

Consolidated Annual Report of Energoprojekt Group for the year 2015

Pursuant to Articles 50 and 51 of the Law on Capital Market (RS Official Gazette, No. 31/2011) and pursuant to Article 3 of the Rulebook on the Content, Form and Method of Publication of Annual, Half-Yearly and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012 and 5/2015), **Energoprojekt Holding Plc. from Belgrade, registration No.: 07023014** hereby publishes the following:

CONSOLIDATED ANNUAL REPORT
OF ENERGOPROJEKT GROUP FOR THE YEAR 2015

C O N T E N T S

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT GROUP FOR THE YEAR 2015

(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)

2. INDEPENDENT AUDITOR'S REPORT (complete report)

3. ANNUAL BUSINESS REPORT

(Note: Annual Business Report and Consolidated Annual Business Report are presented as a single report and these contain information of significance for the economic entity)

4. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORTS

5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF ANNUAL CONSOLIDATED FINANCIAL STATEMENTS* (Note)

6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES* (Note)

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT GROUP FOR THE YEAR 2015 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

BALANCE SHEET
as at 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2014.	Opening balance on 01.01.2014.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		17.421.296	16.923.399	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		69.295	68.424	-
010 & part 019	1. Investments in development	0004	25	4.039	4.533	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25	64.245	61.747	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25	1.011	2.144	-
016 & part 019	6. Advances paid on intangible assets	0009		-	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		15.474.905	14.966.881	-
020, 021 & part 029	1. Land	0011	26	882.471	708.702	-
022 & part 029	2. Buildings	0012	26	7.339.649	7.380.489	-
023 & part 029	3. Plant and equipment	0013	26	3.665.434	3.873.436	-
024 & part 029	4. Investment property	0014	26	3.275.616	2.719.164	-
025 & part 029	5. Other property, plant and equipment	0015	26	109.492	139.456	-
026 & part 029	6. Property, plant and equipment in progress	0016	26	70.345	77.775	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26	35.596	22.258	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26	96.302	45.601	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl. 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1.049.392	1.113.776	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27	833.041	849.665	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27	26.251	33.750	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	9.178	-
048 & part 049	9. Other long term financial investments	0033	27	190.100	221.183	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		827.704	774.318	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036	28	43.500	129.684	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039		-	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28	784.204	644.634	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		24.954.277	22.977.675	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.458.231	4.387.289	-
10	1. Material, parts, tools and small inventories	0045	29	1.196.693	1.206.668	-
11	2. Work and services in progress	0046	29	1.456.325	1.294.624	-
12	3. Finished products	0047	29	132.958	159.845	-
13	4. Goods	0048	29	77.372	75.988	-
14	5. Non-current assets held for sale	0049	29	70.307	54.150	-
15	6. Advances paid for inventories and services	0050	29	2.524.576	1.596.014	-
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		9.751.353	11.135.285	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30	4.141	2.138	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30	826.804	566.150	-
204 & part 209	5. Local buyers	0056	30	2.373.683	3.012.665	-
205 & part 209	6. Foreign buyers	0057	30	6.546.725	7.554.332	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31	80.168	35.525	-
22	IV. OTHER RECEIVABLES	0060	32	493.729	344.184	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061	33	333.759	184.095	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.789.496	1.399.148	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	34	162.419	161.527	-
232 & part 239	3. Short term credits and loans, domestic	0065		-	729	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	34	16.549	968	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	34	1.610.528	1.235.924	-
24	VII. CASH AND CASH EQUIVALENTS	0068	35	4.800.373	3.099.258	-
27	VIII. VALUE ADDED TAX	0069	36.1.	112.663	80.225	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	36.2.	2.134.505	2.312.666	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		42.375.573	39.901.074	-
88	F. OFF-BALANCE SHEET ASSETS	0072	45	28.278.584	25.549.100	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2014.	Opening balance on 01.01.2014.
1	2	3	4	5	6	7
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		19.547.906	17.999.397	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.894.010	5.893.998	-
300	1. Share capital	0403	37.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	37.1.	237.014	237.014	-
309	8. Other share capital	0410	37.1.	82.037	82.025	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412		-	-	-
32	IV. RESERVES	0413	37.2.	374.590	374.453	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	37.3.	6.211.764	5.788.138	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	37.4.	450.976	415.520	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	37.5.	30.504	41.501	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		6.481.980	5.402.867	-
340	1. Retained earnings from previous years	0418	37.6.	5.434.490	4.373.835	-
341	2. Retained earnings from current year	0419	37.6.	1.047.490	1.029.032	-
	IX. NON-CONTROLLING INTEREST	0420	37.7.	165.090	165.922	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		3.855.014	4.218.314	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		1.137.466	1.096.129	-
400	1. Provisions for warranty costs	0426	38	491.826	454.572	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	38	270.777	282.730	-
405	5. Provisions for legal expenses	0430		-	-	-
402 & 409	6. Other long term provisions	0431	38	374.863	358.827	-
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		2.717.548	3.122.185	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435		-	-	-
413	4. Liabilities for issued securities for more than one year	0436		-	-	-
414	5. Long term credits and loans, domestic	0437	39.1.	218.927	330.930	-
415	6. Long term credits and loans, foreign countries	0438	39.1.	215.266	205.529	-
416	7. Long term liabilities from financial leasing	0439	39.2.	122.071	188.398	-
419	8. Other long term liabilities	0440	39.3.	2.161.284	2.397.328	-
498	C. DEFERRED TAX LIABILITIES	0441		792.571	788.539	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		18.180.082	16.894.824	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		3.856.625	3.574.310	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	40.1.	3.163.179	2.234.056	-
423	4. Short term credits and loans, foreign countries	0447	40.2.	154.864	757.701	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424,425,426 & 429	6. Other short term financial liabilities	0449	40.3.	538.582	582.553	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	41	5.476.677	3.728.831	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		3.848.637	3.827.905	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454		-	-	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	42	5.975	4.618	-
435	5. Suppliers, local	0456	42	2.182.699	1.649.037	-
436	6. Suppliers, foreign countries	0457	42	1.642.578	2.155.986	-
439	7. Other operating liabilities	0458	42	17.385	18.264	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	43	1.778.493	2.056.813	-
47	V. VALUE ADDED TAX	0460	44.1.	559.499	441.603	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	44.2.	855.653	1.646.264	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	44.3.	1.804.498	1.619.098	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		42.375.573	39.901.074	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	45	28.278.584	25.549.100	-

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



INCOME STATEMENT
from 01.01. until 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		35.258.170	33.832.266
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		165.604	142.773
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005		-	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006	11.1.	184	4.648
604	5. Income from sale of goods on local market	1007	11.1.	145.658	64.579
605	6. Income from sale of goods on foreign markets	1008	11.1.	19.762	73.546
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		34.442.139	33.470.855
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	1.461	580
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	685.561	1.689.732
614	5. Income from sale of finished products and services on local market	1014	11.2.	13.287.847	8.950.536
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	20.467.270	22.830.007
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016		-	50
65	IV. OTHER OPERATING INCOME	1017	11.3.	650.427	218.588
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		33.419.193	32.753.077
50	I. COST PRICE OF GOODS SOLD	1019	12	160.332	135.339
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13	45.459	49.389
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13	187.843	119.515
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13	53.031	102.352
51 excl. 513	V. MATERIAL COSTS	1023	14	7.495.481	9.320.069
513	VI. FUEL AND ENERGY COSTS	1024	14	1.383.470	1.478.507
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15	9.606.952	9.862.763
53	VIII. PRODUCTION SERVICE COSTS	1026	16	11.762.808	8.439.897
540	IX. DEPRECIATION EXPENSES	1027	17	809.641	656.518
541 to 549	X. PROVISION EXPENSES	1028	17	276.293	219.932
55	XI. INTANGIBLE EXPENSES	1029	18	2.104.487	2.706.604
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		1.838.977	1.079.189
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		1.845.349	2.534.584
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		188.050	340.661
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	22.806	57.852
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	66.698	133.668
669	4. Other financial revenues	1037	19.1.	98.546	149.141
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	98.378	293.789
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	1.558.921	1.900.134
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		2.077.322	2.430.316
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		18.002	45.110
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	3.185	5.522
565	3. Share of losses in affiliated companies and joint ventures	1044	19.2.	14.476	38.847
566 & 569	4. Other financial expenditure	1045	19.2.	341	741
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	295.787	333.696
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	1.763.533	2.051.510
	G. FINANCIAL GAINS (1032-1040)	1048		-	104.268
	H. FINANCIAL LOSSES (1040-1032)	1049		231.973	-
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	18.431	21.457
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	302.084	40.711
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	437.908	756.597
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	599.865	606.776
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		1.161.394	1.314.024
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22	42.818	-
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		-	34.280
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058		1.204.212	1.279.744
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		160.248	210.439
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		1.404	40.273
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		-	-
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		1.042.560	1.029.032
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		186.117	203.910
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		856.443	825.122
	III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068		-	-
	IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1070	24	-	-
	2. Reduced (diluted) earnings per share	1071		-	-

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		1.042.560	1.029.032
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		616.232	4.198.358
	b) decrease in revaluation reserves	2004		2.627	952
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	4. Gains and losses from share of other comprehensive profits and losses of affiliates				
	a) gains	2009			
	b) losses	2010			
	b) Items that may be reclassified in the balance sheet in future periods				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		132.447	304.459
	b) losses	2012		96.991	5.307
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017		12.413	10.444
	b) losses	2018		1.452	21.472
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		660.022	4.485.530
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020			
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			570.195
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		660.022	3.915.335
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023			
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024		1.702.582	4.944.367
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026		1.702.582	4.944.367
	1. Payable to majority shareholders	2027		1.517.801	4.134.445
	2. Payable to non-controlling shareholders	2028		184.781	809.922

Belgrade,

Date: 15.04.2016.



Legal Representative of the Company

CASH FLOW STATEMENT
from 01.01. until 31.12.2015.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	42.144.720	36.393.982
1. Sales and prepayments	3002	41.206.553	35.719.967
2. Interests from operating activities	3003	139.026	32.549
3. Other inflow from normal operations	3004	799.141	641.466
II. Cash outflow from operating activities (1 to 5)	3005	39.401.619	35.241.693
1. Payments to suppliers and prepayments	3006	27.171.046	23.831.719
2. Employee expenses and benefits	3007	9.526.724	9.566.395
3. Interests paid	3008	314.742	354.695
4. Income tax	3009	865.338	216.245
5. Payments based on other public revenues	3010	1.523.769	1.272.639
III. Net cash inflow from operating activities (I-II)	3011	2.743.101	1.152.289
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	105.833	868.162
1. Sale of shares and stocks (net inflow)	3014	-	-
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	11.332	26.502
3. Other financial investments (net inflow)	3016	-	743.916
4. Interest received from investment activities	3017	42.422	64.786
5. Dividends received	3018	52.079	32.958
II. Cash outflow from investing activities (1 to 3)	3019	522.860	1.005.859
1. Purchase of shares and stocks (net outflow)	3020	91.560	133.524
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	306.551	872.335
3. Other financial investments (net outflow)	3022	124.749	-
III. Net cash inflow from investing activities (I-II)	3023	-	-
IV. Net cash outflow from investing activities (II-I)	3024	417.027	137.697
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	650.568	78.566
1. Equity increase	3026	101	-
2. Long term loans (net inflow)	3027	-	-
3. Short term loans (net inflow)	3028	650.467	58.890
4. Other long term liabilities	3029	-	-
5. Other short term liabilities	3030	-	19.676
II. Cash outflow from financing activities (1 to 6)	3031	1.131.356	1.039.773
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	202.676	229.745
3. Short term loans (net outflow)	3034	-	-
4. Other liabilities	3035	246.506	27.967
5. Financial leasing	3036	386.227	235.652
6. Dividends paid	3037	295.947	546.409
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	480.788	961.207
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	42.901.121	37.340.710
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	41.055.835	37.287.325
G. NET CASH INFLOW (3040-3041)	3042	1.845.286	53.385
H. NET CASH OUTFLOW (3041-3040)	3043	-	-
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	3.099.258	3.085.871
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	96.715	118.815
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	240.886	158.813
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	4.800.373	3.099.258

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



STATEMENT OF CHANGES IN EQUITY
as at 31.12.2015.

No.	DESCRIPTION	Equity component															
		30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses	
1	2	3	4	5	6	7	8	9	10								
1	Opening balance on 01.01.2014.																
	a) debit balance	4001	4019	4037	4055	4073	4091	4109	4127								
	b) credit balance	4002	4020	4038	4056	4074	4092	4110	4128								
2	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4003	4021	4039	4057	4075	4093	4111	4129								
	b) adjustment of credit balance	4004	4022	4040	4058	4076	4094	4112	4130								
3	Adjustment of opening balance on 01.01.2014.																
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005	4023	4041	4059	4077	4095	4113	4131								
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	4024	4042	4060	4078	4096	4114	4132								
4	Changes in previous 2014. year																
	a) debit balance activity	4007	4025	4043	4061	4079	4097	4115	4133								
	b) credit balance activity	4008	4026	4044	4062	4080	4098	4116	4134								
5	Closing balance previous year at 31.12.2014.																
	a) debit balance (3a+4a-4b) ≥ 0	4009	4027	4045	4063	4081	4099	4117	4135								
	b) credit balance (3b-4a+4b) ≥ 0	4010	4028	4046	4064	4082	4100	4118	4136								
6	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4011	4029	4047	4065	4083	4101	4119	4137								
	b) adjustment of credit balance	4012	4030	4048	4066	4084	4102	4120	4138								
7	Adjustment of opening balance current year at 01.01.2015.																
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013	4031	4049	4067	4085	4103	4121	4139								
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	4032	4050	4068	4086	4104	4122	4140								
8	Changes in current 2015. year																
	a) debit balance activity	4015	4033	4051	4069	4087	4105	4123	4141								
	b) credit balance activity	4016	4034	4052	4070	4088	4106	4124	4142								
9	Closing balance at 31.12.2015.																
	a) debit balance (7a+8a-8b) ≥ 0	4017	4035	4053	4071	4089	4107	4125	4143								
	b) credit balance (7b-8a+8b) ≥ 0	4018	4036	4054	4072	4090	4108	4126	4144								

Belgrade,

Date: 15.04.2016.

Name

ENERGOPROJEKT GROUP, BELGRADE

No.	DESCRIPTION	Other results component											Total capital [Σ (row 1b col.3 to col.15) - Σ (row 1a col.3 to col.15)] ≥ 0	EDP	Losses exceeding capital [Σ (row 1a col.3 to col.15) - Σ (row 1b col.3 to col.15)] ≥ 0			
		EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from share of other profits and losses of affiliates	EDP	334 & 335 Gains and losses from foreign operations and translation of financial statements	EDP	336 Gains and losses from cash flow hedging	EDP	337 Gains and losses from available for sale securities	EDP				16	17	
1	2																	
1	Opening balance on 01.01.2014. a) debit balance b) credit balance	4145	-	4163	-	4181	-	4199	-	4199	-	4199	-	4217	-	4235	4244	-
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4146	-	4164	-	4182	-	4200	-	4200	-	4200	-	4218	-	4236	4245	-
3	Adjustment of opening balance on 01.01.2014. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	4147	-	4165	-	4183	-	4201	-	4201	-	4201	-	4219	-	4237	4246	-
4	Changes in previous 2014, year a) debit balance activity b) credit balance activity	4148	-	4166	-	4184	-	4202	-	4202	-	4202	-	4220	-	4238	4247	-
5	Closing balance previous year at 31.12.2014. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	4149	-	4167	-	4185	-	4203	-	4203	-	4203	-	4221	-	4239	4248	-
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4150	-	4168	-	4186	-	4204	-	4204	-	4204	-	4222	-	4239	4248	-
7	Adjustment of opening balance current year at 01.01.2015. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	4151	-	4169	-	4187	-	4205	-	4205	-	4205	-	4223	-	4239	4248	-
8	Changes in current 2015, year a) debit balance activity b) credit balance activity	4152	-	4170	-	4188	-	4206	-	4206	-	4206	-	4224	-	4239	4248	-
9	Closing balance at 31.12.2015. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	4153	-	4171	-	4189	-	4207	-	4207	-	4207	-	4225	-	4241	4250	-
		4154	-	4172	-	4190	-	4208	-	4208	-	4208	-	4226	-	4240	4249	-
		4155	-	4173	-	4191	-	4209	-	4209	-	4209	-	4227	-	4240	4249	-
		4156	-	4174	-	4192	-	4210	-	4210	-	4210	-	4228	-	4240	4249	-
		4157	-	4175	-	4193	-	4211	-	4211	-	4211	-	4229	-	4241	4250	-
		4158	-	4176	-	4194	-	4212	-	4212	-	4212	-	4230	-	4242	4251	-
		4159	-	4177	-	4195	-	4213	-	4213	-	4213	-	4231	-	4242	4251	-
		4160	-	4178	-	4196	-	4214	-	4214	-	4214	-	4232	-	4243	4252	-
		4161	-	4179	-	4197	-	4215	-	4215	-	4215	-	4233	-	4243	4252	-
		4162	-	4180	-	4198	-	4216	-	4216	-	4216	-	4234	-	4243	4252	-

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



ENERGOPROJEKT GROUP BELGRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2015

Belgrade, 2016

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1. COMPANY BACKGROUND

Energoprojekt Group, Belgrade (hereinafter: Energoprojekt Group) consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company), 12 subsidiary companies in the country, 11 of which are direct subsidiaries (9 share-based and 2 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company), 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share, 1 affiliated company (1 share company), as well as 7 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 100) and own companies in the country and abroad (13 subsidiaries abroad, 1 affiliate abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

In 2015, Energoprojekt Group was organized as follows:

Activity	No. of local subsidiaries, affiliates and joint ventures	No. of business units for investment works and branch offices abroad	No. of subsidiaries and affiliates abroad
Planning and research	4	27	5
Construction and fitting	5	73	12
Holding	1		
Other	6		4
Total	16	100	21

Parent and subsidiary companies' seat is in 12 Bulevar Mihaila Pupina Street, New Belgrade.

In 2015, the average number of employees in Energoprojekt Group, based on the actual number of employees at the end of each month, was 2,316 (compared to 2,355 in 2014), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market. Share of some subsidiary companies are traded in the Open Market (Energoprojekt Entel and Energoprojekt Industrija) and in the MTP Belex market segment of the Belgrade Stock Exchange (Energoprojekt Oprema and Energoprojekt Garant).

Financial statements for 2015 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Group** approved by the Supervisory Board of the Company, on April 25, 2016 in the 40th meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2014.

2. CONSOLIDATION GROUP

The consolidation group consists of the Energoprojekt Holding parent company and its local subsidiaries, joint venture and affiliated companies and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and affiliated companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100,00
2.	Energoprojekt Niskogradnja Plc.	100,00
3.	Energoprojekt Oprema Plc.	67,87
4.	Energoprojekt Sunnyville Ltd.	100,00
<i>Planning and Research</i>		
5.	Energoprojekt Urbanizam i arhitektura Plc.	100,00
6.	Energoprojekt Industrija Plc.	62,77
7.	Energoprojekt Entel Plc.	86,26
8.	Energoprojekt Hidroinženjering Plc.	100,00
<i>Other</i>		
9.	Energoprojekt Energodata Plc.	100,00
10.	Energoprojekt Promet Ltd.	100,00
11.	Energoprojekt Garant Ltd.	92,94
12.	Energoplast Plc.	60,00
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
13.	Enjub Ltd.	50,00
<i>Affiliated Companies</i>		
<i>Other</i>		
14.	Fima See Activist Plc.	20,93

In 2015, Energoprojekt Holding found a new company in the country - Energoprojekt Sunnyville Ltd., Belgrade, for the purpose of construction of own investment in Belgrade, and paid in the founder's contribution in the amount of RSD 2.500 thousand.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Group are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40,00%) and Energoprojekt Entel Plc. (20,00%), made through primary consolidation.

On the occasion of inclusion of the Energoprojekt joint venture company Enjub Ltd. in consolidated financial statements of the Energoprojekt Group, in compliance with IFRS 11 - Joint Arrangements, equity method was applied, both for the reporting and for the comparable period of the previous year.

By equity method, closed-end investment fund Fima See Activist Plc. is included in consolidated financial statements of Energoprojekt Group, in compliance with IFRS 11 - Joint Arrangements, since the percentage of Energoprojekt Holding shares in equity of subject company was over 20,00%.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
1.	Zambia Engineering and Contracting Company Limited, Zambia	100,00
2.	Energoprojekt Holding Guinee S.A, Guinea	100,00
3.	I.N.E.C. Engineering Company Limited, Great Britain	100,00
4.	Encom GmbH Consulting, Engineering & Trading, Germany	100,00
5.	Dom 12 S.A.L, Lebanon	100,00
6.	Energo (Private) Limited, Zimbabwe	100,00
7.	Energo Kaz d.o.o., Kazakhstan	100,00

In 2015, Energoprojekt Holding in its business records registered Energo Kaz Ltd., Kazakhstan, a company founded in 2009, but not active till 2014.

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Zambia Engineering and Contracting Company Limited, Zambia, Energo (Private) Limited, Zimbabwe and Energo Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Energoprojekt Energodata are at the same time parent companies that prepare consolidated financial statements, so that the subsidiary and affiliated companies listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
Overseas		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energoprojekt Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro	EP Oprema Plc.
7.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
8.	Zahinos Ltd., Cyprus	EP Industrija Plc.
9.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
10.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
11.	Energoprojekt L.L.C., Abu Dhabi, UAE	EP Entel Plc.
12.	Energoprojekt Energodata Montenegro Ltd., Montenegro	EP Energodata Plc.
13.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia

Affiliated Companies Abroad

- | | | |
|----|---|----------------|
| 1. | Energoprojekt Nigeria Ltd., Lagos, Nigeria (40,00%) | EP Oprema Plc. |
|----|---|----------------|

Domestic

Affiliated Local Companies

- | | | |
|----|------------------------------|--------------------|
| 1. | Energoprojekt Ltd. (33,33 %) | EP Industrija Plc. |
|----|------------------------------|--------------------|

In 2015, the Energoprojekt Zambia Limited was found in Zambia, with 80% of Zambia Engineering and Contracting Company Limited and 20% of Energoprojekt Holding stake, which is included in consolidated financial statements of Energoprojekt Group, through primary consolidation in Zambia Engineering and Contracting Company Limited, Zambia.

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

Consolidated financial statements of Energoprojekt Group were prepared pursuant to the Law on Accounting and Auditing ("RS Official Gazette", No. 62/2013 – hereinafter: the Law).

Pursuant to the Law, in recognizing, valuation, presentation and disclosure of items in financial statements, large legal entities, legal entities obliged to prepare consolidated financial statements (parent legal entities), public companies, that is, companies preparing to become public, irrespective of their size, shall apply International Financial Reporting Standards (hereinafter: IFRS). IFRS, within the meaning of the Law, are:

- The Framework for the preparation and presentation of financial statements,
- International Accounting Standards – IAS,
- International Financial Reporting Standards - IFRS and related interpretations, issued by the International Financial Reporting Interpretations Committee, subsequent amendments to these Standards and the related Interpretations, as approved by the International Accounting Standards Committee, the translation of which was adopted and published by the Ministry in charge of finances.

Consolidated financial statements of Energoprojekt Group were presented in the form and with the content specified by the provisions of the Rules on the Contents and Form of Financial Statements' Forms submitted for companies, cooperatives and entrepreneurs ("RS Official Gazette", No. 95/2014 and 144/2014). These Rules, among other things, laid down the form and content of individual positions in the Balance Sheet, Income Statement, Other Comprehensive Income Report, Cash Flow Statement, Statement of Changes in Equity and Notes to Financial Statements. Pursuant to the above mentioned Rules, amounts in RSD thousands are to be presented in these forms.

Chart of Accounts and content of accounts in the Chart of Accounts were prescribed by the Rules on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014).

In preparation of consolidated financial statements of Energoprojekt Group, the following laws and by-laws were taken into account, among others:

- Law on Corporate Income Tax ("RS Official Gazette" No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - and other law, 142/2014, 1/2015 - authentic interpretation and 112/2015),
- Law on Value Added Tax ("RS Official Gazette" No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - and other law, 142/2014 and 83/2015),
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("RS Official Gazette" No. 99/2010, 8/2011, 13/2012, 8/2013 i 20/2014 - and other rules),
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("RS Official Gazette" 24/2014, 30/2015),
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("RS Official Gazette" No. 116/2004 and 99/2010),

- Rules on Transfer Prices and Methods applied in compliance with the „at arms's length“ principle in determining the price of transactions among parties ("RS Official Gazette" No. 61/2013 and 8/2014) and other regulations.

Among the legal acts comprising the internal regulations of the Company, in preparation of consolidated financial statements of Energoprojekt Group, the Rules on Accounting and Accounting Policies of the Company, as adopted on 27/11/2015 by the Executive Board of the Company, was used. In addition to the above listed, other internal acts of the Company were used, such as, for example, the Collective Agreement of Company regulating employment in the country.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

The Law on Capital Market ("RS Official Gazette", No. 31/2011 and 112/2015) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

It should be noted here that in certain cases, not all the relevant provisions of the IFRS or of the Interpretations thereof were taken into account in preparation of the Energoprojekt Group consolidated financial statements.

The accounting regulations of the Republic of Serbia, and thus the presented consolidated financial statements, deviate from IFRS in the following aspects:

- Pursuant to the Law on Accounting ("RS Official Gazette", No. 62/2013), the financial statements in the Republic of Serbia for reported period, are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014 and 144/2014), which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 – Presentation of Financial Statements; and
- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

In addition to the above stated, some deviations were due to the different publishing dates of the Standards and the relevant Interpretations thereof, which are subject to continuous modifications, and the effective dates when these Standards and relevant Interpretations thereof come into force in the Republic of Serbia. Thus, for example, the deviations from the Standards came as the consequence of the fact that the published Standards and relevant Interpretations, which came into force, have not yet been officially translated or adopted in the Republic of Serbia; as the consequence of the fact that the published Standards and relevant Interpretations have not yet come into force; or as the consequence of some other reasons beyond effective control or influence of the Company.

The new Standards, Interpretations and amendments to the existing Standards in force in the current period that have not yet been officially translated or adopted in the Republic of Serbia

By the date of adoption of the consolidated financial statements of the Energoprojekt Group, the following version of IAS, IFRS and the Interpretations that are integral parts of the Standards, as well

as the amendments thereto, as issued by the International Accounting Standards Board, or by the International Financial Reporting Standards' Interpretations Committee, despite the fact that they came into force on January 1, 2015 and that are as such applicable to the financial statements for the reporting period, have not yet been officially translated or published by the Ministry, and thus cannot be applied by the Company:

- Amendments to IAS 32 - Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (effective for the annual periods beginning on or after January 1, 2014);
- IFRIC 21 - Levies (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to various standards (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38), which are the result of the annual standards' improvement project, "Cycle 2010-2012", published by the IASB in December 2013, primarily through the removal of inconsistencies and clarification of text (in force for the annual periods beginning on or after July 1, 2014);
- Amendments to various standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40), which are the result of the annual standard's improvement project, "Cycle 2011-2013", published by the IASB in December 2013, primarily through the removal of inconsistencies and clarification of text (effective for annual periods beginning on or after July 1, 2014), and
- Amendments to IAS 19 - Employee Benefits – Defined benefit plans (effective for annual periods beginning on or after July 1, 2014).

The new Standards, Interpretations and Amendments to the existing Standards that have not yet come into force

By the date of adoption of the consolidated financial statements of the Energoprojekt Group, the following IAS, IFRS and Interpretations that are integral parts of these Standards, as well as the Amendments thereto, were issued by the International Accounting Standards Board, and/or by the International Financial Reporting Interpretations Committee, but have not yet come into force, nor have they been officially translated or published by the Ministry, and thus were not applied by the Company:

- Amendments to various Standards (IFRS 5, IFRS 7, IAS 19 and IAS 34) that were introduced as the result of the annual improvements to the Standards, Annual Improvements Cycle 2012-2014, published by the IASB in September 2014, primarily through removal of inconsistencies and explanations of the texts (effective for annual periods beginning on or after January 1, 2016);
- IFRS 9 - Financial Instruments (effective for annual periods beginning on or after January 1, 2018);
- Amendments to IFRS 11 - Joint Arrangements - Accounting for acquisitions of interests in joint operations, effective for annual periods beginning on or after January 1, 2016;

- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 - Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after January 1, 2016);
- IFRS 14 - Regulatory Deferral Accounts (effective for annual periods beginning on or after January 1, 2016);
- IFRS 15 - Revenues from Contracts with Customers (effective for annual periods beginning on or after January 1, 2018);
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture - Agriculture: Bearer Plants as Biological Assets (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 28 - Investments in Associates and Joint Ventures and IFRS 10 - Consolidated Financial Statements – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 1 - Presentation of Financial Statements - Disclosure initiative (effective for annual period beginning on or after January 1, 2016) and
- Amendments to IAS 28 - Investment in Associates and Joint Ventures, IFRS 10 - Consolidated Financial Statements and IFRS 12 - Disclosure of Interest in Other Entities – Applying the Consolidation Exception (effective for annual period beginning on or after January 1, 2016).

Despite all the above mentioned potential discrepancies, application of all changes of the above listed Standards would not bear any significant influence on the financial position of the Company or to the results of its operations.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

5. CONSOLIDATION

Consolidated financial statements are financial statements of the group, presented as financial statements of unique economic entity.

Consolidated financial statements are composed by applying unified accounting policies for similar transactions and events, in similar circumstances. In case that a group member, consisting of a parent company together with its subsidiaries, for similar transactions and events in similar circumstances, applies accounting policies different from those adopted in consolidated financial statements, the appropriate corrections of those financial statements (according to provisions of rules on Accounting and Accounting Policies of the Company) are made at consolidated financial statements composing.

5.1. Subsidiary Companies

The Subsidiary Company means a company controlled by the Company (parent company).

Parent company controls the company where it has made investments if it fulfills all following requirements only:

- the power over the company with his investments (meaning present capability to direct relevant activities, ie. activities reflecting significantly at yield of the company with its investments);
- exposure, meaning the right to yield variabilities based on its share in the company with its investments, and
- capability of using its own power over the company with its investment to influence the yield level for investor.

The consolidated method used for subsidiaries, according to IFRS 10 - Consolidated Financial Statements, is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Equity investments without controlling rights are presented separately.

5.2. Affiliated Companies

Affiliated Company is a company over which the Group exerts significant influence, but not control, or holds between 20% to 50% ownership or voting power.

The applied method of consolidation for affiliated companies, according to IAS 28 - Investment in Associates and Joint Ventures, is equity method. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

5.3. Joint Ventures

The Joint Venture arrangement is an arrangement where two or more parties have the joint control. The joint control exists only if the relevant activities decisions require unanimous decision of sides sharing the joint control.

Depending on rights and liabilities defined in arrangement, the joint arrangement could be:

- the joint business, or
- the joint venture.

The Joint Business means the joint arrangement where parties sharing the joint control over the arrangement (participating together in business activities), have the right to property and responsibility for obligations related to the arrangement. Participants in joint business recognize:

- their own property, including their share in jointly owned property;
- their own obligations, including their share in obligations accepted;
- their own income from selling of own share in results deriving from joint business activities;
- their own part of income from selling joint business activity results, and
- their own costs, including their share in joint business activity costs.

The joint business accounting in separated and consolidated financial statements is made according to IFRS applicable for related property, liability, profit or loss.

Joint Venture is a joint arrangement where parties sharing the joint control over the arrangement (participating together in joint venture), have the right to net-assets of the arrangement, meaning that the financial structure, and not the parties in joint venture, has the right to property and responsibility for obligations accepted through the arrangement.

The joint venture sharing in consolidated financial statements is treated by the equity method, according to IAS 28, meanwhile in separated financial statements is treated by cost value, according to IAS 27.

The joint venture parties sharing the arrangement, but not having any control over it, in their respected separated and consolidated financial statements treat their joint business activities and joint ventures according to relevant provisions of IFRS 11.

An overview of subsidiary, affiliated and joint venture companies, which, together with the parent Company, comprise the Energoprojekt Group for consolidation, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

The following principles were applied in the preparation of consolidated financial statements of the Energoprojekt Group :

- The Going Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Substance over Form Principle;
- The Accrual Principle;
- The Item by Item Assessment Principle.

By complying with the **Going Concern Principle**, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period.

The Consistency Principle means that the valuation method for assets and changes in assets, liabilities, capital, income, expenses and business results, that is, for the Company's balance items, remains the same over a longer period. If, for example changes are implemented due to required harmonization with the legislation, reasoning for the change must be provided and the effects are disclosed according to the professional regulations concerning the change in valuation methods.

The Prudence Principle means applying a certain level of caution when preparing financial statements of the Company, so that the property and revenues are not overstated and obligations and expenses are not understated. The Prudence Principle, however, should not imply conscious, unrealistic decrease in revenues and capital of the Company or conscious, unrealistic increase of expenses and liabilities of the Company. Namely, The Framework for Preparation and Presentation of Financial Statements clearly states that the Prudence Principle should not result in the forming of substantial

hidden reserves, deliberate reduction of property of revenues, or deliberate exaggeration of liabilities or expenses causing the financial statements to become impartial and therefore unreliable.

The **Substance over Form Principle** means that, when recording the company's transactions, and consequently in preparing the financial reports, the accounting treatment should be based on the substance of the transactions and their economic reality and not just their legal form.

By complying with the **Accrual Principle**, recognition of effects of transactions and other events in the Company is not related to the point in time when cash or cash equivalents are received or paid based on these transactions or event, yet to the point in time when they occurred. This approach provides that the users of financial reports are informed not only about past transactions of the Company that resulted in payments or reception of cash, but also about liabilities of the Company to pay cash in the future and resources that represent cash to be received by the Company in the future.

In other words, compliance with the Accrual Principle provides information on past transactions and other events in the manner most useful to users for reaching their economy-related decisions.

The **Item by Item Assessment Principle** means that possible group valuations of various balance items (for example, property or liabilities) for the purpose of rationalization derive from separate valuation of items.

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies that are applied in the preparation of these financial statements are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Group that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting and Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the legislation, professional and internal regulations in force.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency in consolidated financial statements of the Company**.

In preparation of Company financial statements, relevant provisions IAS 10 – Events after the Reporting Period, were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

The most important valuations refer to the impairment of financial and non-financial assets and definition of assumptions, necessary for actuarial calculation of long-term compensations to employees based on the retirement bonus.

Within the context of valuation, the business policy of the Company is to disclose information on the **fair value** of assets and liabilities, if the fair value varies significantly from the accounting value. In the Republic of Serbia, a reliable valuation of the fair value of assets and liabilities presents a common problem due to an insufficiently developed financial market, lack of stability and liquidity in sales and purchases of, for example, financial assets and liabilities, and sometimes unavailability of market information. Despite all the above, the Company pays close attention to these problems and its management performs continuous valuations, considering the risks. If it is established that the recoverable (fair or value in use) value of assets in business books of the Company was overstated, the adjustment of value is applied.

7.2. Effects of Foreign Exchange Rates

Transactions in foreign currency, upon initial recognition, are registered in RSD counter value by applying the official middle exchange rate on the transaction date.

Pursuant to the provisions of IAS 21 – Changes in Foreign Exchange Rates, monetary items in foreign currency (assets, receivables and liabilities in foreign currency) are recalculated at each balance sheet date by applying the valid exchange rate or the official middle exchange rate at the balance sheet date.

Gain/losses arising on the translation of foreign currency (apart from those related to monetary items as part of net investments of the Company in foreign business, included pursuant to IAS 21) are recognized as revenues or expenses of the Company for the period in which they occurred.

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	31/12/2015	31/12/2014
	<i>Amount in RSD</i>	
EUR 1	121,6261	120,9583
USD 1	111,2468	99,4641
GBP 1	164,9391	154,8365

Applied average FX rates for the Income Statement items in 2015 and 2014 were as follows:

Currency	31/12/2015	31/12/2014
	<i>Amount in RSD</i>	
EUR 1	120,7328	117,3060
USD 1	108,8543	88,5408
GBP 1	166,4218	145,6441

7.3. Income

Incomes in accordance with IAS 18 - Revenues, comprise income from economic benefits in the respective period that lead to the increase in capital, other than the increase that relate to investments from existing equity holders, and are measured according to the fair value of received or claimed benefits.

Incomes include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and net profit from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous years.

Among the **operating incomes**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of products, services and merchandize (increases, ie. decreases in the value of inventories of unfinished and finished products and unfinished services), and instead operating expenses are corrected by such amounts in the Income Statement.

Income from the sales of merchandize is recognized when the following conditions are met cumulatively:

- The company has transferred to the buyer significant risks and benefits from the ownership of the product and goods;
- The company does not keep the share in management of the product sold and merchandize that is usually related to ownership, nor does it keep the control over products and goods sold;
- The amount of income cannot be measured in a reliable manner;
- Economic benefit for the Company related to such transaction is probable, and
- Costs incurred or cost that will be incurred in such transactions can be measured in a reliable manner.

Operating income from provision of services, in compliance with the relevant provisions of IAS 18 – Revenue, *revenues from a specific transaction are recognized by reference to the stage of completion of the transaction at the balance sheet date.* The transaction result may be reliably valued: if the revenue amount may be reliably measured, if the level of completion of the transaction at the balance sheet date may be reliably measured and if transaction-related expenses and transaction completion expenses may be reliably measured.

Financial incomes include financial revenues from the related parties, gains arising from foreign currency fluctuations, income from interest and other forms of financial revenues.

Incomes from dividends are recognized when the right to receive the dividend is established.

Within **other income** (that additionally include income from value adjustments of other assets disclosed at fair value through Income Statement), in addition to other income, gains are presented that may, but do not have to result from the usual activities of the Company. Gains are increases in economic benefits of the Company and as such, by their nature, are not different from other revenues. For example, gains include gains from the sales of property, plant and equipment; at greater value from accounting one at the moment of sale.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

7.4. Expenses

Expenses are the outflow of economic benefits over a given period that result in the decrease of the capital of the Company, except for the reduction that refers to the allocation of profit to owners or reduction that resulted from partial withdrawal of capital from operations by the owner. Expenses include outflow of assets, impairment of assets and/or increase of liabilities.

Expenses include operating expenses, financial expenses, other expenses (including expenses from value adjustments of other property assets disclosed at fair value through Income Statement) and net losses from from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year.

Operating expenses include: cost price of goods sold, material cost, employee expenses and benefits, production service cost, intangible expenses, depreciation expenses and provisions expenses, etc.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, ie. decrease of inventories of intermediate and finished products and services in progress).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from value adjustments of other property assets disclosed at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year and transfer of expenses, expenses according to the names of accounts comprising this group are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax, and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax is recorded in books pursuant to respective provisions IAS 12 – Income Taxes that, inter alia, specify that deferred tax assets and liabilities should not be discounted.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences;
- Unused tax losses transferred to the following period, and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following: tax value of assets that are subject to depreciation exceeds the accounting value thereof; from the taxation aspect, certain provisions are not recognized (IAS 19, issued guarantees and other sureties), impairment of assets (merchandise, materials, etc.) and impairment of investment immovable property; from the taxation aspect expenses for unpaid public revenues that do not depend on business performance and losses occurring when securities are measured at fair value and effect is presented through the Income Statement.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes). Deductible temporary differences exist if the accounting value of assets is less than their tax base. In that case, deferred tax assets are recognized, if it is estimated that there will be a taxable income in future periods for which the Company may use deferred tax assets.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is recognized only in case that the Company management may reliably assess that the Company will generate taxable income in future periods that may be reduced based on unused tax losses.

A deferred tax asset based on **unused tax credit** for investments in fixed assets is recognized only up to the amount for which a taxable income in the tax balance will be realized in future periods or calculated income tax for the reduction of which the unused tax credit may be used, only until this type of tax credit may be used in the legally prescribed manner.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 – Employee Benefits).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference arises in cases where a certain expense is recognized from the taxation aspect, while from the accounting aspect it will be recognized in the Company books in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base.

Deductible temporary difference occurs if the accounting value is greater than its tax base.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets are assets without identifiable physical substance, such as: software, licenses, concession, copyrights, investment in other properties, trademarks, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company;
- that the Company has control over the asset, and
- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangibles assets is performed at its cost (purchase price).

Subsequent measuring of intangibles assets, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36 – Impairment of Assets).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: the purchase price and all the related costs of acquisition, that is, all the directly attributable costs of bringing the assets to the condition of functional readiness.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed according to the fair value, which imply the market value, or the most probable value that can realistically be achieved in the market, at the Balance Sheet date. The fair value is to be determined by appraisal, which is to be performed by appraiser expert, based on the evidence collected on the market. Where there is no evidence of the fair value on the market, due to the specific nature of facilities and due to the fact that such items are only rarely sold, except as a part of continuous business operation, it may be necessary that the Company performs an assessment of the fair value by using the income approach or the approach of depreciated costs of replacement. Any change in the fair value of facilities is to be recognized in principle in the total equity, within the revaluation reserve position.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Measuring of subsequent expenses for property, plant and equipment is performed when:

- It is a case of the investments that extend the useful life of the use of such asset;
- It increases the capacity;
- It improves the asset, whereby the quality of product is improved, or
- It reduces the production costs compared with the costs prior to such investment.

The costs of servicing, technical maintenance, minor repairs and other, do not increase the value of an assets, but comprise the expense for the period.

Investments in other person's property, plant and equipment are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Asset value (of intangible assets, property, plants and equipment) is allocated by **amortisation** to the period of its useful life.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use.

The amount to be depreciated, or the acquisition price or some other amount used as a substitute for the acquisition price in financial statements of the Company, reduced by the residual value (remaining value) is to be systematically allocated over the lifetime of the asset.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value and the remaining useful lifetime of the asset are examined at the end of each financial year by the competent valuers. In case that the new valuations are different from the previous valuations, the change is treated by changing the accounting assessment and it is recognized in the books on the basis of IAS 8 – Accounting Policies, Changes in Accounting Policies and Errors.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, ie. employment, or when it is at the location and ready-for-use as intended by the Company.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period when it is expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used

actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An investment property should be measured initially at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is included in the result of the period when the increase/decrease has occurred.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property is not recognized as such any more upon the disposal thereof or if it is not in use any more, and no future benefits are expected from the disposal thereof. Profits or losses from decommissioning or disposal of investment property are recognized in Income Statement in the year in which the asset was disposed of or decommissioned.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories spent is performed by applying the **weighted average cost formulas**.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Net realizable value is the valuated price of sale within regular business activities reduced by completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use. To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group), and
- The sale of the asset must be very probable.

A non-current asset recognized as an asset held for sale **is to be measured** (presented) at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write-off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets.

Non-current assets held for sale are not depreciated.

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

7.15. Financial Instruments

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instrument and related accounting records is conditional upon their classification that is to be performed by the Company in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four possible types of financial instruments as specified by provisions of IAS 39:

- Financial assets at fair value through the profit and loss account;
- Held-to-maturity financial assets (investments);
- Loans (credits) and receivables, and
- Financial assets available for sale.

Financial assets or liabilities at fair value through profit and loss include financial assets and liabilities the changes in fair value of which are recorded as revenues or expenses in the balance sheet.

A financial asset or liability classified in this category must fulfil either one of the following conditions:

- Classified as held for trading, or
- After initial recognition, it will be classified and stated as a financial asset (liability) through profit and loss statement.

A financial asset or liability is classified as held for sale, if: it was acquired or created for sale or repurchase in the nearest future, a part of portfolio of identified financial instruments managed jointly and for which there is proof of recent short-term revenue model or derivative (other than the derivative as a hedging instrument).

The Company may indicate that a financial instrument is disclosed through the profit and loss account only if relevant information is obtained, since the inconsistency of measurement or recognition that would occur in the measurement of assets or liabilities or recognition of gains or losses is eliminated or considerably prevented; or a group of financial assets, liabilities or both is managed and performances valued based on the fair value in accordance with the risk management strategy or investment management strategy and the information on the group is internally collected accordingly and presented to the key management of the Company.

Held-to-maturity financial assets (investments) are non-derivative financial assets with fixed or identifiable payments and fixed maturity that the Company intends and may hold to maturity, excluding those marked by the Company at fair value through the profit and loss account after initial recognition or those marked as available-for-sale and those defined as loans and receivables.

Loans (credits) and receivables are non-derivative financial assets of the Company with fixed or identifiable payments and fixed maturity that are not quoted in an active market, other than:

- The assets that the Company intends to sell immediately or within a short period of time and that would then be classified as assets held for sale;
- The assets marked by the Company at fair value through the profit and loss account after initial recognition;
- The assets marked by the Company as available for sale after their initial recognition, or
- The assets for which the owner cannot recover the entire amount of their initial investment to any significant degree, which will be classified as assets available for sale.

Available-for-sale financial assets are non-derivative financial assets marked as available-for-sale and not classified in any previously defined type of financial instruments.

On the occasion of the **initial measurement** of a financial instrument, the Company performs the measurement at fair value through the balance sheet increased, in case that the financial instrument has not been marked for measurement at fair value with changes of fair value through the Income Statement, by the transaction costs that are directly attributable to the acquisition thereof.

Subsequent measurement of financial instruments is performed at fair values, without deducting transaction costs that may arise from the sale or disposal of the instrument, the following financial assets excluded:

- Loans and receivables, measured at amortized cost using the effective interest method;
- Financial assets (investments) held-to-maturity, measured at amortized cost using the effective interest method; and
- Investments in capital instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

The fair value of assets is the amount at which the asset can be traded for or liability settled between informed and willing parties as an independent transaction. If there is an active market for the financial instrument, the fair value is determined according to information obtained from that market; if there is no active market, the fair value is determined using valuation techniques specified in IAS 39. Positive (adverse) effects of the change of fair value are expressed as gain (loss) in the period of change, for financial instruments at fair value through the profit and loss account. Available-for-sale financial instruments are expressed within unrealized gain/losses based on available-for-sale securities up to the sales date, when the effect are transferred to gains (losses). An exception of the above are expenses

related to permanent depreciation and gains (losses) in foreign currency that are recognized immediately as gain (losses) for financial instruments classified as available-for-sale.

Amortized cost is the present value of all expected future made or received cash payments during the expected life expectancy of a financial instrument. The discount method with the effective interest rate is applied in the calculation of the amortized cost of a financial instrument. Gains/losses from changes in the depreciated value of financial instruments are recognized as of the moment when the financial instrument is no longer recognized, unless a decrease in value was performed, in that case the loss is recognized immediately.

7.16. Cash and Cash Equivalents

The most liquid forms of financial assets of the Company are **cash and cash equivalents**, valued at nominal or fair value. Cash and cash equivalents consist of: securities, petty cash in RSD and in foreign currencies, deposits in accounts in RSD and foreign currencies with banks, allocated monetary assets for letters of credit opened in the country, letters of credit in foreign currencies, short-term high liquidity investments with short maturity period which may be transferred into cash that are not under the influence of significant risk of value changes, monetary assets the use of which is limited or value decreased, etc.

Criteria according to which the Company assets are classified within cash and cash equivalents are specified in the relevant provisions of IAS 7 – Statement of Cash Flows, according to which:

- Cash includes cash and demand deposits, and
- Cash equivalents and short-term, highly liquid investments, that can be quickly turned into known cash amount and that are not under the influence of significant risk of value changes, which implies investments with short maturity term (of three months or shorter).

7.17. Short-Term Receivables

Short term receivables comprise receivables from the sale of products, goods and services to related parties and other legal and physical entities in the country and abroad, as well as the receivables on other bases (receivables for interest and dividend, receivables from employees, receivables from state authorities and organizations, receivables from overpaid taxes and contributions, etc.), expected to be realized within 12 months from the balance sheet date.

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

At the balance sheet date, the Company performs an assessment of realisability and probability of default for all receivables or if receivables have a decrease in value.

In the assessment of the decrease in value, the Company has endured losses due to the decrease in value if there is objective proof (for example, large financial difficulties of the debtor, unusual breach of contract by the debtor, potential bankruptcy of the debtor, etc.) to support the decrease in value as a result of an event that took place after the initial recognition of assets and the respective loss affects estimated future cash flows from financial assets or group of financial assets that may be reliably valued. If there is no evidence, valuers will use their experience and sound judgment in the valuation of the collectability of receivables.

If there is a decrease in value of receivables, the following steps are taken:

- Indirect write-off, or
- Direct write-off.

Indirect write-off of receivables for which the Company is debited is performed on the value adjustment account. The decision on indirect write-off (value adjustment) of receivables on the value adjustment account, upon proposal by the Committee for Inventory of Liabilities and Receivables within the regular inventory, or upon proposal of the expert services in the course of the year, is made by the authorized Company body.

Direct write-off of receivables is performed based on the assessment of Company management if there is almost no probability of recovery (in cases where the receivables are outdated, debtors are bankrupt, etc.). The decision on direct write-off of receivables, after consideration and upon proposal by the Committee for Inventory of liabilities and receivables within the regular inventory, or upon proposal by the expert services in the course of the year, is adopted by the authorized Company body.

The indirect and direct write-off of receivables is applied only based on relevant circumstances and the balances as at the balance sheet date, ie. during the year.

Expected losses from future events, or events after the balance sheet date, regardless how probable, are not recognizable, but disclosed in Notes to the Financial Statements.

7.18. Financial Investments

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

Short-term financial investments include a part of granted long-term loans that are expected to be recovered within one year from the balance sheet date.

As for other assets that are presented as short-term assets, Company securities the realization (collection) of which is expected within the period of one year from the balance sheet date are also presented within the short-term financial investments. Thus, for example, securities that are classified as securities held to maturity are presented as short-term financial investments – the portion thereof that will mature within the period of one year.

Long-term financial investments include investments in long-term financial assets, such as: the long-term loans, securities and other long-term financial investments with maturity date over one year from the balance sheet date.

Shares in subsidiary companies and other affiliated companies, based on the relevant provisions of IAS 27 – Separate Financial Statements, investments in subsidiary companies, jointly controlled companies and associated legal entities are carried in the Company's books at their cost, in compliance with the cost method. If, however, in compliance with the provisions of IAS 36 – Impairment of Assets, it should be established that the recoverable amount of costs does not exceed the purchase (booking) price, the Company carries the equity investment amount at its recoverable amount, and the decrease (impairment) in equity investment is presented as an expense in the period in which such impairment was established.

The classification performed by the management of the Company according to the features of the financial investment (financial assets at fair value through Income Statement, held-to-maturity financial assets (investments), loans (credits) and available-for-sale financial assets) is relevant for subsequent measurement of long-term financial investments.

7.19. Liabilities

A liability is a result of past transactions or events and the settlement of the liability implies usually a loss of economic benefits of the Company to comply with other party's request.

In the **valuation of liabilities** pursuant to the Framework for the preparation and presentation of financial statements, the liability is stated in the balance sheet:

- If there is a probability that an outflow of resources with economic benefits will result in the settlement of present liabilities, and
- If settlement amount may be reliably measured.

In addition to that, the *prudence principle* may be applied. This means applying caution in the valuation to prevent overstatement of the property and revenues and understatement of liabilities and expenses. The prudence principle should not result in forming of substantial hidden reserves (for example, as a result of deliberate overstatement of liabilities or expenses), the financial statements to become impartial and therefore unreliable.

Liabilities include: long-term liabilities (liabilities to related parties; long-term loans and credits in the country and abroad, liabilities for long-term securities, liabilities for long-term financial lease and other long-term liabilities); short-term liabilities (short-term credits and loans related parties, short-term credits and loans in the country and abroad, part of the long-term credits and loans as well as other short-term financial liabilities), short-term liabilities from operations (suppliers and other liabilities from operations) and other short-term liabilities.

Short-term liabilities are liabilities expected to be settled within one year from the balance sheet date including the part of *long-term liabilities* and long-term liabilities are liabilities expected to be settled over a longer period.

For liabilities presented in a foreign currency, as well as for the liabilities with foreign currency clause, calculation in functional currency is performed at the middle exchange rate on the transaction date. The change in exchange rate until the settlement date is presented as positive (negative) differences in exchange rate. Liabilities in a foreign currency are calculated on the balance sheet date by using the exchange rate valid as at the balance sheet date, and any differences in exchange rates are recognized as income or expenses of that period.

Decrease of liability upon court order, out-of-court settlement etc. is applied by direct write-off.

7.20. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount.

The Company recognizes provisions only if the following conditions are met:

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

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the performance of the time value of money is significant, the provision amount represents the present value of expenditure expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.21. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee Benefits, are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until the a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity

date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.22. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are subject to risks and benefits different from those present in some other business segments.

The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

8. ERRORS FROM PREVIOUS PERIOD, MATERIAL ERRORS AND CORRECTION OF OPENING BALANCE

Errors from previous period represent omitted or false data presented in financial statements of the Company for one or several periods as a result of misuse or lack of use of reliable information, which were available when the financial statements for respective periods were approved for issue and which were expected to be obtained and taken into consideration upon preparation and presentation of the respective financial statements.

A materially significant error, discovered in the current period that refers to a previous period is an error that has significant influence on financial statements for one or several prior periods and due to which these financial statements cannot be considered anymore as reliable.

Materially significant errors are corrected retroactively in the first series of financial statements approved for publishing after these errors have been discovered, by correcting comparative data for presented prior period(s) when errors occurred or if the error occurred prior to the earliest presented prior period, opening balances for assets, liabilities and capital for the earliest presented prior period will be corrected.

If it is practically impossible to establish the effect of an error from a certain period by comparing information for one or several presented prior periods, the Company will correct opening balances for assets, liabilities and capital for the earliest period that can be corrected retroactively (may be also the current period).

Subsequently *identified errors that are not of material significance* are corrected against expenses or in favour of revenues for the period in which they were identified.

The materiality of an error is valued pursuant to provisions of the Framework for the preparation and presentation of financial reports that state that materiality may imply that omission or false accounting entries may affect economic decisions of users adopted based on financial statements. Materially significant errors are valued pursuant to relevant provisions from the Framework for the preparation and presentation of financial statements.

Materiality is defined in the Company with respect to the significance of the error considering total revenues. A materially significant error is an error that for itself or together with other errors **exceeds 1.5% of the total income in the previous year.**

9. FINANCIAL RISKS

Uncertainty in future events is among the basic specificities of business operations under market conditions in an economic environment that is characterized by several possible or potential outcomes. Unpredictability of future events is one of basic particularities of operating in an open market environment characterized by several possible or potential outcomes.

From the Company's point of view, there is a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal factors, such as: *concentration risk*, which, in the Company's case, may be manifested as exposure to any one or a small group of buyers or suppliers; *operational risk*, that means the possibility of adverse effect due to unintentional or deliberate omissions by employees, inappropriate internal procedures and processes, inadequate information system management in the Company, etc.; *reputational risk*, that means a possibility that the Company's market position deteriorates due to the loss of trust or bad reputation (public institutions, suppliers, buyers, etc.) of the Company; *legal risk*, that means a possibility of adverse effects due to penalties and sanctions that derive from lawsuits due to the failure to fulfil contractual or legal obligations; etc.

Since the majority of these and some other risks not mentioned herein is set forth in detail in other chapters of the Notes or in other internal regulations of the Company (for example, the Rules on Accounting Practices and Policies of the Company regulates the minimization of operational risks by introducing procedures and work instructions), focus is placed here on the **financial risks** that primarily include the following:

- Credit risk;
- Market risk, and
- Liquidity risk.

Financial risks are significantly affected by external factors that are not directly controlled by the Company. In that sense, financial risk is considerably affected by the Company's environment which, apart from economic development, is likewise committed to legal, financial and other relevant aspects that define system risk level.

Generally, comparing markets of developed economies, companies that operate on markets with insufficient economic development, macroeconomic stability and high insolvency, such as the Republic of Serbia, are significantly exposed to financial risks. Insufficient development of the financial market makes it impossible to use a wide spectrum of *hedging* instruments, characteristic for developed markets. Companies that operate in the Republic of Serbia do not have the possibility to use many derivative instruments in financial risk management due to the fact that these instruments are not widely used nor there is an organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

9.1. Credit Risk

A **credit risk** is a risk of adverse effects to the financial result and capital of the Company due to debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The Company has substantial concentrations of credit risk in collection from buyers with long lending periods due to poor liquidity.

9.2. Market Risk

Market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk;
- The interest risk, and
- The price risk.

The currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements.

The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, primarily in Euro and US Dollar.

Interest risk is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk due to financial liabilities related to loans with potentially fluctuating interest rates (Euribor and Belibor).

The price risk is a risk of fair value fluctuation or a risk that the future financial instruments cash flows will fluctuate due to the change in market prices (not prices that result from interest or currency risk) regardless if these changes are caused by specific factors related to a specific financial instrument or its issuer or regardless if factors affect all similar financial instruments traded on the market.

9.3. Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations, maintaining the necessary scope and structure of the working capital and good creditworthiness.

Prudent liquidity risk management aims to maintain sufficient cash and securities held for sale, as well as securing adequate sources of financing to cover for the dynamic nature of the Company's business. Company seeks to maintain flexibility of its financing through collection from buyers and investments of its available monetary assets. In addition to that, in compliance with the Company's policy, back to back agreements are signed with subcontractors according to which a portion of risk related to any defaulting in collection is transferred/shared with them.

10. INFORMATION OF BUSINESS SEGMENTS

Energoprojekt Group, locally as well as abroad, was on December 31, 2015, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of Energoprojekt Group are presented in tables below, at the balance sheet date.

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income from sales	6.734.192	5.184.504	29.655.004	28.581.811	1.425.090	1.638.133	37.814.286	35.404.448	(3.206.543)	(1.790.820)	34.607.743	33.613.628
SEGMENT RESULT	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit/loss	369.179	143.188	1.351.153	646.429	126.283	257.641	1.846.615	1.047.258	(7.638)	31.931	1.838.977	1.079.189
Interest income (third party)	11.443	13.589	67.254	245.560	19.681	34.640	98.378	293.789	0	0	98.378	293.789
Interest expenses (third party)	6.517	7.383	261.139	293.924	28.131	32.389	295.787	333.696	0	0	295.787	333.696
Profit/loss from regular operations before tax	612.720	583.245	701.956	380.651	308.845	218.017	1.623.521	1.181.913	(462.127)	132.111	1.161.394	1.314.024
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	1.876	(790)	45.959	(34.194)	(5.048)	5.656	42.787	(29.328)	31	(4.952)	42.818	(34.280)
Income tax	32.850	30.521	99.065	139.483	29.737	40.435	161.652	210.439	0	0	161.652	210.439
Net profit/loss	581.746	543.139	648.850	179.486	274.060	179.248	1.504.656	901.873	(462.096)	127.159	1.042.560	1.029.032
Total assets	8.707.444	7.911.068	27.180.170	26.655.418	13.834.049	12.766.063	49.721.663	47.332.549	(7.346.090)	(7.431.475)	42.375.573	39.901.074
Total liabilities	8.707.444	7.911.068	27.180.170	26.655.418	13.834.049	12.766.063	49.721.663	47.332.549	(7.346.090)	(7.431.475)	42.375.573	39.901.074
Depreciation	92.117	68.395	662.757	528.970	52.288	53.834	807.162	651.199	2.479	5.319	809.641	656.518

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income from sales	13.470.430	9.072.134	4.762.882	6.658.551	210.283	201.600	6.797.150	7.858.372	5.584.728	4.066.196	3.782.270	5.752.127	34.607.743	33.608.980
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)							184						184	
Income from the sales of goods - external	148.589	66.106	796	1.357	852						15.183	70.662	165.420	138.125
Income from the sales of goods	148.589	66.106	796	1.357	852		184				15.183	70.662	165.604	138.125
Income from the sales of products and services to other affiliated companies (Energoprojekt d.o.o., Enjub d.o.o. i Energoprojekt Ltd., Lagos, Nigeria)	1.461	580					685.561	1.689.732					687.022	1.690.312
Income from the sales of products and services - external	13.320.380	9.005.448	4.762.086	6.657.194	209.431	201.600	6.111.405	6.168.640	5.584.728	4.066.196	3.767.087	5.681.465	33.755.117	31.780.543
Income from the sales of products and services	13.321.841	9.006.028	4.762.086	6.657.194	209.431	201.600	6.796.966	7.858.372	5.584.728	4.066.196	3.767.087	5.681.465	34.442.139	33.470.855

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sale of Merchandise

Structure of income from the sales of goods	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from sale of goods to other related companies - foreign market	184	4.648
Income from sale of goods on local market	145.658	64.579
Income from sale of goods on foreign market	19.762	73.546
TOTAL	165.604	142.773

- **Income from sale of goods to other related companies on foreign market** in the amount of RSD 184 thousand relates to the Encom GmbH Consulting, Engineering & Trading, Germany, were generated from sale of goods to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Income from sale of goods on local market in the amount** of RSD 145.658 thousand, relate mostly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 45.586 thousand based on the sales to subcontractors on projects "Lajkovac-Ljig": RSD 18,696 thousand, "Tunel Sarani": RSD 13.094 thousand, "Koridor X": RSD 8.728 thousand and "Pruga Pancevo": RSD 5.068 thousand. Sales to subcontractors is mainly done based on subcontracting agreements and defined prices of their services are inclusive of the price of stocks (they are obliged to provide for and to pay for the stocks). Stocks, consisting primarily of fuel and spare parts required for unobstructed performance of works, were supplied (sold) to subcontractors with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor;

- Energoprojekt Visokogradnja in the amount of RSD 42.377 thousand, based on sales of goods for the needs of local subcontractors engaged on project "Z-088 Hotel Hyatt", Rostov: RSD 23.488 thousand (facade material) and "Prokop": RSD 14.048 thousand, meanwhile the rest of RSD 4.841 thousand is related to secondary raw-material selling;

- Energoprojekt Energodata in the amount of RSD 34.622 thousand and

- Energoplast in the amount of RSD 20.674 thousand.

Referring to the last year comparative period, the increase of RSD 81.078 thousand of sale of goods on local market is related, mostly, to increase within Energoprojekt Visokogradnja, in the amount of RSD 42.377 thousand (concerning the above mentioned projects) and Energoprojekt Niskogradnja, in the amount of RSD 37.451 thousand (for projects "Lajkovac-Ljig", "Tunel Sarani", "Koridor X" and "Pruga Pancevo").

- **Income from sale of goods on foreign market** in the amount of RSD 19.762 thousand are related, predominantly, to Energoprojekt Niskogradnja, in the amount of RSD 15.183 thousand, based on material selling (mainly, fuel) and spare parts required for unobstructed performance of works,

supplied to subcontractors for projects in Peru, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor. Decrease of the related income comparing to the last year, in the amount of RSD 53.784 thousand, dominantly came as result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 55.479 thousand (concerning projects in Peru).

11.2. Income from Sale of Products and Services

Structure of income from the sales of products and services	In RSD thousand	
	2015	2014
Income from sale of products and services to other related companies - domestic	1.461	580
Income from sale of products and services to other related companies - foreign	685.561	1.689.732
Income from sale of products and services on local market	13.287.847	8.950.536
Income from sale of products and services on foreign market	20.467.270	22.830.007
TOTAL	34.442.139	33.470.855

- **Income from sale of products and services to other related companies on local market** in the amount of RSD 1.461 thousand are related to Energoprojekt Industrija, in the amount of RSD 1.436 thousand, based on products and services sale to the affiliated company Energopet Ltd. and Energoprojekt Visokogradnja, in the amount of RSD 25 thousand, based on products and services sale to joint company Enjub Ltd.;
- **Income from sale of products and services to other related companies on foreign market** in the amount of RSD 685.561 thousand derived from products and services to the affiliated company of Energo Nigeria Ltd., Lagos, Nigeria, dominantly within Energoprojekt Oprema, in the amount of RSD 660.669 thousand. Decrease of related income comparing to the last year, in the amount of RSD 1.004.171 thousand, came as result of, mainly, decrease within Energoprojekt Oprema, in the amount of 1.028.685 thousand;
- **Income from sale of products and services on local market** in the amount of RSD 13.287.847 thousand, are related, mostly, to the following companies within Energoprojekt Group:
 - Energoprojekt Niskogradnja, in the amount of RSD 7.582.885 thousand, mainly for projects: "Lajkovac-Ljig", "Tunel Sarani", "Pruga Pancevo", "Koridor X" and "Most preko kanala Dunav Tisa Dunav" and
 - Energoprojekt Oprema, in the amount of RSD 4.574.209 thousand, dominantly for the project "Prokop": RSD 2.842.781 thousand, as well as on projects "RTB Bor": RSD 649.899 thousand, "TENT" - Obrenovac: RSD 537.716 thousand and "DV Pancevo - Rumunska granica": RSD 224.021 thousand.

Referring to last year comparative period, the increase of income from sales of products and services on local market in 2015, in the amount of RSD 4.337.311 thousand, is related, dominantly, to Energoprojekt Niskogradnja, in the amount of RSD 4.428.274 thousand, mostly on projects: "Koridor X", "Lajkovac-Ljig" and "Pruga Pancevo".

• **Income from sale of products and services on foreign market** in the amount of RSD 20,467,270 thousand, are related, mostly, to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja, in the amount of RSD 7.411.905 thousand, based on works realized for investors, mainly in company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 2.656.875 thousand, as well as in Russia and Kazakhstan, on projects: "Z-096 Forte bank", Astana: RSD 3.062.100 thousand, "Z-088 Hotel Hyatt", Rostov: RSD 1,302,671 thousand, "Z-085" business premisses Uhta: RSD 147.083 thousand, "Z-089" Aktau Hospital: RSD 88.473 thousand, "Z-097" Ziloi House Siktivkar: RSD 58.333 thousand and other;

- Energoprojekt Niskogradnja, in the amount of RSD 6.667.319 thousand, on projects in Peru: RSD 3.733.088 thousand and Uganda: RSD 2.934.231 thousand;

- Energoprojekt Entel, in the amount of RSD 5.305.410 thousand, derived from companies of the Group abroad (Energoprojekt Entel LTD, Doha, Qatar, EP Entel L.L.C., Muscat, Sultanate of Oman and Energoconsult L.L.C., Abu Dhabi, UAE) and

- Energoprojekt Hidroinženjering, in the amount of RSD 508.502 thousand, mostly on projects in Algeria: RSD 277.151 thousand and Jordan: RSD 102.092 thousand.

Referring to the last year comparative period, decrease of income from sale of products and services on foreign market in 2015, in the amount of RSD 2.362.737 thousand came as result of, mainly, decrease recorded within Energoprojekt Visokogradnja, in the amount of RSD 1.749.863 thousand (for projects in Russia and Kazakhstan) and Energoprojekt Niskogradnja, in the amount of RSD 1.732.891 thousand (dominantly, on projects in Peru), meanwhile within Energoprojekt Entel recorded the increase of related income, in the amount of RSD 1.623.097 thousand (in the companies abroad).

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from premiums, subventions, subsidies, donations, etc.		50
Other operating income:		
a) Rent from other legal entities in the country	23.468	22.301
b) Rent from other legal entities abroad	87.615	82.892
c) Other operating income from parent companies, subsidiaries and other related parties		
d) Other operating income	539.344	113.395
<i>Total</i>	<i>650.427</i>	<i>218.588</i>
GRAND TOTAL	650.427	218.638

• **Rental income from other legal entities in the country** in the amount of RSD 23.468 hiljada thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 7.533 thousand, primarily based on the rental of facility in Ub and facility in Preradoviceva Street in Belgrade;

- Energoprojekt Garant in the amount of RSD 6.277 thousand, based on the rental of the business facility in Bulevar Zorana Djindjica Street and of the business premises in YU business centre in New Belgrade; and

- Energoprojekt Energodata in the amount of RSD 5.544 thousand, from the rent of the business facility in Palmira Toljatija Street and of the barracks in New Belgrade.

• **Income from the rent from other legal entities abroad** in the amount of RSD 87.615 thousand was predominantly generated by the following companies of the Energoprojekt Group:

- Dom 12 S.A.L., Lebanon in the amount of RSD 28.886 thousand, based on the rent of the office building in Moscow;

- Energoprojekt Niskogradnja in the amount of RSD 24.999 thousand, based on the rent of a part of the office building "Cruz del Sur" in Lima, Peru and of the machinery in Peru;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 16.793 thousand, based on the rent of a number of properties in Zambia and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 7.576 thousand (based on the rent of properties in Zimbabwe).

• **Other operating income** in the amount of RSD 539.344 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 434.241 thousand, where the amount of RSD 405.021 thousand was recorded based on paid claim within Energoprojekt Ghana Ltd., Accra, Ghana, on project "Bank of Ghana" (which is the main source of increased other operating income comparing to last year), meanwhile the amount of RSD 29.220 thousand relates to pass-through costs of different nature, locally and abroad;

- Energoprojekt Garant in the amount of RSD 84.653 thousand relate to the income from the decrease in provisions for damage: RSD 60.703 thousand, income from the premiums transferred to reinsurance: RSD 12.878 thousand, share in reinsurance in damage compensation in the amount of RSD 10.239 thousand and to other operating income in the amount of RSD 833 thousand and

- Energoprojekt Niskogradnja, in the amount of RSD 11.712 thousand, where the main part is related to cost based on subcontracting agreements refunding (bank guarantees costs, insurance costs, etc.) on projects "Kolubara" II phase: RSD 2.754 thousand and "Most preko kanala Dunav Tisa Dunav": RSD 2.382 thousand, as well as pass-through commission costs for bank guarantees to Conalvias Construcciones SAC Sucursal Peru partner company, proportionally to his contracted share in realization of project "Z-034" Road P.Bermudez, Peru, in the amount of RSD 3.936 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Cost price value of goods sold:		
a) Cost price of goods sold to other related parties	168	4.317
b) Cost price of goods sold on local market	145.417	64.440
c) Cost price of goods sold on foreign market	14.747	66.582
TOTAL	160.332	135.339

• **Cost price of goods sold to their related companies** in the amount of RSD 168 thousand, was recorded within Encom GmbH Consulting, Engineering & Trading, Germany, based on goods purchased for affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

• **Cost price of goods sold on local market** in the amount of RSD 145.417 thousand primarily is related to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 45.671 thousand, for purchase of inventory and spare parts, with the aim to provide the subconstructor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor on projects: "Tunel Sarani", "Lajkovac-Ljig", "Koridor X" and "Pruga Pancevo";

- Energoprojekt Visokogradnja in the amount of RSD 40.572 thousand, based on goods purchased (as per agreement) for local subcontractors, engaged, mostly, on project "Z-088 Hotel Hyatt", Rostov: RSD 22.084 thousand and "Prokop": RSD 14.048 thousand;

- Energoprojekt Energodata in the amount of RSD 36.649 thousand, for purchasing of ATM, software, hardware and graphic design type of goods and

- Energoplast in the amount of RSD 20.650 thousand, for purchasing of finished lock-patent delivered for further sales.

Increase of cost price of goods sold on local market, in the amount of RSD 80.977 thousand, referring to last year comparative period mainly came as a result within Energoprojekt Niskogradnja, in the amount of RSD 38.088 thousand and Energoprojekt Visokogradnja, in the amount of RSD 35.675 thousand.

• **Cost price of goods sold on foreign market** in the amount of RSD 14.747 thousand is related to Energoprojekt Niskogradnja, in the amount of RSD 12.658 thousand, for inventory costs (mostly fuel) and spare parts sold as per agreements to subcontractors for projects in Peru, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) and Energoprojekt Visokogradnja, in the amount of RSD 2.089 thousand.

Referring to last year comparative period, decrease of cost price of goods sold on foreign market in the amount of RSD 51.835 thousand, is related to decrease recorded within Energoprojekt Niskogradnja, in the amount of RSD 52.879 thousand (for projects in Peru) and increase within Energoprojekt Visokogradnja, in the amount of RSD 1.044 thousand.

13. INCREASE/DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS

Increase/decrease in inventories of intermediate and finished goods and services in progress	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from use of own products and merchandise	45.459	49.389
Increase in inventories of intermediate and finished goods and services in progress	187.843	119.515
Decrease in inventories of intermediate and finished goods and services in progress	53.031	102.352
TOTAL	180.271	66.552

- **Income from use of own products and merchandise** in the amount of RSD 45.459 thousand relate mainly to Energoprojekt Niskogradnja, in the amount of RSD 45.090 thousand, based on completed equipment repair: RSD 35.871 thousand (in the country: RSD 31.489 thousand and abroad: RSD 4.382 thousand) own construction projects: RSD 9.219 thousand (investments value at December 31, 2015 on project "Lajkovac-Ljig", based on completed interim report for the construction of commercial building „Dići-Tunel Brančiči“).

- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 187.843 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 162.442 thousand based on the increase in value of inventories of intermediate on the construction of residential and business building in Cara Nikolaja Street in Belgrade, in the amount of RSD 160.763 thousand and Bežanijska Kosa (in the amount of RSD 1.662 thousand), and Knez Danilova Street (in the amount of RSD 17 thousand) locations development;

- Energoprojekt Sunnyville in the amount of RSD 22.062 thousand, based on the increase of value in inventories of intermediate production of commercial and residence complex construction in Belgrade and

- Energoprojekt Niskogradnja in the amount of RSD 3.339 thousand, based on production of crushed stone and sand for concrete production for projects in Peru.

- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 53.031 thousand relates, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 42.318 thousand, based on sold property in Herceg Novi in the amount of RSD 5.918 thousand and depreciation of inventory of the intermediate production of Shopping Mall in Bor, in the amount of RSD 17.504 thousand and inventory of finished goods in Herceg Novi, in the amount of RSD 18.896 thousand and

- Energoprojekt Niskogradnja in the amount of RSD 7.321 thousand, based on decrease (use) of inventory of produced goods used for production of base, asphalt, concrete fractions for projects in

Peru.

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	In RSD thousand	
	2015	2014
Material costs:		
a) Costs of materials used in production	6.812.693	8.743.680
b) Costs of other materials (overheads)	333.806	286.240
c) Costs of spare parts	292.780	198.371
d) Costs of one-off write-off of tools and inventory	56.202	91.778
<i>Total</i>	<i>7.495.481</i>	<i>9.320.069</i>
Fuels and energy costs:		
a) Fuel costs	1.161.067	1.289.886
b) Costs of electrical energy and heating	222.403	188.621
<i>Total</i>	<i>1.383.470</i>	<i>1.478.507</i>
TOTAL	8.878.951	10.798.576

• **Cost of materials used in production** in the amount of RSD 6.812.693 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja, in the amount of RSD 3.446.087 thousand, out of which costs incurred in Projects realized abroad: "Z-096 Forte bank", Astana (RSD 1.044.357 thousand), "Z-088 Hotel Hyatt", Rostov (RSD 620.649 thousand), "Z-085" Uhta (RSD 72.540 thousand) and others, as well as within Energoprojekt Ghana Ltd., Accra, Ghana (RSD 814.546 thousand), meanwhile the most significant part of costs locally are related to projekt "Prokop": RSD 719.148 thousand;

- Energoprojekt Niskogradnja, in the amount of RSD 1.971.908 thousand, out of which costs incurred in Projects realized abroad (in Peru and Uganda) amount to RSD 919.497 thousand, meanwhile the projects in the country amount to RSD 1.052.411 thousand and

- Energoprojekt Oprema, in the amount of RSD 1.084.233 thousand, out of which costs incurred in projects in the country amount RSD 884.704 thousand (mostly on projekt "Prokop": RSD 462.449 thousand, "DV Pančevo Rumunska granica": RSD 182.995 thousand, "TENT" Obrenovac: RSD 137.393 thousand and "RTB" Bor: RSD 69.075 thousand), meanwhile RSD 199.529 thousand are related on abroad.

Decrease of costs of materials used in production, comparing to last year period, in the amount of RSD 1.930.987 thousand mainly came as a result of decrease of those costs within Energoprojekt Oprema, in the amount of RSD 1.219.852 thousand, Energoprojekt Visokogradnji, for RSD 653.116 thousand and Energoprojekt Niskogradnja, for RSD 73.043 thousand.

• The largest shares in **costs of other materials (overhead)** amounting to RSD 333.806 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 236.743 thousand (abroad: RSD 229.640 thousand, in the country: RSD 7.103 thousand), Energoprojekt Entel, in the amount of RSD 42.975 thousand and Energoprojekt Visokogradnja in the amount of RSD 22.429 thousand.

• **Costs of spare parts** in the amount of RSD 292.780 thousand relate, dominantnly, to Energoprojekt Niskogradnja in the amount of RSD 251.598 thousand (abroad: RSD 201.807 thousand, in the country:

RSD 49.791 thousand).

- **Costs of one-off write-off of tools and inventory** in the amount of RSD 56.202 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 25.142 thousand, Energoprojekt Niskogradnja in the amount of RSD 18.511 thousand and Energoprojekt Oprema in the amount of RSD 8.334 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 1.383.470 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 1.066.138 thousand, which were predominantly incurred abroad.

Decrease of fuel and energy costs, comparing to the last year, in the amount of RSD 95.037 thousand, predominantly came as a result of decrease of those costs in 2015 within Energoprojekt Niskogradnja, in the amount of RSD 90.657 thousand (caused by decreased working volume of projects in Peru).

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Expenses of wages and fringe benefits (gross)	7.761.360	7.596.127
Taxes and contributions on wages and contributions on wages payable by employer	786.800	983.064
Service agreements contributions	15.168	14.684
Copyright agreements contributions	38.940	28.358
Costs of contributions for contract fees for temporary and periodical engagement	154.446	167.362
Considerations to physical persons based on other agreements	74.191	125.560
Considerations to General Manager and/or Management and Supervisory Board members	24.465	23.021
Other personnel expenses and fringe benefits	751.582	924.587
TOTAL	9.606.952	9.862.763

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 8.548.160 thousand relate primarily to Energoprojekt Entel in the amount of RSD 3.141.423 thousand, Energoprojekt Niskogradnja in the amount of RSD 2.044.578 thousand, Energoprojekt Visokogradnja in the amount of RSD 1.891.416 thousand, Energoprojekt Oprema in the amount of RSD 416.724 thousand.
- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 154.446 thousand were predominantly incurred in Energoprojekt Niskogradnja in the amount of RSD 118.930 thousand (in the country: RSD 30.323 thousand, abroad: RSD 88.607 thousand) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works.
- **Other personnel expenses and fringe benefits** amounting to RSD 751.582 thousand

predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 357.882 thousand (abroad: RSD 325.714 thousand based on catering on the site of works, transportation and other personnel related costs in the projects realized abroad, in the country: RSD 32.168 thousand). Other personnel expenses include the costs of business trips, costs for transportation to and from site of works, solidarity fund allowances, scholarship allowances and other compensations. In addition to Energoprojekt Visokogradnja, a significant share in other personnel expenses was incurred in Energoprojekt Niskogradnja amounting to RSD 167.241 thousand, Energoprojekt Entel in the amount of RSD 66.097 thousand and to Energoprojekt Oprema in the amount of RSD 50.641 thousand.

Decrease of other personnel and fringe benefits, comparing to last year, in the amount of RSD 173.005 thousand, predominantly came as a result of decrease of those costs within Energoprojekt Visokogradnja, in the amount of RSD 208.563 thousand (based on food allowances, accomodation and air-ticket costs, caused by decreased working volume on projects abroad) and increase of those costs within Energoprojekt Niskogradnja in the amount of RSD 27.765 thousand.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Production service cost	9.941.452	6.634.625
Transportation services' costs	577.733	561.414
Repairs and maintenance services' costs	225.637	222.347
Rental costs	813.201	843.567
Trade fairs' costs	8.047	6.912
Advertising costs	15.969	23.014
Research costs	2.794	8.389
Costs of other services	177.975	139.629
TOTAL	11.762.808	8.439.897

• **Production service costs** in the amount of RSD 9.941.452 thousand are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 6.118.982 thousand for the costs based on subcontracting agreements in the country amounting to RSD 4.601.231 thousand and abroad (in Uganda and Peru) amounting to RSD 1.517.751 thousand. Increased production service costs in 2015, referring to last year comparative period, in the amount of RSD 3.883.239 thousand, mostly came as a result of increased realization of projects in the country ("Koridor X", "Lajkovac-Ljig" etc.) where subcontractors were hired for certain agreement positions. Significant hiring of subcontractors for projects' realization was due to the specific nature of works required and/or mechanization for the realization of the said projects (works in tunnels, hydro power plant construction, etc.);

- Energoprojekt Visokogradnja in the amount of RSD 1.996.417 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 335.136 thousand (on projects "Prokop", "Cara Nikolaja Street" and in Bor) and abroad, in the amount of RSD 1.613.650 thousand (mainly, in Energoprojekt Ghana Ltd., Accra, GHana: RSD 774.571 thousand and

on projects "Z-088 Hotel Hyatt", Rostov: RSD 421.613 thousand and "Z-096 Forte bank", Astana: RSD 335.513 thousand), which increased compared to last year period, for RSD 284.818 thousand and

- Energoprojekt Oprema in the amount of RSD 1.348.354 thousand comprise of the subcontractors' costs and consortium partners' costs in a number of projects in the country (primarily, "Prokop", "RTB" Bor and "TENT" Obrenovac) and abroad (primarily, RS Embassy in Abuja), which decreased for RSD 842.886 thousand comparing to the last year period (predominantly, based on projects "RTB" Bor and "TENT" Obrenovac).

- **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 577.733 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 277.927 thousand, Energoprojekt Visokogradnja in the amount of RSD 152.614 thousand and Energoprojekt Niskogradnja in the amount of RSD 102.000 thousand.

- **Repair and maintenance services' costs** amounting to RSD 225.637 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 124.519 thousand, in Energoprojekt Entel in the amount of RSD 26.360 thousand and in Energoprojekt Visokogradnja in the amount of RSD 18.470 thousand. These costs were predominantly incurred for regular equipment maintenance.

- **Rental costs** amount to RSD 813.201 thousand and are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 327.508 thousand, recorded primarily for the rent of apartments and office premises in the Companies of this Group abroad;

- Energoprojekt Niskogradnja in the amount of RSD 309.084 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 240.136 thousand (in Peru and Uganda) and in the country in the amount of RSD 68.948 thousand where the rent of large machinery for the Projects realized in Serbia and Peru;

- Energoprojekt Visokogradnja in the amount of RSD 148.658 thousand are predominantly related to the rental costs of apartments and machinery abroad, amounting to RSD 144.166 thousand (predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 66.580 thousand) and

- Energoprojekt Oprema in the amount of RSD 19.208 thousand are predominantly related to the rental costs of equipment (heavy booms and cranes) and apartments.

- **Trade fairs' costs** in the amount of RSD 8.047 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 7.314 thousand (incurred abroad).

- **Advertising costs** amounting to RSD 15.969 thousand relate predominantly to Energoprojekt Holding in the amount of RSD 8.363 thousand (based on the sponsorship expenses for Serbian Water Polo Association, advertising costs on billboards, media presentations, etc.) and to Energoprojekt Entel in the amount of RSD 4.170 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.).

- **Costs of other services** in the amount of RSD 177.975 thousand were primarily incurred in the following Companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 41.912 thousand, primarily based on the costs of other production services in projects realized abroad: RSD 36.196 thousand, while the costs in the country

(such as the motor vehicles' registration costs, road toll costs, graphic design and printing services, utility services' costs, etc.) amounted to RSD 5.716 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 40.349 thousand, primarily based on the construction sites' security costs, geotechnical elaboration costs, utility services' costs, costs of licenses, legalization costs, personal protection at work, registration of vehicles, etc.;
- Energoprojekt Entel in the amount of RSD 23.404 thousand, primarily based on public tender costs, the costs of licenses, photocopying, etc.;
- Energoprojekt Visokogradnja in the amount of RSD 23.787 thousand primarily based on the costs of personal protection at work, registration of vehicles, photocopying costs, etc.;
- Energoprojekt Energodata in the amount of RSD 20.129 thousand, primarily based on the costs incurred for ATM maintenance, graphic design and printing services, hardware services, etc.; and,
- Energoprojekt Hidroinženjering in the amount of RSD 11.331 thousand, primarily based on the costs of licenses, photocopying costs, costs of personal protection at work, motor vehicles' registration, etc.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	17.664	12.507
b) Depreciation of property, plant and equipment (Note 26)	791.977	644.011
<i>Total</i>	<i>809.641</i>	<i>656.518</i>
Provisions expenses		
a) Warranty period provisions' expenses	186.281	132.048
b) Provisions for contributions and other personnel benefits	23.729	57.068
c) Other long-term provisions	66.283	30.816
<i>Total</i>	<i>276.293</i>	<i>219.932</i>
TOTAL	<i>1.085.934</i>	<i>876.450</i>

- Depreciation expenses for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at December 31, 2015,

As at December 31, 2015, the fair value appraisal of buildings was not performed, due to the fact that changes in fair value of buildings are insignificant, since it is necessary, pursuant to relevant provisions of IAS 16, revalue items once in a three to five year period. The fair value appraisal of buildings was performed on December 31, 2014.

Effects of the change in the accounting valuation impact the change in depreciation expenses, and thus, consequently, the change in the booking value of assets.

Total **depreciation expenses** amount to RSD 809.641 thousand (in 2014: RSD 656.518 thousand). Increase in the depreciation **expenses** compared with the comparable last year's period relate primarily to depreciation of plant and equipment (due to significant purchases, predominantly in Energoprojekt Niskogradnja) and buildings (due to the changes in accounting policies, which applied as of the financial statements prepared on December 31, 2014, in respect of measuring of buildings after the initial recognition, when transition from the purchase cost to the revaluation model was made).

- Within the structure of provision expenses, in the amount of RSD 276.293 thousand, the most significant are **provision expenses for guarantees** amounting RSD 186.281 thousand (Note 38).

The management of companies within Energoprojekt Group appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

Pursuant to the above mentioned, the fund reservation for provision expenses in the related period was performed in following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 104.410 thousand for project "Phasa 11" (executing for Qatar General Electricity and Water Corporation "KAHRAMAA") within the Energoprojekt Entel LTD, Doha, Qatar. Reservation for provision expenses calculation was performed as precaution, presuming that the agreed payment, with all modifications and date of payment prolongation, will not be respected;
- Energoprojekt Oprema in the amount of RSD 54.898 thousand for projects "Prokop": RSD 38.920 thousand, "TENT", Obrenovac: RSD 12.391 thousand, "Prelaz preko Dunava": RSD 1.364 thousand and "DV Beograd- Pancevo": RSD 2.223 thousand. The usual practice is that company guarantees for the quality of its products for 1-3 year period, depending on project and
- Energoprojekt Visokogradnja in the amount of RSD 26.973 thousand, relate to calculated expenses on projects "Z-091" Schlumberger, Astrahan: RSD 10,592 thousand and "Z-096 Forte bank", Astana: RSD 16.381 thousand. The usual practice is that company guarantees for the buildings finished, expecting to have expenses in the period of warranty.

- **Provisions for contributions and other personnel benefits** in the amount of RSD 23.729 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 17.429 thousand, Energoprojekt Niskogradnja, in the amount of RSD 2.827 thousand and Energoprojekt Oprema, in the amount of RSD 1.804 thousand.

In 2015, the majority of companies within Energoprojekt Group recorded provisions for contribution and other personnel benefits (income was recorded in Energoprojekt Entel LTD, Doha, Qatar: RSD 33.712 thousand and in Energoprojekt Urbanizam i arhitektura: RSD 26 thousand), presented according to aktuar calculation of the expert team from Energoprojekt Group (Note 38).

- **Other provisions** in the amount of RSD 66.283 thousand relate in their entirety to Energoprojekt Garant Company based on the provisions for damage compensation amounting to RSD 50.177

thousand, provisions for risk leveling: RSD 12.255 thousand, provisions for financing of activities on various risks' prevention amounting to RSD 3.851 thousand.

18. INTANGIBLE EXPENSES

Structure of intangible expenses	In RSD thousand	
	2015	2014
Intangible expenses	907.748	1.058.430
Expense account	76.633	90.385
Insurance premiums expenses	202.795	157.795
Payment operations' expenses	378.449	355.683
Membership fee expenses	10.736	11.444
Tax duties	357.811	867.732
Contribution expenses	9.368	9.648
Other non-operating expenses	160.947	155.487
TOTAL	2.104.487	2.706.604

- **Intangible expenses** in the amount of RSD 907.748 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs) consist primarily of the costs of Energoprojekt Entel amounting to RSD 483.776 thousand, Energoprojekt Niskogradnja amounting to RSD 191.338 thousand and Energoprojekt Visokogradnja in the amount of RSD 124.037 thousand.

- **Insurance premium expenses** amounting to RSD 202.795 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 96.245 thousand, in Energoprojekt Entel in the amount of RSD 61.491 thousand and in Energoprojekt Visokogradnja in the amount of RSD 25.514 thousand.

- **Payment operation expenses** in the amount of RSD 378.449 thousand predominantly relate to the following companies of Energoprojekt Group:

- Energoprojekt Niskogradnja amounting to RSD 146.464 thousand (most of which pertain to the bank fee costs for guarantees provided, in the amount of RSD 132.844 thousand (in the country: RSD 72.923 thousand, in Uganda: RSD 29.959 thousand and in Peru: RSD 29.962 thousand). The part of bank fee cost for guarantees provided is passed to partners, depending on their share in the project (Note 11.3);

- Energoprojekt Visokogradnja amounting to RSD 134.767 thousand, predominantly abroad, mainly on projects "Z-088 Hotel Hyatt", Rostov: RSD 30.564 thousand and "Z-096 Forte bank", Astana: RSD 58.395 thousand, as well as to Energoprojekt Ghana Ltd., Accra, Ghana: RSD 24.574 thousand;

- Energoprojekt Entel amounting RSD 31.646 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 28.225 thousand;

- Energoprojekt Oprema amounting RSD 29.276 thousand and

- Energoprojekt Hidroinženjering amounting RSD 25.494 thousand.

• **Tax duties** in the amount of RSD 357.811 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 202.756 thousand, abroad: RSD 188.672 thousand (mostly on project "Z-096 Forte bank", Astana: RSD 127,224 thousand (based on calculated income tax), "Z-068 Hotel Aktau": RSD 18.162 thousand, "Z-074 Vinarija Sarijagas": RSD 13.285 thousand, "Z-088 Hotel Hyatt", Rostov: RSD 12.490 thousand) and in the country: RSD 14.084 thousand (mostly, based on property tax: RSD 12.073 thousand);
- Energoprojekt Entel in the amount of RSD 35.084 thousand, abroad: RSD 25.564 thousand, in the country: RSD 9.520 thousand;
- Energoprojekt Niskogradnja in the amount of RSD 32.024 thousand, abroad: RSD 28.616 thousand, in the country: RSD 3.408 thousand and
- Energoprojekt Holding in the amount of RSD 26.343 thousand, in the country, dominantly based on property tax: RSD 25.645 thousand.

Decrease of tax duties comparing to the last year comparable period, in the amount of RSD 509.921 thousand, dominantly came as a result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 595.653 thousand (mainly, based on decrease of income tax abroad, considering that in 2014 the income tax was significantly increased by income derived from closing the arbitrage procedures in favor of company in Peru) and increasing within Energoprojekt Visokogradnja in the amount of RSD 86.340 thousand (mainly abroad, as a result of calculated income tax on project "Z-096 Forte bank", Astana, in 2015).

• Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, etc.) amounting to the total of RSD 160.947 thousand consist primarily to the costs incurred by Energoprojekt Visokogradnja in the amount of RSD 81.378 thousand, Energoprojekt Entel in the amount of RSD 39.643 thousand, Energoprojekt Niskogradnja in the amount of RSD 9.869 thousand and Energoprojekt Oprema in the amount of RSD 9.767 thousand.

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	In RSD thousand	
	2015	2014
Financial income from other related companies	22.806	57.852
Financial income from the profit of affiliated companies and joint ventures	66.698	133.668
Other financial income:		
a) Income from dividends	4.904	
b) Other financial income	93.642	149.141
<i>Total</i>	<i>98.546</i>	<i>149.141</i>
<i>Total financial income from related companies and other financial income</i>	<i>188.050</i>	<i>340.661</i>
Interest income (third party)	98.378	293.789
Exchange rate gains and positive currency clause effects (third party)	1.558.921	1.900.134
TOTAL	1.845.349	2.534.584

• **Financial income from other related companies** in the amount of RSD 22.806 thousand consist of the financial income from:

- Affiliated Company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 11.167 thousand, which were recorded in Energoprojekt Oprema in the amount of RSD 10.927 and by Energoprojekt Hidroinzenjering in the amount of RSD 240 thousand as foreign exchange gains; and
- Joint Venture Company Enjub Ltd. in the amount of RSD 11.639 thousand, which were recorded, predominantly, in Energoprojekt Holding in the amount of RSD 11.629 thousand based on income from interest on loan granted: RSD 10.447 thousand and effects of foreign currency clauses: RSD 1.182 thousand.

• **Financial income from the profit of affiliated companies and joint ventures** in the amount of RSD 66.698 thousand relate to generated net result of the reporting period of the affiliated companies Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 12.756 thousand (40,00%), Energo Ltd. in the amount of RSD 52.535 thousand (33,33%) and closed investment fund Fima See Activist Plc. in the amount of RSD 1.407 thousand (20,93%).

Affiliated companies Energo Nigeria Ltd., Lagos, Nigeria and Energo Ltd., are included by the equity method into primary consolidation into consolidated financial statements of the related companies Energoprojekt Oprema and Energoprojekt Industrija, and consequently into consolidated financial statements of Energoprojekt Group.

• **Interest income (third party)** in the amount of RSD 98.378 thousand consists primarily of the

interest income of Energoprojekt Niskogradnja in the amount of RSD 39.580 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 34.230 thousand (Project "Z-027" Mpigi-Kanoni: RSD 20.307 thousand and "Z-017" Kawempe Kafu: RSD 13.923 thousand) and income from the short term deposits: RSD 5.350 thousand (in the country: RSD 754 thousand, abroad: 4.596 thousand). Significant share in interest income (third parties) in reported period gained also Energoprojekt Garant, in the amount of RSD 15.904 thousand, Energoprojekt Oprema, in the amount of RSD 13.778 thousand and Energoprojekt Visokogradnja, in the amount of RSD 13.887 thousand, mainly based on short term deposits with commercial banks.

Decrease of interest income (third party) comparing to last year comparable period, in the amount of RSD 195.411 thousand, dominantly came as result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 189.357 thousand, mainly, based on decreased amount of interest invoiced to investor in Uganda in 2015, for the unpaid receivables on predefined date: RSD 161.385 thousand based on decreased interest income from Peru, in 2015: RSD 26.198 thousand, concernign that in 2014 were recorded interest income based on closed processes of arbitrage in favor of the Company (suit for).

- **Exchange rate gains and positive currency clauses effects (third party) are presented in Note 19.2.**

19.2. Financial Expense

Structure of financial expense	<i>In RSD thousand</i>	
	2015	2014
Financial expenses from transactions with other related company	3.185	5.522
Financial expense from the losses of affiliated companies and joint ventures	14.476	38.847
Other financial expenses	341	741
<i>Total financial expenses from related parties and other financial expenses</i>	<i>18.002</i>	<i>45.110</i>
Interest expenses (third party)	295.787	333.696
Exchange rate losses and negative currency clause effects (third party)	1.763.533	2.051.510
TOTAL	2.077.322	2.430.316

- **Financial expense from transactions with other related companies** in the amount of RSD 3.185 thousand comprise of:

- Affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the negative FX differences and expenses incurred from the effects of FX clauses in the amount of RSD 3.174 thousand recorded in Energoprojekt Oprema and

- Affiliated company Energopet Ltd. in the amount of RSD 11 from the negative effects of the FX clauses recorded in Energoprojekt Industrija.

- **Financial expenses from losses of affiliated companies and joint ventures** in the amount of RSD

14.476 thousand relate to net result of the joint venture of Enjub Ltd. which was included in the consolidated financial statements of the Energoprojekt Group by applying the equity method.

- **Interest expense (third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions. Interest expenses in the amount of RSD 295.787 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 185.174 thousand (in the country: RSD 89.126 thousand and abroad: RSD 96.048 thousand, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46.523 thousand and other projects abroad: RSD 49.525 thousand) and Energoprojekt Niskogradnja in the amount of RSD 72.707 thousand (in the country: RSD 56.963 thousand and abroad: RSD 15.744 thousand).

- **Exchange rate losses and negative currency clause effects** amount to RSD 1.763.533 thousand, and gains from FX differences and income from the effects of FX clauses amount to RSD 1.558.921 thousand, so that in the reporting period net negative FX differences and expenses from the effect of FX clauses were booked in the amount of RSD 204.612 which primarily consist of the expenses incurred by the Energoprojekt Niskogradnja in the amount of RSD 187.883 thousand, due, mainly, to their significant trade payable to suppliers in foreign countries and due to their liabilities for long-term and short-term loans denominated in foreign currencies due to which the Company suffers significant expenses from the negative FX differences and negative effects of FX clauses, owing to RSD depreciation in the reporting period, primarily to USD and EUR, from which the Company suffers the most.

From the beginning of the year until December 31, 2015, RSD was appreciated to EUR by merely 0,55% (in 2014: 5,51%) and to USD by 11,85% (in 2014: 19,65%), and RSD was depreciated to RUB by 14,97% (in 2014: 29,68%).

20. INCOME AND EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT

20.1. Income from Value Adjustment of other Assets Disclosed at Fair Value Through Income Statement

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from value adjustment of long-term financial investments and securities available for sale	13.056	1.147
Income from value adjustment of receivables and short-term financial investments	5.375	20.310
TOTAL	18.431	21.457

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 13.056 thousand relate, mostly, to Energoprojekt Garant in the amount of RSD 11.989 thousand based on adjustment of fair value of old foreign currency savings bonds of the Republic of Serbia.

- **Income from value adjustment of receivables and short-term financial investments** in the

amount of RSD 5.375 thousand consist predominantly from the profit made by Energoplast in the amount of RSD 3.413 thousand thousand from the collected and previously adjusted receivables.

20.2. Expenses from Value Adjustment of other Assets Disclosed at Fair Value Through Income Statement

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Expenses from value adjustment of long-term financial investments and securities available for sale	11.306	
Expenses from value adjustment of receivables and short-term financial investments	290.778	40.711
TOTAL	302.084	40.711

• **Expenses from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 11.306 thousand relate to the following companies of Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 5.987 thousand based on the impairment (write-off) of equity shares in Pik Bečej - Hotel Bela Lađa Plc. in the amount of RSD 5.986 thousand (the company is in the liquidation procedure, and it is not expected to regain the relevant value from bankruptcy estate) and
- Energoprojekt Garant in the amount of RSD 5.319 based on difference of value in business records and the assessed value of state coupon bonds of Republic of Serbia as at December 31, 2015.

• **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD 290.778 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 250.068 thousand, based on indirect written-off receivables from clients such as SNC Lavalin: RSD 132.428 thousand and International Project Services - branch: RSD 117.640 thousand and
- Energoprojekt Visokogradnja in the amount of RSD 23.314 thousand, mainly based on indirect written-off receivables within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18.612 thousand.

Increase of exenses from value adjustment of receivables and short-term financial investments, compring to the last year period, in the amount of RSD 250.067 thousand, dominantnly came as result of indirect write-off receivalbes of clients in 2015, within Energoprojekt Oprema in the amount of RSD 250.068 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	In RSD thousand	
	2015	2014
Income from disposal of intangible assets, property, plant and equipment	5.506	21.661
Income from disposal of shares and securities		193
Income from disposal of materials	1.535	182
Surpluses	557	3.052
Collected written-off receivables	28.198	8.375
Income from the effects of agreed risk protection that cannot be posted in other comprehensive result	303	1.235
Income from reduction of liabilities	47.871	161.442
Income from release of long-term and short-term provisions	212.872	379.088
Other income not posted elsewhere	94.375	108.525
Income from value adjustment of property, plant and equipment	46.691	72.844
TOTAL	437.908	756.597

• **Income from disposal of intangibles assets, property, plant and equipment** in the amount of RSD 5.506 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 3.287 thousand, based on disposal of equipment and
- Energoprojekt Niskogradnja in the amount of RSD 1.184 thousand, based on disposal of construction machines and equipment.

• **Collected written-off receivables** in the amount of RSD 28.198 thousand relate to Energoprojekt Hidroinženjering in the amount of RSD 19.956 thousand (from the Investor in “Tekeze” project, in Ethiopia), to Energoprojekt Visokogradnja in the amount of RSD 7.453 thousand (mostly from Astra bank: RSD 7.365 thousand) and Energoprojekt Niskogradnja in the amount of RSD 789 thousand (15% of the total receivable amount from Astra bank in liquidation procedure).

• **Income from reduction of liabilities** in the amount of RSD 47.871 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 25.528 thousand based on decrease of liabilities according to suggestions of Inventory Commission due to expired or non-existing possibility for collecting debts in previous period in the amount of RSD 9.374 thousand and decrease of liabilities to suppliers based on subsequently recognized discounts in the amount of RSD 16.154 thousand (mostly from Lafarge BFC Ltd. for non-produced quantities of cement and concrete in 2015, in the amount of RSD 14.480 thousand) and

- Energoprojekt Visokogradnja in the amount of RSD 12.814 thousand, mainly abroad, in the amount of RSD 7.865 thousand, based on project agreements in Kazakhstan.

Decrease of income from reduction of liabilities comparing to last years comparable period, in the amount of RSD 113.571 thousand relates mostly to Energoprojekt Visokogradnja in the amount of RSD 67.967 thousand (mostly as a result of income based on cancellation, due to lawsuits, of part of liabilities to construction company „Rad“: RSD 39.207 thousand and tax liability write-off related to Energoprojekt Ghana Ltd., Accra, Ghana: RSD 36.248 thousand, recorded in 2014) and Energoprojekt Niskogradnja, in the amount of RSD 29.228 thousand (mainly due to decreased liability amount written-off in 2015, as a result of obsolescence).

• **Income from release of long-term and short-term provisions** in the amount of RSD 212.872 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 107.627 thousand based on release of long-term provisions costs within the warranty period, in the amount of RSD 73.915 thousand (in the company Energoconsult L.L.C., Abu Dhabi – UAE, based on project for The Dubai Electricity and Water Authority „DEWA“, considering that the part of the agreement is fulfilled and related receivables collected from investor) and based on release of long-term provisions for compensations and other employees benefit, in the amount of RSD 33.712 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and

- Energoprojekt Oprema in the amount of RSD 90.719 thousand based on release of long-term provisions for costs within warranty period (based on projects "RTB" Bor formed in 2014, considering that the one-year warranty period expired).

Decrease of income from release of long-term and short-term provisions comparing to the last years comparable period in the amount of RSD 166.216 thousand relate, mainly, to the decrease in Energoprojekt Entel in the amount of RSD 217.599 thousand (based mainly on release of long-term provisions in Energoprojekt Entel LTD, Doha, Qatar in 2014) and increase of those income in Energoprojekt Oprema in the amount of RSD 84.674 thousand (based on release of long-term provisions for costs within warranty period, in project "RTB" Bor in 2015).

• **Other income not posted elsewhere** in the amount of RSD 94.375 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 50.127 thousand, in the country: RSD 5.415 thousand (mostly based on the release of provisions for overstated financial statements in other functional currency in relation to the reporting currency of the completed projects realized abroad that were accounted for, in compliance with IAS 21: RSD 2.513 thousand, and subsequently recognized discounts for material already supplied) and abroad RSD 44.712 thousand (mainly based on damage compensation collection from insurance companies, on the project Z-088 Hotel Hyatt Rostov),

- Energoprojekt Niskogradnja in the amount of RSD 24.043 thousand, comprising primarily of the income from the collection of damage compensation from insurance companies based on equipment destruction in the amount of RSD 20.878 thousand (in the country: RSD 2.026 thousand and abroad (Peru): RSD 18.852 thousand) and based on the sales of secondary raw materials (scrap iron) in the country in the amount of RSD 1.099 thousand and

- Energoprojekt Oprema in the amount of RSD 15.153 thousand, mainly based on collection related to lawsuits and out-of court settlements: RSD 7.817 thousand, book clearances and the contractual

penalties collected from suppliers: RSD 6.160 thousand.

- **Income from value adjustment of, property, plant and equipment** in the amount of RSD 46.691 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 46.231 thousand based on settlement of investment property value - office premises “Cruz del Sur“, Peru - on its fair value at the balance sheet day, pursuant to IAS 40 – Investment Property.

21.2. Other Expense

Structure of other expense	In RSD thousand	
	2015	2014
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment	28.159	28.583
Losses incurred from disposal of equity investments and securities		4.191
Losses incurred from the sales of materials	2.792	3.271
Shortages	4.942	3.616
Expenses from direct write-off of receivables	305.245	380.560
Expenses from decommissioning of inventories	11.711	40.036
Other expenses not otherwise mentioned	153.397	94.909
Impairment of other assets		
Impairment of property, plant and equipment	59.465	48.384
Impairment of inventory of material and goods	34.154	3.226
TOTAL	599.865	606.776

- **Losses from decommissioning and disposal of intangibles assets, property, plant and equipment** in the amount of RSD 28.159 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 13.507 thousand (based on decommissioning of equipment: RSD 12.109 thousand and sales of equipment: RSD 1.398 thousand), Energoprojekt Niskogradnja in the amount of RSD 12.402 thousand (based on decommissioning of fixed assets following the annual inventory list: RSD 4.058 thousand (predominantly abroad), decommissioning of fixed assets in Peru due to the total damage suffered: RSD 7.883 thousand and sales of fixed assets: RSD 461 thousand), Energoprojekt Entel in the amount of RSD 1.348 thousand (based on the sales of equipment).

- **Expenses from direct write-off of receivables** in the amount of RSD 305.245 thousand relate, mostly, to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 259.977 thousand, based on write-off receivables from clients and other receivables based on advance payment which cannot be recollect, mostly in the country, based on agreement for cable railway “Crni vrh“: RSD 10.659 thousand, and abroad based on direct receivables write-off from investor on project „Z-068 Hotel Aktau“: RSD 231.384 thousand and „Z-074 Vinarija Sarijagas“: RSD 8.222 thousand (those projects abroad were agreed in a way that the investor and Energoprojekt Visokogradnja are without liabilities and receivables between the sides),

- Energoprojekt Niskogradnja in the amount of RSD 27.540 thousand, based on partly receivables write-off for overpaid value added tax Kazakhstan: RSD 13.835 thousand (the one which, according to tax administration of Kazakhstan, expired) and receivables write-off following the annual inventory list: RSD 13.705 thousand (due to collecting impossibility) and

- Energoprojekt Hidroinzenjering in the amount of RSD 14.498 thousand, based on direct write-off of receivables from investor (investor denied the amount of invoices and paid the reduced liability) abroad: RSD 12.354 thousand (in Algeria, mostly, on the project "Tarzout": RSD 12.141 thousand) and in the country: RSD 2.144 thousand (mostly following the agreement with public company Vodovod Leskovac: RSD 1.596 thousand).

• **Other expenses not otherwise mentioned** in the amount of RSD 153.397 thousand predominantly relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 86.866 thousand, mostly based on costs of the negative outcome of the lawsuit against the buyer of real estate in Block 12, in New Belgrade, in the amount of RSD 25.733 thousand and from the release of provisions for overstated financial statements presented in other functional currency in relation to the reporting currency of the completed project realized abroad that were accounted for, in compliance with IAS 21 in the amount of RSD 11.237 hiljada dinara and costs of the negative outcome of the lawsuit abroad, for "Z-072" Pavlodar in the amount of RSD 29.490 thousand;

- Energoprojekt Entel in the amount of RSD 24.334 thousand, predominantly based on scholarship expenses incurred in the companies of the Group in Oman and Qatar: RSD 21.151 thousand, expenses for sport and culture events etc.;

- Energoprojekt Oprema in the amount of RSD 12.188 thousand, mostly for collecting the damage compensation, in the amount of RSD 10.302 thousand and costs of donation granted, in the amount of RSD 1.597 thousand,

- Energoprojekt Hidroinzenjering in the amount of RSD 12.013 thousand, predominantly based on fulfillment of agreed liabilities for construction designing in Algeria, costs of donation granted and penalties and fines for projects in Varazdin and Pupovac, and

- Energoprojekt Niskogradnja in the amount of RSD 9.481 thousand, primarily based on penalties and breaches committed in the country, in the amount of RSD 6.443 thousand and based on the costs of donations granted, in the amount of RSD 1.977 thousand.

Increase of other expenses not otherwise mentioned comparing to the last year comparable period, in the amount of RSD 58.488 thousand relate, mainly, on increase within Energoprojekt Visokogradnja, in the amount of RSD 79.907 thousand (mostly, based on costs of negative outcome of lawsuits abroad and in the country) and decrease within Energoprojekt Oprema, in the amount of RSD 15.175 thousand (mainly, based on donations granted, in the amount of RSD 7.818 thousand).

• **Impairment of property, plant and equipment** in the amount of RSD 59.465 thousand relate to Dom 12 S.A.L, Lebanon, in the amount of RSD 43.066 thousand (impairment of commercial building in Moscow, due to significant devaluation of RUB exchange rate), Energoprojekt Garant in the amount of RSD 14.314 thousand (impairment of investment properties in New Belgrade), Energoprojekt Visokogradnja in the amount of RSD 1.440 thousand (impairment of building in Ub) and Energoprojekt Energodata in the amount of RSD 645 thousand (impairment of investment property PTC Stari Merkator in New Belgrade).

- **Impairment of inventory of material and goods** in the amount of RSD 34.154 thousand relate, completely, to Energoprojekt Visokogradnja, based on impairment of inventory of material on closed projects abroad.

22. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS YEARS

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	42.818	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		34.280
TOTAL	42.818	(34.280)

- **Net profit from discontinued operations** in the amount of RSD 42.818 thousand came as a result of, mainly, subsequently determined profit and/or loss from previous period in the amounts that are of no material significance and which were credited/debited to the current period within Energoprojekt Niskogradnja (primarily based on overcalculated income tax compared with the tax stated in the submitted tax return on June 26, 2015 in Uganda: RSD 27.897 thousand, and in Peru: RSD 7.222 thousand, for the approved rebate by the Atlas Copco Plc., supplier for the turnover generated in the previous year: RSD 2.852 thousand and, on the other hand, based on the insurance costs for the works in Lajkovac-Ljig Project in July-December 2014: RSD 9.995 thousand).

23. PROFIT BEFORE TAX

Structure of gross result	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Operating income	35.258.170	33.832.266
Operating expenses	33.419.193	32.753.077
<i>Operating result</i>	<i>1.838.977</i>	<i>1.079.189</i>
Financial income	1.845.349	2.534.584
Financial expenses	2.077.322	2.430.316
<i>Financial result</i>	<i>(231.973)</i>	<i>104.268</i>
Income from value adjustment of other assets disclosed at fair value through income statement	18.431	21.457
Other revenues	437.908	756.597
Expenses from value adjustment of other assets disclosed at fair value through income statement	302.084	40.711
Other expenses	599.865	606.776
<i>Result of other revenues and expenses</i>	<i>(445.610)</i>	<i>130.567</i>
<i>Result from regular operations before tax</i>	<i>1.161.394</i>	<i>1.314.024</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	42.818	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		34.280
TOTAL INCOME	37.602.676	37.144.904
TOTAL EXPENSES	36.398.464	35.865.160
PROFIT/LOSS BEFORE TAX	1.204.212	1.279.744

Total income of the Energoprojekt Group in the reporting year in the amount of RSD 1.204.212 thousand is, dominantly a result of realized business profit in the amount of RSD 1.838.977 thousand, mainly within Energoprojekt Oprema, Energoprojekt Niskogradnja, Energoprojekt Entel and Energoprojekt Visokogradnja; and, on the other hand, loss made in other business activities, in the amount of RSD 445.610 thousand, mainly within Energoprojekt Visokogradnja and Energoprojekt Oprema (mostly as a result of significant write-off of receivables), as well as financial losses, in the amount of RSD 231.973 thousand, mainly within Energoprojekt Niskogradnja (due to significant exchange rate differences and expenses based on efekata valutne klauzule).

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net-profit pertaining to parent company shareholders	856.443	825.122
Weighted average number of regular shares in the period	10.931.292	10.931.292
Profit per share (RSD)	78,35	75,48

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Development investments	Software and other rights	Intangible assets in progress	Total
Purchase value				
Balance as at January 1, 2015	4.945	173.440	2.144	180.529
New purchases		17.017	1.011	18.028
Disposal and decommissioning		(688)		(688)
Increase by transfer from investments in progress		1.783	(1.783)	
Other transfers (from)/to		361	(361)	
FX gains and losses		4.258		4.258
Other increase/(decrease)				
Balance as at June 30, 2015	4.945	196.171	1.011	202.127
Valuation adjustment				
Balance as at January 1, 2015	412	111.693		112.105
Depreciation	494	17.170		17.664
Disposal and decommissioning		(229)		(229)
FX gains and losses		3.292		3.292
Other increase/(decrease)				
Balance as at December 31, 2015	906	131.926		132.832
Net book value				
31.12.2014	4.533	61.747	2.144	68.424
31.12.2015	4.039	64.245	1.011	69.295

Software and other rights as at December 31, 2015 relate to various software used by the Energoprojekt Group for own purposes, which are depreciated in compliance with the relevant accounting policy.

26. PROPERTY, PLANT AND EQUIPMENT

U 000 dinara

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and investment property in progress	Other property, plant and equipment	Property, plant and equipment in progress	Investments in other property, plant and equipment	Advances for property, plant and equipment	Total
<i>Purchase value</i>									
Balance as at January 1, 2015	708.702	7.415.478	10.140.778	2.719.164	247.392	77.775	22.258	45.601	21.377.148
Purchase during the year	172.841	593	435.246		3.300	19.921	9.219	50.449	691.569
Increase by transfer from investments in progress			14.421			(27.346)	12.925		
Transfer to fixed assets held for sale			(95.753)						(95.753)
Other transfers from / (to)		6.005			(6.005)				
Disposal and decommissioning		(8.789)	(415.227)		(8.357)				(432.373)
Profit/(loss) included in Report on Other Result (group 330)				616.232	(3.091)				613.141
Profit/(loss) included in Income Statement				(13.720)					(13.720)
FX gains and losses	928	56.327	123.652	(46.060)	2			252	135.101
Other increases / (decreases)		(29.222)	2.695			(5)			(26.532)
Balance as at December 31, 2015	882.471	7.440.392	10.205.812	3.275.616	233.241	70.345	44.402	96.302	22.248.581
<i>Valuation adjustment</i>									
Balance as at January 1, 2015		34.989	6.267.342		107.936				6.410.267
Correction of opening balance									
Depreciation		94.484	665.701		22.986		8.806		791.977
Disposal and decommissioning		(61)	(349.522)		(7.173)				(356.756)
Transfer to fixed assets held for sale			(79.595)						(79.595)
Other transfers from / (to)									
Impairment									
FX gains and losses		(3.239)	44.541						41.302
Other increases /decreases		(25.430)	(8.089)						(33.519)
Balance as at December 31, 2015		100.743	6.540.378		123.749		8.806		6.773.676
<i>Net book value</i>									
Balance as at December 31, 2014	708.702	7.380.489	3.873.436	2.719.164	139.456	77.775	22.258	45.601	14.966.881

• **Land**

Value of land of the Energoprojekt Group amounting to RSD 882.471 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517.613 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova), Energoprojekt Sunnyville Ltd. in the amount of RSD 172.841 thousand (land in Belgrade), Energoprojekt Niskogradnja in the amount of RSD 98.048 (land in Peru and in the country – in Stara Pazova) and to the Energoprojekt Oprema Company in the amount of RSD 75.058 thousand (Sevino polje plot – in New Belgrade).

• **Buildings**

As at December 31, 2014, owing to the changes in accounting policies in respect of measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model.

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

In cases where there are no evidence of the fair value of the property in the market, due to the specific nature of the building and because such items are rarely put on sale, the Company performs valuation of fair value of the property by using the income approach or the depreciated replacement cost approach.

As at December 31, 2015, the valuation of residual value and remaining useful life of building was performed, which made a change in depreciation cost for 2015.

In compliance with the relevant provisions of IAS 16, bearing in mind that the fluctuations of the fair value of the energoprojekt Group building in question are insignificant, it was not necessary to perform any appraisal of its fair value as at December 31, 2015 (but once in three or five years), so that the revalorized value of the building in question as at December 31, 2015 represent its fair value, defined by expert appraisers, minus the amount for annual depreciation.

The most important buildings on the level of Energoprojekt Group are as follows:

- Office building in Bulevar Mihaila Pupina, in New Belgrade;
- Samacki Hotel Complex of the Energoprojekt Holding in Zemun;
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office building of the Energoprojekt Entel in Oman; and
- Office building of the I.N.E.C. Engineering Ltd. in London.

• **Plant and Equipment**

As at December 31, 2015, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed.

In acquisitions of plant and equipment in the reporting period that amounted to RSD 435.246 thousand, the largest share belongs to Energoprojekt Niskogradnja, in the amount of RSD 256.747 thousand (in the country: RSD 208.801 thousand and abroad: RSD 47.946 thousand - Uganda and Peru), Energoprojekt Visokogradnja, in the amount of RSD 85.704 thousand (within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 64.624 thousand, in projects abroad: RSD 18.940 thousand, mainly in project Z-096 Forte Bank, Astana, Kazakhstan: RSD 18.197 thousand and in the country: RSD 2.140 thousand) and Energoprojekt Entel, in the amount of RSD 66.175 thousand (abroad: RSD 54.349 thousand and in the country: RSD 11.826 thousand).

Of the total items in the reporting period, the amount of RSD 131.432 thousand relates to equipment regulated by the Financial Lease Agreement, which is in its entirety related to Energoprojekt Niskogradnja: RSD 128.570 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 2.862 thousand.

Liabilities of the Energoprojekt Group based on the financial lease are explained in the Note 39.2.

Based on the Energoprojekt Energodata management Decision on the sales of ATMs in 2015, such assets were reclassified and posted as fixed assets held for sale in their total amount of RSD 16.158 thousand.

• **Investment property** as at December 31, 2015, amount to RSD 3.275.616 thousand.

The most significant investment properties on the level of Energoprojekt Group are as follows:

- Office building in Moscow, Dom 12;
- Office and residential premises of the Zambia Engineering and Contracting Company Limited, Zambia;
- Office and residential premises of the Energoprojekt Zambia Limited, Zambia,
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office facilities of the Energoprojekt Garant in Goce Delceva Street in New Belgrade, the residential building in Bulevar Zorana Djindjica Street in New Belgrade and office premises in the YU Business Centre in New Belgrade;
- Office premises of the Energoprojekt Energodata in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade;
- Business premises of the Energoprojekt Holding in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade.

Increased amount of investment properties comparing the last year comparable period, in the amount of RSD 556.452 thousand, came as a result of increase within Energoprojekt Zambia Limited, Zambia, in the amount of RSD 616.232 thousand (in 2015, the legalisation of property system in Zambia was performed, through the newly founded company - Energoprojekt Zambia Limited, Zambia, so the base for accounting recording was made), and on the other hand, decrease based on exchange rates difference, in the amount of RSD 46.060 thousand and reducing to fair value as at balance sheet day, in the amount of RSD 13.720 thousand.

Valuation of the fair value of investment property as at December 31, 2015 was performed by independent valuers with recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised.

In the reporting period, the Energoprojekt Group generated income from the rent of investment property in the amount of RSD 77.087 thousand, and the main share of such amount relate to the income generated from the rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 28.886 thousand and from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 16.793 thousand (within Zambia Engineering and Contracting Company Limited, Zambia) and a part of office building „Cruz del Sur“ in Peru, in the amount of RSD 12.360 thousand (within Energoprojekt Niskogradnja).

Information on mortgages on the Energoprojekt Group properties is presented in detail in Note 46.

- **Advances paid for property, plant and equipment** in the amount of RSD 96.302 thousand relate to advance payment for equipment purchasing in Uganda, in the amount of RSD 50.449 thousand and to the advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria, in the amount of RSD 45.853 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares in affiliated companies and joint ventures	833.041	849.665
Shares in other companies and other available for sale	26.251	33.750
Securities held to maturity (Note 34)		9.178
Other long-term financial investments	190.100	221.183
TOTAL	1.049.392	1.113.776

- **Shares in affiliated companies and joint ventures** in the amount of RSD 833.041 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Energopet Ltd., Belgrade	408.093	383.889
Fima See Activist Plc., Belgrade	25.277	
Enjub Ltd., Belgrade	23.097	37.572
TOTAL	833.041	849.665

The closed investment fund Fima See Activist Plc. is incurred into consolidated financial statements of Energoprojekt Group for 2015, applying equity method, pursuant to IFRS 11 – Joint Arrangements, considering that share of Energoprojekt Holding in equity of the mentioned entity was over 20,00%.

Decrease in equity share in affiliated companies and joint ventures, comparing to the last year comparable period, in the amount of RSD 16.624 thousand, mainly came as a result of less net income of the affiliated company Energo Nigeria Ltd., Lagos, Nigeria, in 2015.

Financial data pertaining to affiliate Energo Nigeria Ltd., Lagos, Nigeria on the 40,00% equity share of the Energoprojekt Oprema in the affiliate is presented in the following table.

Energo Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	109.168	552.676
Operating assets	1.604.756	1.240.007
Assets	1.713.924	1.792.683
Liabilities	1.337.350	1.364.479
Capital	376.574	428.204
Income	1.170.444	2.266.358
Net profit of the current period	12.756	88.248

Financial data pertaining to Energopet Ltd. Belgrade on the 33,33% equity share of Energoprojekt Industrija in the affiliate is presented in the following table.

Energopet Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	403.782	345.456
Operating assets	461.192	451.611
Assets	864.974	797.067
Liabilities	456.881	413.178
Capital	408.093	383.889
Income	995.919	997.346
Net profit of the current period	52.535	45.420

Financial data pertaining to affiliate Fima See Activist, Plc. Belgrade on the 20,93% equity share of Energoprojekt Holding in the affiliate is presented in the following table.

Fima See Activist Plc., Beograd	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets		
Operating assets	25.386	
Assets	25.386	-
Liabilities	109	
Capital	25.277	-
Income	12.162	
Net profit of the current period	1.407	

Financial data pertaining to Enjub Ltd. Belgrade on the 50,00% equity share of Energoprojekt Holding in the joint venture is presented in the following table.

Enjub Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	128.978	129.004
Operating assets	118.894	120.309
Assets	247.872	249.313
Liabilities	224.775	211.741
Capital	23.097	37.572
Income	8.292	14.387
Net loss of the current period	(14.476)	(38.847)

• **Shares in other companies and available for sale securities** in the amount of RSD 26.251 thousand are presented in the following table.

Shares in other companies and available for sale securities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares in other companies:		
a) Banks and financial organizations	25.632	27.259
b) Other legal entities	604	6.491
c) Other securities available for sale	15	
TOTAL	26.251	33.750

Share in other companies and other securities available for sale are valued according to their market (fair) value.

Share in banks and other financial organizations in the amount of RSD 25.632 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 25.467 thousand (Jubmes banka Plc., Belgrade, Energo Broker Plc., Beograd and Dunav osiguranje Plc., Belgrade).

Share in other legal entities in the amount of RSD 604 thousand relate to Energoprojekt Niskogradnja (Beogradska berza Plc.), meanwhile the decrease respecting the last year comparative period, in the amount of RSD 5.887 thousand relate to Energoprojekt Holding, based on write-off of shares in equity of company Pik Becej - Hotel Bela ladja Plc. (which is in liquidation process, but not expected to regain the relevant value from bankruptcy estate).

- **Other long-term financial investments** in the amount of RSD 190.100 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Housing loans granted to employees	46.482	48.428
Long term deposits (Note 34)		49.474
Deposits for bank guarantees	32.192	30.343
Other	111.426	92.938
TOTAL	190.100	221.183

- **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 46.482 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 26.980 thousand, Energoprojekt Oprema in the amount of RSD 11.307 thousand and Energoprojekt Niskogradnja in the amount of RSD 3.787 thousand.

- **Deposits for bank guarantees** in the amount of RSD 32.192 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 22.985 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 9.207 thousand).

- **Other long-term financial investments** in the amount of RSD 111.426 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 88.362 thousand, the largest share of which or RSD 82.407 thousand relate to a building within the tourist complex of Crni Vrh (which has not yet been completed), in which the Company holds ownership rights up to 5%, based on its co-financing; and

- Energoprojekt Entel in the amount of RSD 23.064 thousand, based on the deposits for apartments abroad (within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 3.963 thousand, Energoprojekt Entel LTD, Doha, Qatar: RSD 2.511 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 780 thousand) and based on deposits for working visas within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 15.810 thousand.

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Receivables from other related companies	43.500	129.684
Other long-term receivables	784.204	644.634
TOTAL	827.704	774.318

- **Receivables from other related companies** in the amount of RSD 43.500 thousand relate to the receivables of Energoprojekt Oprema from its affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the long-term guarantee deposit in its projects abroad.

- **Other long-term receivables** in the amount of RSD 784.204 thousand comprise only of the receivables of the Energoprojekt Entel Company based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term (within Energoprojekt Entel Ltd. Doha, Qatar: RSD 695.895 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 88.309 thousand).

Increase in other long-term receivables in the reporting period in the amount of RSD 139.570 thousand relates to the increase in long-term receivables for guarantee deposit in Energoprojekt Entel.

29. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Material, parts, tools and small inventories	1.196.693	1.206.668
Work and services in progress	1.456.325	1.294.624
Finished products	132.958	159.845
Goods	77.372	75.988
Non-current assets held for sale	70.307	54.150
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related companies	125.149	45.793
b) Advances paid for material, parts and inventory	374.358	465.691
c) Advances paid for goods	7.945	2.070
d) Advances paid for services	2.017.124	1.082.460
<i>Total</i>	<i>2.524.576</i>	<i>1.596.014</i>
TOTAL	5.458.231	4.387.289

- **Material, parts, tools and small inventories** in the amount of RSD 1.196.693 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 633.777 thousand, out of which inventories abroad amount to RSD 428.314 thousand (Uganda: RSD 308.129 thousand, Peru: RSD 120.185 thousand), and inventories in the country amount to RSD 205.463 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 427.484 thousand, out of which inventories abroad amount to RSD 366.703 thousand (mainly, in Z-096 Forte bank, Astana: RSD 296.123 thousand and Z-088 Hotel Hyatt, Rostov: RSD 49.323 thousand), meanwhile the inventories in the country amount to RSD 60.781 thousand;

- Energoplast in the amount of RSD 73.736 thousand, out of which material inventories amount to RSD 58.619 thousand, and parts inventories amount to RSD 15.117 thousand and
- Energoprojekt Oprema in the amount of RSD 47.519 thousand, out of which material inventories amount to RSD 45.335 thousand, and tools and small inventories amount to RSD 2.184 thousand.

Decrease of material, parts, tools and small inventories, respecting the last year comparative period, in the amount of RSD 9.975 thousand, mainly came as result of decrease within Energoprojekt Oprema, in the amount of RSD 118.870 thousand, meanwhile other companies of Energoprojekt Group recorded increase of these items, mostly within Energoprojekt Visokogradnja, in the amount of RSD 87.049 thousand and Energoplast Ltd. in the amount of RSD 26.942 thousand.

• **Work and services in progress** in the amount of RSD 1.456.325 thousand relate to following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.422.687 thousand, out of which work in progress in the country amounts to RSD 905.738 thousand (based on own investments in Belgrade, in Cara Nikolaja Street: RSD 667.034 hiljada dinara, thousand, in Knez Danilova Street: RSD 79.686 thousand, in Bezanijska Kosa: RSD 48.375 thousand, in Vozdovac: RSD 25.937 thousand and in Bor, in Bor Shopping Mall: RSD 84.706 thousand), and abroad RSD 516.949 thousand (based on the works on the residential complex Sistet Bare in Herceg Novi, Montenegro);
- Energoprojekt Sunnyville in the amount of RSD 22.062 thousand, relate to production in progress based on construction of business and residential complex in Belgrade and
- Energoprojekt Niskogradnja in the amount of RSD 11.576 thousand relate to production of crushed stone for upper level, crushed stone for filtering, concrete aggregate and material for lower level (filling) in projects abroad (Peru).

• **Finished products** in the amount of RSD 132.958 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 82.443 thousand relate to the constructed property in Herceg Novi in the amount of RSD 55.703 thousand and in Belgrade (in Bezanijska Kosa and in Blok 29) in the amount of RSD 26.740 thousand and
- Energoplast in the amount of RSD 50.515 thousand that relate to the finished plastic stoppers.

• The total value of **goods** in the amount of RSD 77.372 thousand primarily relate to Energoprojekt Visokogradnja in the amount of RSD 42.081 thousand (abroad: RSD 19.076 thousand, in the country: RSD 23.005 thousand), Energoprojekt Niskogradnja in the amount of RSD 18.976 thousand (that almost entirely relate to the invoiced materials and spare part, predominantly for the projects realized abroad, in Peru and Uganda, which were not received until December 31, 2015 - Goods in Transit); and Energoplast in the amount of RSD 7.239 thousand (acquired finished stoppers for resale).

• **Non-current assets held for sale** amount to RSD 70.307 thousand, out of which the amount of RSD 50.688 thousand relate to Energoprojekt Niskogradnja; RSD 16.157 thousand relate to Energoprojekt Energodata and RSD 3.462 thousand relate to Energoprojekt Entel.

- An overview of land and property held for sale in Energoprojekt Niskogradnja is presented below.

Description	Location	Surface Area in sq.m	Present Value In RSD thousand
Land - Mombasa Road, Kenya	Nairobi, Kenya	12.140,55	4.066
Land "Santa Clara", Peru	Santa Clara, Lima, Peru	23.009,70	18.601
Warehouse facility "Santa Clara", Lima	Santa Clara, Lima, Peru	792,35	22.273
Business premises - Buenos Aires, Argentina	Buenos Aires, Argentina	86,30	5.748
TOTAL			50.688

Reclassification of land for sale was performed based on the Decision passed by the Board of Directors of the Energoprojekt Niskogradnja from 2012, on the sale of land in Kenya and land "Santa Clara" in Lima, Peru, with accompanying facilities (warehouse facility); the total value thereof is RSD 22.667 thousand and the value of buildings held for sale amount to RSD 22.273 thousand in compliance with IFRS 5.

Based on the Decision of competent body of the Company from 2011, on the sale of office and residential facilities in Argentina, reclassification of these facilities was performed into the facilities held for sale amounting to RSD 5.748 thousand, in compliance with IFRS 5.

The Company intends to realize the above mentioned plans to sell and further activities on the realization of these plans are undertaken.

- In 2015, in Energoprojekt Energodata, based on the management Decision, ATMs were reclassified and posted as fixed assets held for sale in the total amount of RSD 16.157 thousand.

- Fixed assets held for sale in Energoprojekt Entel relate to the apartment in Block 20 in Bezanijska Kosa in Belgrade, and the plan to sell this apartment has been approved by the Company Management in 2014. The apartment was sold in January 2016.

- **Advances paid for inventories and services** in the amount of RSD 125.149 thousand and entirely relate to Energoprojekt Oprema, based on advances paid for services to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Advances paid for material, spare parts and inventory** in the amount of RSD 374.358 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 267.881 thousand, out of which advances paid abroad amount to RSD 231.242 thousand, and in the country RSD 36.639 thousand;

- Energo Kaz in the amount of RSD 40.129 thousand relate to advances paid to suppliers for projects in Kazakhstan;

- Energoprojekt Niskogradnja in the amount of RSD 34.917 thousand, for advance payments made for services provided by subcontractors in projects abroad (Uganda and Peru) and in the country and

- Energoprojekt Oprema in the amount of RSD 28.106 thousand out of which for advances paid for projects in the country amount to RSD 13.110 thousand, and those paid to suppliers abroad amount to RSD 14.996 thousand.

- **Advances paid for goods** in the amount of RSD 7.945 thousand, mostly relate to I.N.E.C. Engineering Company Limited, Great Britain, in the amount of RSD 7.267 thousand, based on purchase of goods for resale.

- **Advances paid for services** in the amount of RSD 2.017.124 thousand, relate, mostly, to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 729.554 thousand relate, mainly, to advances paid to suppliers for projects abroad (Uganda and Peru);

- Energoprojekt Visokogradnja in the amount of RSD 1.131.140 thousand, out of which advances paid abroad amount to RSD 1.128.120 thousand, and in the country RSD 3.020 thousand and

- Energoprojekt Oprema in the amount of RSD 137.968 thousand relate to advances paid to suppliers for projects in the country: RSD 137.507 thousand, and abroad: RSD 461 thousand.

30. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Local buyers - other related companies	4.141	2.138
Foreign buyers - other related companies	826.804	566.150
Local buyers	2.373.683	3.012.665
Foreign buyers	6.546.725	7.554.332
TOTAL	9.751.353	11.135.285

- **Local buyers - other related companies** in the amount of RSD 4.141 thousand relate to the receivables from joint venture Enjub Ltd. in the amount of RSD 3.580 thousand, mostly to Energoprojekt Visokogradnja in the amount of RSD 2.123 thousand and receivables of Energoprojekt Industrija from affiliated company Energopet Ltd. in the amount of RSD 561 thousand.

- **Foreign buyers– other related companies** in the amount of RSD 826.804 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, primarily in Energoprojekt Oprema in the amount of RSD 802.477 thousand and Energoprojekt Hidroinzenjering, in the amount of RSD 24.325 thousand.

- **Local buyers** amounting to RSD 2.373.683 thousand and relate primarily to the receivables of Energoprojekt Niskogradnja: RSD 1.388.859 thousand and to those of Energoprojekt Oprema: RSD 653.303 thousand and Energoplast in the amount of RSD 124.356 thousand.

Structure of **local buyers** is presented in the following table as at the financial statements date in Energoprojekt Group companies, with the highest amount of such receivables.

Structure of local buyers	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
<i>Energoprojekt Niskogradnja:</i>		
RZD International (Pancevo Railroad and Corridor X Projects)	467.801	575.557
China Shandong Intern.E&T org. Belgrade (Project Ljig-Lajkovac)	438.256	
AzVirt, Belgrade (Projekat Tunel Šarani)	319.625	359.497
PC City Construction Novi Sad (Project The Channel DTD Bridge)	68.957	
PC EPS/Kolubara Pestan (Project Kolubara II phase)	25.958	
Amiga Ltd. Kraljevo (Project Ljig - Lajkovac)	9.889	
Other	58.373	48.711
Total	1.388.859	983.765
<i>Energoprojekt Oprema:</i>		
Zeleznice Srbije Ltd.	415.129	174.102
JP Elektromreza Srbije	179.217	68.927
SNC Lavalin International	3.014	636.112
International Project Seviles LTD.OY Branch		308.466
Other	55.943	406.752
Total	653.303	1.594.359

Decrease of receivables of local buyers, respecting the last year comparative period, in the amount of RSD 638.982 thousand, mainly came as result of decrease within Energoprojekt Oprema in the amount of RSD 941.056 thousand (mostly from SNC Lavalin International and International Project Services LTD.OY Branch) and Energoprojekt Energodata, in the amount of RSD 118.352 thousand (mostly from Credit Agricole Serbia Plc.) and on the other hand, increase within Energoprojekt Niskogradnja, in the amount of RSD 405.094 thousand (mostly from China Shandong Intern.E&T org. Belgrada, on project Ljig - Lajkovac).

- **Foreign buyers** in the amount of RSD 6.546.725 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 3.282.546 thousand, Energoprojekt Visokogradnja in the amount of RSD 1.499.858 thousand and Energoprojekt Entel in the amount of RSD 1.282.677 thousand.

The biggest decrease of receivables from foreign buyers in 2015, respecting the last year comparative period, was within Energoprojekt Niskogradnja, in the amount of RSD 586.282 thousand (based on projects in Uganda and Peru) and Energoprojekt Entel, in the amount of RSD 534.682 thousand (in companies abroad).

Foreign buyers as at the financial statements date in Energoprojekt Group, which generated the highest amounts of trade receivables, are broken down in the following table.

Structure of foreign buyers	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority, Uganda, Z-017 i Z-027	2.025.501	1.520.717
Ministry of Works and Transport, Z-010	499.293	568.610
Kampala Capital City Authority	189.973	160.535
The Civil Aviation Authority, Z-032 i Z-033	108.717	436.847
<i>Total Uganda</i>	<i>2.823.484</i>	<i>2.686.709</i>
<i>Peru:</i>		
Empresa de Generacion Electrica Rio Banos SAC Z-030	176.192	
Consortio Pericos San Ignacio, Peru, Z-023	70.265	71.443
Sindicato Energetico SA Z-030	69.192	
Consortio Vial San Alejandro Z-034	34.716	
Iesa SA Z-030	21.822	
Consortio Energoprojekt Cuv, Peru, Z-0188		698.577
Proyecto Especial Binaciona Puyang Tumbes, Peru, Z-015		170.807
Empresa Administradora Chungar SAC, Peru, Z-030		111.835
Other	86.613	128.912
<i>Total Peru</i>	<i>458.800</i>	<i>1.181.574</i>
<i>Other foreign buyers</i>	<i>262</i>	<i>545</i>
TOTAL	<i>3.282.546</i>	<i>3.868.828</i>
<i>Energoprojekt Visokogradnja:</i>		
Accent Development Solutions, Z-096	744.542	
Cargo center Ghana (within Energoprojekt Ghana Ltd)	355.843	
Stojgazkonsalting, Uhta, Rusija, Z-085	257.625	199.437
NCA Tower, Ghana (within Energoprojekt Ghana Ltd)	29.155	187.780
Schlumberger Logeco, Astrahan, Russia, Z-091	17.734	118.081
Prombistroi, Z-092	8.790	56.468
MKC-RosEvroDevelopment, Z-088	3.007	89.188
Sofie Medgroup, Aktau, Kazakhstan, Z-089	1.653	132.029
OIL Real Estate, Aktau, Kazakhstan, Z-068		110.853
Other	81.509	341.318
TOTAL	<i>1.499.858</i>	<i>1.235.154</i>
<i>Energoprojekt Entel:</i>		
Within Energoprojekt Entel L.L.C., Doha, Qatar	816.034	1.181.167
Within Energoprojekt Entel L.L.C., Muskat, Sultanate of Oman	191.690	214.312
Within Energoconsult L.L.C., Abu Dhabi, UAE	274.953	413.984
Other		7.896
TOTAL	<i>1.282.677</i>	<i>1.817.359</i>

31. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Receivables from special transactions from other related companies	76.032	31.042
Receivables from special transactions from other companies	4.136	4.483
TOTAL	80.168	35.525

- **Receivables from special transactions from other related companies** in the amount of RSD 76.032 thousand relate to Energoprojekt Oprema in the amount of RSD 74.257 thousand, based on the expenses passed through to the affiliated company Energo Nigeria Ltd., Lagos, Nigeria and to Energoprojekt Holding in the amount of RSD 1.775 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

- **Receivables from special transactions from other companies** in the amount of RSD 4.136 thousand relate predominantly to Energoprojekt Garant, in the amount of RSD 3.913 thousand, based on receivables from commission of reinsurance and co-insurance, amounting RSD 3.670 thousand, and receivables based on investment property lease, in the amount of RSD 243 thousand.

32. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Interest and dividend receivables:		
b) Interest and dividend receivable from affiliated companies	46.372	35.634
b) Interest agreed and default interest receivable from other companies	56	172
<i>Total</i>	<i>46.428</i>	<i>35.806</i>
Receivables from employees	24.705	23.404
Receivables for overpaid income tax	87.870	76.006
Receivables in respect of prepaid other taxes and contributions	11.192	7.462
Receivables for fringe benefits' returns	9.329	8.599
Receivables for damage compensation	2.141	
Other short-term receivables	312.064	192.907
TOTAL	493.729	344.184

- **Interest and dividend receivables from other affiliated companies** in the amount of RSD 46.372 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.

- **Receivables from employees** in the amount of RSD 24.705 thousand relate predominantly to unjustifiably paid advance payments to employees leaving to work in foreign countries and to loans

granted to employees, and specifically Energoprojekt Niskogradnja, in the amount of RSD 5.724 thousand, Zambia Engineering and Contracting Company Limited, in the amount of RSD 5.425 thousand, Energoprojekt Energodata, in the amount of RSD 4.139 thousand, Energoprojekt Oprema, in the amount of RSD 3.490 thousand and Energoprojekt Visokogradnja in the amount of RSD 3.006 thousand.

- **Receivables for overpaid income tax** in the amount of RSD 87.870 thousand predominantly refer to Energoprojekt Niskogradnja, in the amount of RSD 43.681 thousand, Energoprojekt Visokogradnja in the amount of RSD 17.404 thousand (predominantly, in the country: RSD 16.820 thousand), Energoprojekt Holding in the amount of RSD 11.150 thousand, Energoprojekt Entel in the amount of RSD 8.544 thousand and Zambia Engineering and Contracting Company Limited in the amount of RSD 2.574 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 11.192 thousand and predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 4.788 thousand (mostly within the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 4.755 thousand), Zambia Engineering and Contracting Company Limited, in the amount of RSD 4.108 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1.827 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 9.329 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 5.848 thousand, Energoprojekt Holding in the amount of RSD 861 thousand and Energoprojekt Energodata in the amount of RSD 856 thousand.

- **Other short-term receivables** amounting to RSD 312.064 thousand and predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 226.127 thousand (mainly based on the receivables from Tax Administration for overpaid income tax in Peru and Uganda: RSD 197.553 thousand and to the receivables for the externally granted loans to Consortiums in Peru for payment of joint liabilities on the project: RSD 18.464 thousand) and Energoprojekt Hidroinženjering, in the amount of RSD 53.364 thousand, mostly based on receivables from partners in Consortium on the project Yaraskay - Peru for the works finished: RSD 49.087 thousand.

Increase of other short-term receivables in reported period, in the amount of RSD 119.157 thousand mainly came as result within Energoprojekt Hidroinženjering, in the amount of RSD 52.308 thousand, mostly based on receivables from partners in consortium on the project Yaraskay - Peru, for the works finished: RSD 49.087 thousand; and Energoprojekt Niskogradnja, in the amount of RSD 46.220 thousand, based on increased receivables for overpaid income tax in Peru and Uganda.

33. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH INCOME STATEMENT

Structure of financial assets assessed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares	1.359	1.359
Bonds	332.400	182.736
TOTAL	333.759	184.095

Financial assets assessed at fair value through Income statement relate entirely to the shares and bonds (say: 45 shares of Belgrade Stock Exchange, total value of RSD 1.359 thousand, 100.000 old foreign currency savings bonds, in the amount of RSD 12.113 thousand and 2.661 foreign currency coupon bonds, in the amount of RSD 320.287 thousand.

Valuation adjustment of financial assets assessed at fair value through Income statement is performed for foreign currency coupon bonds based on data obtained from the secondary market for such assets and by applying the foreign exchange rate, and valuation of old foreign currency savings bonds is performed based on their value on the stock exchange as at the last trading transaction date in 2015.

Financial assets assessed at fair value through the Income Statement from 2015, comparing to last year increased due to buying 1.463 foreign currency coupon bonds in 2015 by Energoprojekt Garant, in the amount of RSD 171.023 thousand, and on the other hand, there is a decrease due to valuation adjustment of financial assets assessed at fair value, in the amount of RSD 21.359 thousand.

34. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans and investments - other related companies	162.419	161.527
Short-term credits and loans domestic		729
Short-term international credits and loans	16.549	968
Portion of long-term financial investments with maturity date up to one year:		
a) Portion of long-term financial investments in other legal entities with maturity date up to one year		
b) Portion of other long-term financial investments with maturity date up to one year	949	801
<i>Total</i>	<i>949</i>	<i>801</i>
Securities held to maturity - portion with maturity date up to one year	9.569	
Other short-term financial investments:		
a) Short term deposits	1.593.710	1.217.985
b) Other short-term financial investments	6.300	17.138
<i>Total</i>	<i>1.600.010</i>	<i>1.235.123</i>
TOTAL	1.789.496	1.399.148

• **Short-term loans and investments - other related companies** in the amount of RSD 162.419 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has 2 (two) signed blank solo bills of exchange to be filled out by beneficiary to be used as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture and an extrajudicial mortgage for the entire loan amount (for apartments and business premises) in Jurija Gagarina Street in New Belgrade.

• **Short-term international credits and loans** in the amount of RSD 16.549 thousand relate entirely to Energoprojekt Visokogradnja, primarily to the loan granted to subcontractor, Tandem Inter Company, in the amount of RSD 7.933 thousand and Bon Appetit company, in the amount of RSD 7.643 thousand, to complete the work on Project Z-088 Hotel Hyatt Rostov, Rusija, for which those subcontractors were hired, within agreed deadline.

• **Securities held to maturity – portion with maturity up to one year** in the amount of RSD 9.569 thousand relate to old foreign currency savings bonds within Energoprojekt Industrija (mainly based on long-term financial prenos a dugoročnih finansijskih plasmanain the amount of RSD 9.178 thousand).

• **Short term deposits** in the amount of RSD 1.593.710 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 1.201.103 thousand relate to the deposits with international and domestic commercial banks within Energoprojekt Entel Qatar: RSD 1.014.922 thousand, with interest rate of 1,18% quarterly and Energo Consult LLC Abu Dhabi, UAE: RSD 186.181 thousand, with interest rate of 1,42% annually;

- Energoprojekt Garant in the amount of RSD 334.920 thousand relate to the foreign currencies deposits in EUR and USD with the domestic commercial banks with interest rate ranging from 1,50 % to 2,53 % annually, and

- Energoprojekt Oprema in the amount of RSD 57.687 thousand, based on restricted deposit at Findomestic bank for project RTB Bor (predominantly based on transfer made from long term financial investments, in the amount of RSD 49.474 thousand).

• **Other short term financial investments** in the amount of RSD 6.300 thousand, relate, mainly, to Energoprojekt Niskogradnja in the amount of RSD 6.078 thousand, out of which the biggest share, in the amount of RSD 4.504 thousand relate to working licences for personnel non-citizens of Republic of Uganda.

35. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	In RSD thousand	
	31/12/2015	31/12/2014
Current (business) account	145.321	74.952
Earmarked cash and letters of credit	5	1
Petty cash	667	416
Foreign currency account	3.067.170	2.297.829
Letters of credit in foreign currencies	366	73.808
Foreign currency petty cash	132.158	86.703
Other cash:		
a) Short term deposits	887.484	208.655
b) Other cash	525.124	320.501
<i>Total</i>	<i>1.412.608</i>	<i>529.156</i>
Value-impaired or restricted cash	42.078	36.393
TOTAL	4.800.373	3.099.258

- **Current (business) account** of the Energoprojekt Group in the amount of RSD 145.321 thousand predominantly refer to the current accounts of the following companies of the Energoprojekt Group: Energoprojekt Garant in the amount of RSD 40.671 thousand, Energoprojekt Holding in the amount of RSD 30.349 thousand, Energoprojekt Industrija in the amount of RSD 26.004 thousand, Energoprojekt Hidroinženjering in the amount of RSD 15.097 thousand, Energoprojekt Oprema in the amount of RSD 10.893 thousand and Energoprojekt Niskogradnja in the amount of RSD 9.016 thousand.
- **Foreign currency account** in the amount of RSD 3.067.170 thousand predominantly refer to the foreign currency accounts of the following companies in the Energoprojekt Group: Energoprojekt Visokogradnja in the amount of RSD 1.083.383 thousand (in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 879.246 thousand), Energoprojekt Entel in the amount of RSD 863.329 thousand, Energoprojekt Niskogradnja in the amount of RSD 696.955 thousand and Energoprojekt Hidroinženjering in the amount of RSD 152.305 thousand.
- **Letters of credit in foreign currencies** decreased in 2015. respecting the last year comparative period, in the amount of RSD 73.442 thousand, mainly as a result of decrease of letters of credit in foreign currencies abroad, within Energoprojekt Oprema.
- **Foreign currency petty cash** in the amount of RSD 132.158 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 109.797 thousand, Energoprojekt Niskogradnja in the amount of RSD 14.067 thousand and Energoprojekt Hidroinženjering in the amount of RSD 5.118 thousand.
- **Short term deposits** in the amount of RSD 887.484 thousand relate to the term deposits in the country amounting to RSD 879.161 thousand, and predominantly within Energoprojekt Holding in the amount of RSD 432.329 thousand, Energoprojekt Oprema in the amount of RSD 291.251 thousand and Energoprojekt Visokogradnja in the amount of RSD 133.614 thousand, while the term deposits abroad in the amount of RSD 8.323 thousand, relate entirely to the Dom 12 S.A.L Company, Lebanon.
- **Other cash** in the amount of RSD 525.124 thousand refer predominantly to Energoprojekt Visokogradnja in the amount of RSD 517.904 thousand (predominantly to the collaterals provided for the projects of the Energoprojekt Ghana Ltd., Accra, Ghana).
- **Value-impaired or restricted cash** in the amount of RSD 42.078 thousand relate mostly to Energoprojekt Hidroinženjering in the amount of RSD 40.254 thousand, based on bank deposits serving as collaterals for guarantees' issuing for the projects abroad (Ourkiss, Alto Piura, Yarascay and Machu Picchu). Cash will be available upon the release of the guarantees in question.

36. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

36.1. Value Added Tax

Structure of value added tax	<i>in RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Value added tax	112.663	80.225
TOTAL	112.663	80.225

• **Value added tax** in the amount of RSD 112.663 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Niskogradnja in the amount of RSD 51.890 thousand, Energoprojekt Visokogradnja in the amount of RSD 27.928 thousand, Energoprojekt Oprema in the amount of RSD 12.128 thousand.

36.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Prepayments:		
a) Prepaid subscriptions for professional publications	1.629	1.456
b) Prepaid rent	290.006	214.270
c) Prepaid insurance premiums	26.129	51.870
d) Prepaid advertizing and marketing expenses		1.952
e) Other prepaid expenses	53.042	43.872
<i>Total</i>	<i>370.806</i>	<i>313.420</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other legal entities	1.691.909	1.860.764
<i>Total</i>	<i>1.691.909</i>	<i>1.860.764</i>
Other deferred expenses:		
a) Accrued value added tax	43.618	99.754
b) Other deferred expenses	28.172	38.728
<i>Total</i>	<i>71.790</i>	<i>138.482</i>
TOTAL	2.134.505	2.312.666

• **Prepaid rent** in the amount of RSD 290.006 thousand primarily refer to Energoprojekt Entel in the amount of RSD 251.357 hiljada dinara, po osnovu zakupa stanova za smeštaj radnika u kompanijama Društva u inostranstvu.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 1.691.909 thousand refer primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 919.271 thousand, primarily refer to the receivables from interim payment certificates for work completed in October, November and December 2015 for the following projects:

- Lajkovac-Ljig: RSD 601.799 thousand;
- Tunel Sarani: RSD 192.047 thousand;
- Koridor 10: RSD 59.559 thousand;
- Replacing and regulation of Kolubara River, II phase: RSD 35.716 thousand;
- Airport Nakasangola, Uganda, Z-032: RSD 1.512 thousand;
- Road Puerto Bermudez, Peru, Z-024: RSD 8.701 thousand; and other.

- Energoprojekt Holding in the amount of RSD 385.828 thousand relate entirely to the realization of the Agreement on Construction of Republic of Serbia Embassy in Abuja, Federal Republic of Nigeria, a turn-key project, in the Cadastral parcel No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

- Energoprojekt Visokogradnja in the amount of RSD 192.928 thousand relate to the receivables for payment certificates submitted to the Investor for verification, but not verified before the balance sheet submission date. The largest receivables for the accrued non-invoiced income are recorded for the following projects in the country and abroad:

- Prokop Railway Station: RSD 147.977 thousand;
- Forte bank, Astana Z-096: RSD 18.300 thousand;
- Siktivkar Underground Car Garage, Z-100: RSD 8.350 thousand;
- Sulphuric acid plant and Smelter in Bor: RSD 7.531 thousand; and for other projects as well.

- Mentionig other companies of Energoprojekt Group, reveivables for accrued non-invoiced income were recorded at Energoprojekt Oprema, in the amount of RSD 77.101 thousand, Energoprojekt Industrija in the amount of RSD 61.420 thousand, Energoprojekt Hidroinzenjering in the amount of RSD 52.733 thousand and Energoprojekt Urbanizam i arhitektura in the amount of RSD 2.628 thousand.

• **Accrued Value Added Tax (VAT)** in the amount of RSD 43.618 thousand include VAT presented in received invoices for reported year, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for December of the reported year. The most important amount of accrued VAT was recorded within Energoprojekt Oprema in the amount of RSD 31.645 thousand.

• **Other prepayments and deferred expenses** in the amount of RSD 28.172 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 14.624 thousand (interest on bank deposits, transferrable premiums and claims charged to coinsurer and reinsurer calculated in advance) and to Energoprojekt Visokogradnja in the amount of RSD 11.560 thousand (prepaid VAT for the Projects realized abroad: RSD 10.012 thousand and precalculated property tax in the amount of RSD Z-085 Uhta, Russia: RSD 1.548 thousand).

37. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Equity capital - reduced for non-controlling interest in equity capital	5.894.010	5.893.998
Reserves	374.590	374.453
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.211.764	5.788.138
Unrealized gains from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	450.976	415.520
Unrealized losses from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	30.504	41.501
Retained earnings	6.481.980	5.402.867
Non-controlling interest - in equity capital	165.090	165.922
TOTAL	19.547.906	17.999.397

37.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Share capital - total	5.724.580	5.725.400
Non-controlling interest - in share capital	(149.621)	(150.441)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5.574.959</i>	<i>5.574.959</i>
Stakes in limited liability companies - total	9.289	9.289
Non-controlling interest - in limited liability companies	(9.289)	(9.289)
<i>Total stakes in limited liability companies</i>		
Issuing premium	237.014	237.014
Other share capital - total	88.217	88.217
Other non-controlling interest	(6.180)	(6.192)
<i>Total other share capital</i>	<i>82.037</i>	<i>82.025</i>
TOTAL	5.894.010	5.893.998

- **Share capital** - 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.

Share capital of the parent company Energoprojekt Holding as at the balance sheet date consists of 10.931.292 ordinary shares with nominal value of RSD 510,00 or RSD 5.574.959 thousand worth share capital of the majority shareholder.

Comparing to last year, in 2015 happened decrease of total share capital, in the amount of RSD 820 thousand, considering that non-controlling interest - within share capital decrease for RSD 820 thousand, due to share acquisition of all remaining shareholders of Energoprojekt Visokogradnja by Energoprojekt Holding.

- **Issuing premium** is positive difference between the achieved selling price per share and the nominal value of such shares, which is the result of the conversion of shares of the Energoprojekt Group subsidiaries into Company shares at the par value of 1:1 in 2006.

37.2. Reserves

Structure of reserves	In RSD thousand	
	31/12/2015	31/12/2014
Legal reserves	218.856	218.856
Statutory and other reserves	155.734	155.597
TOTAL	374.590	374.453

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until November 30, 2004, when the Law on Companies came into force. Each year a minimum of 5% was appropriated from the profits until the reserves' level prescribed in the Articles of Association or at least 10% of the equity capital was reached.
- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company.

37.3. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from intangibles, property, plant and equipment	In RSD thousand	
	31/12/2015	31/12/2014
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3.168.802	3.163.061
b) Revaluation reserves from revaluation of other property	1.127.301	1.143.931
<i>Total</i>	<i>4.296.103</i>	<i>4.306.992</i>
Revaluation reserves from revaluation of investment property	1.739.041	1.296.669
Revaluation reserves from revaluation of plant and equipment	176.620	184.477
TOTAL	6.211.764	5.788.138

- **Revaluation reserves from revaluation of property** in the amount of RSD 4.296.103 thousand relate to valuation of fair value of buildings and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves). (Note 26)

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3.168.802 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at December 31, 2014, in the amount of RSD 3.055.774 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672.228 thousand and

- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 559.200 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1.127.301 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja: RSD 259.130 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business facilities, Lima, Peru and residential building in Kampala, Uganda);
- Energoprojekt Visokogradnja: RSD 241.087 thousand (buildings in Belgrade, in Vozdovac and in Palilula, and in Stara Pazova);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 216.059 thousand (an office building in London);
- Energo (Private) Limited, Zimbabwe: RSD 160.878 thousand (business and residential buildings in Harare, Zimbabwe);
- Energopet Ltd.: RSD 81.068 thousand (business buildings and land in Belgrade - Krnjesevci) and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 68.176 thousand (business and residential buildings in Zambia).

Decrease of revaluation reserves based on revaluation of other property in 2015, comparing to last year, in the amount of RSD 16.630 thousand, mainly came as a result within Energoprojekt Visokogradnja, based on sell of an apartment at Bezanijska Kosa to the company employee, in the amount of RSD 6.138 thousand, and based on the FX differences in companies abroad, in the amount of RSD 4.160 thousand.

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1.739.041 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Zambia Limited, Zambia: RSD 616.232 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540.422 thousand (an office building in Moscow);
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 326.856 thousand (a business and residential facility in Zambia);
- Energoprojekt Niskogradnja: RSD 144.624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 108.333 thousand.

Increase of revaluation reserves based on revaluation of investment property in 2015 comparing to last year, in the amount of RSD 442.372 thousand, mainly came as result of accounting of investment property within Energoprojekt Zambia Limited, Zambia (Note 26).

**37.4. Unrealized Gains from Securities and Other Components of Other Comprehensive Result
(credit balances under account class 33, except 330)**

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Unrealized gains on transaction of financial statements for international operations	450.976	415.520
TOTAL	450.976	415.520

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 450.976 thousand relate primarily to Energoprojekt Entel, Energoprojekt Visokogradnja, Energoprojekt Oprema, Dom 12 S.A.L, Lebanon, I.N.E.C. Engineering Company Limited, Great Britain and Encom GmbH Consulting, Engineering & Trading, Germany.

**37.5. Unrealized Losses from Securities and Other Components of Other Comprehensive Result
(debit balances under account class 33, except 330)**

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Unrealized losses on securities available for sale	30.504	41.501
TOTAL	30.504	41.501

• **Unrealized losses on securities available for sale** in the amount of RSD 30.504 thousand, which predominantly relate to Energoprojekt Holding in the amount of RSD 28.433 thousand, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

37.6. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Retained earnings from previous years:		
a) Balance as at January 1	5.402.867	4.635.242
b) Changes	31.623	(261.407)
<i>Total</i>	5.434.490	4.373.835
Retained earnings from the current year	1.047.490	1.029.032
TOTAL	6.481.980	5.402.867

• Total change of **retained earnings** of the current year in the amount of RSD 1.079.113 thousand mainly came as a result of the net profit of the Energoprojekt Group in the reporting period, in the amount of RSD 1.047.490 thousand, decreases based on the distribution of retained earnings (dividend payments in Energoprojekt Holding, Energoprojekt Oprema, Energoprojekt Entel and in Energoprojekt Garant), in the amount of RSD 309.530 thousand, FX differences between the opening balance of the retained earnings of the companies abroad (primarily of Energoprojekt Entel in Qatar, Oman and UAE, and also due to the rise of the value of local currencies linked to USD, in relation to RSD) in the amount of RSD 335.777 thousand and the last period retained earnings recording, derived from closed investment fund Fima See Activist Plc. in the amount of RSD 7.870 thousand.

37.7. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-controlling interest - in equity capital	165.090	165.922
TOTAL	165.090	165.922

In order to properly fill out the Statement of Changes in Equity in compliance with the logical and accounting controls of the Business Registers Agency, **non-controlling interest** was determined only for the basic capital of the Companies with the shares of minority shareholders.

Non-controlling interest are broken down in the following table for the total equity of the Companies with the shares of minority shareholders.

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>u 000 dinara</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Equity capital	6.059.100	6.059.920
Non-controlling interest - in equity capital	(165.090)	(165.922)
<i>Total equity capital</i>	<i>5.894.010</i>	<i>5.893.998</i>
Reserves	374.590	374.453
Non-controlling interest - in reserves	(21.297)	(21.327)
<i>Total reserves</i>	<i>353.293</i>	<i>353.126</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.211.764	5.788.138
Non-controlling interest - in revaluation reserves	(303.808)	(303.490)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5.907.956</i>	<i>5.484.648</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	450.976	415.520
Non-controlling interest - in unrealized gains	(15.975)	(23.602)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>435.001</i>	<i>391.918</i>
Unrealized losses from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	30.504	41.501
Non-controlling interest - in unrealized losses	(1.017)	(456)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>29.487</i>	<i>41.045</i>
Retained earnings	6.481.980	5.402.867
Non-controlling interest - in retained earnings	(853.821)	(731.861)
<i>Total retained earnings</i>	<i>5.628.159</i>	<i>4.671.006</i>
Tota capital of the companies with shares of majority shareholders	<i>18.188.932</i>	<i>16.753.651</i>
Non-controlling interest - in total capital	1.358.974	1.245.748
TOTAL CAPITAL	<i>19.547.906</i>	<i>17.999.399</i>

38. LONG-TERM PROVISIONS

Structure of long-term provisions	<i>in RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Provisions for warranty period costs	491.826	454.572
Provisions for wages and other employee benefits	270.777	282.730
Other long-term provisions	374.863	358.827
TOTAL	1.137.466	1.096.129

- **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses), are disclosed based on actuarial calculation of the Energoprojekt Group expert team.

In the projection of provision calculation pursuant to IAS 19 the deductive approach was used, meaning that all the Companies from the Energoprojekt Group were treated as a whole, and based on general regularities and use of the number of employees as a template, allocation to specific Companies was performed. Considering that all subsidiaries are controlled by the same Company, the applied approach is objective and the projection results can be recognized as expected.

A decrease of the provision amount based on current retirement bonus values (by 0,46%) in the balance sheet as at December 31, 2015 in comparison to the retirement bonus values in the balance sheet as at December 31, 2014, was the result of several changed factors:

- On one hand, changes of some factors affect the increase of the provision amount (increase in the average years of service with the Company by 0,56% and an increase in the number of employee by 0,09%); and
- On the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the average expected retirement bonus by 0,11%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia

according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of 8% was accepted as the annual discount rate.

In the paragraph 78, IAS 19 and paragraph BC 33 in the Basis for Conclusions IAS 19, it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of government bonds issued on December 4, 2015 by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia. These bonds were issued with an annual interest rate of 4,40%. Since it is an EURO security, by taking into account the estimated inflation in the Euro zone (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2016 with Projections for 2017 and 2018), by extrapolating the yield curve for a longer period (since the maturity of the reference securities is shorter (10 years) than the average estimated maturity of the benefit payment that is subject to this calculation), in view of the requirements from paragraph 81, IAS 19, a realistic annual yield of 4% was adopted.

The annual expected salary growth in the Republic of Serbia was planned at the level of 5%.

The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2016, adopted at the meeting of the National Bank of Serbia Executive Board on October 18, 2013 (in the Memorandum of the National Bank of Serbia adopted on August 13, 2015 by the Executive Board of the National Bank of Serbia, the previously determined inflation targets for 2016 were not amended), in addition to other things, determines the target inflation rate for 2016 of 4%, with permissible deviation (positive and negative) of 1.5 percentage points. According to the above stated, and taking into account the significant decrease in inflation rate in 2015, it would be most realistic to plan the inflation rate for the following year on the level of the target inflation rate as stipulated in the Memorandum.

The provision will thus be estimated according to the planned annual inflation rate of 4%. From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2016 with Projections for 2017 and 2018), realistically achievable. If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is

predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 5% and long-term annual discount rate of 8%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 75 of IAS 19.

Changes in the structure of the long-term provisions for the costs of provisions during warranty period and other long-term provisions in the reporting period are presented in the following table.

Structure of long-term provisions	<i>In RSD thousand</i>	
	<i>Costs of provisions during warranty period</i>	<i>Other provisions</i>
Balance as at January 1, 2014	565.215	379.935
Additional provisions	132.048	1.730
Used during the year	(16.065)	
Release of unused provision amounts	(342.166)	(22.838)
Differences in foreign exchange rates	115.540	
Balance as at January 1, 2015	454.572	358.827
Additional provisions	186.281	16.036
Used during the year	(25.433)	
Release of unused provision amounts	(164.634)	
Differences in foreign exchange rates	41.040	
Balance as at December 31, 2015	491.826	374.863

• **Provisions for warranty period** in the amount of RSD 491.826 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 409.955 thousand disclosed based on the provisions for cost of significant changes in agreed items without an option to charge the additional works in the Group companies abroad, namely: within Energoprojekt Entel LTD, Qatar: RSD 334.239 thousand (based on several projects for Qatar General Electricity and Water Corporation „KAHRAMAA“) and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 75.716 thousand (based on project for „DEWA“).

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences, as an expression of prudent approach in case that it will not be possible to collect all the receivables from agreements with amendments, modifications and extended collection terms. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Comparing to the previous reporting period, the increase in the said provisions in the amount of RSD 71.366 thousand, came as result of reserves within Energoprojekt Entel LTD, Qatar (project Phasa 11 for „KAHRAMAA“) in the amount of RSD 104.410 thousand, partly as unused reserves deleting in Energoconsult L.L.C., Abu Dhabi, UAE in the amount of RSD 73.915 thousand (Note 21.1) and recording of FX gains, in the amount of RSD 40,871 thousand (considering the activities abroad introducing in financial records of the company, pursuant to IFRS 21 – Effects of Changes in Foreign Exchange Rates);

- Energoprojekt Oprema in the amount of RSD 54.898 thousand, performed in 2015, for „Prokop“ project: RSD 38.920 thousand, „TENT“ Obrenovac: RSD 12.391 thousand, „Prelaz preko Dunava“: RSD 1.364 thousand and „DV Belgrade Pancevo“: RSD 2.223 thousand.

The Company usually provides guarantee for its products for the period of 1-3 years, depending on the project in question.

Comparing to previous year, a decrease of related reserves in the amount of RSD 35.821 thousand relate to unused reserves deleting, emerged in 2014 for project „RTB“ Bor, in the amount of RSD 90.719 thousand (Note 21.1) and additional reserves forming, related to the above mentioned projects in the country, in the amount of RSD 54.898 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 26.973 thousand, performed in 2015 for project Z-091 Schlumberger, Astrahan in the amount of RSD 10.592 thousand and Z-096 Forte bank, Astana in the amount of RSD 16.381 thousand.

Comparing to reported period, an increase of related reserves in the amount of RSD 1.709 thousand was recorded based on the increase of reserves for costs in 2015, in the amount of RSD 26.973 thousand (for project Z-091 Schlumberger, Astrahan: RSD 10.592 thousand and Z-096 Forte bank, Astana: RSD 16.381 thousand) and FX differences, in the amount of RSD 169 thousand, and, on the other hand, decrease based on completed use of reserves emerged in 2014, in the amount of RSD 25.433 thousand (for project Z-091 Schlumberger, Astrahan: RSD 16,912 thousand and Z-092 Horizonti, Siktivkar: RSD 8.521 thousand).

The Company usually provides guarantee for the completed buildings, which are expected to incur some expenses over the course of the warranty period. The Company assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

• **Other long-term provisions** in the amount of RSD 374.863 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 260.000 thousand, posted in the balance as at December 31, 2006, in compliance with the Decision of the competent body of the Company, as potential contractual costs related to the Joint Construction Agreement - Block 26, New Belgrade, 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 the 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 fulfilment of all obligations assumed by the Company as well as due to the issued blank bill of exchange as previously stated.

As at December 31, 2015 there is still uncertainty with regard to the application of the legislation that may affect the fulfilment 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.

- Energoprojekt Niskogradnja in the amount of RSD 97.097 thousand that relate entirely to the liability towards the subcontractor based on the Z-0163 Project "Navigation Lock", Iraq. Provision amount was determined by applying the methodology identical to the methodology prescribed by the Government of Iraq, based on which the Company collected its receivables on the said Project; and
- Energoprojekt Garant in the amount of RSD 17.766 thousand that relate predominantly to the provisions for risk levelling.

Increase of other long-term provisions respecting the last year comparative period, in the amount of RSD 16.036 thousand, relate entirely to Energoprojekt Garant, mainly based on increase of reserves for risk levelling.

39. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Long-term credits and loans domestic	218.927	330.930
Long-term credits and loans foreign countries	215.266	205.529
Long term liabilities from finansial leasing	122.071	188.398
Other long-term liabilities	2.161.284	2.397.328
TOTAL	2.717.548	3.122.185
Part of long-term liabilities with maturity date up to one year (Note 40.3.)	535.007	582.012

39.1. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Societe Generale bank	218.927	71.712
Alpha bank		83.828
VTB bank		175.390
<i>Total</i>	<i>218.927</i>	<i>330.930</i>
b) Long-term loans granted by other entities in the country		
<i>Total - loans domestic</i>	<i>218.927</i>	<i>330.930</i>
Abroad:		
Long-term loans granted by other entities abroad	215.266	205.529
<i>Total - loans abroad</i>	<i>215.266</i>	<i>205.529</i>
TOTAL	434.193	536.459

- **Long-term loans granted by banks in the country** in the amount of RSD 218.927 thousand entirely relate to Energoprojekt Visokogradnja, based on long-term loan from Societe Generale bank.

Long-term loans granted by the domestic banks as at December 31, 2015 are presented in the following tables, categorized as liabilities with maturity date up to one year (posted within short-term liabilities, Note 40.3.) and as liabilities with maturity date longer than one year (posted within long-term loans), as well as maturity dates of the long-term loans and currencies in which such loans were denominated broken down per individual companies of the Energoprojekt Group to which such long-term loans relate.

Creditor	Interest rate	In RSD thousand			
		31/12/2015		31/12/2014	
		Long-term liability	Short-term liability	Long-term liability	Short-term liability
Energoprojekt Visokogradnja:					
VTB bank	3 M Euribor + 5,3% p.a.		176.358	175.390	
Societe Generale bank	5,15% p.a.		71.712	71.712	143.424
Societe Generale bank	3m Euribor + 4% p.a.	218.927	72.976		
Komercijalna banka	9% p.a.				16.667
Total		218.927	321.046	247.102	160.091
Energoprojekt Energodata:					
Alpha bank	3M Euribor + 5,75% p.a.			83.828	72.760
Total		-	-	83.828	72.760
Energoprojekt Industrija:					
RS Development Fund	2.5% p.a.		30.527		
Total		-	30.527	-	-
TOTAL		218.927	351.573	330.930	232.851

Structure of long-term loans' maturity dates	in RSD thousand	
	31/12/2015	31/12/2014
1 to 2 years		330.930
2 to 5 years	218.927	
TOTAL	218.927	330.930

Structure of accounting liabilities for long-term loans granted to Company as per denomination currency	In RSD thousand	
	31/12/2015	31/12/2014
RSD		71.712
EUR	218.927	259.218
TOTAL	218.927	330.930

- **Long-term loans granted by other companies abroad** in the amount of RSD 215.266 thousand relate entirely to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the

former SFRY Republics on the HPP Baniya II Project in Guinea (USD 1.935 thousand). Since the succession process of former SFRY Republics is not completed and in view of the principle of prudence, the management of the Company is of the opinion that conditions for the write-off of the said liabilities have not yet been met at the moment.

39.2. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Financial leasing liabilities	122.071	188.398
TOTAL	122.071	188.398

- **Long term liabilities from financial leasing** were effectively insured as the lessor's right to return of the financial lease asset in case of defaulting.

Of the total long-term financial lease liabilities amounting to RSD 122.071 thousand, the largest share in the amount of RSD 112.998 thousand relate to Energoprojekt Niskogradnja.

Detailed information on total financial lease (long-term as well as short-term) liabilities of the Energoprojekt Niskogradnja is presented in the following table.

Creditor	Currency	Outstanding debt in currency	Outstanding debt in RSD thousand	Repayment and maturity date	Annual interest rate
<i>Lease liabilities in the country:</i>					
Sogelease	EUR	1.287.763	156.626	monthly from 15.04.2016 till 15.10.2018	6m Euribor + margin = 4,41%
Unicredit Leasing	EUR	868.205	105.596	monthly from 11.09.2017 till 11.09.2018	3m Euribor + 4,20%
Total			262.222		
<i>Lease liabilities abroad:</i>					
GNB bank leasing, Peru	USD	114.251	12.710	monthly till 01.05.2016	7,90%; 7,50%
Leasing Peru S.A.	USD	64.010	7.121	monthly till 05.05.2016	5,92%
Total			19.831		
TOTAL			282.053		

Financial lease liabilities denominated in RSD as at December 31, 2015 are presented in the following table, broken down into:

- Liabilities with maturity date up to one year (posted within the short-term liabilities); and
- Liabilities with maturity date exceeding one year (posted within the long-term liabilities).

Creditor	<i>In RSD thousand</i>	
	<i>Long-term liability</i>	<i>Short-term liability</i>
Sogelease, Srbija	57.260	99.366
UniCredit Leasing, Serbia	55.738	49.858
GNB leasing, Peru		12.710
Leasing Peru S.A., Peru		7121
TOTAL	112.998	169.055

Structure of financial leasing liabilities per maturity dates	<i>u 000 dinara</i>	
	<i>Present Value</i>	<i>Future Value</i>
Up to 1 year	169.055	177.055
1 to 5 years	112.998	116.019
More than 5 years		
TOTAL	282.053	293.068

Difference between the future value of the minimum lease payments and their present value is the interest contained in the lease payment instalments.

39.3. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Other long-term liabilities	2.161.284	2.397.328
TOTAL	2.161.284	2.397.328

• **Other long-term liabilities** in the amount of RSD 2.161.284 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1.905.789 thousand that relate in their entirety to the portion of total liabilities for advances received with the due date of January 1, 2017, in compliance with the adopted schedule of works and advance payments repayment schedule for the Projects “Z-027 Mpigi-Kanoni”, Uganda: RSD 141.823 thousand, “Lajkovac-Ljig”, Serbia: RSD 1.215.236 thousand and „Z-034 Put Puerto Bermudez“, Peru: RSD 548.730 thousand;

- Energoprojekt Sunnyville in the amount of RSD 170.593 thousand comprising of the liability from the Agreement on purchase of 85,6a of construction land that is due and mature in 6 (six) equal monthly instalments starting from May 2018; and

- Energoprojekt Visokogradnja in the amount of RSD 84.902 thousand consisting of the liabilities towards the former owners of land parcels who sold their land for the construction of residential and business facilities, where the Company undertook to provide the former land owners with properties that will be constructed in Cara Nikolaja Street in Belgrade, as compensation. This liability was posted at the projected cost of such future properties.

40. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term credits and loans in the country	3.163.179	2.234.056
Short-term credits and loans abroad	154.864	757.701
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	535.007	582.012
b) Other short-term financial liabilities	3.575	541
Total	538.582	582.553
TOTAL	3.856.625	3.574.310

40.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD	1.100.844	777.477
b) Loans with foreign currency clause	2.062.335	1.456.579
TOTAL	3.163.179	2.234.056

• **Short-term loans granted by banks in the country** in the amount of RSD 3.163.179 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.717.810 thousand, and specifically:

- RSD loans granted by Unicredit bank and Alpha bank in the amount of RSD 423.100 thousand; interest rates ranging from 1m Belibor + 1,20% to 1,35% per annum; collaterals: promissory notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema and

- Loans with foreign currency clause (in EUR) granted by Alpha bank, Unicredit bank and Hypo Alpe Adria bank in the amount of RSD 1.294.710 thousand; interest rates ranging from 1m Euribor + 4,70% per annum to 3m Euribor + 5,95% per annum; collaterals: promissory notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema for the loans granted by Alpha bank and Unicredit bank; and promissory notes and guarantees issued by Energoprojekt Holding for the loan granted Hypo Alpe Adria bank;

- Energoprojekt Niskogradnja in the amount of RSD 661.667 thousand, namely:

- RSD loan granted by Societe General bank and Unicredit bank in the amount of RSD 532.744 thousand; interest rate ranging from without interest to 1m Belibor + 1,4% per annum and

- Loan with the foreign currency clause (in EUR) in the amount of RSD 128.923 thousand granted by Societe Generale bank, interest rate from 3m Euribor + 4,00% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Holding, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinženjering and Energoprojekt Oprema;

- Energoprojekt Holding in the amount of RSD 565.561 thousand, and specifically:

- Loan with foreign currency clause (in EUR) granted by Eurobank and Erste bank, interest rate from 3m Euribor + 3,75% to 4,5% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Oprema and Energoprojekt Niskogradnja granted by Eurobank and 6 blank company bills of exchange were provided at Erste bank;

- Energoprojekt Energodata in the amount of RSD 145.000 thousand, namely:

- RSD loans granted by the Alpha bank, with the interest rate 1m Belibor + 0,7% per annum, obezbeđenje: blank promissory notes of the Company and blank promissory notes and suretyships of the Energoprojekt Holding, Energoprojekt Oprema and Energoprojekt Niskogradnja and Energoprojekt Visokogradnja and

- Energoprojekt Hidroinženjering in the amount of RSD 73.141 thousand, namely:

- Loans with FX clause (EUR) granted by the Societe Generale bank and Hypo Alpe Adria bank, with the interest rate from 3m Euribor + 4,00% to 5,30% per annum, collateral: blank promissory notes of the Company and of Energoprojekt Holding.

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
RSD	1.100.844	777.477
EUR	2.062.335	1.456.579
TOTAL	3.163.179	2.234.056

40.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans granted by foreign banks	154.864	609.672
Short-term loans granted by other legal and physical persons abroad		148.029
TOTAL	154.864	757.701

- **Short-term loans granted by foreign banks** in the amount of RSD 154.864 thousand relate to Energoprojekt Niskogradnja in the amount of RSD 122.794 thousand (loans granted by the commercial banks in Peru, as presented in the following table) and to Energoprojekt Hidroinženjering in the amount of RSD 32.070 thousand (approved by Scotia bank, Peru, with interest rate of 5,99% per annum, the repayment of which was secured with promissory notes of the Company).

Detailed information on the short-term loans of the Energoprojekt Niskogradnja granted by the foreign banks is presented in the following table.

Bank	Currency	Outstanding debt balance in foreign currency	Outstanding debt balance in RSD thousand	Repayment and maturity date	Annual interest rate
Banco Financiero	PEN	337.393	10.997	04/01/2016 single installment	6,00%
Standard Chartered Bank	USD	1.004.945	111.797	31/03/2016	11,00%
TOTAL			122.794		

Repayment of loans granted by banks in Peru is secured by lien on land and buildings of the Company (Note 46).

40.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year	364.754	279.031
b) Financial lease liabilities with maturity date up to one year	170.253	302.981
<i>Total</i>	<i>535.007</i>	<i>582.012</i>
Other short-term financial liabilities	3.575	541
TOTAL	538.582	582.553

- **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 364.754 thousand relate to the following Companies of the Energoprojekt Group (Note 39.1).

- Energoprojekt Visokogradnja in the amount of RSD 321.046 thousand, as presented in the following table.

Bank	Approval Date	Maturity Date Dospeća	Currency	Approved Amount in foreign currency	Outstanding Balance in RSD thousand	Interest Rate	One-off Rate	Collateral
VTB Bank	27/10/2014	27/10/2016	EUR	1.450.000	176.358	3m Euribor + 5,3% p.a.	0,25%	EP Holding and EP Niskogradnja
Societe Generale Bank	28/10/2014	28/04/2016	RSD	215.136.000	71.712	5,15% p.a.	0,20%	EP Holding, EP Niskogradnja and EP Hidroinzenjering
Societe Generale Bank	29/09/2015	30.09.2016.	EUR	2.400.000	72.976	3m Euribor + 4% p.a.	0,20%	EP Holding, EP Niskogradnja and EP Hidroinzenjering
TOTAL					321.046			

- Energoprojekt Industrija in the amount of RSD 30.527 thousand that relate to a portion of long-term loan granted by Development Fond of Republic of Serbia with maturity up to one year (in EUR, in May 2015, with annual interest rate of 2,5%) and

- Energoprojekt Niskogradnja in the amount of RSD 13.181 thousand that relate to a portion of long-term loans granted by Caterpillar Chile for equipment purchasing, with maturity up to one year (in USD, with annual interest rate of 5,69%).

• **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 170.253 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 169.055 thousand (Note 39.2).

41. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	31/12/2015	31/12/2014
Advances received from other related companies	245.808	261.481
Advances received from other legal entities in the country	2.028.298	1.546.136
Advances received from other legal entities, abroad	3.198.971	1.919.033
Deposits received, abroad	3.600	2.181
TOTAL	5.476.677	3.728.831

• **Advances received from other related companies** in the amount of RSD 245.808 thousand relate to liabilities towards Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 245.676 thousand.

- **Advances received from other legal entities in the country** in the amount of RSD 2.028.298 thousand primarily relate to liabilities of Energoprojekt Niskogradnja in the amount of RSD 1.199.659 thousand (advances received on the Projects “Lajkovac-Ljig” (China Standong International E&T Branch Belgrade): RSD 948.688 thousand; “Sarani Tunel” (AzVirt): RSD 167.011 thousand and “Kolubara” (PC Elektroprivreda Srbije): RSD 83.960 thousand), Energoprojekt Oprema in the amount of RSD 596.965 thousand (for the advances received from the Investor for the “DV Pancevo - Rumunska granica“: RSD 555.567 thousand and other projects in the country: RSD 41.398 thousand), Energoprojekt Visokogradnja in the amount of RSD 175.303 thousand (for the advances received on the own investment in the country - Cara Nikolaja Str. project), Energoprojekt Urbanizam i arhitektura in the amount of RSD 21.385 thousand and Energoprojekt Industrija in the amount of RSD 17.998 thousand.

- **Advances received from other legal entities, foreign countries** in the amount of RSD 3.198.971 thousand primarily refer to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 2.261.424 thousand for performance of works for the Investors, primarily within the Project of Z-096 Forte bank, Astana: RSD 541.665 thousand and based on the advances received in the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1.712.830 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 695.978 thousand for advances received in Uganda in the amount of RSD 508.441 thousand (for Project „Z-027 Jinja road“) and in Peru in the amount of RSD 187.537 thousand (for project „Z-034 Put P. Bermudez“) and

- Energoprojekt Hidroinženjering in the amount of RSD 105.046 thousand, based on the received advances primarily within the Projects in Algeria in the amount of RSD 94.810 thousand.

- **Deposits received, abroad** in the amount of RSD 3.600 thousand relate mainly to Energoprojekt Niskogradnja, based on the deposits received for the rent of apartments in the „Cruz del Sur“ in Peru in the amount of RSD 2.384 thousand.

42. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Suppliers - other affiliated companies, abroad	5.975	4.618
Suppliers, local	2.182.699	1.649.037
Suppliers, abroad	1.642.578	2.155.986
Other operating liabilities	17.385	18.264
TOTAL	3.848.637	3.827.905

- **Suppliers – other affiliated companies, abroad** in the amount of RSD 5.975 thousand relate to the liabilities of the Energoprojekt Oprema towards Energo Nigeria Ltd., Lagos, Nigeria.

- Suppliers, local in the amount of RSD 2.182.699 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 1.314.546 thousand, to Energoprojekt Oprema in the amount of

RSD 370.724 thousand, to Energoprojekt Visokogradnja in the amount of RSD 315.944 thousand, Energo Kaz d.o.o., Kazakhstan in the amount of RSD 117.540 thousand, Energoprojekt Energodata in the amount of RSD 25.711 thousand, Energoplast in the amount of RSD 12.299 thousand and Energoprojekt Entel in the amount of RSD 8.109 thousand.

Suppliers, local in the Energoprojekt Niskogradnja are broken down in the following table, as this is the Company with largest liabilities for trade payables as at the balance date.

Structure of suppliers in the country	In RSD thousand	
	31/12/2015	31/12/2014
<i>Energoprojekt Niskogradnja:</i>		
Nukleus Ltd.	329.727	
Ingrap Omni Ltd.	289.314	
West - gradnja Ltd.	89.141	48.039
Evrogradnja Ltd.	74.713	41.868
Geosonda Fundiranje Plc.	54.103	
Elita - Cop Ltd.	36.799	
Aco Ltd.	32.730	
Gemax Plc.	32.358	38.709
Tehno - Rent Ltd.	27.719	3.996
Telefonkabl Plc.	24.119	6.972
Hdrotehnika Hidroenergetika Plc.	18.605	
Others	305.218	343.297
Total	1.314.546	482.881

In structure of suppliers liabilities in the country, the most important item is liability towards subcontractors, where the payment is directly related to the previous receivable payment from clients - investors („back to back“ agreements). Besides, subcontracting services agreements define debt detain as a deposit warranty for the agreed work completion; considering it as a cumulative and having in mind services done and presented by invoices, as at December 31, 2015, this may explain the significant increase of liabilities within Energoprojekt Niskogradnja, comparing it to December 31, 2014.

- **Suppliers, abroad** in the amount of RSD 1.642.578 thousand relate primarily to Energoprojekt Entel in the amount of RSD 634.989 thousand (within company Energoprojekt Entel LTD, Doha, Qatar: RSD 499.972 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 101.511 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 33.506 thousand), Energoprojekt Visokogradnja in the amount of RSD 457.296 thousand (mainly, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 252.150 thousand and on projects Z-088 Hotel Hyatt Rostov: RSD 94.392 thousand, Z-096 Forte bank, Astana: RSD 35.032 thousand and Z-085 Uhta: RSD 8.311 thousand), Energoprojekt Niskogradnja in the amount of RSD 347.502 thousand (mainly in Uganda: RSD 207.752 thousand and in Peru: RSD 136.171 thousand) and Energoprojekt Oprema in the amount of RSD 131.626 thousand.

• **Other operating liabilities** in the amount of RSD 17.385 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 14.460 thousand (primarily liabilities for re-insurance and co-insurance premiums, etc.) and Energoprojekt Niskogradnja in the amount of RSD 2.757 liabilities for cheques issued to suppliers in Peru to settle trade payables, which were not realized by December 31, 2015).

43. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities from special transactions - other legal entities	16.174	285.287
Liabilities for wages, fringe benefits and compensations	1.566.937	1.567.548
Other liabilities:		
a) Liabilities for interest and financing costs	4.389	8.253
b) Liabilities for dividends	126.724	132.562
c) Liabilities to employees	16.590	17.730
d) Liabilities to General Manager, or to management and Supervisory Board members	3.205	2.908
e) Liabilities to physical persons for contractual compensations	4.043	5.411
f) Liabilities for short-term provisions	5.294	5.277
g) Other various liabilities	35.137	31.837
<i>Total</i>	<i>195.382</i>	<i>203.978</i>
TOTAL	1.778.493	2.056.813

• **Liabilities from special transactions – other legal entities** in the amount of RSD 16.174 thousand, relate entirely to Energoprojekt Entel (mostly to liabilities to associates of the projects within Energoprojekt Entel LTD, Doha, Qatar).

• **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 1.566.937 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, liabilities to Chambers for salaries in the country and abroad, etc.) relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 703.560 thousand (abroad: RSD 544.595 thousand, in the country: RSD 158,965 thousand), Energoprojekt Entel in the amount of RSD 473.201 thousand (abroad: RSD 447.684 thousand, in the country: RSD 25.517 thousand), Energoprojekt Niskogradnja in the amount of RSD 176.752 thousand (abroad: RSD 120.820 thousand, in the country: RSD 55.932 thousand), Energoprojekt Hidroinženjering in the amount of RSD 100.048 thousand (abroad: RSD 80.094 thousand, in the country: RSD 19.954 thousand) and Energoprojekt Oprema in the amount of RSD 33.848 thousand (abroad: RSD 21 thousand, in the country: RSD 33.827 thousand).

• **Liabilities for dividends** in the amount of RSD 126.724 thousand relate predominantly to Energoplast in the amount of RSD 102,800 thousand, Energoprojekt Entel in the amount of RSD 11.308 thousand (since the shareholders did not open accounts for their securities), Energoprojekt Holding in the amount of RSD 7.544 thousand (mainly, liabilities for dividends from previous period, not paid till today – probte proceedings, etc.) and Energoprojekt Oprema in the amount of RSD 4.398 thousand.

- **Other various liabilities** in the amount of RSD 35.137 thousand relate primarily to Energoprojekt Niskogradnja in the amount of RSD 16.676 thousand (liabilities to Company's Workers' Union, Social Security Fund for Employees, liabilities towards third persons based on withholding from net employees' salaries for statutory and administrative bans, etc.), and to Energoprojekt Visokogradnja in the amount of RSD 12.944 thousand (withholding from salaries for Union fees and charities, alimonies, etc.).

44. LIABILITIES FOR VALUE ADDED TAX, LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE AND ACCRUED EXPENSES AND DEFERRED INCOME

44.1. Liabilities for Value Added Tax

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities for value added tax	559.499	441.603
TOTAL	559.499	441.603

- **Liabilities for value added tax** in the amount of RSD 559.499 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 516.715 thousand (abroad: RSD 505.898 thousand, mainly within Energoprojekt Ghana Ltd., Accra: RSD 420.994 thousand and in the country: RSD 10.817 thousand).

44.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities for income tax	654.522	639.240
Liabilities for other taxes, contributions and fees payable	201.131	1.007.024
TOTAL	855.653	1.646.264

- **Liabilities for income tax** in the amount of RSD 654.522 thousand relate primarily to Energoprojekt Entel in the amount of RSD 639.052 thousand and Energoprojekt Niskogradnja in the amount of RSD 7.935 thousand (calculated monthly income tax rate for December 2015, paid in due time, in January 2016).

Liabilities for income tax within Energoprojekt Entel in the amount of RSD 639.052 thousand relate entirely to Energoprojekt Entel LTD, Doha, Qatar, based on the liabilities disclosed in 2011 for the expenses of the Head Office or for the Energoprojekt Entel for the period of 3 years (for 2008, 2009 and 2010) that are not recognized by the local Tax Administration. Namely, the local Tax Administration does not recognize the amount disclosed as costs for services rendered by the Energoprojekt Entel Company over the said period as costs, but is of the opinion that income tax should have additionally been paid on that amount as well. A lawsuit was initiated to resolve this issue and the outcome of this lawsuit is uncertain. The short term deposit with the Doha Bank includes cash earmarked and kept in case of a negative outcome of this lawsuit.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 201.131 thousand relate primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 141.637 thousand, the largest part of which relate to the unpaid liabilities for taxes and contributions for workers abroad in the amount of RSD 101.878 thousand, and within Energoprojekt Ghana Ltd., Accra, Ghana withholding tax liability amount RSD 31.146 thousand,;
- Energoprojekt Niskogradnja in the amount of RSD 40.461 thousand, mostly for income tax based on tax return for December 2015 in Peru: RSD 38.090 thousand (liabilities were settled in due time, in January 2016) and
- Energoprojekt Hidroinženjering in the amount of RSD 9.386 thousand, predominantly abroad, in the amount of RSD 9.092 thousand (in Jordan, Peru and Bjeljina), mostly based on income taxes.

Decrease for other taxes, contributions, fees and other liabilities, respecting the last year comparable period, in the amount of RSD 805.893 thousand, mainly came as a result of decrease of those liabilities within Energoprojekt Niskogradnja, in the amount of RSD 758.827 thousand, as a consequence of, mostly, decreased amount of taxable income abroad in 2015, thus also liabilities of income tax in the country of work (in 2014, taxable income was increased by finished lawsuits – suits in Peru in favor of the Company). Besides, in 2015, according to presented financial statements for 2014 abroad, the amount of advance payment for income tax in 2015 were increased comparing to recorder period last year, thus influencing on decrease of the remaining calculated income tax liabilities as at December 31, 2015.

44.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Accrued expenses:		
a) Accrued expenses - other related companies		30.642
b) Accrued expenses - other legal entities	1.113.969	1.106.783
<i>Total</i>	<i>1.113.969</i>	<i>1.137.425</i>
Deferred income - other legal entities	433.874	102.064
Other accruals	256.655	379.609
TOTAL	1.804.498	1.619.098

• **Accrued expenses – other related companies** in the amount of RSD 1.113.969 thousand relate primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 620.107 thousand, with no invoices received as at December 31, 2015 (cost calculation performed, mainly, based on invoices received in 2016 (for 2015), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for present situation verification etc.), mostly related to:

- Calculated costs in “Lajkovac – Ljig” project: RSD 399.471 thousand;
- Calculated costs of production services for December 2015, for projects „Kolubara“ Phase II: RSD 31.023 thousand, „Koridor X“: RSD 51.018 thousand, „Pančevački most“: RSD 17.481 thousand and „Tunel Sarani“: RSD 7.440 thousand (November and December 2015);

- Calculated costs of production services for the previous period on project „Strazevica“: RSD 4.000 thousand and „Lot 1.1.“ Novi Sad: RSD 4.000 thousand;
- Calculated costs for 2015 in Peru: RSD 27.210 thousand (electricity cost: RSD 7.443 thousand, law offices cost: RSD 7.278 thousand, work and property insurance cost: RSD 12.489 thousand);
- Calculated costs for projects in Uganda: RSD 12.802 thousand (subcontractors services for December 2015: RSD 1.877 thousand and workers' vacation costs for 2015: RSD 10.925 thousand);
- Calculated costs for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 57.314 thousand and
- Calculated costs of utility services for office premises in December 2015: RSD 4.383 thousand;
- Energoprojekt Visokogradnja in the amount of RSD 354.529 thousand relating to calculated costs abroad, including:
 - Calculated costs within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 193.140 thousand;
 - Calculated income tax cost for 2015, for the project „Z-096 Forte bank“, Astana: RSD 127.224 thousand (based on estimation, considering the fact that financial statement in Kazakhstan is to be presented till March 31, 2016) and
 - Calculated costs abroad: RSD 34.165 thousand, which are real, included in items delivered to the investor, but as at day of balance closing the suppliers invoices did not come (for project „Z-088 Hotel Hyatt“, Rostov: RSD 31.926 thousand and „Z-096 Forte bank“, Astana: RSD 2.239 thousand).
- Energoprojekt Oprema in the amount of RSD 83.401 thousand, based on calculated costs of period when invoices were not received in recorded period, for projects in the country: „DV Pančevo - Rumunska granica“: RSD 61.577 thousand, RTB Bor: RSD 19.890 and other: RSD 1.934 thousand and
- Energoprojekt Hidroinzenjering in the amount of RSD 48.656 thousand, for calculated costs of production services for projects abroad: RSD 28.132 thousand (project Tabegart Algeria and Varaždin Zagreb) and in the country: RSD 20.524 thousand (project 15 mini electric power stations PC EPS and HE Djerdap).
- **Deferred income – other legal entities** in the amount of RSD 433.874 thousand relate, mainly, to the following companies of the Energoprojekt Group:
 - Energoprojekt Visokogradnja in the amount of RSD 284.006 thousand (based on verified, but not registred, income from investors in 2015, for projects abroad „Z-096 Forte bank“, Astana: RSD 167.412 thousand, „Z-088 Hotel Hyatt“, Rostov: RSD 62.130 thousand, „Z-085“ Uhta: RSD 54.085 thousand and „Herceg Novi“: RSD 379 thousand);
 - Energoprojekt Garant in the amount of RSD 106.949 thousand (based on transferrable premiums) and
 - Energoprojekt Niskogradnja in the amount of RSD 41.548 thousand (for project „Tunel Sarani“, based on verified realization in November 2015).

• **Other accruals** in the amount of RSD 256.655 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 115.190 thousand, based on collected guarantees for Elwo, Poljska, in the amount of RSD 97.398 thousand and deferred VAT expenses of invoices in the amount of RSD 17.792 thousand and
- Energoprojekt Garant in the amount of RSD 106.717 thousand, based on the provisions for non-life insurance damage compensations.

45. OFF BALANCE SHEET ASSETS AND LIABILITIES

In compliance with the relevant statutory provisions (Rules on Content and Form of Financial Statements Forms for Companies, Cooperatives and Entrepreneurs), Energoprojekt Group disclosed the off-balance sheet assets and liabilities in its consolidated financial statements. Items disclosed under off-balance sheet assets and liabilities, presented in the following Table, are neither assets nor liabilities of the Energoprojekt Group, but are primarily presented for information purposes.

Structure of off balance sheet assets and liabilities is presented in the table below.

Structure of off balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Issued and received guarantees, letters of credits and bills of exchange	22.733.809	20.063.736
Construction land use rights	4.663.306	4.670.172
Other off balance sheet assets/liabilities	881.469	815.192
TOTAL	28.278.584	25.549.100

46. MORTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY

- **Mortgages registered against companies of the Energoprojekt Group**

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the property of total area of 4,488 m², located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m², in Doha - Qatar, Zone 44, East Al Najja, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the “Doha Bank” according to the contract no. 52973 as collateral for issuing tender and performance guarantees.

- In order to secure a credit line approved to the Energoprojekt Niskogradnja Company by the Scotiabank Peru, property was mortgaged for the amount of RSD 1.116.055 thousand (USD 10.032.239,80) which is 75.66% of the total appraised value of the property mortgaged. Appraisal was performed by an external independent qualified appraiser, “J.R.Z. Valuaciones S.A.C” in Peru, which holds recognized and relevant professional qualifications and recent experience with property locations and categories appraised. This Appraiser was hired by the Scotiabank Peru.

Mortgage registered against Energoprojekt Niskogradnja is presented in the following table.

Property	sq. m	Book value	Appraised value	Appraised value
		In RSD thousand	In USD	In RSD thousand
Land - Camp Primavera, Sullana, Peru	95.907,47	29.479	5.754.448,20	640.164
Office facility in 16-18 floor in Lima, Peru	427,73	59.181	1.005.501,73	111.859
Cruz Del Sur building in Lima, Peru	4.295,38	678.983	6.499.632,37	723.063
TOTAL		767.643	13.259.582,30	1.475.086
Mortgage 75.66%			10.032.239,80	1.116.055

- To secure the advance guarantee Energoprojekt Hidroinzenjering has mortgaged properties in Peru: office 601 and the parking lot no. 14, on the sixth and first floor of the building facing the Los Rosales street (now Amador Merino Reyna) 460, San Isidro district, Lima, Peru, registered on records no. 234244 and 234237 of the Property register of Lima, Peru.

- In Energoprojekt Visokogradnja, in order to secure bidding and potential guarantee for advance payment and performance guarantee with Postanska Stedionica Bank Plc. Belgrade, mortgage was registered on Company property – accompanying land and buildings in the location in Stara Pazova, for participation in tender procedure for principal contractor for Project “Plot 14” – Construction of Residential and Office Building (the “Belgrade Waterfront” project). The Guarantee was valid till November 28, 2015, with the mortgage deleting from cadastral register in process, since the mortgage has expired and was deleted from the Bank register.

- As a collateral for the advance payment and professional performance of work warranty at Sberbank Serbia Plc., Energoprojekt Oprema registered its right for receivables.

- The overdraft loan granted by the Indo-Zambia Bank to Zambia Engineering and Contracting Company Limited, Zambia was secured by a lien on the mortgage over the following property: Plot 3148 Mukwa Road, Zambia.

• **Mortgages registered in favour of the companies of the Energoprojekt Group**

- In Energoprojekt Niskogradnja:

- as a collateral for entire amount of receivables based on the advance paid to the Subcontractors’ Consortium on Lajkovac- Ljig Project in compliance with the provisions of the Agreement on Subcontracting of Construction Works within the Lajkovac-Ljig Highway Construction Project, Section V: Lajkovac-Ljig, from km 53+139.91 to km 77+118.23 a first order mortgage was registered based on a final out-of-court order, namely, as a collateral for 50% receivables on fuel, euro-diesel, owned by the subcontractor to the maximum amount of RSD 328.663 thousand (USD 3.787.376,84), and as a collateral for another 50% receivables - on the land owned by the subcontractor to the maximum amount of (USD 3.787.376,84), or RSD 328.663 thousand;).

- As a collateral for receivables based on the advance paid to the partner on Project Redirection and Regulation of Kolubara River, Phase 2 with Peštan tributary and accompanying infrastructure, in compliance with the provisions of the Internal Agreement on Establishing of Provisional Group for joint performance of works, lien was registered on machinery and equipment of project partner. Collateral amount is RSD 71.137 thousand.

- In Energoprojekt Holding:

- As collateral to secure the repayment of loan pursuant to the Annex No. 8 of the Loan Agreement No. 367, in the amount of RSD 16.723 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No. 4 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 145.695 thousand (EUR 1.198 thousand), there is a lien statement (mortgage was not registered) provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

47. COMMITMENT AND CONTINGENCIES

Contingent liabilities that can potentially result in an outflow of economic benefits of the Company can primarily arise from the lawsuits. **Contingent liabilities arising from lawsuits** are primarily reflected in the potential completion of lawsuits against the Company, yet no liability or provision was recorded in the balance sheet.

Contingent assets that can potentially result in economic benefits for the Company may primarily arise **based on the lawsuits** in which the Company is involved as the plaintiff.

Contingent assets arising from lawsuits leads to the potential for completion of lawsuits in favour of the Company, yet no receivables was recorded in the balance sheet and no economic benefit has been recorded in any other manner (such as, for example, by reducing value of an unjustified advance payment, etc.).

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at December 31, 2015, include principal amount only for each lawsuit.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Uncertain	1st Basic Court in Belgrade	Uncertain	Uncertain
2.	Vladan i Tomislav Krdžić	EP Holding Plc.	Damage compensation (free shares were not allotted to the Plaintiffs)	RSD 444.000,00	Commercial Court in Belgrade	2016	Unfounded, according to the Decision of the Court of first instance, the application was rejected, Court Decision on Plaintiffs' appeal is pending.
3.	Rajko Ljubojević	EP Holding Plc.	Expropriation	RSD 34.959.600,00 and RSD 672.000,00	1st Basic Court in Belgrade	2016	Uncertain, according to the Decision of the Court of the first instance, the amount of compensation was defined. Court Decision on EP Holding appeal is pending.
4.	Kovacević Pavle, Radmila i Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Amount not defined	Administrative Court in Belgrade		According to the Decision of RS MF, appeals against the Decision of the Court of first instance, according to which plaintiffs are entitled to pecuniary compensation for expropriated land, were rejected; an administrative lawsuit initiated.
5.	EP Holding Plc.	Zekstra grupa Ltd.	Damage compensation (roof repair in G. Delceva 38 Street)	EUR 7.032,68	Commercial Court in Belgrade	2016	According to Decision of the first instance Court EP Holding claim rejected. EP Holding appeal pending.
6.	EP Holding Plc.	Republika Srbija, EPS Srbije, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Amount not defined	Basic court, Nikšić	2016	Claim is grounded, upon appeals by the RS and Montenegrin Government, the matter was remitted for reconsideration.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
7.	Marko Martinoli	EP Holding Plc. and EP Niskogradnja Plc.	Share squeeze-out	RSD 638.674,92	Commercial Court in Belgrade	2016	First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
8.	Direkcija za građevinsko zemljište	EP Holding Plc., NIS and Putnik Plc.	Claim for construction land for Hayat	Uncertain	Higher court in Belgrade	2017	First instance proceedings is pending – expert assessment
9.	Belim Plc. in liquidation	EP Holding Plc.	Unfounded acquisition	RSD 138.004.221,28	Commercial Court in Belgrade	2016	Uncertain, First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
10.	EP Holding Plc.	Beogradsko mesovito preduzeće Plc.	Share value appraisal	Amount not defined	Commercial Court in Belgrade	2016	Justified
11.	Goran Rakic	EP Holding Plc. and Kompressor automobili Ltd.	Ownership title to be determined	No amount	2nd Basic Court in Belgrade	2016	Ungrounded
12.	Activeast Management Ltd	EP Holding Plc. and EP Niskogradnja Plc.	Payment of difference in share prices	Uncertain	Commercial Court in Belgrade	2016	Uncertain
13.	EP Holding Plc.	Napred Razvoj Plc.	Compensation for organization of Extraordinary meeting of Energoprojekt Holding Plc.	RSD 2.881.041,77	Commercial Court in Belgrade	2016	Uncertain, according to the Decision of the Court of first instance, the application was rejected, Court Decision on EP Holdings' appeal is pending.
14.	Kosmaj mermer	EP Visokogradnja Plc.	Ungrounded claim of a creditor with separate satisfaction right		Commercial Court in Belgrade	2016	Ungrounded
15.	EP Visokogradnja Plc.	Vesna Perincic	Debt	RSD 88.500,00	3rd Basic Court in Belgrade	2016	EP Visokogradnja appeal granted, so the lawsuit will be repeated, and Perincic Vesne appeal was legally rejected.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
16.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667.104,25	Commercial Court in Belgrade	2016	According to the final court decision, Plaintiff's claim was granted.
17.	Milan Brankovic	EP Visokogradnja Plc.	Annulment of a temporary employment contract		1st Basic Court in Belgrade	2016	Ungrounded, proceedings suspended until completion of lawsuit 17.P1.11640/10
18.	EP Visokogradnja Plc.	Trudbenik gradnja	Claim recognized in liquidation procedure	RSD 2.767.501,76	Commercial Court in Belgrade		Uncertain collection of claim.
19.	Djordje Miksa	EP Visokogradnja Plc.	Contractual fine payment	RSD 512.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
20.	Sladjan Pavlovic	EP Visokogradnja Plc.	Damage compensation	RSD 1.700.000,00	3rd Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
21.	EP Visokogradnja Plc.	Cvitan Dragan	Debt	RSD 122.922,87	3rd Basic Court in Belgrade	2016	Justified. Partially collected. Enforced performance pending.
22.	Natasa Milojevic	EP Visokogradnja Plc.	Ownership title to be determined	RSD 100.000,00	1st Basic Court in Belgrade	2016	First instance court decision denied plaintiff's claim.
23.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271.813,90	Commercial Court in Belgrade	2016	Justified
24.	EP Visokogradnja Plc.	Alumaks sistemi Ltd.	Damage compensation (block 29)	RSD 31.605.600,00	Commercial Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings..

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
25.	EP Visokogradnja Plc.	Veso Romic	Unfounded acquisition	RSD 35.301.780,00	Commercial Court in Belgrade	2016	Justified
26.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 290.385.390,00		2016	Justified, proceedings suspended.
27.	EP Visokogradnja Plc.	Beobanka Plc. in bankruptcy	Claims registration	USD 1.031.053,82	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
28.	EP Visokogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 5.000.000,00	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
29.	EP Visokogradnja Plc.	Banex trade . in bankruptcy	Debt of GBP 800.203,44 paid RSD 8.478.580,00		Commercial Court in Belgrade		Justified. Partially collected.
30.	EP Visokogradnja Plc.	Belim Plc.	Debt under settlement agreement	USD 612.000,00	Commercial Court in Belgrade	Completed	Justified, debt not yet collected.
31.	EP Visokogradnja Plc.	Grad Beograd, Direkcija za građevinsko zemljište, RS	Debt (Arena)	RSD 208.000.245,40	Commercial Court in Belgrade	2016	First instance court decision partly granted plaintiff's claim. An appeal proceedings initiated.
32.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 407.301.020,00	Commercial Court in Belgrade	2016	Justified, proceedings suspended.
33.	Božo Tomasevic	EP Visokogradnja Plc.	Annulment of employment contract termination	RSD 140.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated an appeal proceedings, second instance court decision is pending.
34.	Aleksandar Petrovic	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3.500.000,00	3rd Basic Court in Belgrade	2016	Decision on Court incompetence in Serbia adjudicated. Positive result expected.
35.	Sava Krajinovic	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269.000,00	1st Basic Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
36.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350.000,00	1st Basic Court in Belgrade	2016	Unjustified, Decision of first instance court claim announced withdrawn, plaintiffs' appeal pending in second instance Court.
37.	Nenad Dautovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
38.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438.530,00	Commercial Court in Belgrade		Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
39.	Residence object, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2.000.000,00	1st Basic Court in Belgrade		Unjustified, proceudre stopped.
40.	EP Visokogradnja Plc.	Sinisa i Dragan Romic	Contesting of share transfer agreement		Commercial Court in Belgrade	2016	Justified
41.	Kojic Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1.130,00	1st Basic Court in Belgrade	2016	Ungrounded
42.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bunkruptcy	Debt	RSD 1.340.520,00	Commercial Court in Valjevo	Uncertain	Receivables recognized through bankruptcy procedure.
43.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1.098.898,15	Commercial Court in Belgrade	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
44.	Drago Stupar and others	EP Visokogradnja Plc.	Ownership land title to be determined		Basic court, Herceg Novi	2016	Decision of the Court of first instance claim rejected. Plaintiffs' appeal pending.
45.	Dusan Petrovic, Vladimir Glisovic i EGP Investments	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
46.	Sasa Boskovic	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
47.	Husein Smailovic	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59.000,00 monthly as of January 2010	3rd Basic Court in Belgrade	2017	Uncertain. Partly grounded.
48.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15.000,00 monthly as of January 21, 1989	3rd Basic Court in Belgrade	2016	Ungrounded
49.	Radosavljevic Velibor	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
50.	EGP Investments	EP Viskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
51.	Ostojic Dragomir, Djuric Milorad i Jorgic broker Plc.	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
52.	EP Visokogradnja Plc.	PIK Zemun in bunkruptcy	Debt	RSD 33.705,46	Commercial Court in Belgrade	2016	Presented receivalbes in bankruptcy.
53.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115.776,00 with interest	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
54.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	RSD 31.642,40	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.
55.	Dragan Petrovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Uncertain
56.	Fond PIO	Kolex Ltd. and EP Visokogradnja Plc.	Agreement annulment defined		Higher court in Belgrade	2016	Plaintiffs' appeal rejected by Court Decision. Plaintiffs' revision pending.
57.	EP Visokogradnja Plc.	Arching Federation	Debt	RSD 70.803,28			Receivable obsoleted
58.	Milic Jankovic	Direkcija za gradevinsko zemljište, EP Visokogradnja Plc. and Aleksic Ruzica	Ownership title to be determined		1st Basic Court in Belgrade	2016	Justified
59.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanovic Milinko	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
60.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Omni promet Ltd.	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
61.	PC Poste Srbije	EP Visokogradnja Plc.	Debt in different accounts	RSD 17.002,24	Commercial Court in Belgrade	2016	Partly grounded
62.	Perunovic Momcilo	EP Visokogradnja Plc.	Ownership title to be determined		3rdBasic Court in Belgrade	2016	Justified
63.	Devic Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5.774,42	3rdBasic Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
64.	Milorad Vasic	EP Visokogradnja Plc.	Damage compensation (block 12)	RSD 25.732.877,55	Higher court in Belgrade	2016	Plaintiffs' appeal adopted by Court Decision. Revision pending.
65.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 266.447,62	Commercial Court in Sremska Mitrovica	2016	Uncertain
66.	EP Visokogradnja	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
67.	EP Visokogradnja	Amiga Ltd. Kraljevo in restructuring	Debt	RSD 114.425,00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
68.	EP Visokogradnja	Нуро Alpe-Adria-Bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
69.	EP Visokogradnja	Uni Credit bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
70.	EP Visokogradnja	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5.048.082,19	Arbitration Court in Rostov, RF	2016	Justified
71.	EP Visokogradnja	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5.236.849,31	Arbitration Court in Rostov, RF	2016	Justified
72.	EP Visokogradnja	МКЦ РосЕвроДевелопмент ООО, Ростов, РФ	Debt for works performed	RUB 175.502.823,20	Arbitration Court in Rostov, RF	2016	Justified
73.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1.269.860,00	Commercial Court in Belgrade		Partly paid, cca RSD 160.000,00, for the rest the procedure is stopped.
74.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 4		3rdBasic Court in Belgrade	Uncertain	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
75.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 3		3rdBasic Court in Belgrade	Uncertain	First instance
76.	Markovic Vladimir	EP Urbanizam i arhitektura Plc.	Debt	USD 10.147,80	1st Basic Court in Belgrade	Uncertain	Uncertain, EP Urb. and Arch. appeal pending
77.	Milan Raonic	EP Urbanizam i arhitektura Plc.	Damage compensation (copyrights)	RSD 35.015.794,75 and RSD 1.000.000,00	Higher court in Belgrade	2017	EP Urb. and arch. appeal adopted, and case in repeated procedure.
78.	Katarina Cvejic	EP Urbanizam i arhitektura Plc.	Debt	RSD 136.000,00	3rdBasic Court in Belgrade	2016	Plaintiffs' appeal adopted bz first instance decision. Pending.
79.	Tamara Vukadinovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
80.	Jelena Davidovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
81.	Stefanovic Miroslav	EP Urbanizam i arhitektura Plc.	Labour dispute	RSD 189.286,00	3rdBasic Court in Belgrade	Uncertain	First instance in favor of EP Urb. and arch., appeal pending.
82.	EP Urbanizam i arhitektura Plc.	Miodrag Cvijic	Damage compensation	RSD 1.523.072,42	3rdBasic Court in Belgrade	Uncertain	Uncertain, validity and executivity clauses suspended.
83.	Stanojkovic Milorad	EP Oprema Plc. and PC Elektromreze	Damage compensation	RSD 10.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
84.	Marinkovic Stanisa	EP Oprema Plc. - intervener	Damage compensation	RSD 304,000.00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
85.	Stanojlovic Cedomir	EP Oprema Plc. - intervener	Damage compensation	RSD 261.000,00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.
86.	Ristic Cedomir	EP Oprema Plc. - intervener	Damage compensation	RSD 63.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
87.	Milan Ilic i Nenad Babic	EP Oprema a.d.	Injury at work	RSD 4.200.000,00	3rd Basic Court in Belgrade	2016	Partly grounded. First instance decision in favor of EP Oprema – plaintiffs rejected; plaintiffs appealed; First instance partly grounded, repeated procedure pending.
88.	Milan Cvetkovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 1.381.278,00	Basic court, Vranje	2016	First instance procedure pending.
89.	Novica Cirovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 100.000,00	Basic court, Leskovac	2016	Partly grounded, first instance procedure pending.
90.	Stamenkovic Ivan	PC Elektromreze Srbije EP Oprema Plc.	Private nuisance		2nd Basic Court in Belgrade	2016	Ungrounded
91.	EP Oprema Plc.	DGP Zlatibor	Payment for works completed	RSD 42.000.000,00	Commercial Court in Belgrade	Finished	Grounded, payment uncertain, debtor in bankruptcy.
92.	EP Oprema Plc.	GP Rad in bankruptcy	Debt	USD 1.100.000,00	Commercial Court in Belgrade		Receivables in bankruptcy defined.
93.	EP Oprema Plc.	Graditelj Leskovac	Works contracted	RSD 71.129.042,82	Commercial Court in Leskovac	Finished	Grounded, payment uncertain, debtor in bankruptcy.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
94.	EP Oprema Plc. amd EP Holding Plc.	Municipality of Medveda	Return of given	RSD 120.000.000,00	Commercial Court in Leskovac	Uncertain, lawsuit stopped	Uncertain
95.	EP Oprema Plc.	Clinical Center of Sebia	Debt for works performed	EUR 255.544,13	Commercial Court in Belgrade	2016	Uncertain, lawsuit pending.
96.	EP Oprema Plc.	Clinical Center of Sebia	Damage compensation	EUR 1.559.000,00	Commercial Court in Belgrade	2016	Plaintiffs' appeal adopted by first instance decision, KCS presented appeal.
97.	EP Oprema Plc..	Nemanja Iovic	Unfounded acquisition	RSD 64.600,50	1st Basic Court in Belgrade	2016	Plaintiffs' appeal adopted by the Court decisiion. Decisiion enforcement pending.
98.	Djordjevic Goran	PC EMS EP Oprema	Private nuisance		Basic court, Kruševac	2016	Uncertain
99.	Stankovic Vladan	EP Oprema	Damage compensation	RSD 2.300.000,00	Basic court, Bor	2016	Plaintiffs' appeal adopted by first instance decision. EP Oprema appeal pending.
100.	EP Niskogradnja	Dejan Vujić PR Dey trade Vreoci	Unfounded acquisition	RSD 304.749,89	Commercial Court in Belgrade	2016	Justified
101.	Dunav osiguranje Plc.	PC Putevi Srbije EP Niskogradnja Plc.- intervener	Damage compensation	RSD 170.536,00	Commercial Court in Belgrade	2016	Uncertain
102.	RF PIO Branch Beograd	EP Niskogradnja	Recourse claim	RSD 419.600,10	Commercial Court in Belgrade	Uncertain, stopped till penal lawsuit ends	Uncertain
103.	Aleksandar Babic and other	EP Niskogradnja Plc.	Bonus payment	RSD 40.906,00	3rdBasic Court in Belgrade	2016	Ungrounded
104.	Gordana i Veselin Medenica	EP Niskogradnja Plc.	Damage compensation - injury at work	RSD 3.200.000,00	3rdBasic Court in Belgrade	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
105.	Milko Tadic	EP Niskogradnja Plc.	Annulment of a temporary employment contract		3rdBasic Court in Belgrade	2016	Ungrounded
106.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt, trip to Yemen Compensation protest of Energoprojekt Niskogradnja	Legal claim: USD 17.604.299,00 Compensation protest: USD 17.390.380,06	Commercial Court in Belgrade	2016	First instance expert procedure pending, expecting the first instance decision for settlement, thus suspending liabilities of EP Niskogradnja towards Bosna putevi.
107.	Vladimir Marinkovic	EP Niskogradnja Plc.	Overtime, Peru	USD 5.552,84	3rdBasic Court in Belgrade	2016	Ungrounded, lawsuit stopped.
108.	Jovan Cvokic and other	EP Niskogradnja Plc.	Bonus payment	EUR 20.145,11	3rdBasic Court in Belgrade	2016	Ungrounded
109.	Tanic Dusan	EP Niskogradnja Plc.	Annulment of Decision on salary amount		3rdBasic Court in Belgrade	2016	Ungrounded
110.	EP Niskogradnja Plc.	Internacional CG in restrcture	Debt	RSD 182.056,00	Commercial Court in Belgrade	2016	Justified
111.	Cantonal Agency for Privatization Sarajevo	EP Niskogradnja Plc. and Bosna putevi Plc.	Determination of ownership rights over Bosnaputevi claims against EP Niskogradnja Plc.	USD 17.604.299,00	Municipal Court, Sarajevo	2016	Ungrounded
112.	Dragan Tomic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
113.	Dragomir Ostojic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
114.	Igor i Sasa Sebic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
115.	Sasa Boskovic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
116.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance bond	KM 3.500.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
117.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 7.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
118.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 4.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
119.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218.000,00	Commercial Court in Belgrade	Uncertain	Justified
120.	EP Niskogradnja Plc.	Jugobanka Plc. branch in New York	Claims registration	USD 455.877,88 and RSD 12.060.320,00	Commercial Court in Belgrade	Uncertain	Justified
121.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4.546,10 and RSD 16.278.517,00	Commercial Court in Belgrade	Uncertain	Justified
122.	Simic Ljubisa	PC Putevi Srbije and EP Niskogradnja Plc.	Damage compensation	EUR 4.598,80	1st Basic Court in Belgrade	2016	Ungrounded
123.	Sent Andrea Ltd.	EP Niskogradnja Plc.	Damage compensation – profit lost due to agreement termination	RSD 2.912.451,60	Commercial Court in Belgrade	2016	Appeal considered suspended.
124.	Strajnic Nenad	PC Putevi Srbije and EP Niskogradnja Plc. – intervener	Damage compensation	RSD 183.928,48	Basic court, Novi Sad	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
125.	Sekulic Dragan	PC Putevi Srbije; Dunav osiguranje Plc.; EP Niskogradnja Plc.- intervener	Damage compensation		Basic court, Novi Sad	2016	Uncertain
126.	DIN Ltd.	EP Niskogradnja Plc.	Debt on different accounts	RSD 542.836,83	Commercial Court in Belgrade	2016	Ungrounded
127.	Jokic Todor	EP Niskogradnja Plc.	Annulment of a temporary employment contract		Basic court, Gornji Milanovac	2016	Ungrounded
128.	Danicic Nemanja	EP Niskogradnja Plc.	Damage compensation based on injury at work	RSD 268.520,00	Basic court, Gornji Milanovac	2016	Uncertain
129.	Stanisic Tomo	EP Niskogradnja Plc.	Damage compensation	RSD 244.413,97	3rdBasic Court in Belgrade	2016	Ungrounded
130.	Matkovic Ljubisa, Milostiva and Gordana	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290.000,00	Basic court, Gornji Milanovac	2016	Uncertain
131.	Matkovic Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
132.	Jovanovic Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
133.	Angelina i Dejan Lukic	EP Niskogradnja Plc.	Damage compensation	RSD 2.000.000,00	3rdBasic Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
134.	EP Niskogradnja Plc. and	Intermost Ltd. in bankruptcy	Debt (Novi Sad)	RSD 378.685.160,00	Commercial Court in Belgrade	2016	Plaintiffs appeal of EP Niskogradnja grounded, returned to the first instance for repeated lawsuit, on appeal of Intermost Ltd.
	Intermost Ltd.. in bankruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189.827.985,00	Commercial Court in Belgrade	2016	
135.	S.Stojic	EP Hidroinzenjering Plc.	Claims for unpaid salaries earned abroad	USD 6.466 ie. RSD 482.865	1st Basic Court in Belgrade	Plaintiffs' appeal pending, expected end by the end of 2016	Favourable
136.	P. Stanisic and J. Blagojevic	EP Hidroinzenjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	1st Basic Court in Belgrade	First instance decision by the end of 2016	Uncertain
137.	M. Bojic	EP Hidroinzenjering Plc.	Unpaid salary earned abroad and unpaid subsistence allowance	USD 8.340 ie. RSD 622.811	1st Basic Court in Belgrade	First instance decision in our favour, appeal presented, expected end by the end of 2016	Favourable
138.	EP Hidroinzenjering Plc.	RIKO Ljubljana Slovenia	Unpaid invoices	EUR 159.425,89	Municipal Court in Ljubljana Slovenia	Uncertain	Favourable
139.	EP Energodata Plc.	"Šipad komerc" in bankruptcy	Unpaid services performed	RSD 258.586,20 + interest	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy	Uncertain payment amount.
140.	Violeta Nikolic	EP Garant Plc.	Request to be reappointed to position of Executive Manager		3rd Basic Court in Belgrade	2016	Ungrounded
141.	EP Garant Plc.	JKP BVK Beogradski vodovod	Recourse – damage compensation	RSD 1.900.000	Commercial Court in Belgrade	2016	Up to 40% of demanded (700.000 RSD)

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
142.	Marko Martinoli	EP Entel Plc.	Annulment of separate financial statement		Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
143.	Vladimir Grabez, Marko Martinoli, Activist Ltd. Activeast management Ltd.	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 452.071.063,00	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
144.	Sinisa Kiscic	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 104.803.172,80	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
145.	EP Entel Plc.	PC EPS (RB Kolubara)	Debt payment on different accounts	RSD 11.628.000,00	Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
146.	Paripovic Dusko	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1.300.000,00	Basic court, Požarevac	Uncertain	Uncertain
147.	Milanka Bancic	EP Industrija Plc	Housing lawsuit		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, second instance return to amendment procedure.
148.	EP Industrija Plc.	Jugoremedija Plc.- in bankruptcy	Claims registration	EUR 321.146,18	Commercial Court in Zrenjanin	Uncertain	Bankruptcy procedure confirmed RSD 28.884.312,77
149.	Marko Martinoli	EP Industrija Plc.	Annulment of financial statements		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, result uncertain.
150.	EP Industrija	Milanka Bancic	Relocation		New Belgrade Municipality	Uncertain	Uncertain

In addition to the above listed lawsuits, Energoprojekt Holding, as Plaintiff, is involved in the lawsuit against Music Ivan for damage compensation (roof repair in 38 Goce Delčeva Street), for which a receivable in the amount of RSD 30 thousand was posted in Company books.

It should be noted here that an impairment of the receivable owed by Zekstra Group Ltd. to Energoprojekt Holding was performed in 2014 in the amount of RSD 855 thousand (EUR 7 thousand), and that in 2015 the receivable amount owed by Napred Razvoj Plc. in the amount of RSD 2.881 thousand was impaired within Energoprojekt Holding.

In addition of the above listed court cases in which Energoprojekt Holding is the defendant, there is a lawsuit with the New Company Ltd. branch IN Hotel, in which the plaintiff requests the GP Napred Razvoj Plc. company to determine the ownership right over the hotel building constructed on a lot for which Energoprojekt Holding was registered as a holder of rights in addition to the GP Napred Razvoj Plc. company. In this lawsuit, Energoprojekt Holding is a passive co-litigant, and thus there are no potential commitments for Energoprojekt Holding, but it had to be included in the action due to the formal reasons.

In addition to the above stated, the second instance procedure is in progress as well, in which a number of minority shareholders of the Energoprojekt Niskogradnja called in question the price of shares from compulsory redemption that was paid by Energoprojekt Holding as the majority shareholder. In addition to that, the first instance procedure is also in progress in which a small number of minority shareholders of the Energoprojekt Visokogradnja called into question the price paid to them in the procedure initiated at their request for compulsory sale of shares.

48. POST BALANCE SHEET EVENTS

There were no events after the balance sheet date that could have any significant effect on the credibility of the financial statements.

In Belgrade,
On April 15, 2016

Legal Representative



Vladimir Milovanovic, Dipl. Ing.

2. INDEPENDENT AUDITOR'S REPORT (complete report)

*This is an English translation of Independent Auditor's Report
originally issued in Serbian language*

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ENERGOPROJEKT HOLDING a.d. BELGRADE

We have audited the accompanying consolidated financial statements of Energoprojekt Holding a.d. Belgrade and its consolidated subsidiaries (hereinafter: "Sistem Energoprojekt") which comprise the consolidated balance sheet as of 31 December 2015, and the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management of Sistem Energoprojekt is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting ("Official Gazette of the Republic of Serbia", no. 62/2013), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

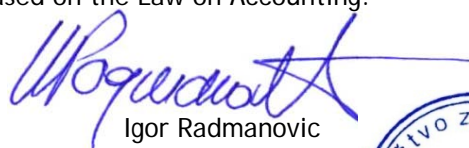
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sistem Energoprojekt as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with the accounting regulations prevailing in the Republic of Serbia based on the Law on Accounting.

Belgrade, 26 April 2016


Igor Radmanovic
Certified Auditor



BALANCE SHEET
as at 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2014.	Opening balance on 01.01.2014.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		17.421.296	16.923.399	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		69.295	68.424	-
010 & part 019	1. Investments in development	0004	25	4.039	4.533	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25	64.245	61.747	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25	1.011	2.144	-
016 & part 019	6. Advances paid on intangible assets	0009		-	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		15.474.905	14.966.881	-
020, 021 & part 029	1. Land	0011	26	882.471	708.702	-
022 & part 029	2. Buildings	0012	26	7.339.649	7.380.489	-
023 & part 029	3. Plant and equipment	0013	26	3.665.434	3.873.436	-
024 & part 029	4. Investment property	0014	26	3.275.616	2.719.164	-
025 & part 029	5. Other property, plant and equipment	0015	26	109.492	139.456	-
026 & part 029	6. Property, plant and equipment in progress	0016	26	70.345	77.775	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26	35.596	22.258	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26	96.302	45.601	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl. 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1.049.392	1.113.776	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27	833.041	849.665	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27	26.251	33.750	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	9.178	-
048 & part 049	9. Other long term financial investments	0033	27	190.100	221.183	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		827.704	774.318	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036	28	43.500	129.684	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039		-	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28	784.204	644.634	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		24.954.277	22.977.675	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.458.231	4.387.289	-
10	1. Material, parts, tools and small inventories	0045	29	1.196.693	1.206.668	-
11	2. Work and services in progress	0046	29	1.456.325	1.294.624	-
12	3. Finished products	0047	29	132.958	159.845	-
13	4. Goods	0048	29	77.372	75.988	-
14	5. Non-current assets held for sale	0049	29	70.307	54.150	-
15	6. Advances paid for inventories and services	0050	29	2.524.576	1.596.014	-
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		9.751.353	11.135.285	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30	4.141	2.138	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30	826.804	566.150	-
204 & part 209	5. Local buyers	0056	30	2.373.683	3.012.665	-
205 & part 209	6. Foreign buyers	0057	30	6.546.725	7.554.332	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31	80.168	35.525	-
22	IV. OTHER RECEIVABLES	0060	32	493.729	344.184	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061	33	333.759	184.095	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.789.496	1.399.148	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	34	162.419	161.527	-
232 & part 239	3. Short term credits and loans, domestic	0065		-	729	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	34	16.549	968	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	34	1.610.528	1.235.924	-
24	VII. CASH AND CASH EQUIVALENTS	0068	35	4.800.373	3.099.258	-
27	VIII. VALUE ADDED TAX	0069	36.1.	112.663	80.225	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	36.2.	2.134.505	2.312.666	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		42.375.573	39.901.074	-
88	F. OFF-BALANCE SHEET ASSETS	0072	45	28.278.584	25.549.100	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2014.	Opening balance on 01.01.2014.
1	2	3	4	5	6	7
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		19.547.906	17.999.397	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.894.010	5.899.998	-
300	1. Share capital	0403	37.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	37.1.	237.014	237.014	-
309	8. Other share capital	0410	37.1.	82.037	82.025	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412		-	-	-
32	IV. RESERVES	0413	37.2.	374.590	374.453	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	37.3.	6.211.764	5.788.138	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	37.4.	450.976	415.520	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	37.5.	30.504	41.501	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		6.481.980	5.402.867	-
340	1. Retained earnings from previous years	0418	37.6.	5.434.490	4.373.835	-
341	2. Retained earnings from current year	0419	37.6.	1.047.490	1.029.032	-
	IX. NON-CONTROLLING INTEREST	0420	37.7.	165.090	165.922	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		3.855.014	4.218.314	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		1.137.466	1.096.129	-
400	1. Provisions for warranty costs	0426	38	491.826	454.572	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	38	270.777	282.730	-
405	5. Provisions for legal expenses	0430		-	-	-
402 & 409	6. Other long term provisions	0431	38	374.863	358.827	-
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		2.717.548	3.122.185	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435		-	-	-
413	4. Liabilities for issued securities for more than one year	0436		-	-	-
414	5. Long term credits and loans, domestic	0437	39.1.	218.927	330.930	-
415	6. Long term credits and loans, foreign countries	0438	39.1.	215.266	205.529	-
416	7. Long term liabilities from financial leasing	0439	39.2.	122.071	188.398	-
419	8. Other long term liabilities	0440	39.3.	2.161.284	2.397.328	-
498	C. DEFERRED TAX LIABILITIES	0441		792.571	788.539	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		18.180.082	16.894.824	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		3.856.625	3.574.310	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	40.1.	3.163.179	2.234.056	-
423	4. Short term credits and loans, foreign countries	0447	40.2.	154.864	757.701	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424, 425, 426 & 429	6. Other short term financial liabilities	0449	40.3.	538.582	582.553	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	41	5.476.677	3.728.831	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		3.848.637	3.827.905	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454		-	-	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	42	5.975	4.618	-
435	5. Suppliers, local	0456	42	2.182.699	1.649.037	-
436	6. Suppliers, foreign countries	0457	42	1.642.578	2.155.986	-
439	7. Other operating liabilities	0458	42	17.385	18.264	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	43	1.778.493	2.056.813	-
47	V. VALUE ADDED TAX	0460	44.1.	559.499	441.603	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	44.2.	855.653	1.646.264	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	44.3.	1.804.498	1.619.098	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		42.375.573	39.901.074	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	45	28.278.584	25.549.100	-

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



INCOME STATEMENT
from 01.01. until 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		35.258.170	33.832.266
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		165.604	142.773
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005		-	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006	11.1.	184	4.648
604	5. Income from sale of goods on local market	1007	11.1.	145.658	64.579
605	6. Income from sale of goods on foreign markets	1008	11.1.	19.762	73.546
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		34.442.139	33.470.855
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	1.461	580
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	685.561	1.689.732
614	5. Income from sale of finished products and services on local market	1014	11.2.	13.287.847	8.950.536
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	20.467.270	22.830.007
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016		-	50
65	IV. OTHER OPERATING INCOME	1017	11.3.	650.427	218.588
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		33.419.193	32.753.077
50	I. COST PRICE OF GOODS SOLD	1019	12	160.332	135.339
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13	45.459	49.389
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13	187.843	119.515
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13	53.031	102.352
51 excl. 513	V. MATERIAL COSTS	1023	14	7.495.481	9.320.069
513	VI. FUEL AND ENERGY COSTS	1024	14	1.383.470	1.478.507
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15	9.606.952	9.862.763
53	VIII. PRODUCTION SERVICE COSTS	1026	16	11.762.808	8.439.897
540	IX. DEPRECIATION EXPENSES	1027	17	809.641	656.518
541 to 549	X. PROVISION EXPENSES	1028	17	276.293	219.932
55	XI. INTANGIBLE EXPENSES	1029	18	2.104.487	2.706.604
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		1.838.977	1.079.189
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		1.845.349	2.534.584
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		188.050	340.661
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	22.806	57.852
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	66.698	133.668
669	4. Other financial revenues	1037	19.1.	98.546	149.141
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	98.378	293.789
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	1.558.921	1.900.134
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		2.077.322	2.430.316
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		18.002	45.110
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	3.185	5.522
565	3. Share of losses in affiliated companies and joint ventures	1044	19.2.	14.476	38.847
566 & 569	4. Other financial expenditure	1045	19.2.	341	741
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	295.787	333.696
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	1.763.533	2.051.510
	G. FINANCIAL GAINS (1032-1040)	1048		-	104.268
	H. FINANCIAL LOSSES (1040-1032)	1049		231.973	-
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	18.431	21.457
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	302.084	40.711
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	437.908	756.597
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	599.865	606.776
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		1.161.394	1.314.024
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22	42.818	-
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		-	34.280
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058		1.204.212	1.279.744
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		160.248	210.439
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		1.404	40.273
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		-	-
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		1.042.560	1.029.032
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		186.117	203.910
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		856.443	825.122
	III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068		-	-
	IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069		-	-
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1070	24	-	-
	2. Reduced (diluted) earnings per share	1071		-	-

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2015.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		1.042.560	1.029.032
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		616.232	4.198.358
	b) decrease in revaluation reserves	2004		2.627	952
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	4. Gains and losses from share of other comprehensive profits and losses of affiliates				
	a) gains	2009			
	b) losses	2010			
	b) Items that may be reclassified in the balance sheet in future periods				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		132.447	304.459
	b) losses	2012		96.991	5.307
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017		12.413	10.444
	b) losses	2018		1.452	21.472
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		660.022	4.485.530
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020			
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			570.195
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		660.022	3.915.335
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023			
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024		1.702.582	4.944.367
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026		1.702.582	4.944.367
	1. Payable to majority shareholders	2027		1.517.801	4.134.445
	2. Payable to non-controlling shareholders	2028		184.781	809.922

Belgrade,

Date: 15.04.2016.



Legal Representative of the Company

CASH FLOW STATEMENT
from 01.01. until 31.12.2015.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	42.144.720	36.393.982
1. Sales and prepayments	3002	41.206.553	35.719.967
2. Interests from operating activities	3003	139.026	32.549
3. Other inflow from normal operations	3004	799.141	641.466
II. Cash outflow from operating activities (1 to 5)	3005	39.401.619	35.241.693
1. Payments to suppliers and prepayments	3006	27.171.046	23.831.719
2. Employee expenses and benefits	3007	9.526.724	9.566.395
3. Interests paid	3008	314.742	354.695
4. Income tax	3009	865.338	216.245
5. Payments based on other public revenues	3010	1.523.769	1.272.639
III. Net cash inflow from operating activities (I-II)	3011	2.743.101	1.152.289
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	105.833	868.162
1. Sale of shares and stocks (net inflow)	3014	-	-
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	11.332	26.502
3. Other financial investments (net inflow)	3016	-	743.916
4. Interest received from investment activities	3017	42.422	64.786
5. Dividends received	3018	52.079	32.958
II. Cash outflow from investing activities (1 to 3)	3019	522.860	1.005.859
1. Purchase of shares and stocks (net outflow)	3020	91.560	133.524
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	306.551	872.335
3. Other financial investments (net outflow)	3022	124.749	-
III. Net cash inflow from investing activities (I-II)	3023	-	-
IV. Net cash outflow from investing activities (II-I)	3024	417.027	137.697
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	650.568	78.566
1. Equity increase	3026	101	-
2. Long term loans (net inflow)	3027	-	-
3. Short term loans (net inflow)	3028	650.467	58.890
4. Other long term liabilities	3029	-	-
5. Other short term liabilities	3030	-	19.676
II. Cash outflow from financing activities (1 to 6)	3031	1.131.356	1.039.773
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	202.676	229.745
3. Short term loans (net outflow)	3034	-	-
4. Other liabilities	3035	246.506	27.967
5. Financial leasing	3036	386.227	235.652
6. Dividends paid	3037	295.947	546.409
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	480.788	961.207
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	42.901.121	37.340.710
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	41.055.835	37.287.325
G. NET CASH INFLOW (3040-3041)	3042	1.845.286	53.385
H. NET CASH OUTFLOW (3041-3040)	3043	-	-
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	3.099.258	3.085.871
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	96.715	118.815
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	240.886	158.813
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	4.800.373	3.099.258

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



STATEMENT OF CHANGES IN EQUITY
as at 31.12.2015.

No.	DESCRIPTION	Equity component														
		30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses
		3	4	5	6	7	8	9	10							
1	2															
1	Opening balance on 01.01.2014. a) debit balance b) credit balance	- 6.176.732	- -	- 374.266	- -	- -	- -	- -	- -	- -	- -	- 4.635.242	- 2.194.086	- -	- -	- -
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
3	Adjustment of opening balance on 01.01.2014. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	- 6.176.732	- -	- 374.266	- -	- -	- -	- -	- -	- -	- -	- 4.635.242	- 2.194.086	- -	- -	- -
4	Changes in previous 2014. year a) debit balance activity b) credit balance activity	116.812 -	- -	187 -	- -	- -	- -	- -	- -	- -	861.781 1.629.406	415 416	592.149 4.186.201	4133 4134	- -	
5	Closing balance previous year at 31.12.2014. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	6.059.920 4028	- -	374.453 4064	- -	- -	- -	- -	- -	- -	5.402.867 4118	4117 4135	5.788.138 4136	4136	- -	
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
7	Adjustment of opening balance current year at 01.01.2015. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	6.059.920 4032	- -	374.453 4068	- -	- -	- -	- -	- -	- -	5.402.867 4122	4121 4139	5.788.138 4140	4140	- -	
8	Changes in current 2015. year a) debit balance activity b) credit balance activity	820 -	- -	137 4070	- -	- -	- -	- -	- -	- -	353.845 4123	4123 4141	231.462 655.088	4141 4142	- -	
9	Closing balance at 31.12.2015. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	6.059.100 4036	- -	374.590 4072	- -	- -	- -	- -	- -	- -	6.481.980 4126	4125 4143	6.211.764 4144	4144	- -	

Name

ENERGOPROJEKT GROUP, BELGRADE

No.	DESCRIPTION	Other results component													Total capital [Σ (row 1b col.3 to col.15) - Σ (row 1a col.3 to col.15)] ≥ 0	EDP	Losses exceeding capital [Σ (row 1a col.3 to col.15) - Σ (row 1b col.3 to col.15)] ≥ 0	
		332 Gains and losses from equity instrument investments		333 Gains and losses from share of other profits and losses of affiliates		334 & 335 Gains and losses from foreign operations and translation of financial statements		336 Gains and losses from cash flow hedging		337 Gains and losses from available for sale securities		EDP	16	17				
		EDP	11	EDP	12	EDP	13	EDP	14	EDP	15							
1	2																	
	Opening balance on 01.01.2014.																	
	a) debit balance	4145	-	4163	-	4181	-	4199	-	4217	-	4235	-	4244	-			
	b) credit balance	4146	-	4164	-	4182	-	4200	-	4218	-	4235	-	4244	-			
2	Adjustment for materially significant errors and changes in accounting policies																	
	a) adjustment of debit balance	4147	-	4165	-	4183	-	4201	-	4219	-	4236	-	4245	-			
	b) adjustment of credit balance	4148	-	4166	-	4184	-	4202	-	4220	-	4236	-	4245	-			
3	Adjustment of opening balance on 01.01.2014.																	
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4149	-	4167	-	4185	-	4203	-	4221	-	4237	-	4246	-			
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4150	-	4168	-	4186	-	4204	-	4222	-	4237	-	4246	-			
4	Changes in previous 2014. year																	
	a) debit balance activity	4151	-	4169	-	4187	-	4205	-	4223	-	4238	-	4247	-			
	b) credit balance activity	4152	-	4170	-	4188	-	4206	-	4224	-	4238	-	4247	-			
5	Closing balance previous year at 31.12.2014.																	
	a) debit balance (3a+4a-4b) ≥ 0	4153	-	4171	-	4189	-	4207	-	4225	-	4239	-	4248	-			
	b) credit balance (3b-4a+4b) ≥ 0	4154	-	4172	-	4190	-	4208	-	4226	-	4239	-	4248	-			
6	Adjustment for materially significant errors and changes in accounting policies																	
	a) adjustment of debit balance	4155	-	4173	-	4191	-	4209	-	4227	-	4240	-	4249	-			
	b) adjustment of credit balance	4156	-	4174	-	4192	-	4210	-	4228	-	4240	-	4249	-			
7	Adjustment of opening balance current year at 01.01.2015.																	
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4157	-	4175	-	4193	-	4211	-	4229	-	4241	-	4250	-			
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4158	-	4176	-	4194	-	4212	-	4230	-	4241	-	4250	-			
8	Changes in current 2015. year																	
	a) debit balance activity	4159	-	4177	-	4195	-	4213	-	4231	-	4242	-	4251	-			
	b) credit balance activity	4160	-	4178	-	4196	-	4214	-	4232	-	4242	-	4251	-			
9	Closing balance at 31.12.2015.																	
	a) debit balance (7a+8a-8b) ≥ 0	4161	-	4179	-	4197	-	4215	-	4233	-	4243	-	4252	-			
	b) credit balance (7b-8a+8b) ≥ 0	4162	-	4180	-	4198	-	4216	-	4234	-	4243	-	4252	-			

Belgrade,

Date: 15.04.2016.

Legal Representative of the Company



ENERGOPROJEKT GROUP BELGRADE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2015

Belgrade, 2016

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1. COMPANY BACKGROUND

Energoprojekt Group, Belgrade (hereinafter: Energoprojekt Group) consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company), 12 subsidiary companies in the country, 11 of which are direct subsidiaries (9 share-based and 2 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company), 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share, 1 affiliated company (1 share company), as well as 7 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 100) and own companies in the country and abroad (13 subsidiaries abroad, 1 affiliate abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

In 2015, Energoprojekt Group was organized as follows:

Activity	No. of local subsidiaries, affiliates and joint ventures	No. of business units for investment works and branch offices abroad	No. of subsidiaries and affiliates abroad
Planning and research	4	27	5
Construction and fitting	5	73	12
Holding	1		
Other	6		4
Total	16	100	21

Parent and subsidiary companies' seat is in 12 Bulevar Mihaila Pupina Street, New Belgrade.

In 2015, the average number of employees in Energoprojekt Group, based on the actual number of employees at the end of each month, was 2,316 (compared to 2,355 in 2014), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market. Share of some subsidiary companies are traded in the Open Market (Energoprojekt Entel and Energoprojekt Industrija) and in the MTP Belex market segment of the Belgrade Stock Exchange (Energoprojekt Oprema and Energoprojekt Garant).

Financial statements for 2015 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Group** approved by the Supervisory Board of the Company, on April 25, 2016 in the 40th meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2014.

2. CONSOLIDATION GROUP

The consolidation group consists of the Energoprojekt Holding parent company and its local subsidiaries, joint venture and affiliated companies and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and affiliated companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100,00
2.	Energoprojekt Niskogradnja Plc.	100,00
3.	Energoprojekt Oprema Plc.	67,87
4.	Energoprojekt Sunnyville Ltd.	100,00
<i>Planning and Research</i>		
5.	Energoprojekt Urbanizam i arhitektura Plc.	100,00
6.	Energoprojekt Industrija Plc.	62,77
7.	Energoprojekt Entel Plc.	86,26
8.	Energoprojekt Hidroinženjering Plc.	100,00
<i>Other</i>		
9.	Energoprojekt Energodata Plc.	100,00
10.	Energoprojekt Promet Ltd.	100,00
11.	Energoprojekt Garant Ltd.	92,94
12.	Energoplast Plc.	60,00
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
13.	Enjub Ltd.	50,00
<i>Affiliated Companies</i>		
<i>Other</i>		
14.	Fima See Activist Plc.	20,93

In 2015, Energoprojekt Holding found a new company in the country - Energoprojekt Sunnyville Ltd., Belgrade, for the purpose of construction of own investment in Belgrade, and paid in the founder's contribution in the amount of RSD 2.500 thousand.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Group are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40,00%) and Energoprojekt Entel Plc. (20,00%), made through primary consolidation.

On the occasion of inclusion of the Energoprojekt joint venture company Enjub Ltd. in consolidated financial statements of the Energoprojekt Group, in compliance with IFRS 11 - Joint Arrangements, equity method was applied, both for the reporting and for the comparable period of the previous year.

By equity method, closed-end investment fund Fima See Activist Plc. is included in consolidated financial statements of Energoprojekt Group, in compliance with IFRS 11 - Joint Arrangements, since the percentage of Energoprojekt Holding shares in equity of subject company was over 20,00%.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
1.	Zambia Engineering and Contracting Company Limited, Zambia	100,00
2.	Energoprojekt Holding Guinee S.A, Guinea	100,00
3.	I.N.E.C. Engineering Company Limited, Great Britain	100,00
4.	Encom GmbH Consulting, Engineering & Trading, Germany	100,00
5.	Dom 12 S.A.L, Lebanon	100,00
6.	Energo (Private) Limited, Zimbabwe	100,00
7.	Energo Kaz d.o.o., Kazakhstan	100,00

In 2015, Energoprojekt Holding in its business records registered Energo Kaz Ltd., Kazakhstan, a company founded in 2009, but not active till 2014.

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Zambia Engineering and Contracting Company Limited, Zambia, Energo (Private) Limited, Zimbabwe and Energo Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Energoprojekt Energodata are at the same time parent companies that prepare consolidated financial statements, so that the subsidiary and affiliated companies listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
Overseas		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energoprojekt Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro	EP Oprema Plc.
7.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
8.	Zahinos Ltd., Cyprus	EP Industrija Plc.
9.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
10.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
11.	Energoprojekt L.L.C., Abu Dhabi, UAE	EP Entel Plc.
12.	Energoprojekt Energodata Montenegro Ltd., Montenegro	EP Energodata Plc.
13.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia

Affiliated Companies Abroad

- | | | |
|----|---|----------------|
| 1. | Energoprojekt Nigeria Ltd., Lagos, Nigeria (40,00%) | EP Oprema Plc. |
|----|---|----------------|

Domestic

Affiliated Local Companies

- | | | |
|----|------------------------------|--------------------|
| 1. | Energoprojekt Ltd. (33,33 %) | EP Industrija Plc. |
|----|------------------------------|--------------------|

In 2015, the Energoprojekt Zambia Limited was found in Zambia, with 80% of Zambia Engineering and Contracting Company Limited and 20% of Energoprojekt Holding stake, which is included in consolidated financial statements of Energoprojekt Group, through primary consolidation in Zambia Engineering and Contracting Company Limited, Zambia.

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

Consolidated financial statements of Energoprojekt Group were prepared pursuant to the Law on Accounting and Auditing ("RS Official Gazette", No. 62/2013 – hereinafter: the Law).

Pursuant to the Law, in recognizing, valuation, presentation and disclosure of items in financial statements, large legal entities, legal entities obliged to prepare consolidated financial statements (parent legal entities), public companies, that is, companies preparing to become public, irrespective of their size, shall apply International Financial Reporting Standards (hereinafter: IFRS). IFRS, within the meaning of the Law, are:

- The Framework for the preparation and presentation of financial statements,
- International Accounting Standards – IAS,
- International Financial Reporting Standards - IFRS and related interpretations, issued by the International Financial Reporting Interpretations Committee, subsequent amendments to these Standards and the related Interpretations, as approved by the International Accounting Standards Committee, the translation of which was adopted and published by the Ministry in charge of finances.

Consolidated financial statements of Energoprojekt Group were presented in the form and with the content specified by the provisions of the Rules on the Contents and Form of Financial Statements' Forms submitted for companies, cooperatives and entrepreneurs ("RS Official Gazette", No. 95/2014 and 144/2014). These Rules, among other things, laid down the form and content of individual positions in the Balance Sheet, Income Statement, Other Comprehensive Income Report, Cash Flow Statement, Statement of Changes in Equity and Notes to Financial Statements. Pursuant to the above mentioned Rules, amounts in RSD thousands are to be presented in these forms.

Chart of Accounts and content of accounts in the Chart of Accounts were prescribed by the Rules on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014).

In preparation of consolidated financial statements of Energoprojekt Group, the following laws and by-laws were taken into account, among others:

- Law on Corporate Income Tax ("RS Official Gazette" No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - and other law, 142/2014, 1/2015 - authentic interpretation and 112/2015),
- Law on Value Added Tax ("RS Official Gazette" No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - and other law, 142/2014 and 83/2015),
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("RS Official Gazette" No. 99/2010, 8/2011, 13/2012, 8/2013 i 20/2014 - and other rules),
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("RS Official Gazette" 24/2014, 30/2015),
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("RS Official Gazette" No. 116/2004 and 99/2010),

- Rules on Transfer Prices and Methods applied in compliance with the „at arms's length“ principle in determining the price of transactions among parties ("RS Official Gazette" No. 61/2013 and 8/2014) and other regulations.

Among the legal acts comprising the internal regulations of the Company, in preparation of consolidated financial statements of Energoprojekt Group, the Rules on Accounting and Accounting Policies of the Company, as adopted on 27/11/2015 by the Executive Board of the Company, was used. In addition to the above listed, other internal acts of the Company were used, such as, for example, the Collective Agreement of Company regulating employment in the country.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

The Law on Capital Market ("RS Official Gazette", No. 31/2011 and 112/2015) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

It should be noted here that in certain cases, not all the relevant provisions of the IFRS or of the Interpretations thereof were taken into account in preparation of the Energoprojekt Group consolidated financial statements.

The accounting regulations of the Republic of Serbia, and thus the presented consolidated financial statements, deviate from IFRS in the following aspects:

- Pursuant to the Law on Accounting ("RS Official Gazette", No. 62/2013), the financial statements in the Republic of Serbia for reported period, are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs ("RS Official Gazette", No. 95/2014 and 144/2014), which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 – Presentation of Financial Statements; and
- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

In addition to the above stated, some deviations were due to the different publishing dates of the Standards and the relevant Interpretations thereof, which are subject to continuous modifications, and the effective dates when these Standards and relevant Interpretations thereof come into force in the Republic of Serbia. Thus, for example, the deviations from the Standards came as the consequence of the fact that the published Standards and relevant Interpretations, which came into force, have not yet been officially translated or adopted in the Republic of Serbia; as the consequence of the fact that the published Standards and relevant Interpretations have not yet come into force; or as the consequence of some other reasons beyond effective control or influence of the Company.

The new Standards, Interpretations and amendments to the existing Standards in force in the current period that have not yet been officially translated or adopted in the Republic of Serbia

By the date of adoption of the consolidated financial statements of the Energoprojekt Group, the following version of IAS, IFRS and the Interpretations that are integral parts of the Standards, as well

as the amendments thereto, as issued by the International Accounting Standards Board, or by the International Financial Reporting Standards' Interpretations Committee, despite the fact that they came into force on January 1, 2015 and that are as such applicable to the financial statements for the reporting period, have not yet been officially translated or published by the Ministry, and thus cannot be applied by the Company:

- Amendments to IAS 32 - Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IAS 36 - Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to IAS 39 - Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting (effective for the annual periods beginning on or after January 1, 2014);
- IFRIC 21 - Levies (effective for the annual periods beginning on or after January 1, 2014);
- Amendments to various standards (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38), which are the result of the annual standards' improvement project, "Cycle 2010-2012", published by the IASB in December 2013, primarily through the removal of inconsistencies and clarification of text (in force for the annual periods beginning on or after July 1, 2014);
- Amendments to various standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40), which are the result of the annual standard's improvement project, "Cycle 2011-2013", published by the IASB in December 2013, primarily through the removal of inconsistencies and clarification of text (effective for annual periods beginning on or after July 1, 2014), and
- Amendments to IAS 19 - Employee Benefits – Defined benefit plans (effective for annual periods beginning on or after July 1, 2014).

The new Standards, Interpretations and Amendments to the existing Standards that have not yet come into force

By the date of adoption of the consolidated financial statements of the Energoprojekt Group, the following IAS, IFRS and Interpretations that are integral parts of these Standards, as well as the Amendments thereto, were issued by the International Accounting Standards Board, and/or by the International Financial Reporting Interpretations Committee, but have not yet come into force, nor have they been officially translated or published by the Ministry, and thus were not applied by the Company:

- Amendments to various Standards (IFRS 5, IFRS 7, IAS 19 and IAS 34) that were introduced as the result of the annual improvements to the Standards, Annual Improvements Cycle 2012-2014, published by the IASB in September 2014, primarily through removal of inconsistencies and explanations of the texts (effective for annual periods beginning on or after January 1, 2016);
- IFRS 9 - Financial Instruments (effective for annual periods beginning on or after January 1, 2018);
- Amendments to IFRS 11 - Joint Arrangements - Accounting for acquisitions of interests in joint operations, effective for annual periods beginning on or after January 1, 2016;

- Amendments to IAS 16 “Property, Plant and Equipment” and IAS 38 - Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after January 1, 2016);
- IFRS 14 - Regulatory Deferral Accounts (effective for annual periods beginning on or after January 1, 2016);
- IFRS 15 - Revenues from Contracts with Customers (effective for annual periods beginning on or after January 1, 2018);
- Amendments to IAS 16 - Property, Plant and Equipment and IAS 41 - Agriculture - Agriculture: Bearer Plants as Biological Assets (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 27 - Separate Financial Statements – Equity Method in Separate Financial Statements (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 28 - Investments in Associates and Joint Ventures and IFRS 10 - Consolidated Financial Statements – Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after January 1, 2016);
- Amendments to IAS 1 - Presentation of Financial Statements - Disclosure initiative (effective for annual period beginning on or after January 1, 2016) and
- Amendments to IAS 28 - Investment in Associates and Joint Ventures, IFRS 10 - Consolidated Financial Statements and IFRS 12 - Disclosure of Interest in Other Entities – Applying the Consolidation Exception (effective for annual period beginning on or after January 1, 2016).

Despite all the above mentioned potential discrepancies, application of all changes of the above listed Standards would not bear any significant influence on the financial position of the Company or to the results of its operations.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

5. CONSOLIDATION

Consolidated financial statements are financial statements of the group, presented as financial statements of unique economic entity.

Consolidated financial statements are composed by applying unified accounting policies for similar transactions and events, in similar circumstances. In case that a group member, consisting of a parent company together with its subsidiaries, for similar transactions and events in similar circumstances, applies accounting policies different from those adopted in consolidated financial statements, the appropriate corrections of those financial statements (according to provisions of rules on Accounting and Accounting Policies of the Company) are made at consolidated financial statements composing.

5.1. Subsidiary Companies

The Subsidiary Company means a company controlled by the Company (parent company).

Parent company controls the company where it has made investments if it fulfills all following requirements only:

- the power over the company with his investments (meaning present capability to direct relevant activities, ie. activities reflecting significantly at yield of the company with its investments);
- exposure, meaning the right to yield variabilities based on its share in the company with its investments, and
- capability of using its own power over the company with its investment to influence the yield level for investor.

The consolidated method used for subsidiaries, according to IFRS 10 - Consolidated Financial Statements, is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Equity investments without controlling rights are presented separately.

5.2. Affiliated Companies

Affiliated Company is a company over which the Group exerts significant influence, but not control, or holds between 20% to 50% ownership or voting power.

The applied method of consolidation for affiliated companies, according to IAS 28 - Investment in Associates and Joint Ventures, is equity method. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

5.3. Joint Ventures

The Joint Venture arrangement is an arrangement where two or more parties have the joint control. The joint control exists only if the relevant activities decisions require unanimous decision of sides sharing the joint control.

Depending on rights and liabilities defined in arrangement, the joint arrangement could be:

- the joint business, or
- the joint venture.

The Joint Business means the joint arrangement where parties sharing the joint control over the arrangement (participating together in business activities), have the right to property and responsibility for obligations related to the arrangement. Participants in joint business recognize:

- their own property, including their share in jointly owned property;
- their own obligations, including their share in obligations accepted;
- their own income from selling of own share in results deriving from joint business activities;
- their own part of income from selling joint business activity results, and
- their own costs, including their share in joint business activity costs.

The joint business accounting in separated and consolidated financial statements is made according to IFRS applicable for related property, liability, profit or loss.

Joint Venture is a joint arrangement where parties sharing the joint control over the arrangement (participating together in joint venture), have the right to net-assets of the arrangement, meaning that the financial structure, and not the parties in joint venture, has the right to property and responsibility for obligations accepted through the arrangement.

The joint venture sharing in consolidated financial statements is treated by the equity method, according to IAS 28, meanwhile in separated financial statements is treated by cost value, according to IAS 27.

The joint venture parties sharing the arrangement, but not having any control over it, in their respected separated and consolidated financial statements treat their joint business activities and joint ventures according to relevant provisions of IFRS 11.

An overview of subsidiary, affiliated and joint venture companies, which, together with the parent Company, comprise the Energoprojekt Group for consolidation, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

The following principles were applied in the preparation of consolidated financial statements of the Energoprojekt Group :

- The Going Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Substance over Form Principle;
- The Accrual Principle;
- The Item by Item Assessment Principle.

By complying with the **Going Concern Principle**, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period.

The Consistency Principle means that the valuation method for assets and changes in assets, liabilities, capital, income, expenses and business results, that is, for the Company's balance items, remains the same over a longer period. If, for example changes are implemented due to required harmonization with the legislation, reasoning for the change must be provided and the effects are disclosed according to the professional regulations concerning the change in valuation methods.

The Prudence Principle means applying a certain level of caution when preparing financial statements of the Company, so that the property and revenues are not overstated and obligations and expenses are not understated. The Prudence Principle, however, should not imply conscious, unrealistic decrease in revenues and capital of the Company or conscious, unrealistic increase of expenses and liabilities of the Company. Namely, The Framework for Preparation and Presentation of Financial Statements clearly states that the Prudence Principle should not result in the forming of substantial

hidden reserves, deliberate reduction of property of revenues, or deliberate exaggeration of liabilities or expenses causing the financial statements to become impartial and therefore unreliable.

The **Substance over Form Principle** means that, when recording the company's transactions, and consequently in preparing the financial reports, the accounting treatment should be based on the substance of the transactions and their economic reality and not just their legal form.

By complying with the **Accrual Principle**, recognition of effects of transactions and other events in the Company is not related to the point in time when cash or cash equivalents are received or paid based on these transactions or event, yet to the point in time when they occurred. This approach provides that the users of financial reports are informed not only about past transactions of the Company that resulted in payments or reception of cash, but also about liabilities of the Company to pay cash in the future and resources that represent cash to be received by the Company in the future.

In other words, compliance with the Accrual Principle provides information on past transactions and other events in the manner most useful to users for reaching their economy-related decisions.

The **Item by Item Assessment Principle** means that possible group valuations of various balance items (for example, property or liabilities) for the purpose of rationalization derive from separate valuation of items.

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies that are applied in the preparation of these financial statements are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Group that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting and Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the legislation, professional and internal regulations in force.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency in consolidated financial statements of the Company**.

In preparation of Company financial statements, relevant provisions IAS 10 – Events after the Reporting Period, were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

The most important valuations refer to the impairment of financial and non-financial assets and definition of assumptions, necessary for actuarial calculation of long-term compensations to employees based on the retirement bonus.

Within the context of valuation, the business policy of the Company is to disclose information on the **fair value** of assets and liabilities, if the fair value varies significantly from the accounting value. In the Republic of Serbia, a reliable valuation of the fair value of assets and liabilities presents a common problem due to an insufficiently developed financial market, lack of stability and liquidity in sales and purchases of, for example, financial assets and liabilities, and sometimes unavailability of market information. Despite all the above, the Company pays close attention to these problems and its management performs continuous valuations, considering the risks. If it is established that the recoverable (fair or value in use) value of assets in business books of the Company was overstated, the adjustment of value is applied.

7.2. Effects of Foreign Exchange Rates

Transactions in foreign currency, upon initial recognition, are registered in RSD counter value by applying the official middle exchange rate on the transaction date.

Pursuant to the provisions of IAS 21 – Changes in Foreign Exchange Rates, monetary items in foreign currency (assets, receivables and liabilities in foreign currency) are recalculated at each balance sheet date by applying the valid exchange rate or the official middle exchange rate at the balance sheet date.

Gain/losses arising on the translation of foreign currency (apart from those related to monetary items as part of net investments of the Company in foreign business, included pursuant to IAS 21) are recognized as revenues or expenses of the Company for the period in which they occurred.

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	31/12/2015	31/12/2014
	<i>Amount in RSD</i>	
EUR 1	121,6261	120,9583
USD 1	111,2468	99,4641
GBP 1	164,9391	154,8365

Applied average FX rates for the Income Statement items in 2015 and 2014 were as follows:

Currency	31/12/2015	31/12/2014
	<i>Amount in RSD</i>	
EUR 1	120,7328	117,3060
USD 1	108,8543	88,5408
GBP 1	166,4218	145,6441

7.3. Income

Incomes in accordance with IAS 18 - Revenues, comprise income from economic benefits in the respective period that lead to the increase in capital, other than the increase that relate to investments from existing equity holders, and are measured according to the fair value of received or claimed benefits.

Incomes include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and net profit from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous years.

Among the **operating incomes**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of products, services and merchandize (increases, ie. decreases in the value of inventories of unfinished and finished products and unfinished services), and instead operating expenses are corrected by such amounts in the Income Statement.

Income from the sales of merchandize is recognized when the following conditions are met cumulatively:

- The company has transferred to the buyer significant risks and benefits from the ownership of the product and goods;
- The company does not keep the share in management of the product sold and merchandize that is usually related to ownership, nor does it keep the control over products and goods sold;
- The amount of income cannot be measured in a reliable manner;
- Economic benefit for the Company related to such transaction is probable, and
- Costs incurred or cost that will be incurred in such transactions can be measured in a reliable manner.

Operating income from provision of services, in compliance with the relevant provisions of IAS 18 – Revenue, *revenues from a specific transaction are recognized by reference to the stage of completion of the transaction at the balance sheet date.* The transaction result may be reliably valued: if the revenue amount may be reliably measured, if the level of completion of the transaction at the balance sheet date may be reliably measured and if transaction-related expenses and transaction completion expenses may be reliably measured.

Financial incomes include financial revenues from the related parties, gains arising from foreign currency fluctuations, income from interest and other forms of financial revenues.

Incomes from dividends are recognized when the right to receive the dividend is established.

Within **other income** (that additionally include income from value adjustments of other assets disclosed at fair value through Income Statement), in addition to other income, gains are presented that may, but do not have to result from the usual activities of the Company. Gains are increases in economic benefits of the Company and as such, by their nature, are not different from other revenues. For example, gains include gains from the sales of property, plant and equipment; at greater value from accounting one at the moment of sale.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

7.4. Expenses

Expenses are the outflow of economic benefits over a given period that result in the decrease of the capital of the Company, except for the reduction that refers to the allocation of profit to owners or reduction that resulted from partial withdrawal of capital from operations by the owner. Expenses include outflow of assets, impairment of assets and/or increase of liabilities.

Expenses include operating expenses, financial expenses, other expenses (including expenses from value adjustments of other property assets disclosed at fair value through Income Statement) and net losses from from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year.

Operating expenses include: cost price of goods sold, material cost, employee expenses and benefits, production service cost, intangible expenses, depreciation expenses and provisions expenses, etc.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, ie. decrease of inventories of intermediate and finished products and services in progress).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from value adjustments of other property assets disclosed at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year and transfer of expenses, expenses according to the names of accounts comprising this group are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax, and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax is recorded in books pursuant to respective provisions IAS 12 – Income Taxes that, inter alia, specify that deferred tax assets and liabilities should not be discounted.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences;
- Unused tax losses transferred to the following period, and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following: tax value of assets that are subject to depreciation exceeds the accounting value thereof; from the taxation aspect, certain provisions are not recognized (IAS 19, issued guarantees and other sureties), impairment of assets (merchandise, materials, etc.) and impairment of investment immovable property; from the taxation aspect expenses for unpaid public revenues that do not depend on business performance and losses occurring when securities are measured at fair value and effect is presented through the Income Statement.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes). Deductible temporary differences exist if the accounting value of assets is less than their tax base. In that case, deferred tax assets are recognized, if it is estimated that there will be a taxable income in future periods for which the Company may use deferred tax assets.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is recognized only in case that the Company management may reliably assess that the Company will generate taxable income in future periods that may be reduced based on unused tax losses.

A deferred tax asset based on **unused tax credit** for investments in fixed assets is recognized only up to the amount for which a taxable income in the tax balance will be realized in future periods or calculated income tax for the reduction of which the unused tax credit may be used, only until this type of tax credit may be used in the legally prescribed manner.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 – Employee Benefits).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference arises in cases where a certain expense is recognized from the taxation aspect, while from the accounting aspect it will be recognized in the Company books in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base.

Deductible temporary difference occurs if the accounting value is greater than its tax base.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets are assets without identifiable physical substance, such as: software, licenses, concession, copyrights, investment in other properties, trademarks, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company;
- that the Company has control over the asset, and
- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangibles assets is performed at its cost (purchase price).

Subsequent measuring of intangibles assets, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36 – Impairment of Assets).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: the purchase price and all the related costs of acquisition, that is, all the directly attributable costs of bringing the assets to the condition of functional readiness.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed according to the fair value, which imply the market value, or the most probable value that can realistically be achieved in the market, at the Balance Sheet date. The fair value is to be determined by appraisal, which is to be performed by appraiser expert, based on the evidence collected on the market. Where there is no evidence of the fair value on the market, due to the specific nature of facilities and due to the fact that such items are only rarely sold, except as a part of continuous business operation, it may be necessary that the Company performs an assessment of the fair value by using the income approach or the approach of depreciated costs of replacement. Any change in the fair value of facilities is to be recognized in principle in the total equity, within the revaluation reserve position.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Measuring of subsequent expenses for property, plant and equipment is performed when:

- It is a case of the investments that extend the useful life of the use of such asset;
- It increases the capacity;
- It improves the asset, whereby the quality of product is improved, or
- It reduces the production costs compared with the costs prior to such investment.

The costs of servicing, technical maintenance, minor repairs and other, do not increase the value of an assets, but comprise the expense for the period.

Investments in other person's property, plant and equipment are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Asset value (of intangible assets, property, plants and equipment) is allocated by **amortisation** to the period of its useful life.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use.

The amount to be depreciated, or the acquisition price or some other amount used as a substitute for the acquisition price in financial statements of the Company, reduced by the residual value (remaining value) is to be systematically allocated over the lifetime of the asset.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value and the remaining useful lifetime of the asset are examined at the end of each financial year by the competent valuers. In case that the new valuations are different from the previous valuations, the change is treated by changing the accounting assessment and it is recognized in the books on the basis of IAS 8 – Accounting Policies, Changes in Accounting Policies and Errors.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, ie. employment, or when it is at the location and ready-for-use as intended by the Company.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period when it is expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used

actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An investment property should be measured initially at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is included in the result of the period when the increase/decrease has occurred.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property is not recognized as such any more upon the disposal thereof or if it is not in use any more, and no future benefits are expected from the disposal thereof. Profits or losses from decommissioning or disposal of investment property are recognized in Income Statement in the year in which the asset was disposed of or decommissioned.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories spent is performed by applying the **weighted average cost formulas**.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Net realizable value is the valuated price of sale within regular business activities reduced by completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use. To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group), and
- The sale of the asset must be very probable.

A non-current asset recognized as an asset held for sale **is to be measured** (presented) at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write-off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets.

Non-current assets held for sale are not depreciated.

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

7.15. Financial Instruments

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instrument and related accounting records is conditional upon their classification that is to be performed by the Company in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four possible types of financial instruments as specified by provisions of IAS 39:

- Financial assets at fair value through the profit and loss account;
- Held-to-maturity financial assets (investments);
- Loans (credits) and receivables, and
- Financial assets available for sale.

Financial assets or liabilities at fair value through profit and loss include financial assets and liabilities the changes in fair value of which are recorded as revenues or expenses in the balance sheet.

A financial asset or liability classified in this category must fulfil either one of the following conditions:

- Classified as held for trading, or
- After initial recognition, it will be classified and stated as a financial asset (liability) through profit and loss statement.

A financial asset or liability is classified as held for sale, if: it was acquired or created for sale or repurchase in the nearest future, a part of portfolio of identified financial instruments managed jointly and for which there is proof of recent short-term revenue model or derivative (other than the derivative as a hedging instrument).

The Company may indicate that a financial instrument is disclosed through the profit and loss account only if relevant information is obtained, since the inconsistency of measurement or recognition that would occur in the measurement of assets or liabilities or recognition of gains or losses is eliminated or considerably prevented; or a group of financial assets, liabilities or both is managed and performances valued based on the fair value in accordance with the risk management strategy or investment management strategy and the information on the group is internally collected accordingly and presented to the key management of the Company.

Held-to-maturity financial assets (investments) are non-derivative financial assets with fixed or identifiable payments and fixed maturity that the Company intends and may hold to maturity, excluding those marked by the Company at fair value through the profit and loss account after initial recognition or those marked as available-for-sale and those defined as loans and receivables.

Loans (credits) and receivables are non-derivative financial assets of the Company with fixed or identifiable payments and fixed maturity that are not quoted in an active market, other than:

- The assets that the Company intends to sell immediately or within a short period of time and that would then be classified as assets held for sale;
- The assets marked by the Company at fair value through the profit and loss account after initial recognition;
- The assets marked by the Company as available for sale after their initial recognition, or
- The assets for which the owner cannot recover the entire amount of their initial investment to any significant degree, which will be classified as assets available for sale.

Available-for-sale financial assets are non-derivative financial assets marked as available-for-sale and not classified in any previously defined type of financial instruments.

On the occasion of the **initial measurement** of a financial instrument, the Company performs the measurement at fair value through the balance sheet increased, in case that the financial instrument has not been marked for measurement at fair value with changes of fair value through the Income Statement, by the transaction costs that are directly attributable to the acquisition thereof.

Subsequent measurement of financial instruments is performed at fair values, without deducting transaction costs that may arise from the sale or disposal of the instrument, the following financial assets excluded:

- Loans and receivables, measured at amortized cost using the effective interest method;
- Financial assets (investments) held-to-maturity, measured at amortized cost using the effective interest method; and
- Investments in capital instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

The fair value of assets is the amount at which the asset can be traded for or liability settled between informed and willing parties as an independent transaction. If there is an active market for the financial instrument, the fair value is determined according to information obtained from that market; if there is no active market, the fair value is determined using valuation techniques specified in IAS 39. Positive (adverse) effects of the change of fair value are expressed as gain (loss) in the period of change, for financial instruments at fair value through the profit and loss account. Available-for-sale financial instruments are expressed within unrealized gain/losses based on available-for-sale securities up to the sales date, when the effect are transferred to gains (losses). An exception of the above are expenses

related to permanent depreciation and gains (losses) in foreign currency that are recognized immediately as gain (losses) for financial instruments classified as available-for-sale.

Amortized cost is the present value of all expected future made or received cash payments during the expected life expectancy of a financial instrument. The discount method with the effective interest rate is applied in the calculation of the amortized cost of a financial instrument. Gains/losses from changes in the depreciated value of financial instruments are recognized as of the moment when the financial instrument is no longer recognized, unless a decrease in value was performed, in that case the loss is recognized immediately.

7.16. Cash and Cash Equivalents

The most liquid forms of financial assets of the Company are **cash and cash equivalents**, valued at nominal or fair value. Cash and cash equivalents consist of: securities, petty cash in RSD and in foreign currencies, deposits in accounts in RSD and foreign currencies with banks, allocated monetary assets for letters of credit opened in the country, letters of credit in foreign currencies, short-term high liquidity investments with short maturity period which may be transferred into cash that are not under the influence of significant risk of value changes, monetary assets the use of which is limited or value decreased, etc.

Criteria according to which the Company assets are classified within cash and cash equivalents are specified in the relevant provisions of IAS 7 – Statement of Cash Flows, according to which:

- Cash includes cash and demand deposits, and
- Cash equivalents and short-term, highly liquid investments, that can be quickly turned into known cash amount and that are not under the influence of significant risk of value changes, which implies investments with short maturity term (of three months or shorter).

7.17. Short-Term Receivables

Short term receivables comprise receivables from the sale of products, goods and services to related parties and other legal and physical entities in the country and abroad, as well as the receivables on other bases (receivables for interest and dividend, receivables from employees, receivables from state authorities and organizations, receivables from overpaid taxes and contributions, etc.), expected to be realized within 12 months from the balance sheet date.

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

At the balance sheet date, the Company performs an assessment of realisability and probability of default for all receivables or if receivables have a decrease in value.

In the assessment of the decrease in value, the Company has endured losses due to the decrease in value if there is objective proof (for example, large financial difficulties of the debtor, unusual breach of contract by the debtor, potential bankruptcy of the debtor, etc.) to support the decrease in value as a result of an event that took place after the initial recognition of assets and the respective loss affects estimated future cash flows from financial assets or group of financial assets that may be reliably valued. If there is no evidence, valuers will use their experience and sound judgment in the valuation of the collectability of receivables.

If there is a decrease in value of receivables, the following steps are taken:

- Indirect write-off, or
- Direct write-off.

Indirect write-off of receivables for which the Company is debited is performed on the value adjustment account. The decision on indirect write-off (value adjustment) of receivables on the value adjustment account, upon proposal by the Committee for Inventory of Liabilities and Receivables within the regular inventory, or upon proposal of the expert services in the course of the year, is made by the authorized Company body.

Direct write-off of receivables is performed based on the assessment of Company management if there is almost no probability of recovery (in cases where the receivables are outdated, debtors are bankrupt, etc.). The decision on direct write-off of receivables, after consideration and upon proposal by the Committee for Inventory of liabilities and receivables within the regular inventory, or upon proposal by the expert services in the course of the year, is adopted by the authorized Company body.

The indirect and direct write-off of receivables is applied only based on relevant circumstances and the balances as at the balance sheet date, ie. during the year.

Expected losses from future events, or events after the balance sheet date, regardless how probable, are not recognizable, but disclosed in Notes to the Financial Statements.

7.18. Financial Investments

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

Short-term financial investments include a part of granted long-term loans that are expected to be recovered within one year from the balance sheet date.

As for other assets that are presented as short-term assets, Company securities the realization (collection) of which is expected within the period of one year from the balance sheet date are also presented within the short-term financial investments. Thus, for example, securities that are classified as securities held to maturity are presented as short-term financial investments – the portion thereof that will mature within the period of one year.

Long-term financial investments include investments in long-term financial assets, such as: the long-term loans, securities and other long-term financial investments with maturity date over one year from the balance sheet date.

Shares in subsidiary companies and other affiliated companies, based on the relevant provisions of IAS 27 – Separate Financial Statements, investments in subsidiary companies, jointly controlled companies and associated legal entities are carried in the Company's books at their cost, in compliance with the cost method. If, however, in compliance with the provisions of IAS 36 – Impairment of Assets, it should be established that the recoverable amount of costs does not exceed the purchase (booking) price, the Company carries the equity investment amount at its recoverable amount, and the decrease (impairment) in equity investment is presented as an expense in the period in which such impairment was established.

The classification performed by the management of the Company according to the features of the financial investment (financial assets at fair value through Income Statement, held-to-maturity financial assets (investments), loans (credits) and available-for-sale financial assets) is relevant for subsequent measurement of long-term financial investments.

7.19. Liabilities

A liability is a result of past transactions or events and the settlement of the liability implies usually a loss of economic benefits of the Company to comply with other party's request.

In the **valuation of liabilities** pursuant to the Framework for the preparation and presentation of financial statements, the liability is stated in the balance sheet:

- If there is a probability that an outflow of resources with economic benefits will result in the settlement of present liabilities, and
- If settlement amount may be reliably measured.

In addition to that, the *prudence principle* may be applied. This means applying caution in the valuation to prevent overstatement of the property and revenues and understatement of liabilities and expenses. The prudence principle should not result in forming of substantial hidden reserves (for example, as a result of deliberate overstatement of liabilities or expenses), the financial statements to become impartial and therefore unreliable.

Liabilities include: long-term liabilities (liabilities to related parties; long-term loans and credits in the country and abroad, liabilities for long-term securities, liabilities for long-term financial lease and other long-term liabilities); short-term liabilities (short-term credits and loans related parties, short-term credits and loans in the country and abroad, part of the long-term credits and loans as well as other short-term financial liabilities), short-term liabilities from operations (suppliers and other liabilities from operations) and other short-term liabilities.

Short-term liabilities are liabilities expected to be settled within one year from the balance sheet date including the part of *long-term liabilities* and long-term liabilities are liabilities expected to be settled over a longer period.

For liabilities presented in a foreign currency, as well as for the liabilities with foreign currency clause, calculation in functional currency is performed at the middle exchange rate on the transaction date. The change in exchange rate until the settlement date is presented as positive (negative) differences in exchange rate. Liabilities in a foreign currency are calculated on the balance sheet date by using the exchange rate valid as at the balance sheet date, and any differences in exchange rates are recognized as income or expenses of that period.

Decrease of liability upon court order, out-of-court settlement etc. is applied by direct write-off.

7.20. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount.

The Company recognizes provisions only if the following conditions are met:

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

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the performance of the time value of money is significant, the provision amount represents the present value of expenditure expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.21. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee Benefits, are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until the a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity

date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.22. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are subject to risks and benefits different from those present in some other business segments.

The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

8. ERRORS FROM PREVIOUS PERIOD, MATERIAL ERRORS AND CORRECTION OF OPENING BALANCE

Errors from previous period represent omitted or false data presented in financial statements of the Company for one or several periods as a result of misuse or lack of use of reliable information, which were available when the financial statements for respective periods were approved for issue and which were expected to be obtained and taken into consideration upon preparation and presentation of the respective financial statements.

A materially significant error, discovered in the current period that refers to a previous period is an error that has significant influence on financial statements for one or several prior periods and due to which these financial statements cannot be considered anymore as reliable.

Materially significant errors are corrected retroactively in the first series of financial statements approved for publishing after these errors have been discovered, by correcting comparative data for presented prior period(s) when errors occurred or if the error occurred prior to the earliest presented prior period, opening balances for assets, liabilities and capital for the earliest presented prior period will be corrected.

If it is practically impossible to establish the effect of an error from a certain period by comparing information for one or several presented prior periods, the Company will correct opening balances for assets, liabilities and capital for the earliest period that can be corrected retroactively (may be also the current period).

Subsequently *identified errors that are not of material significance* are corrected against expenses or in favour of revenues for the period in which they were identified.

The materiality of an error is valued pursuant to provisions of the Framework for the preparation and presentation of financial reports that state that materiality may imply that omission or false accounting entries may affect economic decisions of users adopted based on financial statements. Materially significant errors are valued pursuant to relevant provisions from the Framework for the preparation and presentation of financial statements.

Materiality is defined in the Company with respect to the significance of the error considering total revenues. A materially significant error is an error that for itself or together with other errors **exceeds 1.5% of the total income in the previous year.**

9. FINANCIAL RISKS

Uncertainty in future events is among the basic specificities of business operations under market conditions in an economic environment that is characterized by several possible or potential outcomes. Unpredictability of future events is one of basic particularities of operating in an open market environment characterized by several possible or potential outcomes.

From the Company's point of view, there is a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal factors, such as: *concentration risk*, which, in the Company's case, may be manifested as exposure to any one or a small group of buyers or suppliers; *operational risk*, that means the possibility of adverse effect due to unintentional or deliberate omissions by employees, inappropriate internal procedures and processes, inadequate information system management in the Company, etc.; *reputational risk*, that means a possibility that the Company's market position deteriorates due to the loss of trust or bad reputation (public institutions, suppliers, buyers, etc.) of the Company; *legal risk*, that means a possibility of adverse effects due to penalties and sanctions that derive from lawsuits due to the failure to fulfil contractual or legal obligations; etc.

Since the majority of these and some other risks not mentioned herein is set forth in detail in other chapters of the Notes or in other internal regulations of the Company (for example, the Rules on Accounting Practices and Policies of the Company regulates the minimization of operational risks by introducing procedures and work instructions), focus is placed here on the **financial risks** that primarily include the following:

- Credit risk;
- Market risk, and
- Liquidity risk.

Financial risks are significantly affected by external factors that are not directly controlled by the Company. In that sense, financial risk is considerably affected by the Company's environment which, apart from economic development, is likewise committed to legal, financial and other relevant aspects that define system risk level.

Generally, comparing markets of developed economies, companies that operate on markets with insufficient economic development, macroeconomic stability and high insolvency, such as the Republic of Serbia, are significantly exposed to financial risks. Insufficient development of the financial market makes it impossible to use a wide spectrum of *hedging* instruments, characteristic for developed markets. Companies that operate in the Republic of Serbia do not have the possibility to use many derivative instruments in financial risk management due to the fact that these instruments are not widely used nor there is an organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

9.1. Credit Risk

A **credit risk** is a risk of adverse effects to the financial result and capital of the Company due to debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The Company has substantial concentrations of credit risk in collection from buyers with long lending periods due to poor liquidity.

9.2. Market Risk

Market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk;
- The interest risk, and
- The price risk.

The currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements.

The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, primarily in Euro and US Dollar.

Interest risk is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk due to financial liabilities related to loans with potentially fluctuating interest rates (Euribor and Belibor).

The price risk is a risk of fair value fluctuation or a risk that the future financial instruments cash flows will fluctuate due to the change in market prices (not prices that result from interest or currency risk) regardless if these changes are caused by specific factors related to a specific financial instrument or its issuer or regardless if factors affect all similar financial instruments traded on the market.

9.3. Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations, maintaining the necessary scope and structure of the working capital and good creditworthiness.

Prudent liquidity risk management aims to maintain sufficient cash and securities held for sale, as well as securing adequate sources of financing to cover for the dynamic nature of the Company's business. Company seeks to maintain flexibility of its financing through collection from buyers and investments of its available monetary assets. In addition to that, in compliance with the Company's policy, back to back agreements are signed with subcontractors according to which a portion of risk related to any defaulting in collection is transferred/shared with them.

10. INFORMATION OF BUSINESS SEGMENTS

Energoprojekt Group, locally as well as abroad, was on December 31, 2015, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of Energoprojekt Group are presented in tables below, at the balance sheet date.

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income from sales	6.734.192	5.184.504	29.655.004	28.581.811	1.425.090	1.638.133	37.814.286	35.404.448	(3.206.543)	(1.790.820)	34.607.743	33.613.628
SEGMENT RESULT	0	0	0	0	0	0	0	0	0	0	0	0
Operating profit/loss	369.179	143.188	1.351.153	646.429	126.283	257.641	1.846.615	1.047.258	(7.638)	31.931	1.838.977	1.079.189
Interest income (third party)	11.443	13.589	67.254	245.560	19.681	34.640	98.378	293.789	0	0	98.378	293.789
Interest expenses (third party)	6.517	7.383	261.139	293.924	28.131	32.389	295.787	333.696	0	0	295.787	333.696
Profit/loss from regular operations before tax	612.720	583.245	701.956	380.651	308.845	218.017	1.623.521	1.181.913	(462.127)	132.111	1.161.394	1.314.024
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	1.876	(790)	45.959	(34.194)	(5.048)	5.656	42.787	(29.328)	31	(4.952)	42.818	(34.280)
Income tax	32.850	30.521	99.065	139.483	29.737	40.435	161.652	210.439	0	0	161.652	210.439
Net profit/loss	581.746	543.139	648.850	179.486	274.060	179.248	1.504.656	901.873	(462.096)	127.159	1.042.560	1.029.032
Total assets	8.707.444	7.911.068	27.180.170	26.655.418	13.834.049	12.766.063	49.721.663	47.332.549	(7.346.090)	(7.431.475)	42.375.573	39.901.074
Total liabilities	8.707.444	7.911.068	27.180.170	26.655.418	13.834.049	12.766.063	49.721.663	47.332.549	(7.346.090)	(7.431.475)	42.375.573	39.901.074
Depreciation	92.117	68.395	662.757	528.970	52.288	53.834	807.162	651.199	2.479	5.319	809.641	656.518

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Income from sales	13.470.430	9.072.134	4.762.882	6.658.551	210.283	201.600	6.797.150	7.858.372	5.584.728	4.066.196	3.782.270	5.752.127	34.607.743	33.608.980
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)							184						184	
Income from the sales of goods - external	148.589	66.106	796	1.357	852						15.183	70.662	165.420	138.125
Income from the sales of goods	148.589	66.106	796	1.357	852		184				15.183	70.662	165.604	138.125
Income from the sales of products and services to other affiliated companies (Energoprojekt d.o.o., Enjub d.o.o. i Energoprojekt Ltd., Lagos, Nigeria)	1.461	580					685.561	1.689.732					687.022	1.690.312
Income from the sales of products and services - external	13.320.380	9.005.448	4.762.086	6.657.194	209.431	201.600	6.111.405	6.168.640	5.584.728	4.066.196	3.767.087	5.681.465	33.755.117	31.780.543
Income from the sales of products and services	13.321.841	9.006.028	4.762.086	6.657.194	209.431	201.600	6.796.966	7.858.372	5.584.728	4.066.196	3.767.087	5.681.465	34.442.139	33.470.855

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sale of Merchandise

Structure of income from the sales of goods	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from sale of goods to other related companies - foreign market	184	4.648
Income from sale of goods on local market	145.658	64.579
Income from sale of goods on foreign market	19.762	73.546
TOTAL	165.604	142.773

- **Income from sale of goods to other related companies on foreign market** in the amount of RSD 184 thousand relates to the Encom GmbH Consulting, Engineering & Trading, Germany, were generated from sale of goods to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Income from sale of goods on local market in the amount** of RSD 145.658 thousand, relate mostly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 45.586 thousand based on the sales to subcontractors on projects "Lajkovac-Ljig": RSD 18,696 thousand, "Tunel Sarani": RSD 13.094 thousand, "Koridor X": RSD 8.728 thousand and "Pruga Pancevo": RSD 5.068 thousand. Sales to subcontractors is mainly done based on subcontracting agreements and defined prices of their services are inclusive of the price of stocks (they are obliged to provide for and to pay for the stocks). Stocks, consisting primarily of fuel and spare parts required for unobstructed performance of works, were supplied (sold) to subcontractors with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor;

- Energoprojekt Visokogradnja in the amount of RSD 42.377 thousand, based on sales of goods for the needs of local subcontractors engaged on project "Z-088 Hotel Hyatt", Rostov: RSD 23.488 thousand (facade material) and "Prokop": RSD 14.048 thousand, meanwhile the rest of RSD 4.841 thousand is related to secondary raw-material selling;

- Energoprojekt Energodata in the amount of RSD 34.622 thousand and

- Energoplast in the amount of RSD 20.674 thousand.

Referring to the last year comparative period, the increase of RSD 81.078 thousand of sale of goods on local market is related, mostly, to increase within Energoprojekt Visokogradnja, in the amount of RSD 42.377 thousand (concerning the above mentioned projects) and Energoprojekt Niskogradnja, in the amount of RSD 37.451 thousand (for projects "Lajkovac-Ljig", "Tunel Sarani", "Koridor X" and "Pruga Pancevo").

- **Income from sale of goods on foreign market** in the amount of RSD 19.762 thousand are related, predominantly, to Energoprojekt Niskogradnja, in the amount of RSD 15.183 thousand, based on material selling (mainly, fuel) and spare parts required for unobstructed performance of works,

supplied to subcontractors for projects in Peru, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor. Decrease of the related income comparing to the last year, in the amount of RSD 53.784 thousand, dominantly came as result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 55.479 thousand (concerning projects in Peru).

11.2. Income from Sale of Products and Services

Structure of income from the sales of products and services	In RSD thousand	
	2015	2014
Income from sale of products and services to other related companies - domestic	1.461	580
Income from sale of products and services to other related companies - foreign	685.561	1.689.732
Income from sale of products and services on local market	13.287.847	8.950.536
Income from sale of products and services on foreign market	20.467.270	22.830.007
TOTAL	34.442.139	33.470.855

- **Income from sale of products and services to other related companies on local market** in the amount of RSD 1.461 thousand are related to Energoprojekt Industrija, in the amount of RSD 1.436 thousand, based on products and services sale to the affiliated company Energopet Ltd. and Energoprojekt Visokogradnja, in the amount of RSD 25 thousand, based on products and services sale to joint company Enjub Ltd.;
- **Income from sale of products and services to other related companies on foreign market** in the amount of RSD 685.561 thousand derived from products and services to the affiliated company of Energo Nigeria Ltd., Lagos, Nigeria, dominantly within Energoprojekt Oprema, in the amount of RSD 660.669 thousand. Decrease of related income comparing to the last year, in the amount of RSD 1.004.171 thousand, came as result of, mainly, decrease within Energoprojekt Oprema, in the amount of 1.028.685 thousand;
- **Income from sale of products and services on local market** in the amount of RSD 13.287.847 thousand, are related, mostly, to the following companies within Energoprojekt Group:
 - Energoprojekt Niskogradnja, in the amount of RSD 7.582.885 thousand, mainly for projects: "Lajkovac-Ljig", "Tunel Sarani", "Pruga Pancevo", "Koridor X" and "Most preko kanala Dunav Tisa Dunav" and
 - Energoprojekt Oprema, in the amount of RSD 4.574.209 thousand, dominantly for the project "Prokop": RSD 2.842.781 thousand, as well as on projects "RTB Bor": RSD 649.899 thousand, "TENT" - Obrenovac: RSD 537.716 thousand and "DV Pancevo - Rumunska granica": RSD 224.021 thousand.

Referring to last year comparative period, the increase of income from sales of products and services on local market in 2015, in the amount of RSD 4.337.311 thousand, is related, dominantly, to Energoprojekt Niskogradnja, in the amount of RSD 4.428.274 thousand, mostly on projects: "Koridor X", "Lajkovac-Ljig" and "Pruga Pancevo".

• **Income from sale of products and services on foreign market** in the amount of RSD 20,467,270 thousand, are related, mostly, to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja, in the amount of RSD 7.411.905 thousand, based on works realized for investors, mainly in company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 2.656.875 thousand, as well as in Russia and Kazakhstan, on projects: "Z-096 Forte bank", Astana: RSD 3.062.100 thousand, "Z-088 Hotel Hyatt", Rostov: RSD 1,302,671 thousand, "Z-085" business premisses Uhta: RSD 147.083 thousand, "Z-089" Aktau Hospital: RSD 88.473 thousand, "Z-097" Ziloi House Siktivkar: RSD 58.333 thousand and other;

- Energoprojekt Niskogradnja, in the amount of RSD 6.667.319 thousand, on projects in Peru: RSD 3.733.088 thousand and Uganda: RSD 2.934.231 thousand;

- Energoprojekt Entel, in the amount of RSD 5.305.410 thousand, derived from companies of the Group abroad (Energoprojekt Entel LTD, Doha, Qatar, EP Entel L.L.C., Muscat, Sultanate of Oman and Energoconsult L.L.C., Abu Dhabi, UAE) and

- Energoprojekt Hidroinženjering, in the amount of RSD 508.502 thousand, mostly on projects in Algeria: RSD 277.151 thousand and Jordan: RSD 102.092 thousand.

Referring to the last year comparative period, decrease of income from sale of products and services on foreign market in 2015, in the amount of RSD 2.362.737 thousand came as result of, mainly, decrease recorded within Energoprojekt Visokogradnja, in the amount of RSD 1.749.863 thousand (for projects in Russia and Kazakhstan) and Energoprojekt Niskogradnja, in the amount of RSD 1.732.891 thousand (dominantly, on projects in Peru), meanwhile within Energoprojekt Entel recorded the increase of related income, in the amount of RSD 1.623.097 thousand (in the companies abroad).

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from premiums, subventions, subsidies, donations, etc.		50
Other operating income:		
a) Rent from other legal entities in the country	23.468	22.301
b) Rent from other legal entities abroad	87.615	82.892
c) Other operating income from parent companies, subsidiaries and other related parties		
d) Other operating income	539.344	113.395
<i>Total</i>	<i>650.427</i>	<i>218.588</i>
GRAND TOTAL	650.427	218.638

• **Rental income from other legal entities in the country** in the amount of RSD 23.468 hiljada thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 7.533 thousand, primarily based on the rental of facility in Ub and facility in Preradoviceva Street in Belgrade;

- Energoprojekt Garant in the amount of RSD 6.277 thousand, based on the rental of the business facility in Bulevar Zorana Djindjica Street and of the business premises in YU business centre in New Belgrade; and

- Energoprojekt Energodata in the amount of RSD 5.544 thousand, from the rent of the business facility in Palmira Toljatija Street and of the barracks in New Belgrade.

• **Income from the rent from other legal entities abroad** in the amount of RSD 87.615 thousand was predominantly generated by the following companies of the Energoprojekt Group:

- Dom 12 S.A.L., Lebanon in the amount of RSD 28.886 thousand, based on the rent of the office building in Moscow;

- Energoprojekt Niskogradnja in the amount of RSD 24.999 thousand, based on the rent of a part of the office building "Cruz del Sur" in Lima, Peru and of the machinery in Peru;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 16.793 thousand, based on the rent of a number of properties in Zambia and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 7.576 thousand (based on the rent of properties in Zimbabwe).

• **Other operating income** in the amount of RSD 539.344 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 434.241 thousand, where the amount of RSD 405.021 thousand was recorded based on paid claim within Energoprojekt Ghana Ltd., Accra, Ghana, on project "Bank of Ghana" (which is the main source of increased other operating income comparing to last year), meanwhile the amount of RSD 29.220 thousand relates to pass-through costs of different nature, locally and abroad;

- Energoprojekt Garant in the amount of RSD 84.653 thousand relate to the income from the decrease in provisions for damage: RSD 60.703 thousand, income from the premiums transferred to reinsurance: RSD 12.878 thousand, share in reinsurance in damage compensation in the amount of RSD 10.239 thousand and to other operating income in the amount of RSD 833 thousand and

- Energoprojekt Niskogradnja, in the amount of RSD 11.712 thousand, where the main part is related to cost based on subcontracting agreements refunding (bank guarantees costs, insurance costs, etc.) on projects "Kolubara" II phase: RSD 2.754 thousand and "Most preko kanala Dunav Tisa Dunav": RSD 2.382 thousand, as well as pass-through commission costs for bank guarantees to Conalvias Construcciones SAC Sucursal Peru partner company, proportionally to his contracted share in realization of project "Z-034" Road P.Bermudez, Peru, in the amount of RSD 3.936 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Cost price value of goods sold:		
a) Cost price of goods sold to other related parties	168	4.317
b) Cost price of goods sold on local market	145.417	64.440
c) Cost price of goods sold on foreign market	14.747	66.582
TOTAL	160.332	135.339

• **Cost price of goods sold to their related companies** in the amount of RSD 168 thousand, was recorded within Encom GmbH Consulting, Engineering & Trading, Germany, based on goods purchased for affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

• **Cost price of goods sold on local market** in the amount of RSD 145.417 thousand primarily is related to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 45.671 thousand, for purchase of inventory and spare parts, with the aim to provide the subconstructor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor on projects: "Tunel Sarani", "Lajkovac-Ljig", "Koridor X" and "Pruga Pancevo";

- Energoprojekt Visokogradnja in the amount of RSD 40.572 thousand, based on goods purchased (as per agreement) for local subcontractors, engaged, mostly, on project "Z-088 Hotel Hyatt", Rostov: RSD 22.084 thousand and "Prokop": RSD 14.048 thousand;

- Energoprojekt Energodata in the amount of RSD 36.649 thousand, for purchasing of ATM, software, hardware and graphic design type of goods and

- Energoplast in the amount of RSD 20.650 thousand, for purchasing of finished lock-patent delivered for further sales.

Increase of cost price of goods sold on local market, in the amount of RSD 80.977 thousand, referring to last year comparative period mainly came as a result within Energoprojekt Niskogradnja, in the amount of RSD 38.088 thousand and Energoprojekt Visokogradnja, in the amount of RSD 35.675 thousand.

• **Cost price of goods sold on foreign market** in the amount of RSD 14.747 thousand is related to Energoprojekt Niskogradnja, in the amount of RSD 12.658 thousand, for inventory costs (mostly fuel) and spare parts sold as per agreements to subcontractors for projects in Peru, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) and Energoprojekt Visokogradnja, in the amount of RSD 2.089 thousand.

Referring to last year comparative period, decrease of cost price of goods sold on foreign market in the amount of RSD 51.835 thousand, is related to decrease recorded within Energoprojekt Niskogradnja, in the amount of RSD 52.879 thousand (for projects in Peru) and increase within Energoprojekt Visokogradnja, in the amount of RSD 1.044 thousand.

13. INCREASE/DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS

Increase/decrease in inventories of intermediate and finished goods and services in progress	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from use of own products and merchandise	45.459	49.389
Increase in inventories of intermediate and finished goods and services in progress	187.843	119.515
Decrease in inventories of intermediate and finished goods and services in progress	53.031	102.352
TOTAL	180.271	66.552

- **Income from use of own products and merchandise** in the amount of RSD 45.459 thousand relate mainly to Energoprojekt Niskogradnja, in the amount of RSD 45.090 thousand, based on completed equipment repair: RSD 35.871 thousand (in the country: RSD 31.489 thousand and abroad: RSD 4.382 thousand) own construction projects: RSD 9.219 thousand (investments value at December 31, 2015 on project "Lajkovac-Ljig", based on completed interim report for the construction of commercial building „Dići-Tunel Brančiči“).

- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 187.843 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 162.442 thousand based on the increase in value of inventories of intermediate on the construction of residential and business building in Cara Nikolaja Street in Belgrade, in the amount of RSD 160.763 thousand and Bežanijska Kosa (in the amount of RSD 1.662 thousand), and Knez Danilova Street (in the amount of RSD 17 thousand) locations development;

- Energoprojekt Sunnyville in the amount of RSD 22.062 thousand, based on the increase of value in inventories of intermediate production of commercial and residence complex construction in Belgrade and

- Energoprojekt Niskogradnja in the amount of RSD 3.339 thousand, based on production of crushed stone and sand for concrete production for projects in Peru.

- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 53.031 thousand relates, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 42.318 thousand, based on sold property in Herceg Novi in the amount of RSD 5.918 thousand and depreciation of inventory of the intermediate production of Shopping Mall in Bor, in the amount of RSD 17.504 thousand and inventory of finished goods in Herceg Novi, in the amount of RSD 18.896 thousand and

- Energoprojekt Niskogradnja in the amount of RSD 7.321 thousand, based on decrease (use) of inventory of produced goods used for production of base, asphalt, concrete fractions for projects in

Peru.

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	2015	2014
Material costs:		
a) Costs of materials used in production	6.812.693	8.743.680
b) Costs of other materials (overheads)	333.806	286.240
c) Costs of spare parts	292.780	198.371
d) Costs of one-off write-off of tools and inventory	56.202	91.778
<i>Total</i>	<i>7.495.481</i>	<i>9.320.069</i>
Fuels and energy costs:		
a) Fuel costs	1.161.067	1.289.886
b) Costs of electrical energy and heating	222.403	188.621
<i>Total</i>	<i>1.383.470</i>	<i>1.478.507</i>
TOTAL	8.878.951	10.798.576

- **Cost of materials used in production** in the amount of RSD 6.812.693 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja, in the amount of RSD 3.446.087 thousand, out of which costs incurred in Projects realized abroad: "Z-096 Forte bank", Astana (RSD 1.044.357 thousand), "Z-088 Hotel Hyatt", Rostov (RSD 620.649 thousand), "Z-085" Uhta (RSD 72.540 thousand) and others, as well as within Energoprojekt Ghana Ltd., Accra, Ghana (RSD 814.546 thousand), meanwhile the most significant part of costs locally are related to projekt "Prokop": RSD 719.148 thousand;

- Energoprojekt Niskogradnja, in the amount of RSD 1.971.908 thousand, out of which costs incurred in Projects realized abroad (in Peru and Uganda) amount to RSD 919.497 thousand, meanwhile the projects in the country amount to RSD 1.052.411 thousand and

- Energoprojekt Oprema, in the amount of RSD 1.084.233 thousand, out of which costs incurred in projects in the country amount RSD 884.704 thousand (mostly on projekt "Prokop": RSD 462.449 thousand, "DV Pančevo Rumunska granica": RSD 182.995 thousand, "TENT" Obrenovac: RSD 137.393 thousand and "RTB" Bor: RSD 69.075 thousand), meanwhile RSD 199.529 thousand are related on abroad.

Decrease of costs of materials used in production, comparing to last year period, in the amount of RSD 1.930.987 thousand mainly came as a result of decrease of those costs within Energoprojekt Oprema, in the amount of RSD 1.219.852 thousand, Energoprojekt Visokogradnji, for RSD 653.116 thousand and Energoprojekt Niskogradnja, for RSD 73.043 thousand.

- The largest shares in **costs of other materials (overhead)** amounting to RSD 333.806 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 236.743 thousand (abroad: RSD 229.640 thousand, in the country: RSD 7.103 thousand), Energoprojekt Entel, in the amount of RSD 42.975 thousand and Energoprojekt Visokogradnja in the amount of RSD 22.429 thousand.

- **Costs of spare parts** in the amount of RSD 292.780 thousand relate, dominantnly, to Energoprojekt Niskogradnja in the amount of RSD 251.598 thousand (abroad: RSD 201.807 thousand, in the country:

RSD 49.791 thousand).

- **Costs of one-off write-off of tools and inventory** in the amount of RSD 56.202 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 25.142 thousand, Energoprojekt Niskogradnja in the amount of RSD 18.511 thousand and Energoprojekt Oprema in the amount of RSD 8.334 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 1.383.470 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 1.066.138 thousand, which were predominantly incurred abroad.

Decrease of fuel and energy costs, comparing to the last year, in the amount of RSD 95.037 thousand, predominantly came as a result of decrease of those costs in 2015 within Energoprojekt Niskogradnja, in the amount of RSD 90.657 thousand (caused by decreased working volume of projects in Peru).

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Expenses of wages and fringe benefits (gross)	7.761.360	7.596.127
Taxes and contributions on wages and contributions on wages payable by employer	786.800	983.064
Service agreements contributions	15.168	14.684
Copyright agreements contributions	38.940	28.358
Costs of contributions for contract fees for temporary and periodical engagement	154.446	167.362
Considerations to physical persons based on other agreements	74.191	125.560
Considerations to General Manager and/or Management and Supervisory Board members	24.465	23.021
Other personnel expenses and fringe benefits	751.582	924.587
TOTAL	9.606.952	9.862.763

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 8.548.160 thousand relate primarily to Energoprojekt Entel in the amount of RSD 3.141.423 thousand, Energoprojekt Niskogradnja in the amount of RSD 2.044.578 thousand, Energoprojekt Visokogradnja in the amount of RSD 1.891.416 thousand, Energoprojekt Oprema in the amount of RSD 416.724 thousand.
- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 154.446 thousand were predominantly incurred in Energoprojekt Niskogradnja in the amount of RSD 118.930 thousand (in the country: RSD 30.323 thousand, abroad: RSD 88.607 thousand) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works.
- **Other personnel expenses and fringe benefits** amounting to RSD 751.582 thousand

predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 357.882 thousand (abroad: RSD 325.714 thousand based on catering on the site of works, transportation and other personnel related costs in the projects realized abroad, in the country: RSD 32.168 thousand). Other personnel expenses include the costs of business trips, costs for transportation to and from site of works, solidarity fund allowances, scholarship allowances and other compensations. In addition to Energoprojekt Visokogradnja, a significant share in other personnel expenses was incurred in Energoprojekt Niskogradnja amounting to RSD 167.241 thousand, Energoprojekt Entel in the amount of RSD 66.097 thousand and to Energoprojekt Oprema in the amount of RSD 50.641 thousand.

Decrease of other personnel and fringe benefits, comparing to last year, in the amount of RSD 173.005 thousand, predominantly came as a result of decrease of those costs within Energoprojekt Visokogradnja, in the amount of RSD 208.563 thousand (based on food allowances, accomodation and air-ticket costs, caused by decreased working volume on projects abroad) and increase of those costs within Energoprojekt Niskogradnja in the amount of RSD 27.765 thousand.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Production service cost	9.941.452	6.634.625
Transportation services' costs	577.733	561.414
Repairs and maintenance services' costs	225.637	222.347
Rental costs	813.201	843.567
Trade fairs' costs	8.047	6.912
Advertising costs	15.969	23.014
Research costs	2.794	8.389
Costs of other services	177.975	139.629
TOTAL	11.762.808	8.439.897

• **Production service costs** in the amount of RSD 9.941.452 thousand are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 6.118.982 thousand for the costs based on subcontracting agreements in the country amounting to RSD 4.601.231 thousand and abroad (in Uganda and Peru) amounting to RSD 1.517.751 thousand. Increased production service costs in 2015, referring to last year comparative period, in the amount of RSD 3.883.239 thousand, mostly came as a result of increased realization of projects in the country ("Koridor X", "Lajkovac-Ljig" etc.) where subcontractors were hired for certain agreement positions. Significant hiring of subcontractors for projects' realization was due to the specific nature of works required and/or mechanization for the realization of the said projects (works in tunnels, hydro power plant construction, etc.);

- Energoprojekt Visokogradnja in the amount of RSD 1.996.417 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 335.136 thousand (on projects "Prokop", "Cara Nikolaja Street" and in Bor) and abroad, in the amount of RSD 1.613.650 thousand (mainly, in Energoprojekt Ghana Ltd., Accra, GHana: RSD 774.571 thousand and

on projects "Z-088 Hotel Hyatt", Rostov: RSD 421.613 thousand and "Z-096 Forte bank", Astana: RSD 335.513 thousand), which increased compared to last year period, for RSD 284.818 thousand and

- Energoprojekt Oprema in the amount of RSD 1.348.354 thousand comprise of the subcontractors' costs and consortium partners' costs in a number of projects in the country (primarily, "Prokop", "RTB" Bor and "TENT" Obrenovac) and abroad (primarily, RS Embassy in Abuja), which decreased for RSD 842.886 thousand comparing to the last year period (predominantly, based on projects "RTB" Bor and "TENT" Obrenovac).

- **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 577.733 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 277.927 thousand, Energoprojekt Visokogradnja in the amount of RSD 152.614 thousand and Energoprojekt Niskogradnja in the amount of RSD 102.000 thousand.

- **Repair and maintenance services' costs** amounting to RSD 225.637 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 124.519 thousand, in Energoprojekt Entel in the amount of RSD 26.360 thousand and in Energoprojekt Visokogradnja in the amount of RSD 18.470 thousand. These costs were predominantly incurred for regular equipment maintenance.

- **Rental costs** amount to RSD 813.201 thousand and are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 327.508 thousand, recorded primarily for the rent of apartments and office premises in the Companies of this Group abroad;

- Energoprojekt Niskogradnja in the amount of RSD 309.084 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 240.136 thousand (in Peru and Uganda) and in the country in the amount of RSD 68.948 thousand where the rent of large machinery for the Projects realized in Serbia and Peru;

- Energoprojekt Visokogradnja in the amount of RSD 148.658 thousand are predominantly related to the rental costs of apartments and machinery abroad, amounting to RSD 144.166 thousand (predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 66.580 thousand) and

- Energoprojekt Oprema in the amount of RSD 19.208 thousand are predominantly related to the rental costs of equipment (heavy booms and cranes) and apartments.

- **Trade fairs' costs** in the amount of RSD 8.047 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 7.314 thousand (incurred abroad).

- **Advertising costs** amounting to RSD 15.969 thousand relate predominantly to Energoprojekt Holding in the amount of RSD 8.363 thousand (based on the sponsorship expenses for Serbian Water Polo Association, advertising costs on billboards, media presentations, etc.) and to Energoprojekt Entel in the amount of RSD 4.170 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.).

- **Costs of other services** in the amount of RSD 177.975 thousand were primarily incurred in the following Companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 41.912 thousand, primarily based on the costs of other production services in projects realized abroad: RSD 36.196 thousand, while the costs in the country

(such as the motor vehicles' registration costs, road toll costs, graphic design and printing services, utility services' costs, etc.) amounted to RSD 5.716 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 40.349 thousand, primarily based on the construction sites' security costs, geotechnical elaboration costs, utility services' costs, costs of licenses, legalization costs, personal protection at work, registration of vehicles, etc.;
- Energoprojekt Entel in the amount of RSD 23.404 thousand, primarily based on public tender costs, the costs of licenses, photocopying, etc.;
- Energoprojekt Visokogradnja in the amount of RSD 23.787 thousand primarily based on the costs of personal protection at work, registration of vehicles, photocopying costs, etc.;
- Energoprojekt Energodata in the amount of RSD 20.129 thousand, primarily based on the costs incurred for ATM maintenance, graphic design and printing services, hardware services, etc.; and,
- Energoprojekt Hidroinženjering in the amount of RSD 11.331 thousand, primarily based on the costs of licenses, photocopying costs, costs of personal protection at work, motor vehicles' registration, etc.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	17.664	12.507
b) Depreciation of property, plant and equipment (Note 26)	791.977	644.011
<i>Total</i>	<i>809.641</i>	<i>656.518</i>
Provisions expenses		
a) Warranty period provisions' expenses	186.281	132.048
b) Provisions for contributions and other personnel benefits	23.729	57.068
c) Other long-term provisions	66.283	30.816
<i>Total</i>	<i>276.293</i>	<i>219.932</i>
TOTAL	<i>1.085.934</i>	<i>876.450</i>

- Depreciation expenses for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at December 31, 2015,

As at December 31, 2015, the fair value appraisal of buildings was not performed, due to the fact that changes in fair value of buildings are insignificant, since it is necessary, pursuant to relevant provisions of IAS 16, revalue items once in a three to five year period. The fair value appraisal of buildings was performed on December 31, 2014.

Effects of the change in the accounting valuation impact the change in depreciation expenses, and thus, consequently, the change in the booking value of assets.

Total **depreciation expenses** amount to RSD 809.641 thousand (in 2014: RSD 656.518 thousand). Increase in the depreciation **expenses** compared with the comparable last year's period relate primarily to depreciation of plant and equipment (due to significant purchases, predominantly in Energoprojekt Niskogradnja) and buildings (due to the changes in accounting policies, which applied as of the financial statements prepared on December 31, 2014, in respect of measuring of buildings after the initial recognition, when transition from the purchase cost to the revaluation model was made).

- Within the structure of provision expenses, in the amount of RSD 276.293 thousand, the most significant are **provision expenses for guarantees** amounting RSD 186.281 thousand (Note 38).

The management of companies within Energoprojekt Group appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

Pursuant to the above mentioned, the fund reservation for provision expenses in the related period was performed in following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 104.410 thousand for project "Phasa 11" (executing for Qatar General Electricity and Water Corporation "KAHRAMAA") within the Energoprojekt Entel LTD, Doha, Qatar. Reservation for provision expenses calculation was performed as precaution, presuming that the agreed payment, with all modifications and date of payment prolongation, will not be respected;
- Energoprojekt Oprema in the amount of RSD 54.898 thousand for projects "Prokop": RSD 38.920 thousand, "TENT", Obrenovac: RSD 12.391 thousand, "Prelaz preko Dunava": RSD 1.364 thousand and "DV Beograd- Pancevo": RSD 2.223 thousand. The usual practice is that company guarantees for the quality of its products for 1-3 year period, depending on project and
- Energoprojekt Visokogradnja in the amount of RSD 26.973 thousand, relate to calculated expenses on projects "Z-091" Schlumberger, Astrahan: RSD 10,592 thousand and "Z-096 Forte bank", Astana: RSD 16.381 thousand. The usual practice is that company guarantees for the buildings finished, expecting to have expenses in the period of warranty.

- **Provisions for contributions and other personnel benefits** in the amount of RSD 23.729 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 17.429 thousand, Energoprojekt Niskogradnja, in the amount of RSD 2.827 thousand and Energoprojekt Oprema, in the amount of RSD 1.804 thousand.

In 2015, the majority of companies within Energoprojekt Group recorded provisions for contribution and other personnel benefits (income was recorded in Energoprojekt Entel LTD, Doha, Qatar: RSD 33.712 thousand and in Energoprojekt Urbanizam i arhitektura: RSD 26 thousand), presented according to aktuar calculation of the expert team from Energoprojekt Group (Note 38).

- **Other provisions** in the amount of RSD 66.283 thousand relate in their entirety to Energoprojekt Garant Company based on the provisions for damage compensation amounting to RSD 50.177

thousand, provisions for risk leveling: RSD 12.255 thousand, provisions for financing of activities on various risks' prevention amounting to RSD 3.851 thousand.

18. INTANGIBLE EXPENSES

Structure of intangible expenses	In RSD thousand	
	2015	2014
Intangible expenses	907.748	1.058.430
Expense account	76.633	90.385
Insurance premiums expenses	202.795	157.795
Payment operations' expenses	378.449	355.683
Membership fee expenses	10.736	11.444
Tax duties	357.811	867.732
Contribution expenses	9.368	9.648
Other non-operating expenses	160.947	155.487
TOTAL	2.104.487	2.706.604

- **Intangible expenses** in the amount of RSD 907.748 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs) consist primarily of the costs of Energoprojekt Entel amounting to RSD 483.776 thousand, Energoprojekt Niskogradnja amounting to RSD 191.338 thousand and Energoprojekt Visokogradnja in the amount of RSD 124.037 thousand.

- **Insurance premium expenses** amounting to RSD 202.795 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 96.245 thousand, in Energoprojekt Entel in the amount of RSD 61.491 thousand and in Energoprojekt Visokogradnja in the amount of RSD 25.514 thousand.

- **Payment operation expenses** in the amount of RSD 378.449 thousand predominantly relate to the following companies of Energoprojekt Group:

- Energoprojekt Niskogradnja amounting to RSD 146.464 thousand (most of which pertain to the bank fee costs for guarantees provided, in the amount of RSD 132.844 thousand (in the country: RSD 72.923 thousand, in Uganda: RSD 29.959 thousand and in Peru: RSD 29.962 thousand). The part of bank fee cost for guarantees provided is passed to partners, depending on their share in the project (Note 11.3);

- Energoprojekt Visokogradnja amounting to RSD 134.767 thousand, predominantly abroad, mainly on projects "Z-088 Hotel Hyatt", Rostov: RSD 30.564 thousand and "Z-096 Forte bank", Astana: RSD 58.395 thousand, as well as to Energoprojekt Ghana Ltd., Accra, Ghana: RSD 24.574 thousand;

- Energoprojekt Entel amounting RSD 31.646 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 28.225 thousand;

- Energoprojekt Oprema amounting RSD 29.276 thousand and

- Energoprojekt Hidroinženjering amounting RSD 25.494 thousand.

• **Tax duties** in the amount of RSD 357.811 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 202.756 thousand, abroad: RSD 188.672 thousand (mostly on project "Z-096 Forte bank", Astana: RSD 127,224 thousand (based on calculated income tax), "Z-068 Hotel Aktau": RSD 18.162 thousand, "Z-074 Vinarija Sarijagas": RSD 13.285 thousand, "Z-088 Hotel Hyatt", Rostov: RSD 12.490 thousand) and in the country: RSD 14.084 thousand (mostly, based on property tax: RSD 12.073 thousand);
- Energoprojekt Entel in the amount of RSD 35.084 thousand, abroad: RSD 25.564 thousand, in the country: RSD 9.520 thousand;
- Energoprojekt Niskogradnja in the amount of RSD 32.024 thousand, abroad: RSD 28.616 thousand, in the country: RSD 3.408 thousand and
- Energoprojekt Holding in the amount of RSD 26.343 thousand, in the country, dominantly based on property tax: RSD 25.645 thousand.

Decrease of tax duties comparing to the last year comparable period, in the amount of RSD 509.921 thousand, dominantly came as a result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 595.653 thousand (mainly, based on decrease of income tax abroad, considering that in 2014 the income tax was significantly increased by income derived from closing the arbitrage procedures in favor of company in Peru) and increasing within Energoprojekt Visokogradnja in the amount of RSD 86.340 thousand (mainly abroad, as a result of calculated income tax on project "Z-096 Forte bank", Astana, in 2015).

• Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, etc.) amounting to the total of RSD 160.947 thousand consist primarily to the costs incurred by Energoprojekt Visokogradnja in the amount of RSD 81.378 thousand, Energoprojekt Entel in the amount of RSD 39.643 thousand, Energoprojekt Niskogradnja in the amount of RSD 9.869 thousand and Energoprojekt Oprema in the amount of RSD 9.767 thousand.

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	In RSD thousand	
	2015	2014
Financial income from other related companies	22.806	57.852
Financial income from the profit of affiliated companies and joint ventures	66.698	133.668
Other financial income:		
a) Income from dividends	4.904	
b) Other financial income	93.642	149.141
<i>Total</i>	<i>98.546</i>	<i>149.141</i>
<i>Total financial income from related companies and other financial income</i>	<i>188.050</i>	<i>340.661</i>
Interest income (third party)	98.378	293.789
Exchange rate gains and positive currency clause effects (third party)	1.558.921	1.900.134
TOTAL	1.845.349	2.534.584

• **Financial income from other related companies** in the amount of RSD 22.806 thousand consist of the financial income from:

- Affiliated Company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 11.167 thousand, which were recorded in Energoprojekt Oprema in the amount of RSD 10.927 and by Energoprojekt Hidroinzenjering in the amount of RSD 240 thousand as foreign exchange gains; and
- Joint Venture Company Enjub Ltd. in the amount of RSD 11.639 thousand, which were recorded, predominantly, in Energoprojekt Holding in the amount of RSD 11.629 thousand based on income from interest on loan granted: RSD 10.447 thousand and effects of foreign currency clauses: RSD 1.182 thousand.

• **Financial income from the profit of affiliated companies and joint ventures** in the amount of RSD 66.698 thousand relate to generated net result of the reporting period of the affiliated companies Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 12.756 thousand (40,00%), Energo Ltd. in the amount of RSD 52.535 thousand (33,33%) and closed investment fund Fima See Activist Plc. in the amount of RSD 1.407 thousand (20,93%).

Affiliated companies Energo Nigeria Ltd., Lagos, Nigeria and Energo Ltd., are included by the equity method into primary consolidation into consolidated financial statements of the related companies Energoprojekt Oprema and Energoprojekt Industrija, and consequently into consolidated financial statements of Energoprojekt Group.

• **Interest income (third party)** in the amount of RSD 98.378 thousand consists primarily of the

interest income of Energoprojekt Niskogradnja in the amount of RSD 39.580 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 34.230 thousand (Project "Z-027" Mpigi-Kanoni: RSD 20.307 thousand and "Z-017" Kawempe Kafu: RSD 13.923 thousand) and income from the short term deposits: RSD 5.350 thousand (in the country: RSD 754 thousand, abroad: 4.596 thousand). Significant share in interest income (third parties) in reported period gained also Energoprojekt Garant, in the amount of RSD 15.904 thousand, Energoprojekt Oprema, in the amount of RSD 13.778 thousand and Energoprojekt Visokogradnja, in the amount of RSD 13.887 thousand, mainly based on short term deposits with commercial banks.

Decrease of interest income (third party) comparing to last year comparable period, in the amount of RSD 195.411 thousand, dominantly came as result of decrease within Energoprojekt Niskogradnja, in the amount of RSD 189.357 thousand, mainly, based on decreased amount of interest invoiced to investor in Uganda in 2015, for the unpaid receivables on predefined date: RSD 161.385 thousand based on decreased interest income from Peru, in 2015: RSD 26.198 thousand, concernign that in 2014 were recorded interest income based on closed processes of arbitrage in favor of the Company (suit for).

- **Exchange rate gains and positive currency clauses effects (third party) are presented in Note 19.2.**

19.2. Financial Expense

Structure of financial expense	<i>In RSD thousand</i>	
	2015	2014
Financial expenses from transactions with other related company	3.185	5.522
Financial expense from the losses of affiliated companies and joint ventures	14.476	38.847
Other financial expenses	341	741
<i>Total financial expenses from related parties and other financial expenses</i>	<i>18.002</i>	<i>45.110</i>
Interest expenses (third party)	295.787	333.696
Exchange rate losses and negative currency clause effects (third party)	1.763.533	2.051.510
TOTAL	2.077.322	2.430.316

- **Financial expense from transactions with other related companies** in the amount of RSD 3.185 thousand comprise of:

- Affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the negative FX differences and expenses incurred from the effects of FX clauses in the amount of RSD 3.174 thousand recorded in Energoprojekt Oprema and

- Affiliated company Energopet Ltd. in the amount of RSD 11 from the negative effects of the FX clauses recorded in Energoprojekt Industrija.

- **Financial expenses from losses of affiliated companies and joint ventures** in the amount of RSD

14.476 thousand relate to net result of the joint venture of Enjub Ltd. which was included in the consolidated financial statements of the Energoprojekt Group by applying the equity method.

- **Interest expense (third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions. Interest expenses in the amount of RSD 295.787 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 185.174 thousand (in the country: RSD 89.126 thousand and abroad: RSD 96.048 thousand, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46.523 thousand and other projects abroad: RSD 49.525 thousand) and Energoprojekt Niskogradnja in the amount of RSD 72.707 thousand (in the country: RSD 56.963 thousand and abroad: RSD 15.744 thousand).

- **Exchange rate losses and negative currency clause effects** amount to RSD 1.763.533 thousand, and gains from FX differences and income from the effects of FX clauses amount to RSD 1.558.921 thousand, so that in the reporting period net negative FX differences and expenses from the effect of FX clauses were booked in the amount of RSD 204.612 which primarily consist of the expenses incurred by the Energoprojekt Niskogradnja in the amount of RSD 187.883 thousand, due, mainly, to their significant trade payable to suppliers in foreign countries and due to their liabilities for long-term and short-term loans denominated in foreign currencies due to which the Company suffers significant expenses from the negative FX differences and negative effects of FX clauses, owing to RSD depreciation in the reporting period, primarily to USD and EUR, from which the Company suffers the most.

From the beginning of the year until December 31, 2015, RSD was appreciated to EUR by merely 0,55% (in 2014: 5,51%) and to USD by 11,85% (in 2014: 19,65%), and RSD was depreciated to RUB by 14,97% (in 2014: 29,68%).

20. INCOME AND EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT

20.1. Income from Value Adjustment of other Assets Disclosed at Fair Value Through Income Statement

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from value adjustment of long-term financial investments and securities available for sale	13.056	1.147
Income from value adjustment of receivables and short-term financial investments	5.375	20.310
TOTAL	18.431	21.457

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 13.056 thousand relate, mostly, to Energoprojekt Garant in the amount of RSD 11.989 thousand based on adjustment of fair value of old foreign currency savings bonds of the Republic of Serbia.

- **Income from value adjustment of receivables and short-term financial investments** in the

amount of RSD 5.375 thousand consist predominantly from the profit made by Energoplast in the amount of RSD 3.413 thousand thousand from the collected and previously adjusted receivables.

20.2. Expenses from Value Adjustment of other Assets Disclosed at Fair Value Through Income Statement

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Expenses from value adjustment of long-term financial investments and securities available for sale	11.306	
Expenses from value adjustment of receivables and short-term financial investments	290.778	40.711
TOTAL	302.084	40.711

• **Expenses from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 11.306 thousand relate to the following companies of Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 5.987 thousand based on the impairment (write-off) of equity shares in Pik Bečej - Hotel Bela Lađa Plc. in the amount of RSD 5.986 thousand (the company is in the liquidation procedure, and it is not expected to regain the relevant value from bankruptcy estate) and
- Energoprojekt Garant in the amount of RSD 5.319 based on difference of value in business records and the assessed value of state coupon bonds of Republic of Serbia as at December 31, 2015.

• **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD 290.778 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 250.068 thousand, based on indirect written-off receivables from clients such as SNC Lavalin: RSD 132.428 thousand and International Project Services - branch: RSD 117.640 thousand and
- Energoprojekt Visokogradnja in the amount of RSD 23.314 thousand, mainly based on indirect written-off receivables within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18.612 thousand.

Increase of exenses from value adjustment of receivables and short-term financial investments, compring to the last year period, in the amount of RSD 250.067 thousand, dominantnly came as result of indirect write-off receivalbes of clients in 2015, within Energoprojekt Oprema in the amount of RSD 250.068 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Income from disposal of intangible assets, property, plant and equipment	5.506	21.661
Income from disposal of shares and securities		193
Income from disposal of materials	1.535	182
Surpluses	557	3.052
Collected written-off receivables	28.198	8.375
Income from the effects of agreed risk protection that cannot be posted in other comprehensive result	303	1.235
Income from reduction of liabilities	47.871	161.442
Income from release of long-term and short-term provisions	212.872	379.088
Other income not posted elsewhere	94.375	108.525
Income from value adjustment of property, plant and equipment	46.691	72.844
TOTAL	437.908	756.597

• **Income from disposal of intangibles assets, property, plant and equipment** in the amount of RSD 5.506 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 3.287 thousand, based on disposal of equipment and
- Energoprojekt Niskogradnja in the amount of RSD 1.184 thousand, based on disposal of construction machines and equipment.

• **Collected written-off receivables** in the amount of RSD 28.198 thousand relate to Energoprojekt Hidroinženjering in the amount of RSD 19.956 thousand (from the Investor in “Tekeze” project, in Ethiopia), to Energoprojekt Visokogradnja in the amount of RSD 7.453 thousand (mostly from Astra bank: RSD 7.365 thousand) and Energoprojekt Niskogradnja in the amount of RSD 789 thousand (15% of the total receivable amount from Astra bank in liquidation procedure).

• **Income from reduction of liabilities** in the amount of RSD 47.871 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 25.528 thousand based on decrease of liabilities according to suggestions of Inventory Commission due to expired or non-existing possibility for collecting debts in previous period in the amount of RSD 9.374 thousand and decrease of liabilities to suppliers based on subsequently recognized discounts in the amount of RSD 16.154 thousand (mostly from Lafarge BFC Ltd. for non-produced quantities of cement and concrete in 2015, in the amount of RSD 14.480 thousand) and

- Energoprojekt Visokogradnja in the amount of RSD 12.814 thousand, mainly abroad, in the amount of RSD 7.865 thousand, based on project agreements in Kazakhstan.

Decrease of income from reduction of liabilities comparing to last years comparable period, in the amount of RSD 113.571 thousand relates mostly to Energoprojekt Visokogradnja in the amount of RSD 67.967 thousand (mostly as a result of income based on cancellation, due to lawsuits, of part of liabilities to construction company „Rad“: RSD 39.207 thousand and tax liability write-off related to Energoprojekt Ghana Ltd., Accra, Ghana: RSD 36.248 thousand, recorded in 2014) and Energoprojekt Niskogradnja, in the amount of RSD 29.228 thousand (mainly due to decreased liability amount written-off in 2015, as a result of obsolescence).

• **Income from release of long-term and short-term provisions** in the amount of RSD 212.872 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 107.627 thousand based on release of long-term provisions costs within the warranty period, in the amount of RSD 73.915 thousand (in the company Energoconsult L.L.C., Abu Dhabi – UAE, based on project for The Dubai Electricity and Water Authority „DEWA“, considering that the part of the agreement is fulfilled and related receivables collected from investor) and based on release of long-term provisions for compensations and other employees benefit, in the amount of RSD 33.712 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and

- Energoprojekt Oprema in the amount of RSD 90.719 thousand based on release of long-term provisions for costs within warranty period (based on projects "RTB" Bor formed in 2014, considering that the one-year warranty period expired).

Decrease of income from release of long-term and short-term provisions comparing to the last years comparable period in the amount of RSD 166.216 thousand relate, mainly, to the decrease in Energoprojekt Entel in the amount of RSD 217.599 thousand (based mainly on release of long-term provisions in Energoprojekt Entel LTD, Doha, Qatar in 2014) and increase of those income in Energoprojekt Oprema in the amount of RSD 84.674 thousand (based on release of long-term provisions for costs within warranty period, in project "RTB" Bor in 2015).

• **Other income not posted elsewhere** in the amount of RSD 94.375 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 50.127 thousand, in the country: RSD 5.415 thousand (mostly based on the release of provisions for overstated financial statements in other functional currency in relation to the reporting currency of the completed projects realized abroad that were accounted for, in compliance with IAS 21: RSD 2.513 thousand, and subsequently recognized discounts for material already supplied) and abroad RSD 44.712 thousand (mainly based on damage compensation collection from insurance companies, on the project Z-088 Hotel Hyatt Rostov),

- Energoprojekt Niskogradnja in the amount of RSD 24.043 thousand, comprising primarily of the income from the collection of damage compensation from insurance companies based on equipment destruction in the amount of RSD 20.878 thousand (in the country: RSD 2.026 thousand and abroad (Peru): RSD 18.852 thousand) and based on the sales of secondary raw materials (scrap iron) in the country in the amount of RSD 1.099 thousand and

- Energoprojekt Oprema in the amount of RSD 15.153 thousand, mainly based on collection related to lawsuits and out-of court settlements: RSD 7.817 thousand, book clearances and the contractual

penalties collected from suppliers: RSD 6.160 thousand.

- **Income from value adjustment of, property, plant and equipment** in the amount of RSD 46.691 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 46.231 thousand based on settlement of investment property value - office premises “Cruz del Sur“, Peru - on its fair value at the balance sheet day, pursuant to IAS 40 – Investment Property.

21.2. Other Expense

Structure of other expense	In RSD thousand	
	2015	2014
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment	28.159	28.583
Losses incurred from disposal of equity investments and securities		4.191
Losses incurred from the sales of materials	2.792	3.271
Shortages	4.942	3.616
Expenses from direct write-off of receivables	305.245	380.560
Expenses from decommissioning of inventories	11.711	40.036
Other expenses not otherwise mentioned	153.397	94.909
Impairment of other assets		
Impairment of property, plant and equipment	59.465	48.384
Impairment of inventory of material and goods	34.154	3.226
TOTAL	599.865	606.776

- **Losses from decommissioning and disposal of intangibles assets, property, plant and equipment** in the amount of RSD 28.159 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 13.507 thousand (based on decommissioning of equipment: RSD 12.109 thousand and sales of equipment: RSD 1.398 thousand), Energoprojekt Niskogradnja in the amount of RSD 12.402 thousand (based on decommissioning of fixed assets following the annual inventory list: RSD 4.058 thousand (predominantly abroad), decommissioning of fixed assets in Peru due to the total damage suffered: RSD 7.883 thousand and sales of fixed assets: RSD 461 thousand), Energoprojekt Entel in the amount of RSD 1.348 thousand (based on the sales of equipment).

- **Expenses from direct write-off of receivables** in the amount of RSD 305.245 thousand relate, mostly, to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 259.977 thousand, based on write-off receivables from clients and other receivables based on advance payment which cannot be recollect, mostly in the country, based on agreement for cable railway “Crni vrh“: RSD 10.659 thousand, and abroad based on direct receivables write-off from investor on project „Z-068 Hotel Aktau“: RSD 231.384 thousand and „Z-074 Vinarija Sarijagas“: RSD 8.222 thousand (those projects abroad were agreed in a way that the investor and Energoprojekt Visokogradnja are without liabilities and receivables between the sides),

- Energoprojekt Niskogradnja in the amount of RSD 27.540 thousand, based on partly receivables write-off for overpaid value added tax Kazakhstan: RSD 13.835 thousand (the one which, according to tax administration of Kazakhstan, expired) and receivables write-off following the annual inventory list: RSD 13.705 thousand (due to collecting impossibility) and

- Energoprojekt Hidroinzenjering in the amount of RSD 14.498 thousand, based on direct write-off of receivables from investor (investor denied the amount of invoices and paid the reduced liability) abroad: RSD 12.354 thousand (in Algeria, mostly, on the project "Tarzout": RSD 12.141 thousand) and in the country: RSD 2.144 thousand (mostly following the agreement with public company Vodovod Leskovac: RSD 1.596 thousand).

• **Other expenses not otherwise mentioned** in the amount of RSD 153.397 thousand predominantly relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 86.866 thousand, mostly based on costs of the negative outcome of the lawsuit against the buyer of real estate in Block 12, in New Belgrade, in the amount of RSD 25.733 thousand and from the release of provisions for overstated financial statements presented in other functional currency in relation to the reporting currency of the completed project realized abroad that were accounted for, in compliance with IAS 21 in the amount of RSD 11.237 hiljada dinara and costs of the negative outcome of the lawsuit abroad, for "Z-072" Pavlodar in the amount of RSD 29.490 thousand;

- Energoprojekt Entel in the amount of RSD 24.334 thousand, predominantly based on scholarship expenses incurred in the companies of the Group in Oman and Qatar: RSD 21.151 thousand, expenses for sport and culture events etc.;

- Energoprojekt Oprema in the amount of RSD 12.188 thousand, mostly for collecting the damage compensation, in the amount of RSD 10.302 thousand and costs of donation granted, in the amount of RSD 1.597 thousand,

- Energoprojekt Hidroinzenjering in the amount of RSD 12.013 thousand, predominantly based on fulfillment of agreed liabilities for construction designing in Algeria, costs of donation granted and penalties and fines for projects in Varazdin and Pupovac, and

- Energoprojekt Niskogradnja in the amount of RSD 9.481 thousand, primarily based on penalties and breaches committed in the country, in the amount of RSD 6.443 thousand and based on the costs of donations granted, in the amount of RSD 1.977 thousand.

Increase of other expenses not otherwise mentioned comparing to the last year comparable period, in the amount of RSD 58.488 thousand relate, mainly, on increase within Energoprojekt Visokogradnja, in the amount of RSD 79.907 thousand (mostly, based on costs of negative outcome of lawsuits abroad and in the country) and decrease within Energoprojekt Oprema, in the amount of RSD 15.175 thousand (mainly, based on donations granted, in the amount of RSD 7.818 thousand).

• **Impairment of property, plant and equipment** in the amount of RSD 59.465 thousand relate to Dom 12 S.A.L, Lebanon, in the amount of RSD 43.066 thousand (impairment of commercial building in Moscow, due to significant devaluation of RUB exchange rate), Energoprojekt Garant in the amount of RSD 14.314 thousand (impairment of investment properties in New Belgrade), Energoprojekt Visokogradnja in the amount of RSD 1.440 thousand (impairment of building in Ub) and Energoprojekt Energodata in the amount of RSD 645 thousand (impairment of investment property PTC Stari Merkator in New Belgrade).

- **Impairment of inventory of material and goods** in the amount of RSD 34.154 thousand relate, completely, to Energoprojekt Visokogradnja, based on impairment of inventory of material on closed projects abroad.

22. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS YEARS

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	42.818	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		34.280
TOTAL	42.818	(34.280)

- **Net profit from discontinued operations** in the amount of RSD 42.818 thousand came as a result of, mainly, subsequently determined profit and/or loss from previous period in the amounts that are of no material significance and which were credited/debited to the current period within Energoprojekt Niskogradnja (primarily based on overcalculated income tax compared with the tax stated in the submitted tax return on June 26, 2015 in Uganda: RSD 27.897 thousand, and in Peru: RSD 7.222 thousand, for the approved rebate by the Atlas Copco Plc., supplier for the turnover generated in the previous year: RSD 2.852 thousand and, on the other hand, based on the insurance costs for the works in Lajkovac-Ljig Project in July-December 2014: RSD 9.995 thousand).

23. PROFIT BEFORE TAX

Structure of gross result	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Operating income	35.258.170	33.832.266
Operating expenses	33.419.193	32.753.077
<i>Operating result</i>	<i>1.838.977</i>	<i>1.079.189</i>
Financial income	1.845.349	2.534.584
Financial expenses	2.077.322	2.430.316
<i>Financial result</i>	<i>(231.973)</i>	<i>104.268</i>
Income from value adjustment of other assets disclosed at fair value through income statement	18.431	21.457
Other revenues	437.908	756.597
Expenses from value adjustment of other assets disclosed at fair value through income statement	302.084	40.711
Other expenses	599.865	606.776
<i>Result of other revenues and expenses</i>	<i>(445.610)</i>	<i>130.567</i>
<i>Result from regular operations before tax</i>	<i>1.161.394</i>	<i>1.314.024</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	42.818	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		34.280
TOTAL INCOME	37.602.676	37.144.904
TOTAL EXPENSES	36.398.464	35.865.160
PROFIT/LOSS BEFORE TAX	1.204.212	1.279.744

Total income of the Energoprojekt Group in the reporting year in the amount of RSD 1.204.212 thousand is, dominantly a result of realized business profit in the amount of RSD 1.838.977 thousand, mainly within Energoprojekt Oprema, Energoprojekt Niskogradnja, Energoprojekt Entel and Energoprojekt Visokogradnja; and, on the other hand, loss made in other business activities, in the amount of RSD 445.610 thousand, mainly within Energoprojekt Visokogradnja and Energoprojekt Oprema (mostly as a result of significant write-off of receivables), as well as financial losses, in the amount of RSD 231.973 thousand, mainly within Energoprojekt Niskogradnja (due to significant exchange rate differences and expenses based on efekata valutne klauzule).

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net-profit pertaining to parent company shareholders	856.443	825.122
Weighted average number of regular shares in the period	10.931.292	10.931.292
Profit per share (RSD)	78,35	75,48

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Development investments	Software and other rights	Intangible assets in progress	Total
Purchase value				
Balance as at January 1, 2015	4.945	173.440	2.144	180.529
New purchases		17.017	1.011	18.028
Disposal and decommissioning		(688)		(688)
Increase by transfer from investments in progress		1.783	(1.783)	
Other transfers (from)/to		361	(361)	
FX gains and losses		4.258		4.258
Other increase/(decrease)				
Balance as at June 30, 2015	4.945	196.171	1.011	202.127
Valuation adjustment				
Balance as at January 1, 2015	412	111.693		112.105
Depreciation	494	17.170		17.664
Disposal and decommissioning		(229)		(229)
FX gains and losses		3.292		3.292
Other increase/(decrease)				
Balance as at December 31, 2015	906	131.926		132.832
Net book value				
31.12.2014	4.533	61.747	2.144	68.424
31.12.2015	4.039	64.245	1.011	69.295

Software and other rights as at December 31, 2015 relate to various software used by the Energoprojekt Group for own purposes, which are depreciated in compliance with the relevant accounting policy.

26. PROPERTY, PLANT AND EQUIPMENT

U 000 dinara

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and investment property in progress	Other property, plant and equipment	Property, plant and equipment in progress	Investments in other property, plant and equipment	Advances for property, plant and equipment	Total
<i>Purchase value</i>									
Balance as at January 1, 2015	708.702	7.415.478	10.140.778	2.719.164	247.392	77.775	22.258	45.601	21.377.148
Purchase during the year	172.841	593	435.246		3.300	19.921	9.219	50.449	691.569
Increase by transfer from investments in progress			14.421			(27.346)	12.925		
Transfer to fixed assets held for sale			(95.753)						(95.753)
Other transfers from / (to)		6.005			(6.005)				
Disposal and decommissioning		(8.789)	(415.227)		(8.357)				(432.373)
Profit/(loss) included in Report on Other Result (group 330)				616.232	(3.091)				613.141
Profit/(loss) included in Income Statement				(13.720)					(13.720)
FX gains and losses	928	56.327	123.652	(46.060)	2			252	135.101
Other increases / (decreases)		(29.222)	2.695			(5)			(26.532)
Balance as at December 31, 2015	882.471	7.440.392	10.205.812	3.275.616	233.241	70.345	44.402	96.302	22.248.581
<i>Valuation adjustment</i>									
Balance as at January 1, 2015		34.989	6.267.342		107.936				6.410.267
Correction of opening balance									
Depreciation		94.484	665.701		22.986		8.806		791.977
Disposal and decommissioning		(61)	(349.522)		(7.173)				(356.756)
Transfer to fixed assets held for sale			(79.595)						(79.595)
Other transfers from / (to)									
Impairment									
FX gains and losses		(3.239)	44.541						41.302
Other increases /decreases		(25.430)	(8.089)						(33.519)
Balance as at December 31, 2015		100.743	6.540.378		123.749		8.806		6.773.676
<i>Net book value</i>									
Balance as at December 31, 2014	708.702	7.380.489	3.873.436	2.719.164	139.456	77.775	22.258	45.601	14.966.881

• **Land**

Value of land of the Energoprojekt Group amounting to RSD 882.471 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517.613 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova), Energoprojekt Sunnyville Ltd. in the amount of RSD 172.841 thousand (land in Belgrade), Energoprojekt Niskogradnja in the amount of RSD 98.048 (land in Peru and in the country – in Stara Pazova) and to the Energoprojekt Oprema Company in the amount of RSD 75.058 thousand (Sevino polje plot – in New Belgrade).

• **Buildings**

As at December 31, 2014, owing to the changes in accounting policies in respect of measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model.

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

In cases where there are no evidence of the fair value of the property in the market, due to the specific nature of the building and because such items are rarely put on sale, the Company performs valuation of fair value of the property by using the income approach or the depreciated replacement cost approach.

As at December 31, 2015, the valuation of residual value and remaining useful life of building was performed, which made a change in depreciation cost for 2015.

In compliance with the relevant provisions of IAS 16, bearing in mind that the fluctuations of the fair value of the energoprojekt Group building in question are insignificant, it was not necessary to perform any appraisal of its fair value as at December 31, 2015 (but once in three or five years), so that the revalorized value of the building in question as at December 31, 2015 represent its fair value, defined by expert appraisers, minus the amount for annual depreciation.

The most important buildings on the level of Energoprojekt Group are as follows:

- Office building in Bulevar Mihaila Pupina, in New Belgrade;
- Samacki Hotel Complex of the Energoprojekt Holding in Zemun;
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office building of the Energoprojekt Entel in Oman; and
- Office building of the I.N.E.C. Engineering Ltd. in London.

• **Plant and Equipment**

As at December 31, 2015, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed.

In acquisitions of plant and equipment in the reporting period that amounted to RSD 435.246 thousand, the largest share belongs to Energoprojekt Niskogradnja, in the amount of RSD 256.747 thousand (in the country: RSD 208.801 thousand and abroad: RSD 47.946 thousand - Uganda and Peru), Energoprojekt Visokogradnja, in the amount of RSD 85.704 thousand (within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 64.624 thousand, in projects abroad: RSD 18.940 thousand, mainly in project Z-096 Forte Bank, Astana, Kazakhstan: RSD 18.197 thousand and in the country: RSD 2.140 thousand) and Energoprojekt Entel, in the amount of RSD 66.175 thousand (abroad: RSD 54.349 thousand and in the country: RSD 11.826 thousand).

Of the total items in the reporting period, the amount of RSD 131.432 thousand relates to equipment regulated by the Financial Lease Agreement, which is in its entirety related to Energoprojekt Niskogradnja: RSD 128.570 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 2.862 thousand.

Liabilities of the Energoprojekt Group based on the financial lease are explained in the Note 39.2.

Based on the Energoprojekt Energodata management Decision on the sales of ATMs in 2015, such assets were reclassified and posted as fixed assets held for sale in their total amount of RSD 16.158 thousand.

• **Investment property** as at December 31, 2015, amount to RSD 3.275.616 thousand.

The most significant investment properties on the level of Energoprojekt Group are as follows:

- Office building in Moscow, Dom 12;
- Office and residential premises of the Zambia Engineering and Contracting Company Limited, Zambia;
- Office and residential premises of the Energoprojekt Zambia Limited, Zambia,
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office facilities of the Energoprojekt Garant in Goce Delceva Street in New Belgrade, the residential building in Bulevar Zorana Djindjica Street in New Belgrade and office premises in the YU Business Centre in New Belgrade;
- Office premises of the Energoprojekt Energodata in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade;
- Business premises of the Energoprojekt Holding in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade.

Increased amount of investment properties comparing the last year comparable period, in the amount of RSD 556.452 thousand, came as a result of increase within Energoprojekt Zambia Limited, Zambia, in the amount of RSD 616.232 thousand (in 2015, the legalisation of property system in Zambia was performed, through the newly founded company - Energoprojekt Zambia Limited, Zambia, so the base for accounting recording was made), and on the other hand, decrease based on exchange rates difference, in the amount of RSD 46.060 thousand and reducing to fair value as at balance sheet day, in the amount of RSD 13.720 thousand.

Valuation of the fair value of investment property as at December 31, 2015 was performed by independent valuers with recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised.

In the reporting period, the Energoprojekt Group generated income from the rent of investment property in the amount of RSD 77.087 thousand, and the main share of such amount relate to the income generated from the rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 28.886 thousand and from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 16.793 thousand (within Zambia Engineering and Contracting Company Limited, Zambia) and a part of office building „Cruz del Sur“ in Peru, in the amount of RSD 12.360 thousand (within Energoprojekt Niskogradnja).

Information on mortgages on the Energoprojekt Group properties is presented in detail in Note 46.

- **Advances paid for property, plant and equipment** in the amount of RSD 96.302 thousand relate to advance payment for equipment purchasing in Uganda, in the amount of RSD 50.449 thousand and to the advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria, in the amount of RSD 45.853 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares in affiliated companies and joint ventures	833.041	849.665
Shares in other companies and other available for sale	26.251	33.750
Securities held to maturity (Note 34)		9.178
Other long-term financial investments	190.100	221.183
TOTAL	1.049.392	1.113.776

- **Shares in affiliated companies and joint ventures** in the amount of RSD 833.041 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Energopet Ltd., Lagos, Nigeria	376.574	428.204
Energopet Ltd. Belgrade	408.093	383.889
Fima See Activist Plc., Belgrade	25.277	
Enjub Ltd., Belgrade	23.097	37.572
TOTAL	833.041	849.665

The closed investment fund Fima See Activist Plc. is incurred into consolidated financial statements of Energoprojekt Group for 2015, applying equity method, pursuant to IFRS 11 – Joint Arrangements, considering that share of Energoprojekt Holding in equity of the mentioned entity was over 20,00%.

Decrease in equity share in affiliated companies and joint ventures, comparing to the last year comparable period, in the amount of RSD 16.624 thousand, mainly came as a result of less net income of the affiliated company Energo Nigeria Ltd., Lagos, Nigeria, in 2015.

Financial data pertaining to affiliate Energo Nigeria Ltd., Lagos, Nigeria on the 40,00% equity share of the Energoprojekt Oprema in the affiliate is presented in the following table.

Energo Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	109.168	552.676
Operating assets	1.604.756	1.240.007
Assets	1.713.924	1.792.683
Liabilities	1.337.350	1.364.479
Capital	376.574	428.204
Income	1.170.444	2.266.358
Net profit of the current period	12.756	88.248

Financial data pertaining to Energopet Ltd. Belgrade on the 33,33% equity share of Energoprojekt Industrija in the affiliate is presented in the following table.

Energopet Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	403.782	345.456
Operating assets	461.192	451.611
Assets	864.974	797.067
Liabilities	456.881	413.178
Capital	408.093	383.889
Income	995.919	997.346
Net profit of the current period	52.535	45.420

Financial data pertaining to affiliate Fima See Activist, Plc. Belgrade on the 20,93% equity share of Energoprojekt Holding in the affiliate is presented in the following table.

Fima See Activist Plc., Beograd	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets		
Operating assets	25.386	
Assets	25.386	-
Liabilities	109	
Capital	25.277	-
Income	12.162	
Net profit of the current period	1.407	

Financial data pertaining to Enjub Ltd. Belgrade on the 50,00% equity share of Energoprojekt Holding in the joint venture is presented in the following table.

Enjub Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Non-current assets	128.978	129.004
Operating assets	118.894	120.309
Assets	247.872	249.313
Liabilities	224.775	211.741
Capital	23.097	37.572
Income	8.292	14.387
Net loss of the current period	(14.476)	(38.847)

• **Shares in other companies and available for sale securities** in the amount of RSD 26.251 thousand are presented in the following table.

Shares in other companies and available for sale securities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares in other companies:		
a) Banks and financial organizations	25.632	27.259
b) Other legal entities	604	6.491
c) Other securities available for sale	15	
TOTAL	26.251	33.750

Share in other companies and other securities available for sale are valued according to their market (fair) value.

Share in banks and other financial organizations in the amount of RSD 25.632 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 25.467 thousand (Jubmes banka Plc., Belgrade, Energo Broker Plc., Beograd and Dunav osiguranje Plc., Belgrade).

Share in other legal entities in the amount of RSD 604 thousand relate to Energoprojekt Niskogradnja (Beogradska berza Plc.), meanwhile the decrease respecting the last year comparative period, in the amount of RSD 5.887 thousand relate to Energoprojekt Holding, based on write-off of shares in equity of company Pik Becej - Hotel Bela ladja Plc. (which is in liquidation process, but not expected to regain the relevant value from bankruptcy estate).

- **Other long-term financial investments** in the amount of RSD 190.100 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Housing loans granted to employees	46.482	48.428
Long term deposits (Note 34)		49.474
Deposits for bank guarantees	32.192	30.343
Other	111.426	92.938
TOTAL	190.100	221.183

- **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 46.482 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 26.980 thousand, Energoprojekt Oprema in the amount of RSD 11.307 thousand and Energoprojekt Niskogradnja in the amount of RSD 3.787 thousand.

- **Deposits for bank guarantees** in the amount of RSD 32.192 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 22.985 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 9.207 thousand).

- **Other long-term financial investments** in the amount of RSD 111.426 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 88.362 thousand, the largest share of which or RSD 82.407 thousand relate to a building within the tourist complex of Crni Vrh (which has not yet been completed), in which the Company holds ownership rights up to 5%, based on its co-financing; and

- Energoprojekt Entel in the amount of RSD 23.064 thousand, based on the deposits for apartments abroad (within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 3.963 thousand, Energoprojekt Entel LTD, Doha, Qatar: RSD 2.511 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 780 thousand) and based on deposits for working visas within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 15.810 thousand.

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Receivables from other related companies	43.500	129.684
Other long-term receivables	784.204	644.634
TOTAL	827.704	774.318

- **Receivables from other related companies** in the amount of RSD 43.500 thousand relate to the receivables of Energoprojekt Oprema from its affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the long-term guarantee deposit in its projects abroad.

- **Other long-term receivables** in the amount of RSD 784.204 thousand comprise only of the receivables of the Energoprojekt Entel Company based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term (within Energoprojekt Entel Ltd. Doha, Qatar: RSD 695.895 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 88.309 thousand).

Increase in other long-term receivables in the reporting period in the amount of RSD 139.570 thousand relates to the increase in long-term receivables for guarantee deposit in Energoprojekt Entel.

29. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Material, parts, tools and small inventories	1.196.693	1.206.668
Work and services in progress	1.456.325	1.294.624
Finished products	132.958	159.845
Goods	77.372	75.988
Non-current assets held for sale	70.307	54.150
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related companies	125.149	45.793
b) Advances paid for material, parts and inventory	374.358	465.691
c) Advances paid for goods	7.945	2.070
d) Advances paid for services	2.017.124	1.082.460
<i>Total</i>	<i>2.524.576</i>	<i>1.596.014</i>
TOTAL	5.458.231	4.387.289

- **Material, parts, tools and small inventories** in the amount of RSD 1.196.693 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 633.777 thousand, out of which inventories abroad amount to RSD 428.314 thousand (Uganda: RSD 308.129 thousand, Peru: RSD 120.185 thousand), and inventories in the country amount to RSD 205.463 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 427.484 thousand, out of which inventories abroad amount to RSD 366.703 thousand (mainly, in Z-096 Forte bank, Astana: RSD 296.123 thousand and Z-088 Hotel Hyatt, Rostov: RSD 49.323 thousand), meanwhile the inventories in the country amount to RSD 60.781 thousand;

- Energoplast in the amount of RSD 73.736 thousand, out of which material inventories amount to RSD 58.619 thousand, and parts inventories amount to RSD 15.117 thousand and
- Energoprojekt Oprema in the amount of RSD 47.519 thousand, out of which material inventories amount to RSD 45.335 thousand, and tools and small inventories amount to RSD 2.184 thousand.

Decrease of material, parts, tools and small inventories, respecting the last year comparative period, in the amount of RSD 9.975 thousand, mainly came as result of decrease within Energoprojekt Oprema, in the amount of RSD 118.870 thousand, meanwhile other companies of Energoprojekt Group recorded increase of these items, mostly within Energoprojekt Visokogradnja, in the amount of RSD 87.049 thousand and Energoplast Ltd. in the amount of RSD 26.942 thousand.

• **Work and services in progress** in the amount of RSD 1.456.325 thousand relate to following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.422.687 thousand, out of which work in progress in the country amounts to RSD 905.738 thousand (based on own investments in Belgrade, in Cara Nikolaja Street: RSD 667.034 hiljada dinara, thousand, in Knez Danilova Street: RSD 79.686 thousand, in Bezanijska Kosa: RSD 48.375 thousand, in Vozdovac: RSD 25.937 thousand and in Bor, in Bor Shopping Mall: RSD 84.706 thousand), and abroad RSD 516.949 thousand (based on the works on the residential complex Sistet Bare in Herceg Novi, Montenegro);
- Energoprojekt Sunnyville in the amount of RSD 22.062 thousand, relate to production in progress based on construction of business and residential complex in Belgrade and
- Energoprojekt Niskogradnja in the amount of RSD 11.576 thousand relate to production of crushed stone for upper level, crushed stone for filtering, concrete aggregate and material for lower level (filling) in projects abroad (Peru).

• **Finished products** in the amount of RSD 132.958 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 82.443 thousand relate to the constructed property in Herceg Novi in the amount of RSD 55.703 thousand and in Belgrade (in Bezanijska Kosa and in Blok 29) in the amount of RSD 26.740 thousand and
- Energoplast in the amount of RSD 50.515 thousand that relate to the finished plastic stoppers.

• The total value of **goods** in the amount of RSD 77.372 thousand primarily relate to Energoprojekt Visokogradnja in the amount of RSD 42.081 thousand (abroad: RSD 19.076 thousand, in the country: RSD 23.005 thousand), Energoprojekt Niskogradnja in the amount of RSD 18.976 thousand (that almost entirely relate to the invoiced materials and spare part, predominantly for the projects realized abroad, in Peru and Uganda, which were not received until December 31, 2015 - Goods in Transit); and Energoplast in the amount of RSD 7.239 thousand (acquired finished stoppers for resale).

• **Non-current assets held for sale** amount to RSD 70.307 thousand, out of which the amount of RSD 50.688 thousand relate to Energoprojekt Niskogradnja; RSD 16.157 thousand relate to Energoprojekt Energodata and RSD 3.462 thousand relate to Energoprojekt Entel.

- An overview of land and property held for sale in Energoprojekt Niskogradnja is presented below.

Description	Location	Surface Area in sq.m	Prresent Value In RSD thousand
Land - Mombasa Road, Kenya	Nairobi, Kenya	12.140,55	4.066
Land "Santa Clara", Peru	Santa Clara, Lima, Peru	23.009,70	18.601
Warehouse facility "Santa Clara", Lima	Santa Clara, Lima, Peru	792,35	22.273
Business premises - Buenos Aires, Argentina	Buenos Aires, Argentina	86,30	5.748
TOTAL			50.688

Reclassification of land for sale was performed based on the Decision passed by the Board of Directors of the Energoprojekt Niskogradnja from 2012, on the sale of land in Kenya and land "Santa Clara" in Lima, Peru, with accompanying facilities (warehouse facility); the total value thereof is RSD 22.667 thousand and the value of buildings held for sale amount to RSD 22.273 thousand in compliance with IFRS 5.

Based on the Decision of competent body of the Company from 2011, on the sale of office and residential facilities in Argentina, reclassification of these facilities was performed into the facilities held for sale amounting to RSD 5.748 thousand, in compliance with IFRS 5.

The Company intends to realize the above mentioned plans to sell and further activities on the realization of these plans are undertaken.

- In 2015, in Energoprojekt Energodata, based on the management Decision, ATMs were reclassified and posted as fixed assets held for sale in the total amount of RSD 16.157 thousand.

- Fixed assets held for sale in Energoprojekt Entel relate to the apartment in Block 20 in Bezanijska Kosa in Belgrade, and the plan to sell this apartment has been approved by the Company Management in 2014. The apartment was sold in January 2016.

- **Advances paid for inventories and services** in the amount of RSD 125.149 thousand and entirely relate to Energoprojekt Oprema, based on advances paid for services to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Advances paid for material, spare parts and inventory** in the amount of RSD 374.358 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 267.881 thousand, out of which advances paid abroad amount to RSD 231.242 thousand, and in the country RSD 36.639 thousand;

- Energo Kaz in the amount of RSD 40.129 thousand relate to advances paid to suppliers for projects in Kazakhstan;

- Energoprojekt Niskogradnja in the amount of RSD 34.917 thousand, for advance payments made for services provided by subcontractors in projects abroad (Uganda and Peru) and in the country and

- Energoprojekt Oprema in the amount of RSD 28.106 thousand out of which for advances paid for projects in the country amount to RSD 13.110 thousand, and those paid to suppliers abroad amount to RSD 14.996 thousand.

- **Advances paid for goods** in the amount of RSD 7.945 thousand, mostly relate to I.N.E.C. Engineering Company Limited, Great Britain, in the amount of RSD 7.267 thousand, based on purchase of goods for resale.

- **Advances paid for services** in the amount of RSD 2.017.124 thousand, relate, mostly, to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 729.554 thousand relate, mainly, to advances paid to suppliers for projects abroad (Uganda and Peru);

- Energoprojekt Visokogradnja in the amount of RSD 1.131.140 thousand, out of which advances paid abroad amount to RSD 1.128.120 thousand, and in the country RSD 3.020 thousand and

- Energoprojekt Oprema in the amount of RSD 137.968 thousand relate to advances paid to suppliers for projects in the country: RSD 137.507 thousand, and abroad: RSD 461 thousand.

30. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Local buyers - other related companies	4.141	2.138
Foreign buyers - other related companies	826.804	566.150
Local buyers	2.373.683	3.012.665
Foreign buyers	6.546.725	7.554.332
TOTAL	9.751.353	11.135.285

- **Local buyers - other related companies** in the amount of RSD 4.141 thousand relate to the receivables from joint venture Enjub Ltd. in the amount of RSD 3.580 thousand, mostly to Energoprojekt Visokogradnja in the amount of RSD 2.123 thousand and receivables of Energoprojekt Industrija from affiliated company Energopet Ltd. in the amount of RSD 561 thousand.

- **Foreign buyers– other related companies** in the amount of RSD 826.804 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, primarily in Energoprojekt Oprema in the amount of RSD 802.477 thousand and Energoprojekt Hidroinzenjering, in the amount of RSD 24.325 thousand.

- **Local buyers** amounting to RSD 2.373.683 thousand and relate primarily to the receivables of Energoprojekt Niskogradnja: RSD 1.388.859 thousand and to those of Energoprojekt Oprema: RSD 653.303 thousand and Energoplast in the amount of RSD 124.356 thousand.

Structure of **local buyers** is presented in the following table as at the financial statements date in Energoprojekt Group companies, with the highest amount of such receivables.

Structure of local buyers	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
<i>Energoprojekt Niskogradnja:</i>		
RZD International (Pancevo Railroad and Corridor X Projects)	467.801	575.557
China Shandong Intern.E&T org. Belgrade (Project Ljig-Lajkovac)	438.256	
AzVirt, Belgrade (Projekat Tunel Šarani)	319.625	359.497
PC City Construction Novi Sad (Project The Channel DTD Bridge)	68.957	
PC EPS/Kolubara Pestan (Project Kolubara II phase)	25.958	
Amiga Ltd. Kraljevo (Project Ljig - Lajkovac)	9.889	
Other	58.373	48.711
Total	1.388.859	983.765
<i>Energoprojekt Oprema:</i>		
Zeleznice Srbije Ltd.	415.129	174.102
JP Elektromreza Srbije	179.217	68.927
SNC Lavalin International	3.014	636.112
International Project Seviles LTD.OY Branch		308.466
Other	55.943	406.752
Total	653.303	1.594.359

Decrease of receivables of local buyers, respecting the last year comparative period, in the amount of RSD 638.982 thousand, mainly came as result of decrease within Energoprojekt Oprema in the amount of RSD 941.056 thousand (mostly from SNC Lavalin International and International Project Services LTD.OY Branch) and Energoprojekt Energodata, in the amount of RSD 118.352 thousand (mostly from Credit Agricole Serbia Plc.) and on the other hand, increase within Energoprojekt Niskogradnja, in the amount of RSD 405.094 thousand (mostly from China Shandong Intern.E&T org. Belgrade, on project Ljig - Lajkovac).

- **Foreign buyers** in the amount of RSD 6.546.725 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 3.282.546 thousand, Energoprojekt Visokogradnja in the amount of RSD 1.499.858 thousand and Energoprojekt Entel in the amount of RSD 1.282.677 thousand.

The biggest decrease of receivables from foreign buyers in 2015, respecting the last year comparative period, was within Energoprojekt Niskogradnja, in the amount of RSD 586.282 thousand (based on projects in Uganda and Peru) and Energoprojekt Entel, in the amount of RSD 534.682 thousand (in companies abroad).

Foreign buyers as at the financial statements date in Energoprojekt Group, which generated the highest amounts of trade receivables, are broken down in the following table.

Structure of foreign buyers	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority, Uganda, Z-017 i Z-027	2.025.501	1.520.717
Ministry of Works and Transport, Z-010	499.293	568.610
Kampala Capital City Authority	189.973	160.535
The Civil Aviation Authority, Z-032 i Z-033	108.717	436.847
<i>Total Uganda</i>	<i>2.823.484</i>	<i>2.686.709</i>
<i>Peru:</i>		
Empresa de Generacion Electrica Rio Banos SAC Z-030	176.192	
Consortio Pericos San Ignacio, Peru, Z-023	70.265	71.443
Sindicato Energetico SA Z-030	69.192	
Consortio Vial San Alejandro Z-034	34.716	
Iesa SA Z-030	21.822	
Consortio Energoprojekt Cuv, Peru, Z-0188		698.577
Proyecto Especial Binaciona Puyang Tumbes, Peru, Z-015		170.807
Empresa Administradora Chungar SAC, Peru, Z-030		111.835
Other	86.613	128.912
<i>Total Peru</i>	<i>458.800</i>	<i>1.181.574</i>
<i>Other foreign buyers</i>	<i>262</i>	<i>545</i>
TOTAL	<i>3.282.546</i>	<i>3.868.828</i>
<i>Energoprojekt Visokogradnja:</i>		
Accent Development Solutions, Z-096	744.542	
Cargo center Ghana (within Energoprojekt Ghana Ltd)	355.843	
Stojgazkonsalting, Uhta, Rusija, Z-085	257.625	199.437
NCA Tower, Ghana (within Energoprojekt Ghana Ltd)	29.155	187.780
Schlumberger Logeco, Astrahan, Russia, Z-091	17.734	118.081
Prombistroi, Z-092	8.790	56.468
MKC-RosEvroDevelopment, Z-088	3.007	89.188
Sofie Medgroup, Aktau, Kazakhstan, Z-089	1.653	132.029
OIL Real Estate, Aktau, Kazakhstan, Z-068		110.853
Other	81.509	341.318
TOTAL	<i>1.499.858</i>	<i>1.235.154</i>
<i>Energoprojekt Entel:</i>		
Within Energoprojekt Entel L.L.C., Doha, Qatar	816.034	1.181.167
Within Energoprojekt Entel L.L.C., Muskat, Sultanate of Oman	191.690	214.312
Within Energoconsult L.L.C., Abu Dhabi, UAE	274.953	413.984
Other		7.896
TOTAL	<i>1.282.677</i>	<i>1.817.359</i>

31. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Receivables from special transactions from other related companies	76.032	31.042
Receivables from special transactions from other companies	4.136	4.483
TOTAL	80.168	35.525

- **Receivables from special transactions from other related companies** in the amount of RSD 76.032 thousand relate to Energoprojekt Oprema in the amount of RSD 74.257 thousand, based on the expenses passed through to the affiliated company Energo Nigeria Ltd., Lagos, Nigeria and to Energoprojekt Holding in the amount of RSD 1.775 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

- **Receivables from special transactions from other companies** in the amount of RSD 4.136 thousand relate predominantly to Energoprojekt Garant, in the amount of RSD 3.913 thousand, based on receivables from commission of reinsurance and co-insurance, amounting RSD 3.670 thousand, and receivables based on investment property lease, in the amount of RSD 243 thousand.

32. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Interest and dividend receivables:		
b) Interest and dividend receivable from affiliated companies	46.372	35.634
b) Interest agreed and default interest receivable from other companies	56	172
<i>Total</i>	<i>46.428</i>	<i>35.806</i>
Receivables from employees	24.705	23.404
Receivables for overpaid income tax	87.870	76.006
Receivables in respect of prepaid other taxes and contributions	11.192	7.462
Receivables for fringe benefits' returns	9.329	8.599
Receivables for damage compensation	2.141	
Other short-term receivables	312.064	192.907
TOTAL	493.729	344.184

- **Interest and dividend receivables from other affiliated companies** in the amount of RSD 46.372 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.

- **Receivables from employees** in the amount of RSD 24.705 thousand relate predominantly to unjustifiably paid advance payments to employees leaving to work in foreign countries and to loans

granted to employees, and specifically Energoprojekt Niskogradnja, in the amount of RSD 5.724 thousand, Zambia Engineering and Contracting Company Limited, in the amount of RSD 5.425 thousand, Energoprojekt Energodata, in the amount of RSD 4.139 thousand, Energoprojekt Oprema, in the amount of RSD 3.490 thousand and Energoprojekt Visokogradnja in the amount of RSD 3.006 thousand.

- **Receivables for overpaid income tax** in the amount of RSD 87.870 thousand predominantly refer to Energoprojekt Niskogradnja, in the amount of RSD 43.681 thousand, Energoprojekt Visokogradnja in the amount of RSD 17.404 thousand (predominantly, in the country: RSD 16.820 thousand), Energoprojekt Holding in the amount of RSD 11.150 thousand, Energoprojekt Entel in the amount of RSD 8.544 thousand and Zambia Engineering and Contracting Company Limited in the amount of RSD 2.574 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 11.192 thousand and predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 4.788 thousand (mostly within the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 4.755 thousand), Zambia Engineering and Contracting Company Limited, in the amount of RSD 4.108 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1.827 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 9.329 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 5.848 thousand, Energoprojekt Holding in the amount of RSD 861 thousand and Energoprojekt Energodata in the amount of RSD 856 thousand.

- **Other short-term receivables** amounting to RSD 312.064 thousand and predominantly relate to Energoprojekt Niskogradnja in the amount of RSD 226.127 thousand (mainly based on the receivables from Tax Administration for overpaid income tax in Peru and Uganda: RSD 197.553 thousand and to the receivables for the externally granted loans to Consortiums in Peru for payment of joint liabilities on the project: RSD 18.464 thousand) and Energoprojekt Hidroinženjering, in the amount of RSD 53.364 thousand, mostly based on receivables from partners in Consortium on the project Yaraskay - Peru for the works finished: RSD 49.087 thousand.

Increase of other short-term receivables in reported period, in the amount of RSD 119.157 thousand mainly came as result within Energoprojekt Hidroinženjering, in the amount of RSD 52.308 thousand, mostly based on receivables from partners in consortium on the project Yaraskay - Peru, for the works finished: RSD 49.087 thousand; and Energoprojekt Niskogradnja, in the amount of RSD 46.220 thousand, based on increased receivables for overpaid income tax in Peru and Uganda.

33. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH INCOME STATEMENT

Structure of financial assets assessed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Shares	1.359	1.359
Bonds	332.400	182.736
TOTAL	333.759	184.095

Financial assets assessed at fair value through Income statement relate entirely to the shares and bonds (say: 45 shares of Belgrade Stock Exchange, total value of RSD 1.359 thousand, 100.000 old foreign currency savings bonds, in the amount of RSD 12.113 thousand and 2.661 foreign currency coupon bonds, in the amount of RSD 320.287 thousand.

Valuation adjustment of financial assets assessed at fair value through Income statement is performed for foreign currency coupon bonds based on data obtained from the secondary market for such assets and by applying the foreign exchange rate, and valuation of old foreign currency savings bonds is performed based on their value on the stock exchange as at the last trading transaction date in 2015.

Financial assets assessed at fair value through the Income Statement from 2015, comparing to last year increased due to buying 1.463 foreign currency coupon bonds in 2015 by Energoprojekt Garant, in the amount of RSD 171.023 thousand, and on the other hand, there is a decrease due to valuation adjustment of financial assets assessed at fair value, in the amount of RSD 21.359 thousand.

34. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans and investments - other related companies	162.419	161.527
Short-term credits and loans domestic		729
Short-term international credits and loans	16.549	968
Portion of long-term financial investments with maturity date up to one year:		
a) Portion of long-term financial investments in other legal entities with maturity date up to one year		
b) Portion of other long-term financial investments with maturity date up to one year	949	801
<i>Total</i>	<i>949</i>	<i>801</i>
Securities held to maturity - portion with maturity date up to one year	9.569	
Other short-term financial investments:		
a) Short term deposits	1.593.710	1.217.985
b) Other short-term financial investments	6.300	17.138
<i>Total</i>	<i>1.600.010</i>	<i>1.235.123</i>
TOTAL	1.789.496	1.399.148

• **Short-term loans and investments - other related companies** in the amount of RSD 162.419 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has 2 (two) signed blank solo bills of exchange to be filled out by beneficiary to be used as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture and an extrajudicial mortgage for the entire loan amount (for apartments and business premises) in Jurija Gagarina Street in New Belgrade.

• **Short-term international credits and loans** in the amount of RSD 16.549 thousand relate entirely to Energoprojekt Visokogradnja, primarily to the loan granted to subcontractor, Tandem Inter Company, in the amount of RSD 7.933 thousand and Bon Appetit company, in the amount of RSD 7.643 thousand, to complete the work on Project Z-088 Hotel Hyatt Rostov, Rusija, for which those subcontractors were hired, within agreed deadline.

• **Securities held to maturity – portion with maturity up to one year** in the amount of RSD 9.569 thousand relate to old foreign currency savings bonds within Energoprojekt Industrija (mainly based on long-term financial prenos a dugoročnih finansijskih plasmanain the amount of RSD 9.178 thousand).

• **Short term deposits** in the amount of RSD 1.593.710 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 1.201.103 thousand relate to the deposits with international and domestic commercial banks within Energoprojekt Entel Qatar: RSD 1.014.922 thousand, with interest rate of 1,18% quarterly and Energo Consult LLC Abu Dhabi, UAE: RSD 186.181 thousand, with interest rate of 1,42% annually;

- Energoprojekt Garant in the amount of RSD 334.920 thousand relate to the foreign currencies deposits in EUR and USD with the domestic commercial banks with interest rate ranging from 1,50 % to 2,53 % annually, and

- Energoprojekt Oprema in the amount of RSD 57.687 thousand, based on restricted deposit at Findomestic bank for project RTB Bor (predominantly based on transfer made from long term financial investments, in the amount of RSD 49.474 thousand).

• **Other short term financial investments** in the amount of RSD 6.300 thousand, relate, mainly, to Energoprojekt Niskogradnja in the amount of RSD 6.078 thousand, out of which the biggest share, in the amount of RSD 4.504 thousand relate to working licences for personnel non-citizens of Republic of Uganda.

35. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	In RSD thousand	
	31/12/2015	31/12/2014
Current (business) account	145.321	74.952
Earmarked cash and letters of credit	5	1
Petty cash	667	416
Foreign currency account	3.067.170	2.297.829
Letters of credit in foreign currencies	366	73.808
Foreign currency petty cash	132.158	86.703
Other cash:		
a) Short term deposits	887.484	208.655
b) Other cash	525.124	320.501
<i>Total</i>	<i>1.412.608</i>	<i>529.156</i>
Value-impaired or restricted cash	42.078	36.393
TOTAL	4.800.373	3.099.258

- **Current (business) account** of the Energoprojekt Group in the amount of RSD 145.321 thousand predominantly refer to the current accounts of the following companies of the Energoprojekt Group: Energoprojekt Garant in the amount of RSD 40.671 thousand, Energoprojekt Holding in the amount of RSD 30.349 thousand, Energoprojekt Industrija in the amount of RSD 26.004 thousand, Energoprojekt Hidroinženjering in the amount of RSD 15.097 thousand, Energoprojekt Oprema in the amount of RSD 10.893 thousand and Energoprojekt Niskogradnja in the amount of RSD 9.016 thousand.
- **Foreign currency account** in the amount of RSD 3.067.170 thousand predominantly refer to the foreign currency accounts of the following companies in the Energoprojekt Group: Energoprojekt Visokogradnja in the amount of RSD 1.083.383 thousand (in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 879.246 thousand), Energoprojekt Entel in the amount of RSD 863.329 thousand, Energoprojekt Niskogradnja in the amount of RSD 696.955 thousand and Energoprojekt Hidroinženjering in the amount of RSD 152.305 thousand.
- **Letters of credit in foreign currencies** decreased in 2015. respecting the last year comparative period, in the amount of RSD 73.442 thousand, mainly as a result of decrease of letters of credit in foreign currencies abroad, within Energoprojekt Oprema.
- **Foreign currency petty cash** in the amount of RSD 132.158 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 109.797 thousand, Energoprojekt Niskogradnja in the amount of RSD 14.067 thousand and Energoprojekt Hidroinženjering in the amount of RSD 5.118 thousand.
- **Short term deposits** in the amount of RSD 887.484 thousand relate to the term deposits in the country amounting to RSD 879.161 thousand, and predominantly within Energoprojekt Holding in the amount of RSD 432.329 thousand, Energoprojekt Oprema in the amount of RSD 291.251 thousand and Energoprojekt Visokogradnja in the amount of RSD 133.614 thousand, while the term deposits abroad in the amount of RSD 8.323 thousand, relate entirely to the Dom 12 S.A.L Company, Lebanon.
- **Other cash** in the amount of RSD 525.124 thousand refer predominantly to Energoprojekt Visokogradnja in the amount of RSD 517.904 thousand (predominantly to the collaterals provided for the projects of the Energoprojekt Ghana Ltd., Accra, Ghana).
- **Value-impaired or restricted cash** in the amount of RSD 42.078 thousand relate mostly to Energoprojekt Hidroinženjering in the amount of RSD 40.254 thousand, based on bank deposits serving as collaterals for guarantees' issuing for the projects abroad (Ourkiss, Alto Piura, Yarascay and Machu Picchu). Cash will be available upon the release of the guarantees in question.

36. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

36.1. Value Added Tax

Structure of value added tax	<i>in RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Value added tax	112.663	80.225
TOTAL	112.663	80.225

• **Value added tax** in the amount of RSD 112.663 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Niskogradnja in the amount of RSD 51.890 thousand, Energoprojekt Visokogradnja in the amount of RSD 27.928 thousand, Energoprojekt Oprema in the amount of RSD 12.128 thousand.

36.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Prepayments:		
a) Prepaid subscriptions for professional publications	1.629	1.456
b) Prepaid rent	290.006	214.270
c) Prepaid insurance premiums	26.129	51.870
d) Prepaid advertizing and marketing expenses		1.952
e) Other prepaid expenses	53.042	43.872
<i>Total</i>	<i>370.806</i>	<i>313.420</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other legal entities	1.691.909	1.860.764
<i>Total</i>	<i>1.691.909</i>	<i>1.860.764</i>
Other deferred expenses:		
a) Accrued value added tax	43.618	99.754
b) Other deferred expenses	28.172	38.728
<i>Total</i>	<i>71.790</i>	<i>138.482</i>
TOTAL	2.134.505	2.312.666

• **Prepaid rent** in the amount of RSD 290.006 thousand primarily refer to Energoprojekt Entel in the amount of RSD 251.357 hiljada dinara, po osnovu zakupa stanova za smeštaj radnika u kompanijama Društva u inostranstvu.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 1.691.909 thousand refer primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 919.271 thousand, primarily refer to the receivables from interim payment certificates for work completed in October, November and December 2015 for the following projects:

- Lajkovac-Ljig: RSD 601.799 thousand;
- Tunel Sarani: RSD 192.047 thousand;
- Koridor 10: RSD 59.559 thousand;
- Replacing and regulation of Kolubara River, II phase: RSD 35.716 thousand;
- Airport Nakasangola, Uganda, Z-032: RSD 1.512 thousand;
- Road Puerto Bermudez, Peru, Z-024: RSD 8.701 thousand; and other.

- Energoprojekt Holding in the amount of RSD 385.828 thousand relate entirely to the realization of the Agreement on Construction of Republic of Serbia Embassy in Abuja, Federal Republic of Nigeria, a turn-key project, in the Cadastral parcel No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

- Energoprojekt Visokogradnja in the amount of RSD 192.928 thousand relate to the receivables for payment certificates submitted to the Investor for verification, but not verified before the balance sheet submission date. The largest receivables for the accrued non-invoiced income are recorded for the following projects in the country and abroad:

- Prokop Railway Station: RSD 147.977 thousand;
- Forte bank, Astana Z-096: RSD 18.300 thousand;
- Siktivkar Underground Car Garage, Z-100: RSD 8.350 thousand;
- Sulphuric acid plant and Smelter in Bor: RSD 7.531 thousand; and for other projects as well.

- Mentionig other companies of Energoprojekt Group, reveivables for accrued non-invoiced income were recorded at Energoprojekt Oprema, in the amount of RSD 77.101 thousand, Energoprojekt Industrija in the amount of RSD 61.420 thousand, Energoprojekt Hidroinzenjering in the amount of RSD 52.733 thousand and Energoprojekt Urbanizam i arhitektura in the amount of RSD 2.628 thousand.

• **Accrued Value Added Tax (VAT)** in the amount of RSD 43.618 thousand include VAT presented in received invoices for reported year, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for December of the reported year. The most important amount of accrued VAT was recorded within Energoprojekt Oprema in the amount of RSD 31.645 thousand.

• **Other prepayments and deferred expenses** in the amount of RSD 28.172 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 14.624 thousand (interest on bank deposits, transferrable premiums and claims charged to coinsurer and reinsurer calculated in advance) and to Energoprojekt Visokogradnja in the amount of RSD 11.560 thousand (prepaid VAT for the Projects realized abroad: RSD 10.012 thousand and precalculated property tax in the amount of RSD Z-085 Uhta, Russia: RSD 1.548 thousand).

37. CAPITAL

Structure of capital	In RSD thousand	
	31/12/2015	31/12/2014
Equity capital - reduced for non-controlling interest in equity capital	5.894.010	5.893.998
Reserves	374.590	374.453
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.211.764	5.788.138
Unrealized gains from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	450.976	415.520
Unrealized losses from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	30.504	41.501
Retained earnings	6.481.980	5.402.867
Non-controlling interest - in equity capital	165.090	165.922
TOTAL	19.547.906	17.999.397

37.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	In RSD thousand	
	31/12/2015	31/12/2014
Share capital - total	5.724.580	5.725.400
Non-controlling interest - in share capital	(149.621)	(150.441)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5.574.959</i>	<i>5.574.959</i>
Stakes in limited liability companies - total	9.289	9.289
Non-controlling interest - in limited liability companies	(9.289)	(9.289)
<i>Total stakes in limited liability companies</i>		
Issuing premium	237.014	237.014
Other share capital - total	88.217	88.217
Other non-controlling interest	(6.180)	(6.192)
<i>Total other share capital</i>	<i>82.037</i>	<i>82.025</i>
TOTAL	5.894.010	5.893.998

- **Share capital** - 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.

Share capital of the parent company Energoprojekt Holding as at the balance sheet date consists of 10.931.292 ordinary shares with nominal value of RSD 510,00 or RSD 5.574.959 thousand worth share capital of the majority shareholder.

Comparing to last year, in 2015 happened decrease of total share capital, in the amount of RSD 820 thousand, considering that non-controlling interest - within share capital decrease for RSD 820 thousand, due to share acquisition of all remaining shareholders of Energoprojekt Visokogradnja by Energoprojekt Holding.

- **Issuing premium** is positive difference between the achieved selling price per share and the nominal value of such shares, which is the result of the conversion of shares of the Energoprojekt Group subsidiaries into Company shares at the par value of 1:1 in 2006.

37.2. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Legal reserves	218.856	218.856
Statutory and other reserves	155.734	155.597
TOTAL	374.590	374.453

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until November 30, 2004, when the Law on Companies came into force. Each year a minimum of 5% was appropriated from the profits until the reserves' level prescribed in the Articles of Association or at least 10% of the equity capital was reached.
- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company.

37.3. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3.168.802	3.163.061
b) Revaluation reserves from revaluation of other property	1.127.301	1.143.931
<i>Total</i>	<i>4.296.103</i>	<i>4.306.992</i>
Revaluation reserves from revaluation of investment property	1.739.041	1.296.669
Revaluation reserves from revaluation of plant and equipment	176.620	184.477
TOTAL	6.211.764	5.788.138

- **Revaluation reserves from revaluation of property** in the amount of RSD 4.296.103 thousand relate to valuation of fair value of buildings and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves). (Note 26)

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3.168.802 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at December 31, 2014, in the amount of RSD 3.055.774 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672.228 thousand and

- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 559.200 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1.127.301 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja: RSD 259.130 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business facilities, Lima, Peru and residential building in Kampala, Uganda);
- Energoprojekt Visokogradnja: RSD 241.087 thousand (buildings in Belgrade, in Vozdovac and in Palilula, and in Stara Pazova);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 216.059 thousand (an office building in London);
- Energo (Private) Limited, Zimbabwe: RSD 160.878 thousand (business and residential buildings in Harare, Zimbabwe);
- Energopet Ltd.: RSD 81.068 thousand (business buildings and land in Belgrade - Krnjesevci) and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 68.176 thousand (business and residential buildings in Zambia).

Decrease of revaluation reserves based on revaluation of other property in 2015, comparing to last year, in the amount of RSD 16.630 thousand, mainly came as a result within Energoprojekt Visokogradnja, based on sell of an apartment at Bezanijska Kosa to the company employee, in the amount of RSD 6.138 thousand, and based on the FX differences in companies abroad, in the amount of RSD 4.160 thousand.

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1.739.041 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Zambia Limited, Zambia: RSD 616.232 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540.422 thousand (an office building in Moscow);
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 326.856 thousand (a business and residential facility in Zambia);
- Energoprojekt Niskogradnja: RSD 144.624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 108.333 thousand.

Increase of revaluation reserves based on revaluation of investment property in 2015 comparing to last year, in the amount of RSD 442.372 thousand, mainly came as result of accounting of investment property within Energoprojekt Zambia Limited, Zambia (Note 26).

**37.4. Unrealized Gains from Securities and Other Components of Other Comprehensive Result
(credit balances under account class 33, except 330)**

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Unrealized gains on transaction of financial statements for international operations	450.976	415.520
TOTAL	450.976	415.520

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 450.976 thousand relate primarily to Energoprojekt Entel, Energoprojekt Visokogradnja, Energoprojekt Oprema, Dom 12 S.A.L, Lebanon, I.N.E.C. Engineering Company Limited, Great Britain and Encom GmbH Consulting, Engineering & Trading, Germany.

**37.5. Unrealized Losses from Securities and Other Components of Other Comprehensive Result
(debit balances under account class 33, except 330)**

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Unrealized losses on securities available for sale	30.504	41.501
TOTAL	30.504	41.501

• **Unrealized losses on securities available for sale** in the amount of RSD 30.504 thousand, which predominantly relate to Energoprojekt Holding in the amount of RSD 28.433 thousand, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

37.6. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	31/12/2015	31/12/2014
Retained earnings from previous years:		
a) Balance as at January 1	5.402.867	4.635.242
b) Changes	31.623	(261.407)
<i>Total</i>	5.434.490	4.373.835
Retained earnings from the current year	1.047.490	1.029.032
TOTAL	6.481.980	5.402.867

• Total change of **retained earnings** of the current year in the amount of RSD 1.079.113 thousand mainly came as a result of the net profit of the Energoprojekt Group in the reporting period, in the amount of RSD 1.047.490 thousand, decreases based on the distribution of retained earnings (dividend payments in Energoprojekt Holding, Energoprojekt Oprema, Energoprojekt Entel and in Energoprojekt Garant), in the amount of RSD 309.530 thousand, FX differences between the opening balance of the retained earnings of the companies abroad (primarily of Energoprojekt Entel in Qatar, Oman and UAE, and also due to the rise of the value of local currencies linked to USD, in relation to RSD) in the amount of RSD 335.777 thousand and the last period retained earnings recording, derived from closed investment fund Fima See Activist Plc. in the amount of RSD 7.870 thousand.

37.7. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	31/12/2015	31/12/2014
Non-controlling interest - in equity capital	165.090	165.922
TOTAL	165.090	165.922

In order to properly fill out the Statement of Changes in Equity in compliance with the logical and accounting controls of the Business Registers Agency, **non-controlling interest** was determined only for the basic capital of the Companies with the shares of minority shareholders.

Non-controlling interest are broken down in the following table for the total equity of the Companies with the shares of minority shareholders.

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>u 000 dinara</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Equity capital	6.059.100	6.059.920
Non-controlling interest - in equity capital	(165.090)	(165.922)
<i>Total equity capital</i>	<i>5.894.010</i>	<i>5.893.998</i>
Reserves	374.590	374.453
Non-controlling interest - in reserves	(21.297)	(21.327)
<i>Total reserves</i>	<i>353.293</i>	<i>353.126</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.211.764	5.788.138
Non-controlling interest - in revaluation reserves	(303.808)	(303.490)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5.907.956</i>	<i>5.484.648</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	450.976	415.520
Non-controlling interest - in unrealized gains	(15.975)	(23.602)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>435.001</i>	<i>391.918</i>
Unrealized losses from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	30.504	41.501
Non-controlling interest - in unrealized losses	(1.017)	(456)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>29.487</i>	<i>41.045</i>
Retained earnings	6.481.980	5.402.867
Non-controlling interest - in retained earnings	(853.821)	(731.861)
<i>Total retained earnings</i>	<i>5.628.159</i>	<i>4.671.006</i>
Tota capital of the companies with shares of majority shareholders	<i>18.188.932</i>	<i>16.753.651</i>
Non-controlling interest - in total capital	1.358.974	1.245.748
TOTAL CAPITAL	<i>19.547.906</i>	<i>17.999.399</i>

38. LONG-TERM PROVISIONS

Structure of long-term provisions	<i>in RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Provisions for warranty period costs	491.826	454.572
Provisions for wages and other employee benefits	270.777	282.730
Other long-term provisions	374.863	358.827
TOTAL	1.137.466	1.096.129

- **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses), are disclosed based on actuarial calculation of the Energoprojekt Group expert team.

In the projection of provision calculation pursuant to IAS 19 the deductive approach was used, meaning that all the Companies from the Energoprojekt Group were treated as a whole, and based on general regularities and use of the number of employees as a template, allocation to specific Companies was performed. Considering that all subsidiaries are controlled by the same Company, the applied approach is objective and the projection results can be recognized as expected.

A decrease of the provision amount based on current retirement bonus values (by 0,46%) in the balance sheet as at December 31, 2015 in comparison to the retirement bonus values in the balance sheet as at December 31, 2014, was the result of several changed factors:

- On one hand, changes of some factors affect the increase of the provision amount (increase in the average years of service with the Company by 0,56% and an increase in the number of employee by 0,09%); and
- On the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the average expected retirement bonus by 0,11%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia

according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of 8% was accepted as the annual discount rate.

In the paragraph 78, IAS 19 and paragraph BC 33 in the Basis for Conclusions IAS 19, it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of government bonds issued on December 4, 2015 by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia. These bonds were issued with an annual interest rate of 4,40%. Since it is an EURO security, by taking into account the estimated inflation in the Euro zone (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2016 with Projections for 2017 and 2018), by extrapolating the yield curve for a longer period (since the maturity of the reference securities is shorter (10 years) than the average estimated maturity of the benefit payment that is subject to this calculation), in view of the requirements from paragraph 81, IAS 19, a realistic annual yield of 4% was adopted.

The annual expected salary growth in the Republic of Serbia was planned at the level of 5%.

The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2016, adopted at the meeting of the National Bank of Serbia Executive Board on October 18, 2013 (in the Memorandum of the National Bank of Serbia adopted on August 13, 2015 by the Executive Board of the National Bank of Serbia, the previously determined inflation targets for 2016 were not amended), in addition to other things, determines the target inflation rate for 2016 of 4%, with permissible deviation (positive and negative) of 1.5 percentage points. According to the above stated, and taking into account the significant decrease in inflation rate in 2015, it would be most realistic to plan the inflation rate for the following year on the level of the target inflation rate as stipulated in the Memorandum.

The provision will thus be estimated according to the planned annual inflation rate of 4%. From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2016 with Projections for 2017 and 2018), realistically achievable. If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is

predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 5% and long-term annual discount rate of 8%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 75 of IAS 19.

Changes in the structure of the long-term provisions for the costs of provisions during warranty period and other long-term provisions in the reporting period are presented in the following table.

Structure of long-term provisions	<i>In RSD thousand</i>	
	<i>Costs of provisions during warranty period</i>	<i>Other provisions</i>
Balance as at January 1, 2014	565.215	379.935
Additional provisions	132.048	1.730
Used during the year	(16.065)	
Release of unused provision amounts	(342.166)	(22.838)
Differences in foreign exchange rates	115.540	
Balance as at January 1, 2015	454.572	358.827
Additional provisions	186.281	16.036
Used during the year	(25.433)	
Release of unused provision amounts	(164.634)	
Differences in foreign exchange rates	41.040	
Balance as at December 31, 2015	491.826	374.863

• **Provisions for warranty period** in the amount of RSD 491.826 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 409.955 thousand disclosed based on the provisions for cost of significant changes in agreed items without an option to charge the additional works in the Group companies abroad, namely: within Energoprojekt Entel LTD, Qatar: RSD 334.239 thousand (based on several projects for Qatar General Electricity and Water Corporation „KAHRAMAA“) and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 75.716 thousand (based on project for „DEWA“).

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences, as an expression of prudent approach in case that it will not be possible to collect all the receivables from agreements with amendments, modifications and extended collection terms. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Comparing to the previous reporting period, the increase in the said provisions in the amount of RSD 71.366 thousand, came as result of reserves within Energoprojekt Entel LTD, Qatar (project Phasa 11 for „KAHRAMAA“) in the amount of RSD 104.410 thousand, partly as unused reserves deleting in Energoconsult L.L.C., Abu Dhabi, UAE in the amount of RSD 73.915 thousand (Note 21.1) and recording of FX gains, in the amount of RSD 40,871 thousand (considering the activities abroad introducing in financial records of the company, pursuant to IFRS 21 – Effects of Changes in Foreign Exchange Rates);

- Energoprojekt Oprema in the amount of RSD 54.898 thousand, performed in 2015, for „Prokop“ project: RSD 38.920 thousand, „TENT“ Obrenovac: RSD 12.391 thousand, „Prelaz preko Dunava“: RSD 1.364 thousand and „DV Belgrade Pancevo“: RSD 2.223 thousand.

The Company usually provides guarantee for its products for the period of 1-3 years, depending on the project in question.

Comparing to previous year, a decrease of related reserves in the amount of RSD 35.821 thousand relate to unused reserves deleting, emerged in 2014 for project „RTB“ Bor, in the amount of RSD 90.719 thousand (Note 21.1) and additional reserves forming, related to the above mentioned projects in the country, in the amount of RSD 54.898 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 26.973 thousand, performed in 2015 for project Z-091 Schlumberger, Astrahan in the amount of RSD 10.592 thousand and Z-096 Forte bank, Astana in the amount of RSD 16.381 thousand.

Comparing to reported period, an increase of related reserves in the amount of RSD 1.709 thousand was recorded based on the increase of reserves for costs in 2015, in the amount of RSD 26.973 thousand (for project Z-091 Schlumberger, Astrahan: RSD 10.592 thousand and Z-096 Forte bank, Astana: RSD 16.381 thousand) and FX differences, in the amount of RSD 169 thousand, and, on the other hand, decrease based on completed use of reserves emerged in 2014, in the amount of RSD 25.433 thousand (for project Z-091 Schlumberger, Astrahan: RSD 16,912 thousand and Z-092 Horizonti, Siktivkar: RSD 8.521 thousand).

The Company usually provides guarantee for the completed buildings, which are expected to incur some expenses over the course of the warranty period. The Company assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

• **Other long-term provisions** in the amount of RSD 374.863 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 260.000 thousand, posted in the balance as at December 31, 2006, in compliance with the Decision of the competent body of the Company, as potential contractual costs related to the Joint Construction Agreement - Block 26, New Belgrade, 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 the 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 fulfilment of all obligations assumed by the Company as well as due to the issued blank bill of exchange as previously stated.

As at December 31, 2015 there is still uncertainty with regard to the application of the legislation that may affect the fulfilment 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.

- Energoprojekt Niskogradnja in the amount of RSD 97.097 thousand that relate entirely to the liability towards the subcontractor based on the Z-0163 Project "Navigation Lock", Iraq. Provision amount was determined by applying the methodology identical to the methodology prescribed by the Government of Iraq, based on which the Company collected its receivables on the said Project; and
- Energoprojekt Garant in the amount of RSD 17.766 thousand that relate predominantly to the provisions for risk levelling.

Increase of other long-term provisions respecting the last year comparative period, in the amount of RSD 16.036 thousand, relate entirely to Energoprojekt Garant, mainly based on increase of reserves for risk levelling.

39. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Long-term credits and loans domestic	218.927	330.930
Long-term credits and loans foreign countries	215.266	205.529
Long term liabilities from finansial leasing	122.071	188.398
Other long-term liabilities	2.161.284	2.397.328
TOTAL	2.717.548	3.122.185
Part of long-term liabilities with maturity date up to one year (Note 40.3.)	535.007	582.012

39.1. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Societe Generale bank	218.927	71.712
Alpha bank		83.828
VTB bank		175.390
<i>Total</i>	<i>218.927</i>	<i>330.930</i>
b) Long-term loans granted by other entities in the country		
<i>Total - loans domestic</i>	<i>218.927</i>	<i>330.930</i>
Abroad:		
Long-term loans granted by other entities abroad	215.266	205.529
<i>Total - loans abroad</i>	<i>215.266</i>	<i>205.529</i>
TOTAL	434.193	536.459

- **Long-term loans granted by banks in the country** in the amount of RSD 218.927 thousand entirely relate to Energoprojekt Visokogradnja, based on long-term loan from Societe Generale bank.

Long-term loans granted by the domestic banks as at December 31, 2015 are presented in the following tables, categorized as liabilities with maturity date up to one year (posted within short-term liabilities, Note 40.3.) and as liabilities with maturity date longer than one year (posted within long-term loans), as well as maturity dates of the long-term loans and currencies in which such loans were denominated broken down per individual companies of the Energoprojekt Group to which such long-term loans relate.

Creditor	Interest rate	In RSD thousand			
		31/12/2015		31/12/2014	
		Long-term liability	Short-term liability	Long-term liability	Short-term liability
Energoprojekt Visokogradnja:					
VTB bank	3 M Euribor + 5,3% p.a.		176.358	175.390	
Societe Generale bank	5,15% p.a.		71.712	71.712	143.424
Societe Generale bank	3m Euribor + 4% p.a.	218.927	72.976		
Komercijalna banka	9% p.a.				16.667
Total		218.927	321.046	247.102	160.091
Energoprojekt Energodata:					
Alpha bank	3M Euribor + 5,75% p.a.			83.828	72.760
Total		-	-	83.828	72.760
Energoprojekt Industrija:					
RS Development Fund	2.5% p.a.		30.527		
Total		-	30.527	-	-
TOTAL		218.927	351.573	330.930	232.851

Structure of long-term loans' maturity dates	in RSD thousand	
	31/12/2015	31/12/2014
1 to 2 years		330.930
2 to 5 years	218.927	
TOTAL	218.927	330.930

Structure of accounting liabilities for long-term loans granted to Company as per denomination currency	In RSD thousand	
	31/12/2015	31/12/2014
RSD		71.712
EUR	218.927	259.218
TOTAL	218.927	330.930

- **Long-term loans granted by other companies abroad** in the amount of RSD 215.266 thousand relate entirely to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the

former SFRY Republics on the HPP Baniya II Project in Guinea (USD 1.935 thousand). Since the succession process of former SFRY Republics is not completed and in view of the principle of prudence, the management of the Company is of the opinion that conditions for the write-off of the said liabilities have not yet been met at the moment.

39.2. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Financial leasing liabilities	122.071	188.398
TOTAL	122.071	188.398

- **Long term liabilities from financial leasing** were effectively insured as the lessor's right to return of the financial lease asset in case of defaulting.

Of the total long-term financial lease liabilities amounting to RSD 122.071 thousand, the largest share in the amount of RSD 112.998 thousand relate to Energoprojekt Niskogradnja.

Detailed information on total financial lease (long-term as well as short-term) liabilities of the Energoprojekt Niskogradnja is presented in the following table.

Creditor	Currency	Outstanding debt in currency	Outstanding debt in RSD thousand	Repayment and maturity date	Annual interest rate
<i>Lease liabilities in the country:</i>					
Sogelease	EUR	1.287.763	156.626	monthly from 15.04.2016 till 15.10.2018	6m Euribor + margin = 4,41%
Unicredit Leasing	EUR	868.205	105.596	monthly from 11.09.2017 till 11.09.2018	3m Euribor + 4,20%
Total			262.222		
<i>Lease liabilities abroad:</i>					
GNB bank leasing, Peru	USD	114.251	12.710	monthly till 01.05.2016	7,90%; 7,50%
Leasing Peru S.A.	USD	64.010	7.121	monthly till 05.05.2016	5,92%
Total			19.831		
TOTAL			282.053		

Financial lease liabilities denominated in RSD as at December 31, 2015 are presented in the following table, broken down into:

- Liabilities with maturity date up to one year (posted within the short-term liabilities); and
- Liabilities with maturity date exceeding one year (posted within the long-term liabilities).

Creditor	<i>In RSD thousand</i>	
	<i>Long-term liability</i>	<i>Short-term liability</i>
Sogelease, Srbija	57.260	99.366
UniCredit Leasing, Serbia	55.738	49.858
GNB leasing, Peru		12.710
Leasing Peru S.A., Peru		7121
TOTAL	112.998	169.055

Structure of financial leasing liabilities per maturity dates	<i>u 000 dinara</i>	
	<i>Present Value</i>	<i>Future Value</i>
Up to 1 year	169.055	177.055
1 to 5 years	112.998	116.019
More than 5 years		
TOTAL	282.053	293.068

Difference between the future value of the minimum lease payments and their present value is the interest contained in the lease payment instalments.

39.3. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Other long-term liabilities	2.161.284	2.397.328
TOTAL	2.161.284	2.397.328

• **Other long-term liabilities** in the amount of RSD 2.161.284 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1.905.789 thousand that relate in their entirety to the portion of total liabilities for advances received with the due date of January 1, 2017, in compliance with the adopted schedule of works and advance payments repayment schedule for the Projects “Z-027 Mpigi-Kanoni”, Uganda: RSD 141.823 thousand, “Lajkovac-Ljig”, Serbia: RSD 1.215.236 thousand and „Z-034 Put Puerto Bermudez“, Peru: RSD 548.730 thousand;

- Energoprojekt Sunnyville in the amount of RSD 170.593 thousand comprising of the liability from the Agreement on purchase of 85,6a of construction land that is due and mature in 6 (six) equal monthly instalments starting from May 2018; and

- Energoprojekt Visokogradnja in the amount of RSD 84.902 thousand consisting of the liabilities towards the former owners of land parcels who sold their land for the construction of residential and business facilities, where the Company undertook to provide the former land owners with properties that will be constructed in Cara Nikolaja Street in Belgrade, as compensation. This liability was posted at the projected cost of such future properties.

40. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term credits and loans in the country	3.163.179	2.234.056
Short-term credits and loans abroad	154.864	757.701
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	535.007	582.012
b) Other short-term financial liabilities	3.575	541
Total	538.582	582.553
TOTAL	3.856.625	3.574.310

40.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD	1.100.844	777.477
b) Loans with foreign currency clause	2.062.335	1.456.579
TOTAL	3.163.179	2.234.056

• **Short-term loans granted by banks in the country** in the amount of RSD 3.163.179 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.717.810 thousand, and specifically:

- RSD loans granted by Unicredit bank and Alpha bank in the amount of RSD 423.100 thousand; interest rates ranging from 1m Belibor + 1,20% to 1,35% per annum; collaterals: promissory notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema and

- Loans with foreign currency clause (in EUR) granted by Alpha bank, Unicredit bank and Hypo Alpe Adria bank in the amount of RSD 1.294.710 thousand; interest rates ranging from 1m Euribor + 4,70% per annum to 3m Euribor + 5,95% per annum; collaterals: promissory notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema for the loans granted by Alpha bank and Unicredit bank; and promissory notes and guarantees issued by Energoprojekt Holding for the loan granted Hypo Alpe Adria bank;

- Energoprojekt Niskogradnja in the amount of RSD 661.667 thousand, namely:

- RSD loan granted by Societe General bank and Unicredit bank in the amount of RSD 532.744 thousand; interest rate ranging from without interest to 1m Belibor + 1,4% per annum and

- Loan with the foreign currency clause (in EUR) in the amount of RSD 128.923 thousand granted by Societe Generale bank, interest rate from 3m Euribor + 4,00% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Holding, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinženjering and Energoprojekt Oprema;

- Energoprojekt Holding in the amount of RSD 565.561 thousand, and specifically:

- Loan with foreign currency clause (in EUR) granted by Eurobank and Erste bank, interest rate from 3m Euribor + 3,75% to 4,5% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Oprema and Energoprojekt Niskogradnja granted by Eurobank and 6 blank company bills of exchange were provided at Erste bank;

- Energoprojekt Energodata in the amount of RSD 145.000 thousand, namely:

- RSD loans granted by the Alpha bank, with the interest rate 1m Belibor + 0,7% per annum, obezbeđenje: blank promissory notes of the Company and blank promissory notes and suretyships of the Energoprojekt Holding, Energoprojekt Oprema and Energoprojekt Niskogradnja and Energoprojekt Visokogradnja and

- Energoprojekt Hidroinženjering in the amount of RSD 73.141 thousand, namely:

- Loans with FX clause (EUR) granted by the Societe Generale bank and Hypo Alpe Adria bank, with the interest rate from 3m Euribor + 4,00% to 5,30% per annum, collateral: blank promissory notes of the Company and of Energoprojekt Holding.

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
RSD	1.100.844	777.477
EUR	2.062.335	1.456.579
TOTAL	3.163.179	2.234.056

40.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Short-term loans granted by foreign banks	154.864	609.672
Short-term loans granted by other legal and physical persons abroad		148.029
TOTAL	154.864	757.701

- **Short-term loans granted by foreign banks** in the amount of RSD 154.864 thousand relate to Energoprojekt Niskogradnja in the amount of RSD 122.794 thousand (loans granted by the commercial banks in Peru, as presented in the following table) and to Energoprojekt Hidroinženjering in the amount of RSD 32.070 thousand (approved by Scotia bank, Peru, with interest rate of 5,99% per annum, the repayment of which was secured with promissory notes of the Company).

Detailed information on the short-term loans of the Energoprojekt Niskogradnja granted by the foreign banks is presented in the following table.

Bank	Currency	Outstanding debt balance in foreign currency	Outstanding debt balance in RSD thousand	Repayment and maturity date	Annual interest rate
Banco Financiero	PEN	337.393	10.997	04/01/2016 single installment	6,00%
Standard Chartered Bank	USD	1.004.945	111.797	31/03/2016	11,00%
TOTAL			122.794		

Repayment of loans granted by banks in Peru is secured by lien on land and buildings of the Company (Note 46).

40.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	<i>In RSD thousand</i>	
	31/12/2015	31/12/2014
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year	364.754	279.031
b) Financial lease liabilities with maturity date up to one year	170.253	302.981
<i>Total</i>	<i>535.007</i>	<i>582.012</i>
Other short-term financial liabilities	3.575	541
TOTAL	538.582	582.553

- **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 364.754 thousand relate to the following Companies of the Energoprojekt Group (Note 39.1).

- Energoprojekt Visokogradnja in the amount of RSD 321.046 thousand, as presented in the following table.

Bank	Approval Date	Maturity Date Dospeća	Currency	Approved Amount in foreign currency	Outstanding Balance in RSD thousand	Interest Rate	One-off Rate	Collateral
VTB Bank	27/10/2014	27/10/2016	EUR	1.450.000	176.358	3m Euribor + 5,3% p.a.	0,25%	EP Holding and EP Niskogradnja
Societe Generale Bank	28/10/2014	28/04/2016	RSD	215.136.000	71.712	5,15% p.a.	0,20%	EP Holding, EP Niskogradnja and EP Hidroinzenjering
Societe Generale Bank	29/09/2015	30.09.2016.	EUR	2.400.000	72.976	3m Euribor + 4% p.a.	0,20%	EP Holding, EP Niskogradnja and EP Hidroinzenjering
TOTAL					321.046			

- Energoprojekt Industrija in the amount of RSD 30.527 thousand that relate to a portion of long-term loan granted by Development Fond of Republic of Serbia with maturity up to one year (in EUR, in May 2015, with annual interest rate of 2,5%) and

- Energoprojekt Niskogradnja in the amount of RSD 13.181 thousand that relate to a portion of long-term loans granted by Caterpillar Chile for equipment purchasing, with maturity up to one year (in USD, with annual interest rate of 5,69%).

• **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 170.253 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 169.055 thousand (Note 39.2).

41. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	31/12/2015	31/12/2014
Advances received from other related companies	245.808	261.481
Advances received from other legal entities in the country	2.028.298	1.546.136
Advances received from other legal entities, abroad	3.198.971	1.919.033
Deposits received, abroad	3.600	2.181
TOTAL	5.476.677	3.728.831

• **Advances received from other related companies** in the amount of RSD 245.808 thousand relate to liabilities towards Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 245.676 thousand.

- **Advances received from other legal entities in the country** in the amount of RSD 2.028.298 thousand primarily relate to liabilities of Energoprojekt Niskogradnja in the amount of RSD 1.199.659 thousand (advances received on the Projects “Lajkovac-Ljig” (China Standong International E&T Branch Belgrade): RSD 948.688 thousand; “Sarani Tunel” (AzVirt): RSD 167.011 thousand and “Kolubara” (PC Elektroprivreda Srbije): RSD 83.960 thousand), Energoprojekt Oprema in the amount of RSD 596.965 thousand (for the advances received from the Investor for the “DV Pancevo - Rumunska granica“: RSD 555.567 thousand and other projects in the country: RSD 41.398 thousand), Energoprojekt Visokogradnja in the amount of RSD 175.303 thousand (for the advances received on the own investment in the country - Cara Nikolaja Str. project), Energoprojekt Urbanizam i arhitektura in the amount of RSD 21.385 thousand and Energoprojekt Industrija in the amount of RSD 17.998 thousand.

- **Advances received from other legal entities, foreign countries** in the amount of RSD 3.198.971 thousand primarily refer to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 2.261.424 thousand for performance of works for the Investors, primarily within the Project of Z-096 Forte bank, Astana: RSD 541.665 thousand and based on the advances received in the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1.712.830 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 695.978 thousand for advances received in Uganda in the amount of RSD 508.441 thousand (for Project „Z-027 Jinja road“) and in Peru in the amount of RSD 187.537 thousand (for project „Z-034 Put P. Bermudez“) and

- Energoprojekt Hidroinženjering in the amount of RSD 105.046 thousand, based on the received advances primarily within the Projects in Algeria in the amount of RSD 94.810 thousand.

- **Deposits received, abroad** in the amount of RSD 3.600 thousand relate mainly to Energoprojekt Niskogradnja, based on the deposits received for the rent of apartments in the „Cruz del Sur“ in Peru in the amount of RSD 2.384 thousand.

42. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Suppliers - other affiliated companies, abroad	5.975	4.618
Suppliers, local	2.182.699	1.649.037
Suppliers, abroad	1.642.578	2.155.986
Other operating liabilities	17.385	18.264
TOTAL	3.848.637	3.827.905

- **Suppliers – other affiliated companies, abroad** in the amount of RSD 5.975 thousand relate to the liabilities of the Energoprojekt Oprema towards Energo Nigeria Ltd., Lagos, Nigeria.

- Suppliers, local in the amount of RSD 2.182.699 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 1.314.546 thousand, to Energoprojekt Oprema in the amount of

RSD 370.724 thousand, to Energoprojekt Visokogradnja in the amount of RSD 315.944 thousand, Energo Kaz d.o.o., Kazakhstan in the amount of RSD 117.540 thousand, Energoprojekt Energodata in the amount of RSD 25.711 thousand, Energoplast in the amount of RSD 12.299 thousand and Energoprojekt Entel in the amount of RSD 8.109 thousand.

Suppliers, local in the Energoprojekt Niskogradnja are broken down in the following table, as this is the Company with largest liabilities for trade payables as at the balance date.

Structure of suppliers in the country	In RSD thousand	
	31/12/2015	31/12/2014
<i>Energoprojekt Niskogradnja:</i>		
Nukleus Ltd.	329.727	
Ingrap Omni Ltd.	289.314	
West - gradnja Ltd.	89.141	48.039
Evrogradnja Ltd.	74.713	41.868
Geosonda Fundiranje Plc.	54.103	
Elita - Cop Ltd.	36.799	
Aco Ltd.	32.730	
Gemax Plc.	32.358	38.709
Tehno - Rent Ltd.	27.719	3.996
Telefonkabl Plc.	24.119	6.972
Hdrotehnika Hidroenergetika Plc.	18.605	
Others	305.218	343.297
Total	1.314.546	482.881

In structure of suppliers liabilities in the country, the most important item is liability towards subcontractors, where the payment is directly related to the previous receivable payment from clients - investors („back to back“ agreements). Besides, subcontracting services agreements define debt detain as a deposit warranty for the agreed work completion; considering it as a cumulative and having in mind services done and presented by invoices, as at December 31, 2015, this may explain the significant increase of liabilities within Energoprojekt Niskogradnja, comparing it to December 31, 2014.

- **Suppliers, abroad** in the amount of RSD 1.642.578 thousand relate primarily to Energoprojekt Entel in the amount of RSD 634.989 thousand (within company Energoprojekt Entel LTD, Doha, Qatar: RSD 499.972 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 101.511 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 33.506 thousand), Energoprojekt Visokogradnja in the amount of RSD 457.296 thousand (mainly, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 252.150 thousand and on projects Z-088 Hotel Hyatt Rostov: RSD 94.392 thousand, Z-096 Forte bank, Astana: RSD 35.032 thousand and Z-085 Uhta: RSD 8.311 thousand), Energoprojekt Niskogradnja in the amount of RSD 347.502 thousand (mainly in Uganda: RSD 207.752 thousand and in Peru: RSD 136.171 thousand) and Energoprojekt Oprema in the amount of RSD 131.626 thousand.

• **Other operating liabilities** in the amount of RSD 17.385 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 14.460 thousand (primarily liabilities for re-insurance and co-insurance premiums, etc.) and Energoprojekt Niskogradnja in the amount of RSD 2.757 liabilities for cheques issued to suppliers in Peru to settle trade payables, which were not realized by December 31, 2015).

43. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities from special transactions - other legal entities	16.174	285.287
Liabilities for wages, fringe benefits and compensations	1.566.937	1.567.548
Other liabilities:		
a) Liabilities for interest and financing costs	4.389	8.253
b) Liabilities for dividends	126.724	132.562
c) Liabilities to employees	16.590	17.730
d) Liabilities to General Manager, or to management and Supervisory Board members	3.205	2.908
e) Liabilities to physical persons for contractual compensations	4.043	5.411
f) Liabilities for short-term provisions	5.294	5.277
g) Other various liabilities	35.137	31.837
<i>Total</i>	<i>195.382</i>	<i>203.978</i>
TOTAL	1.778.493	2.056.813

• **Liabilities from special transactions – other legal entities** in the amount of RSD 16.174 thousand, relate entirely to Energoprojekt Entel (mostly to liabilities to associates of the projects within Energoprojekt Entel LTD, Doha, Qatar).

• **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 1.566.937 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, liabilities to Chambers for salaries in the country and abroad, etc.) relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 703.560 thousand (abroad: RSD 544.595 thousand, in the country: RSD 158,965 thousand), Energoprojekt Entel in the amount of RSD 473.201 thousand (abroad: RSD 447.684 thousand, in the country: RSD 25.517 thousand), Energoprojekt Niskogradnja in the amount of RSD 176.752 thousand (abroad: RSD 120.820 thousand, in the country: RSD 55.932 thousand), Energoprojekt Hidroinženjering in the amount of RSD 100.048 thousand (abroad: RSD 80.094 thousand, in the country: RSD 19.954 thousand) and Energoprojekt Oprema in the amount of RSD 33.848 thousand (abroad: RSD 21 thousand, in the country: RSD 33.827 thousand).

• **Liabilities for dividends** in the amount of RSD 126.724 thousand relate predominantly to Energoplast in the amount of RSD 102,800 thousand, Energoprojekt Entel in the amount of RSD 11.308 thousand (since the shareholders did not open accounts for their securities), Energoprojekt Holding in the amount of RSD 7.544 thousand (mainly, liabilities for dividends from previous period, not paid till today – probte proceedings, etc.) and Energoprojekt Oprema in the amount of RSD 4.398 thousand.

- **Other various liabilities** in the amount of RSD 35.137 thousand relate primarily to Energoprojekt Niskogradnja in the amount of RSD 16.676 thousand (liabilities to Company's Workers' Union, Social Security Fund for Employees, liabilities towards third persons based on withholding from net employees' salaries for statutory and administrative bans, etc.), and to Energoprojekt Visokogradnja in the amount of RSD 12.944 thousand (withholding from salaries for Union fees and charities, alimonies, etc.).

44. LIABILITIES FOR VALUE ADDED TAX, LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE AND ACCRUED EXPENSES AND DEFERRED INCOME

44.1. Liabilities for Value Added Tax

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities for value added tax	559.499	441.603
TOTAL	559.499	441.603

- **Liabilities for value added tax** in the amount of RSD 559.499 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 516.715 thousand (abroad: RSD 505.898 thousand, mainly within Energoprojekt Ghana Ltd., Accra: RSD 420.994 thousand and in the country: RSD 10.817 thousand).

44.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Liabilities for income tax	654.522	639.240
Liabilities for other taxes, contributions and fees payable	201.131	1.007.024
TOTAL	855.653	1.646.264

- **Liabilities for income tax** in the amount of RSD 654.522 thousand relate primarily to Energoprojekt Entel in the amount of RSD 639.052 thousand and Energoprojekt Niskogradnja in the amount of RSD 7.935 thousand (calculated monthly income tax rate for December 2015, paid in due time, in January 2016).

Liabilities for income tax within Energoprojekt Entel in the amount of RSD 639.052 thousand relate entirely to Energoprojekt Entel LTD, Doha, Qatar, based on the liabilities disclosed in 2011 for the expenses of the Head Office or for the Energoprojekt Entel for the period of 3 years (for 2008, 2009 and 2010) that are not recognized by the local Tax Administration. Namely, the local Tax Administration does not recognize the amount disclosed as costs for services rendered by the Energoprojekt Entel Company over the said period as costs, but is of the opinion that income tax should have additionally been paid on that amount as well. A lawsuit was initiated to resolve this issue and the outcome of this lawsuit is uncertain. The short term deposit with the Doha Bank includes cash earmarked and kept in case of a negative outcome of this lawsuit.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 201.131 thousand relate primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 141.637 thousand, the largest part of which relate to the unpaid liabilities for taxes and contributions for workers abroad in the amount of RSD 101.878 thousand, and within Energoprojekt Ghana Ltd., Accra, Ghana withholding tax liability amount RSD 31.146 thousand,;
- Energoprojekt Niskogradnja in the amount of RSD 40.461 thousand, mostly for income tax based on tax return for December 2015 in Peru: RSD 38.090 thousand (liabilities were settled in due time, in January 2016) and
- Energoprojekt Hidroinženjering in the amount of RSD 9.386 thousand, predominantly abroad, in the amount of RSD 9.092 thousand (in Jordan, Peru and Bjeljina), mostly based on income taxes.

Decrease for other taxes, contributions, fees and other liabilities, respecting the last year comparable period, in the amount of RSD 805.893 thousand, mainly came as a result of decrease of those liabilities within Energoprojekt Niskogradnja, in the amount of RSD 758.827 thousand, as a consequence of, mostly, decreased amount of taxable income abroad in 2015, thus also liabilities of income tax in the country of work (in 2014, taxable income was increased by finished lawsuits – suits in Peru in favor of the Company). Besides, in 2015, according to presented financial statements for 2014 abroad, the amount of advance payment for income tax in 2015 were increased comparing to recorder period last year, thus influencing on decrease of the remaining calculated income tax liabilities as at December 31, 2015.

44.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Accrued expenses:		
a) Accrued expenses - other related companies		30.642
b) Accrued expenses - other legal entities	1.113.969	1.106.783
<i>Total</i>	<i>1.113.969</i>	<i>1.137.425</i>
Deferred income - other legal entities	433.874	102.064
Other accruals	256.655	379.609
TOTAL	1.804.498	1.619.098

• **Accrued expenses – other related companies** in the amount of RSD 1.113.969 thousand relate primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 620.107 thousand, with no invoices received as at December 31, 2015 (cost calculation performed, mainly, based on invoices received in 2016 (for 2015), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for present situation verification etc.), mostly related to:

- Calculated costs in “Lajkovac – Ljig” project: RSD 399.471 thousand;
- Calculated costs of production services for December 2015, for projects „Kolubara“ Phase II: RSD 31.023 thousand, „Koridor X“: RSD 51.018 thousand, „Pančevački most“: RSD 17.481 thousand and „Tunel Sarani“: RSD 7.440 thousand (November and December 2015);

- Calculated costs of production services for the previous period on project „Strazevica“: RSD 4.000 thousand and „Lot 1.1.“ Novi Sad: RSD 4.000 thousand;
- Calculated costs for 2015 in Peru: RSD 27.210 thousand (electricity cost: RSD 7.443 thousand, law offices cost: RSD 7.278 thousand, work and property insurance cost: RSD 12.489 thousand);
- Calculated costs for projects in Uganda: RSD 12.802 thousand (subcontractors services for December 2015: RSD 1.877 thousand and workers' vacation costs for 2015: RSD 10.925 thousand);
- Calculated costs for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 57.314 thousand and
- Calculated costs of utility services for office premises in December 2015: RSD 4.383 thousand;
- Energoprojekt Visokogradnja in the amount of RSD 354.529 thousand relating to calculated costs abroad, including:
 - Calculated costs within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 193.140 thousand;
 - Calculated income tax cost for 2015, for the project „Z-096 Forte bank“, Astana: RSD 127.224 thousand (based on estimation, considering the fact that financial statement in Kazakhstan is to be presented till March 31, 2016) and
 - Calculated costs abroad: RSD 34.165 thousand, which are real, included in items delivered to the investor, but as at day of balance closing the suppliers invoices did not come (for project „Z-088 Hotel Hyatt“, Rostov: RSD 31.926 thousand and „Z-096 Forte bank“, Astana: RSD 2.239 thousand).
- Energoprojekt Oprema in the amount of RSD 83.401 thousand, based on calculated costs of period when invoices were not received in recorded period, for projects in the country: „DV Pančevo - Rumunska granica“: RSD 61.577 thousand, RTB Bor: RSD 19.890 and other: RSD 1.934 thousand and
- Energoprojekt Hidroinzenjering in the amount of RSD 48.656 thousand, for calculated costs of production services for projects abroad: RSD 28.132 thousand (project Tabegart Algeria and Varaždin Zagreb) and in the country: RSD 20.524 thousand (project 15 mini electric power stations PC EPS and HE Djerdap).
- **Deferred income – other legal entities** in the amount of RSD 433.874 thousand relate, mainly, to the following companies of the Energoprojekt Group:
 - Energoprojekt Visokogradnja in the amount of RSD 284.006 thousand (based on verified, but not registred, income from investors in 2015, for projects abroad „Z-096 Forte bank“, Astana: RSD 167.412 thousand, „Z-088 Hotel Hyatt“, Rostov: RSD 62.130 thousand, „Z-085“ Uhta: RSD 54.085 thousand and „Herceg Novi“: RSD 379 thousand);
 - Energoprojekt Garant in the amount of RSD 106.949 thousand (based on transferrable premiums) and
 - Energoprojekt Niskogradnja in the amount of RSD 41.548 thousand (for project „Tunel Sarani“, based on verified realization in November 2015).

• **Other accruals** in the amount of RSD 256.655 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 115.190 thousand, based on collected guarantees for Elwo, Poljska, in the amount of RSD 97.398 thousand and deferred VAT expenses of invoices in the amount of RSD 17.792 thousand and
- Energoprojekt Garant in the amount of RSD 106.717 thousand, based on the provisions for non-life insurance damage compensations.

45. OFF BALANCE SHEET ASSETS AND LIABILITIES

In compliance with the relevant statutory provisions (Rules on Content and Form of Financial Statements Forms for Companies, Cooperatives and Entrepreneurs), Energoprojekt Group disclosed the off-balance sheet assets and liabilities in its consolidated financial statements. Items disclosed under off-balance sheet assets and liabilities, presented in the following Table, are neither assets nor liabilities of the Energoprojekt Group, but are primarily presented for information purposes.

Structure of off balance sheet assets and liabilities is presented in the table below.

Structure of off balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Issued and received guarantees, letters of credits and bills of exchange	22.733.809	20.063.736
Construction land use rights	4.663.306	4.670.172
Other off balance sheet assets/liabilities	881.469	815.192
TOTAL	28.278.584	25.549.100

46. MORTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY

- **Mortgages registered against companies of the Energoprojekt Group**

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the property of total area of 4,488 m², located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m², in Doha - Qatar, Zone 44, East Al Najja, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the “Doha Bank” according to the contract no. 52973 as collateral for issuing tender and performance guarantees.

- In order to secure a credit line approved to the Energoprojekt Niskogradnja Company by the Scotiabank Peru, property was mortgaged for the amount of RSD 1.116.055 thousand (USD 10.032.239,80) which is 75.66% of the total appraised value of the property mortgaged. Appraisal was performed by an external independent qualified appraiser, “J.R.Z. Valuaciones S.A.C” in Peru, which holds recognized and relevant professional qualifications and recent experience with property locations and categories appraised. This Appraiser was hired by the Scotiabank Peru.

Mortgage registered against Energoprojekt Niskogradnja is presented in the following table.

Property	sq. m	Book value	Appraised value	Appraised value
		In RSD thousand	In USD	In RSD thousand
Land - Camp Primavera, Sullana, Peru	95.907,47	29.479	5.754.448,20	640.164
Office facility in 16-18 floor in Lima, Peru	427,73	59.181	1.005.501,73	111.859
Cruz Del Sur building in Lima, Peru	4.295,38	678.983	6.499.632,37	723.063
TOTAL		767.643	13.259.582,30	1.475.086
Mortgage 75.66%			10.032.239,80	1.116.055

- To secure the advance guarantee Energoprojekt Hidroinzenjering has mortgaged properties in Peru: office 601 and the parking lot no. 14, on the sixth and first floor of the building facing the Los Rosales street (now Amador Merino Reyna) 460, San Isidro district, Lima, Peru, registered on records no. 234244 and 234237 of the Property register of Lima, Peru.

- In Energoprojekt Visokogradnja, in order to secure bidding and potential guarantee for advance payment and performance guarantee with Postanska Stedionica Bank Plc. Belgrade, mortgage was registered on Company property – accompanying land and buildings in the location in Stara Pazova, for participation in tender procedure for principal contractor for Project “Plot 14” – Construction of Residential and Office Building (the “Belgrade Waterfront” project). The Guarantee was valid till November 28, 2015, with the mortgage deleting from cadastral register in process, since the mortgage has expired and was deleted from the Bank register.

- As a collateral for the advance payment and professional performance of work warranty at Sberbank Serbia Plc., Energoprojekt Oprema registered its right for receivables.

- The overdraft loan granted by the Indo-Zambia Bank to Zambia Engineering and Contracting Company Limited, Zambia was secured by a lien on the mortgage over the following property: Plot 3148 Mukwa Road, Zambia.

• **Mortgages registered in favour of the companies of the Energoprojekt Group**

- In Energoprojekt Niskogradnja:

- as a collateral for entire amount of receivables based on the advance paid to the Subcontractors’ Consortium on Lajkovac- Ljig Project in compliance with the provisions of the Agreement on Subcontracting of Construction Works within the Lajkovac-Ljig Highway Construction Project, Section V: Lajkovac-Ljig, from km 53+139.91 to km 77+118.23 a first order mortgage was registered based on a final out-of-court order, namely, as a collateral for 50% receivables on fuel, euro-diesel, owned by the subcontractor to the maximum amount of RSD 328.663 thousand (USD 3.787.376,84), and as a collateral for another 50% receivables - on the land owned by the subcontractor to the maximum amount of (USD 3.787.376,84), or RSD 328.663 thousand;).

- As a collateral for receivables based on the advance paid to the partner on Project Redirection and Regulation of Kolubara River, Phase 2 with Peštan tributary and accompanying infrastructure, in compliance with the provisions of the Internal Agreement on Establishing of Provisional Group for joint performance of works, lien was registered on machinery and equipment of project partner. Collateral amount is RSD 71.137 thousand.

- In Energoprojekt Holding:

- As collateral to secure the repayment of loan pursuant to the Annex No. 8 of the Loan Agreement No. 367, in the amount of RSD 16.723 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No. 4 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 145.695 thousand (EUR 1.198 thousand), there is a lien statement (mortgage was not registered) provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

47. COMMITMENT AND CONTINGENCIES

Contingent liabilities that can potentially result in an outflow of economic benefits of the Company can primarily arise from the lawsuits. **Contingent liabilities arising from lawsuits** are primarily reflected in the potential completion of lawsuits against the Company, yet no liability or provision was recorded in the balance sheet.

Contingent assets that can potentially result in economic benefits for the Company may primarily arise **based on the lawsuits** in which the Company is involved as the plaintiff.

Contingent assets arising from lawsuits leads to the potential for completion of lawsuits in favour of the Company, yet no receivables was recorded in the balance sheet and no economic benefit has been recorded in any other manner (such as, for example, by reducing value of an unjustified advance payment, etc.).

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at December 31, 2015, include principal amount only for each lawsuit.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Uncertain	1st Basic Court in Belgrade	Uncertain	Uncertain
2.	Vladan i Tomislav Krdžić	EP Holding Plc.	Damage compensation (free shares were not allotted to the Plaintiffs)	RSD 444.000,00	Commercial Court in Belgrade	2016	Unfounded, according to the Decision of the Court of first instance, the application was rejected, Court Decision on Plaintiffs' appeal is pending.
3.	Rajko Ljubojević	EP Holding Plc.	Expropriation	RSD 34.959.600,00 and RSD 672.000,00	1st Basic Court in Belgrade	2016	Uncertain, according to the Decision of the Court of the first instance, the amount of compensation was defined. Court Decision on EP Holding appeal is pending.
4.	Kovacević Pavle, Radmila i Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Amount not defined	Administrative Court in Belgrade		According to the Decision of RS MF, appeals against the Decision of the Court of first instance, according to which plaintiffs are entitled to pecuniary compensation for expropriated land, were rejected; an administrative lawsuit initiated.
5.	EP Holding Plc.	Zekstra grupa Ltd.	Damage compensation (roof repair in G. Delceva 38 Street)	EUR 7.032,68	Commercial Court in Belgrade	2016	According to Decision of the first instance Court EP Holding claim rejected. EP Holding appeal pending.
6.	EP Holding Plc.	Republika Srbija, EPS Srbije, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Amount not defined	Basic court, Nikšić	2016	Claim is grounded, upon appeals by the RS and Montenegrin Government, the matter was remitted for reconsideration.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
7.	Marko Martinoli	EP Holding Plc. and EP Niskogradnja Plc.	Share squeeze-out	RSD 638.674,92	Commercial Court in Belgrade	2016	First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
8.	Direkcija za građevinsko zemljište	EP Holding Plc., NIS and Putnik Plc.	Claim for construction land for Hayat	Uncertain	Higher court in Belgrade	2017	First instance proceedings is pending – expert assessment
9.	Belim Plc. in liquidation	EP Holding Plc.	Unfounded acquisition	RSD 138.004.221,28	Commercial Court in Belgrade	2016	Uncertain, First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
10.	EP Holding Plc.	Beogradsko mesovito preduzeće Plc.	Share value appraisal	Amount not defined	Commercial Court in Belgrade	2016	Justified
11.	Goran Rakic	EP Holding Plc. and Kompressor automobili Ltd.	Ownership title to be determined	No amount	2nd Basic Court in Belgrade	2016	Ungrounded
12.	Activeast Management Ltd	EP Holding Plc. and EP Niskogradnja Plc.	Payment of difference in share prices	Uncertain	Commercial Court in Belgrade	2016	Uncertain
13.	EP Holding Plc.	Napred Razvoj Plc.	Compensation for organization of Extraordinary meeting of Energoprojekt Holding Plc.	RSD 2.881.041,77	Commercial Court in Belgrade	2016	Uncertain, according to the Decision of the Court of first instance, the application was rejected, Court Decision on EP Holdings' appeal is pending.
14.	Kosmaj mermer	EP Visokogradnja Plc.	Ungrounded claim of a creditor with separate satisfaction right		Commercial Court in Belgrade	2016	Ungrounded
15.	EP Visokogradnja Plc.	Vesna Perincic	Debt	RSD 88.500,00	3rd Basic Court in Belgrade	2016	EP Visokogradnja appeal granted, so the lawsuit will be repeated, and Perincic Vesne appeal was legally rejected.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
16.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667.104,25	Commercial Court in Belgrade	2016	According to the final court decision, Plaintiff's claim was granted.
17.	Milan Brankovic	EP Visokogradnja Plc.	Annulment of a temporary employment contract		1st Basic Court in Belgrade	2016	Ungrounded, proceedings suspended until completion of lawsuit 17.P1.11640/10
18.	EP Visokogradnja Plc.	Trudbenik gradnja	Claim recognized in liquidation procedure	RSD 2.767.501,76	Commercial Court in Belgrade		Uncertain collection of claim.
19.	Djordje Miksa	EP Visokogradnja Plc.	Contractual fine payment	RSD 512.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
20.	Sladjan Pavlovic	EP Visokogradnja Plc.	Damage compensation	RSD 1.700.000,00	3rd Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
21.	EP Visokogradnja Plc.	Cvitan Dragan	Debt	RSD 122.922,87	3rd Basic Court in Belgrade	2016	Justified. Partially collected. Enforced performance pending.
22.	Natasa Milojevic	EP Visokogradnja Plc.	Ownership title to be determined	RSD 100.000,00	1st Basic Court in Belgrade	2016	First instance court decision denied plaintiff's claim.
23.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271.813,90	Commercial Court in Belgrade	2016	Justified
24.	EP Visokogradnja Plc.	Alumaks sistemi Ltd.	Damage compensation (block 29)	RSD 31.605.600,00	Commercial Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings..

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
25.	EP Visokogradnja Plc.	Veso Romic	Unfounded acquisition	RSD 35.301.780,00	Commercial Court in Belgrade	2016	Justified
26.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 290.385.390,00		2016	Justified, proceedings suspended.
27.	EP Visokogradnja Plc.	Beobanka Plc. in bankruptcy	Claims registration	USD 1.031.053,82	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
28.	EP Visokogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 5.000.000,00	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
29.	EP Visokogradnja Plc.	Banex trade . in bankruptcy	Debt of GBP 800.203,44 paid RSD 8.478.580,00		Commercial Court in Belgrade		Justified. Partially collected.
30.	EP Visokogradnja Plc.	Belim Plc.	Debt under settlement agreement	USD 612.000,00	Commercial Court in Belgrade	Completed	Justified, debt not yet collected.
31.	EP Visokogradnja Plc.	Grad Beograd, Direkcija za građevinsko zemljište, RS	Debt (Arena)	RSD 208.000.245,40	Commercial Court in Belgrade	2016	First instance court decision partly granted plaintiff's claim. An appeal proceedings initiated.
32.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 407.301.020,00	Commercial Court in Belgrade	2016	Justified, proceedings suspended.
33.	Božo Tomasevic	EP Visokogradnja Plc.	Annulment of employment contract termination	RSD 140.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated an appeal proceedings, second instance court decision is pending.
34.	Aleksandar Petrovic	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3.500.000,00	3rd Basic Court in Belgrade	2016	Decision on Court incompetence in Serbia adjudicated. Positive result expected.
35.	Sava Krajinovic	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269.000,00	1st Basic Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
36.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350.000,00	1st Basic Court in Belgrade	2016	Unjustified, Decision of first instance court claim announced withdrawn, plaintiffs' appeal pending in second instance Court.
37.	Nenad Dautovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
38.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438.530,00	Commercial Court in Belgrade		Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
39.	Residence object, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2.000.000,00	1st Basic Court in Belgrade		Unjustified, proceudre stopped.
40.	EP Visokogradnja Plc.	Sinisa i Dragan Romic	Contesting of share transfer agreement		Commercial Court in Belgrade	2016	Justified
41.	Kojic Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1.130,00	1st Basic Court in Belgrade	2016	Ungrounded
42.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bunkruptcy	Debt	RSD 1.340.520,00	Commercial Court in Valjevo	Uncertain	Receivables recognized through bankruptcy procedure.
43.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1.098.898,15	Commercial Court in Belgrade	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
44.	Drago Stupar and others	EP Visokogradnja Plc.	Ownership land title to be determined		Basic court, Herceg Novi	2016	Decision of the Court of first instance claim rejected. Plaintiffs' appeal pending.
45.	Dusan Petrovic, Vladimir Glisovic i EGP Investments	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
46.	Sasa Boskovic	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
47.	Husein Smailovic	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59.000,00 monthly as of January 2010	3rd Basic Court in Belgrade	2017	Uncertain. Partly grounded.
48.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15.000,00 monthly as of January 21, 1989	3rd Basic Court in Belgrade	2016	Ungrounded
49.	Radosavljevic Velibor	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
50.	EGP Investments	EP Viskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
51.	Ostojic Dragomir, Djuric Milorad i Jorgic broker Plc.	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
52.	EP Visokogradnja Plc.	PIK Zemun in bunkruptcy	Debt	RSD 33.705,46	Commercial Court in Belgrade	2016	Presented receivalbes in bankruptcy.
53.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115.776,00 with interest	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
54.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	RSD 31.642,40	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.
55.	Dragan Petrovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Uncertain
56.	Fond PIO	Kolex Ltd. and EP Visokogradnja Plc.	Agreement annulment defined		Higher court in Belgrade	2016	Plaintiffs' appeal rejected by Court Decision. Plaintiffs' revision pending.
57.	EP Visokogradnja Plc.	Arching Federation	Debt	RSD 70.803,28			Receivable obsoleted
58.	Milic Jankovic	Direkcija za gradevinsko zemljište, EP Visokogradnja Plc. and Aleksic Ruzica	Ownership title to be determined		1st Basic Court in Belgrade	2016	Justified
59.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanovic Milinko	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
60.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Omni promet Ltd.	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
61.	PC Poste Srbije	EP Visokogradnja Plc.	Debt in different accounts	RSD 17.002,24	Commercial Court in Belgrade	2016	Partly grounded
62.	Perunovic Momcilo	EP Visokogradnja Plc.	Ownership title to be determined		3rdBasic Court in Belgrade	2016	Justified
63.	Devic Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5.774,42	3rdBasic Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
64.	Milorad Vasic	EP Visokogradnja Plc.	Damage compensation (block 12)	RSD 25.732.877,55	Higher court in Belgrade	2016	Plaintiffs' appeal adopted by Court Decision. Revision pending.
65.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 266.447,62	Commercial Court in Sremska Mitrovica	2016	Uncertain
66.	EP Visokogradnja	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
67.	EP Visokogradnja	Amiga Ltd. Kraljevo in restructuring	Debt	RSD 114.425,00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
68.	EP Visokogradnja	Нуро Alpe-Adria-Bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
69.	EP Visokogradnja	Uni Credit bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
70.	EP Visokogradnja	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5.048.082,19	Arbitration Court in Rostov, RF	2016	Justified
71.	EP Visokogradnja	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5.236.849,31	Arbitration Court in Rostov, RF	2016	Justified
72.	EP Visokogradnja	МКЦ РосЕвроДевелопмент ООО, Ростов, РФ	Debt for works performed	RUB 175.502.823,20	Arbitration Court in Rostov, RF	2016	Justified
73.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1.269.860,00	Commercial Court in Belgrade		Partly paid, cca RSD 160.000,00, for the rest the procedure is stopped.
74.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 4		3rdBasic Court in Belgrade	Uncertain	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
75.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 3		3rdBasic Court in Belgrade	Uncertain	First instance
76.	Markovic Vladimir	EP Urbanizam i arhitektura Plc.	Debt	USD 10.147,80	1st Basic Court in Belgrade	Uncertain	Uncertain, EP Urb. and Arch. appeal pending
77.	Milan Raonic	EP Urbanizam i arhitektura Plc.	Damage compensation (copyrights)	RSD 35.015.794,75 and RSD 1.000.000,00	Higher court in Belgrade	2017	EP Urb. and arch. appeal adopted, and case in repeated procedure.
78.	Katarina Cvejic	EP Urbanizam i arhitektura Plc.	Debt	RSD 136.000,00	3rdBasic Court in Belgrade	2016	Plaintiffs' appeal adopted bz first instance decision. Pending.
79.	Tamara Vukadinovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
80.	Jelena Davidovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
81.	Stefanovic Miroslav	EP Urbanizam i arhitektura Plc.	Labour dispute	RSD 189.286,00	3rdBasic Court in Belgrade	Uncertain	First instance in favor of EP Urb. and arch., appeal pending.
82.	EP Urbanizam i arhitektura Plc.	Miodrag Cvijic	Damage compensation	RSD 1.523.072,42	3rdBasic Court in Belgrade	Uncertain	Uncertain, validity and executivity clauses suspended.
83.	Stanojkovic Milorad	EP Oprema Plc. and PC Elektromreze	Damage compensation	RSD 10.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
84.	Marinkovic Stanisa	EP Oprema Plc. - intervener	Damage compensation	RSD 304,000.00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
85.	Stanojlovic Cedomir	EP Oprema Plc. - intervener	Damage compensation	RSD 261.000,00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.
86.	Ristic Cedomir	EP Oprema Plc. - intervener	Damage compensation	RSD 63.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
87.	Milan Ilic i Nenad Babic	EP Oprema a.d.	Injury at work	RSD 4.200.000,00	3rd Basic Court in Belgrade	2016	Partly grounded. First instance decision in favor of EP Oprema – plaintiffs rejected; plaintiffs appealed; First instance partly grounded, repeated procedure pending.
88.	Milan Cvetkovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 1.381.278,00	Basic court, Vranje	2016	First instance procedure pending.
89.	Novica Cirovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 100.000,00	Basic court, Leskovac	2016	Partly grounded, first instance procedure pending.
90.	Stamenkovic Ivan	PC Elektromreze Srbije EP Oprema Plc.	Private nuisance		2nd Basic Court in Belgrade	2016	Ungrounded
91.	EP Oprema Plc.	DGP Zlatibor	Payment for works completed	RSD 42.000.000,00	Commercial Court in Belgrade	Finished	Grounded, payment uncertain, debtor in bankruptcy.
92.	EP Oprema Plc.	GP Rad in bankruptcy	Debt	USD 1.100.000,00	Commercial Court in Belgrade		Receivables in bankruptcy defined.
93.	EP Oprema Plc.	Graditelj Leskovac	Works contracted	RSD 71.129.042,82	Commercial Court in Leskovac	Finished	Grounded, payment uncertain, debtor in bankruptcy.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
94.	EP Oprema Plc. amd EP Holding Plc.	Municipality of Medveda	Return of given	RSD 120.000.000,00	Commercial Court in Leskovac	Uncertain, lawsuit stopped	Uncertain
95.	EP Oprema Plc.	Clinical Center of Sebia	Debt for works performed	EUR 255.544,13	Commercial Court in Belgrade	2016	Uncertain, lawsuit pending.
96.	EP Oprema Plc.	Clinical Center of Sebia	Damage compensation	EUR 1.559.000,00	Commercial Court in Belgrade	2016	Plaintiffs' appeal adopted by first instance decision, KCS presented appeal.
97.	EP Oprema Plc..	Nemanja Iovic	Unfounded acquisition	RSD 64.600,50	1st Basic Court in Belgrade	2016	Plaintiffs' appeal adopted by the Court decisiion. Decisiion enforcement pending.
98.	Djordjevic Goran	PC EMS EP Oprema	Private nuisance		Basic court, Kruševac	2016	Uncertain
99.	Stankovic Vladan	EP Oprema	Damage compensation	RSD 2.300.000,00	Basic court, Bor	2016	Plaintiffs' appeal adopted by first instance decision. EP Oprema appeal pending.
100.	EP Niskogradnja	Dejan Vujić PR Dey trade Vreoci	Unfounded acquisition	RSD 304.749,89	Commercial Court in Belgrade	2016	Justified
101.	Dunav osiguranje Plc.	PC Putevi Srbije EP Niskogradnja Plc.- intervener	Damage compensation	RSD 170.536,00	Commercial Court in Belgrade	2016	Uncertain
102.	RF PIO Branch Beograd	EP Niskogradnja	Recourse claim	RSD 419.600,10	Commercial Court in Belgrade	Uncertain, stopped till penal lawsuit ends	Uncertain
103.	Aleksandar Babic and other	EP Niskogradnja Plc.	Bonus payment	RSD 40.906,00	3rdBasic Court in Belgrade	2016	Ungrounded
104.	Gordana i Veselin Medenica	EP Niskogradnja Plc.	Damage compensation - injury at work	RSD 3.200.000,00	3rdBasic Court in Belgrade	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
105.	Milko Tadic	EP Niskogradnja Plc.	Annulment of a temporary employment contract		3rdBasic Court in Belgrade	2016	Ungrounded
106.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt, trip to Yemen Compensation protest of Energoprojekt Niskogradnja	Legal claim: USD 17.604.299,00 Compensation protest: USD 17.390.380,06	Commercial Court in Belgrade	2016	First instance expert procedure pending, expecting the first instance decision for settlement, thus suspending liabilities of EP Niskogradnja towards Bosna putevi.
107.	Vladimir Marinkovic	EP Niskogradnja Plc.	Overtime, Peru	USD 5.552,84	3rdBasic Court in Belgrade	2016	Ungrounded, lawsuit stopped.
108.	Jovan Cvokic and other	EP Niskogradnja Plc.	Bonus payment	EUR 20.145,11	3rdBasic Court in Belgrade	2016	Ungrounded
109.	Tanic Dusan	EP Niskogradnja Plc.	Annulment of Decision on salary amount		3rdBasic Court in Belgrade	2016	Ungrounded
110.	EP Niskogradnja Plc.	Internacional CG in restrcture	Debt	RSD 182.056,00	Commercial Court in Belgrade	2016	Justified
111.	Cantonal Agency for Privatization Sarajevo	EP Niskogradnja Plc. and Bosna putevi Plc.	Determination of ownership rights over Bosnaputevi claims against EP Niskogradnja Plc.	USD 17.604.299,00	Municipal Court, Sarajevo	2016	Ungrounded
112.	Dragan Tomic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
113.	Dragomir Ostojic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
114.	Igor i Sasa Sebic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
115.	Sasa Boskovic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
116.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance bond	KM 3.500.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
117.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 7.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
118.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 4.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
119.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218.000,00	Commercial Court in Belgrade	Uncertain	Justified
120.	EP Niskogradnja Plc.	Jugobanka Plc. branch in New York	Claims registration	USD 455.877,88 and RSD 12.060.320,00	Commercial Court in Belgrade	Uncertain	Justified
121.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4.546,10 and RSD 16.278.517,00	Commercial Court in Belgrade	Uncertain	Justified
122.	Simic Ljubisa	PC Putevi Srbije and EP Niskogradnja Plc.	Damage compensation	EUR 4.598,80	1st Basic Court in Belgrade	2016	Ungrounded
123.	Sent Andrea Ltd.	EP Niskogradnja Plc.	Damage compensation – profit lost due to agreement termination	RSD 2.912.451,60	Commercial Court in Belgrade	2016	Appeal considered suspended.
124.	Strajnic Nenad	PC Putevi Srbije and EP Niskogradnja Plc. – intervener	Damage compensation	RSD 183.928,48	Basic court, Novi Sad	2016	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
125.	Sekulic Dragan	PC Putevi Srbije; Dunav osiguranje Plc.; EP Niskogradnja Plc.- intervener	Damage compensation		Basic court, Novi Sad	2016	Uncertain
126.	DIN Ltd.	EP Niskogradnja Plc.	Debt on different accounts	RSD 542.836,83	Commercial Court in Belgrade	2016	Ungrounded
127.	Jokic Todor	EP Niskogradnja Plc.	Annulment of a temporary employment contract		Basic court, Gornji Milanovac	2016	Ungrounded
128.	Danicic Nemanja	EP Niskogradnja Plc.	Damage compensation based on injury at work	RSD 268.520,00	Basic court, Gornji Milanovac	2016	Uncertain
129.	Stanisic Tomo	EP Niskogradnja Plc.	Damage compensation	RSD 244.413,97	3rdBasic Court in Belgrade	2016	Ungrounded
130.	Matkovic Ljubisa, Milostiva and Gordana	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290.000,00	Basic court, Gornji Milanovac	2016	Uncertain
131.	Matkovic Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
132.	Jovanovic Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
133.	Angelina i Dejan Lukic	EP Niskogradnja Plc.	Damage compensation	RSD 2.000.000,00	3rdBasic Court in Belgrade	2016	Ungrounded

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
134.	EP Niskogradnja Plc. and	Intermost Ltd. in bankruptcy	Debt (Novi Sad)	RSD 378.685.160,00	Commercial Court in Belgrade	2016	Plaintiffs appeal of EP Niskogradnja grounded, returned to the first instance for repeated lawsuit, on appeal of Intermost Ltd.
	Intermost Ltd.. in bankruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189.827.985,00	Commercial Court in Belgrade	2016	
135.	S.Stojic	EP Hidroinzenjering Plc.	Claims for unpaid salaries earned abroad	USD 6.466 ie. RSD 482.865	1st Basic Court in Belgrade	Plaintiffs' appeal pending, expected end by the end of 2016	Favourable
136.	P. Stanisic and J. Blagojevic	EP Hidroinzenjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	1st Basic Court in Belgrade	First instance decision by the end of 2016	Uncertain
137.	M. Bojic	EP Hidroinzenjering Plc.	Unpaid salary earned abroad and unpaid subsistence allowance	USD 8.340 ie. RSD 622.811	1st Basic Court in Belgrade	First instance decision in our favour, appeal presented, expected end by the end of 2016	Favourable
138.	EP Hidroinzenjering Plc.	RIKO Ljubljana Slovenia	Unpaid invoices	EUR 159.425,89	Municipal Court in Ljubljana Slovenia	Uncertain	Favourable
139.	EP Energodata Plc.	"Šipad komerc" in bankruptcy	Unpaid services performed	RSD 258.586,20 + interest	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy	Uncertain payment amount.
140.	Violeta Nikolic	EP Garant Plc.	Request to be reappointed to position of Executive Manager		3rd Basic Court in Belgrade	2016	Ungrounded
141.	EP Garant Plc.	JKP BVK Beogradski vodovod	Recourse – damage compensation	RSD 1.900.000	Commercial Court in Belgrade	2016	Up to 40% of demanded (700.000 RSD)

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
142.	Marko Martinoli	EP Entel Plc.	Annulment of separate financial statement		Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
143.	Vladimir Grabez, Marko Martinoli, Activist Ltd. Activeast management Ltd.	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 452.071.063,00	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
144.	Sinisa Kistic	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 104.803.172,80	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
145.	EP Entel Plc.	PC EPS (RB Kolubara)	Debt payment on different accounts	RSD 11.628.000,00	Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
146.	Paripovic Dusko	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1.300.000,00	Basic court, Požarevac	Uncertain	Uncertain
147.	Milanka Bancic	EP Industrija Plc	Housing lawsuit		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, second instance return to amendment procedure.
148.	EP Industrija Plc.	Jugoremedija Plc.- in bankruptcy	Claims registration	EUR 321.146,18	Commercial Court in Zrenjanin	Uncertain	Bankruptcy procedure confirmed RSD 28.884.312,77
149.	Marko Martinoli	EP Industrija Plc.	Annulment of financial statements		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, result uncertain.
150.	EP Industrija	Milanka Bancic	Relocation		New Belgrade Municipality	Uncertain	Uncertain

In addition to the above listed lawsuits, Energoprojekt Holding, as Plaintiff, is involved in the lawsuit against Music Ivan for damage compensation (roof repair in 38 Goce Delčeva Street), for which a receivable in the amount of RSD 30 thousand was posted in Company books.

It should be noted here that an impairment of the receivable owed by Zekstra Group Ltd. to Energoprojekt Holding was performed in 2014 in the amount of RSD 855 thousand (EUR 7 thousand), and that in 2015 the receivable amount owed by Napred Razvoj Plc. in the amount of RSD 2.881 thousand was impaired within Energoprojekt Holding.

In addition of the above listed court cases in which Energoprojekt Holding is the defendant, there is a lawsuit with the New Company Ltd. branch IN Hotel, in which the plaintiff requests the GP Napred Razvoj Plc. company to determine the ownership right over the hotel building constructed on a lot for which Energoprojekt Holding was registered as a holder of rights in addition to the GP Napred Razvoj Plc. company. In this lawsuit, Energoprojekt Holding is a passive co-litigant, and thus there are no potential commitments for Energoprojekt Holding, but it had to be included in the action due to the formal reasons.

In addition to the above stated, the second instance procedure is in progress as well, in which a number of minority shareholders of the Energoprojekt Niskogradnja called in question the price of shares from compulsory redemption that was paid by Energoprojekt Holding as the majority shareholder. In addition to that, the first instance procedure is also in progress in which a small number of minority shareholders of the Energoprojekt Visokogradnja called into question the price paid to them in the procedure initiated at their request for compulsory sale of shares.

48. POST BALANCE SHEET EVENTS

There were no events after the balance sheet date that could have any significant effect on the credibility of the financial statements.

In Belgrade,
On April 15, 2016

Legal Representative



Vladimir Milovanovic, Dipl. Ing.

3. ANNUAL BUSINESS REPORT

- Company background;
 - Summary of Company's business operations and organizational structure;
 - Overview of Company's development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information;
 - Description of Company's expected development in the following period, changes in its business policies and main risks and threats to which its business is exposed;
 - Significant events after the end of the reporting business year;
 - Significant transactions with related parties;
 - Company's research and development activities;
 - Information on investments aimed at environmental protection;
 - Information on redemption of own stock and/or shares;
 - Company branches;
 - Financial instruments of significance for the assessment of Company's financial position and business results;
 - Objectives and policies related to financial risk management and protection policy for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and assessment of their effectiveness;
 - Statement on Code of Corporate Governance Implementation
-

Note:

Annual Business Report and Consolidated Annual Business Report were presented as a single report and these contain information of significance for the economic entity. u.

Company Background

Business name: Energoprojekt Holding Plc.

Head office and address: Beograd, Bulevar Mihaila Pupina 12

Registration number: 07023014

TIN: 100001513

Web site and e-mail address: www.energoprojekt.rs ; ep@energoprojekt.rs

Number and date of the Decision on Company Registration with the Companies Register: BD 8020/2005

Registered business activity (code and description): 06420 - Holding Company

Number of employees (average number of employees in 2015): 70

Auditor's business name, head office and business address: BDO doo. Beograd, Knez Mihailova 10

Number of shareholders (as at December 31, 2015): 7.460

Ten principal Company's shareholders (as at December 31, 2015):

No.	Name and family name (business name)	No. of shares	% of total issue
1.	Republic of Serbia	3.671.205	33,58%
2.	Napred Razvoj Plc. New Belgrade	2.235.685	20,45%
3.	East Capital (Lux) - Balkan Fund	370.593	3,39%
4.	Vojvođanska Bank Plc Novi Sad-summ.acc.	220.868	2,02%
5.	Societe Generale Bank Srbija-custody	174.885	1,60%
6.	Raiffeisen Bank Plc. – custody	98.848	0,90%
7.	Raiffeisen Bank Plc.- custody	97.058	0,89%
8.	Societe Generale Bank Srbija- custody	80.199	0,73%
9.	NLB Bank Plc. Belgrade- custody rn-ks	72.320	0,66%
10.	Gustavia Fonder Aktiebolag	70.000	0,64%

Basic capital: Share capital RSD 5.574.958.920

Number of shares: 10.931.292 ordinary shares

Nominal value of share is RSD 510

ISIN number: RSHOLDE58279

CIF with: ESVUFR

Price of shares over the reported period:

- Last price (as at December 31, 2015): RSD 1.037/share
- Highest price (as at April 4, 2015): RSD 1.320/share
- Lowest price (as at November 16, 2015): RSD 899/share

Market capitalization (as at December 31, 2015): RSD 11.335.749.804

Organized market: Belgrade Stock Exchange, New Belgrade, Omladinskih brigada 1

Energoprojekt Holding Plc. shares are prime-listed on the Belgrade Stock Exchange.

Shares of other companies of the Energoprojekt Group are traded in the Open Market of the Belgrade Stock Exchange (share of Energoprojekt Entel Plc. and Energoprojekt Industrija Plc. Companies) and in the MTP Belex market segment of the Belgrade Stock Exchange (share of the Energoprojekt Oprema Plc. and Energoprojekt Garant Ltd. Companies).

Overview of Company's Business Activities and Organizational Structure

Energoprojekt Group comprises of the Energoprojekt Holding Plc. as the parent company and its subsidiaries in the country and abroad. Based on equity investments, Companies of the Energoprojekt Group are related companies, since the Energoprojekt Holding Plc. directly or indirectly (through its subsidiaries) holds the majority ownership share in all these companies.

Energoprojekt Holding Plc. is the controlling – parent company pursuing holding operations, or financing and management of subsidiaries. In addition to energy and water management, the business activity of Energoprojekt Group includes design and construction of industrial plants, public and residential complexes, telecommunication systems, service provision in the fields of urbanism and environmental protection, information technologies, trade, real estate and insurance.

According to the Company's turnover, except for the domestic market, the most important markets are those in the African countries (Nigeria, Uganda, Ghana, Algeria, Zambia), Kazakhstan, Russia, Near East (Qatar, UAE, Oman, Jordan) and South America (Peru)

Information about subsidiaries (principal subjects of consolidation procedure):

No.	Business Name	Business Seat and Address
1.	Energoprojekt Visokogradnja Plc.	Bulevar Mihaila Pupina 12, Beograd
2.	Energoprojekt Niskogradnja Plc.	Bulevar Mihaila Pupina 12, Beograd
3.	Energoprojekt Oprema Plc.	Bulevar Mihaila Pupina 12, Beograd
4.	Energoprojekt Entel Plc.	Bulevar Mihaila Pupina 12, Beograd
5.	Energoprojekt Hidroinzenjering Plc.	Bulevar Mihaila Pupina 12, Beograd
6.	Energoprojekt Industrija Plc.	Bulevar Mihaila Pupina 12, Beograd
7.	Energoprojekt Energodata Plc.	Bulevar Mihaila Pupina 12, Beograd
8.	Energoprojekt Urbanizam i Arhitektura Plc.	Bulevar Mihaila Pupina 12, Beograd
9.	Energoprojekt Garant Ltd .	Bulevar Mihaila Pupina 12, Beograd

Information about Company management::

Supervisory Board members (as at December 31, 2015):

Name, family name and place of residence	Educational background/	No. of ENHL shares
1. Andjelko Kovacevic, President	VII-1 degree, B.Sc.CE	0
2. Tamara Kaznovac Popovic, member	VII-1 degree, B. Sc. Ecc,	0
3. Dragan Aleksic, member	VII-2 degree, B. Sc. Ecc,	1.172
4. Nebojsa Perunicic, member	VII-1 degree, M. Sc. Law	1.000
5. Slobodan Jovanovic, member	VII-1 degree, B. Sc. EE	1.299
6. Aleksandar Glisic, member	VII-2 degree, B. Sc. EE	1.197
7. Vladimir Sekulic, member	VII-1 degree, B. Sc. Ecc	1.220

Executive Board members (as at December 31, 2015):

Name, family name and place of residence	Educational background/	No. of ENHL shares
1. Vladimir Milovanovic, General Manager	VII-1 degree, B. Sc. EE,	15.323
2. Dimitraki Zipovski, Executive Manager for Finances, Accounting and Planning	VIII degree, B. Sc. Ecc,	11.378
3. Zoran Jovanovic, Executive Manager for Legal Affairs	VII-2 degree, M. Sc. Law,	7.924
4. Dragan Tadic, Executive Manager for Real Estate	VII-1 degree, B. Sc. CE	6.243

Overview of Company's development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information

Energoprojekt Group Beograd (hereinafter: Energoprojekt Group) comprises of the parent joint stock company - Energoprojekt Holding Plc., Beograd (hereinafter: Energoprojekt Holding), 12 subsidiaries in the country, 11 of which are directly controlled (9 joint stock companies and 2 limited liability company) and 1 of which is indirectly controlled through other subsidiary companies (1 limited liability company) and of one joint venture, which will hereinafter be referred to as joint undertaking (1 limited liability company) with ownership share of 50%, 1 affiliated company (1 joint stock company) and 7 direct subsidiary companies abroad.

Within subsidiary companies units for investment works and representative branches abroad are organized (100 in total) as well as own companies in the country and abroad (13 subsidiaries abroad, 1 affiliated company abroad and 1 affiliated company in the country), which jointly conduct construction, design, equipping, making of studies, research, programming of investment facilities and systems, sales of goods and services and other business activities.

The average number of employees in the energoprojekt Group in 2015, as of the end of each month, not including local workers abroad, is 2.316 (2.355 in 2014).

In 2015, organizational structure of Energoprojekt Group included the following units:

Business Activity	No. of subsidiaries, affiliates and joint undertakings in the country	No. of units for investment works abroad and branch offices abroad	No. of subsidiaries and affiliates abroad
Design and Research	4	27	5
Construction and equipping	5	73	12
Holding	1		
Other	6		4
Total	16	100	21

Group for consolidation comprises of the Energoprojekt Holding parent company and of the following subsidiary companies and joint undertakings in the country listed below, and of the subsidiary companies abroad – international companies:

Subsidiaries and joint undertakings in the country

No.	N a m e	% ownership share
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Subsidiary Companies

Construction and Equipping

1.	Energoprojekt Visokogradnja Plc.	100,00
2.	Energoprojekt Niskogradnja Plc.	100,00
3.	Energoprojekt Oprema Plc.	67,87
4.	Energoprojekt Sunnyville Ltd.	100,00

Design and Research

5. Energoprojekt Urbanizam i arhitektura Plc.	100,00
6. Energoprojekt Industrija Plc.	62,77
7. Energoprojekt Entel Plc.	86,26
8. Energoprojekt Hidroinzenjering Plc.	100,00

Other

9. Energoprojekt Energodata Plc.	100,00
10. Energoprojekt Promet Ltd.	100,00
11. Energoprojekt Garant Ltd.	92,94
12. Energoplast Ltd.	60,00

(Energoprojekt Industrija Plc. 40,00% and Energoprojekt Entel Plc. 20,00)

Joint Undertakings

Construction and Equipping

13. Enjub Ltd.	50,00
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Affiliated companies

Other

14. Fima See Activist Ltd.	20,93
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In 2015, Energoprojekt Holding formed a new company in the country, Energoprojekt Sunnyville Ltd., Belgrade, for the purpose of own investment construction in Belgrade.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Group are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrije Plc. (40,00%) and Energoprojekt Entela (20,00%), made through primary consolidation.

On the occasion of the inclusion of Enjub Ltd. joint venture in the consolidated financial statements of the Energoprojekt Group, equity method was used in compliance with IFRS 11 – Joint Arrangements, both for the reporting period and for the comparable period of the preceding year.

By equity method, closed-end investment fund Fima See Activist Ltd. is included in consolidated financial statements of Energoprojekt Group for 2015, in compliance with IFRS 11 – Joint Arrangements, since the percentage of Energoprojekt Holding shares in equity of subject company in 2015 was over 20,00%.

Subsidiary companies abroad – international companies:

No.	N a m e	% ownership share
1.	Zambia Engineering and Contracting Company Limited, Zambia	100,00
2.	Energoprojekt Holding Guinee S.A, Guinea	100,00
3.	I.N.E.C. Engineering Company Limited, United Kingdom	100,00
4.	Encom GmbH Consulting, Engineering & Trading, Germany	100,00
5.	Dom 12 S.A.L, Lebanon	100,00
6.	Energo (Private) Limited, Zimbabwe	100,00
7.	Energo Kaz Ltd., Kazakhstan	100,00

In 2015, Energoprojekt Holding in its nbusiness records registered Energo Kaz Ltd., Kazakhstan, a company founded in 2009, but not active till 2014.

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Zambia Engineering and Contracting Company Limited, Zambia, Energo (Private) Limited, Zimbabwe and Energo Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed subsidiary companies in the country, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Energoprojekt Energodata are at the same time parent companies that prepare consolidated financial statements, and thus their subsidiary and affiliated companies listed in the following table are included through the primary consolidation.

No.	N a m e	Included through primary consolidation
<i>Foreign countries</i>		
<i>Subsidiary companies abroad - international companie</i>		
1.	Energoprojekt Ghana Ltd., Akra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus d.o.o., Moskva, Russia	EP Visokogradnja Plc.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora d.o.o., Podgorica, Montenegro	EP Oprema Plc.
7.	Enhisa S.A., Lima, Peru	EP Hidroinzenjering Plc.
8.	Zahinos Ltd., Cyprus	EP Industrija Plc.
9.	Energoprojekt Entel L.L.C., Muscat, the Sultanate of Oman	EP Entel Plc.
10.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
11.	Energoconsult L.L.C., Abu Dhabi, UAE	EP Entel Plc.
12.	Energoprojekt Energodata Montenegro Ltd., Montenegro	EP Energodata Plc.
13.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia

Affiliated Companies abroad

1. Energo Nigeria Ltd., Lagos, Nigeria (40,00%) EP Oprema Plc.

In the Country

Affiliated Companies in the Country

1. Energopet Ltd. (33,33 %) EP Industrija Plc.

In 2015, Energoprojekt Zambia Limited was found in Zambia, with 80% of Zambia Engineering and Contracting Company Limited, Zambia and 20% of Energoprojekt Holding stake, which is included in consolidated financial statements of Energoprojekt Group, through primary consolidation in Zambia Engineering and Contracting Company Limited, Zambia.

Authentic overview of the development and business results of the Company, its financial position and information of significance for the assessment of the Company's assets are presented in detail and explained in the "Notes to Financial Statements for the Year of 2015".

Only some of the relevant parameters of the parent company's (Energoprojekt Holding Plc.) and of the Energoprojekt Group's business operations are presented below, which are of significance for adequate understanding of the presented subject matter.

Structure of the total business result of Energoprojekt Holding Plc. (parent company) in 2015

Structure of gross result	<i>In RSD thousands</i>	
	2015	2014
Operating income	504,040	583,921
Operating expenses	455,939	525,408
Operating result	48,101	58,513
Financial revenues	475,673	695,280
Financial expenses	22,318	21,600
Financial result	453,355	673,680
Revenues from valuation adjustment of other assets disclosed at fair value through Profit or Loss	730	
Other revenues	13,746	1,329
Expenses from valuation adjustment of other assets disclosed at fair value through Profit or Loss	9,163	642,483
Other expenses	251,678	24,449
Result of other revenues and expenses	(246,365)	(665,603)
Net income from discontinuing operations, changes in accounting policy and correction of errors from previous period		6,989
Net expense from discontinuing operations, changes in accounting policy and correction of errors from previous period	3,066	
TOTAL INCOME	994,189	1,287,519
TOTAL EXPENSE	742,164	1,213,940
PROFIT/LOSS BEFORE TAX	252,025	73,579

Earnings per Share:

Earnings per Share is calculated by dividing the profit for ordinary shareholders with the average weighted number of ordinary shares in circulation for the period.

Indicator	<i>In RSD thousands</i>	
	2015	2014
Net profit	236,972	43,867
Average number of shares per year	10,931,292	10,931,292
Earnings per share (in RSD)	21.68	4.01

The most important liquidity indicators for the Company's business in 2015 are presented in the following table, and specifically:

- The current liquidity ratio (ratio of working capital and short-term liabilities), indicating the short-term liabilities coverage against working capital;
- Quick ratio (ratio of liquid assets, which include total working capital reduced by inventories, and short-term liabilities), indicating the short-term liabilities coverage against liquid assets;
- Operating cash flow liquidity ratio (ratio of cash flow increased by cash equivalents and short-term liabilities), indicating the short-term liabilities coverage against cash assets; and
- Net working capital (the excess of working capital over short-term liabilities).

Drawing conclusions on liquidity indicators based on the ratio analysis means, *inter alia*, comparison of these indicators against satisfactory general standards, which are presented in the following table.

Liquidity Indicators	Satisfactory General Standards	2015	2014
Current liquidity ratio	2:1	3,13:1	5,54:1
Quick ratio	1:1	3,13:1	5,48:1
Operating cash flow ratio		0,72:1	0,44:1
Net working capital (in RSD thousand)	Pozitivna vrednost	1,382,945	1,216,152

The results of the ratio analysis indicate that the Company was **liquid** during 2015, meaning that it had no difficulties to meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good creditworthiness.

The best **profitability** indicator is the *return on average own capital employed* that indicates the average return on own assets per dinar invested. In the calculation of this profitability indicator, average own capital is defined as an arithmetic average value at the beginning and at the end of a year.

Profitability indicators	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net profit	236,973	43,867
Average capital:		
a) Capital at the beginning of the year	8,418,694	8,054,188
b) Capital at the end of the year	8,450,766	8,418,694
Total	<i>8,434,730</i>	<i>8,236,441</i>
Average return rate on own capital at the end of the year	2.81%	0.53%

Financial adequacy structure is reflected in the amounts and types of debts.

The most significant indicators of Company's financial structure are presented in the following Tables, and specifically:

- The ratio of borrowed funds to total assets, indicating coverage per dinar of the Company's assets from borrowed sources; and
- The ratio of long-term funds to total assets, indicating coverage per dinar of the Company's assets from long-term sources.

Financial structure indicators	<i>In RSD thousand</i>	
	<i>31.12.2015.</i>	<i>31.12.2014.</i>
Liabilities	647,987	268,136
Total assets	9,517,328	9,103,107
Ratio of borrowed funds to total assets	0.07 : 1	0.03 : 1
Long-term assets:		
a) Capital	8,450,766	8,418,694
b) Long-term provisions and long-term liabilities	418,575	416,277
Total	<i>8,869,341</i>	<i>8,834,971</i>
Total assets	9,517,328	9,103,107
Ratio of long-term to total assets	0.93 : 1	0.97 : 1

The net debt ratio indicates the Company's capital coverage against Company's net debt.

Net debt means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (total liabilities reduced by the capital, long-term provisions and deferred tax liabilities of the Company) plus Loss Above Equity, and
- Cash and cash equivalents.

Parameters for the net debt to capital ratio	<i>In RSD thousand</i>	
	<i>31/12/2015</i>	<i>31/12/2014</i>
Net debt:		
a) Liabilities	647,987	268,136
b) Cash and cash equivalents	463,343	116,713
<i>Total</i>	<i>184,644</i>	<i>151,423</i>
Capital	8,450,765	8,418,694
Net debt to capital ratio	1 : 45.77	1 : 55.60

Energoprojekt Group operating income structure for 2015

Structure of gross operating income	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Operating income	35,258,170	33,832,266
Operating expense	33,419,193	32,753,077
Operating income	<i>1,838,977</i>	<i>1,079,189</i>
Financial income	1,845,349	2,534,584
Financial expenses	2,077,322	2,430,316
Financial income	<i>(231,973)</i>	<i>104,268</i>
Revenues from valuation adjustment of other assets disclosed at fair value through Profit or Loss	18,431	21,457
Other income	437,908	756,597
Expenses from valuation adjustment of other assets disclosed at fair value through Profit or Loss	302,084	40,711
Other expense	599,865	606,776
Result of other revenues and expenses	<i>(445,610)</i>	<i>130,567</i>
Result from regular operations before tax	<i>1,161,394</i>	<i>1,314,024</i>
Net income from disposal of discontinuing operations, effects of change in accounting policy and corrections of errors from previous periods	42,818	
Net loss from disposal of discontinuing operations, effects of change in accounting policy and corrections of errors from previous periods		34,280
TOTAL INCOME	<i>37,602,676</i>	<i>37,144,904</i>
TOTAL EXPENSE	<i>36,398,464</i>	<i>35,865,160</i>
PROFIT/LOSS BEFORE TAX	<i>1,204,212</i>	<i>1,279,744</i>

Earnings per share:

Indicator	<i>In RSD thousand</i>	
	<i>2015</i>	<i>2014</i>
Net profit	856,443	825,122
Average number of shares per year	10,931,292	10,931,292
Earnings per share (in RSD)	<i>78.35</i>	<i>75.48</i>

The profit per share as at December 31, 2015 amounts RSD 78,35 and is calculated by dividing net profit of the parent company's shareholders (RSD 856.443 thousand) with the average weighted number of ordinary shares in circulation for the period (10.931.292 shares).

Description of the Company's expected development in the following period, changes in its business policies and main risks and threats to which its business is exposed

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2016:

Priority tasks:

- Activities aimed at preparation of a new strategic document – “Basic Elements of the Medium-Term Business Plan for 2016–2020“;
- Further development of the business and information system that is matched to the needs of the Energoprojekt Holding Plc. Company;
- Continued financial and business consolidation of individual subsidiaries of the Energoprojekt Group, which have, due to various reasons, presented poorer business results over the previous period (from the aspect of their revenues, profit, human resources' competencies, secured projects and borrowing debts).

Other business-related tasks:

- To improve efficiency of the management system and allocation of individual responsibilities in all operational processes;
- To strengthen the management system and the internal control system for the business processes in the subsidiaries (with the aim to increase their revenues and profit, parallel with optimization of operational costs) and to thus reduce the operational risk levels;
- To introduce adequate management structure that will raise the team spirit to a higher level in a team-work atmosphere;
- To revitalize the existing business activities that are currently in decline or stagnating and to initiate new developmental projects;
- To re-engineer the business processes and to improve personnel structures in Energoprojekt Visokogradnja Plc., Energoprojekt Hidroinženjering Plc. and in all the other Companies in the Energoprojekt Group, wherever necessary;
- To strengthen the functions of internal supervision and internal audit in Energoprojekt Holding Plc. and in the Energoprojekt Group;
- To provide for sustainable growth and development of the Energoprojekt Group, and to increase equity capital and dividend distribution;

- Transparency of business operations and public presentation of Energoprojekt, by means of supplying relevant information through the Stock Exchange and regular communication with investors, partners and experts, in the country and abroad.

The most significant threats to which the Company is exposed include: continuing and deepening of the global and Eurozone economic crisis; competition in the form of foreign companies from the countries with huge populations and cheap workforce; competition in the form of the foreign companies with easier access to cheaper financial resources; institutional changes in the domestic and selected foreign markets; dependency on the political stability of the markets in which Energoprojekt realizes its projects and so on.

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as one of the principal functions of the Company's internal audit, and this system needs to be integrated with all the executive functions. In the following period, efforts on risk management development strategy will be intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2016.

Significant events after the end of the year for which the reports are prepared

There were no significant business events from the balance date to the date of publication of the said statements, which would require disclosure or exert any impact on the authenticity of the disclosed financial statements.

Relevant business news on significant events are being regularly published on the Energoprojekt web site (at: <http://www.energoprojekt.rs>) and on the web site of the Belgrade Stock Exchange (in Serbian and in English), as a part of the Company's obligations related to the Prime Listing of its shares on the Belgrade Stock Exchange.

Significant business transactions with the related parties

In compliance with the requirements contained in the IAS 24 – Related Parties Disclosures, relationship, transactions, etc. between the Company and its related parties are disclosed below.

From the point of view of the **related parties**, transactions resulting in revenues and expenses in the Income Statement and in the disclosed receivables and liabilities (for the purpose of disclosure of relationships with the related parties, we included all the balances in the Company assets within it) in the Balance Sheet are presented in the following two Tables.

Receivables and expenses from the related parties	In RSD thousand	
	2015	2014
<i>Receivables:</i>		
a) EP Garant Ltd.	53,205	49,854
b) EP Visokogradnja Plc.	107,736	139,685
c) EP Niskogradnja Plc.	111,680	138,281
d) EP Hidroinzenjering Plc.	33,802	34,940
e) EP Entel Plc.	354,983	351,871
f) EP Energodata Plc.	11,092	14,196
g) EP Industrija Plc.	20,609	23,060
h) EP Promet Ltd.		
i) EP Urbanizam i arhitektura Plc.	7,512	9,794
j) EP Oprema Plc.	190,514	318,673
k) EP Sunnyville Ltd.	782	
l) I.N.E.C. Engineering Company Limited, UK		16
m) Encom GmbH Consulting, Engineering & Trading	11	
n) Dom 12 S.A.L.		
o) Enjub Ltd.	11,629	20,586
<i>Total</i>	<i>903,555</i>	<i>1,100,956</i>
<i>Expenses:</i>		
a) EP Garant Ltd.	951	1,129
b) EP Visokogradnja Plc.	231,362	652,473
c) EP Niskogradnja Plc.	4,399	5,067
d) EP Hidroinzenjering Plc.	24,741	279
e) EP Entel Plc.	160	480
f) EP Energodata Plc.	22,034	15,607
g) EP Industrija Plc.	20	131
h) EP Promet Ltd.	415	543
i) EP Urbanizam i arhitektura Plc.	4,261	2,060
j) EP Oprema Plc.	74,392	159,140
k) EP Sunnyville Ltd.		
l) I.N.E.C. Engineering Company Limited, UK	40	1,354
m) Encom GmbH Consulting, Engineering & Trading, Germany	66	2,314
n) Dom 12 S.A.L.	43	
o) Enjub Ltd.		
<i>Total</i>	<i>362,884</i>	<i>840,577</i>
TOTAL	1,266,439	1,941,533

Receivables and liabilities from the related parties	In RSD thousand	
	31/12/2015	31/12/2014
Receivables:		
a) EP Garant Plc.	636	652
b) EP Visokogradnja Plc.	710,478	622,367
c) EP Niskogradnja Plc.	315,859	482,860
d) EP Hidroinzenjering Plc.	22,497	47,832
e) EP Entel Plc.	9,075	9,471
f) EP Energodata Plc.	70,997	74,011
g) EP Industrija Plc.	75,247	75,444
h) EP Promet Ltd.		
i) EP Urbanizam i arhitektura Plc.	46,256	56,041
j) EP Oprema Plc.	8,206	13,744
k) EP Sunnyville Ltd.	36,077	
l) I.N.E.C. Engineering Company Limited, UK		
m) Encom GmbH Consulting, Engineering & Trading, Germany		
n) Dom 12 S.A.L.		
o) Enjub Ltd.	211,271	199,220
<i>Total</i>	<i>1,506,599</i>	<i>1,581,642</i>
Liabilities:		
a) EP Garant Plc.	18	19
b) EP Visokogradnja Plc.	3	298
c) EP Niskogradnja Plc.		176
d) EP Hidroinzenjering Plc.		
e) EP Entel Plc.		
f) EP Energodata Plc.	1,656	
g) EP Industrija Plc.		
h) EP Promet Ltd.		
i) EP Urbanizam i arhitektura Plc.		
j) EP Oprema Plc.	25,142	12,774
k) EP Sunnyville Ltd.		
l) I.N.E.C. Engineering Company Limited, UK	40	
m) Encom GmbH Consulting, Engineering & Trading, Germany	11,463	16,480
n) Dom 12 S.A.L.		
m) Enjub Ltd.		
<i>Total</i>	<i>38,322</i>	<i>29,747</i>
TOTAL	1,544,921	1,611,389

Receivables from the related parties arise primarily from the sale of services and are mature and collectible within 15 days from invoicing date. Blank bills of exchange and relevant authorizations were provided to the Company as payment securities.

Liabilities to the related parties arise primarily from the purchase transactions and have maturity periods from 5 to 30 days following the purchase date. Presented liabilities are exclusive of interest accrued.

Company activities in the field of research and development

Activities on further development and implementation of an adequate business and information system are underway, and the system will be adequate to the current scope and planned growth of the Company's business.

A new strategic document, "Basic Elements of the Company's Medium-Term Business Plan for 2016-2020" will be prepared in the following period, which will, among other things, include information about new Company's projects in the field of research and development.

Information on investments aimed at environmental protection

Energoprojekt Holding Plc. establishes and improves its own integrated management system (IMS) that includes quality management (harmonized with the ISO 9001:2008 standard), environmental protection management (harmonized with the ISO 14001:2004 standard) and occupational health and safety management (harmonized with OHSAS 18001:2007 standard).

Company's business activities are regularly harmonized with the applicable requirements of the positive legal regulations in the field of environmental protection, environmental protection programs are adopted and efforts are made towards the strict compliance with such requirements and programs. The said programs are being implemented through impact and/or risk analyses and assessments in the field of environmental protection, as well as through the implementation of relevant technical and technological solutions and instructions for elimination and/or reduction of adverse environmental effects. In that sense, Energoprojekt management organize and continuously monitor, review and direct activities of all the organizational units, services and individuals in order to completely implement the said IMS policy.

Company's activities aimed at environmental protection are integrated and implemented in compliance with the business philosophy and through joint activities on the level of the Energoprojekt Group. Thus, the "Waste Management Project" is an example of the said activities, which is being implemented in a coordinated manner, in compliance with the Rulebook on Waste Management in the Energoprojekt Building. Participation of the representatives of each Company of the Energoprojekt Group in the waste management working group serves as a guarantee that all the planned activities will be implemented in the least

expensive and most effective manner: such as, for example, the selection of various office waste materials (used paper, used batteries, car batteries, discarded electrical and electronic appliances and devices), recycling of these items, as well as the disposal of such items in compliance with the legally prescribed standards, etc.

Information about redemption of own stock and/or shares

Company does not hold its own shares. Company has not acquired its own shares since the previous annual report.

Company branches

Energoprojekt Holding Plc. does not have any registered branches in Serbia.

The official seat of the Parent Company and its subsidiaries is located in 12 Bulevar Mihaila Pupina Street in New Belgrade.

Detailed reviews of and comments on the business operations of the (foreign) entities of the Energoprojekt Group are presented in the Notes to the Consolidated Financial Statements of the Energoprojekt Group and in the Notes to the Consolidated Financial Statements of its subsidiary companies.

Financial instruments of significance for the assessment of Company's financial position and business results

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instruments and related accounting records is conditional upon their classification that is to be performed by the Company management in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four available types of financial instruments as specified by provisions of IAS 39:

- Financial asset or liability at fair value through the profit and loss account,
- Held-to-maturity investments,
- Loans and receivables, and
- Financial assets available for sale.

All the relevant financial instruments of significance for the assessment of the financial position and business results of the Company are presented in greater detail in the Notes to the Financial Statements.

Objectives and policies related to financial risk management and protection policies for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and the assessment of their effectiveness

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

Credit Risk

A **credit risk** is a risk of adverse effects to the financial result and capital of the Company due to a debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The company has substantial concentrations of credit risk in collection from buyers with long lending periods due to poor liquidity.

Market Risk

A **market risk** is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk,
 - The interest risk and
 - The price risk.
- **The currency risk**, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements.

The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, first of all in euros.

The sensitivity analysis indicates that variations in the exchange rate will significantly affect variations in financial results of the Company and it can therefore be concluded that the Company is exposed to the currency risk to a significant extent.

- **Kamatni rizik** je rizik mogućnosti nastanka negativnih efekata na rezultat i kapital Društva zbog nepovoljnih promena kamatnih stopa. Društvo je ovoj vrsti rizika izložen preko pozicija finansijskih obaveza za kredite uzete sa potencijalno promenljivim kamatnim stopama (Belibor).
- **The interest risk** is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk to a significant extent due to financial obligations related to loans with potentially fluctuating interest rates (Belibor).

Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations and maintain the necessary scope and structure of the working capital and good creditworthiness. The results of the ratio analysis indicate that the Company was **liquid** during 2015, meaning that it had no difficulties to

meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good creditworthiness.

Therefore we emphasise that:

- Considering the dynamic nature of the Company's business, the finance department aims to maintain financial flexibility, which means, among other things, to keep the existing lines of credit available and to expand them; and
- The management performs continuous monitoring of Company's liquidity reserves that include available unused lines of credit, cash and cash equivalents, as well as the liquid potentials according to the expected cash flows.

This subject matter was defined in and it is being implemented in compliance with the following adopted internal acts of the Company:

- *“Rulebook on the Basic Elements of the Internal Control System and Risk Management in Energoprojekt Holding Plc.”*,
- *“Rulebook on the Operations of the Internal Supervision Sector of Energoprojekt Holding Plc.”*,
- *“Rulebook on Accounting and Accounting Policies of Energoprojekt Holding Plc.”*

All the Companies in the Energoprojekt Group have adopted and are implementing their own individual acts regulating the said subject matter.

Most of the above listed risks, as well as some other risks not mentioned herein, are presented in greater detail in the Notes to the Financial Statements (which are primarily focusing on the review of the financial risks: the credit risk, market risk and liquidity risk) and/or other internal acts of the Company.

Statement on Code of Corporate Governance Implementation

Energoprojekt Holding Plc. implements its own Code of Corporate Governance (as adopted in 11th meeting of the Management Board of the Energoprojekt Holding Plc. held on January 26, 2012). The Code has been made publicly available on the Company's Internet page (at www.energoprojekt.rs).

The Energoprojekt Holding Plc. Code on Corporate Governance set out the principles of corporate practices and organizational culture that the principal holders of the corporate governance function of the Energoprojekt Holding Plc. comply with, with regard to the shareholders' rights, corporate governance frameworks and methods, public relations and transparency of the Company's business operations. The main objective of this Code is to introduce good business practice in the field of corporate management, which should provide for the right balance between the influences exerted by the principal corporate governance holders, consistency of the control system and strengthening of shareholders' and investors' trust in the Company, all with the aim to achieve long-term development of the Company.

Relevant Company's bodies make a point of presenting the principles laid down in the Code in greater detail in other general acts of the Company, whenever necessary. In the application thereof, there are no significant deviations from the rules of the Code of Corporate Governance.

In compliance with the Rules on Listing and Quotation of the Belgrade Stock Exchange, parallel with the disclosure of its Annual Business Report, Energoprojekt Holding Plc. delivers and discloses the completed "Questionnaire on Corporate Governance Practices" and has agreed to its online publication on the Internet page of the Belgrade Stock Exchange.

All the Companies of the Energoprojekt Group have adopted and are now implementing their own codes of corporate governance regulating the said subject matter.

Energoprojekt Holding Plc.

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

Chief Executive Officer



Dimitraki Zipovski, D.Sc. Ecc.



Vladimir Milovanovic, B.Sc. Mech. Eng.

INDEPENDENT AUDITOR'S REPORT ON ANNUAL BUSINESS REPORT

To the Shareholders of Energoprojekt Holding a.d. Belgrade

We have audited the accompanying standalone and consolidated financial statements of Energoprojekt Holding a.d. Belgrade (hereinafter: "The Company") for the year ended 31 December 2015 and presented in the consolidated annual business report for 2015, on which we issued our audit opinion on 7 April 2016 and 26 April 2016, respectively.

Management's Responsibility for the Annual Business Report

Management of the Company is responsible for the preparation and fair presentation of consolidated annual business report in accordance with the requirements of the Law on Accounting and Law on the Capital Market ("Official Gazette of the Republic of Serbia", no. 31/2011).

Auditor's Responsibility

Our responsibility is to express an opinion on the consistency of the Company's consolidated annual business report for the year ended 31 December 2014 with the standalone and consolidated financial statements for the year then ended. Our procedures in this regard were performed in accordance with International Standard on Auditing 720 "The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements", and are only limited to the assessment of the consistency of the consolidated annual business report with the audited standalone and consolidated financial statements.

Opinion

In our opinion, the Company's consolidated annual business report for the year ended 31 December 2015 is consistent, in all material respects, with the Company's audited standalone and consolidated financial statements for the year ended 31 December 2015.

Belgrade, 26 April 2016




Igor Radmanovic
Certified Auditor

4. STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Energoprojekt Group for 2015 were prepared in compliance with the relevant International Financial Reporting Standards and these present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Consolidated Statements.

Person responsible for preparation of the Annual Report:

Legal Representative:

Energoprojekt Holding Plc.

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

Chief Executive Officer



Dimitraki Zipovski
Dimitraki Zipovski, D.Sc. Ecc.



Vladimir Milovanovic
Vladimir Milovanovic, B.Sc. Mech. Eng.

5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF COMPANY'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS *

Note *:

- Consolidated Financial Statements of the Energoprojekt Group for the year 2015 were approved on April 25, 2016 on the 40th meeting of the Supervisory Board of the Issuer. At the moment when the Annual Consolidated Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholder' Assembly). The Company shall publish the complete Decision of the competent body on the adoption of Company's Consolidated Annual Report at a later date.

6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Napomena *:

- Decisions on distribution of profit of the Energoprojekt Holding Plc. and all its subsidiaries in the Energoprojekt Group for 2015 shall be passed in the regular annual Shareholders' Assembly meetings. The Companies shall publish the complete Decisions of the competent bodies on distribution of Companies' profit at a later date.

A public company is legally obliged to prepare their annual consolidated financial statements, to disclose them and to deliver them to the Commission, and, providing that the securities of such company are admitted for trading, to deliver these Statements to the regulated market or to the MTP four months after the end of each business year at the latest, and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

The Company shall be held responsible for the accuracy and veracity of data presented in the Annual Consolidated Report.

In Belgrade, April 2016

Person responsible for preparation of the Annual Report:

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

Dimitraki Zipovski, D.Sc. Ecc.

Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer

Vladimir Milovanovic, B.Sc. Mech. Eng.

