

Semi-Annual Consolidated Statement
Energoprojekt Group
2012

Belgrade, August 2012

Pursuant to Article 53 of the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011) and Article 9 of the Regulation of the Form, Contents and Manner of Publication of Annual, Semi-Annual and Quarterly Reports submitted by public companies („Official Gazette of the Republic of Serbia“ No. 14/2012), **Energoprojekt Holding p.l.c. from Belgrade, ID No: 07023014 publishes:**

SEMI-ANNUAL CONSOLIDATED STATEMENT

ENERGOPROJEKT GROUP 2012

C O N T E N T S

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS ENERGOPROJEKT GROUP 2012

(Balance sheet, Income statement, Cash flow statement, Statement of Changes in Equity, Notes to Financial Statements)

2. BUSINESS REPORT

3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORTS)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED STATEMENT ENERGOPROJEKT GROUP 2012 * (Note)

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT GROUP FOR 2012 (Balance sheet, Income
statement, Cash flow statement, Statement of Changes in Equity, Notes to
Financial Statements)

Reporting period:

from

1/1/2012

until

6/30/2012

Quarterly Financial Statement for Businesses KFI-PD

Business name: **ENERGOPROJEKT HOLDING p.l.c.**

Reg. No.: **07023014**

Postal code, city: **11070**

NOVI BEOGRAD

Street and number: **BULEVAR MIHAILA PUPINA 12**

E-mail: **ep@energoprojekt.rs**

Website: **www.energoprojekt.rs**

Consolidated/individual: **CONSOLIDATED - Energoprojekt Group**

Approved (yes/no): **Yes**

Audited (yes/no): **No**

Consolidation group:*

Head office:

Reg. No.:

Energoprojekt Visokogradnja p.l.c.

Beograd, Bulevar M.Pupina 12

07073151

Energoprojekt Niskogradnja p.l.c.

Beograd, Bulevar M.Pupina 12

07073160

Energoprojekt Oprema p.l.c.

Beograd, Bulevar M.Pupina 12

07073186

Energoprojekt Entel p.l.c.

Beograd, Bulevar M.Pupina 12

07470975

Energoprojekt Hidroinženjering p.l.c.

Beograd, Bulevar M.Pupina 12

07023065

Energoprojekt Industrija p.l.c.

Beograd, Bulevar M.Pupina 12

07073224

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Name and surname: **VLADIMIR MILOVANOVIC**

(authorized officer)

*Consolidated financial statements for 2nd quarter (half-year) only

BALANCE SHEET

as at 30.06.2012.

in RSD thousands

Description	ADP	Total	
		end of quarter current year	31-Dec previous year
1	2	3	4
ASSETS			
A. NON-CURRENT ASSETS (002 + 003 + 004 + 005 + 009)	001	9,736,086	8,914,837
I SUBSCRIBED CAPITAL, UNPAID	002		
II GOODWILL	003		
III INTANGIBLES	004	79,554	82,635
IV PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006 + 007 + 008)	005	8,278,893	7,647,487
1. Property, plant & equipment	006	6,484,179	6,067,870
2. Investment property	007	1,794,714	1,579,617
3. Natural assets	008		
V LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	1,377,639	1,184,715
1. Share of Capital	010	697,436	610,046
2. Other long-term financial investments	011	680,203	574,669
B. CURRENT ASSETS (013 + 014 + 015)	012	17,272,600	18,139,950
I. MATERIAL	013	4,518,710	4,465,017
II. ASSETS HELD FOR TRADING AND SUSPENDED BUSINESS ASSETS	014	9,124	8,083
III SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016 + 017 + 018 + 019 + 020)	015	12,744,766	13,666,850
1. Receivables	016	6,924,638	7,482,739
2. Receivables from prepaid income tax	017		
3. Short-term financial investments	018	2,381,459	2,525,196
4. Cash and cash equivalents	019	2,340,741	2,941,524
5. VAT and deferred income	020	1,097,928	717,391
C. DEFERRED TAX ASSETS	021		
D. BUSINESS PROPERTY (001 + 012 + 021)	022	27,008,686	27,054,787
E. LOSSES OVER CAPITAL	023		
F. TOTAL ASSETS (022 + 023)	024	27,008,686	27,054,787
G. OFF-BALANCE SHEET ASSETS	025	10,584,323	10,287,693
LIABILITIES			
A. CAPITAL (102+103+104+105+106-107+108-109-110)	101	12,598,875	11,715,908
I ORIGINAL CAPITAL	102	5,463,386	5,223,103
II SUBSCRIBED CAPITAL, UNPAID	103		
III RESERVES	104	879,177	897,913
IV REVALUATION RESERVES	105	1,711,024	1,625,478
V UNREALIZED GAINS FROM SECURITIES	106	11,956	16,022
VI UNREALIZED LOSSES FROM SECURITIES	107	27,148	22,071
VII UNDISTRIBUTED PROFIT	108	4,560,480	3,975,463
VIII LOSSES	109		
IX REDEEMED TREASURY SHARES	110		
B. LONG-TERM PROVISIONS AND LIABILITIES (112 + 113 + 116)	111	14,373,889	15,305,562
I LONG-TERM PROVISIONS	112	1,325,553	1,334,845
II LONG-TERM COMMITMENTS (114 + 115)	113	1,285,443	785,615
1. Long-term loans	114	965,010	732,424
2. Other long-term commitments	115	320,433	53,191
III SHORT-TERM COMMITMENTS (117 + 118 + 119 + 120 + 121 + 122)	116	11,762,893	13,185,102
1. Short-term financial commitments	117	2,525,103	2,564,443
2. Commitments for assets held for trading and suspended business assets	118		
3. Business commitments	119	7,170,164	7,610,143
4. Other short-term commitments and accruals	120	970,120	1,051,249
5. VAT and other public revenue, accruals	121	670,041	1,431,711
6. Corporate income tax	122	427,465	527,556
C. DEFERRED TAX LIABILITIES	123	35,922	33,317
D. TOTAL LIABILITIES (101 + 111 + 123)	124	27,008,686	27,054,787
E. OFF-BALANCE SHEET LIABILITIES	125	10,584,323	10,287,693

P&L ACCOUNT

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description	ADP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
A. BUSINESS INCOME AND EXPENDITURE					
I. BUSINESS INCOME (202+203+204-205+206)	201		11,894,466		
1. Sales revenue	202		11,198,684		
2. Own use of products, services and merchandise	203		16,349		
3. Increase of finished goods, WIP and services in progress	204		609,877		
4. Decrease of finished goods, WIP and services in progress	205		57,397		
5. Other business revenues	206		126,953		
II. BUSINESS EXPENDITURE (208 to 212)	207		11,939,422		
1. Cost of merchandise sold	208		196,793		
2. Cost of material	209		4,273,395		
3. Costs of salaries, fringe benefits and other personal expenses	210		3,410,877		
4. Costs of depreciation and provisions	211		366,964		
5. Other business expenses	212		3,691,393		
III BUSINESS PROFIT (201 - 207)	213				
IV BUSINESS LOSSES (207 - 201)	214		44,956		
V FINANCIAL INCOME	215		1,766,454		
VI FINANCIAL EXPENDITURE	216		984,530		
VII OTHER INCOME	217		90,671		
VIII OTHER EXPENDITURE	218		48,862		
IX OPERATING REVENUE BEFORE TAX (213 - 214 + 215 - 216 + 217 - 218)	219		778,777		
X OPERATING LOSSES BEFORE TAX (214 - 213 - 215 + 216 - 217 + 218)	220				
XI NET PROFIT FROM SUSPENDED OPERATIONS	221				
XII NET LOSSES FROM SUSPENDED OPERATIONS	222		6,325		
B. PROFIT BEFORE TAX (219 - 220 + 221 - 222)	223		772,452		
C. LOSSES BEFORE TAX (220 - 219 + 222 - 221)	224				
D. INCOME TAX					
1. Tax liabilities for the period	225		46,482		
2. Deferred tax liabilities for the period	226		4,385		
3. Deferred tax income for the period	227				
E. Salaries paid to employer	228				
F. NET PROFIT (223 - 224 - 225 - 226 + 227 - 228)	229		721,585		
G. NET LOSS (224 - 223 + 225 + 226 - 227 + 228)	230				
H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS	231		77,260		
I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS	232		644,325		
J. EARNINGS PER SHARE					
1. Basic earnings per share	233				
2. Diluted earnings per share	234				

CASH FLOW STATEMENT

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description 1	ADP 2	Total	
		cumulative for current year quarter 3	cumulative for previous year quarter 4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I Cash proceeds from operating activities (1 to 3)	301	11,972,905	
1. Proceeds from sale and prepayments	302	11,185,148	
2. Proceeds from received interest from operating activities	303	28,494	
3. Other proceeds from operating activities	304	759,263	
II Cash outflows from operating activities (1 to 5)	305	12,480,121	
1. Suppliers and given prepayments	306	7,923,337	
2. Salaries, fringe benefits and other staff expenses	307	3,597,253	
3. Payment of interests	308	164,825	
4. Payment of income taxes	309	193,754	
5. Payment of other public revenue expenses	310	600,952	
III Net cash receipts from operating activities (I-II)	311		
IV Net cash payments from operating activities (II-I)	312	507,216	
B. CASH FLOW FROM INVESTING ACTIVITIES			
I Proceeds from investing activities (1 to 5)	313	1,716,440	
1. Proceeds from sale of shares and equity (net receipts)	314	2,288	
2. Proceeds from sale of intangibles, property, plant, equipment, and natural assets	315	30,948	
3. Other financial investments (net receipts)	316	1,607,694	
4. Proceeds from interests	317	64,924	
5. Proceeds from dividends	318	10,586	
II Cash outflow from investing activities (1 to 3)	319	1,712,050	
1. Purchase of shares and equity (net payments)	320		
2. Purchase of intangibles, property, plant, equipment, and natural assets	321	448,922	
3. Other financial investments (net payments)	322	1,263,128	
III Net cash receipts from investing activities (I-II)	323	4,390	
IV Net cash payments from investing activities (II-I)	324		
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I Cash receipts from financing activities (1 to 3)	325	616,371	
1. Increase in share capital	326		
2. Long term and short term loans (net receipts)	327	535,964	
3. Other long term and short term commitments	328	80,407	
II Cash payments from financing activities (1 do 4)	329	742,227	
1. Purchase of treasury shares and equity	330		
2. Long term and short term loans and other liabilities (net payments)	331	662,169	
3. Finance lease	332	77,229	
4. Payment of dividends	333	2,829	
III Net cash receipts from financing activities (I-II)	334		
IV Net cash payments from financing activities (II-I)	335	125,856	
D. TOTAL CASH RECEIPTS (301 + 313 + 325)	336	14,305,716	
E. TOTAL CASH PAYMENTS (305 + 319 + 329)	337	14,934,398	
F. NET CASH RECEIPTS (336 - 337)	338		
G. NET CASH PAYMENTS (337 - 336)	339	628,682	
H. CASH AT BEGINNING OF REPORTING PERIOD	340	2,941,525	
I. EXCHANGE RATE GAINS FROM CASH TRANSLATION	341	117,567	
J. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	342	89,669	
K. CASH AT END OF REPORTING PERIOD (338 - 339 + 340 + 341 - 342)	343	2,340,741	

STATEMENT ON CHANGE IN EQUITY

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description	ADP	Shareholders equity (group 30 w/out 309)	ADP	Other capital (no. 309)	ADP	Subscribed capital, unpaid (group 31)	ADP	Issue premium (no. 320)	ADP	Reserves (no. 321, 322)	ADP	Revaluation reserves (accounts 330 and 331)	ADP	Unrealized gains from securities (account 332)	ADP	Unrealized losses from securities (account 333)	ADP	Undistributed profit (group 34)	ADP	Losses up to capital (group 35)	ADP	Redeemed treasury shares and equity (no. 037, 237)	ADP	Total (col. 2+3+4+5+6+7+8+9+10-11-12)	ADP	Losses over capital (group 29)
1		2		3		4		5		6		7		8		9		10		11		12		13		14
Balance on 01-Jan previous year ____	401	4,467,699	414	98,657	427		440	236,607	453	341,824	466	958,158	479	60,049	492	19,865	505	4,058,801	518		531	341	544	10,201,589	557	
Adjustment for material errors and changes in accounting policies in previous year - increase	402		415		428		441		454		467		480		493		506		519		532		545		558	
Adjustment for material errors and changes in accounting policies in previous year - decrease	403		416		429		442		455		468		481		494		507	50,029	520		533		546	50,029	559	
Restated balance on 01-Jan previous year ____ (no. 1+2-3)	404	4,467,699	417	98,657	430		443	236,607	456	341,824	469	958,158	482	60,049	495	19,865	508	4,008,772	521		534	341	547	10,151,560	560	
Total increase in previous year	405	664,363	418	3	431		444	434	457	319,053	470	684,456	483	4,222	496	2,727	509	982,442	522		535		548	2,652,246	561	
Total decrease in previous year	406	5,647	419	1,972	432		445	5	458		471	17,136	484	48,249	497	521	510	1,015,751	523		536	341	549	1,087,898	562	
Balance on 31-Dec previous year ____ (no. 4+5-6)	407	5,126,415	420	96,688	433		446	237,036	459	660,877	472	1,625,478	485	16,022	498	22,071	511	3,975,463	524		537		550	11,715,908	563	
Adjustment for material errors and changes in accounting policies in current year - increase	408		421		434		447		460		473		486		499		512		525		538		551		564	
Adjustment for material errors and changes in accounting policies in current year - decrease	409		422		435		448		461		474		487		500		513		526		539		552		565	
Restated balance on 01-Jan current year ____ (no. 7+8-9)	410	5,126,415	423	96,688	436		449	237,036	462	660,877	475	1,625,478	488	16,022	501	22,071	514	3,975,463	527		540		553	11,715,908	566	
Total increase in current year	411	244,192	424		437		450		463		476	172,633	489	517	502	5,151	515	923,801	528		541		554	1,335,992	567	
Total decrease in current year	412		425	3,909	438		451	22	464	18,714	477	87,087	490	4,583	503	74	516	338,784	529		542		555	453,025	568	
Balance at end quarter current year ____ (no. 10+11-12)	413	5,370,607	426	92,779	439		452	237,014	465	642,163	478	1,711,024	491	11,956	504	27,148	517	4,560,480	530		543		556	12,598,875	569	

"ENERGOPROJEKT" GROUP, BELGRADE

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30.06.2012**

SISTEM "ENERGOPROJEKT", BEOGRAD
NAPOMENE UZ KONSOLIDOVANE FINANSIJSKE IZVEŠTAJE

1. CONSOLIDATION GROUP

The consolidation group consists of the parent company EP Holding and the following domestic subsidiaries and affiliated companies, as well as foreign subsidiaries – foreign branches listed below:

Domestic subsidiaries and affiliated companies:

No.	Name	% ownership
<i>Building construction and fitting</i>		
1.	EP Visokogradnja a.d.	92,39
2.	EP Niskogradnja a.d.	93,32
3.	EP Oprema a.d.	67,87
<i>Planning and research</i>		
4.	EP Urbanizam i arhitektura a.d.	94,40
5.	EP Industrija a.d.	62,77
6.	EP Entel a.d.	86,26
7.	EP Hidroinženjering a.d.	94,84
<i>Other</i>		
8.	EP Energodata a.d.	96,43
9.	EP Promet d.o.o.	100,00
10.	EP Garant a.d.o.	92,94
11.	Energoplast d.o.o.	60,00
<i>Affiliates</i>		
12.	Enjub d.o.o.	50,00

Foreign subsidiaries – foreign branches:

No.	Name	% ownership
1.	Zecco LTD, Lusaka, Zambia	100,00
2.	Energoprojekt Holding Guinea S.A, Guinea	100,00
3.	INEC Engineering Co.LTD, London, Great Britain	100,00
4.	ENCOM GmbH, Frankfurt, Germany	100,00
5.	Nana off Shore, Beirut, Lebanon	100,00

In addition to the above mentioned foreign branches, the Consolidation Group includes, through initial consolidation also Energo Private LTD, Harare, Zimbabwe; Energoprojekt Ghana LTD., Akra, Ghana; Energo Uganda Company LTD, Uganda; Enlisa S.A, Lima, Peru; Energo Nigeria Ltd., Lagos, Nigeria; Zahinos LTD., Cyprus;

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Enhisa S.A., Lima, Peru; EP Entel L.L.C., Muskat, the Sultanate of Oman; Energoprojekt Entel L.L.C., Doha, Qatar; Energo consult L.L.C., Abu Dhabi, UAE; United Consulting CO. Botswana, Botswana, Energoprojekt Montenegro d.o.o., Herceg Novi, Montenegro, Energodata Montenegro d.o.o., Montenegro. The subsidiary Energoprojekt Co Harare, Zimbabwe is included in financial statements of the foreign branch Energo (Private) Limited, Harare, Zimbabwe.

2. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements on which we are reporting are prepared in accordance with the *Law on Accounting and Auditing* and the relevant regulations there under, applying the accounting policies set out in Note 6 of this Report and according to general practice in Serbia.

The Group's consolidated 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.

2.1. Functional and reporting currency

The figures in the consolidated financial statements are shown in thousands of RSD. The RSD represents the functional and reporting currency of the Group members. All transactions made in currencies other than the functional currency are treated as FX transactions.

Figures in the financial statements are shown in thousands of RSD (functional currency and domicile currency) as at balance sheet date - 30.06.2012.

Comparative data in the consolidated balance sheet is shown in thousands of RSD as at December 31, 2011. The consolidated profit and loss account does not include comparative data since the obligation to prepare and submit semi-annual consolidated financial statements is a new legal obligation introduced this year.

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

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	30.06.2012	31.12.2011
EUR	115,8203	104,6409
USD	92,1476	80,8662

Applied average annual exchange rates for the figures disclosed in the profit and loss account for 2012 were as follows:

	30.06.2012	31.12.2011
EUR	110,9200	101,9502
USD	85,5739	73,3382

3. MANAGEMENT ESTIMATION AND ASSESSMENT

The preparation and presentation of the consolidated financial statements in accordance with professional regulations as well as the legislation of the Republic of Serbia require that the management performs estimation and reasonable assumptions. Though, the obtained results may differ from estimated, estimations and assumptions are based on information available on the balance sheet date.

Financial statements are prepared under the assumption that the Company will operate for an unlimited period and will continue its operations in the future.

Companies included in the consolidation of Energoprojekt Group operate on four continents and include, as previously stated, a large number of domestic and foreign entities. Such a complex group, primarily operating on foreign markets, has no objective possibility to timely ensure necessary documentation to comply with new regulations. This refers especially to companies operating in Africa (Uganda) and South America (Peru).

In addition to the above, members of Energoprojekt Group have various activities. The main activity for most companies is building construction and fitting, particularly performance of works over a long period in time, requiring special approvals for projects by supervisory authorities, so that the result and ownership status in the balance sheets are directly affected by external factors that cannot be controlled by our company and management.

With regard to new regulations introducing the obligation to submit semi-annual financial statements, Energoprojekt Holding a.d. requested on 04/06/2012 from the Securities Commission, Belgrade Stock Exchange and the Listings Committee to extend

SISTEM "ENERGOPROJEKT", BEOGRAD
NAPOMENE UZ KONSOLIDOVANE FINANSIJSKE IZVEŠTAJE

deadlines for the submission and publication of semi-annual consolidated financial statements. Considering the above mentioned specificities in operations of members of Energoprojekt Group, these semi-annual consolidated financial statements are prepared based on many assessments performed by the management of subsidiaries included in the consolidation in order to provide a reliable overview of the Groups financial position and results.

Considering deadlines prescribed by law for the preparation of Semi-Annual Consolidated Financial Statements, the management of companies included in the Energoprojekt Group performed assessments of receivables/income and liabilities/expenses, as follows:

I. Energoprojekt Niskogradnja a.d.

I.1. Projects abroad

1. Pursuant to provisions of the Contract, the verification of performed works by the supervisory authority on the project Z-019 Chochabamba – Chota, Peru, deviates significantly from the reporting date for the preparation of Semi-Annual Consolidated Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially, that there are „back to back“ contracts with associates related to this project, as well as the fact that, due to specific market conditions, there is a significant interval between performed services/ deliveries and the submission of invoices, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.

2. For the purpose of fair presentation of income/receivables for the project Z-010 Gayaza-Zirobwe, Uganda, the Director and authorities on the project performed respective assessments. In the reference period, the internal auditor of the Investor has verified the sliding scale (control of entry statistical parameters for materials from Uganda, South African Republic and EU). At meetings with Investors and the internal auditor, the calculation, performed by the Company's technical departments was confirmed, as well as the „price adjustment“, as the basis for the assessment of income/receivables for this project.

3. Pursuant to provisions of the Contract (FIDIC), the verification of performed works by the supervisory authority on the project Z-020 Kampala Streets, Uganda and Z-017 Kawempe-Kafu, deviates significantly from the reporting date for the preparation of Semi-Annual Consolidated Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially,

SISTEM "ENERGOPROJEKT", BEOGRAD
NAPOMENE UZ KONSOLIDOVANE FINANSIJSKE IZVEŠTAJE

that there are „back to back“ contracts with associates related to this project, as well as the fact that, due to specific market conditions, there is a significant interval between performed services/ deliveries and the submission of invoices, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.

I.2. Project in Serbia

1. Pursuant to provisions of the Contract (FIDIC), verification of performed works by the supervisory authority on the projects Lot 1.1, Novi Sad, deviates significantly from the reporting date for the preparation of Semi-Annual Consolidated Financial Statement. The Director and authorities on projects performed assessments of receivables/income based on respective documentation (measurement books, geodetic surveys, etc). Considering, especially, that there are „back to back“ contracts with associates related to this project, the Director and authorities performed the assessment of liabilities/expenses based on respective documentation.

2. Based on reports/assessments performed by the Director of works on projects „Ring road around Belgrade – Strazevica“ and „Rovni – Valjevo“, liabilities/expenses were calculated based on subcontracting services (for the project „Ring road around Belgrade – Strazevica“ and „Rovni – Valjevo“). Calculated liabilities/expenses in the logistics center refer to expenses for outstanding retirement bonuses, overhead expenses, expenses for other benefits (scholarships, rents, Board of Directors), etc.

As explained above, the following calculations were included in the Semi-Annual Consolidated Financial Statement of Energoprojekt Niskogradnja a.d.

in 000 RSD

Project	281 Uninvoiced income receivables	Calculated period
Abroad		
Z-019 Cochabamba Chota, Peru	133.685	133.685
Z-010 Gayaza Ziobwe, Uganda	278.435	278.435
Z-020 Kampala Streets, Uganda	24.092	24.092
Z-017 Kawempe Kafu, Uganda	185.356	185.356
Serbia		
Lot 1.1. Novi Sad	21.332	21.332
Total	642.900	642.900

SISTEM "ENERGOPROJEKT", BEOGRAD
NAPOMENE UZ KONSOLIDOVANE FINANSIJSKE IZVEŠTAJE

Project	490 Calculated expenses in advance	Calculated expenses
Abroad		
Z-014 Yanacocha, Peru	2.379	2.379
Z-019 Cochabamba Chota, Peru	4.862	4.862
Projects in Uganda	40.580	40.580
Serbia		
Logistics center	4.440	4.440
Ring road around Belgrade - Straževica	28.203	23.901
Rovni Valjevo	2.786	2.361
Lot 1.1. Novi Sad	4.170	4.170
Total	87.419	82.692

II. Energoprojekt Visokogradnja a.d.

In the preparation of the Semi-Annual Consolidated Balance, Energoprojekt Visokogradnja a.d. directly included income and expenses under some balance sheet items. Considering the specificities of the construction business, the project implementation is verified upon submission of progress certificates to the Investor. The Investor and the supervisory body control and verify progress certificates. On the balance sheet preparation date verified progress certificates for June 2012 were not received and the management performed income assessment based on submitted progress certificates and based on that, an increase of work in progress on the following construction sites was presented: in Bor (smelter and sulfuric acid factory - 111.936 thousand RSD), military barracks Stepa Stepanovic (21.687 thousand RSD), Prokop (12.000 thousand RSD), abroad Z-075 Schlumberger (38.508 thousand RSD), Z-068 Hotel Aktau (114.599 thousand RSD), Z-082 Ežva (11.092 thousand RSD). Calculation for salary expenses (June) was performed abroad. Calculation was performed based on salaries calculated in May 2012.

III. Energoprojekt Entel a.d.

In the assessment of assets and liabilities, Energoprojekt Entel a.d. has fully considered the prudence principle and therefore assets and income were not overestimated nor liabilities and expenses underestimated.

In the period I-IV 2012, there were no items that requested (based on nature, size or impact) special assessments by management.

The assessment of income was performed pursuant to IAS 34 according to the

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completion level, meaning that the income was recognized in the calculation period when the service was rendered. Supervision services were assessed according to the actual attendance at the construction site. There were no disputed or returned invoices for project design services in June. In this sense, it has been assessed that there is no objective evidence that the value of receivables may be reduced by a materially significant amount.

In disclosing expenses, it was not possible to include certain expenses, because a period of 20 days was objectively not sufficient to obtain invoices for rent-a-car, electricity, water and telephone in foreign companies.

The lack of obligation to create an inventory for assets and liabilities, as well of the obligation to harmonize all liabilities and receivables (besides for internal relations), had no impact on the proper assessment of some balance sheet items.

The assessment of the income tax was performed based on the established profit before tax with the statutory rate for the income tax and considering positive tax regulations. According to IAS 12, deferred tax assets and liabilities were calculated.

IV. Energoprojekt Oprema a.d.

Energoprojekt Oprema a.d. has performed the assessment of income and expenses for performed works in June for the following projects:

- Thermal power station Kostolac – progress certificates are issued twice a month; calculated progress certificates for performed works for May-June was assessed at a value of 482.500 thousand RSD and expenses of consortium partners at 471.410 thousand RSD;
- Clinical Center Nis, works in June were assessed at 38.822 thousand RSD;
- Foreign project Airport Abuja – works in June were assessed at 36.977 thousand RSD.

4. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and calculation methods used in the preparation of the Semi-Annual Consolidated Financial Statement 2012 are consistent with those applied in financial statements for the year ending 31/12/2011.

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5. REVENUES FROM SALES

Revenues from the sales of goods, products and services rendered on the local market amount to 3.577.927 thousand RSD, on the foreign market 7.620.757 thousand RSD, totaled 11.198.684 thousand RSD.

6. INCREASE /(DECREASE) IN INVENTORIES

	30.06.2012
	(RSD 000)
Increase in inventories	609,877
Decrease in inventories	(57,397)
Total	552,480

During the reporting period 2012, the **increase in inventories** mostly relates to the following:

- **Energoprojekt Visokogradnja a.d.** acquired in 2012 the location in Cara Nikolaja Street for the construction of a business and residential building and based on this an increase in work in progress in the amount of 207.614 thousand RSD is disclosed. In 2012, an agreement for the purchase of the facility with accompanying land was signed with „Kolex“ and EP Visokogradnja became the owner of the location on the corner of Knez Danilova and Dalmatinska Street; based on this investment, an increase in inventories for work in progress was disclosed in the amount of 76.453 thousand RSD.

Based on performed works in June 2012, progress certificates were issued to the Investor, but till the preparation of the consolidated balance sheet, the investor has not returned verified progress certificates and therefore, an increase of work in progress on the following facilities was disclosed: smelter and sulfuric acid factory in Bor – an increase of 111.936 thousand RSD, military barracks Stepa Stepanovic 21.687 thousand RSD, abroad – the following projects: Z-068 Hotel Aktau: 114.599 thousand RSD, Z-075 Schlumberger: 38.508 thousand RSD i Z-082 Ežva: 11.092 thousand RSD

- **Energoprojekt Niskogradnja a.d.** the amount of 15.242 thousand RSD relates to the produced material for the production of base, asphalt, fraction concrete as well as materials for the construction of vertical traffic signalization for the project Z-019 Cochabamba Chota, Peru.

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Decrease in inventories related mostly to the following:

- **Energoprojekt Visokogradnja a.d.** terminated the contract on joint construction with Koler from 2004 and for investments from previous years a decrease in inventories was performed (24.961 thousand RSD); based on the sale of the warehouse in block 29 a decrease of 2.220 thousand RSD was disclosed.

Abroad, a decrease of work in progress for December 2011 based on the verification by the Investor was performed (24.380 thousand RSD).

- **EP Niskogradnja a.d.** had inventories decrease (2.292 thousand RSD) that relates to the decrease in inventories (installation) of aggregate for concrete production, rock inventory for rip rap defence and processed rock for securing the water basin walls and floor, related to the project Z-014 Yanacocha, Peru.

7. OTHER OPERATING INCOME

	30.06.2012 (RSD 000)
Rents	48.961
Other operating income	77.992
Total	126.953

Other operating income from 01.01. till 30.06.2012 amount to 77.992 thousand RSD and relates to the following subsidiaries:

- **Energoprojekt Visokogradnja a.d.** (45.346 thousand dinars) refers to overinvoiced expenses on various grounds in the amount of 21.190 thousand RSD and overinvoiced relocation expenses for Koler (24.156 thousand RSD).
- **Energoprojekt Niskogradnja a.d.**, the amount of 18.485 thousand RSD refers to the following:
 - 17.512 thousand RSD – refund for fuel expenses based on the subcontracting agreement based on the Contract on the formation of a temporary group for joint performance of works and the Lending agreement related to the project Tisa (Dunav Grupa agregati).
 - 7.833 thousand RSD – refund for fuel expenses based on the subcontracting agreement based on the Contract on the formation of a temporary group for joint

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performance of works and the Lending agreement related to the project Tisa (Hidrograđevinar)

- 894 thousand RSD – refund of operating expenses and collateral based on the subcontracting agreement for the project Lot 1.1 (Inter Kop d.o.o)

8. PURCHASE VALUE OF GOODS SOLD

	30.06.2012 (RSD 000)
Wholesale	191.580
Retail	5.213
Total	196.793

The purchase value of goods sold (wholesale) relates to mostly to the following subsidiaries:

- **Energoprojekt Industrija a.d.** – the amount of 94.613 thousand RSD relates to the purchase of technological equipment for the project Crushers in Kazahstan in the amount of 91.693 thousand RSD, the remaining amount refers to the purchased granules in the amount of 2.920 thousand RSD.
- **Energoprojekt Energodata a.d.** – the amount of 31.830 thousand RSD relates to software, hardware and licences for resales.
- **Energoplast d.o.o.** – the amount of 25.357 thousand RSD relates to the purchase of the stopper imported by the Company for resale.
- **Energoprojekt Visokogradnja a.d.** – the amount of 25.865 thousand RSD relates to the purchase of goods sold by EP Viskogradnja to the Lemić Group d.o.o.

The purchase value of sold retail goods in the amount of 5.213 thousand RSD relates to Energoprojekt Oprema a.d.

9. MATERIAL COST

	30.06.2012 (RSD 000)
Raw material	3.823.633
Other material cost (overheads)	96.015
Fuel and energy	353.747
Total	4.273.395

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The major part of **material cost** relates to raw material amounting to 3.823.633 thousand RSD and relates to the following subsidiaries:

- **Energoprojekt Visokogradnja a.d.** – the amount of 2.031.512 thousand RSD in particular: expenses in Serbia in the amount of 244.866 thousand RSD and expenses abroad in the amount of 1.786.646 thousand RSD.
- **Energoprojekt Oprema a.d.** – the amount of 1.260.052 thousand RSD relates mostly to the installed equipment (project Kostolac).
- **Energoprojekt Niskogradnja a.d.** – the amount of 410.727 thousand RSD.

10. STAFF COSTS

	30.06.2012 (RSD 000)
Salaries and fringe benefits (gross)	2.663.104
Taxes and contributions on salaries and fringe benefits charged to employer	357.148
Remunerations according to temporary service contracts	15.514
Remunerations according to author's contracts	30.189
Remunerations according to temporary and provisional contracts	24.280
Remunerations to individuals according to other contracts	19.029
BoD and Supervisory Board	17.315
Other personal expenses remunerations	284.298
Total	3.410.877

11. DEPRECIATION AND PROVISION EXPENSES

Depreciation and provision expenses totaled 366.964 thousand RSD and relate to:

- **Depreciation** of PPE in the amount of 363.945 thousand RSD and
- **Provision expenses** in the amount of 3.019 thousand RSD.

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12. OTHER OPERATING EXPENSES

	30.06.2012
	(RSD 000)
<u>Costs of production services</u>	
Service costs of outputs	1.939.649
Transportation costs	231.478
Maintenance costs	89.471
Rental costs	255.142
Fairs exhibit costs	332
Advertising costs	6.123
Costs of researching activities	1.684
Costs of other services	67.528
Subtotal	2.591.407
<u>Non-material costs</u>	
Costs of non-production services	375.121
Expense accounts	25.872
Insurance premium costs	53.050
Payment operation costs	134.740
Membership fees	9.352
Tax duties	145.514
Contribution costs	2.924
Other non-material costs	353.413
Subtotal	1.099.986
Total	3.691.393

The largest figure under **other operating expenses** involves the production service costs, among which the most important are service costs of outputs (subcontractors and associates) in the following subsidiaries:

- **Energoprojekt Oprema a.d.** in the amount of 932.434 thousand RSD relates mostly to consortium partners (project Kostolac).
- **Energoprojekt Visokogradnja a.d.** in the amount of 677.923 thousand RSD – service costs of outputs include expenses of associates on construction sites in the country and abroad.

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- **Energoprojekt Niskogradnja a.d.** in the amount of 573.476 thousand RSD, represent expenses related to subcontracting agreements for projects in Serbia and abroad.

The remaining amount refers to other companies included in the Group.

Rental costs amount to 255.142 thousand RSD and relate mostly to the following companies in the Energoprojekt Group:

- **Energoprojekt Entel a.d.** in the amount of 158.492 thousand RSD relate mostly to apartment rental fees in the company's foreign branches.
- **Energoprojekt Viskokogradnja a.d.** in the amount of 69.286 thousand RSD, predominantly rental costs in foreign countries.
- **Energoprojekt Niskogradnja a.d.** in the amount of 33.371 thousand RSD include rental costs of equipment, field work expenses, office, residential and warehouse space in the country and abroad.

The largest figure under **non-material costs** relates to costs of non-production services in the amount of 375.121 thousand RSD and tax duties in the amount of 353.413 thousand RSD.

The largest separate **costs of non-production services** relate to EP Entel in the amount of 220.979 thousand RSD (consulting services, professional training of employees, legal and other services), EP Visokogradnja in the amount of 84.216 thousand RSD and EP Niskogradnja in the amount of 25.438 thousand RSD.

The largest figure under **other non-material costs** in the total amount of 353.413 thousand RSD relates to EP Visokogradnja – in the amount of 316.472 thousand RSD (various taxes, visas, certificates for construction sites abroad, etc.).

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13. REVENUES AND EXPENSES

	30.06.2012 (RSD 000)
<u>Financial revenues</u>	
Financial income incurred with other associated companies	10.847
Income from interest	87.154
FX Gains and income based on the currency clause	1.569.996
Income from the participation in the profit of subsidiaries and joint investments	41.914
Other financial income	56.543
Total	1.766.454
<u>Financial expenses</u>	
Financial expenses incurred with other associated companies	2.599
Costs of interest	155.021
FX losses and expenditure based on the currency clause	822.848
Other financial expenses	4.062
Total	984.530

During the one year reporting period (2012), the positive net financial performance in the amount of 781.925 RSD came mainly as the result of positive foreign exchange.

Interest expenses mean interest based on received loans and default interest from debtor/creditor relationships.

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14. OTHER REVENUES AND EXPENSES

	30.06.2012 (RSD 000)
<u>Other revenues</u>	
Gains on disposals of intangible assets and property, plant and equipment	3.725
Gains on disposals of securities	-
Material sold	-
Surpluses	-
Collected written-off receivables	61.253
Hedging contract income	2.596
Income from reduction of liabilities	-
Income from abolishing of long-term provisions	-
Other	11.626
Income from valuation adjustments of property, plant and equipment	
Income from valuation adjustments LT investments and securities	10.004
Income from valuation adjustments of receivables and ST financial investments	1.467
Income from valuation adjustments of other property	-
Total	90.671
<u>Other expenses</u>	
Losses on writing-offs and disposals of intangible assets and PPE	9.252
Losses on disposals of material	453
Shortages	344
Expenses based on direct write offs applied to receivables	542
Expenses based on writing off materials and goods	-
Other	21.027
Impairment of receivables and short-term financial investments	17.244
Impairment of other property	-
Total	48.862

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Other income (90.671 thousand RSD) **from reduction of liabilities** relates to 61.253 thousand RSD, 31.138 thousand RSD relates to EP Visokogradnja (collected receivables from Inex Interexport, written off in previous years) 15.320 thousand RSD relates to EP Entel and 14.795 thousand RSD relates to Energoplast.

Other expenses in the amount of 48.863 thousand RSD predominantly include expenses in the amount of 21.028 thousand RSD (9.459 thousand RSD refer to EP Entel).

Depreciation of claims and short-term investments (17.244 thousand RSD) mostly refers to EP Garant (14.376 thousand RSD) after value adjustment of claims pursuant to the Regulations of the Company on how to assess on-balance and off-balance items.

15. NET PROFIT/(LOSS) OF DISCONTINUED OPERATIONS

	30.06.2012 (RSD 000)
Net profit from discontinued operations	-
Net loss of discontinued operations	6.325

16. NET EARNINGS PER SHARE

	30.06.2012
Net earnings of parent company shareholders holding ordinary shares (in 000 RSD)	644.325
Weighted average number of issued ordinary shares	9.705.241
Net earnings per share (RSD per share)	66,39

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17. INTANGIBLE INVESTMENTS

	Concession, copyrights and similar rights	Other intangible investment s	Intangible investments in preparation	Advance payments for intangible investments	Total
PURCHASE COST					
01/01/2012	4,696	147,375	16,096	419	168,586
Purchases		5,598		(419)	5,179
Disposals and write-offs					
Balance on 30/06/2012	4,696	152,973	16,096		173,765
VALUE ADJUSTMENT					
01/01/2012	4,040	81,912			85,952
Depreciation	120	8,139			8,259
Disposals and write-offs					
Balance on 30/06/2012	4,160	90,051			94,211
NON WRITE-OFF VALUE:					
30/06/2012	536	62,922	16,096		79,554
31/12/2011	656	65,464	16,096	419	82,635

As at 30/06/2012, concession, copyrights and similar rights and other intangible investments relate to various software used by the Group for own purposes, depreciated pursuant to the accounting policies in force.

Intangible investments in progress on 30/06/2012 refer to investments of the Group in relation to the delivery, installation, implementation and maintenance of software products for BI (Business Intelligence) solution. This BI solution has not been implemented yet on the balance sheet date.

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18. PROPERTY, PLANTS AND EQUIPMENT

	Land and buildings	Plants and equipment	Investment property	Other property, plants and equipment	Equipment in preparation and advance payments	Total
	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)	(RSD 000)
<u>Purchase cost</u>						
Balance on 01.01.2012	4,866,070	7,796,411	2,294,060	15,963	51,220	15,023,724
Purchase	400,416	462,583	-	4,824	16,076	883,899
Increase by transfer from investment in progress	-	13,939	101,830		(7,153)	108,616
Disposal and write-off	(39,116)	(26,818)				(65,934)
Transfer from/to	501,626	93,040	(711,922)			(117,256)
Revaluation - assessment						-
FX exchange gains and losses	27,479	27,772	134,409	298		189,958
Other increase	35,237	392,441			1,318	428,996.00
Balance on 30.06.2012	5,791,712	8,759,368	1,818,377	21,085	61,461	16,452,003
<u>Value adjustment</u>						
Balance on 01.01.2012	1,987,406	5,471,595	23,663	1,881		7,484,545
Depreciation	38,689	314,095		2,909		355,693
Disposal and write/off	(11,175)	4,220				(6,955)
Transfer from/to	(2,238)	246				(1,992)
Revaluation - assessmen						-
FX exchange gains and losses	5,098	53,640		263		59,001
Other increase	4,581	276,326			1,911	282,818
Balance on 30.06.2012	2,022,361	6,120,122	23,663	5,053	1,911	8,173,110
Current value						
30.06.2012	3,769,351	2,639,246	1,794,714	16,032	59,550	8,278,893
Current value						
31.12.2011	2,878,664	2,324,816	2,270,397	14,082	51,220	7,539,179

30.06.2012.

Total depreciation expenses	363,945 thousand RSD
Depreciation of intangible investments	8,252 thousand RSD
Depreciation of property and equipment	355,693 thousand RSD

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19. EQUITY INVESTMENTS

Equity investments represent long term investments in shares and in subsidiaries and affiliates, banks and insurance companies.

Equity investments are disclosed:

- according to the purchase costs method, according to which the investor discloses investments at purchase cost and recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition.

- According to equity investment method whereby investments are stated by their purchase cost initially, and the reported amount is adjusted by the result (profit or loss) obtained. In addition, correction is done for changes in the investment user's equity which are not the result of investment performance. These include equity changes as a result of revaluation of property, plant, equipment and investments, differences from foreign currency translation or reconciliation of differences from business deals. Corrections are performed in proportion to the user's equity share.

Equity investments pertain to shares (stakes) in:

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
a) Banks and financial organizations	97.796	104.493
b) Other legal entities:	599.640	505.553
Energopet	295.169	295.468
Energonigerija	245.443	204.797
Other	59.028	5.288
Total	697.436	610.046

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20. OTHER LONG-TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
a) granted long-term loans		
- in the country	-	-
- abroad	-	-
Total	-	-
b) Foreign currency savings bonds	43.411	56.196
c) Staff housing loans	56.164	55.257
d) Other	580.628	463.216
Total	680.203	574.669

Other long-term financial investments (580.628 thousand RSD) predominantly refer to Energoprojekt Entel a.d. (376.825 thousand RSD) based on the retention bond, mostly 10% of the invoiced value. It may be used upon completion of all works for a certain project to which it refers (in Qatar and Oman).

Energoprojekt Oprema a.d. has, for the same item in the balance sheet, an amount of 111.163 thousand RSD based on the retention bond with respect to progress reports of Investors (Ministry of Health, Inabensa, EnergoNigerija).

Energoprojekt Visokogradnja a.d. participated as co-financing party for the tourist resort at Crni Vrh (not completed yet) and therefore reserves the right to 5% ownership (participation in the amount of 82.406 thousand RSD).

Energoprojekt Hidroinženjering a.d. has on this item long-term deposit as collateral for the project Alto Piura, Peru (10.232 thousand RSD).

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21. INVENTORIES

	30.06.2012	31.12.2011
	(RSD 000)	(RSD 000)
Materials, spare parts, tools and inventories	1.430.909	1.877.728
Work in progress	1.447.381	819.765
Finished products	219.987	215.187
Merchandise	258.664	255.127
Paid advances	1.161.769	1.297.210
Total	4.518.710	4.465.017

Inventories refer to 1.430.909 thousand RSD, and **paid advances** in the amount of 1.161.769 thousand RSD refer predominantly to EP Visokogradnja a.d. and EP Niskogradnja a.d.

- **EP Niskogradnja a.d.** – From total indicated **stocked materials, spare parts, tools and inventories** (979.075 thousand RSD), inventories in foreign countries amount to 890.789 thousand RSD, out of which 72,71% relates to projects in Uganda. Stock levels, of materials and spare parts in particular, depend on the intensity of work and the possibilities for a steady supply.

Paid advances in the amount of 112.803 thousand RSD refer to advances paid to subcontractors in Serbia in the amount of 42.532 thousand RSD (Borovica transport d.o.o. – project Lot 1.1. Novi Sad; Consortium Elso Project d.o.o. - project Tunnel-Straževica; Dunav grupa agregati d.o.o. - project Tisa).

- **EP Visokogradnja a.d. - inventories** (325.996 thousand RSD) **and paid advances** (434.683 thousand RSD) predominantly refer to projects abroad (Z-068 Hotel Aktau and Z-075 Schlumberger).

Work in progress in the amount of 1.447.381 thousand RSD predominantly refer to EP Visokogradnja (1.285.904 thousand RSD) and EP Niskogradnja (47.606 thousand RSD).

- **EP Visokogradnja a.d. – Work in progress** abroad amounts to 735.935 thousand RSD and refers to: work in progress based on works on the residential complex Šištet Bare in Montenegro in the amount of 563.224 thousand RSD, based on unverified progress certificates by investors for works in June: Z-068 hotel Aktau in the amount of 119.662 thousand RSD, Z-075 Schlumberger in the amount of 41.466 thousand RSD and Z-082 Ežva in the amount of 11.582 thousand RSD.

In Serbia, work in progress amounts to 549.969 thousand RSD (based on works in connection with the Prokop station 85.054 thousand RSD, in Knez Danilova (76.453

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thousand RSD), Bežanijska Kosa (46.478 thousand RSD), based on acquired location in Cara Nikolaja Street in the amount of 207.614 thousand RSD). Based on unverified issued progress certificates for June 2012 an increase of work in progress was disclosed, in particular: military barracks Stepa Stepanović in the amount of 21.687 thousand RSD, in Bor 111.935 thousand RSD and work in progress on buildings in block 29 in Belgrade (746 thousand RSD).

Finished products refer to finished real property in Herceg Novi in the amount of 109.442 thousand RSD and in Belgrade (Bežanijska Kosa and block 29) in the amount of 42.337 thousand RSD.

- **EP Niskogradnja a.d. – Work in progress inventories** in the amount of 47.606 thousand RSD refer to projects abroad, in particular:
 - Project Z-019 Cochabamba Chota, Peru 16.413 thousand RSD: produced material for the construction of base, drainage filters and fraction concrete,
 - Project Z-014 Yanacocha, Peru 31.193 thousand RSD: produced material for manufacturing asphalt – crushed stone, sand and fraction concrete.

22. RECEIVABLES

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
<u>Trade receivables</u>		
Trade receivables (domestic)	2.202.137	1.839.680
Trade receivables (foreign)	4.219.573	4.843.464
Subtotal	6.421.710	6.683.144
<u>Receivables from specific business operations</u>	38.111	34.696
<u>Other</u>		
Staff claims	27.001	16.839
Receivables from state institutions	588	795
Other prepaid taxes and contributions	4.249	3.564
Other receivables	432.979	743.701
Subtotal	464.817	764.899
Total	6.924.638	7.482.739

Trade receivables on 30.06.2012 amount to 6.421.710 thousand RSD; 4.219.573 thousand RSD relate to **trade receivables (foreign)** (EP Oprema: 1.345.741 thousand RSD, EP Visokogradnja: 272.574 thousand RSD, EP Niskogradnja: 207.458 thousand RSD, EP Industrija: 174.015 thousand RSD etc.), and **2.202.137 thousand RSD** relate to **trade receivables - domestic** (EP Niskogradnja: 1.638.962 thousand RSD, EP Visokogradnja: 1.194.879 thousand RSD, EP Entel: 539.207 thousand RSD, EP

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Oprema: 338.327 thousand RSD, etc.).

Other receivables amount to 432.979 thousand RSD and relate predominantly to EP Niskogradnja in the amount of 277.287 thousand RSD and foreign receivables, in connection to projects in Peru; then to EP Industrija in the amount of 63.040 thousand RSD (receivables from the dairy plant Banja Luka, EP Entel – amount of 51.690 thousand RSD, etc).

23. SHORT TERM FINANCIAL INVESTMENTS

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
Short fixed deposits	2.137.447	2.427.955
Short term loans	81.954	64.245
Other	162.058	32.996
Total	2.381.459	2.525.196

Short fixed deposits relate mostly to other companies: EP Entel (1.599.632 thousand RSD), EP Garant (480.051 thousand RSD), EP Niskogradnja (31.049 thousand RSD), etc.

Other short-term investments (162.058 thousand RSD) relate mostly to EP Visokogradnja and include deposited funds in domestic banks in the amount of 143.373 thousand RSD. Funds are deposited for a period of 30 days with interest rate from 9,40 to 12,50 % annually.

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24. CASH AND CASH EQUIVALENTS

	30.06.2012	31.12.2011
	(RSD 000)	(RSD 000)
<u>RSD:</u>		
Current accounts	35.871	97.541
Treasury	430	225
Other	1.969	95.318
Subtotal	38.270	193.084
<u>Foreign currency:</u>		
Foreign currency accounts	2.045.908	2.328.404
Treasury	148.765	155.834
Letters of credit	6.721	
Other	101.077	264.202
Subtotal	2.302.471	2.748.440
Total	2.340.741	2.941.524

Foreign currency accounts were mostly contributed to by EP Visokogradnja, EP Holding, EP Niskogradnja and EP Entel.

25. ADDED VALUE TAX AND ACTIVE ACCRUALS

	30.06.2012	31.12.2011
	(RSD 000)	(RSD 000)
<u>Added value tax</u>	24.203	-
<u>Active accruals</u>		
Prepaid expenses	187.875	202.727
Receivables on non-invoiced income	804.337	459.364
VAT accruals	18.442	39.427
Accrued commitments	180	-
Other active accruals	62.891	15.873
Subtotal	1.073.725	717.391
Total	1.097.928	717.391

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Claims related to the non-invoiced income **include primarily EP Niskogradnja (642.900 thousand RSD)** as follows:

Project	281 Uninvoiced Income receivables in 000 rsd
Abroad	
Z-019 Cochabamba Chota, Peru	133,685
Extension of deadline-progress certificate for 04.2012	6,437
progress certificate for 06.2012	112,536
progress certificate for - overheads 02	6,437
progress certificate for - overheads 03	8,276
Z-010 Gayaza Zirowe, Uganda	278,435
Final progress certificate	278,435
Z-020 Kampala Streets, Uganda	24,092
progress certificate for 06.2012	24,092
Z-017 Kawempe Kafu, Uganda	185,355
progress certificate for 06.2012	185,355
Serbia	
Lot 1.1. Novi Sad	21,332
progress certificate for 06.2012	21,332
Total	642,900

26. ISSUED AND OTHER CAPITAL

Issued capital includes:

	30.06.2012. (RSD 000)	31.12.2011. (RSD 000)
Share capital	5.369.657	5.126.415
Other capital	93.729	96.688
Total	5.463.386	5.223.103

At the XXXIX General Meeting of Energoprojekt Holding a.d. held on 29.06.2012, a Resolution was adopted on the X issue of ordinary shares without public offering for the purpose of converting undistributed profit to equity amounting to 239.561 thousand RSD – 469.728 shares with nominal value per share of 510,00 din. The remaining amount of the full nominal value of a share pursuant to this Resolution (1.868 thousand RSD), will be paid by the Company to shareholders in cash. This Resolution is recorded in accounting books on 29/06/2012 and registered in the Serbian Business Registers Agency on 20/07/2012.

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27. RESERVES

Reserves comprise of:

	30.06.2012. (RSD 000)	31.12.2011. (RSD 000)
Legal	237.951	248.538
Statutory and other	404.212	412.339
Issuing premium	237.014	237.036
Total	879.177	897.913

Decrease in reserves in the reporting period results from the coverage of losses from reserves in EP Urbanizam i arhitektura and EP Energodata.

28. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

	30.06. 2012 (RSD 000)	31.12.2011 (RSD 000)
Revaluation reserves	1.711.024	1.625.478
Unrealized profit from available-for-sale securities	11.956	16.022
Unrealized losses from available-for-sale securities	(27.148)	(22.071)
Total	1.695.832	1.619.429

Revaluation reserves relate mostly to revaluation surpluses of movements in fair value of investment property in Moscow (Dom 12), included in the balance sheet of the foreign branch Nana Off Shore and amount to 680.065 thousand RSD. These reserves include also reserves on financial statements calculation displayed in another functional currency.

In addition to the above mentioned amount, revaluation reserves in subsidiaries are as follows:

- EP Visokogradnja: 253.341 thousand RSD,
- EP Industrija: 192.908 thousand RSD,
- EP Hidroinžinjering: 143.774 thousand RSD,
- EP Niskogradnja: 113.191 thousand RSD,
- EP Entel: 101.124 thousand RSD etc.

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29. UNDISTRIBUTED PROFIT AND LOSS

Undistributed profit comprises:

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
Consolidated net prior years profit	3,975,463	4,058,801
Correction of material significant errors		(50,029)
Restated opening balance	3,975,463	4,008,772
Changes during year	585,017	(33,309)
Consolidated net profit as at 31/12	4,560,480	3,975,463

Changes which occurred during the year are the result of profit generated in the reporting period 2012 and the profit distribution deductions in 2011 for capital increase purposes.

30. EQUITY MINORITY INTEREST

Equity minority interest on 30.06.2012 amounts to 1.239.828 thousand RSD.

31. LONG-TERM PROVISIONS

Long term provisions are disclosed 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 comprise:

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
Provisions for expenses in warranty	8.985	10.926
Provisions for employee benefits	151.406	140.471
Other	1.165.162	1.183.448
Total	1.325.553	1.334.845

Other long-term provisions relate mostly to EP Entel (791.722 thousand RSD), EP Holding (260.000 thousand RSD), EP Niskogradnja (97.097 thousand RSD) etc.

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32. LONG-TERM LOANS

Commitments on long-term loans mature in more than one year from the performance date or the annual balance sheet date and relate to the following:

	Currency	Interest	30.06.2012. (RSD 000)	31.12.2011 (RSD 000)
<u>Domestic:</u>				
Development Fund	EUR		220,620	84,033
"Astra Banka", Belgrade	RSD		40,140	40,140
Societe Generale bank			141,296	127,657
Alpha bank			-	-
Komercijalna banka			48,644	-
Legal entities and other	USD, EUR	7,5- 10,5	178,309	201,673
Total			629,009	453,503
<u>Foreign</u>				
Other	USD, EUR		336,001	278,921
Subtotal			336,001	278,921
Total			965,010	732,424

The **long-term loan** in the amount of 220.620 thousand RSD relates to EP Holding. It was approved by the Development Fund of the Republic of Serbia in 2010 for working capital to overcome the short-term insolvency of subsidiaries in the country.

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.

On 14.05.2012, the Annex 1 to the Loan agreement was signed under the following terms and conditions:

- Loan repayment in 2 years with a grace period until 31/12/2012. During the grace period intercalary interest is calculated per quarter retrospectively and applied to the principal debt.
- Interest rate 4,5 % per annum.

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- Loan repayment in quarterly annuities starting from 31/12/2012.

Annuities maturing until 30.06.2013 are 107.160 thousand RSD (925 thousand EUR) and are disclosed under short-term financial commitments maturing in less than one year.

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.

Domestic **long-term loans – legal entities and others** relate to EP Niskogradnja in the amount of 178.309 thousand RSD – commitments to associates from EX-YU countries, involved in the project hydroelectric power plant Banieya II, Guinea. Considering that the succession process for former Yugoslav republics is not complete and guided by the prudence principle, the management of the Company believes that there are no grounds to write off these commitments.

Foreign long-term loans mostly relate to EP Energodata – long-term loan granted by Alpha Bank London to settle obligations related to ATM machines in the amount of 274.157 thousand RSD and EP Niskogradnja – long-term loans for the purchase of fixed assets in the amount of 61.844 thousand RSD.

33. OTHER LONG-TERM LIABILITIES

Other long-term liabilities include:

	30.06.2012	31.12.2011
	(RSD 000)	(RSD 000)
Finance lease liabilities - long-term	137.303	38.186
Other	183.130	15.005
Total	320.433	53.191

Finance lease liabilities – long-term relate mostly to the purchase of equipment in Peru by EP Niskogradnja in the amount of 118.252 thousand RSD, then EP Energoplast in the amount of 15.368 thousand RSD and other companies in the Energoprojekt Group.

Other long-term liabilities relate mostly to EP Oprema in the amount of 112.336 thousand RSD, based on set aside guarantee deposit for progress certificates issued by consortium partners for Kostolac project.

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For EP Visokogradnja, **Other long-term liabilities**, in the amount of 84.902 thousand RSD, relate to liabilities towards old owners, who have sold their land in Cara Nikolaja Street and who have entered into an agreement on the exchange of property, according to which the Company will hand over to them the newly built property. The liability is presented according to the expected cost price.

34. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	Currency	30.06.2012.	31.12.2011.
		(RSD 000)	(RSD 000)
<u>Short-term RSD loans</u>		(Rsd. 000)	(Rsd. 000)
Domestic banks		638.122	670.848
<u>Short-term foreign currency loans</u>			
Domestic banks	EUR,	943.077	817.165
Total		1.581.199	1.488.013
Other short-term financial obligations and current maturities of long-term loans		338.688	584.220
	EUR,		
Short-term loans abroad	USD	605.216	492.210
Total		2.525.103	2.564.443

Short term RSD loans and loans with a FCY clause from local banks are predominated by EP Visokogradnja (741.250 thousand RSD), EP Niskogradnja (554.789 thousand RSD) and other.

Other short-term liabilities and current maturities of long-term loans and financial lease relate to EP Holding (109.185 thousand RSD), EP Niskogradnja (142.998 thousand RSD), EP Visokogradnja (35.749 thousand RSD). **Liabilities related to short-term loans in other countries** refer mostly to foreign units of EP Niskogradnja (563.212 thousand RSD).

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35. LIABILITIES FROM OPERATIONS

Liabilities from business operations include:

	30.06.2012.	31.12.2011.
	(RSD 000)	(RSD 000)
<u>Liabilities from business operations</u>		
Received advances, deposits and caution money	3,489,134	4,128,789
Trade payables - domestic	881,266	1,052,609
Trade payables - foreign	2,039,543	1,646,502
Other liabilities from business operations	77,588	37,145
Total	6,487,531	6,865,045
<u>Liabilities from specific operations</u>	682,633	745,098
Total	7,170,164	7,610,143

Received advance payments relate mostly to the following companies of Energoprojekt Group:

- EP Visokogradnja (1.162.831 thousand RSD) – include mostly advance payments from investors in foreign countries.
- EP Oprema (1.232.828 thousand RSD) and
- EP Niskogradnja (946.216 thousand RSD).

Obligations to suppliers in the country and abroad relate mostly to EP Niskogradnja, EP Visokogradnja and EP Oprema.

Liabilities from specific operations relate mostly to EP Industrija (371.152 thousand RSD), EP Visokogradnja (202.874 thousand RSD) and EP Entel.

36. OTHER SHORT TERM LIABILITIES

	30.06.2012.	31.12.2011.
	(RSD 000)	(RSD 000)
Salaries and emoluments	791.470	922.496
Dividends	88.466	40.091
Other liabilities	90.184	88.662
Total	970.120	1.051.249

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37. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS

	30.06.2012 (RSD 000)	31.12.2011 (RSD 000)
VAT and other public liabilities	224.985	617.581
Accruals	445.056	814.130
Total	670.041	1.431.711

In the balance sheet, the item **Accruals** predominantly includes the following companies:

- EP Garant (188.648 thousand RSD for transferable non-life insurance premiums, coinsurance premiums, liability provisions and other accruals.
- EP Niskogradnja (139.466 thousand RSD) and
- EP Oprema (97.051 thousand RSD).

38. COMMITMENT AND CONTINGENCIES

There are a number of ongoing lawsuits against members of Energoprojekt Group, Belgrade the most prominent being the one filed by the now bankrupt GP Rad against a number of companies from the Energoprojekt Group as the legal successors of the now defunct RO Izgradnja (Construction).

Since the final outcome of these legal proceedings is uncertain, the impact on the companies' financial position cannot be reliably predicted. Based on the opinion of the professional department, the management believes that there is no real risk of these lawsuits causing severe financial expenditure for the company, and therefore no provisions were made for potential losses in this respect.

The list of most significant lawsuits is enclosed.

39. OFF-BALANCE SHEET ITEMS

The Group's off-balance assets and liabilities totaling 10.584.323 thousand RSD mostly relate to guarantees issued and received (advances, performance bonds) and land use rights.

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40. MORTGAGES REGISTERED IN FAVOR OR AGAINST COMPANIES FROM THE ENERGOPROJEKT GROUP

The subsidiary “Energoprojekt Entel” LLC Doha, Qatar reserves the disposal and usufruct right with regard to the property of total area of 4.488 m², located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10.736 m², in Doha - Qatar, Zone 44, East Al Naija, Al Mumtaza Street Doha Qatar, registered owner is a local private individual.

The owner has mortgaged the property in the “Doha bank” according to the contract no. 52973 as collateral for issuing a tender guarantee and a performance guarantee in favor of Energoprojekt Entel Doha.

The following table shows mortgages registered against EP Niskogradnja:

Property	m ²	Book value	Book value	Estimated value	Estimated value
		u USD	u 000 RSD	u USD	u 000 RSD
Land „Santa Clara“, Lima, Peru	20.515,95	232.265	21.403	8.186.510	754.367
Warehouse “Santa Clara”, Lima, Peru	792,35	279.104	25.719		
Business premises 16.-18 th floor, Lima, Peru	427,73	155.698	14.347	617.815	56.930
Building Cruz Del Sur, Lima, Peru	3.229,84	2.654.853	244.638	4.906.678	452.139
Total	24.966	3.321.920	306.107	13.711.003	1.263.436
Mortgage 49,35%				6.766.243	623.493

In order to secure a credit line approved by Scotiabank Peru EP Niskogradnja mortgaged its property for the sum of 623.493 thousand RSD which accounts for 49.35% of the total appraised value of the mortgaged property. Value assessment was performed by authorized valuers of the Scotiabank.

To secure the repayment of the loan pursuant to contract no. 423/367, in the amount of 137.500 EUR, granted by EP Holding by Enjub d.o.o, the extrajudicial mortgage for the entire loan amount was registered for apartments in Jurija Gagarina 91A, second and third floor, cadastral plot no. 5089/9, cadastral municipality Novi Beograd, registered in the registry of immovable property no. 4550, cadastral municipality Novi Beograd in favour of the Company.

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Loans with banks are secured by a lien on Energoplast's land and buildings (present value on 30/06/2012 was 90.442 thousand RSD) and lien on facilities and equipment (present value on 30/06/2012 was 40.496 thousand RSD).

EP Energodata's loans with banks are secured by a mortgage on the investment property in Palmira Toljatija 5 (present value on 30/06/2012 was 92.057 thousand RSD).

41. POST BALANCE SHEET EVENTS

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

ENERGOPROJEKT HOLDING a.d.**Sector for Legal Representation****Belgrade, July 6, 2012****Report on pending court proceedings in which Energoprojekt Holding a.d. is the claimant or the defending party, until June 30, 2012****ENERGOPROJEKT HOLDING a.d.**

No	Claimant	Defendant	Reg. entry No.	Case No.	File Records No.	Legal Cause and Amount Claimed	Court Jurisdiction	Progress So Far
1	Directorate for Construction Land	EP Holding a.d.		P. 3114 /97		Compensation for Hayat, RSD 15,459,728.80	Commercial Court in Belgrade	Outcome cannot be predicted
2	EP Holding a.d., Visokogradnja a.d. and Construction Company Napred	The City of Belgrade, Republic of Serbia, Belgrade Arena, Directorate for Construction Land				A portion of debt owed to EP Holding and Visokogradnja, of USD 8,399,218.81	Commercial Court in Belgrade	Case won
3	EP Oprema a.d. – Holding a.d.	Belgrade Arena		XI-P.746/03		Debt of RSD 4,817,705.05	Commercial Court in Belgrade	Admissible claim
4	Radomir Banjac	EP Holding a.d.			XXXVI- P1. 1204/09	Damage compensation – mobbing, of RSD 4,400,000.00	1 st Basic Court	Inadmissible claim
5	Milan Raonic	EP Holding, EP Visokogradnja and EP Urbanizam i arhitektura a.d.		P.66/08		Copyright infringement, RSD 7,000,000.00	Higher Court in Belgrade	Outcome cannot be predicted
6	EP Holding a.d. and EP Oprema a.d.	Municipality of Medvedja				Damage compensation of RSD 120,000,000.00	Commercial Court in Leskovac	Admissible claim

Ljiljana Gnjatovic, Bachelor of Laws (own signature)

ENERGOPROJEKT HOLDING a.d.**Sector for Legal Representation****Belgrade, July 6, 2012****Report on pending court proceedings in which Energoprojekt Visokogradnja a.d. (Joint Stock Company) is the claimant or the defending party, until June 30, 2012****ENERGOPROJEKT VISOKOGRADNJA a.d.**

No.	Claimant	Defendant	Legal Cause and Amount Claimed	Currently collected/owed	Court of Relevant Jurisdiction	Expected Court Decision/Settlement date	Progress So Far
1	Astra Banka a.d. in bankruptcy procedure	EP Visokogradnja a.d.	Credit Agreements (Foreign currency amounts exchanged using speculative dealing practices)	RSD 40,000,000.00	Commercial Court in Belgrade	2013	Inadmissible claim
2	Telektra d.o.o.	EP Visokogradnja a.d.	Progress reports from the construction site Prokop	RSD 8,434,312.53	Commercial Court in Belgrade	2013	Decision of the court of 1 st instance has been passed (claimant's claim has been partially accepted – defaulting interest from the action initiation date to the enforcement proposal submission date)
3	EP Visokogradnja a.d.	Jugobanka	Claims officially recorded	USD 5,000,000.00	Commercial Court in Belgrade		Admissible claim, bank account frozen in New York
4	EP Visokogradnja a.d.	Beobanka	Claims officially recorded	USD 1,031,053.82	Commercial Court in Belgrade		Admissible claim, bank account frozen in New York
5	EP Visokogradnja a.d. EP Holding a.d.	Banex Trade in bankruptcy procedure	Debt	GBP 800,203.44, of which RSD 8,478,580.25 has so far been collected	Commercial Court in Belgrade		Admissible claim, judgment partially collected, court case won

6	Vasic Milorad	EP Visokogradnja a.d.	Penalty for default and lost profit	RSD 260,087,093.51	Higher Court in Belgrade	2013	Partially admissible claim
7	EP Visokogradnja a.d.	Beocvor and Zeleznica Srbije (Serbian Railroad Company)	Debt as per individual progress reports	RSD 407,301,027.93	Commercial Court in Belgrade		Admissible claim , court procedure suspended until the final settlement installment has been paid
8	Construction Company Rad in bankruptcy procedure	EP Visokogradnja a.d. EP Niskogradnja a.d.	Collection pursuant to Agreement	USD 2,250,188.60	Commercial Court in Belgrade	2012	Admissible claim
9	Romic Vesa	EP Visokogradnja a.d.	Debt		Commercial Court in Belgrade		Inadmissible claim
	EP Visokogradnja a.d.	Romic Vesa	Counterclaim by EP Visokogradnja a.d. to collect the amount paid	RSD 35,301,780.38		2012	Admissible claim, proposal for enforcement has been submitted
10	EP Holding a.d. and EP Visokogradnja a.d.	Belim a.d.	Debt pursuant to agreement on settlement	USD 612,000.00	Commercial Court in Belgrade		Admissible claim
11	EP Holding a.d., EP Visokogradnja a.d. and Construction Company Napred	The City of Belgrade, Republic of Serbia, Belgrade Arena, Directorate for Construction Land	Debt	USD 17,549,287.81	Commercial Court in Belgrade	2013	Admissible claim
12	EP Visokogradnja a.d.	Astra Bank in bankruptcy procedure	Debt amount is to be specified	USD 396,944.99	Commercial Court in Belgrade		Admissible claim, collection cannot be foreseen

Sector for Legal Representation

Ljiljana Gnjatovic, Bachelor of Laws (own signature)

ENERGOPROJEKT HOLDING a.d.**Sector for Legal Representation****Belgrade, July 6, 2012****Report on pending court proceedings in which Energoprojekt Niskogradnja a.d. (Joint Stock Company) is the claimant or the defending party, until June 30, 2012****ENERGOPROJEKT NISKOGRADNJA a.d.**

No.	Claimant	Defendant	Legal Cause and Amount Claimed	Court Jurisdiction	Progress So Far
1	EP Niskogradnja	Internacional CG in restructuring process	Debt of RSD 182,056.00	Commercial Court in Belgrade	Res Judicata, our motion granted
2	Dunav Osiguranje (Dunav Insurance Company)	EP Niskogradnja a.d.	Counterclaim, for RSD 278,230.00	Commercial Court in Belgrade	Outcome unpredictable, court proceeding suspended until a criminal case is decided
3	Vitimir Cupovic	EP Niskogradnja a.d.	Compensation of damage for injury at work of RSD 725.000,00	1 st Basic Court in Belgrade	Court of 1 st instance dismissed the claim
4	Republic of Serbia Fund for Pension and Disability Insurance, Branch Office Belgrade	EP Niskogradnja a.d.	Damage compensation of RSD 419,600.00	Commercial Court in Belgrade	Proceedings suspended until a criminal case is decided
5	Dusan Tanic	EP Niskogradnja a.d.	Decision annulment	1 st Basic Court in Belgrade	Outcome cannot be predicted, decision on judicial action withdrawal
6	Ejub Hamzagic	EP Niskogradnja a.d.	Decision annulment	Appellate Court	Outcome cannot be predicted
7	Republic Institute for Health Insurance, Branch Office Belgrade	EP Niskogradnja a.d.	Damage compensation of RSD 468.345,00	Commercial Court in Belgrade	Outcome cannot be predicted
8	Gordana and Veselin Medenica	EP Niskogradnja a.d.	Damage compensation of RSD 3.200.000,00 for injury at work	1 st Basic Court in Belgrade	Outcome cannot be predicted
9	Aleksic Mirjana	EP Niskogradnja a.d.	Damage compensation of RSD 500,000.00	1 st Basic Court in Belgrade	Outcome cannot be predicted

10	Dunav Osiguranje (Dunav Insurance Company)	1. D. Nikolic 2. EP Niskogradnja a.d.	Counterclaim for the amount of RSD 2,500.00	Commercial Court in Belgrade	Claimant's success in this action is certain
11	EP Niskogradnja a.d.	Media max d.o.o.	Debt – RSD 456,540.79	Commercial Court in Belgrade	Admissible claim
12	Neskovic and others	EP Niskogradnja a.d.	Bonuses payment, of USD 81,317.14	1 st Basic Court	Outcome cannot be predicted
13	Marinkovic Vladimir	EP Niskogradnja a.d.	Bonuses payment, of USD 46,000.00	1 st Basic Court	Court of 1 st instance dismissed the claim, appeal against this decision
14	Gacic and others	EP Niskogradnja a.d.	Bonuses payment, of USD 50,028.00	1 st Basic Court	Outcome cannot be predicted
15	Mutapovic Danica	EP Niskogradnja a.d.	Bonuses payment, of USD 22,971.54	1 st Basic Court	Appeal against the decision
16	EP Niskogradnja a.d.	Intermost d.o.o. in liquidation procedure	Claim amount is being calculated, RSD 378,000,000.00	Commercial Court	Court proceeding before the court of 1 st instance – expert court assessment in process
17	Intermost doo in liquidation	EP Niskogradnja a.d.	Counterclaim for payments of RSD 189,827,985.02 and RSD 3,040,766.66	Commercial Court	Court proceeding before the court of 1 st instance – expert court assessment in process, inadmissible claim
18	EP Niskogradnja a.d. and JIK Banka a.d. in liquidation	Privredna Banka Sarajevo	Collection of guarantees for regular advance repayment pursuant to the Annex V to the Agreement on Works in Yemen, for USD 1,400,000.00	Basic Court in Sarajevo	Court proceeding before the court of 1 st instance
19	EP Niskogradnja a.d. and JIK Banka a.d. in liquidation	Privredna Banka Sarajevo	Collection of guarantees for regular advance repayment pursuant to the Annex V to the Agreement on Works in Yemen, for USD 2,576,674.10 and YER 7,324,771.94	Basic Court in Sarajevo	Court proceeding before the court of 1 st instance
20	EP Niskogradnja a.d. and JIK Banka a.d. in liquidation	Privredna Banka Sarajevo	Collection of guarantees for quality performance in Yemen, of YER 21,802,279.99	Basic Court in Sarajevo	Court proceeding before the court of 1 st instance
21	EP Niskogradnja a.d.	JIK Banka a.d. in	Claim amount to be calculated,	Commercial Court in	Admissible claim

		bankruptcy procedure	assessment of the company in liquidation procedure is in progress, USD 218,000.00	Belgrade	
22	EP Niskogradnja a.d.	Jugobanka a.d. and branch office of the Jugobanka New York Agency	Claims from the bankrupt company to be made for: - USD 455,877.88 with domicile interest for the period 03/01/2002 to the date of payment, - USD 800.00 with domicile interest for the period from 03/01/2002 to the date of payment, - RSD 12,055,133.05 for default interest from 03/01/2002 to the date of payment, - RSD 5,188.48 for default interest from 03/01/2002 to the payment date	Commercial Court in Belgrade	Admissible claim
23	EP Niskogradnja a.d.	Beogradska Banka a.d. and branch office of the Beogradska Banka New York Agency	Application for debt collection from the bankrupt company: - USD 4,546.10 with domicile interest as of 03/01/2002 until the payment date, - RSD 16,278516.61 with defaulting on payment of the default interest as of 03/01/2002	Commercial Court in Belgrade	Admissible claim
24	Construction Company RAD in bankruptcy procedure	EP Visokogradnja a.d., EP Niskogradnja a.d., EPO, Promet d.o.o.	Claims based on the Agreement on Works in Al Shamal, Iraq, USD 36,423,823.14	Commercial Court in Belgrade	Court proceeding before the court of 1 st instance (construction works performed by EP VISKOKOGRADNJA a.d.)
25	Bosna putevi Sarajevo	EP Niskogradnja a.d.	Debt amounting to USD 17,604,299.00 based on the report on performed works and return of mechanization for works on the SANA HODEIDA road reconstruction in Yemen	Commercial Court in Belgrade	Inadmissible claim
26	Bosna putevi Sarajevo	1. SDK 2. EP Niskogradnja a.d.	Ban on acceptance orders collection – advance payment has not been repaid back pursuant to the Annex 5 of the Agreement on Works in Yemen, USD 1,404,088.00	Basic Court in Sarajevo	Inadmissible claim

Sector for Legal Representation
Ljiljana Gnjatovic, Bachelor of Laws (own signature)

ATTORNEY AT LAW**Dragutin Bogicevic****Belgrade, Kicevska 15****Belgrade, July 6, 2012****Report on pending court proceedings in which Energoprojekt Oprema a.d. (Joint Stock Company) is the claimant or the defending party, until July 6, 2012****ENERGOPROJEKT OPREMA a.d.**

No.	Claimant	Defending Party	Cause	Amount	Court of relevant jurisdiction	Expected completion deadline	Forecast/expected outcome
1	EP Oprema a.d.	DGP Zlatibor	Payment for works performed	RSD 42,000,000.00	Commercial Court in Belgrade	Completed	Admissible claim, collection is difficult owing to the fact that the debtor is bankrupt
2	EP Oprema a.d.	Construction Company Rad in bankruptcy procedure	Works performed for Hayatt	USD 2,500,000.00	Commercial Court in Belgrade	2012	
3	EP Oprema a.d.	Graditelj Leskovac Company	Works performed pursuant to Agreement	RSD 71,129,042.82	Commercial Court in Leskovac	Completed	Admissible claim, collection is difficult owing to the fact that the debtor is bankrupt
4	EP Oprema a.d. and EP Holding a.d.	Municipality of Medvedja	Repayment of money that was given to the Municipality	RSD 120,000,000.00	Commercial Court in Leskovac		
5	EP Oprema a.d.	Zoran Petrovic	Debt	RSD 154,435.50	1 st Basic Court in Belgrade	Completed	Out-of-court settlement completed (amicable agreement)

6	EP Oprema a.d.	Clinical Centre Serbia	Amount owed for works performed	EUR 255,544.13	Commercial Court in Belgrade	2013	Admissible claim
7	EP Oprema a.d.	Nemanja Ivovic	Illegal gain	RSD 64,400.50	1 st Basic Court in Belgrade	2013	Admissible claim
8	Zastava Automobili company	EP Oprema a.d.	Agreement implementation		Commercial Court in Kragujevac	2012	Inadmissible claim
9	Branka Mihajlovic	EP Oprema a.d. and Public Company ELEKTROMREZE	Damage compensation	RSD 200,000.00	Basic Court	2012	Admissible claim, court expert's report admitted. Res judicata in favour of the Claimant.
10	Vodovod Leskovac (Water Supply Company in Leskovac)	EP Oprema a.d.	Agreement Termination	RSD 92,000,000.00	Commercial Court in Leskovac		Partially admissible claim
11	EP Oprema a.d.	Belgrade Arena	Damage compensation	RSD 4,817,705.00	Commercial Court in Belgrade		Admissible claim
12	Sinisa Tekic	EP Oprema a.d.	Damage compensation	160,254.00	1 st Basic Court in Belgrade	2012	Inadmissible claim
13	Milorad Stanojkovic	EP Oprema a.d. and Public Company ELEKTROMREZE	Damage compensation	RSD 10,000.00		2012	Inadmissible claim

14	Milan Ilic and Nenad Babic	EP Oprema a.d.	Injury at work	RSD 4,200,000.00	1 st Basic Court in Belgrade	2012	Partially admissible claim. The Court of first jurisdiction ruled in favour of EP Oprema a.d. – Claimants' claims assessed as inadmissible; Claimants have appealed against the Court's Decision, the Court of second jurisdiction is currently deciding upon this appeal.
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(Own signature and official stamp)

ATTORNEY AT LAW,

Bogicevic S. Dragutin

Belgrade, 15 Kicevska Street

ENERGOPROJEKT HIDROINZENJERING A.D.

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA AND IN OTHER COUNTRIES

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA

No.	Claimant	Defending party	Cause	Amount	Court of relevant jurisdiction	Expected completion deadline	Forecast / expected outcome
1	EP Hidroinzenjering	Relja Orlic	Damage compensation for breach of restraint of competition	Principal debt USD 40,000 or RSD 2,987,104	1 st Basic Court in Belgrade	Request for Court Decision revision rejected for formal reasons, appeal for protection of Constitutional rights protection shall be made	Inauspicious outcome
2	Relja Orlic	EP Hidroinzenjering	Income payment	USD 7,144 or RSD 533,497	1 st Basic Court in Belgrade	Court proceeding has been suspended due to the revision appeal (see cell above)	Outcome cannot be predicted
3	EP Hidroinzenjering	PONTA d.o.o. (Ltd.)	Unpaid debt collection	RSD 1,942,816	1 st Basic Court in Belgrade	Decision by the Court of 1 st instance reached in favour of EP Hidroinzenjering. Appeal has been made. By the end of 2012	Favorable outcome
4	EP Hidroinzenjering	Coka Municipality (investor) Capital Investments Fund of the Province of Vojvodina (investor)	Unpaid debt collection	RSD 2,384,304 and RSD 45,912	1 st Basic Court in Novi Sad	Decision by the Court of 1 st instance by the end of 2012	Favorable outcome

5	Coka Municipality	EP Hidroinzenjering	Counterclaim for agreement termination		1 st Basic Court in Novi Sad	Decision by the Court of 1 st instance by the end of 2012	Favorable outcome
6	S. Stojic	EP Hidroinzenjering	Unpaid foreign currency income	USD 6,466 or RSD 482,865	1 st Basic Court in Belgrade	Appeal proceeding initiated by Claimant S. Stojic is in progress, end of 2012	Favorable outcome
7	M. Djordjevic	EP Hidroinzenjering	Cancellation of Labor Agreement Annex in which minimum income is specified to Claimant	No damage compensation amount has been specified	1 st Basic Court in Belgrade	Appeal proceeding initiated by Claimant M. Djordjevic is in progress, end of 2012	Favorable outcome
8	P. Stanisic and J. Blagojevic	EP Hidroinzenjering	Annulment of Decision of the Commission for apartment allocation	Non-monetary claim	1 st Basic Court in Belgrade	Decision by the Court of 1 st instance by the end of 2012	Outcome cannot be predicted
9	M. Bojic	EP Hidroinzenjering	Claims of unpaid foreign currency income and food allowances	USD 8,340 or RSD 622,811	1 st Basic Court in Belgrade	Decision by the Court of 1 st instance by the end of 2012	Outcome cannot be predicted
10	LJ. Selenic	EP Hidroinzenjering as the second defending party	Damage compensation for damage caused to movable property during forcible removal	Principal debt amounting to RSD 950,000.00	1 st Basic Court in Belgrade	Decision by the Court of 1 st instance by the end of 2012	Favorable outcome

(Own signature)

Vesna Lakovic

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN OTHER COUNTRIES (IC, IZ)

No.	Claimant	Defending party	Cause	Amount	Court of relevant jurisdiction	Expected completion deadline	Forecast / expected outcome
1							
2							
3							
4							
5							

(Own signature)

Vesna Lakovic

ENERGOPROJEKT ENERGODATA a.d.

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA AND IN OTHER COUNTRIES

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA

No.	Claimant	Defendant	Legal Cause	Amount Claimed	Court of relevant jurisdiction	Expected completion deadline	Forecast / expected outcome
1	EP Energodata a.d.	Sipad komerc Company	Failure to pay for services rendered	258,585.20 + default interest	Commercial Court	Forced collection in progress, the Defendant's bank accounts have been frozen	The defendant's account has been frozen, so it is now impossible to predict the outcome
2	EP Energodata a.d.	Specijalna bolnica za srce i krvne sudove (Special Hospital for Cardiac Conditions) Ostrog	Failure to pay for the goods delivered and services rendered	244,665.80 + default interest	Commercial Court	Completed.	Favourable outcome
3	EP Energodata a.d.	Production and trade company "Stari Merkator" d.o.o. (Ltd.)	Illegal use of garage facilities	0	Commercial Court	Decision by the Court of 1 st instance has been received.	Inauspicious outcome

AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN OTHER COUNTRIES (IC, IZ)

No.	Claimant	Defendant	Legal Cause	Amount Claimed	Court of relevant jurisdiction	Expected completion deadline	Forecast / expected outcome

(Own signature)

Vesna Lakovic

ENERGOPROJEKT URBANIZAM I ARHITEKTURA a.d.**AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA AND IN OTHER COUNTRIES****AN OVERVIEW OF THE MOST IMPORTANT COURT PROCEEDINGS IN SERBIA**

No.	Claimant	Defendant	Legal Cause	Amount Claimed	Court Jurisdiction	Expected completion deadline	Forecast / expected outcome
1	Vladimir Markovic	EP Urbanizam i arhitektura a.d.	Action personal over foreign currency income payment	USD 10,174.80	1 st Basic Court in Belgrade	Outcome unpredictable	Admissible claim
2	Branko Lakicevic, Vladimir Peric, Danica Pantic, Ivan Pantic	EP Urbanizam i arhitektura a.d.	Action personal over foreign currency income payment	87,678.09 plus court proceedings costs of RSD 2,000,000.00	1 st Basic Court in Belgrade	Outcome unpredictable	Admissible claim, according to our opinion, the case has become outdated
3	Milan Raonic	EP Urbanizam i arhitektura a.d.	Action personal over annual vacation pay and difference in income paid and agreed	RSD 322,688.89	Appellate Court in Belgrade	Outcome unpredictable	Claim dismissed before court of original jurisdiction
4	Novica Veljkovic	EP Urbanizam i arhitektura a.d.	Annulment of the Annex III of the Labour Agreement	RSD 88.425, 53 plus default interest	Appellate Court in Belgrade	Outcome unpredictable	Outcome unpredictable
5	Novica Veljkovic	EP Urbanizam i arhitektura a.d.	Annulment of the Annex IV of the Labour Agreement		Appellate Court in Belgrade	Outcome unpredictable	Outcome unpredictable
6	Miroslav Stefanovic	EP Urbanizam i arhitektura a.d.	Difference in income paid and agreed	RSD 189,286.00 and accompanying costs of RSD 62,500.00	Appellate Court in Belgrade	Outcome unpredictable	Claim is admissible

7	Sanja Topolovacki	EP Urbanizam i arhitektura a.d.	Action personal over income payment of	RSD 83,000.00	Out-of-court settlement has been concluded, agreement execution in progress		Claim is admissible
8	Milan Raonic	EP Holding, VG and Urbanizam i arhitektura	Damage compensation	RSD 7,000,000.00	Higher Court in Belgrade	Outcome unpredictable	Outcome unpredictable
9	Ljiljana Bakic	EP Urbanizam i arhitektura a.d.	Action personal over pension and disability contributions and damage compensation	RSD 2,657,011.92.	Out-of-court settlement has been concluded, agreement execution in progress		
10	Dragoljub Bakic	EP Urbanizam i arhitektura a.d.	over pension and disability contributions and damage compensation	RSD 2,829,013.11	Out-of-court settlement has been concluded, agreement execution in progress		
11	EP Urbanizam i arhitektura a.d.	Miodrag Cvijic	Debt of RSD 1,523,072.42	RSD 1,523,072.42	1 st Basic Court in Belgrade	Outcome unpredictable	Admissible claim, forced execution in progress
12	Tamara Vukadinovic	EP Urbanizam i arhitektura a.d.	Annulment of Decision on dismissal of the Labour Agreement	RSD 50,000.00	1 st Basic Court in Belgrade	Outcome unpredictable	Outcome unpredictable
13	Jelena Davidovic	EP Urbanizam i arhitektura a.d.	Annulment of Decision on dismissal of the Labour Agreement	RSD 87,666.66	1 st Basic Court in Belgrade	Outcome unpredictable	Outcome unpredictable

Ljiljana Gnjatovic (own signature)

2. BUSINESS REPORT

- Reliable presentation of the development and business results of the company, its financial status and property assessment;
 - Description of the anticipated company growth in the next time period, changes in company's business policies and main risks and threats to which the company is exposed;
 - Major business events after the expiration of the business year included in the report;
 - Major business deals with related parties;
 - Activities of the company in the field of research and development;
-

Reliable presentation of the development and business results of the company, its financial status and property assessment

Reliable presentation of the development and business results of the Energoprojekt Group, its financial status and assets evaluation data are presented in detail and explained in the "Notes to financial statements" (see Chapter 1 of the respective report).

The description of the anticipated development of the company in the next time period, changes in business policies of the company and main risks and threats to which the company is exposed

The anticipated development of the Energoprojekt Group in the next time period will be achieved according to the following adopted strategic documents:

- *„The mid-term (4-year) programme of Energoprojekt Holding a.d. business policy and the Energoprojekt Group for the period from 2011 till 2015“* (adopted at the XXXVI Annual General Meeting of Energoprojekt Holding plc. shareholders, held on 30.06.2011);
- *"The programme for the implementation of the business policy of Energoprojekt Holding a.d. and Energoprojekt Group for the period from 2011 till 2015"* adopted by a resolution passed at the XXXVI Annual General Meeting of Energoprojekt Holding plc. shareholders (adopted at the Second Meeting of the Board of Directors of Energoprojekt Holding a.d. held on 29.07.2011, on proposal of the General Manager). The adopted mid-term work programme will be implemented through a variety of projects (in total 18 projects) for which respective work teams are formed and project activities dynamics have been defined;
- *„Basic business guidelines of the Energoprojekt Group“ in the following mandate period* (adopted at the second meeting of the Supervisory Board of Energoprojekt Holding plc. held on 23.03.2012, on proposal of the General Manager). In the context of adopted strategic documents and commenced development activities and considering the necessary time for the implementation of reforms, the Supervisory Board has accepted the respective strategy proposal of the General Manager for the next time period (Fiscal Consolidation and Ownership Strategy, Dividend Strategy, Human Resources Management Strategy and HR Development in the Energoprojekt Group, Business Area and Market Strategy, Quality System Development Strategy, Risk Management Strategy and Own Investments Strategy).

The most important threats and dangers to which the company is exposed: expansion and escalation of the global economic crisis and the eurozone crisis; foreign companies from most populated countries with cheap manpower as competition; foreign competition with access to cheaper financing; institutional changes on the local and selected foreign markets; business

operations depend on the political stability of the market where Energoprojekt is implementing projects, etc.

Energoprojekt's business activities in the country and at foreign markets require the implementation of a system for early risks identification and management as an integral part of all executive functions, one of the basic functions being the internal audit of the company. The risk management strategy will be developed in-depth and systematically in the next time period.

Major business events after the expiration of the business year included in the report

There were no major business events from the balance sheet date till the publication date of the respective statement that would influence the credibility of the presented financial statements.

For the purpose of harmonization of operations with the "Companies Law", a new Articles of Association of Energoprojekt Holding plc. and Rules of Procedure were adopted at the XXXVII Extraordinary Meeting of Energoprojekt Holding plc. shareholders, held on 12.01.2012. At the XXXVIII Extraordinary Meeting of Energoprojekt Holding plc. shareholders, held on 16.03.2012, a new Supervisory Board of Energoprojekt Holding plc. was elected. At the Second Meeting of the Supervisory Board, held on 23.03.2012, the General Manager and the new Executive Board of Energoprojekt Holding plc. were elected (4-year mandate). On 18.04.2012 Energoprojekt Holding a.d. was registered in the Serbian Business Registers Agency.

At the XXXIX repeated General Meeting of Energoprojekt Holding plc. shareholders, held on 29/06/2012, the following relevant Resolutions were adopted: Resolution to adopt the annual consolidated statement of Energoprojekt group for 2011; Resolution to adopt the annual statement of Energoprojekt Holding plc. for 2011; Resolution to distribute annual profit of Energoprojekt Holding plc. for 2011; Resolution to issue ordinary shares, X issue without public offering for the purpose of converting undistributed profit to equity; Resolution to adopt the report of the Supervisory Board of Energoprojekt Holding plc. and Resolution on the appointment of auditors and their service fee. Other companies within the Energoprojekt Group have held regular general meetings of shareholders within the legal deadline.

Relevant business news on major events are published, on a regular basis, on the website of Energoprojekt (<http://www.energoprojekt.rs>) and the Belgrade Stock Exchange (in Serbian and English language), in keeping with the obligations of Prime-listed companies on the Belgrade Stock Exchange.

Major transactions with related parties

Three companies included in the Energoprojekt Group (Energoprojekt Oprema plc., Energoprojekt Visokogradnja plc. and Energoprojekt Industrija plc.) are involved in the realization of the project for the performance of works on a section of the smelter within the

scope of the RTB Bor project for the reconstruction of the smelter and construction of a new sulfuric acid factory in Bor.

In the second half of December 2011, a contract was signed between Energoprojekt Oprema plc. (officially the leading company for Energoprojekt projects – including works performed by Energoprojekt Oprema, Energoprojekt Visokogradnja and Energoprojekt Industrija) and the Finnish company OUTOTEC Finland (supplier of the technology for the smelter for the performance of works on a section of the smelter. Contract price to be paid to Energoprojekt is 24,9 million euros. Deadline for the completion of the project is December 2013.

Within the scope of the same project, Energoprojekt signed in September 2011 the contract for the construction of a new sulfuric acid factory in cooperation with the Canadian company SNC Lavalin, contract price 28,3 million euros and Energoprojekt Industrija a.d. signed a special agreement with RTB Bor for additional 0,4 million euros.

Energoprojekt Entel plc. (as a leader in the consortium of domestic companies including Energoprojekt Oprema plc) and the Public Company "Electric Power Industry of Serbia" Power Plants and Mines Kostolac in Kostolac, signed, at the beginning of June 2010, a very important agreement: "Adaptation of the block 2 TPP Kostolac B with electric filter reconstruction". The value of the contract is ca. 53 million euros. The project timeline is harmonized with the financing schedule.

Research and development activities of the Company

A quality management system will be developed in the following period in accordance with adopted strategic orientations. The goal is to unify key procedures in quality management within the group of design and consulting companies and the group of construction BSc(Eng)ing companies and to perform business certification in the Energoprojekt Group.

During the mid-term period, an appropriate business information system will be selected and implemented, a system that corresponds to the actual scope of business activities and planned business growth and that will enable, beside financial management, also personnel management, asset management and fixed assets management. The selection and implementation of the respective information system as well as the respective training will be completed till the end of the mid-term period.

Own investments of Energoprojekt and related parties in previous years were limited to investments in construction works (residential and business buildings), for sales on the market. The law on public-private partnership and increased interest in investments related to some sectors such as energy sector, acquisition of other companies, etc. imposes the need to develop methods for the identification of potential investments as well as identification of possible effects on business activities of Energoprojekt Holding a.d. and the Energoprojekt Group.

3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORTS)

To the best of our knowledge, the Semi-Annual Consolidated Financial Statement of Energoprojekt Group for 2012 was prepared by implementing respective international standards for financial reporting and provides true and objective data on the assets, liabilities, financial status and business activities, profit and losses, cash flows and changes in equity capital of the company, including companies included in consolidated statements.

Pursuant to the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011), we hereby declare that respective financial statements have not been revised.

Person responsible for the preparation of the report:

Energoprojekt Holding p.l.c.

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding p.l.c.

General Manager

Vladimir Milovanović, BSc(Eng)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED STATEMENT OF ENERGOPROJEKT GROUP FOR 2012 *

Note *:

- The semi-annual consolidated statement of Energoprojekt Group for 2012 was approved and adopted on 13/08/2012 at the 21st Meeting of the Executive Committee of the reporting company.

In Belgrade, August 2012

Person responsible for the preparation of the report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding p.l.c.

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

General Manager

Energoprojekt Holding p.l.c.

Vladimir Milovanović, BSc(Eng)