories

Inventories of goods and material are measured at their cost value. The cost of inventories comprise all costs of purchase incurred in bringing the inventories to their present location and condition. These costs also include all direct costs incurred in the purchase plus storage and transport, handling and other costs directly attributable to the cost of purchase.

Subtraction of material inventories spent is performed by the benchmark treatment of weighted average cost formulas.

4.15 Short term receivables and investments

Short term receivables comprise trade receivables from related parties, domestic and foreign buyers in the moment of sold products and performed services.

Short term investments refer to loans, securities and other short term investments with maturity date of one year from due date or balance sheet date.

Short term trade receivables are measured by the cost stated in issued invoice. If the cost on the invoice is stated in the foreign currency, translation to the reporting currency is done by applying the average exchange rate ruling on the date of transaction. Changes in exchange rate from the date of transaction to the collection date are stated as gains and losses from exchange posted in the favor of revenues or against expenses. Receivables stated in the foreign currency as at the balance sheet date are translated by the ruling exchange rate and gains and losses arose are booked as revenue or expense for period.

Short term financial investments held for trading are measured by cumulated depreciation, notwithstanding the company's tendency to hold them to maturity.

If it is probable that the Company will not be able to collect all due receivables (principal plus interest) in accordance with the contractual terms for the issued loans, receivables or investments held to maturity, stated by cumulated depreciation, loss appears caused by depreciation or uncollectible receivables.

Indirect write off is applied to short term receivables and investments where recovery is uncertain, while direct write off is applied in duly documented cases when recovery is not possible.

The probability of recovery is evaluated in each specific case based on the relevant supporting documents (e.g. bankruptcy or liquidation of the debtor, excessive debt, disposal of property, forced or out-of-court settlement, obsolescence, court order, board resolution and other cases where non-collectability is supported by credible documents).

4.16 Cash and cash equivalents

Cash and cash equivalents consist of: petty cash, demands deposits with banks, other short term highly liquidity investments which may be transferred in the known cash that are not under the influence of significant risk of value changes and bank overdrafts. Bank overdrafts are included in the Balance sheet as the figure liabilities for loans – under item current liabilities as short term financial liabilities.

4.17 Rentals

Rentals, in which lesser keeps a significant part of risk and ownership profit, are classified as business rentals. Payments made from business rentals are charged against income statement on the proportional base during the rental period.

4.18 Finance lease liabilities

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred.

The liability for finance lease is stated at the balance sheet date deducted for the interest comprising in the lease (net value of minimum lease repayment). The interest is allocated to the accounting periods in lease period and in accordance with the repayment schedule.

Finance lease liabilities are not charged against accrued liabilities for non-due interests according to the repayment schedule.

4.19 Commitment and contingencies

Contingent liability is disclosed, but not recognized, only by the occurrence or non-occurrence of one or more uncertain future events and when it is provision recognized in the financial statements.

A contingent asset is not disclosed, unless an economic benefit is probable in the future. If the inflow is certain it can be recognized in the financial statement.

4.20 Borrowing costs

Other borrowing costs include interests, charges and other costs arose in the company as relate in accordance with IAS/IFRS.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset.

Borrowing costs are recognized as expenses in the period in which they are incurred.

4.21 Impairment

If an asset is impaired during the year the board of directors, based on a reasoned proposal of the managing director, assesses whether there are indications of asset impairment in accordance with IAS, or if there are indications of a reduction in the earlier recognized amortization of these assets.

If the indicators are present, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

At the end of the year, based on a reasoned proposal from the managing director and ALCO, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

4.22 Financial liabilities

Financial liabilities comprise long term liabilities (liabilities to the associates and legal bodies with interactive participation, long term loans, liabilities from long term securities and other), short term financial liabilities (liabilities to the associates and legal bodies with interactive participation, short term loans and other short term financial liabilities), short term liabilities from operating activities (suppliers and other commitments) and other short term liabilities.

Short term liabilities represent those maturing one year from the maturity date, or from the balance sheet date.

Long term liabilities represent those maturing over one year from the financial statements date. Long term liabilities maturing in up to one year from the financial statements date are disclosed as short term liabilities.

Financial liabilities are recognized initially by their purchase cost which represents their fair price paid for them. Transaction charges are included in the beginning measurement of all financial liabilities.

Direct write off is applied for decreasing liabilities based on legal provisions or under an out-of-court settlement etc.

4.23 Long term provisions

A provision is recognized when:

- the Company has a present obligation (legal or constructive) as a result of a past event,
- it is probable that an outflow of resources will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognized.

Long term provisions consist of: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits and other long term provisions for liabilities covering (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation which can be reliably estimated (e.g. lawsuits in progress), as well as reservations for issued guarantees.

Long term provision for expenses and risks are tracked by sorts and their reduction/cancellation is credited as income.

Provisions are not recognized for future operational losses.

Provisions are distinguished from other liabilities because there is uncertainty about the timing or amount of the future expenditure required in settlement.

The amount recognized as a provision is the estimate of the expenditure expected to be required to settle the obligation.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Decisions regarding individual provisions are resolved by the Company's board of directors.

4.24 Effects of changes in accounting policies, new accounting estimates and correction of fundamental errors

Correction of the additionally determined material significant errors is one influence on the financial statements relating to one or several prior accounting periods whereby those financial statements may not be considered as reliable at the date of their issuing.

Correction of the prior years material significant errors is done by the restating prior years undistributed profit/loss opening balance.

Materially significant effects and correction of fundamental errors are corrected retroactively with the adoption of the comparative data disclosed in the financial statements, if it is practically impossible (than the changes in accounting policy is applied prospect). All corrections arising are disclosed as a correction in the figure of opening balance's undistributed profit item.

Under the recently adopted changes and amendments of the Accounting and Accounting Policies Regulation, which applies for financial statements in 2010, a materially significant error is defined as any error which individually or cumulatively with other errors is greater than 1,5% of the Company's total previous year's revenue.

4.25 Foreign exchange rates

Official exchange rates significant for the Company's operations and translations of the figures in the financial statement into RSD were as follows:

	<u>30.06.2011</u>	<u>30.06.2010</u>
EUR	102,4631 RSD	104,3704 RSD
USD	70,6398 RSD	85,4794 RSD
GBP	113,6837 RSD	128,5508 RSD
CHF	84,9752 RSD	78,9668 RSD
RUB	2,5199 RSD	2,72745 RSD

5. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivate financial instruments to hedge certain risk exposures.

Risk management is carried out by the Financial Department of the Company under policies approved by the Board of Directors. The Financial Department identifies, evaluates and hedges financial risks in close co-operation with the operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of financial instruments and the investment of excess liquidity.

5.1 Market risk

5.1.1 Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

5.1.2 Fair value risk

The Company has in its portfolio securities available for sale recognized by the fair value. Considering the fact that the market on the stock exchange is uncertain there is a possibility for fair value risk appearance.

5.1.3 Interest rate risk

The Company borrows assets on the financial market by the changeable interest rates, connected with Euribor, Belibor and reference interest rate issued by the NBS on the rep transactions. With an aim to avoid/limit risk of significant changes in the financial markets, the Company borrows assets over short-term periods while insisting on receiving the bank's lowest margin with a mandatory clause allowing early repayment without additional penalties.

The Company has policy that limit the amount of credit exposure to any financial institution.

5.2 Credit risk

The Company is exposed to credit risk through trade receivables as disclosed in the balance sheet. These receivables can be reasonably viewed as non-risk claims since these are dispersed mostly across

customers who are Energoprojekt Group members (subsidiaries), and are based on on-going business arrangements.

5.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate sources of funding due to the dynamic nature of the business. The Company aims to maintain flexibility in funding by collecting their funds from buyers and investments of available funds.

6. REVENUES FROM SALES

Domestic market	30.06.2011 (RSD 000)	30.06.2010 (RSD 000)
Revenues from services rendered to subsidiaries	175.518	219.877
Revenues from services rendered to other affiliates	192	83
Revenues from services sold on the local market	23	5.592.183
TOTAL	175.733	5.812.143

Revenue from services rendered to subsidiaries (175.518 thousand RSD) in the local market is generated by services rendered by the Company under contracts which were approved and endorsed by the boards of directors of the Company and the respective subsidiaries, in accordance with their respective Articles of Association.

Revenue from services sold on the local market in 2010 includes income from the completed sales contract for an unfinished building (5.302.842 thousand RSD), income under Annex XIV of the Contract for the Reconstruction of the Prokop Station 5th and 6th railway tracks (289.339 thousand RSD), and commission income from airline ticket sales (23 thousand RSD).

Income from the own use of products, services and merchandise (299 thousand RSD) is attributed to automobile use for business travel.

7. OTHER OPERATING INCOME

	30.06.2011 RSD 000	30.06.2010 RSD 000
Rents	11,235	299
Other		
Total	11,235	299

Rents comprise of income generated by EP Visokogradnja (10.778 thousand RSD) from the renting of the bachelor's hotel in Batajnicki drum and renting the roof terrace to Telekom (457 thousand RSD).

8. MATERIAL COST

	<u>30.06.2011</u> RSD 000	<u>30.06.2010</u> RSD 000
Raw material		
Other material cost (overheads)	4,768	3,958
Fuel and energy	5,542	11,536
Total	<u>10,310</u>	<u>15,494</u>

9. STAFF COSTS

	<u>30.06.2011</u> RSD 000	<u>30.06.2010</u> RSD 000
Salaries and fringe benefits (gross)	64,882	56,593
Taxes and contributions on salaries and fringe benefits charged to employer	10,073	8,824
Temporary service contracts	2,507	2,435
Copyright agreements	310	558
Temporary and provisional contracts		127
Board of Directors and Supervisory Board	10,341	10,638
Other personal expenses remunerations	2,876	2,713
Total	<u>90,989</u>	<u>81,888</u>

10. DEPRECIATION AND PROVISION EXPENSES

	<u>30.06.2011</u> RSD 000	<u>30.06.2010</u> RSD 000
Depreciation of property, plant, equipment	10,066	9,853
Provision for fringe and other employee benefits		
Total	<u>10,066</u>	<u>9,853</u>

Depreciation expenses in the first half of the year (10.066 thousand RSD; 1H2010: 9.853 thousand RSD) consist of PPE depreciation according to Note 4(1).

11. OTHER OPERATING EXPENSES

	30.06.2011	30.06.2010
	RSD 000	RSD 000
<u>Costs of production services</u>		
Service costs of outputs		461,035
Transportation costs	2,515	2,466
Maintenance costs	35,956	20,512
Rental costs	500	343
Advertising costs	8,737	227
Costs of other services	1,917	1,498
Subtotal	49,625	486,081
<u>Non-production costs</u>		
Costs of non-production services	8,666	22,531
Expense accounts	3,424	2,099
Insurance premium costs	619	4,026
Payment operation costs	2,008	3,346
Membership fees	348	682
Tax duties	5,233	31,317
Other intangible expenses	5,772	2,020
Subtotal	26,070	66,021
Total	75,695	552,102

12. FINANCIAL REVENUES AND EXPENSES

	30.06.2011	30.06.2010
	RSD 000	RSD 000
<u>Financial revenues</u>		
Financial income from transactions with parent company and subsidiaries	330,678	182,254
Financial income from other subsidiaries	4,588	5,079
Income from interest	5,097	8,454
FX gains	13,898	87,560
Gains on foreign currency clause	315	4
Other financial revenues	244	1,283
Total	354,820	284,634
<u>Financial expenses</u>		
Financial expenses from transactions with parent company and subsidiaries	64,334	5,075
Finansijski rashodi iz odnosa sa ostalim povezanim pravnim licima	3,846	
Costs of interest	11,272	2,629
FX losses	13,785	215,913
Losses on foreign currency clause	17	914
Total	93,254	224,531

The Company generated financial income from profit sharing with subsidiaries: Energoprojekt Garant a.d.o. (126.401 thousand RSD), Energoprojekt Entel a.d (114.803 thousand RSD) and Energoprojekt Oprema a.d. (34.597 RSD).

Interest income from subsidiaries (37.676 thousand RSD) relates to: Energoprojekt Visokogradnja (20.359 thousand RSD), Energoprojekt Urbanizam i arhitektura (3.719 thousand RSD), Energoprojekt Energodata (838 thousand RSD) and Energoprojekt Niskogradnja (12.760 thousand RSD)

Income based on foreign currency clauses from operations with subsidiaries totalled 17.201 thousand RSD, and are based on service contracts between the Holding and its subsidiaries.

Financial income from other affiliates include interest income and exchange rate gains on an extended loan to Enjub.

13. OTHER REVENUES AND EXPENSES, ADJUSTMENT GAINS AND IMPAIRMENT COSTS

	30.06.2011	30.06.2010
	RSD 000	RSD 000
<u>Other revenues and property value adjustment gains</u>		
Gains on disposals of intangibles and PP&E	108	
Gains on disposals of LT investments and securities		
Previously written-off claims recovered	5,115	
Income from positive hedging effects	154	
Value adjustment of claims and short-term financial investments	15,037	
Total	<u>20,414</u>	<u>0</u>
	30.06.2011.	30.06.2010.
<u>Other expenses and property impairment costs</u>	RSD 000	RSD 000
Disposal and write-off of intangibles and PP&E		
Shortages		
Direct receivables write-off	90	
Other expenses	591	9,324
Impairment of receivables and ST financial investments		
Impairment of other property		
Total	<u>681</u>	<u>9,324</u>

Previously written-off claims recovered and income from positive hedging effects relate to claims on short-term financial investments recovered from Energoprojekt Promet d.o.o..

ENERGOPROJEKT HOLDING A.D., BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

14. INTANGIBLE INVESTMENTS

	Other intangibles	Intangible investments in progress	Advances on intangibles	Total
	RSD 000	RSD 000	RSD 000	RSD 000
Cost value				
Balance on 01/01/2011	2,079	8,837		10,916
Restated opening				
Restated balance				
Additions				
Balance on 30/06/2011	2,079	8,837	0	10,916
Value adjustment				
Balance on 01/01/2011	1,189			1,189
Restated balance				0
Depreciation	127			
Balance on 30/06/2011	1,316	0	0	1,189
Net book value				
30/06/2011	763	8,837	0	9,600
30/06/2010	866	8,837	159	9,862

15. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Land	Buildings	Plant, equipment	Investment property	Property in progress	Advances on property	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
Cost value							
Balance on 1/1/2011		555,876	99,262	496,695	122,973	0	1,274,806
Restated opening							0
Transfers					-1,235	-985	-2,220
Additions		25,925	1,235		1,263	1,049	29,472
Disposals			-3,657				-3,657
Balance on 30/06/2011	0	581,801	96,840	496,695	123,001	64	1,298,401
Value adjustment							
Balance on 1/1/2011		279,768	53,247				333,015
Restated opening							0
Depreciation		13,375	6,257				19,632
Disposals			-1,854				-1,854
Balance on 30/06/2011	0	293,143	57,650	0	0	0	350,793
Net book value							
30/06/2011	0	288,658	39,190	496,695	123,001	64	947,608
30/06/2010	0	272,350	51,261		122,473	652	446,736

15(a) EQUIPMENT UNDER LEASE

<u>Leasing</u>		RSD 000	
<u>Group</u>	<u>30.06.2011</u>	<u>Group</u>	<u>30.06.2010</u>
	<u>Net book value</u>		<u>Net book value</u>
Cars	6,210	Cars	11,887
Copying machine	138	Copying machine	215
Other		Other	
Total	6,348		12,102

16. EQUITY INVESTMENTS

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

Equity investments in subsidiaries and affiliates are disclosed according to the method used by the Company for disclosing its investment at purchase cost. The Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition. Any sum received from the distribution which is higher than this profit is recognized as an investment return and disclosed as a reduction of the investment purchase cost.

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

Equity investments pertain to shares of:

ENERGOPROJEKT HOLDING A.D., BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

		<u>000 RSD</u>	
SUBSIDIARIES		30.06.2011.	30.06.2010.
<u>Company name</u>	<u>% share</u>	<u>Present value</u>	<u>Present value</u>
EP Visokogradnja a.d.	92.39%	1,704,254	1,704,254
EP Niskogradnja a.d.	93.32%	855,506	855,506
EP Oprema a.d.	67.87%	121,316	121,316
EP Hidroinzenjering a.d.	94.84%	399,230	399,230
EP Urbanizam i arh. a.d.	94.40%	146,455	146,455
EP Promet d.o.o.	100.00%	295	295
EP Energodata a.d.	96.43%	191,438	191,438
EP Industrija a.d.	62.77%	61,209	61,209
EP Entel a.d.	86.26%	216,422	216,422
EP Garant a.d.o.	64.13%	401,645	401,371
EP Montenegro d.o.o.	100.00%	8	10
Inec Eng. Ltd.	100.00%	62,359	72,123
Encom GmbH	100.00%	3,493	5,101
Nana off shore	100.00%	1,258	1,488
Total		4,164,888	4,176,218

OTHER AFFILIATES

<u>Company name</u>	<u>% share</u>	<u>Present value</u>	<u>Present value</u>
Enjub d.o.o.	50.00%	13,550	13,550
Energo Ghana Ltd.	80.00%	4,911	6,686
United Cons.Botswana	100.00%	3,205	4,363
Zecco Zambia	100.00%	587	799
Total		22,253	25,398

OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES

<u>Company name</u>	<u>Present value</u>	<u>Present value</u>
Dunav a.d.o	843	1,160
Jubmes banka a.d.	22,397	19,552
Hypo Alpe-Adria bank		3,366
Hipotekarna banka Podg.	9,715	5,694
Energo broker a.d.	4,371	4,371
Hotel Bela ladja a.d.Bečej	5,947	
FIMA SEE Activist	14,080	14,221
Total	57,353	48,364

TOTAL	4,244,494	4,249,980
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17. OTHER LONG TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.6.2011 RSD 000	30.6.2010 RSD 000
a) Long term loans approved		
- local market		
- foreign market		
Total	-	-
b) Foreign currency savings bonds		
c) Staff housing loans	2,195	2,188
d) Long term loans to subsidiaries	136,623	
e) Other long term investments		
Total	138,818	2,188

18. INVENTORIES

	30.06.2011 RSD 000	30.06.2010 RSD 000
Work in progress		
Paid advances	1,912	133
Total	1,912	133

19. RECEIVABLES

	30.06.2011	30.06.2010
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Trade receivables</u>		
Trade receivables (parent and subsidiaries)	489,034	798,584
Trade receivables - other affiliates	595	98
Trade receivables (domestic)	16	103,855
Trade receivables (foreign)	3,123	2,602
Less: value adjustment		
Subtotal	<u>492,768</u>	<u>905,139</u>
<u>Receivables from specific business operations</u>		
Other receivables from specific operations	56,101	47,362
Less: value adjustment		
Subtotal	<u>56,101</u>	<u>47,362</u>
<u>Other</u>		
Interest and dividends	210,385	40,993
Staff claims	150	2,125
Receivables from state institutions		
Prepaid income tax		
Other prepaid taxes and contributions		
Other receivables	896	2,129
Less: value adjustment		(722)
Subtotal	<u>211,431</u>	<u>44,525</u>
Total	<u><u>760,300</u></u>	<u><u>997,026</u></u>
<u>Trade receivables (domestic)</u>	30.06.2011	30.06.2010
	<u>RSD 000</u>	<u>RSD 000</u>
Belgrade	489,645	902,537
Less: value adjustment		
Subtotal	<u>489,645</u>	<u>902,537</u>
<u>Trade receivables (foreign)</u>	3,123	2,602
Europe		
Africa		
Less: value adjustment		
Subtotal	<u>3,123</u>	<u>2,602</u>
Total	<u><u>492,768</u></u>	<u><u>905,139</u></u>

20. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	<u>30.06.2011</u>	<u>30.06.2010</u>
	RSD 000	RSD 000
<u>Short term loans and investments - parent company, subsidiaries and affiliates</u>		
Subsidiaries	1,676,640	1,084,028
Affiliates	124,356	55,699
Maturing obligations - long term loans		
Less: value adjustment		-66,389
Subtotal	<u>1,800,996</u>	<u>1,073,338</u>
<u>Short term loans - domestic</u>		
Loans to workers	8	
Maturing obligations - long term loans	76	70
Less: value adjustment		
Subtotal	<u>84</u>	<u>70</u>
<u>Other short term financial investments</u>		
Alpha Bank -short-term FX deposit		
Other		109,589
Less: value adjustment		
Subtotal	<u>-</u>	<u>109,589</u>
Total	<u><u>1,801,080</u></u>	<u><u>1,182,997</u></u>

21. CASH AND CASH EQUIVALENTS

	<u>30.06.2011</u>	<u>30.06.2010</u>
	RSD 000	RSD 000
<u>RSD</u>		
Current accounts	33,885	981
Treasury	161	2
Subtotal	<u>34,046</u>	<u>983</u>
<u>Foreign currency</u>		
Foreign currency accounts	116,230	494,654
Treasury		429
Subtotal	<u>116,230</u>	<u>495,083</u>
Total	<u><u>150,276</u></u>	<u><u>496,066</u></u>

The Company's foreign currency assets are term deposited (short-term) at rates varying from 3,9% up to 5,6% p.a. (EUR) and 2,85% p.a. (USD).

22. VAT AND ACCRUALS

	<u>30.06.2011</u> RSD 000	<u>30.06.2010</u> RSD 000
<u>Value added tax-accrued</u>	121	4,698
<u>Accrued income</u>		
Prepayments	3,312	1,061
Uninvoiced income receivables	126	
Accrued commitments		
Other accruals	7,304	4,247
Subtotal	<u>10,742</u>	<u>5,308</u>
Total	<u><u>10,863</u></u>	<u><u>10,006</u></u>

23. SHARE CAPITAL

The share capital consists of:

	<u>30.06.2011</u> RSD 000	<u>30.06.2010</u> RSD 000
Share capital		
Ordinary shares	4,828,583	3,787,124
Preferred shares		
Principal capital	<u>4,828,583</u>	<u>3,787,124</u>
Other share capital	27,178	27,178
Total principal and other capital	<u><u>4,855,761</u></u>	<u><u>3,814,302</u></u>

According to records of the Central Securities Depository, the ownership structure of Energoprojekt Holding a.d. shares on 30/06/2011 is as follows:

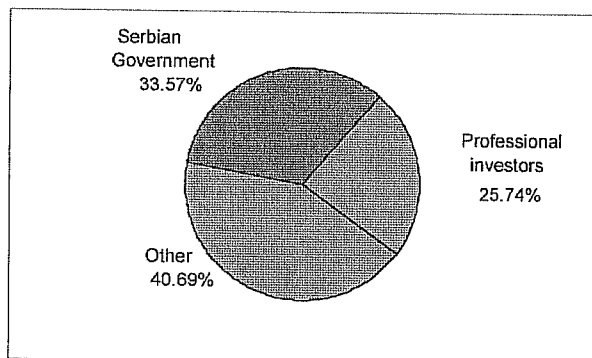
ENERGOPROJEKT HOLDING A.D., BEOGRAD
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	no. of shares	% of total issue
Shares held by private shareholders	2,872,953	30.34%
Shares held by legal entities	4,811,815	50.82%
- Serbian Government	3,178,533	33.57%
- Other legal entities	1,633,282	17.25%
Summary (custody) account	1,783,042	18.83%
Total shares	9,467,810	100%

Number of shareholders with equity share	number of entities			number of shares			% of total emission		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
to 5%	8,133	268	8,401	4,764,861	516,240	5,281,101	50.33%	5.45%	55.78%
from 5% to 10%	1	1	2	490,786	517,390	1,008,176	5.18%	5.46%	10.65%
over 10% to 25%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0%
over 33% to 50%	1	0	1	3,178,533	0	3,178,533	33.57%	0.00%	33.57%
over 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0%
over 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0%
over 75%	0	0	0	0	0	0	0.00%	0.00%	0%
Total shares	8,135	269	8,404	8,434,180	1,033,630	9,467,810	89.08%	10.92%	100.00%

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3,178,533	33.57%
East capital asset manag.	517,390	5.46%
Hypo kastodi 4	490,786	5.18%
GP Napred a.d. Beograd	310,444	3.28%
Unicredit Bank Austria AG	241,139	2.55%
Privredna banka Zagreb d.d.	231,712	2.45%
Erste bank custody 00001	204,043	2.16%
NLB clients	160,064	1.69%
Gustaviadavegardh fonder aktie	145,000	1.53%
Erste bank custody	136,231	1.44%



Structure of share capital on 30/06/2011:

- Share capital	6.289.277
- Serbian Government	3.178.533
Total	9.467.810

The share capital consists of 9.467.810 ordinary shares each with a nominal value of 510 RSD (4.828.583 thousand RSD), and a nominal book value of 728,10 RSD.

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

The company's shares are A-listed on the Belgrade Stock Exchange since 2007.

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

24. RESERVES

The reserves consist of:

	30.06.2011	30.06.2010
	RSD 000	RSD 000
Issuing premium	1,600,485	1,600,025
Legal reserves	23,185	23,185
Statutory and other	111,696	56,296
Total	1,735,366	1,679,506

Issuing premium represents the positive difference between the obtained selling price per share and the share's nominal value.

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

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

25. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

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

	30.06.2011	30.06.2010
	RSD 000	RSD 000
Revaluation reserves	43,080	57,829
Unrealized profit from available for sale securities	12,834	8,611
Unrealized losses from available for sale securities	-2,169	-1,779
Total	53,745	64,661

The change in revaluation reserves resulted from the adjustment of the value of securities from the Company's portfolio with their fair value on the secondary market on reporting date (30/06/2011).

Changes in revaluation reserves may also occur based on exchange rate gains/losses on equity shares in foreign subsidiaries and affiliates.

26. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	30.06.2011 RSD 000	30.06.2010 RSD 000
Retained earnings from previous years	<u>943,386</u>	<u>709,871</u>
Adjustment of income tax revenues	1	(303)
Distribution of profits (dividends)		
Distribution of profits (increase of nominal value per share)	(662,747)	
Allocation to statutory reserves	(31,958)	
Current year's profit	<u>259,661</u>	<u>685,559</u>
Total	<u>508,343</u>	<u>1,395,127</u>

Distribution of unallocated profits on 31/12/2010 (current year's profits for 2010) was based on the GM Resolution of Energoprojekt Holding a.d. taken at the XXXVI meeting, held on 30/06/2011, under Item 5 of the agenda, as follows:

The undistributed profits were allocated as follows:

- a) Part of the undistributed profit in the sum of RSD 662.746.700,00 RSD (9.467.810 shares x 70,00 RSD) will be used to increase the company's equity pro rata of each shareholder's share of the Holding's equity, in accordance with the GM resolution taken under item 6, on the IX issue of ordinary shares without public offering for the purpose of converting undistributed profit to equity and replacement of the shares accordingly in order to increase their nominal value from 440,00 to 510,00 RSD.
- b) The balance of 248.682.298,72 RSD remains unallocated.

27. REDEEMED SHARES

As of 30/06/2010 the Company holds a total of 776 treasury shares with a combined nominal value of 310 thousand RSD. All treasury shares were sold in April this year.

28. LONG TERM PROVISIONS

Long term provisions are recognized when:

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

Long term provisions consist of:

	30.06.2011	30.06.2010
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	5,606	1,021
Other	260,000	260,000
Total	265,606	261,021

29. LONG TERM LOANS

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

	CCY	Interest %	30.06.2011	30.06.2010
			RSD 000	RSD 000
<u>In currency</u>				
Republic of Serbia Development Fund	EUR	4,5% p.a.	233,633	
Total			233,633	-
Total			233,633	-

The Republic of Serbia Development Fund approved a long-term permanent capital assets loan of 321.174.000,00 RSD (3.040.225,67 EUR) on 30/12/2010.

The principal loan amount is determined by applying a currency clause so that the debt is calculated in EUR according to the NBS middle rate on the date of disbursement of the loan and then translated into RSD based on the middle rate on the due date.

The loan terms are as follows:

- Loan repayment in 2 years with a grace period until 30/06/2011. During the grace period intercalary interest is calculated per quarter retrospectively and applied to the principal debt.
- Interest rate 4,5 % per annum.
- Loan repayment in quarterly annuities starting from 30/09/2011.

Annuities maturing in 2011 are 81.353.090,64 RSD (793.974,52 EUR) (including intercalary interest) in total and are disclosed under short-term financial commitments maturing in less than one year (Note 31).

The loan will be secured by bills of exchange issued by Energoprojekt Holding a.d. and guarantees from Energoprojekt Niskogradnja a.d., Energoprojekt Oprema a.d., Energoprojekt Entel a.d., Energoprojekt Industrija a.d. and Energoprojekt Hidroinženjering a.d.

The loan was approved by the Republic of Serbia Development Fund based on the document titled „Energoprojekt Holding a.d. permanent capital assets programme“ according to which these funds are necessary for overcoming short-term liquidity problems and for assisting subsidiary Energoprojekt Visokogradnja a.d. in its foreign marketing activities.

30. OTHER LONG TERM LIABILITIES

Other long term liabilities relate to:

	30.06.2011 RSD 000	30.06.2010 RSD 000
Long term finance lease	3,077	8,700
Total	3,077	8,700

30(a) LONG TERM LEASING OBLIGATIONS

	RSD 000			RSD 000		
	30.06.2011			30.06.2010		
	Minimum future leasing payments	Interest	Present value of minimum payment	Minimum future leasing payments	Interest	Present value of minimum payment
Up to 1 year	1,347	98		2,019	405	
1-5 years	3,076	204		8,700	769	
5+ years						
Total	4,423	302	0	10,719	1,174	0

31. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	CCY	30.06.2011 RSD 000	30.06.2010 RSD 000
		<hr/>	<hr/>
<u>Short term loans domestic</u>			
<i>Alpha bank a.d.</i>	<i>Eur</i>	256,158	
Other			
Current maturities on long-term loans			
Subtotal		<hr/> 256,158	<hr/> 0
<u>Other short term financial liabilities</u>			
Republic of Serbia Development Fund - part maturing in one year or less	<i>Eur</i>	81,353	
Short term liabilities maturing in one year or less- Raiffeisen Leasing	<i>Eur</i>	111	302
Short term liabilities maturing in one year or less- Intesa Leasing	<i>Eur</i>	1,235	1,717
Other ST financial liabilities-VISA accounts		300	126
Subtotal		<hr/> 82,999	<hr/> 2,145
Total		<hr/> 339,157	<hr/> 2,145

32. LIABILITIES FROM OPERATIONS

	30.06.2011 RSD 000	30.06.2010 RSD 000
<u>Liabilities from business operations</u>		
Received advances, short-term and safety deposits	190	200
Suppliers-parent and subsidiaries	12,829	115,138
Suppliers-affiliates		1,181
Suppliers-domestic	10,420	12,048
Suppliers-foreign		
Other liabilities		
Subtotal	23,439	128,567
<u>Liabilities from specific operations</u>		
Other	69	167
Subtotal	69	167
Total	23,508	128,734

Geographical distribution of suppliers:

	30.06.2011 RSD 000	30.06.2010 RSD 000
<u>Local suppliers</u>		
Belgrade	16,224	121,059
Less: value adjustment		
Subtotal	16,224	121,059
<u>Foreign suppliers</u>		
Europe-subsidiaries	5,025	6,197
Africa-other entities		81
Asia-other affiliates		1,031
Less: value adjustment		
Subtotal	5,025	7,309
Total	21,249	128,368

33. OTHER SHORT TERM LIABILITIES

	30.06.2011 RSD 000	30.06.2010 RSD 000
<u>Salaries and fringe benefits</u>	10,910	11,470
<u>Other obligations</u>		
Interest and financing costs	4,594	
Dividends	6,045	6,087
Profit sharing	4,299	4,309
Employees	207	146
Members of the Board of Directors and Supervisory Board	1,329	1,193
Service contracts		246
Other	452	535
Total	27,836	23,986

34. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS

	30.06.2011 RSD 000	30.06.2010 RSD 000
<u>Value added tax</u>	2,110	
<u>Other taxes, contributions and duties</u>		
Liabilities for income tax	492	2,551
Liabilities for taxes, customs and other duties charged to costs	6,181	4,041
Other liabilities for taxes, contributions and other duties	770	684
Subtotal	7,443	7,276
<u>Accruals and deferred income</u>		
Accrued expenses	49	39
Deferred income		
Collected VAT		
Subtotal	49	39
Total	9,602	7,315

35. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences, unused tax losses and loans that are carried forward. Deferred tax assets and liabilities are recognized to the extent that it is likely that taxable profits will be generated by the company in future.

Deferred tax liabilities are the amount of income taxes that are payable in future periods because of taxable temporary differences.

	30.06.2011 RSD 000	30.06.2010 RSD 000
Deferred tax assets		
Deferred tax liabilities	9,316	9,807
Net tax assets/liabilities	9,316	9,807

36. OFF-BALANCE SHEET ITEMS

The Company's off-balance sheet assets and liabilities (8.887.807 thousand RSD) include sureties from issued guarantees and approved credit lines based on loans and guarantees issued in favor of subsidiaries for a total sum of 7.905.825 thousand RSD (the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral), obligations for Enjub dividends (30,442 thousand RSD) and rights to use city building land (937.451 thousand RSD) and mortgage on Enjub apartments (14.089 thousand RSD) under the concluded loan agreement in favor of Enjub.

37. LAWSUITS

Nr	Petitioner	Respondent	Grounds for lawsuit and value	Court of jurisdiction	Outcome
1.	Jovanović Vlada	EP Holding a.d.	Salary claims 1.292,00 USD, 27.000,00 RSD	District Court	Uncertain
2.	Land Development Agency	EP Holding a.d.	Fee for Hyatt, 15.459.728,80 RSD	Commercial Court of Belgrade	Uncertain

ENERGOPROJEKT HOLDING A.D., BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

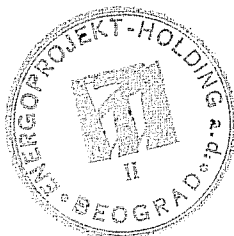
3.	EP Holding a.d. & EP Visokogradnja a.d. & GP Napred	City of Belgrade, Serbia, Belgrade Arena, Land Development Agency	Part of debt to EP Hld and EP Vg, 8.399.218,81 USD	Commercial Court of Belgrade	Win
4.	EP Oprema a.d.- EP Holding a.d.	Belgrade Arena	4.817.705,05 RSD in debts	Commercial Court of Belgrade	Founded
5.	Dragoljub Bakić	EP Holding a.d. & EP Urbanizam i arhitektura a.d.	389.382,87 RSD	1st Primary Court of Belgrade	Uncertain
6.	Ljiljana Bakić	EP Holding a.d. & EP Urbanizam i arhitektura a.d.	389.703,54 RSD	1st Primary Court	Uncertain
7.	EP Holding a.d.	Zoran Simić	Debt – travel orders 394,40 EUR	1st Primary Court	Founded
8.	Radomir Banjac	EP Holding a.d.	Damage claim- mobbing 4.400.000,00 RSD	1st Primary Court	Unfounded
9.	Milan Raonić	EP Holding a.d., EP Visokogradnja a.d. i EP Urbanizam i arhitektura a.d.	Copyright infringement, 7.000.000,00 RSD	Higher Court of Belgrade	Uncertain
10.	EP Holding a.d. & EP Oprema a.d.	Municipality of Medvedja	Damage claim, 120.000.000,00 RSD	Commercial Court of Leskovac	Founded

38. POST BALANCE SHEET EVENTS

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

Belgrade,
July 28, 2011

Statements approved by:



Managing Director

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