

Quarterly report
Energoprojekt Holding plc.
3rd quarter 2014

Pursuant to Article 53 of the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011) and Article 5 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 plc from Belgrade, ID No: 07023014 publishes the following:**

QUARTERLY REPORT FOR THE THIRD QUARTER 2014

C O N T E N T S

1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE 3rd QUARTER 2014

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

2. BUSINESS REPORT

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

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE 3rd QUARTER 2014 * (Note)

**1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE
3rd QUARTER 2014 (Balance sheet, Income statement, Cash flow statement,
Statement of Changes in Equity, Notes to the Financial Statements)**

Reporting period:

from

01-01-14

until

30-09-14

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: **INDIVIDUAL**

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

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

Consolidation group:*

Head office:

Reg. No.:

Contact person: **DIMITRAKI ZIPOVSKI**

(name and surname of contact person)

Phone: **(011) 310 10 44**

Fax: **(011) 213 14 12**

E-mail: **d.zipovski@energoprojekt.rs**

Name and surname: **VLADIMIR MILOVANOVIC**

(authorized officer)

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

BALANCE SHEET

as at 30.09.2014

in RSD thousands

Description 1	ADP 2	Total	
		end of quarter current year 3	31-Dec previous year 4
ASSETS			
A. NON-CURRENT ASSETS (002 + 003 + 004 + 005 + 009)	001	7,408,259	7,474,258
I SUBSCRIBED CAPITAL, UNPAID	002		
II GOODWILL	003		
III INTANGIBLES	004	14,227	9,447
IV PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006 + 007 + 008)	005	1,196,248	1,200,049
1. Property, plant & equipment	006	592,531	596,332
2. Investment property	007	603,717	603,717
3. Natural assets	008		
V LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	6,197,784	6,264,762
1. Share of Capital	010	5,646,893	5,511,669
2. Other long-term financial investments	011	550,891	753,093
B. CURRENT ASSETS (013 + 014 + 015)	012	1,730,374	1,231,608
I. MATERIAL	013	25,525	58,255
II. ASSETS HELD FOR TRADING AND SUSPENDED BUSINESS ASSETS	014		
III SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016 + 017 + 018 + 019 + 020)	015	1,704,849	1,173,353
1. Receivables	016	544,182	417,894
2. Receivables from prepaid income tax	017	19,014	19,283
3. Short-term financial investments	018	399,579	407,690
4. Cash and cash equivalents	019	436,370	151,476
5. VAT and deferred income	020	305,704	177,010
C. DEFERRED TAX ASSETS	021		
D. BUSINESS PROPERTY (001 + 012 + 021)	022	9,138,633	8,705,866
E. LOSSES OVER CAPITAL	023		
F. TOTAL ASSETS (022 + 023)	024	9,138,633	8,705,866
G. OFF-BALANCE SHEET ASSETS	025	21,907,920	13,776,322
LIABILITIES			
A. CAPITAL (102+103+104+105+106-107+108-109-110)	101	8,299,524	8,054,188
I ORIGINAL CAPITAL	102	5,602,137	5,602,137
II SUBSCRIBED CAPITAL, UNPAID	103		
III RESERVES	104	1,735,366	1,735,366
IV REVALUATION RESERVES	105	52,910	52,910
V UNREALIZED GAINS FROM SECURITIES	106	910	
VI UNREALIZED LOSSES FROM SECURITIES	107	37,360	21,136
VII UNDISTRIBUTED PROFIT	108	945,561	684,911
VIII LOSSES	109		
IX REDEEMED TREASURY SHARES	110		
B. LONG-TERM PROVISIONS AND LIABILITIES (112 + 113 + 116)	111	816,967	629,536
I LONG-TERM PROVISIONS	112	264,215	265,055
II LONG-TERM COMMITMENTS (114 + 115)	113		16,667
1. Long-term loans	114		16,667
2. Other long-term commitments	115		
III SHORT-TERM COMMITMENTS (117 + 118 + 119 + 120 + 121 + 122)	116	552,752	347,814
1. Short-term financial commitments	117	72,901	229,798
2. Commitments for assets held for trading and suspended business assets	118		
3. Business commitments	119	44,715	82,986
4. Other short-term commitments and accruals	120	420,007	28,203
5. VAT and other public revenue, accruals	121	15,130	6,827
6. Corporate income tax	122		
C. DEFERRED TAX LIABILITIES	123	22,142	22,142
D. TOTAL LIABILITIES (101 + 111 + 123)	124	9,138,633	8,705,866
E. OFF-BALANCE SHEET LIABILITIES	125	21,907,920	13,776,322

P&L ACCOUNT

from 01.01.2014 until 30.09.2014

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	154,708	440,850	112,661	323,150
1. Sales revenue	202	147,108	419,013	100,015	295,876
2. Own use of products, services and merchandise	203	105	316	124	372
3. Increase of finished goods, WIP and services in progress	204				
4. Decrease of finished goods, WIP and services in progress	205				
5. Other business revenues	206	7,495	21,521	12,522	26,902
II. BUSINESS EXPENDITURE (208 to 212)	207	142,720	390,763	83,647	246,543
1. Cost of merchandise sold	208				
2. Cost of material	209	6,794	18,970	7,448	19,376
3. Costs of salaries, fringe benefits and other personal expenses	210	57,931	154,887	45,245	137,258
4. Costs of depreciation and provisions	211	2,482	7,320	2,539	7,869
5. Other business expenses	212	75,513	209,586	28,415	82,040
III BUSINESS PROFIT (201 - 207)	213	11,988	50,087	29,013	76,607
IV BUSINESS LOSSES (207 - 201)	214				
V FINANCIAL INCOME	215	62,245	639,725	44,101	346,997
VI FINANCIAL EXPENDITURE	216	4,837	18,360	27,149	17,017
VII OTHER INCOME	217	18	99	3,715	3,820
VIII OTHER EXPENDITURE	218	358	3,663	151	3,049
IX OPERATING REVENUE BEFORE TAX (213 - 214 + 215 - 216 + 217 - 218)	219	69,056	667,888	49,529	407,358
X OPERATING LOSSES BEFORE TAX (214 - 213 - 215 + 216 - 217 + 218)	220				
XI NET PROFIT FROM SUSPENDED OPERATIONS	221		7,767		
XII NET LOSSES FROM SUSPENDED OPERATIONS	222	27		169	652
B. PROFIT BEFORE TAX (219 - 220 + 221 - 222)	223	69,029	675,655	49,360	406,706
C. LOSSES BEFORE TAX (220 - 219 + 222 - 221)	224				
D. INCOME TAX					
1. Tax liabilities for the period	225	10,354	21,475	7,404	61,006
2. Deferred tax liabilities for the period	226				
3. Deferred tax income for the period	227				
E. Salaries paid to employer	228				
F. NET PROFIT (223 - 224 - 225 - 226 + 227 - 228)	229	58,675	654,180	41,956	345,700
G. NET LOSS (224 - 223 + 225 + 226 - 227 + 228)	230				
H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS	231				
I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS	232				
J. EARNINGS PER SHARE					
1. Basic earnings per share	233				
2. Diluted earnings per share	234				

CASH FLOW STATEMENT

from 01.01.2014 until 30.09.2014

in RSD thousands

Description	ADP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I Cash proceeds from operating activities (1 to 3)	301	365,534	330,634
1. Proceeds from sale and prepayments	302	350,701	330,159
2. Proceeds from received interest from operating activities	303		3
3. Other proceeds from operating activities	304	14,833	472
II Cash outflows from operating activities (1 to 5)	305	550,623	407,715
1. Suppliers and given prepayments	306	282,692	160,922
2. Salaries, fringe benefits and other staff expenses	307	156,877	150,385
3. Payment of interests	308	11,855	3,767
4. Payment of income taxes	309	21,210	36,504
5. Payment of other public revenue expenses	310	77,989	56,137
III Net cash receipts from operating activities (I-II)	311		
IV Net cash payments from operating activities (II-I)	312	185,089	77,081
B. CASH FLOW FROM INVESTING ACTIVITIES			
I Proceeds from investing activities (1 to 5)	313	800,586	144,553
1. Proceeds from sale of shares and equity (net receipts)	314		7,276
2. Proceeds from sale of intangibles, property, plant, equipment, and natural assets	315		
3. Other financial investments (net receipts)	316	263,633	
4. Proceeds from interests	317	4,479	7,359
5. Proceeds from dividends	318	532,474	129,918
II Cash outflow from investing activities (1 to 3)	319	158,552	20,365
1. Purchase of shares and equity (net payments)	320	152,902	2,513
2. Purchase of intangibles, property, plant, equipment, and natural assets	321	5,650	4,674
3. Other financial investments (net payments)	322		13,178
III Net cash receipts from investing activities (I-II)	323	642,034	124,188
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		
1. Increase in share capital	326		
2. Long term and short term loans (net receipts)	327		
3. Other long term and short term commitments	328		
II Cash payments from financing activities (1 до 4)	329	178,024	220,715
1. Purchase of treasury shares and equity	330		
2. Long term and short term loans and other liabilities (net payments)	331	178,023	220,516
3. Finance lease	332		171
4. Payment of dividends	333	1	28
III Net cash receipts from financing activities (I-II)	334		
IV Net cash payments from financing activities (II-I)	335	178,024	220,715
D. TOTAL CASH RECEIPTS (301 + 313 + 325)	336	1,166,119	475,186
E. TOTAL CASH PAYMENTS (305 + 319 + 329)	337	887,199	648,795
F. NET CASH RECEIPTS (336 - 337)	338	278,920	
G. NET CASH PAYMENTS (337 - 336)	339		173,609
H. CASH AT BEGINNING OF REPORTING PERIOD	340	151,459	333,972
I. EXCHANGE RATE GAINS FROM CASH TRANSLATION	341	5,990	
J. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	342		302
K. CASH AT END OF REPORTING PERIOD (338 - 339 + 340 + 341 - 342)	343	436,370	160,061

STATEMENT ON CHANGE IN EQUITY

from until

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	5,068,144	414	27,178	427		440	1,600,485	453	134,881	466	43,080	479	8,134	492	5,860	505	789,728	518		531		544	7,665,770	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		520		533		546		559	
Restated balance on 01-Jan previous year ____ (no. 1+2-3)	404	5,068,144	417	27,178	430		443	1,600,485	456	134,881	469	43,080	482	8,134	495	5,860	508	789,728	521		534		547	7,665,770	560	
Total increase in previous year	405	506,815	418		431		444		457		470	14,380	483		496	15,276	509	401,998	522		535		548	907,917	561	
Total decrease in previous year	406		419		432		445		458		471	4,550	484	8,134	497		510	506,815	523		536		549	519,499	562	
Balance on 31-Dec previous year ____ (no. 4+5-6)	407	5,574,959	420	27,178	433		446	1,600,485	459	134,881	472	52,910	485		498	21,136	511	684,911	524		537		550	8,054,188	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	5,574,959	423	27,178	436		449	1,600,485	462	134,881	475	52,910	488		501	21,136	514	684,911	527		540		553	8,054,188	566	
Total increase in current year	411		424		437		450		463		476		489	910	502	16,224	515	654,180	528		541		554	638,866	567	
Total decrease in current year	412		425		438		451		464		477		490		503		516	393,530	529		542		555	393,530	568	
Balance at end quarter current year ____ (no. 10+11-12)	413	5,574,959	426	27,178	439		452	1,600,485	465	134,881	478	52,910	491	910	504	37,360	517	945,561	530		543		556	8,299,524	569	

**NOTES TO THE
FINANCIAL STATEMENTS
AS AT 30.09.2014**

Belgrade, 2014

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

C O N T E N T

1. COMPANY BACKGROUND	4
2. MANAGEMENT STRUCTURE	6
3. OWNERSHIP STRUCTURE	6
4. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS	6
5. MANAGEMENT ESTIMATION AND ASSESSMENT	10
6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES	10

INCOME STATEMENT

7. Sales revenue	10
8. Own use of products, services and merchandise	11
9. Other business revenues	11
10. Cost of material	12
11. Costs of salaries, fringe benefits and other personal expenses	12
12. Costs of depreciation and provisions	13
13. Other business expenses	13
14. Financial income and financial expenditure	15
15. Other income and other expenditure, property adjustment value gains and property impairment costs	16
16. Net profit/losses from suspended operations	17

BALANCE SHEET

17. Intangibles	18
18. Property, plant and equipment and investment property	19
19. Share of Capital	20
20. Other long-term financial investments	21
21. Material	22
22. Receivables	22
23. Short-term financial investments	24
24. Cash and cash equivalents	25
25. VAT and deferred income	26
26. Original capital	26

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

27. Reserves	28
28. Re valuation reserves, unrealized gains/losses from securities	28
29. Undistributed profit	29
30. Long-term provisions	29
31. Long-term loans	30
32. Short-term financial commitments	31
33. Business commitments.....	32
34. Other short-term commitments and accruals	33
35. VAT and other public revenue, accruals	34
36. Deferred tax liabilities and deferred tax assets	34
37. Off-balance sheet liabilities.....	35
38. COMMITMENT AND CONTINGENCIES	35
39. POST BALANCE SHEET EVENTS	37

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

1. COMPANY BACKGROUND

Energoprojekt Holding plc, Belgrade (hereinafter: the Company) is a joint stock company, in mixed ownership, for holding operations.

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 36/2011 and 99/2012) based on the Resolution of Compliance with the Companies Law and the Memorandum of Association adopted by the General Meeting on 16/03/2012 and the Articles of Association adopted by the General Meeting on 12/01/2012.

In the process of harmonizing with the new Companies Law, the business information of Energoprojekt Holding plc with the Serbian Business Registers Agency was modified based on the Resolution of the Serbian Business Registers Agency BD 49189/2012, dated 18/04/2012, under which the Company's new Memorandum and Articles of Association, management bodies, members of the Executive Board and the Chairman and members of the Supervisory Board were registered.

By adopting and registering the Resolution on the compliance of the Memorandum of Association of Energoprojekt Holding plc with the Articles of Association of the Company adopted pursuant to provisions of the new Companies Law, the Resolution on compliance with the Companies Law and the Articles of Association of the Company from 2006 ceased to apply.

The Company is registered and re-registered in the Register kept by the Serbian Business Registers Agency, pursuant to the Decision BD 8020/2005 of 20/05/2005 from the Commercial Court of Belgrade with previous registration on the registry insert, number 1-2511-00.

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

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

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Basic data on the Company

<i>Head office</i>	Belgrade, Mihaila Pupina Boulevard 12
<i>Registration number</i>	07023014
<i>Registered business code and name of the activity</i>	6420 – holding company
<i>Tax registration number</i>	100001513

According to the Serbian Business Registers Agency, **the main activities** of the Company are activities of holding companies (6420).

The Company is a parent company that forms, with a large number of subsidiaries in the country, one joint venture in the country and subsidiaries abroad, a **group of companies referred to as The Energoprojekt Group**.

Subsidiaries in the country are as follows:

- Energoprojekt Visokogradnja plc,
- Energoprojekt Niskogradnja plc,
- Energoprojekt Oprema plc,
- Energoprojekt Hidroinzenjering plc,
- Energoprojekt Urbanizam i arhitektura plc,
- Energoprojekt Energodata plc,
- Energoprojekt Industrija plc,
- Energoprojekt Entel plc,
- Energoprojekt Garant plc, and
- Energoprojekt Promet ltd.

The joint venture in the country is:

- Enjub ltd.

The following table contains data on the ownership share in these subsidiaries.

<i>Equity investments in subsidiaries</i>	
<i>Subsidiary</i>	<i>% ownership</i>
Energoprojekt Visokogradnja plc	99,93
Energoprojekt Niskogradnja plc	100,00
Energoprojekt Oprema plc	67,87
Energoprojekt Hidroinzenjering plc	99,99
Energoprojekt Urbanizam i arhitektura plc	100,00
Energoprojekt Energodata plc	100,00
Energoprojekt Industrija plc	62,77
Energoprojekt Entel plc	86,26
Energoprojekt Garant plc	92,94
Energoprojekt Promet ltd	100,00

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Ownership share of the Company in the joint venture is indicated in the following table.

<i>Equity investments in the joint venture</i>	
<i>Joint venture</i>	<i>% ownership</i>
Enjub ltd.	50,00

The Company is, according to criteria defined by the Law on accounting, classified as a **middle-sized legal entity**.

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

Financial statements for the third quarter of 2014 that are the subject of these Notes are **separate financial statements** of the Company, approved by the Board of Directors of the Company on 10.11.2014 at the 179th meeting of the Company.

Approved financial statements may subsequently revised in accordance with the applicable regulations.

2. MANAGEMENT STRUCTURE

The key management of the Company in 2014 included the following persons:

- Vladimir Milovanovic - General Manager;
- Dr Dimitraki Zipovski - Executive Manager for finances, accounting and plan;
- Zoran Radosavljevic - Executive Manager for corporate projects, development and quality;
- Mr Zoran Jovanovic - Executive Manager for legal affairs and
- Dragan Tadic - Executive Manager for „Real Estate“ projects.

3. OWNERSHIP STRUCTURE

According to records of the Central Securities Depository, the ownership structure of Energoprojekt Holding plc shares on 30/09/2014 is presented in the Note No. 26.

4. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

In the Republic of Serbia, the Law on Accounting and Auditing (RS Official Gazette 62/2013) is the main legal document that deals with various issues related to accounting activities.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

The Law on Accounting prescribes that Financial statements that are prepared until 30.12.2014, are prepared and presented according to the provision of the previous Law on Accounting and Auditing (RS Official Gazette no. 46/2006, 111/2009 and 99/2011 – hereinafter: the previous Law) that determines that legal entities and entrepreneurs shall maintain business books, recognize and value assets, liabilities, revenues and expenses; prepare, present, deliver and publish financial statements, according to:

- Legislation,
- Professional regulations and
- Internal regulations.

Legislation means laws and subordinate legislation adopted for the implementation of the law.

In the preparation of financial statements of the Company, the following laws and subordinate legislation were considered:

- The Law on Accounting (RS Official Gazette No. 62/2013);
- Previous Law on Accounting and Auditing (RS Official Gazette No. 46/2006, 111/2009 and 99/2011);
- Legal Entities Income Tax Law (RS Official Gazette No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011 and 119/2012, 47/2013 and 108/2013);
- The VAT Law (RS Official Gazette No. 84/2004, 86/2004, 61/2005, 61/2007, 93/2012, 108/2013 and 6/2014);
- Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12);
- Regulation on the Chart of Accounts and Contents of Accounts in the Chart of Accounts for companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 119/2008, 9/2009, 4/2010, 3/2011 and 101/2012);
- Regulation on supplements and amendments to the Regulation on the Chart of Accounts for companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 119/2008, 9/2009, 4/2010 i 3/2011 and 101/2012);
- Regulation on the Content of the Income Statement and other Income Tax related issues (legal entities) (RS Official Gazette No. 99/2010, 8/2011, 13/2012 and 8/2013 and 20/2014);
- Regulation on the Content of the Tax Return for the Calculation of Income Tax for Legal Entities (RS Official Gazette No. 24/2014);
- Regulation on the Classification of Fixed Assets into Groups and Determination of depreciation for tax purposes (RS Official Gazette No. 116/2004 and 99/2010).
- Regulation on Transfer-Pricing and Methods that are applied according to the principle „out of arm's reach“ when determining the price for transactions between related parties (RS Official Gazette no. 61/2003),
- Regulation on supplements and amendments to the Regulation on Transfer-Pricing and Methods that are applied according to the principle „out of arm's reach“ when determining the price for transactions between related parties (RS Official Gazette no. 8/2014).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Professional regulations refer first of all to:

- The Framework for the preparation and presentation of financial statements (hereinafter referred to as: the Framework),
- International Accounting Standards (hereinafter referred to as: the IAS),
- International Financial Reporting Standards (hereinafter referred to as: the IFRS) and
- Interpretations adopted by the Committee for the interpretation of international financial reporting.

The decision of the Minister of Finance of the Republic of Serbia (published in the RS Official Gazette no. 77/2010 on 25.10.2010 and applied to financial statements, which are prepared till 30.12.2014) lays down rules for the translations of main IAS and IFRS texts that comprise the IAS and IFRS, issued by the International Accounting Standards Committee till 01.01.2009 and interpretations of the IFRS Interpretations Committee till 01.01.2009 in the form they were published or adopted.

Please note that, in specific cases, not all respective IAS/IFRS provisions and Interpretations were considered in the preparation of financial statements. This is due to partial non-compliance between the legislation and professional regulations. Therefore, since the legislation is primary in this context, some aspects of financial statements are not in compliance with professional regulations.

Accounting regulations of the Republic of Serbia and presented financial statements of the Company do not comply with IAS/IFRS with regard to the following:

- In the Republic of Serbia, financial statements, which are prepared till 30.12.2014, in compliance with the Law on accounting (RS Official Gazette No. 62/2013), are disclosed in the form prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12), which is not in compliance with the presentation and titles of specific financial statements for general purpose and the presentation of certain figures in the statement as prescribed by the revised IAS 1 – „Presentation of financial statements“ and
- Off-balance sheet assets and liabilities are presented on the balance sheet, yet these items, according to professional regulations, do not represent neither assets nor liabilities of the Company.

Besides the above mentioned, variations are possible also due to the time difference between the publishing date of Standards and Interpretations that are subject to continuous changes and the implementation date of these Standards and Interpretations in the Republic of Serbia. For example, deviations from the professional regulation occur when published Standards and Interpretations that entered into force, have not been officially translated and adopted in the Republic of Serbia or if published Standards and Interpretations have not yet entered into force or in other cases where the Company has no scope of influence.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

The Regulation on Accounting and Accounting policies of the Company, adopted on 22.10.2012 by the Executive Board and the Regulation on the amendment of the Regulation on Accounting and Accounting policies of the Company No. 10 of 21.01.2013 were used in the preparation of financial statements as a legal document that represents **internal regulations of the Company**. Other internal documents were also used, such as, for example, the Collective agreement.

The financial statements of the Company for the third quarter of 2014 are disclosed in the form and content as prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 114/2006, 5/2007, 119/2008, 2/2010, 101/12 and 118/12). This Regulation prescribes, among other things, the content of items in the forms: Balance sheet, Profit and Loss account, Cash flow statement, Report on changes in equity capital, Note to the financial statements and Statistical annex, for companies, cooperatives, other legal entities and entrepreneurs that have double entry accounting.

The Regulation prescribes also that data in the Balance sheet, Profit and Loss account, Cash flow statement, Report on changes in equity capital, and Statistical Annex are entered in thousand of dinars and that the number of employees is expressed as a whole number, as applied in these Notes.

The Capital Market Law ("Official Gazette of the Republic of Serbia", No. 31/2011) prescribes details of the quarterly report for public companies with shares that are listed on the regulated stock exchange.

Functional and reporting currency

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

The figures in the financial statements are shown in RSD thousand, in the functional and domicile currency as at balance sheet date 30/09/2014.

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

Currency	30.09.2014	31.12.2013	30.09.2013	31.12.2012
	<i>Amount in RSD</i>			
1 EUR	118,8509	114,6421	114,6044	113,7183
1 USD	93,6202	83,1282	84,8859	86,1763

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

5. MANAGEMENT ESTIMATION AND ASSESSMENT

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

6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and calculation methods used in the preparation of the financial statement of the Company for the third quarter of 2014 are consistent with those applied in financial statements for the year ending 31/12/2013.

7. SALES REVENUE

	30.09.2014	30.09.2013
	RSD 000	RSD 000
<i>Revenues from sales to subsidiaries</i>		
Revenues from services rendered to parent companies and subsidiaries	305,609	295,818
Revenues from services rendered to other affiliates		
Total	305,609	295,818
<i>Revenues from services sold on the local market</i>		
Revenues from sold services	61	58
Total	61	58
<i>Revenues from services sold on the foreign market</i>		
Revenues from sold services on the foreign market	113,343	
Total	113,343	
Grand total	419,013	295,876

Revenues from services rendered to parent companies and subsidiaries on the local market are generated based on the provision of corporate services to subsidiaries, according to contracts that are approved and adopted by respective boards of the Company and subsidiaries and according to the relevant legal documents, these revenues amount to 305.609 thousand RSD (30.09.2013: 295.818 thousand RSD).

Revenues from services sold on the local market in the amount of 61 thousand RSD (30.09.2013: 58 thousand RSD) refer to the sale of flight tickets.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Revenues from services sold on the foreign market in the amount of 113.343 thousand RSD refer to the agreement on the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the registry of immovable property, cadastral zone A00.

8. OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE

	30.09.2014	30.09.2013
	<u>RSD 000</u>	<u>RSD 000</u>
Income from own products and services	316	372
Total	<u>316</u>	<u>372</u>

9. OTHER BUSINESS REVENUES

	30.09.2014	30.09.2013
	<u>RSD 000</u>	<u>RSD 000</u>
Rents	21,360	21,725
Other business revenues	161	5,177
Total	<u>21,521</u>	<u>26,902</u>

Rents in the amount of 21.360 thousand RSD (30.09.2013: 21.725 thousand RSD) comprise of revenues generated: by Energoprojekt Visokogradnja from the renting of the bachelor's hotel in Batajnicki drum No. 24 to Zemun company, based on the Contract that was signed on 31/01/2011 in the amount of 17.470 thousand RSD (30.09.2013: 17.906 thousand RSD); from renting business premises to Energoprojekt Garant plc according to the Contract that was signed on 14.02.2013, in the amount of 3.160 thousand RSD (30.09.2013: 3.059 thousand RSD); and renting of the roof terrace and on the ground floor in the office building of Energoprojekt to Telekom Srbija plc in the amount of 730 thousand RSD (30.09.2013: 760 thousand RSD).

Other business revenues in the amount of 161 thousand RSD relate to the bonus prize from Aeroflot, from the turnover based on sold flight tickets. (30.09.2013: 5.177 thousand RSD out of which 5.078 thousand RSD refer to the compensation of expenses from Napred Razvoj plc based on the performed extraordinary audit pursuant to the Contract No. 363/2012, concluded with UHY EKI Revizija ltd.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

10. COST OF MATERIAL

	30.09.2014	30.09.2013
	RSD 000	RSD 000
Cost of other material (overheads)	4,978	4,685
One-time write-off of tools and material	345	
Fuel and energy	13,647	14,691
Total	18,970	19,376

Costs of other material (overheads) in the amount of 4.978 thousand RSD (30.09.2013: 4.685 thousand RSD) relate to office supplies: 1.620 thousand RSD (30.09.2013: 1.007 thousand RSD), technical literature, magazines and other: 1.117 thousand RSD (30.09.2013: 986 thousand RSD), equipment maintenance and other overhead expenses: 2.241 thousand RSD (30.09.2013: 2.692 thousand RSD).

11. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES

	30.09.2014	30.09.2013
	RSD 000	RSD 000
Salaries and fringe benefits (gross)	118,468	103,655
Taxes and contributions on salaries and fringe benefits charged to employer	16,867	16,901
Temporary service contracts	5,869	4,388
Supervisory Board	6,962	6,792
Other personal expenses remunerations	6,721	5,522
Total	154,887	137,258

Other personal expenses and fees in the amount of 6.721 thousand RSD (30.09.2013: 5.522 thousand RSD) relate to business trips 4.012 thousand RSD (30.09.2013: 3.179 thousand RSD), transportation to/from work 1.876 thousand RSD (30.09.2013: 1.887 thousand RSD), solidarity allowance and other compensations to employees and other individuals 833 thousand RSD (30.09.2013: 456 thousand RSD).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

12. COSTS OF DEPRECIATION AND PROVISIONS

	30.09.2014	30.09.2013
	<u>RSD 000</u>	<u>RSD 000</u>
Depreciation of intangible investments, property, plant and equipment	7,320	7,869
Provisions for fringe benefits and other benefits for employees		
Total	<u>7,320</u>	<u>7,869</u>

The residual value and the remaining useful lifetime for the property and equipment with significant accounting value are evaluated once a year, at the end of the year.

On 31.12.2013, the residual value and the remaining useful lifetime for the property and equipment with significant accounting value were evaluated. In comparison to the evaluation on 31.12.2012, no significant changes were recorded.

13. OTHER BUSINESS EXPENSES

	30.09.2014	30.09.2013
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Costs of production services</u>		
Service costs of outputs	113,343	
Transportation costs	1,951	2,493
Maintenance costs	25,849	26,137
Rental costs	759	307
Cost for participation in trade fairs	50	258
Advertising costs	2,381	2,130
Costs of other services	7,491	7,463
Total	<u>151,824</u>	<u>38,788</u>
<u>Non-production costs</u>		
Costs of non-production services	19,211	15,503
Expenses accounts	2,935	3,757
Insurance premium costs	813	698
Payment operation costs	628	580
Membership fees	878	1,030
Tax duties	26,475	8,466
Other intangible expenses	6,822	13,218
Total	<u>57,762</u>	<u>43,252</u>
Grand total	<u>209,586</u>	<u>82,040</u>

Costs of production services in the amount of 151.824 thousand RSD (30.09.2013: 38.788 thousand RSD) refer mostly to service costs of outputs, maintenance costs and costs of other services.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Service costs of outputs in the amount of 113.343 thousand RSD refer to the agreement on the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the registry of immovable property, cadastral zone A00.

Maintenance costs in the amount of 25.849 thousand RSD 30.09.2013: 26.137 thousand RSD) refer to the ongoing maintenance of the office building Energoprojekt in the amount of 23.570 thousand RSD (30.09.2013: 24.274 thousand RSD) and equipment in the amount of 2.279 thousand RSD (30.09.2013: 1.863 thousand RSD).

Costs of other services in the amount of 7.491 thousand RSD (30.09.2013: 7.463 thousand RSD) refer, first of all, to the costs for licenses: 3.113 thousand RSD (30.09.2013: 2.635 thousand RSD), for photocopying services and technical support of Energoprojekt Energodata related to multimedia presentations, update and preparation of marketing material, graphical design and other: 2.140 thousand RSD (30.09.2013: 2.092 thousand RSD), utilities: 1.919 thousand RSD (30.09.2013: 1.684 thousand RSD) and safety at work and car registration: 319 thousand RSD (30.09.2013: 323 thousand RSD).

Intangibles in the amount of 57.762 thousand RSD (30.09.2013: 43.252 thousand RSD) relate mostly to non-production costs, tax duties and other intangibles.

Tax duties in the amount of 26.475 thousand RSD (30.09.2013: 8.466 thousand RSD) relate mostly to the property tax in the amount of 26.330 thousand RSD (30.09.2013: 5.951 thousand RSD) that were increased significantly in comparison to the previous year due to the new method of determining the tax basis for calculating property tax for 2014 pursuant to the new Law on property tax (Official Gazette of the Republic of Serbia, no. 26/2001, "Official Journal of the Federal Republic of Yugoslavia, no. 42/2002 – decision by the Federal Institutional Court, Official Gazette of the Republic of Serbia, no. 80/2002, 80/2002 – other law, 135/2004, 61/2007, 5/2009, 101/2010, 24/2011, 78/2011, 57/2012 – decision of the Constitutional Court and 47/2013).

Costs of non-production services in the amount of 19.211 thousand RSD (30.09.2013: 15.503 thousand RSD) relate to financial audit, lawyers' fees, consulting services, professional training of employees, brokers' services and Belgrade Stock Exchange, cleaning services and other services.

Other intangibles in the amount of 6.822 thousand RSD (30.09.2013: 13.218 thousand RSD) relate mostly to services provided by Encom GmbH Consulting, Engineering & Trading in the amount of 1.331 thousand RSD (30.09.2013: 6.474 thousand RSD); the remaining amount of 5.491 thousand RSD (30.09.2013: 6.744 thousand RSD) relates to: the printing of Energoprojekt company newspaper, fees (administrative, court and etc.), participation in salaries for disabled workers, etc.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

14. FINANCIAL INCOME AND FINANCIAL EXPENDITURE

	30.09.2014	30.09.2013
	RSD 000	RSD 000
<u>Financial income</u>		
Financial income from transactions with parent company and subsidiaries	604,671	325,951
Financial income from other affiliates	14,450	8,785
Income from interest	4,799	6,788
FX gains	5,818	1,780
Gains on foreign currency clause	9,987	1,108
Other financial revenues		2,585
Total	639,725	346,997
<u>Financial expenditure</u>		
Financial expenses from transactions with parent company and subsidiaries	1,353	962
Financial expenses from transactions with other affiliates		
Costs of interest	12,859	12,030
FX losses	234	1,240
Losses on foreign currency clause	3,914	2,785
Total	18,360	17,017

Financial income in the amount of 639.725 thousand RSD (30.09.2013: 346.997 thousand RSD) relate mostly to financial income from subsidiaries and other affiliates.

Financial income from parent companies and subsidiaries in the amount of 604.671 thousand RSD (30.09.2013: 325.951 thousand RSD) relate to:

- The income from participation in the profit of subsidiaries: 532.486 thousand RSD as follows: EP Garant: 43.847 thousand RSD, EP Entel: 264.593 thousand RSD and EP Oprema: 224.046 thousand RSD (30.09.2013: 278.601 thousand RSD, in particular, EP Garant: 51.885 thousand RSD, EP Entel: 148.693 thousand RSD and EP Oprema: 78.023 thousand RSD).
- The income from interest of subsidiaries: 26.216 thousand RSD (30.09.2013: 6.788 thousand RSD);
- The income from FX gains: 45.967 thousand RSD (30.09.2013: 1.108 thousand RSD) and FX gains from operations with subsidiaries: 2 thousand RSD.

Financial income from other affiliates (Enjub ltd) in the amount of 14.450 thousand RSD ((30.09.2013: 8.785 thousand RSD) relate to the income from interest: 7.823 thousand RSD (30.09.2013: 7.431 thousand RSD) and FX gains: 6.627 thousand RSD (30.09.2013: 1.354 thousand RSD).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Financial expenditure in the amount of 18.360 thousand RSD (30.09.2013: 17.017 thousand RSD) relates mostly to **costs of interest** (from other legal entities) in the amount of 12.859 thousand RSD (30.09.2013: 12.030 thousand RSD) that refer mostly to interests related to domestic liquidity loans (granted by the Development Fund of the Republic of Serbia, Komercijalna banka, Erste bank and Alpha bank) in the amount of 12.846 thousand RSD (30.09.2013: 11.466 thousand RSD).

Financial expenses from transactions with parent companies and subsidiaries in the amount of 1.353 thousand RSD (30.09.2013: 962 thousand RSD) relate to FX losses: 698 thousand RSD ((30.09.2013: 962 thousand RSD) and losses on foreign currency clause from transactions with subsidiaries: 655 thousand RSD.

**15. OTHER INCOME AND OTHER EXPENDITURE, PROPERTY VALUE
ADJUSTMENT GAINS AND EXPENDITURES AND PROPERTY IMPAIRMENT
COSTS**

	30.09.2014 RSD 000	30.09.2013 RSD 000
<u>Other income and property value adjustment</u>		
Gains based on the sales of shares in capital and long-term securities	-	3,689
Other	99	131
Total	99	3,820

	30.09.2014 RSD 000	30.09.2013 RSD 000
<u>Other expenditure and property impairment costs</u>		
Losses based on the retirement and sales of intangibles, property and PPE	65	8
Losses based on the sales of shares in capital and securities	646	
Expenses related to the direct write-off	433	409
Other	2,519	2,632
Total	3,663	3,049

Other income in the amount of 99 thousand RSD (30.09.2013: 131 thousand RSD) relates to the sale of waste paper in the amount of 78 thousand RSD (30.09.2013: 131 thousand RSD) and refund of court fees by Napred razvoj plc, Belgrade in the amount of 21 thousand RSD.

Losses based on the sales of shares in capital and securities in the amount of 646 thousand RSD relate to the sale of shares of Aik bank plc, Nis (518 shares at a price of 1.625 RSD per share).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Expenses related to the direct write-off in the amount of 433 thousand RSD (30.09.2013: 409 thousand RSD) relate to Energoprojekt Promet ltd.

Other expenses in the amount of 2.519 thousand RSD (30.09.2013: 2.632 thousand RSD) relate to donations (The Business Lawyers Association of the Republic of Serbia, the Art Academy in Belgrade, the Faculty of Law in Belgrade and the Creative Educational Center, Belgrade) in the amount of 1.247 thousand RSD (30.09.2013: 2.620 thousand RSD), humanitarian aid for flood victims in the amount of 1.212 thousand RSD, sports-related expenses: 48 thousand RSD and fines and penalties: 12 thousand RSD.

16. NET PROFIT/LOSSES FROM SUSPENDED OPERATIONS

	30.09.2014	30.09.2013
	RSD 000	RSD 000
Profit from suspended operations	9,348	10
Losses from suspended operations	1,581	662
Net profit/losses from suspended operations	7,767	(652)

Net profit from suspended operations in the amount of 7.767 thousand RSD refers, to the correction of error from previous years that are not materially significant, first of all:

- Income based on re-invoiced property tax expenses for the bachelor's hotel for 2011-2103, which, according to the lease agreement, should be covered by the lessee EP Visokogradnja in the amount of 6.467 thousand RSD
- Income from invoiced salaries to Napred razvoj plc. Belgrade for EP Holding employees hired for the extraordinary audit of individual and consolidated financial statements of Energoprojekt Holding plc. for 2011 performed by UHY EKI revizija ltd. Belgrade, by request of the shareholders (i.e. income from Napred razvoj plc. Belgrade) in the amount of 1.327 thousand RSD. The same basis was used to record expenses for book debts by subsidiaries relating to employee work time for employees, who were involved in the extraordinary audit in the total amount of 1.439 thousand RSD. The extraordinary audit confirmed that there is no difference of opinion with the regular external auditor concerning the separate and consolidated financial statements of Energoprojekt Holding plc. for 2011.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

17. INTANGIBLES

	Other intangibles	Intangible investments in progress	Advances on intangibles	Total
<u>Cost value</u>	RSD 000	RSD 000	RSD 000	RSD 000
Balance 01.01.2014	2,326	8,837	320	11,483
Restated balance				
Transfers				
New purchases	1,477	3,455	84	5,016
Disposals and write-offs				
Revaluation-assessment				
Other				
Balance 30.09.2014	3,803	12,292	404	16,499
<u>Value adjustment</u>				
Balance 01.01.2014	2,036			2,036
Restated balance				
Depreciation	236			236
Disposals and write-offs				
Impairment				
Revaluation-assessment				
Other				
Balance 30.09.2014	2,272			2,272
<u>Non write-off value</u>				
01.01.2014	290	8,837	320	9,447
30.09.2014	1,531	12,292	404	14,227

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

18. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings	Plant and equipment	Investment property	Property, plant and equipment in progress	Advances on property, plant and equipment	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
Purchase value						
Balance 01.01.2014	919,807	94,148	603,717		43,220	1,660,892
Restated balance						
Transfers						
New purchases		1,761				1,761
Disposals and write-offs		-2,936				-2,936
FX exchange gains and losses					1,587	1,587
Other, value assessment						
Balance 30.09.2014	919,807	92,973	603,717		44,807	1,661,304
Value adjustment						
Balance 01.01.2014	388,252	72,591				460,843
Restated balance						
Depreciation	66	7,018				7,084
Disposals and write-offs		-2,871				-2,871
Impairment						
Revaluation-assessment						
Other						
Balance 30.09.2014	388,318	76,738				465,056
Non write-off value						
01.01.2014	531,555	21,557	603,717		43,220	1,200,049
30.09.2014	531,489	16,235	603,717		44,807	664,759

Buildings in the amount of 531.489 thousand RSD refer mostly to business premises of Energoprojekt, Mihaila Pupina Boulevard 12, Novi Beograd.

The investment property in the amount of 603.717 thousand RSD refers to the following:

- The Bachelors hotel, total area 8.034,00 m², with land use rights (18.598,00 m²), in Batajnicki put 24, Zemun in the amount of 511.573 thousand RSD. The lease of this building to Energoprojekt Visokogradnja plc. generated an income in the first nine months of 2014 in the amount of 17.470 thousand RSD (Note 9).
- Business premises "Stari Merkator", total area 643 m², on third floor of the building No.2, on the specific part of the building 235, in Palmira Toljatija Street No.5, cadastral lot No. 254, registered in the Registry of immovable property No.3132 cadastral municipality Novi Beograd in the amount of 92.144 thousand RSD. This building was not leased in 2014 (waiting for a tenant).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Advance payments for property in the amount of 44.807 thousand RSD relate to the advance payment to the Republic of Serbia for the purchase of property in Uganda, Peru and Nigeria.

On 30.09.2014, the Company has no property or equipment mortgaged or liened as collateral for financial obligations.

19. SHARE OF CAPITAL

SUBSIDIARIES	% participation	<u>30.09.2014</u>	<u>31.12.2013</u>
		<u>000 RSD</u>	<u>000 RSD</u>
		Present value	Present value
EP Visokogradnja plc Belgrade	99.93%	1,825,076	1,706,767
EP Niskogradnja plc Belgrade	100.00%	1,012,084	1,012,084
EP Oprema plc Belgrade	67.87%	121,316	121,316
EP Hidroinzenjering plc Belgrade	99.99%	427,619	399,230
EP Urbanizam i arh. plc Belgrade	100.00%	148,365	146,455
EP Promet ltd Belgrade	100.00%	295	295
EP Energodata plc Belgrade	100.00%	194,862	191,438
EP Industrija plc Belgrade	62.77%	61,209	61,209
EP Entel plc Belgrade	86.26%	216,422	216,422
EP Garant plc Belgrade	92.94%	597,545	597,545
I.N.E.C. Engineering Company Limited, London	100.00%	62,359	62,359
Encom GmbH Consulting Engineering&Trading, Frankfurt	100.00%	3,493	3,493
Zambia Engineering Contracting Company Limited, Lusaka	100.00%	587	587
Dom 12 S.A.L., Beirut	100.00%	924,749	924,749
Total		5,595,981	5,443,949
JOINT VENTURE			
	% participation	Present value	Present value
Enjub ltd	50.00%	13,550	13,550
Total		13,550	13,550
OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES			
		Present value	Present value
Dunav osiguranje plc Belgrade		522	450
Jubmes banka plc Belgrade		16,423	32,448
Aik banka plc Belgrade			794
Energobroker plc, Belgrade		4,371	4,371
Hotel Bela ladja plc, Becej		5,886	5,947
Fima See Activist plc, Belgrade		10,160	10,160
Total		37,362	54,170
T O T A L		5,646,893	5,511,669

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

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

Equity investments in subsidiaries, affiliates and joint ventures are disclosed according to the method for disclosing investments at purchase cost. The Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition.

Equity investments of EP Visokogradnja plc, EP Hidroinžinjering, EP Energodata and EP Urbanizam i arhitektura were increased upon decision of the Supervisory Board of EP Holding plc regarding the compulsory share buyout from the remaining shareholders at a price set in accordance with provisions the Companies Law concerning share buyout from unwilling shareholders.

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

Changes in **available-for-sale securities** are the result of the sale of AIK Bank plc, Nis shares (518 shares, at a price of 1.625 RSD per share) and value adjustment for securities in the Company's portfolio with their fair value on the secondary securities market on the reporting date.

The Company owns shares of other legal entities, in particular:

- Dunav osiguranje a.d.o, Belgrade: 527 shares with market value on the balance sheet date amounting to 990,00 RSD per share;
- Jubmes bank plc, Belgrade: 4.056 shares with market value 4.049,00 RSD per share;
- See Activist plc, Beograd: 1.600 shares with market value 6.350,00 RSD per share; and
- Hotel "Bela Ladja" plc, Becej: 60.070 shares with market value 98,00 RSD per share.

20. OTHER LONG TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Staff housing loans	1,533	1,591
Long-term loans to subsidiaries	549,358	751,502
Total	550,891	753,093

Long-term staff housing loans in the amount of 1.553 thousand RSD relate to four housing loans granted by the Company to employees: two loans on 10.06.1992 for a period of 38,5 years, two on 28.11.1995 for a period of 40 years. Loans are interest-free and will be repaid in Monthly installments. Pursuant to provisions of the contract and the Law on amendments and supplements of the Housing law, the Company applies installment revalorization twice a year according to the price shifts in the Republic of Serbia for the respective calculation period.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Long-term loans to subsidiaries in the amount of 549.358 thousand RSD relate to Energoprojekt Niskogradnja in the amount of 456.661 thousand RSD and Energoprojekt Visokogradnja in the amount of 92.697 thousand RSD with maturity date on 31.12.2016.

21. MATERIAL

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Paid advances	25,525	58,255
Total	25,525	58,255

Paid advances in the amount of 25.525 thousand RSD, refer mostly to: the paid advance to Energoprojekt Oprema plc. in the amount of 22.218 thousand RSD, according to the contract for the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a “turn-key” project, on the cadastral lot No.313, registered in the registry of immovable property, cadastral zone A00 and to the paid advance to the brokerage firm M&V Investments plc, Belgrade in the amount of 1.060 thousand RSD for the repurchase of shares of Energoprojekt Visokogradnja plc.

22. RECEIVABLES

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Trade receivables</u>		
Trade receivables (parent and subsidiaries)	387,044	311,872
Trade receivables - other affiliates	705	705
Trade receivables (domestic)	33	149
Trade receivables (abroad)		
Less: value adjustment		
Total	387,782	312,726
<u>Receivables from specific business operations</u>		
Other receivables from specific operations	86,625	54,865
Less: value adjustment		
Total	86,625	54,865
<u>Other receivables</u>		
Interest and dividends	67,863	49,807
Staff claims	469	110
Receivables from state institutions	1,443	386
Less: value adjustment		
Total	69,775	50,303
Grand total	544,182	417,894

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Receivables are presented in detail in the following table.

Short-terms receivables structure	<i>in 000 RSD</i>	
	<i>30.09.2014</i>	<i>31.12.2013</i>
<i>Receivables from sales</i>		
Energoprojekt Visokogradnja plc	207.387	141.690
Energoprojekt Niskogradnja plc	9.141	6.739
Energoprojekt Hidroinzenjering plc	45.791	50.006
Energoprojekt Entel plc	8.757	8.511
Energoprojekt Energodata plc	32.091	29.006
Energoprojekt Industrija plc	67.487	57.568
Energoprojekt Urbanizam i arhitektura plc.	16.274	10.611
Energoprojekt Oprema plc.		7.569
Energoprojekt Garant plc	116	172
Enjub ltd.	705	705
Other	33	149
Total	387.782	312.726
<i>Receivables from specific operations and other receivables</i>		
Energoprojekt Visokogradnja plc	96.981	63.945
Energoprojekt Niskogradnja plc	5.035	4.547
Energoprojekt Hidroinzenjering plc	754	812
Energoprojekt Entel plc	809	542
Energoprojekt Energodata plc	5.742	3.969
Energoprojekt Industrija plc	496	222
Energoprojekt Urbanizam i arhitektura plc	6.232	4.675
Energoprojekt Oprema plc	448	252
Energoprojekt Garant plc.	437	457
Enjub ltd.	33.660	24.325
Other	5.806	1.422
Total	156.400	105.168
GRAND TOTAL	544.182	417.894

The Company has signed blank bills of exchange with authorization that will be used as collateral for the collection of payments pursuant to service agreements for the provision of corporate services to subsidiaries.

Receivables from buyers and other receivables are non-interest bearing.

Receivables for interest and dividend in the amount of 67.863 thousand RSD, refer mostly to interest from subsidiaries: 35.432 thousand RSD, from Enjub: 32.313 thousand RSD and from domestic banks: 118 thousand RSD.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

23. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Short term loans and investments - parent company, subsidiaries and affiliates</u>		
Subsidiaries	239,571	254,016
Affiliates	158,713	153,092
Maturing obligations - long-term loans		
Less: value adjustment		
Total	398,284	407,108
<u>Short-term loans - domestic</u>		
Loans to workers	1,218	504
Part of long-term housing loans with one year maturity	77	78
Less: value adjustment		
Total	1,295	582
Grand total	399,579	407,690

Loans to subsidiaries and other affiliates are presented in detail in the following table.

No.	Borrower and contract no.	Borrowed amount in currency (000 EUR)	Receivables due based on the loan in (000 EUR)	Receivables due based on the loan in (000 RSD)	Maturity	Loan terms and conditions
1	EP Visokogradnja plc.					
	Annex No .2 to the Loan Reprogramming Agreement No. 70	1.640	1.440	171.148	31.12.2014	4,5% annually
2	EP Energodata plc.					
	Annex No .2 to the Loan Reprogramming Agreement No. 72	305	305	36.184	31.12.2014	4,5% annually
3	EP Urbanizam i arhitektura plc.					
	Loan Agreement No. 403/2690	271	271	32.239	31.12.2014	4.5% annually
TOTAL SUBSIDIARIES		2.216	2.216	239.571		
4	Enjub ltd.					
	Annex No .2 to the Loan Reprogramming Agreement No. 115	1.198	1.198	142.371	31.12.2014	Three months EURIBOR + 6,5%
	Annex No .6 to the Loan Agreement No. 367	137	137	16.342	31.12.2014	Three months EURIBOR + 6,5%
	Total Enjub ltd.	1.335	1.335	158.713		
TOTAL AFFILIATES		1.335	1.335	158.713		
GRAND TOTAL		3.551	3.551	398.284		

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

The Company has 2 (two) signed blank bills of exchange with authorization that will be used as collateral for the collection of payments pursuant to loan agreements concluded with subsidiaries and the joint company.

To secure the repayment of the loan, according to the Annex No. 6 to the Loan Agreement No. 367, granted to Enjub ltd, in the amount of 16.342 thousand RSD (137 thousand EUR), the Company has, besides bills of exchange, an extrajudicial mortgage for the entire loan amount for apartments in Jurija Gagarina Street, Novi Beograd, for loans granted to Enjub ltd.

To secure the repayment of the loan according to the Annex No. 2 to the Loan Agreement No. 115, granted to Enjub ltd, in the amount of 142.371 thousand RSD (1.198 thousand EUR), there is a pledge statement (the mortgage is not registered) related to properties (apartments and business premises) in Jurija Gagarina Street No. 93, 93A, 91A.

24. CASH AND CASH EQUIVALENTS

<u>RSD</u>	<u>30.09.2014</u>	<u>31.12.2013</u>
	RSD 000	RSD 000
Current accounts	35,400	69,446
Treasury	440	33
Total	35,840	69,479
<u>Foreign currency</u>		
Foreign currency accounts	277	11,959
Treasury	12	-
Short-term time deposits and other funds	400,241	70,038
Total	400,530	81,997
Grand total	436,370	151,476

RSD and FX current accounts of the Company indicates funds deposited in domestic banks (Banca Intesa, Unicredit bank, Hypo-Alpe-Adria bank, Jubmes bank, Alpha bank, Vojvodjanska banka, Komercijalna banka, Societe Generale bank, Credit Agricole bank, Raiffeisen bank, Erste bank and Piraeus bank).

Short-term time deposits and other funds in foreign currency in the amount of 400.241 thousand RSD include also short-term time deposits in the Pireaus bank in the amount of 337.906 thousand RSD, based on paid dividends from subsidiaries in 2014, which will be used to pay EP Holding dividends on 15.12.2014.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

25. VAT AND DEFERRED INCOME

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Value added tax</u>	163	
<u>Accruals</u>		
Prepayments	3,022	2,379
Uninvoiced income receivables	292,864	171,314
VAT prepayments		2,251
Other accruals	9,655	1,066
Total	305,541	177,010
Grand total	305,704	177,010

Receivables on non-invoiced income in the amount of 292.864 thousand RSD refer to the completion of the agreement on the construction of the embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a “turn-key” project, on the cadastral lot No.313, registered in the registry of immovable property, cadastral zone A00.

26. ORIGINAL CAPITAL

The original capital includes the following:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Share capital (regular shares)	5,574,959	5,574,959
Other	27,178	27,178
Total	5,602,137	5,602,137

The share capital consists of 10.931.292 ordinary shares each with a nominal value of 510,00 RSD (5.574.959 thousand RSD).

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

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

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

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

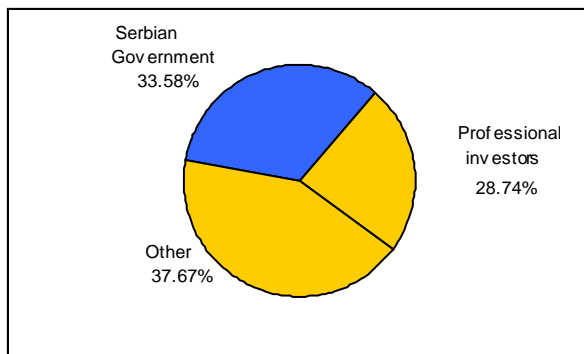
The following tables indicate the ownership structure of Energoprojekt Holding plc. shares on 30.09.2014 according to records of the Central Securities Depository:

	no. of shares	% of total issue
Shares held by private shareholders	3,353,453	30.68%
Shares held by legal entities	6,937,477	63.46%
- Serbian Government	3,671,205	33.58%
- Other legal entities	3,266,272	29.88%
Summary (custody) account	640,362	5.86%
Total shares	10,931,292	100%

Number of shareholders with equity share	number of entities			number of shares			% of total issue		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
to 5%	7,636	231	7,867	4,293,292	755,644	5,048,936	39.28%	6.91%	46.19%
from 5% to 10%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 10% to 25%	1	0	1	2,211,151	0	2,211,151	20.23%	0.00%	20.23%
over 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 33% to 50%	1	0	1	3,671,205	0	3,671,205	33.58%	0.00%	33.58%
over 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0%
over 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0%
over 75%	0	0	0	0	0	0	0.00%	0.00%	0%
Total shares	7,638	231	7,869	10,175,648	755,644	10,931,292	93.09%	6.91%	100.00%

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3,671,205	33.58%
Napred Razvoj plc. Novi Beograd	2,211,151	20.23%
East Capital (Lux) - Balkan Fund	370,593	3.39%
Gustavia Fonder Aktiebolag	100,000	0.91%
Raiffeisenbank plc. Beograd - custody account	92,930	0.85%
Raiffeisenbank plc. - custody account	88,477	0.81%
Raiffeisenbank plc. - custody account	87,709	0.80%
Erste Bank plc. Novi Sad - custody	66,044	0.60%
Unicredit Bank Serbia plc. - collective	62,715	0.57%
Global macro capital oportuni	62,500	0.57%



ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

27. RESERVES

The reserves consist of:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Issuing premium	1,600,485	1,600,485
Legal reserves	23,185	23,185
Statutory and other	111,696	111,696
Total	1,735,366	1,735,366

The **issuing premium** represents the positive difference between the obtained selling price per share and the share's nominal value, which is the result of the conversion of shares of subsidiaries into Energoprojekt Holding plc. shares at the par value 1:1 in 2006.

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

The Company's internal legislation, till 2011, defines the **statutory reserves**, which are prescribed by the General Meeting at the Board's proposal and cannot be less than 5% of the net profit.

28. REVALUATION RESERVES, UNREALIZED GAINS/LOSSES FROM SECURITIES

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

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Revaluation reserves	52,910	52,910
Unrealized gains from available for sale securities	910	
Unrealized losses from available for sale securities	(37,360)	(21,136)
Total	16,460	31,774

The change in **Unrealized gains/losses from securities available for sales** refer to the adjustment of the value of securities from the Company's portfolio (Note 19) with their fair value on the secondary market on reporting date (30.09.2014) and to the sales of shares of Aik bank plc, Nis.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

29. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Balance on 01.01.	<u>684,911</u>	<u>789,728</u>
Adjustment of income tax revenues	(3)	2,910
Distribution of profits (dividends)	(393,527)	(506,815)
Distribution of profits (increase of nominal value per share)		
Allocation to statutory reserves		
Current year's profit	<u>654,180</u>	<u>399,088</u>
Total	<u><u>945,561</u></u>	<u><u>684,911</u></u>

At the 42nd General Meeting of EP Holding held on 17.06.2014, the decision was reached (item 3 of the agenda) regarding the distribution of the undistributed profit as at 31.12.2013 in the amount of 684.911 thousand RSD as follows:

- Distribution of undistributed profit for 2012,
- XI issue of ordinary shares without public offering for the payment of dividends.

- For the payment of dividends, gross - 36,00 RSD per share to EP Holding plc shareholders (total amount of 393.527 thousand RSD);
- Remaining amount of 291.384 thousand RSD will be allocated to undistributed profit.

30. LONG TERM PROVISIONS

Long term provisions are recognized when:

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

Long term provisions consist of:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	<u>4,215</u>	<u>5,055</u>
Other long-term provisions	<u>260,000</u>	<u>260,000</u>
Total	<u><u>264,215</u></u>	<u><u>265,055</u></u>

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Other long-term provisions in the amount of 260.000 thousand RSD are recorded in the balance sheet on 31.12.2006, pursuant to the decision of the Board of Management of the Company, as possible contract expenses related to the Joint construction agreement - Blok 26, Novi Beograd No.507, concluded between the consortium „Energoprojekt – Napred“ and Trinity Capital ltd.

Pursuant to provision of the Joint construction agreement and the Annex No.1 to this agreement, Trinity Capital ltd paid the agreed amount and the Company issued a blank bill of exchange with authorization and unlimited validity. This bill of exchange may be submitted for payment based on an effective decision of the authorities confiscating from the Company the underlying property referenced in the contract by fault attributable to the Company, however for reasons which had not been known to Trinity Capital ltd at the time contract was signed.

Provisioning was pursuant to IAS 37 „Provisions, Contingent Liabilities and Contingent Assets“, due to the uncertainty with regard to the application of the legislation that applies to the subject of the Agreement and that may affect the fulfillment of all obligations assumed by the Company as well as due to the issued blank bill of exchange as previously stated.

On 30.09.2014 there is still uncertainty with regard to the application of the legislation that may affect the fulfillment of all obligations assumed by the Company and possible activation of issued bills of exchange by Trinity Capital ltd. Therefore, the management assesses that conditions for the cancellation of the provision at the balance sheet date have not been met yet.

31. LONG TERM LOANS

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

Long-term loans relate to:

Creditor	Currency	Interest	30.09.2014	31.12.2013
			RSD 000	RSD 000
Komercijalna banka	RSD	9.00% god.		16,667
Total				16,667

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

32. SHORT TERM FINANCIAL COMMITMENTS

Short term financial commitments consist of:

	<u>30.09.2014.</u> RSD 000	<u>31.12.2013.</u> RSD 000
Short term loans domestic		
Part of long-term loans maturing in one year	72,901	229,538
Total	72,901	229,538
<u>Other short term financial commitments</u>		
Part of other long-term commitments maturing in one year		
Other ST financial commitments - VISA accounts		260
Total	0	260
Grand total	72,901	229,798

A part of long-term loans maturing in one year in the amount of 72.901 thousand RSD relate to the Development Fund of the Republic of Serbia the amount of 39.568 thousand RSD and Komercijalna banka in the amount of 33.333 thousand RSD.

The long-term permanent working capital loan was approved on 30.12.2010 by the **Development Fund of the Republic of Serbia** in the amount of 321.174 thousand RSD, or 3.040 thousand EUR.

On 14.05.2012 an Annex 1 to the Loan Agreement was concluded under the following conditions:

- The repayment period is 2 years after the expiration of the grace period (until 31.12.2012). During the grace period, the intercalary interest is calculated per quarter retrospectively and applied to the principal debt,
- Interest rate 4,5% per annum,
- Loan repayment in quarterly annuities starting from 31.12.2012. Last annuity matures on 31.12.2014.

Annuities maturing in 2014 amount to 39.568 thousand RSD, or 333 thousand EUR.

Bills of exchange of Energoprojekt Holding plc will be used as collateral and guarantees from Energoprojekt Niskogradnja plc, Energoprojekt Oprema plc, Energoprojekt Entel plc, Energoprojekt Industrija plc and Energoprojekt Hidroinjering plc.

The currency clause is used for the calculation of the principal debt and the debt is set in EUR according to the NBS middle rate on the drawdown date and is recalculated in RSD according to the middle rate on the maturity date.

The Development Fund of the Republic of Serbia has approved the loan based on the document "The permanent working capital program of Energoprojekt Holding plc" that defines the

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

necessary funds to overcome the short-term insolvency and enhance marketing activities of Energoprojekt Visokogradnja plc abroad.

The long-term permanent working capital loan was approved by the **Komercijalna banka** on 27.12.2013 in the amount of 50.000 thousand RSD.

The loan was approved under the following conditions:

- The repayment period is 15 months after the disbursement of the loan included the grace period. The grace period for the principal amount is 6 months from the disbursement of the loan;
- The nominal interest rate is fluctuating and is 9% per annum on the loan approval date;
- Loan repayment is in equal monthly installments starting from 31.07.2014. Last rate matures on 31.03.2015.

Annuities maturing in 2014 amount to 16.667 thousand RSD.

Bills of exchange of Energoprojekt Holding plc and guarantees issued by Energoprojekt Visokogradnja plc, Energoprojekt Oprema plc, Energoprojekt Niskogradnja plc and Energoprojekt Hidroinzenjering plc. will be used as collateral.

33. BUSINESS COMMITMENTS

	30.09.2014	31.12.2013
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Commitments from business operations</u>		
Received advances, short-term and safety deposits		660
Suppliers-parent and subsidiaries - domestic	9,945	46,353
Suppliers-parent and subsidiaries - foreign	18,868	19,604
Local suppliers	11,152	12,950
Foreign suppliers	4,659	3,288
Subtotal	<u>44,624</u>	<u>82,855</u>
<u>Commitments from specific operations</u>		
Other	91	131
Subtotal	<u>91</u>	<u>131</u>
Total	<u><u>44,715</u></u>	<u><u>82,986</u></u>

Liabilities towards suppliers do not include any interest and due date between 5 and 30 days.

The Management of the Company believes that disclosed value of obligations from operating activities reflects their fair value at the balance sheet date.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

Geographical distribution of suppliers is as follows:

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Local suppliers</u>		
Belgrade	21,097	59,434
Less: value adjustment		
Total	21,097	59,434
<u>Foreign suppliers</u>		
Europe - subsidiaries	18,868	19,604
Europe-other legal entities	3,385	3,211
Africa - other legal entities		
Asia - other affiliates		
USA-other legal entities	1,274	77
Less: value adjustment		
Subtotal	23,527	22,892
Total	44,624	82,326

34. OTHER SHORT-TERM COMMITMENTS AND ACCRUALS

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Salaries and fringe benefits</u>	12,221	12,928
<u>Other commitment</u>		
Interest and financing costs	282	139
Dividends/profit sharing	405,335	11,810
Employees	267	846
Members of the Supervisory Board	528	475
Service contracts	148	353
Other	1,226	1,652
Total	420,007	28,203

Salaries and fringe benefits refer mostly to obligations (net, taxes and contributions) related to September salaries, paid in October of the next year.

Dividends in the amount of 405.335 thousand RSD refer almost entirely to dividends related to the decision, reached on the 42nd regular meeting of EP Holding plc shareholders, on the allocation on undistributed profit for the payment of dividends (gross amount: 36,00 RSD per share, total amount 393.527 thousand RSD) on 15.12.2014, according to the decision from the 42nd regular meeting of shareholders (Note 29).

At the 42nd regular meeting of shareholders, **other liabilities**, in the amount of 1.226 thousand RSD, refer mostly to withholding from net wages (based mostly on union fees, granted loans, etc.) in the amount of 1.129 thousand RSD.

The Management of the Company believes that disclosed value of short-term liabilities reflects their fair value at the balance sheet date.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

35. VAT AND OTHER PUBLIC REVENUE, ACCRUALS

	30.09.2014	31.12.2013
	RSD 000	RSD 000
<u>Commitments for value added tax</u>	5,691	5,887
<u>Commitments for taxes, customs and other duties</u>		
Tax from results of operations		
charged to costs	8,915	278
Other commitments for taxes, customs and other duties	499	624
Total	9,414	902
<u>Accruals</u>		
Accrued expenses	25	38
Calculated revenues in the future period		
VAT commitments		
Other		
Total	25	38
Grand total	15,130	6,827

Commitments for taxes, customs and other duties purchase-related or charged to costs in the amount of 8.915 thousand RSD relate mostly to the property tax in the amount of 8.862 thousand RSD (Note 13).

36. DEFERRED TAX LIABILITIES AND DEFERRED TAX ASSETS

	30.09.2014	31.12.2013
	RSD 000	RSD 000
Deferred tax assets	(3,702)	(3,702)
Deferred tax liabilities	25,844	25,844
Net tax assets/ liabilities	22,142	22,142

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

37. OFF-BALANCE SHEET LIABILITIES

Pursuant to regulations (Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs), the Company presented the off-balance sheet liabilities in its financial statements. The purpose of Off-balance Sheet Liabilities items is not to present assets or liabilities of the Company, but to inform the reader about financial statements.

Off-balance sheet of assets and liabilities of the Company in the amount of 21.907.920 thousand RSD refer to:

- Sureties from issued guarantees and approved credit lines based on loans and guarantees issued in favor of subsidiaries for a total sum of 15.074.774 thousand RSD. Based on sureties, the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral;
- Liabilities related to received guarantees: Alpha bank for duly settlement of obligations related to plane tickets (2.971 thousand RSD);
- The use of city building land, Block 25 and Block 26, Novi Beograd, in the amount of 4.910.985 thousand RSD;
- Obligations for Enjub ltd. dividends in the amount of 30.442 thousand RSD directly written-off in the previous period;
- Mortgage on Enjub ltd. apartments in the amount of 16.342 thousand RSD. To secure the repayment of the loan pursuant to contract no. 367, granted by EP Holding by Enjub ltd, 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 favor of the Company
- Corporate guarantees - Energoprojekt Niskogradnja plc in the amount of 1.872.406 thousand RSD (guarantee for the project BBVA-PERU in the amount of 1.310.684 thousand RSD and the project BANCO FINANCIERO-PERU in the amount of 561.722 thousand RSD).

38. COMMITMENT AND CONTINGENCIES

Contingent liability that may result in the outflow of economic benefit, may arise, first of all, from lawsuits. A **contingent liability arising from lawsuits** leads possibly to the completion of legal proceedings against the Company, yet no liability or provision was recorded in the balance sheet.

The following table contains the number and estimated values of lawsuits with the Company as the defendant and not very small probability for the Company to lose the case. Disclosed values with the contingent liability as at 30.09.2014, include only the principal amount per case.

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

<i>Defendant</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Natural person	4	6	10
Legal person	3	0	3
TOTAL	7	6	13
<i>in 000 RSD</i>			
Natural person	11.400	1.083	12.483
Legal person	89.394	0	89.394
TOTAL	100.794	1.083	101.877

Detailed information on the largest lawsuits with the Company as the defendant is indicated in the following table.

<i>Plaintiff</i>	<i>Basis of claims</i>	<i>Contingent liability in 000 RSD</i>
Ivana Pekovic	Establishment of ownership rights	0
Rajko Ljubojevic	Expropriation	0
Belim plc. in bankruptcy	Unfounded acquisition of wealth	89.394
Marko Martinoli	Payment of the difference in the share price	639
Radomir Banjac	Damage claim	4.400
Milan Raonic	Copyright claim	7.000
Aleksandar Vasojevic	Annulment of resolutions from the XXXVII EGM	0
New Company	Establishment of ownership rights (Hotel In)	0
Land Development Agency	Payment for the building land for Hyatt	0
Association of Small Shareholders, Association of Pensioners, Jovan Korolija and Ivan Petrovic	Annulment of resolutions from the XXXVII EGM	0
Kovacevic Pavle, Radmila and Milan	Compensation for the confiscated land (Blok 26)	0
Sreta Ivanisevic	Compensation for expropriated property (Bezanija)	0
Vladan and Tomislav Krdzic	Damage claim (free shares not allotted to the plaintiffs)	444
TOTAL		101.877

A contingent asset arising from lawsuits leads possibly to the completion of legal proceedings in favor of the Company, yet no liability or provision was recorded in the balance sheet and the economic benefit was not recorded (for example, by reducing the value of unjustified advance payment, etc.).

ENERGOPROJEKT HOLDING PLC, BELGRADE
NOTES TO THE FINANCIAL STATEMENTS AS AT 30.09.2014

The following table contains the number and estimated values of lawsuits with the Company as the plaintiff and there is a reasonable probability for the Company to win the case.

<i>Defendant</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Natural person	1	0	1
Legal person	3	2	5
TOTAL	4	2	6
<i>in 000 RSD</i>			
Natural person	30	0	30
Legal person	208.000	836	208.836
TOTAL	208.030	836	208.866

Detailed information on the largest lawsuits with the Company as the plaintiff is indicated in the following table.

<i>Defendant</i>	<i>Basis of claims</i>	<i>Contingent assets in 000 RSD</i>
Stari Grad Municipality	Determination of ownership rights	0
Zekstra Group ltd	Compensation for damages (roof repair in Goce Delceva street 38)	836
Republic of Serbia, Electric Power Industry of Serbia, Epsturs ltd and the Republic of Montenegro	Establishment of the ideal part of ownership of the Park Hotel in Budva	0
Ivan Music	Compensation (roof repair in Goce Delceva street 38)	30
BMP plc	Share appraisal	0
The city of Belgrade, Belgrade Land Development Public Agency, RS	Debt (Arena)	208.000
TOTAL		208.866

39. POST BALANCE SHEET EVENTS

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

In Belgrade,
05.11.2014.

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 assets evaluation data

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

In 2014, Energoprojekt Group has planned to conclude new contracts in Serbia and abroad in the amount of 293,3 million EUR, in particular: in Serbia 62,4 million EUR (21%) and abroad 230,9 million EUR (79%). In the period January-September 2014, new contracts were signed in the total amount of 317,3 million EUR: in Serbia 175,6 million EUR (55%) and abroad 141,7 million EUR (45%), which is 108 % of the annual plan for new contracts

On the last day of the reporting period, the Energoprojekt Group had new contracts worth ca. 484 million EUR (in Serbia 206 million EUR; abroad 278 million EUR).

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 company in the next time period will be achieved according to adopted strategic documents of the company:

- *"The mid-term (4-year) programme of Energoprojekt Holding plc 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 plc and Energoprojekt Group for the period from 2011 till 2015"* (adopted at the 2nd Meeting of the Board of Directors of Energoprojekt Holding plc held on 29.07.2011).
- *"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 Chief Executive Officer).
- *"Annual business plan of Energoprojekt Holding plc. and Energoprojekt Group for 2014"* (adopted at the 113th meeting of the Executive Board of Energoprojekt Holding plc. held on 19.12.2013).

Considering the strategic commitment to a permanent and sustainable development of Energoprojekt Group, focused towards a continuous increase of profitability and volume of operations on traditional markets (domestic and foreign), cost-effective engagement of resources, as well as global macro-economic flows, the following business tasks are planned for 2014:

Priority tasks:

- To engage in activities related to the Business policy implementation program of Energoprojekt Holding plc. and companies included in the Energoprojekt Group from 2011-2015.
- To establish a business and information system adjusted to the needs of Energoprojekt Holding plc.
- To continue financial and business consolidation of individual subsidiaries included in the Energoprojekt Group that, in the previous period, has presented bad business results due to various circumstances (in terms of revenues, profit, staff, expectation of new contracts and loans).

Other business tasks:

- To enhance the efficiency of the management system and to allocate individual responsibilities in all processes.
- To reinforce the management and business processes systems in subsidiaries (for the purpose of increasing revenues and profit with operational costs optimization) and to reduce the operational risk level. To establish an adequate management structure that will raise the team spirit to a higher level.
- To revitalize decreasing or stagnating business activities and to launch new development projects.
- To raise the operational level – negotiations on active markets. To analyze historical markets and understand the possibility of returning to these markets. To carry out an organized and designed approach at new markets. To analyze the business policy in the real estate domain.
- To implement reengineering of business processes and staff restructuring in all companies included in the Energoprojekt Group. To perform respective analysis of existing financial and personnel resources. To achieve a better use of own resources and regular payment of salaries.
- To establish internal monitoring and internal audit of operations in Energoprojekt Holding plc. and the Energoprojekt Group (procedures, staffing, operation).
- To secure sustainable growth and development of the Energoprojekt Group, to increase the value of the share capital and payment of dividends.
- To secure transparency in operations and presentation of Energoprojekt to the public by providing relevant information through the Stock Exchange and regular

communication with domestic and foreign investors, partners and professionals in the general public.

The most important threats and dangers to which the company is exposed: expansion and escalation of the global economic crisis and the euro zone crisis; foreign companies from most populated countries with cheap manpower as competition; 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.

In the future, it is expected that the Energoprojekt Group will play a more important role in the upcoming cycle of investments into infrastructural projects in Serbia, such as highways, hydro and thermal energy, renewable energy sources, ecology and public and social infrastructure buildings.

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.

At the 42nd repeated General Meeting of Energoprojekt Holding plc shareholders, held on 17.06.2014, the following relevant Resolutions were adopted: Resolution to adopt the annual consolidated report of the Energoprojekt Group for 2013; Resolution to adopt the annual report of Energoprojekt Holding plc for 2013; Resolution to distribute undistributed profit; Resolution to adopt the report of the Supervisory Board of Energoprojekt Holding plc and Resolution on the appointment of auditors for 2014 and their service fee; Resolution on the amendment of the Articles of Association of Energoprojekt Holding plc; Resolution on the appointment of members of the Supervisory Board of Energoprojekt Holding plc. and the Resolution on the repurchase of own shares of Energoprojekt Holding plc.

Other companies within the Energoprojekt Group have held regular general meetings of shareholders within the legal deadline and all presented resolutions have been adopted.

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 A-listed companies on the Belgrade Stock Exchange.

Transactions with related parties

Receivables from related parties arise mostly from the sales of services and are due within 15 days from the invoice date. The Company received blank bills of exchange and authorizations as collateral. Detailed explanation is given in the "Note to financial statements".

Energoprojekt Holding plc, in accordance with provisions of Articles 515 and 516 of the Law on Enterprises and resolutions on the compulsory share buyout adopted on general meetings (held on 31.03.2014), has performed the compulsory share buyout from all remaining shareholders in subsidiaries Energoprojekt Visokogradnja plc, Energoprojekt Hidroinzenjering plc, Energoprojekt Urbanizam i arhitektura plc. and Energoprojekt Energodata plc. Shares were repurchased from all remaining shareholders that are not under lien or otherwise blocked in accordance with the terms of the Resolutions on the compulsory share buyout adopted at the general meetings of the respective companies.

Research and development activities of the Company

Energoprojekt Holding plc. implements and upgrades its own integrated management system (IMS) that includes quality management (in compliance with ISO 9001:2008), management of environmental protection activities (in compliance with ISO 14001:2004) and the management of health and safety at work (in compliance with OHSAS 18001:2007).

Till the end of 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.

Own investments of Energoprojekt and related parties in previous years were limited to investments in construction works (residential areas and business premises), 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 plc. and the Energoprojekt Group.

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

To the best of our knowledge, the Quarterly Financial Statement for the third quarter 2014 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 reports.

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

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding plc

Chief Executive Officer

Vladimir Milovanovic, BSc(Eng)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE THIRD QUARTER 2014 *

Note *:

- The quarterly report of Energoprojekt Holding plc for the 3rd quarter 2014 has been approved and adopted on 10th November 2014 at the 179th General Meeting of the Executive Board of the reporting company.

In Belgrade, November 2014

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding plc

Chief Executive Officer

Vladimir Milovanovic, BSc(Eng)