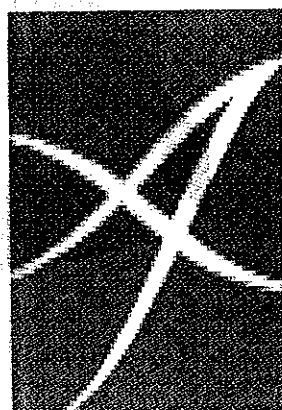
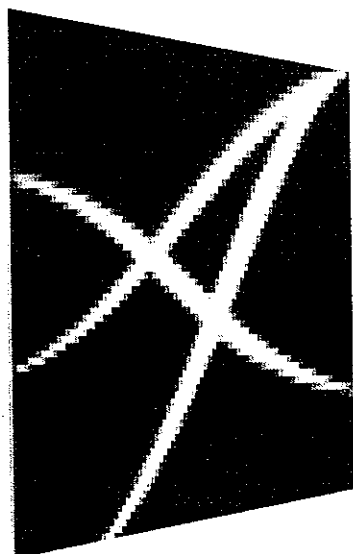


AKCIONARSKO DRUŠTVO AERODROM "NIKOLA TESLA" BEOGRAD

2012. GODINA

Annual business report

Pursuant to article 50 of the Law on the Capital Market (Official Gazette of RS no 31/2011) and the Rule of content, form and manner of announcement of annual, semi-annual and quarter reports of public companies (Official Gazette of RS no 14/2012) published by the Committee for Securities.



2012
GODIN

Contents of report

1. Financial statement

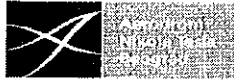
- Balance sheet
- Income sheet
- Cash flow statement
- Statement on changes in capital
- Notes for financial statement

2. Business report

3. Audit report

4. Statement of responsible persons

- Financial statements for 2011, Business report for 2011 and Audit report have not been adopted by the Assembly of the Company and it will be put on the agenda of the Annual Assembly Meeting, which will be held in June 2012.



AD AERODROM NIKOLA TESLA BEOGRAD
11180 BELGRADE 59
Register no. 07036540
TIN 100000539

FINANCIAL STATEMENT FOR THE YEAR OF 2011

1. BALANCE SHEET ON 12/31/2011
2. INCOME SHEET FOR 2011
3. CASH FLOW STATEMENT FOR 2011
4. STATEMENT ON CHANGES IN CAPITAL FOR 2011
5. STATISTICAL ANNEX
6. NOTES FOR FINANCIAL STATEMENTS FOR 2011

Belgrade, April 26, 2012



TAX PAYER DATA

Business name	Акционарско друштво Аеродром "Никола Тесла" Београд		
Register number	07036540	TIN	100000539
Municipality	Surčin		
Place	Belgrade	Postal code	11271
Street	11180 Belgrade	Number	59

TYPE OF FINANCIAL STATEMENT

Regular annual financial statement for the year of 2011

CLASSIFICATION

In line with article 7 of the Law on accounting and audit and based on data from the financial statement for the year of 2011
the tax payer is classified as

SUBMISSION MANNER FOR STATEMENT ON ESTABLISHED DEFICIENCIES/CERTIFICATE ON REGISTRATION

Submission manner	To registered address of tax payer		
Name			
Municipality			
Place		Postal code	
Street		Number	

DATA OF THE PERSON RESPONSIBLE FOR DRAFTING OF FINANCIAL STATEMENT

Name/First name and surname	2206954715234 Zorka Latinović		
Place	Belgrade		
Street	11180 Belgrade	No	59
e-mail:	zorka.latinovic@beg.aero		
Telephone no.	064/8485-188		

STATEMENT: I, the above-mentioned do hereby guarantee accuracy of the data filled in

Legal representative of tax payer

Sign-manual

Name

Seal

Surname

Unique personal registration number:

Completed by legal person-entrepreneur		
07036540 Register number:	Activity code	10000539 TIN
Completed by Register Agency		
750 123	19	20, 21, 22, 23, 24, 25, 26
Type of business		

Name : Akcionarsko društvo Aerodrom Nikola Tesla Beograd

Head-office: Belgrade, 11180 Belgrade 59

BALANCE SHEET



7005011259907

on the date 12/31/2011

-in RSD thousand

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	ASSETS				
	A. NON-CURR. ACT. PROPER. (002+003+004+005+009)	001		20551656	20737783
00	I. NON-PAID UP SUBSCRIBED CAPITAL	002			
012	II. GOODWILL	003			
01 without 012	III. INTANGIBLE INVESTMENTS	004		6234	861
	IV. PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL AGENCIES (006+007+008)	005		20449408	20626125
020, 022, 023, 026 028 (part), 029	1. Properties, plants and equipment 027(part),	006		20434510	20611274
024, 027 (part), 028 (part)	2. Investment real estates	007		14476	14332
021, 025, 027(part), 028(part)	3. Biological agencies	008		422	519
	V. LONG-TERM FINANCIAL INVESTMENTS 010+011	009		96014	110797
030 to 032, 039 (part)	1. Share in capital	010		205	389
033 to 038, 039 (part) minus 037	2. Other long-term financial investments	011		95809	110408
	B. TURNOVER PROPERTY (013+014+015)	012		4508114	3944369
10 to 13, 15	I. STOCKS	013		156623	117010
14	II. NON-CURRENT RESOURCES INTENDED FOR SALE AND BUSINESS RECOURCES DISCONTINUED	014			
	III. SHORT TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015		4351491	3827359
20, 21 and 22, except 223	1. Receivables	016		1611954	1336942
223	2. Receivables of amount paid above income-tax	017		43248	0
23 minus 237	3. Short-term financial investments	018		2478614	2180671
24	4. Cash and cash equivalents	019		73304	259206

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
27 and 28 except 288	5. VAT and prepayments and accrued income	020		144371	50540
288	V. DEFERRED TAX LIABILITIES	021			
	G. BUSINESS PROPERTY (001+012 +021)	022		25059770	24682152
29	D. LOSS ABOVE CAPITAL AMOUNT	023			
	DJ. TOTAL ASSETS (022+023)	024		25059770	24682152
88	E. OFF-BALANCE ASSETS	025		363186	132322
	OBLIGATIONS				
	A. CAPITAL (102+103+104+105+106-107+108-109-110)	101		22914998	22510860
30	I. CORE CAPITAL	102		20573610	20573610
31	II. NON-PAID UP SUBSCRIBED CAPITAL	103			
32	III. RESERVES	104		761355	0
330 and 331	IV. REVALUATION RESERVES	105			
332	V. NON-REALISED INCOMES FROM SECURITIES	106			
333	VI. NON-REALISED LOSSES FROM SECURITIES SECURITIES	107		260	73
34	VII. NON-DISTRIBUTED PROFIT	108		1580293	1937323
35	VIII. LOSS	109			
037 and 237	IX. REPURCHASED OWN SHARES	110			
	B. LONG-TERM RESERVES AND LIABILITIES (112+113+116)	111		1850734	1874364
40	I. LONG-TERM RESERVES	112		167874	140576
41	II. LONG-TERM LIABILITIES (114+115)	113		1251967	1327920
414, 415	1. Long-term loans	114		1034742	1138765
41 without 414 and 415	2. Other long-term liabilities	115		217225	189155
	III. SHORT-TERM LIABILITIES (117+118+119+ 120+121+122)	116		430893	405868
42 except 427	1. Short term liabilities	117		177419	186835
427	2. Liabilities from assets intended for sale and assets of operation discontinued	118			
43 and 44	3. Operating liabilities	119		194478	138346
45 and 46	4. Other short-term liabilities	120		1101	566
47, 48 except 481 and 49 except 498	5. Liabilities from VAT and other public revenues and accrued costs and deferred revenues	121		57895	45867
481	6. Liabilities from profit-tax	122		0	34254

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
498	V. DEFERRED TAX LIABILITIES	123		294038	296928
	G. TOTAL OBLIGATIONS (101+111+123)	124		25059770	24682152
89	D. OFF-BALANCE SHEET LIABILITES	125		363186	132322

In _____ on 02.28. 2012.

Person responsible for drafting of financial statement

Seal

Legal representative

Template prescribed in The Rule on template content and form for financial statements of companies, fellowships, other legal entities and entrepreneurs ("Official Gazette of RS" no. 114/06, 5/07, 119/08 and 2/10)

<div style="border: 1px solid black; display: inline-block; padding: 2px;">07036540</div> Register number:	Completed by legal person-entrepreneur <div style="border: 1px solid black; display: inline-block; width: 100px; height: 15px;"></div> Activity code	<div style="border: 1px solid black; display: inline-block; padding: 2px;">100000539</div> TIN
Completed by Register Agency <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <div style="border: 1px solid black; display: inline-block; padding: 2px;">750</div> 123 </div> <div style="text-align: center;"> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> 19 </div> <div style="text-align: center;"> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> <div style="border: 1px solid black; display: inline-block; width: 20px; height: 15px;"></div> </div> </div> Type of business		

Name: Akcionarsko društvo Aerodrom Nikola Tesla Beograd

Head-office: Belgrade, 11180 Belgrade 59

INCOME SHEET



7005011259914

In period from 01/01 2011 to 12/31/2011

-in RSD thousand

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. REVENUES AND EXPENDITURES FROM REGULAR OPERATIONS				
	I. BUSINESS REVENUES (202+203+204-205+206)	201		5988322	5468912
60 and 61	1. Sale revenues	202		5544982	5058725
62	2. Revenue from consumption of own products	203			
630	3. Increase in value of inventories	204			
631	4. Decrease in value of inventories	205			
64 and 65	5. Other operating revenues	206		443340	410187
	II. BUSINESS EXPENDITURES (208 to 212)	207		3718060	3263172
50	1. 1.Purchase value of sold goods	208		529293	305012
51	2. Costs of materials	209		373933	367873
52	3. Costs of salaries, salary compensations and other personal expenses	210		888703	715895
54	4. Costs of amortization and reservations	211		666148	777371
53 and 55	5. Other business expenditures	212		1259983	1097021
	III. BUSINESS REVENUES (201-207)	213		2270262	2205740
	IV. BUSINESS LOSS (207-201)	214			
66	V. FINANCIAL REVENUES	215		337596	426474
56	VI. FINANCIAL EXPENDITURES	216		256853	317296
67 and 68	VII. OTHER REVENUES	217		75284	543643
57 and 58	VIII. OTHER EXPENDITURES	218		759040	495871
	IX. PROFIT FROM REGULAR OPERATING BEFORE TAX (213-214+215-216+217-218)	219		1667249	2362690
	X. LOSS FROM REGULAR OPERATING BEFORE TAX (214-213-215+216-217+218)	220			
69 - 59	XI. NET PROFIT OF OPERATIONS DISCONTINUED	221			
59 - 69	XII. NET LOSS OF OPERATIONS DISCONTINUED	222			

Group of accounts account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	B. PROFIT BEFORE TAX (219-220+221-222)	223		1667249	2362690
	V. LOSS BEFORE TAX (220-219+222-221)	224			
	G. PROFIT TAX				
721	1. Period tax expenditure	225		89846	145194
722	2. Deferred period tax expenditure	226			
722	3. Deferred period tax revenue	227		2890	19827
723	D. Paid-up personal receiving to employer	228		0	300000
	DJ. NET PROFIT (223- 224- 225- 226+ 227- 228)	229		1580293	1937323
	E. NET LOSS (224- 223+ 225+ 226- 227 + 228)	230			
	Ž NET PROFIT FOR MINORITY INVESTORS	231			
	Z. NET PROFIT FOR OWNERS OF PARENT LEGAL ENTITY	232			
	I. PROFIT PER SHARE				
	1. Basic profit per share	233			
	2. Diluted profit per share	234			

In _____ on 02.28. 2012.

Person responsible for drafting of
financial statement

Seal

Legal representative

Template prescribed in The Rule on template content and form for financial statements of companies, fellowships, other legal entities and entrepreneurs ("Official Gazette of RS" no. 114/06, 5/07, 119/08 and 2/10)

Completed by legal person-entrepreneur		
07036540 Register number:	<input type="text"/> Activity code	10000539 TIN
Completed by Register Agency		
750 123	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
Type of business 19 20, 21, 22, 23, 24, 25, 26		

Name: Akcionarsko društvo Aerodrom Nikola Tesla Beograd

Head-office: Belgrade, 11180 Belgrade 59

CASH FLOW STATEMENT



7005011259921

in the period from 01/01/2011 to 12/31/2011

-in RSD thousand

POSITION	ADP	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM BUSINESS ACTIVITY			
I. Cash inflow from business activities (1 to 3)	301	5717301	5794065
1. Sale and received advance payments	302	5131510	5306744
2. Interests received from business activity	303	3344	930
3. Other inflows from regular operations	304	582447	486391
II. Cash outflow from business activities (1 to 5)	305	3877382	3281147
1. Payments for suppliers and given advance payments	306	2397443	1974590
2. Costs of salaries, salary compensations, and other personal expenses	307	892967	747923
3. Paid interest	308	73142	95909
4. Income-tax	309	167349	159070
5. Payment from other public revenues	310	346481	303655
III. Net cash inflow from financing activities (I-II)	311	1839919	2512918
IV. Net cash outflow from business activities (II - I)	312		
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Cash inflow from investment activity (1 to 5)	313	145300	317256
1. Sale of shares and portions (net inflows)	314		
2. Sale of intangible investments, properties, plants, equipment and biological agencies	315	4136	367
3. Other financial investments (net inflows)	316	0	174179
4. Interests received from investment activities	317	141164	142710
5. Dividends received	318		
II. Cash outflows from investment activities (1 to 3)	319	814737	651807
1. Purchase of shares and portions (net outflows)	320		
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	321	531969	651807
3. Other financial investments (net outflows)	322	282768	0
III. Cash net inflow from investment activities (I - II)	323		
IV. Cash net outflow from investment activities (II - I)	324	669437	334551

POSITION	ADP	Amount	
		Current year	Previous year
1	2	3	4
V. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 3)	325		
1. Core capital increase	326		
2. Long-term and short-term loans (net inflows)	327		
3. Other long-term and short-term liabilities	328		
II. Cash outflow from financing activities (1 to 4)	329	1355409	2047474
1. Redemption of own shares and portions	330		
2. Long-term and short-term loans and other liabilities (net outflows)	331	91897	207051
3. Financial leasing	332	88237	127420
4. Paid-up dividends	333	1175275	1713003
III. Cash net inflow from investment activities (I - II)	334		
IV. Cash net outflow from investment activities (II - I)	335	1355409	2047474
G. OVERALL CASH INFLOW (301+313+325)	336	5862601	6111321
D. OVERALL CASH OUTFLOW (305+319+329)	337	6047528	5980428
DJ. NET CASH INFLOW (336-337)	338	0	130893
E. NET CASH OUTFLOW (337-336)	339	184927	0
Ž CASH AT THE BEGINNING OF ACCOUNTING PERIOD	340	259206	121175
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	341	18103	13810
I. I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	342	19078	6672
J. CASH AT THE END OF ACCOUNTING PERIOD (338-339+340+341-342)	343	73304	259206

In _____ on 02.28. 2012.

Person responsible for drafting of
financial statement

Seal

Legal representative

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Completed by legal person-entrepreneur		
07036540 Register number:	Activity code	10000539 TIN
Completed by Register Agency		
750 123	19	20, 21, 22, 23, 24, 25, 26
Type of business		

Name: Akcionarsko društvo Aerodrom Nikola Tesla Beograd

Head-office: Belgrade, 11180 Belgrade 59

STATEMENT ON CHANGES IN CAPITAL



7005011259945

In the period from 01/01/2011 to 12/31/2011

-in RSD thousand

No.	DESCRIPTION	Core capital (group 30 without 309)		Other capital (account 309)		Non-paid subscribed capital group 31)		Issue premium (account 320)	
		ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP
	1		2		3		4		5
1	Balance on date January 1 st of previous year _____	401	7157362	414	95193	427		440	
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	402	13416248	415		428		441	
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	403		416	95193	429		442	
4	Corrected initial balance on January 1 st of the previous year _____ (no. 1+2-3)	404	20573610	417		430		443	
5	Total increase in previous year	405		418		431		444	
6	Total decrease in previous year	406		419		432		445	
7	Balance on date December 31 st of previous year _____ (no. 4+5-6)	407	20573610	420		433		446	
8	Correction of materially significant errors and changes of accounting policies in the current year-increase	408		421		434		447	
9	Correction of materially significant errors and changes of accounting policies in the current year-decrease	409		422		435		448	
10	Corrected initial balance on January 1 of the current year (no. 7+8-9)	410	20573610	423		436		449	
11	Total increase in the current year	411		424		437		450	
12	Total decrease in the current year	412		425		438		451	
13	Balance on date December 31 st of the current year _____ (no. 10+11-12)	413	20573610	426		439		452	

N o.	DESCRIPTION	ADP	Reserves (account 321, 322)	ADP	Revaluation reserves (accounts 330 and 331)	ADP	Non-realised profits from securities (account 332)	ADP	Non-realised losses from securities (account 333)
	1		6		7		8		9
1	Balance on date January 1 st of the previous year _____	453	234941	466	3255688	479		492	127
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	454		467	8238839	480		493	
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	455	234941	468	11494527	481		494	127
4	Corrected initial balance on January 1 st of the previous year _____ (no. 1+2-3)	456		469		482		495	
5	Total increase in previous year	457		470		483		496	73
6	Total decrease in previous year	458		471		484		497	
7	Balance on date December 31 st of previous year _____ (no. 4+5-6)	459		472		485		498	73
8	Correction of materially significant errors and changes of accounting policies in the current year-increase	460		473		486		499	
9	Correction of materially significant errors and changes of accounting policies in the current year-decrease	461		474		487		500	
10	Corrected initial balance on January 1 st of the current year (no. 7+8-9)	462		475		488		501	73
11	Total increase in the current year	463	761355	476		489		502	187
12	Total decrease in the current year	464		477		490		503	
13	Balance on December 31 st of the current year _____ (no. 10+11-12)	465	761355	478		491		504	260

No.	DESCRIPTION	ADP	Non-distributed profit (group 34)	ADP	Loss below amount of capital (group 35)	ADP	Repurchased own shares and portions (accounts 037, 237)	ADP	Total (qty 2+3+4+5+6+7+8-9+10-11-12)
1			10		11		12		13
1	Balance on date January 1 st of the previous year _____	505	2792568	518		531		544	13535625
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	506	212153	519		532		545	21867240
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	507	1591714	520		533		546	13416248
4	Corrected initial balance on January 1 st of the previous year _____ (no. 1+2-3)	508	1413007	521		534		547	21986617
5	Total increase in previous year	509	1937323	522		535		548	1937250
6	Total decrease in previous year	510	1413007	523		536		549	1413007
7	Balance on date December 31 st of previous year _____ (no. 4+5-6)	511	1937323	524		537		550	22510860
8	Correction of materially significant errors and changes of accounting policies in the current year-increase	512		525		538		551	
9	Correction of materially significant errors and changes of accounting policies in the current year-decrease	513		526		539		552	
10	Corrected initial balance on January 1 st of the current year (no. 7+8-9)	514	1937323	527		540		553	22510860
11	Total increase in the current year	515	1580293	528		541		554	2341461
12	Total decrease in the current year	516	1937323	529		542		555	1937323
13	Balance on December 31 st of the current year _____ (no. 10+11-12)	517	1580293	530		543		556	22914998

No.	DESCRIPTION	ADP	Loss beyond amount of capital (group 29)
	1		14
1	Balance on date January 1 st of the previous year _____	557	
2	Correction of materially significant errors and changes of accounting policies in previous year-increase	558	
3	Correction of materially significant errors and changes of accounting policies in previous year-decrease	559	
4	Corrected initial balance on January 1 st of the previous year _____ (no. 1+2-3)	560	
5	Total increase in previous year	561	
6	Total decrease in previous year	562	
7	Balance on date December 31 st of previous year _____ (no. 4+5-6)	563	
8	Correction of materially significant errors and changes of accounting policies in the current year-increase	564	
9	Correction of materially significant errors and changes of accounting policies in the current year-decrease	565	
10	Corrected initial balance on January 1 st of the current year (no. 7+8-9)	566	
11	Total increase in the current year	567	
12	Total decrease in the current year	568	
13	Balance on December 31 st of the current year _____ (no. 10+11-12)	569	

In _____ on 02.28. 2012.

Person responsible for drafting of financial statement

Seal

Legal representative

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Completed by legal person-entrepreneur		
07036540 Register number:	Activity code	100000539 TIN
Completed by Register Agency		
750 123	19	20, 21, 22, 23, 24, 25, 26
Type of business		

Name: Akcionarsko društvo Aerodrom Nikola Tesla Beograd

Head-office: Belgrade, 11180 Belgrade 59

STATISTICAL ANNEX



7005011259938

for 2011

I. GENERAL DATA ON LEGAL PERSON/ ENTREPRENEUR

DESCRIPTION	ADP	Current year	Previous year
1	2	3	4
1. Number of months of operating (mark from 1 to 12)	601	12	12
2. Size mark (mark from 1 to 3)	602	3	3
3. Ownership mark (mark from 1 to 5)	603	4	5
4. Number of foreign (legal or physical) persons having share in capital	604	224	0
5. Average number according to balance at the end of each month (round number)	605	421	420

II. GROSS CHANGES OF INTANGIBLE INVESTMENTS, PROPERTIES, PLANTS, EQUIPMENT AND BIOLOGICAL AGENCIES

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Gross	Value correction	Net (qty. 4-5)
1	2	3	4	5	6
01	1. Intangible investments				
	1.1. Balance at the beginning of the year	606	21175	20314	861
	1.2. Increase (of purchase) during the year	607	7649	XXXXXXXXXXXX	7649
	1.3. Decrease during the year	608	0	XXXXXXXXXXXX	2276
	1.4. Revaluation	609		XXXXXXXXXXXX	
	1.5. Balance at the end of year (606+607-608+609)	610	28824	22590	6234
02	2. Properties, plants, equipment and biological agencies				
	2.1. Balance at the beginning of the year	611	21350410	724285	20626125
	2.2. Increase (of purchase) during the year	612	476908	XXXXXXXXXXXX	476908
	2.3. Decrease during the year	613	31630	XXXXXXXXXXXX	653723
	2.4. Revaluation	614	98	XXXXXXXXXXXX	98
	2.5. Balance at the end of year (611+612-613+614)	615	21795786	1346378	20449408

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
10	1. Stock of materials	616	105628	69334
11	2. Unfinished production	617		
12	3. Finished products	618		
13	4. Goods	619	46791	34240
14	5. Non-current resources intended for sale	620		
15	6 Given advancements	621	4204	13436
	7 TOTAL (616 + +617 + +618 + +619 + +620 + +621 = 013 + +014)	622	156623	117010

IV CORE CAPITAL PATTERN

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
300	1 Share capital	623	20573610	20573610
	included: foreign capital	624	264801	0
301	2 Portions of Companies with limited liabilities	625		
	included: foreign capital	626		
302	3 Portions of members of partnerships and limited partnerships	627		
	included: foreign capital	628		
303	4 State capital	629		
304	5. Social capital	630		
305	6. Joint portions	631		
309	7. Other core capital	632		
30	TOTAL (623+625+627+629+630+631+632=102)	633	20573610	20573610

V SHARE CAPITAL PATTERN

-number of shares as round number

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
	1 Ordinary shares			
	1.1. Number of ordinary shares	634	34289350	34289350
part 300	1.2. Nominal value of ordinary shares - total	635	20573610	20573610
	2 Priority shares			
	2.1 Number of priority shares	636		
part 300	2.2 Nominal value of priority shares - total	637		
300	3 TOTAL - nominal Value of shares (635 + +637 = 623)	638	20573610	20573610

VI RECEIVABLES AND LIABILITIES

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
20	1 Receivables from sale (balance at the end of year 639 <= 016)	639	1578800	1260046
43	2. Operating liabilities (balance at the end of year 640 <= 119)	640	194478	138346
part 228	3. Receivables during the year from insurance companies for indemnity (debt turnover without initial balance)	641	25856	6427
27	4. Value added tax-previous tax (annual amount from tax reports)	642	333583	306196
43	5. Operating liabilities (debt turnover without initial balance)	643	3376025	3291404
450	6. Liabilities for net salaries and salary reimbursements (debt turnover without initial balance)	644	365163	308935
451	7. Liabilities for tax for salaries and compensation for salaries at cost of employer (debt turnover without initial balance)	645	57341	48261
452	8. Liabilities for contributions for salaries and salary compensation at cost of employee (debt turnover without initial balance)	646	91811	77305
461, 462 and 723	9. Liabilities for dividends, income participation and personal earnings of employer (debt turnover without initial balance)	647	1175968	1713007
465	10. Liabilities for physical persons for contract compensations (debt turnover without initial balance)	648	2182	3437
47	11. VAT liabilities (annual amount from tax reports)	649	622205	564379
	12. Control sum (from 639 to 649)	650	7823412	7717743

VII OTHER COSTS AND EXPENDITURES

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
513	1 Costs of fuel and energy	651	209384	157856
520	2. Costs of salaries and salary compensation (gross)	652	514315	434501
521	3. Costs of taxes and contributions for salaries and salary compensations at cost of employer	653	91811	77305
522, 523, 524 and 525	4. Costs of compensations for natural persons (gross) from contracts	654	233846	167151
526	5. Costs of compensations for members of supervisory and board of directors (gross)	655	11231	6887
529	6. Other personal expenditures and compensations	656	37500	30051
53	7. Costs of production services	657	846715	684037
533, part of 540 and part of 525	8. Costs of lease	658	4572	4577
part of 533, part of 540 and part 525	9. Costs of land lease	659	158	158
536, 537	10. Costs of research and development	660		
540	11. Costs of amortisation	661	634384	719306
552	12. Costs of insurance	662	20921	42428
553	13. Costs of payment system	663	6899	6981

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
554	14. Costs of memberships	664	3649	4094
555	15. Costs of taxes	665	73978	73959
556	16. Costs of contributions	666		
562	17. Interest expenditures	667	77452	94665
part of 560, part of 561 and 562	18. Interest expenditures and part of financial expenditures	668	77452	94665
part of 560, part of 561 and part 562	19. Interest expenditures per loans from banks and other financial liabilities	669	72552	89648
part 579	20. Expenditures for humanitarian, cultural, health, education, science and religion intentions, for environment protection and sport purposes	670	18653	11295
	21. Control sum (from 651 to 670)	671	2935472	2699564

VIII OTHER REVENUES

- amounts in RSD thousands

Group of accounts, account	DESCRIPTION	ADP	Current year	Previous year
1	2	3	4	5
60	1 Revenues from sale of goods	672	562294	339645
640	2. Revenues from premiums, subsidies, donations, recourse, compensations and return of tax duties	673		
641	3. Revenues from conditional donations	674		
part 650	4. Revenues from land leases	675	1286	1304
651	5. Membership revenues	676		
part of 660, part of 661 and 662	6. Interest revenues	677	145135	161998
part of 660, part of 661 and 662	7. Interest revenues per invoices and deposits in banks and other financial organizations	678	140772	139266
part of 660, part of 661 and part 669	8. Revenues from dividends and profit portions	679		
	9 Control sum (from 672 to 679)	680	849487	642213

DESCRIPTION	ADP	Current year	Previous year
1	2	3	4
1 Liabilities for accise (according to annual accise calculation)	681		
2 Calculated customs duties and other export duties (total annual amount according to calculation)	682	1025	11710
3 Capital subsidies and other state allotments for construction and purchase of basic resources and intangible investments	683		
4 State allotments for premiums, recourse and coverage of current operating expenses	684		
5. Other state allotments	685		
6 Received donations from abroad and other returnless resources in money or in kind from foreign legal or physical persons	686		
7. Personal earning of entrepreneurs from net income (only for entrepreneurs)	687		
8. Control sum (from 681 to 687)	688	1025	11710

In _____ on 02.28. 2012.

Person responsible for drafting of
financial statement

Seal

Legal representative

Template prescribed in The Rule on template content and form for financial statements of companies, fellowships, other legal entities and entrepreneurs ("Official Gazette of RS" no. 114/06, 5/07, 119/08 and 2/10)

Translated by: Marija Jakovljević

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1. FOUNDING AND OPERATION OF THE COMPANY

Akcionarsko društvo (joint stock company) Aerodrom „Nikola Tesla“ Beograd (hereinafter the Company) was established with purpose of providing airport services.

Operation of the Airport dates back to March 25, 1928, at the location on Bežanijska kosa and operation on the current location (Surčin) started from 1962.

By Decision of the Government of the Republic of Serbia from 1992, the Airport was re-registered as Javno preduzeće (public company) Aerodrom „Beograd“ and in 2006, also by a decision of the Government it got the name JP Aerodrom „Nikola Tesla“

On 06/17/2010 the Government of RS made the Decision No 023-4432/2010 on change of legal status of Javno preduzeće Aerodrom "Nikola Tesla" Beograd from a public company into a closed joint stock company.

Central depository and clearing house registered on 07/07/2010, 34,289,350 shares, 100% in ownership of the Republic of Serbia.

Based on the Decision of the Government of RS no. 023-9103/2010 dated on 12/09/2010 right to transfer 16.85% of share capital of AD „Nikola Tesla“ Beograd was acquired by:

- Citizens of the Republic of Serbia 14.06% or 4,820,689 shares, each shareholder one share, and
- Employees and former employees of AD Aerodrom "Nikola Tesla" Beograd and the Shareholding fund, total 2.79% or 956,673 shares.

After transfer of the right to free of charge shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of total share capital of AD Aerodrom "Nikola Tesla" Beograd.

The Assembly of the Company AD Aerodrom „Nikola Tesla“ Beograd, on the meeting held on 01/20/2011 made the Decision (no. 21-2/1) on transformation of the Company from closed into open joint stock company.

On 02/24/2011 AD Aerodrom "Nikola Tesla" Beograd was registered with the Register Agency as an open joint stock company by the Rescript No BD 7651/2011.

On 01/25/2011, based on data of the Central depositing and clearing house, AD Aerodrom "Nikola Tesla" Beograd had 4,822,137 shareholders and on 12/31/2011 it had 3,313,721 shareholders.

Register number of the Company is 07036540 and Tax identification number (TIN) is 100000539.

Basic activity of AD Aerodrom "Nikola Tesla" Beograd is provision of airport services relating to ensuring conditions for secure air-traffic performances as follows:

- Landing on, take-off, taxing and parking of aircraft
- Ground handling (handling of aircraft, passengers and cargo).

Apart from basic activity, AD Aerodrom "Nikola Tesla" Beograd, as a side activity, provides other services at airport complex, satisfying the needs of service users, domestic and foreign air carriers. According to the classification criteria from the Law on accounting and audit AD Aerodrom "Nikola Tesla" Beograd is classified as a large legal person.

On 12/31/2011 the Company had 435 employees (averagely 421 employees during the year).

The company composes of nine organizational units as follows:

- Business cabinet
- Ground handling department
- Security department
- Department for management of human resources, air traffic security and quality
- Investment and development department
- Technical maintenance department
- Commercial department
- Legal department
- Financial department

2 BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for composition and presentation of financial statements

Financial statements for 2011 are composed in line with the Law on accounting and audit and approved on the meeting of the Board of Directors on 02/28/2012.

Based on the Law on accounting and audit ("Official Gazette of RS" No. 46, dated on 06/02/2012 and no. 111 dated on 12/29/2009) legal persons and entrepreneurs in the Republic of Serbia are obliged to perform keeping of business books, acknowledgement and assessment of property and obligations, incomes and outcomes, composition, presentation, submission and disclosing of financial statement in line with legal and professional regulations, which considers Framework for preparation and presentation of financial statements ("Framework"), the International accounting standards ("IAS"), the International standards of financial statement ("ISFS"), as well as commentaries being integral part of standards that had been in effect until 12/31/2002.

IAS amendments, new ISFS and corresponding interpretations, issued by the Board for International Accounting Standards ("the Board") and the International Committee for Interpretation of Financial Reporting ("the Committee") in period from 12/31/2002 till 01/01/2009 were officially adopted by the Rescript of the Minister of finance of the Republic of Serbia ("the Ministry") and published in Official Gazette of RS No. 77, dated on 10/25/2010.

However, up to the date of composition of the financial statements enclosed herewith, there had not been translated all amendments of IAS/ISFS and IFRIC interpretations which were in effect for annual period beginning with 01/01/2009. Additionally, enclosed financial statements are presented in the form prescribed by the Rule on account frame and content of statement in account frame for companies, fellowships, other legal persons and entrepreneurs ("Official Gazette of RS" no. 114, dated on 12/22/2006 and no. 119, dated on 12/26/2008 and no. 9, dated on 02/06/2009 and no. 4, dated on 01/29/2012, which includes complete set of financial statement, defined by law, which deviates from the form from IAS1 "Presentation of financial statements" and in certain parts it deviates from presentation manners for some balance positions, prescribed by the indicated standard. Issued standards and interpretations in effect in the current period which have not yet been officially translated and adopted, as well as published standards and interpretations which are still not in practice, are manifested in notes 2.2 and 2.3.

Furthermore, accounting standards of the Republic of Serbia deviate from IAS and ISFS in part of the provisions of IAS 19, "Receiving of employees" considering that participation of employees in the profit, in line with an option of the Ministry, is registered as decrease of non-distributed profit and not at the cost of period result.

In accordance with the afore-mentioned, providing potential material effect which differentiation of accounting regulation of the Republic of Serbia from ISFS and IAS may have on reality and objectiveness of financial statement of the Company, here enclosed financial statements cannot be considered as financial statements in accordance with ISFS and IAS.

The Financial statements are composed in line with the concept of historical expense, unless it is differently specified in accounting policies given hereinafter.

During composition of the financial statements, the Company applied accounting policies, explained in Note 3.

The Financial statements of the Company are disclosed in RSD thousand. Dinar (RSD) represents official statement currency in the Republic of Serbia.

2.2 Published standards and interpretations in effect in the current period which have not yet been officially translated and adopted

On the day of publishing of these financial statements, the following standards and standard interpretations had been given by the Board on international accounting standards and the following interpretations had been published by the International Financial Standard Interpretations Committee, but they had not been officially adopted in the Republic of Serbia for annual period beginning on 01/01/2010:

- Amendments of ISFS 7 "Financial instruments: Disclosures" – Amendments by which disclosures of fair values and liquidity risks are improved (revised in March 2009, in effect for annual periods beginning on or after January 1st 2009),
- Amendments of ISFS 1 "The first application of International standards of financial statements" – Additional exemptions for persons who, for the first time, apply ISFS Amendments referring on resources in industry of oil and gasoline and establishing whether contracts contain leasing (revised in July 2009, in effect for annual periods beginning on or after January 1st 2010),
- Amendments of different standards and interpretations are results of the Project of annual quality improvement of ISFS, published on April 16th 2009, (ISFS 5, ISFS 8, IAS 1, IAS 7, IAS17, IAS 36, IAS 39, IFRIC 16, primarily in purpose of discrepancy removal and phrasing explanation (amendments of standards enter into effect for annual periods beginning on or after January 1st 2010, and amendment of IFRIC on or after July 1st 2009),
- Amendment of IAS 38 "Intangible property" (in effect for annual period begging on or after July 1st 2009),
- Amendments of ISFS 2 "Payment in shares: Amendment as a result of the Project of annual quality improvement of ISFS (revised in April 2009, in effect for annual periods beginning on or after July 1st 2009) and amendment referring to transactions of payment in shares of a group based on cash, (revised in June 2009, in effect for annual periods beginning on or after January 1st 2010);
- Amendment of IFRIC 9 "Reassessment of built-in derivatives" enters into effect for annual periods beginning on or after July 1st 2009 and IAS 39 "Financial instruments: Acknowledgement and measuring" – Built-in derivatives (in effect for annual periods beginning on or after June 30th 2009),
- IFRIC 18 "Transfer of resources from buyers" (in effect for annual periods beginning on or after July 1st 2009);
- "Overall framework for financial statement 2010" representing amendment of "Framework for preparation and presentation of financial statements" (in effect from the date of publishing, i.e. from September 2010).
- Amendments of ISFS 1 "The first application of International standards of financial statements" – Limited exemption of the parallel disclosures, prescribed within ISFS 7 for persons who apply ISFS for the first time (in effect for annual periods beginning on or after July 1st 2010),
- Annexes of IAS 24 "Disclosures about correlated persons" – Simplified requests for disclosures for persons in (significant) control or under impact of government and explanation of the definition of correlated person (in effect for annual periods beginning on or after January 1st 2011),
- Annexes of IAS 32 "Financial instruments: presentation" Accounting implication of pre-emptive right on new shares (in effect for annual periods beginning on or after February 1st 2010),
- Annexes of different standards and interpretations of "ISFS improvement (2010)" are results of the Project of annual quality improvement of ISFS, published on May 6th 2010 (ISFS 1, ISFS 3, ISFS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily with intention of discrepancy removal and phrasing explanation (most of annexes will enter into effect for annual periods beginning on or after January 1st 2011),

- Annexes of IFRIC 14 "IAS 19 - Limitation of defined receiving, minimal demands for financing and their interaction" Pre-paid minimal demands (in effect for annual periods beginning on or after January 1st 2011),
- IFRIC 19 "Fulfillment of financial obligations in instruments of capital" (in effect for annual periods beginning on or after July 1st 2010).

2.3 Published standards and interpretations yet not in effect

On date of publishing of these financial statements the following standards, their annexes and interpretations had been published, but not yet in effect:

- ISFS 9 "Financial instruments" (in effect for annual periods beginning on or after January 1st 2015),
- ISFS 10 "Consolidated financial statements" (in effect for annual periods beginning on or after January 1st 2013),
- ISFS 11 "Common arrangements" (in effect for annual periods beginning on or after January 1st 2013),
- ISFS 12 "Disclosure of interest in other legal entity" (in effect for annual periods beginning on or after January 1st 2013),
- ISFS 13 "Measuring of fair values" (in effect for annual periods beginning on or after January 1st 2013),
- IAS 27, (revised in 2011) "Individual financial statements" (in effect for annual periods beginning on or after January 1st 2013),
- IAS 28, (revised in 2011) "Investment in associate legal entities and joint investments" (in effect for annual periods beginning on or after January 1st 2013),
- Amendments of ISFS 1 "The first application of International standards for financial statements" – Great hyperinflation and fixed dates removal for persons who apply ISFS for the first time (in effect for annual periods beginning on or after July 1st 2011),
- Amendments of ISFS 7 "Financial instruments: disclosures"- Transfer of financial resources (in effect for annual periods beginning on or after July 1st 2011),
- Amendments of ISFS 7 "Financial instruments: disclosures"- Compensation of financial resources and financial liabilities (in effect for annual periods beginning on or after January 1st 2013),
- Amendments of ISFS 9 "Financial instruments" and ISFS 7 "Financial instruments: Disclosures" - Mandatory coming into effect and transitional disclosures
- Amendment of IAS 1 "Presentation of financial statements" - Presentation of positions of other result (in effect for annual period beginning on or after July 1st 2012),
- Annexes of IAS 12 "Profit tax" – Deferred tax: return of resources which are in the basis (in effect for annual period beginning on or after January 1st 2012),
- Amendment of IAS 19 "Reimbursement for employees" - Improvement of accounting allowance for receiving after termination of employment (in effect for annual period beginning on or after January 1st 2013),
- Annexes of IAS 32 "Financial instruments: Presentation"- Compensation of financial resources and financial liabilities (in effect for annual periods beginning on or after January 1st 2014),
- IFRIC 20 "Costs of disclosure in phase of production of surface mines" (in effect for annual periods beginning on or after January 1st 2013).

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES AND EVALUATIONS

3.1 Incomes and outcomes

Incomes are disclosed according to invoice value, decreased for discounts given, acknowledged complaints and VAT.

Incomes are recognized in a moment when service is provided or goods are delivered, i.e. when all risks upon performed operations are transferred to buyer. For services that are provided in longer period, incomes are recognized in proportion with operation performance.

Outcomes are recognized concurrently with recognition of incomes for which the outcomes arose (concept of causality of incomes and outcomes).

Costs of current maintenance of basic resources are covered from current incomes.

Costs of lending refer to interests and other costs arising in connection with resource lending. Costs of lending that can be directly ascribed to acquisition, resource build-up to be enabled for usage, are included in purchase value or cost value of such resource. Other costs of lending are recognized as outcomes of period from which they originate.

3.2 Conversion of foreign exchange amount

Operation changes disclosed in foreign currency are converted in RSD, applying official middle exchange rate of the National Bank of Serbia, on the date of operation change.

Resources and obligations disclosed in foreign currency on balance date, converted in RSD, applying official middle exchange rate of the National Bank of Serbia, effective on balance date as follows:

	<u>12/31/2011</u>	<u>12/31/2010</u>
EUR middle exchange rate of NBS	RSD 104.6409	RSD 105.4982
USD middle exchange rate of NBS	RSD 80.8662	RSD 79.2802
CHF middle exchange rate of NBS	RSD 85.9121	RSD 84.4458
GBP middle exchange rate of NBS	RSD 124.6022	RSD 122.4161

Certain liabilities disclosed in foreign currency are converted into RSD applying contracted exchange rate, effective on operation change date (liabilities upon long-term loans from EIB, liabilities for housing loans from Piraeus Bank and liabilities for financial leasing from Porsche leasing and Hypo leasing). Indicated liabilities, disclosed in foreign currency on balance date, are recalculated in RSD according to contracted exchange rate effective on balance sheet date as follows:

	<u>12/31/2011</u>	<u>12/31/2010</u>
For EIB loan and housing loans from Piraeus Bank:	RSD 104.9548	RSD 105.8147
For liabilities of financial leasing from Porsche leasing:	RSD 106.0012	RSD 106.8697
For liabilities of financial leasing from Hypo leasing:	RSD 106.7660	RSD 107.6082

Incomes and outcomes according to exchange rate differences and effects of currency clause are registered in balance sheet of business year. Such incomes and outcomes are established during the year according to realised receivables and liabilities, as realised currency differences or realised effects of currency clause, and at the end of business year as result of rating of balance sheet positions, disclosed in foreign currency, as non-realised currency differences or non-realised effects of value clause.

3.3 Real estates, plants, equipment, biological and intangible investments

Initial valuing of real estates, plants, equipment, biological resources and intangible investments is performed upon purchase value. Resource built-up in own setting is recognized upon cost price providing they do not exceed market value. Purchase value consist of invoice value of obtained resources increased by all costs arose up to their utilization.

After initial recognition, real estates, plants and equipment are registered at cost of revalorising reserves, which represents their fair value at the date of revalorisation, decreased for total amount of correction value against amortization and total amount of correction value against loss from depreciation.

An authorised assessor made an assessment of real estates, plants and equipment on 01/01/2010.

Interest capitalization into purchase value of real estates, plants and equipment according to revised IAS-23, having been in works since 01/01/2009, was not used, because purchases of those, carried out in 2011, were financed from own and not borrowed resources.

Equipment is capitalized if its service life is longer than one year and if their unit value is higher than value of gross receiving for month of purchase.

In purpose of complete writing off of resources during their useful service life, amortization is evenly recalculated from revalorized value of real estates, plants and equipment and intangible investments, applying following annual rates:

DESCRIPTION	31/12/2011 %	31/12/2010 %
Constructing facilities		
Facilities of electro economy and economy of water	1.50-10.00	1.50-10.00
Roads, airports and parking	2.00 - 12.50	2.00 - 12.50
Equipment		
New specific equipment	6.67 - 33.33	6.67 - 33.33
Equipment for road traffic	6.67 - 50.00	6.67 - 50.00
Equipment for post traffic and TV	9.09 - 50.00	9.09 - 50.00
Equipment for air traffic	6.67 - 100.00	6.67 - 100.00
Measuring and controlling devices and specific devices	6.67 - 100.00	6.67 - 100.00
Laboratory equipment, school tuitions and medical devices	14.28/-100.00	14.28/-100.00
Electronic, computing machines and computers	11.00 - 100.00	11.00 - 100.00
Furniture and devices for general purposes	10.00-100.00	10.00-100.00
Equipment for agricultural operations	25.00-100.00	25.00-100.00
Equipment for road traffic under financial leasing	7.69 - 25.00	7.69 - 25.00

Calculating of amortization and amortization rate is based on projected economic service life of real estates, plants and equipment and intangible investments.

Calculating of amortization begins on the next day after putting resources into operation.

Complying with IAS-16, at the end of each business year re-examination of useful service life is performed, and according to the results, we make correction of amortization rates. Considering that this correction does not represent change of accounting policy, there is no backward correction.

Initial valuing of investment real estate is carried out per purchase value. After initial recognition, valuing of investment real estate is carried out per value in accordance with IAS 40- investment real estates.

Profit or loss incurred due to change of fair value of investment real estate to lower or higher position is disclosed at cost of other outcomes or in favour of other incomes in accounting period. Such assessment does not affect basis for calculating of amortization according to tax regulations.

3.4 Correction of values of uncollectible receivables

The Company performs individual correction of vales of due receivables considered as uncollectible by management.

Value correction is booked at cost of income statement for all receivables and investments not collected within period of 60 days after due date, along with additional analysis of collectibility made by management. Collecting of previously corrected receivables is booked in favour of incomes. Uncollectible receivables are written off according to court decision, pursuant to settlement agreement between contractual parties or according to decision of the Board of Director of the Company.

At the end of 2011, it was performed value correction of receivables older than 60 days, considered as uncollectible by management. For all corrected receivables that were collected till March 23th 2012, correction of revision was carried out in accordance with requests of IAS-10 .

3.5 Stocks

Stocks are disclosed per purchase value, i.e. cost value or net sale value, depending on the fact which one is lower.

Purchase value includes value per supplier's invoice, import duties, costs of transport and other dependable purchase costs.

Net sale value is price for sale of stocks in nominal operation conditions after price decrease by sale costs.

Calculation of stock output is determined by the method of average weighed purchase price.

3.6 Cash and cash equivalents

In money flow reports as cash and cash equivalents there are considered cash, cheques sent on collection, resources on RSD and foreign currency current bank accounts.

3.7 Taxes and contributions

Current taxes

Income tax represents amount calculated and paid in accordance with taxing regulations of the Republic of Serbia. Final amount of income-tax duty is determined by application of 10% rate on tax basis determined in tax balance of the Company. Tax basis disclosed in tax balance includes income disclosed in official balance sheet which is corrected for fixed differences defined by taxing regulations of the Republic of Serbia.

Deferred tax

Deferred tax effects arise as a consequence of difference between basis for amortization calculation according to accounting and tax regulations. Also, this difference accrues on basis of existence of equipment with purchase value in the moment of purchase lower than gross salary in RS, on basis of non-used tax loan for investments in real estate, plants and equipment and in other cases when there is time difference between tax liability arising and tax payment due date. Deferred tax liabilities are recognized for all chargeable temporary differences, while deferred tax resources are recognized in extent in which it is possible for chargeable profits to be available for usage of deducting temporary differences, (Notes 16 and 15a)

Taxes and contributions independent of results

Taxes and contributions independent of results include real estate and other taxes and contributions in line with republic, tax and general regulations. These taxes and contributions are disclosed within other business expenditures.

Taxes and contributions for salaries and reimbursements

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

3.8 Restructuring

In 2004 the company started a process of restructuring and then costs for restructuring were reserved. The process of restructuring began in 2004 and was finished on 12/31/2006, and the last tranche was paid on 01. 08/ 2007.

In 2007 the process of restructuring continued. A new social programme was planned for 2008, considering expenditures were reserved in 2007 and payments were made in 2008.

In 2008 a part of reserves for restructuring that was not used, was cancelled and it was not planned in Business plan for 2009.

In 2009 outstanding part of the short-term reserves for restructuring that was not used in 2009 and it was not planned in Business plan for 2010 and 2011.

Reserves for restructuring were neither provided in Draft Business plan for 2012.

The list of change of reserves for restructuring is given in Notes No. 28 and 28a.

3.9 Reserving for terminal wages and jubilee bonuses in line with IAS-19

According to the Operating rule, the Company has to pay to employees:

- Terminal wage for retirement in amount of 4 average month salaries at the employer's in the very month before payment of terminal wage, and
- Jubilee bonuses for total time of employment at the employer's as follows:
 1. 10 years – one average month salary in the Republic of Serbia
 2. 20 years – two average month salaries in RS
 3. 30 years - three average month salaries in RS
 4. 35 years for women and 40 year for men- four average month salaries in RS.

Due to previously mentioned obligations at the end of every business year the Company makes assessment of reserving for terminal wages and jubilee bonuses in line with IAS-19- Reimbursements for employees.

Assessment of reserving for considered reimbursements on 12/12/2011 was made by Institute for economic researches Belgrade, as independent actuary, considering all relevant elements necessary for the reserving: The Operating rule of the Company, number of employees in AD Aerodrom "Nikola Tesla" Beograd on 12/31/2011, rate of employee fluctuation in previous of 2% and assumptions used by actuary in calculation, as discount rate (10%), expected salary increase in the Company (5%) and presumed real growth of average gross month salary in the Republic (4%).

3.10 Obligations on loans and financial leasing

The Company has obligations per loans with payment linked with exchange rate of EUR. The loans are agreed with fix interest rates. (Note 37)

Obligations per interests for long-term loans with due date in 2012 and subsequent years are not disclosed in balance sheet, but in Note 38, there is list of interests in detail, per considering loans.

The Company presented leased equipment in balance sheet at current value of minimal leasing instalments at the beginning of leasing period. Corresponding liabilities toward lessors are registered in balance sheet as liabilities per financial leasing.

Expenditures of interests per financial leasing are registered in balance sheet on corresponding expenditure invoices, after fulfilment of obligations on related basis.

3.11. Reconciliation of receivables and indebtedness

The Company did reconciliation of its receivables and indebtedness on 10/31/2011
In the procedure of reconciliation with partners no materially significant receivables and indebtedness were established, as it was presented in Notes no. 40 to 45a.

3.12. Information on business segments

The Company performs business activity as single business segment, provision of airport services. Accordingly, information relating to purchase income per products and services, geographical information on purchase income and information on largest buyers, represent disclosure at company level-Note 51, 52 and 53.

3.13. Litigations

During measurement and recognition of reserving and establishing level of exposure to potential obligation referring to current litigation the management of the Company makes certain assessments. The assessments are necessary for establishment of possibility of negative outcome and determination of amount necessary for final settlement. Due to uncertainty of assessment procedure, real losses may differ from losses determined during assessment. For that reason assessments are corrected when the Company obtain new information, mostly with assistance of internal professional services and external advisers. The list of reserving changes for litigations in the current year comparing with the previous year is presented in Note 55.

3.14 Financial instruments and aims of financial risk management

Financial instruments represent financial resources and financial obligations independent of their duration.

Financial resources and obligations are registered in balance sheet of the Company, from the moment of contractual binding to instrument.

Financial resources are no more recognized from the moment when the Company loses control over contracted rights on those instruments, which occurs when beneficial interest on instrument is realized, expired, abandoned or assigned. Financial obligation is no more recognized when the Company fulfils its obligation or when contractual obligation is annulled or expired.

Due to market risks, affecting on changes on financial resources and obligations, management of the Company regularly and thoroughly follow movements, which can create risks, and take measures necessary for risk management.

Risks arising in operating with financial resources and obligations are:

-market risk, -credit risk, -liquidity risk, -cash flow risk.

In purpose of simpler recognition of risks that follow financial instruments and risk management, the Company has categorized financial instruments as follows:

A: Financial resources

- Advance payment given for properties, plant and equipment
- Long-term financial investments
- Advance payments given for goods and services
- Receivables from foreign buyers
- Other receivables
- Short-term financial investments
- Cash and cash equivalents

B: Financial obligations

- Long-term loans
- Financial leasing
- Part of long-term loan with due date in next year
- Part of long-term loans with due date in next year
- Short-term obligations

Within these categories there are categories defined in details, where monitoring of movements is organized and necessary actions are taken in order to avoid or diminish risks. Detailed lists of these financial instruments are given in Notes from no 47a to 50d, concurrently for current and previous year.

MARKET RISK

In analysis of market impact on financial instrument, the Company observes risk of exchange rate change (currency risk), interest rate change risk and risk of price change.

a) Currency risk

By analysis of financial resources and obligations at the end of 2011, we can conclude that the Company operates with low currency risk. It is due to the fact that almost all long-term receivables are contracted with currency clause. Complying with the concept of caution, the Company also agreed short-term deposits with currency clause. Only receivables of domestic buyers were not contracted with currency clause. Accounting values of monetary resources and obligations disclosed in foreign currency on date of reporting in the Company are the following:

	in thousand RSD			
	resources		obligations	
	12/31/2011	12/31/2010	12/31/2011	12/31/2010
(EUR)	2,728,711	2,543,279	1,356,509	1,533,554
USD	225.685	168.172	23.453	6.532
CHF	272	381	0	0
GBP	224	0	0	0
RSD and other currencies	<u>3,032.277</u>	<u>2,154,611</u>	<u>260,913</u>	<u>149,864</u>
__TOTAL -gross:	<u>5.987.169</u>	<u>4.866.443</u>	<u>1.640.875</u>	<u>1.689.950</u>

Detailed data account per categories of financial instruments disclosed in foreign currency is given in the Listing of Note number 47a for 2011 and Note number 47b for 2010.

In order to avoid risk of loss per receivables for long-term housing loans, given to employees, the Company has to make assessment of fair value of such receivables by discounting method. An independent assessor-Institute for economic researches Beograd made an assessment of fair value on 31/12/2011 (Note 18 b).

Obligations are mainly contracted with currency clause and such obligations, do not represent risk for the Company, as those are long-term obligations. Such obligations can be covered by receivables also with currency clause.

b) Risk of interest rate change

Risk of interest rate change does not represent significant risk for the Company, as categories of financial instruments with contracted interest, are mainly defined by fixed interest rate. Change of interest rates would not significantly affect either incomes, or outcomes of the Company or money flows.

Business policy of the Company is such that business relations with debtors and creditors are not embarrassed with interests, but charging is stimulated with additional bonuses for due payments or payments before due date. It is estimated that costs of promptness notes or suits is higher than bonification given as stimulating measure for due payment.

Calculation of interests according to legal rates or actions of law is applied when it is estimated that charging of receivable is suspicious or disputable.

Fixed interest rate is agreed for long-term housing loans given to employees, but for these receivables revaluation is performed in accordance with the subject contracts and the Law on residence.

Variable interest rate is agreed for financial leasing. In order to avoid risk of interest rate change the Company contracted possibility of paying off before due date for financial leasing. The Company will

estimate whether there can be any future risks of interest rate increase and according to the estimation it will consider the option to pay off liabilities before the due date for financial leasing.

Financial instruments categorised as interest and no-interest resources shown in the following listing, while listing in detail is given in the Note no. 47 c:

financial resources - net

<u>no interest</u>	<u>31/12/2011</u>	<u>31/12/2010</u>
Advance payment given for real estates, plant and equipment	31.356	5.901
Interest in other legal entities	205	389
Advance payments given for goods and services	4.203	13.437
Receivables from foreign buyers	1,578,800	1,260,046
Other receivables	76.402	76.896
Short-term financial investments	30.312	18.384
Cash and cash equivalents	73.304	259.206
	1,794,582	1,634,259
<u>fixed interest rate</u>		
Long-term financial investments	95.809	110.408
Short-term financial investments	2,448,302	2,162,287
	2,544,111	2,272,695
	4,338,693	3,906,954
Financial obligations		
<u>no interest</u>		
Operating liabilities	160.928	107.840
Short term liabilities	50.560	91.524
	211.488	199.364
<u>fixed interest rate</u>		
Long-term loans	1,034,742	1,138,765
current maturity long term obligation	94.768	113.224
	1,129,511	1,251,989
<u>variable interest rate</u>		
Other long-term financial liabilities	217.225	189.155
current maturity long term obligation	82.651	73.611
	299.876	262.766
	1,640,875	1,689,950

c) Risk of price change

The Company estimates that there is no risk of price change, because financial instruments of the Company are not subject to price change on the market.

The Company in very little extent deals with securities, subject to price change in exchange market. Furthermore, the Company has no turnover of goods subject to price change. The greatest item in traffic of goods is kerosene traffic with transit goods treatment.

II - CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk. The Company has huge receivables of domestic and foreign buyers and the credit risk permanently exists. In order to decrease this risk the Company regularly monitors charging, analyses charging value realised in due period, charging after due date and uncharged receivables.

Higher percentage of individual share in total receivables can represent higher credit risk if the buyer has unstable liquidity and if due to that reason it exceeds contracted payment term.

Shares in total non-charged receivables with balance on 12/31/2011 are as follows:

	in RSD thousand			
	12/31/2011		12/31/2010	
Jat Airways	1,638,743.45	67.43	757,066.28	51.82
Jat Tehnika	144,772.00	5.96	110,074.11	7.53
International CG	41,452.14	1.71	35,018.64	2.40
Jat Katering	28,621.14	1.18	28,543.67	1.95
Montenegro Airlines	90,108.83	3.71	78,379.05	5.36
Wizz Air	65,281.64	2.69	19,395.41	1.33
Deutsche Lufthansa	48,086.84	1.98	58,919.87	4.03
Branch of Austrian Airlines	26,996.72	1.11	21,115.77	1.45
Swiss Air	24,003.99	0.99	26,009.07	1.78
Spanair	23,085.16	0.95	15,594.05	1.07
Other customers	<u>299,135.02</u>	<u>12.31</u>	<u>310,949.41</u>	<u>21.28</u>
	<u>2,430,286.94</u>	100	<u>1,461,065.33</u>	100

Detailed listing of buyer's share in receivables with balance on 12/31/2011 is given in the Note no. 54.

Receivables from domestic buyers is disclosed in the amount of RSD 2,006,679.59 thousand or 88.57% of total non-charged receivables from buyers, mostly refer to receivables from JAT Airways and they amount RSD 1,638,743.45 thousand, which is 67.43% of total non-charged receivables from buyers. There is significant participation in uncharged receivables as those of JAT Tehnika with 5.96% or RSD 144,772.00 thousand and JAT Katering with 1.18% or RSD 28,621.14 thousand and Aviogenex (Internacional CG) with 1.71% or 41,452.14 thousand, which makes 76.27% of total uncharged receivables from domestic buyers.

Receivables from foreign buyers amount RSD 423,607.34 thousand, which makes 17.43% of total receivables.

Age distribution of receivables of buyers (account 20) is given in the following table.

Age distribution	in RSD thousand	
	12/31/2011	12/31/2010
Undue receivables from buyers	443.300	1,092,196
Due receivables, up to 60 days	381.179	135.546
Due, corrected receivables up to 60 days	851.487	201.020
Due, non-corrected receivables over 60 days	754.321	32.303
Total receivables-gross	<u>2,430,287</u>	<u>1,461,065</u>
Total receivables-net (gross minus correction)	<u>1,578,800</u>	<u>1,260,045</u>

In non-corrected receivables due over 60 days in amount of RSD 754,321 thousand, JAT Airways has the greatest share in amount of RSD 656,140 thousand, which makes 87% of total non-corrected receivables older than 60 days.

The main reason for non-correction of receivables from JAT Airways are concluded agreements for purchase of real estates in the amount of RSD 593,286 thousand, then charged receivables until 02/20/2012, in the amount of RSD 13,436 thousand and estimation of the Commercial department that it is certain to charge the amount of RSD 49,418 thousand.

The Commercial department has also made assessment that it is certain to charge other due

receivables from domestic buyers, due over 60 days in the amount of RSD 38,957 thousand and of foreign buyers, due over 60 days in the amount of RSD 59,224 thousand.

Total receivables due over 60 days, on interest basis, calculated for delayed payments, amount RSD 20,737 thousand and include RSD 18,045 thousand for value correction. Non-corrected, interest receivables due over 60 days amount RSD 2,692 thousand, where amount of RSD 127 thousand was charged until 02/20/2012 and the Commercial department has made assessment that it is certain to charge another RSD 2,564 thousand.

III - LIQUIDITY RISK AND CASH FLOW

Liquidity risk management demands special attention of management because liquidity represents ability of the Company to fulfil their obligation. In order to provide permanent liquidity the management of the Company set business policy based mostly on financing from own sources. Lent resources are mostly long-term and short-term obligations may be covered by short-term receivables. It is obvious that there is no liquidity risk because the Company has free resources consigned in banks in form of short-term investments, for the purpose of resource providing for financing of future investments.

Maturity of financial resources-gross

	<u>in thousand RSD</u>	
	31/12/2011	31/12/2010
Up to 30 days	4,397,457	2,750,900
1 - 3 months	527.456	396.289
3-12 months	637.115	1,292,517
1 - 5 years	65.024	88.728
over 5 years	<u>360.117</u>	<u>338.009</u>
	5,987,169	4,866,443

Maturity of financial liability

	<u>in thousand RSD</u>	
	31/12/2011	31/12/2010
Up to 30 days	217.931	169.047
1 - 3 months	25.232	29.995
3-12 months	145.745	162.988
1 - 5 years	569.888	552.315
over 5 years	<u>682.079</u>	<u>775.605</u>
	1,640,875	1,689,950

In the Table of liquidity risk and cash flow risk, in the Note no. 50a there are presented cash flows, i.e. time of expected inflow and outflow of resources. We can easily notice that total receivables are higher than total obligations and also based on due dates liquidity is not endangered because short-term obligations are much less than short-term liquid resources. In short-term resources pattern the most important value is short-term financial investment that is at the second grade of liquidity, right after the cash.

Financial obligations with due date within 1 to 5 years and after 5 years are larger than financial resources within the same period, but financial resources with due date within 30 days period are sufficiently high to cover all future obligations in a manner that liquidity is not endangered in any period.

In Note 50a it is presented detailed list of obligations for 2011 and in Note 50b there are presented obligations by interests, by due dates. It is noticeable from the list that obligations by interests will not endanger liquidity of the Company. Concurrent list of liquidity risk for 2010 is presented in Notes 50c and 50d.

In order to enable the Company to manage financial instrument risks it is necessary to duly manage capital risk.

Capital risk management

The aim of capital risk management is provision of such a structure of capital that will secure safety in operating, liquidity and solvency. Apart from own capital, consisting of core capital, reserves and accumulated profit, the Company also utilizes resources of other persons in the form of long-term loans and financial leasing. The Company invests free resources from current accounts in the form of short-term deposits.

Indicators of indebtedness of the Company with the balance at the end of the year are the following:

No.	DESCRIPTION	in RSD thousand	
		31/12/2011	31/12/2010
1	INDEBTEDNESS (ADP 113+ADP 117)	1,429,386	1,514,755
2	CASH AND CASH EQUIVALENTS (ADP 019)	73,304	259,206
3	SHORT-TERM FINANCIAL INVESTMENTS (ADP 018)	2,478,614	2,180,671
AND	<u>NET INDEBTEDNESS (1 - 2 - 3)</u>	<u>-1,122,532</u>	<u>-925,122</u>
4	<u>CAPITAL (ADP 101)</u>	<u>22,914,998</u>	<u>22,510,860</u>
5	RATIO OF NET INDEBTEDNESS TOWARD CAPITAL (1 / 4)	-0.05	-0.04

1 Indebtedness includes long-term and short-term loans and other long-term and short-term financial obligations.

2 Capital includes core capital, reserves and accumulated profit.

4 Revenues from sale ADP 202

in RSD thousand

No.	Revenues from sale of goods	account	2011	PARTICIPATION	2010	PARTICIPATION
I.	Revenues from sale of goods		562,294	10.14	339,645	6.71
1	In the country	602	2,316	0.04	910	0.02
2	Export (kerosene re-export)	603	559,978	10.10	338,735	6.70
II.	Revenues from sale of products and services		4,982,688	89.86	4,719,080	93.29
1	In the country, domestic buyers	612	1,788,176	32.25	1,756,252	34.72
2	In the country, foreign branches	612	268,797	4.85	240,160	4.75
3	Export	613	2,925,715	52.76	2,722,668	53.82
III	Total (I+II)	ADP 202	5,544,982	100.00	5,058,725	100.00

5 Other business revenues ADP 206

in RSD thousand

No.	Other operating revenues	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Revenues from lease	650	443,340	100.00	410,187	100.00
2	Revenues from conditional donations	641	0	0.00	0	0.00
3	Other operating revenues	659	0	0.00	0	0.00
	Total	ADP 206	443,340	100.00	410,187	100.00

6 Purchase value of sold goods ADP 208

in RSD thousand

No.	1.Purchase value of sold goods	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Purchase value of sold retail goods	501010	552	0.10	338	0.11
2	Purchase value of sold kerosene-re-export	501100	528,741	99.90	304,674	99.89
	Total	ADP 208	529,293	100.00	305,012	100.00

7 Costs of materials ADP 209

in RSD thousand

No.	Costs of materials	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Cost of materials and spare parts	511	99,651	26.65	114,246	31.06
2	Overheads	512	64,898	17.35	95,771	26.03
3	Costs of fuel and energy	513	209,384	56.00	157,856	42.91
	Total	ADP 209	373,933	100.00	367,873	100.00

8 Payroll cost ADP 210

in RSD thousand

No.	Payroll cost	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Gross salaries and salary reimbursements	520	514,315	57.87	434,501	60.69
2	Taxes and contributions for salaries at the cost of employer	521	91,811	10.33	77,305	10.80
3	Costs of reimbursement per service contract	522	1,224	0.14	2,921	0.41
4	Costs of reimbursement for youth organisations	524	232,234	26.13	164,065	22.92
5	Costs of reimbursements for natural persons-contr	525	388	0.04	165	0.02
6	Costs of reimbursements for board of directors and	526	11,231	1.26	6,887	0.96
7	Other personal expenditures	529	37,500	4.22	30,051	4.20
	Total	ADP 210	888,703	100.00	715,895	100.00

9 Costs of amortization and reserving ADP 211

in RSD thousand

No.	Costs of amortization and reservations	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Costs of amortisation	540	634,384	95.23	719,306	92.53
2	Costs of reserving for terminal wages and jubilee bonuses	545	16,434	2.47	5,866	0.75
3	Costs of restructuring	544	0.00	0.00	0.00	0.00
4	Costs of reserving for litigations	549	15,330	2.30	52,199	6.71
	Total	ADP 211	666,148	100.00	777,371	100.00

10 Other business expenditures ADP 212

in RSD thousand

No.	Other business expenditures	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Costs of transportation services	531	373,777	29.67	302,660	27.59
2	Costs of maintenance	532	111,785	8.87	95,571	8.71
3	Costs of lease	533	4,572	0.36	4,577	0.42
4	Costs of trade fairs	534	0	0.00	0	0.00
5	Costs of advertising	535	24,918	1.98	22,523	2.05
6	Costs of researches	536	0	0.00	0	0.00
7	Costs of other services	539	331,663	26.32	258,706	23.58
8	Costs of non-production services	550	281,960	22.38	252,419	23.01
9	Costs of representation	551	6,640	0.53	6,255	0.57
10	Costs of insurance	552	20,921	1.66	42,428	3.87
11	Costs of payment system	553	6,899	0.55	6,981	0.64
12	Costs of memberships	554	3,649	0.29	4,094	0.37
13	Costs of taxes	555	73,978	5.87	73,959	6.74
14	Other intangible costs	559	19,221	1.53	26,848	2.45
	Total	ADP 212	1,259,983	100.00	1,097,021	100.00

11 Financial revenues ADP 215

in RSD thousand

No.	Financial revenues	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Interest revenues	662	145,135	42.99	161,998	37.99
2	Positive exchange rate differences	663	188,094	55.72	262,833	61.63
3	Revenues from effects of risk protection	664	4,367	1.29	1,643	0.39
	Total	ADP 215	337,596	100.00	426,474	100.00

12 Financial expenditures ADP 216

in RSD thousand

No.	Financial expenditures	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Interest expenditures	562	77,452	30.15	94,665	29.83
2	Negative exchange rate differences	563	179,374	69.84	186,085	58.65
3	Expenditures from effects of risk protection	564	27	0.01	36,546	11.52
4	Other financial expenditures	569	0	0.00	0	0.00
	Total	ADP 216	256,853	100.00	317,296	100.00

13 Other revenues ADP 217

in RSD thousand

No.	Other revenues	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Revenue from sale of properties, equipment and materials	670/+673	2,497	3.32	669	0.12
2	Charged, written-off receivables	675	11,146	14.81	10,304	1.90
3	Revenues from effects of risk protection	676	28,339	37.64	37,654	6.93
4	Revenues from decrease of liabilities for share in capital	677	0	0.00	358,598	65.96
5	Revenues from reserving cancellation	678	0	0.00	79,323	14.59
6	Other revenues not mentioned here	679	30,632	40.69	51,374	9.45
7	Revenues from reconciliation of value of property, plants and equipment	682	144	0.19	433	0.08
8	Revenues from reconciliation of financial investments	683	197	0.26	40	0.01
9	Revenues from reconciliation of value of stocks	684	0	0.00	3,669	0.67
10	Revenues from reconciliation of receivables	685	2,329	3.09	1,579	0.29
	Total	ADP 217	75,284	100.00	543,643	100.00

14 Other expenditures ADP 218

in RSD thousand

No.	Other expenditures	account	2011	PARTICIPATION	2010	PARTICIPATION
1	Loss from equipment sale	570	19,639	2.59	931	0.19
2	Loss from sale of materials	573	0	0.00	0	0.00
3	Deficits	574	1,007	0.13	19	0.00
4	Expenditures from effects of risk protection	575	1	0.00	0	0.00
5	Expenditures from receivable write-off	576	138	0.02	0	0.00
6	Expend. of materials and goods, allowed shrinkage	577	0	0.00	162	0.03
7	Other expenditures	579	33,259	4.38	27,521	5.55
8	Depreciation of property, plants and equipment	582	46	0.01	141	0.03
9	Depreciation of long-term financial investments	583	24,261	3.20	398,339	80.33
10	Depreciation of stock of material, spare parts and goods	584	27	0.00	32	0.01
11	Depreciation of long-term financial investments	585	680,662	89.67	68,726	13.86
	Total	ADP 218	759,040	100.00	495,871	100.00

15 Current tax- Tax periodical expenditure ADP 225

in RSD thousand

No.	Current taxes	ADP	2011	2010	Changed corporate profit tax report for 2009	Correction 01/01/2010	2009	2008	2007	2006
1	Profit before tax	223	1,667,249	2,362,690	2,030,588	231,838	1,798,750	1,408,539	430,458	584,939
2a	Correction of profit before tax+ for permanent differences (Costs not recognised in the Law on Profit Tax)		98,056	423,430	305,791	161,852	143,939	117,256	333,478	320,329
2b	Correction of base for calculation of temporary difference (between amortization base under IAS and tax regulations)		31,621	117,750	84,113	0	84,113	64,615	3,831	9,841
2	Total correction of permanent and temporary difference (2a+2b)		129,677	541,180	389,904	161,852	228,052	181,871	337,309	330,170
3	Tax base		1,796,926	2,903,870	2,420,492	393,690	2,026,802	1,590,410	767,767	915,109
4	Applied tax rate		10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
5	Tax liability amount (3x4)		179,692	290,387	242,049	39,369	202,680	159,041	76,777	91,511
6a	Correction for tax credits from the current year		81,514	117,611	86,230	0	86,230	79,520	38,388	45,756
6b	Correction for transferred tax credits from previous years		8,332	27,582	34,794	19,684	15,110	0	0	0
6	Total correction for tax credits (6a+6b)		89,846	145,193	121,024	19,684	101,340	79,520	38,388	45,756
7	Amount of tax liability (5-6)	225	89,846	145,194	121,025	19,685	101,340	79,521	38,389	45,755
8	Paid profit tax until 12/31		133,094	110,940	72,894	0	72,894	35,190	45,756	41,554
9	Liability balance for profit tax on /12/31 of the current year 7-8	122	-43,248	34,254	48,131	19,685	28,446	44,331	0.00	4,201
10	Prepayment of profit tax-account balance 223 on 12/31/2011	017	43,248	0	0	0	0	0	3,554	

*NOTE:

Amended Corporate profit tax report for 2009 is established in 2010, due to assessment of capital, performed during 2010 and submission on 01/01/2010, in line with: 1. The Conclusion No. 023-448/2010-1, by which the Government of RS recommended that JP Aerodrom "Nikola Tesla" Beograd make a selection of the most beneficial consultant who would make assessment of market value of capital and tender professional assistance in preparation and conduction of the procedure of change of legal status from Public Company into Joint Stock Company and

2. Article 27 of the Law on amendments of the Law on the right to free of charge shares and money consideration exercised by citizens within the process of privatization, by which the deadline (06/30/2010) was defined, by which JP Aerodrom "Nikola Tesla" Beograd must change legal status and disclose its core capital in shares of nominal value according to corrected accounting value of capital.

By assessment of market value of the capital, by net property method, among others, it is established additional gross profit in amount of RSD 231,838 thousand, which is the result of additional revenues, which increase the profit in amount of RSD 393,690 thousand, referring to revaluation revenues and additional expenditures in amount of RSD 161,852 thousand, which decrease profit, but are not recognised in tax balance and referring to revaluation expenditures in amount of RSD 156,035 thousand and expenditures of correction of receivable value in amount of RSD 5,817. The previously mentioned affected on Amendment of tax report for 2009, submitted to tax administration and according to which we acted in relation to payment of established profit tax difference (RSD 19,685 thousand) and amended liabilities for profit tax advancement in 2010.

15 a Summary of realised, but non-used, i.e. transferred tax credits per years of origin and years of usage expiry

No.	Year of origin of the realised, but non-used tax credit	Year of usage expiry of the realised, but non-used tax	Amount of transferred tax credit in RSD thousand on 12/31 2011, before using for correction of tax liability	Decrease of PK from previous years was not used until 12/31/2011, for alienated air-bridge after 3-year term expiry and before expiry of 10-year-term	Using of tax credit for correction of tax liability for 2011	Net balance of tax credit on 12/31/2011
1	2	3	4	5	6	7(4-5-6)
1	2003	2013	64,510	0	8,332	56,178
2	2004	2014	121,717	0	0	121,717
3	2005	2015	106,634	0	0	106,634
4	2006	2016	161,173	1,709	0	159,464
5	2007	2017	34,140	986	0	33,154
6	2008	2018	58,616	953	0	57,663
7	2009	2019	0	0	0	0
8	2010	2020	0	0	0	0
9	2011	2021	81,514	0	81,514	0
I.	TOTAL (1 to 9)		628,304	3,648	89,846	534,810

It is estimated that within next 5-10 years the Company will intensively invest in property and equipment, due to rapid technological obsolescence and requirements of international air-traffic standards, therefore every year it will realise tax credits up to the level of 50% of taxable profit. Due to previously mentioned, the Company does not book deferred tax resources from realised tax credits from previous years.

16 Deferred tax income-outcome of the period ADP 226, 227 and 123

in RSD thousand

No.	Deferred tax effects	12/31/2011	12/31/2010	Corrected initial balance on 01/01/2010	Correction of initial balance-from the Report on assessment	12/31/2009	12/31/2008
1	2	3	4	5	6		
1	Current accounting value of current property on 12/31 of the current year	11,088,291	11,389,690			10,383,946	10,827,362
2	Current value of current property for taxing purposes on 12/31 of the current year	8,145,045	8,415,135			8,552,398	8,911,703
3	DIFFERENCE (1-2)	2,943,246	2,974,555			1,831,548	1,915,659
4	PERMANENT DIFFERENCE-FOR THE EQUIPMENT BELOW AVERAGE GROSS						
4	SALARY 12/31	2,430	4,381				
5	TEMPORARY DIFFERENCE 12/31 (3-5)	2,940,816	2,970,174			1,827,966	1,910,054
6	DEFERRED TAX LIABILITY on 12/31 of the current year (10% of no.5)	294,082	297,017	316,755	133,958	182,797	191,005
7	DEFERRED TAX LIABILITY (10% of security)	0	0	0	0	0	0
8	BALANCE OF THE ACCOUNT 498000 BEFORE BOOKING	296,928	316,755			191,005	198,511
9	DIFFERENCE FOR THE BOOKING ON DEFERRED LIABILITIES (6-8)	-2,846	-19,738	-8,209		-8,209	-7,506
10	TEMPORARY DIFFERENCES FROM REVALUATION	0	0	0		0	0
11	DEFERRED TAX LIABILITIES BOOKED FOR DECREASED RESULT (9-10)	-2,846	-19,738	-8,209		-8,209	-7,506
12	DEFERRED TAX RESOURCES ACCORDING TO ASSESSMENT OF USAGE OF PK-IN	0	0	0		0	0
13	DEFERRED TAX RESOURCES FROM RESERVES FOR TERMINAL WAGES-RESULT	0	0	0		0	0
14	DEFERRED TAX RESOURCES DUE TO NON-PAID TAXES	44	89	0			
15	DIFFERENCE BETWEEN DEFERRED TAX REVENUES AND DEFERRED TAX EXPENDITURES (12+13+14+-11) ADP 227	2,890	19,827	8,209		8,209	7,506
16	BALANCE OF DEFERRED TAX LIABILITIES AFTER COMPENSATION WITH DEFERRED TAX RESOURCES (6-14) ADP 123	294,038	296,928	316,755		182,797	191,005

16 a Paid off interim dividend ADP 228

No.	DESCRIPTION	12/31/2011	12/31/2010
1	2	3	4
1	The Republic of Serbia- Ministry of Defence-Ladjevci Airport-The Decision of the Assembly of AD Aerodrom "Nikola Tesla" no. 04-252/1 from 12/29/2010, under the Conclusion of the Government 343-4458/2010 from 06/17/2010	0	200,000
2	The Republic of Serbia- Nis Airport-The Decision of the Assembly of AD Aerodrom "Nikola Tesla" no. 04-251/1 from 12/29/2010, under the Conclusion of the Government no.41-7298/2010-1 from 10/14/2010	0	100,000
3	TOTAL (1+2)	0	300,000

17 intangible investments ADP 004

in RSD thousand

No.	Description	Intangible investments 011	Intangible investments 014	Intangible investments 01
1	2	3	4	5(3+4)
	Purchase revaluation value			
1	Balance at the beginning of the year 01/01/2011	21,175	0	21,175
2	Purchase within the year I-XII 2011 (+015)	2,966	4,683	7,649
3	Activated intangible investments during 2011 (-015)	-2,966	-4,683	-7,649
4	Activated intangible investments during 2011	2,966	4,683	7,649
5	Value increase during 2011	0	0	0
6	Value decrease during 2011	0	0	0
7	Expenditures and deficits I-XII 2011	0	0	0
8	Alienation and sale I-XII 2011	0	0	0
9	Assessment effects I-XII 2011	0	0	0
10	Decrease-transfer to expenditures	0	0	0
I	Balance of purchase value 12/31/2011 (1 to 10)	24,141	4,683	28,824
	Value correction			0
11	Balance at the beginning of the year 01/01/2011	20,314	0	20,314
12	Amortization for the year I-XII 2011	1,903	373	2,276
13	Alienation and expenditure I-XII 2011	0	0	0
14	Assessment effects	0	0	0
15	Transfers	0	0	0
II.	Balance of value correction 12/31/2011 (11 to 15)	22,217	373	22,590
III	Current value 12/31/2011 (I-II)	1,924	4,310	6,234
IV	Current value 01/01/2011 (1 - 11)	861	0	861

17 a PROPERTIES, PLANTS AND EQUIPMENT, Net ADP 005

in RSD thousand

No.	Description	Land 020	Facilities 022	Investment property 024	Equipment 023	Livestock unit 025	Current investments 027	Advancements in fixed assets 028	Total group of accounts 02
1	2	3	4	5	6	7	8	9	10 (3+4+5+6+7+8+9)
	Purchase revaluation value								
1	Balance at the beginning of the year 01/01/2011	9,034,813	10,222,137	14,332	1,863,435	519	196,582	18,592	21,350,410
2	Purchase within the year I-XII 2011 (+027)						451,453	0	451,453
3	Activated fixed assets in the period I-XII 2011 (-027)						-346,853		-346,853
4	Activated fixed assets in the period I-XII 2011		2,823		331,176	0	0		333,999
5	Activated fixed assets in the period I-XII 2011-increased values				12,854				12,854
6	Reclassification 01/01/2011								0
7	Reclassification 12/31/2011								0
9	Expenditures I-XII 2011				-746	-51			-797
10	Alienation and sale I-XII 2011				-30,833				-30,833
11	Assessment effects I-XII 2011			144		-46			98
12	Advancement increase during 2011							116,310	116,310
13	Advancement decrease during 2011							-90,855	-90,855
I	Balance of purchase value 12/31/2011 (1 to 13)	9,034,813	10,224,960	14,476	2,175,886	422	301,182	44,047	21,795,786
	Value correction								
14	Balance at the beginning of the year 01/01/2011	0	402,047	0	309,547	0	0	12,691	724,285
15	Amortization for the year I-XII 2011		378,637	0	253,472	0	0		632,109
16	Alienation and expenditure I-XII 2011				-10,016	0	0		-10,016
II.	Balance of value correction 12/31/2011 (14 to 16)	0	780,684	0	553,003	0	0	12,691	1,346,378
III	Current value 12/31/2011 (I-II)	9,034,813	9,444,276	14,476	1,622,883	422	301,182	31,356	20,449,408
IV	Current value 01/01/2011 (1 -14)	9,034,813	9,820,090	14,332	1,553,888	519	196,582	5,901	20,626,125

18 Participation in capital of other legal entities ADP 010

in RSD thousand

No.	Other long-term financial investments	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	2	3	4	5	6	7
1	Investment in shares of Union banka-in liquidation	032000	667	0.18	667	0.18
2	Investment in shares of Beo banka-in liquidation	032010	38	0.01	38	0.01
3	Investment in shares of Beogradska banka-in liquidation	032020	18,988	5.02	18,988	5.01
4	Investment in shares of Privredna banka Beograd-market value on 12/31 (Total nominal value of the shares is RSD 633 thousand and it refers to 633 shares of nominal value of RSD 1,000,00 per share.	032040	202	0.05	389	0.10
5	Participation in foreign capital in Mondial Airport in Bodrum, Turkey*	032055	358,598	94.74	358,598	94.70
6	Participation in capital of SITA	032060	3	0.00	0	0.00
A	Participation in capital of other legal entities (1 to 6)		378,496	100.00	378,680	100.00
B	Value correction of participation in capital of other legal persons*	0392+0399	-378,291	-99.95	-378,291	-99.90
C	TOTAL PARTICIPATION IN CAPITAL OF OTHER LEGAL PERSONS-NET (A+B)	ADP 010	205	0.05	389	0.10

*NOTE:

Value correction of participation in capital refers to banks in liquidation (items 1, 2, 3) and participation in foreign capital of Mondial-Airport in Bodrum-Turkey-item 5 (under the Contract for 2010, value of participation in foreign capital is depreciated to EUR 1, as Aerodrom "Nikola Tesla" Beograd is obliged to transfer the subject participation to the other contractual party for the value of EUR 1 or without compensation, once the conditions are reached. The mentioned participation is also acquired without compensation.)

18 a Other long-term financial investments ADP 011

No.	Other long-term financial investments	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	2	3	4	5	6	7
1	Long-term time deposits-foreign currency	038110	3,762	51.05	11,377	87.77
2	Deposit for membership-SITA	038410	1,617	21.94	1,586	12.23
3	Long-term investments-SITA	038600	1,990	27.01	0	0.00
A	TOTAL FINANCIAL OBLIGATIONS (1 to 3)		7,369	100.00	12,963	100.00
4	Long-term housing loans given to employees before 2004	038700	184	0.04	285	0.07
5	Long-term housing loans given to employees in 2004	038710	211,124	50.56	203,416	50.26
6	Long-term housing loans given to employees in 2005	038720	11,810	2.83	11,740	2.90
7	Long-term housing loans given to employees in 2005	038730	31,994	7.66	31,613	7.81
8	Long-term housing loans given to employees in XII 2005	038740	123,455	29.57	118,634	29.31
9	Long-term housing loans given to employees in 2006	038760	34,584	8.28	34,309	8.48
10	Receivables for loans for repurchase of social flats	038900	826	0.20	991	0.24
11	Receivables for loans for repurchase of solidarity flats	038910	3,593	0.86	3,742	0.92
B	Total long-term receivables from employees (4-11)		417,570	100.00	404,730	100.00
C	Value correction of long-term receivables from employees	0398	-329,130	-78.82	-307,285	-75.92
D	TOTAL LONG-TERM RECEIVABLES FROM EMPLOYEES-NET (B+C)	0398	88,440	21.18	97,445	24.08
E	TOTAL ADP 011 (A+D)	ADP 011	95,809		110,408	

18b SUMMARY OF ACCOUNTING AND FAIR VALUE OF RECEIVABLES FROM HOUSING LOANS AFTER ASSESSMENT OF RECEIVABLES 12/13/2011

I PART, REFERRING TO LONG-TERM RECEIVABLES FOR HOUSING LOANS

Account	DESCRIPTION	in RSD thousand					
		Booking balance after revaluation	Value correction at cost of expenditures	Fair value	Booking balance after revaluation	Value correction at cost of expenditures	Fair value
1	2	3	4	5 (3-4)	6	7	8 (6-7)
038710, 038720, 038730, 038740, 038760	Loans under revaluation (interest rate 0.5%)	399,711.84	304,492.13	95,219.71	412,967.15	326,548.41	86,418.74
038700	Loans not under revaluation	285.20	129.22	155.98	184.24	95.71	88.52
038900, 038910	Loans under revaluation (interest rate 0%)	4,732.65	2,663.88	2,068.77	4,418.84	2,486.30	1,932.54
038	TOTAL (part of ADP 011)	404,729.70	307,285.23	97,444.46	417,570.23	329,130.42	88,439.80

II PART REFERRING TO RECLASSIFIED LONG-TERM RECEIVABLES-PART REFERRING TO RECEIVABLES FOR HOUSING LOANS WITH MATURITY IN THE NEXT YEAR

Account	DESCRIPTION	in RSD thousand					
		Booking balance after revaluation	Value correction at cost of expenditures	Fair value	Booking balance after revaluation	Value correction at cost of expenditures	Fair value
234000, 234010, 234020, 234030, 234040	Part of long-term loans under revaluation (interest rate 0.5%)	13,868.61	876.60	12,992.01	17,004.37	2,010.24	14,994.12
234070	Part of long-term loans not under revaluation	246.92	18.87	228.05	266.54	20.93	245.62
234090	Part of long-term loans under revaluation (interest rate 0%)	813.63	54.44	759.19	939.48	59.57	879.90
234	TOTAL PART OF LONG-TERM LOANS	14,929.15	949.91	13,979.24	18,210.39	2,090.74	16,119.65

III TOTAL RECEIVABLES FOR HOUSING LOANS (I+II)

Account	DESCRIPTION	in RSD thousand					
		Booking balance after revaluation	Value correction at cost of expenditures	Fair value	Booking balance after revaluation	Value correction at cost of expenditures	Fair value
Total long-term and short-term receivables	Loans under revaluation (interest rate 0.5%)	413,580.45	305,368.74	108,211.71	429,971.52	328,558.65	101,412.87
Total long-term and short-term receivables	Loans not under revaluation	532.12	148.09	384.03	450.78	116.64	334.14
Total long-term and short-term receivables	Loans under revaluation (interest rate 0%)	5,546.28	2,718.32	2,827.96	5,358.32	2,545.88	2,812.44
038+234	TOTAL	419,658.85	308,235.14	111,423.71	435,780.62	331,221.17	104,559.45

The Company opted for accounting policies of post recognition of values of long-term receivables for housing loans per fair value, due to request of the management for receivables to be registered at fair value. Assessment of fair value, by discounting method, application of effective interest rate, was made by the Science-research centre of the Faculty of Economics, on 12/31/2007, on 12/31/2008 and on 12/31/2009, and assessment on 12/31/2010 and 12/31/2011 was made by the Institute for economic researches Beograd By opting for application of accounting policy and entering receivables per fair values, the disclosed difference between accounting and fair value is booked through approval of the account 039 and 239a at cost of results of the considered year value decrease, by debiting of 583 account (depreciation of long-term financial investments) and 585 (depreciation of short-term financial investments for the part that was reclassified for short-term receivables).

19 STOCKS ADP 013

in RSD thousand

No.	Stocks	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
	Accounting for purchase of stock material, spare parts, tools and inventory					
1		100	316	0.20	289	0.24
2	Material	101	93,407	59.24	53,680	45.48
3	Spare parts	102	8,813	5.59	9,364	7.93
4	Tools and inventory	103	3,377	2.14	6,259	5.30
5	Goods in warehouse	131	46,765	29.66	34,209	28.99
6	Goods in retail trade	134	27	0.02	32	0.03
7	Advancements for goods	150	4,958	3.14	14,190	12.02
I	Total stocks (1 TO 7)		157,663	100.00	118,023	100.00
	Value correction of stock materials, spare parts and goods	109+139	-286	-0.16	-258	-0.16
8		159	-754	-0.48	-755	-0.48
9	Value correction of given advance payments					
II	Stocks, net	ADP 013	156,623	99.36	117,010	99.36

20 RECEIVABLES, Net ADP 016

in RSD thousand

No.	Receivables, net	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
	Receivables from buyers in the country	202	2,006,680	80.79	1,061,900	68.83
1						
2	Receivables from buyers abroad	203	423,607	17.05	399,165	25.87
3	Interest receivables	220	48,201	1.94	35,164	2.28
4	Receivables from employees	221	1,291	0.05	1,347	0.09
	Receivables per overpaid taxes and contributions	224	65	0.00	65	0.00
5						
6	Other receivables	228	4,069	0.16	45,076	2.92
I	Total receivables-gross (1 to 6)		2,483,913	100.00	1,542,717	100.00
	Value correction	209+229	-871,959	-35.10	-205,775	-8.28
7						
II	Receivables, net	ADP 016	1,611,954	64.90	1,336,942	91.72

21 Short-term financial investments ADP 018

in RSD thousand

No.	Short-term financial investments	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Short-term financial investments-parent and depending legal entities		0	0.00	0	0.00
2	Short-term financial investments-other depending legal entities		0	0.00	0	0.00
3	Short-term loans in the country	232	30,312	1.22	18,384	0.84
4	Short-term loans abroad			0.00		0.00
5	Part of long-term housing loans given to employees with maturity within one year	234	18,211	0.73	14,929	0.68
6	Margin securities held until maturity-part with maturity within one year		0	0.00	0	0.00
7	Marketable securities		0	0.00	0	0.00
8	Repurchased own shares		0	0.00	0	0.00
9	Other short-term financial investments	238	2,432,182	98.04	2,148,308	98.47
I	Short-term financial investments-gross		2,480,705	100.00	2,181,621	100.00
10	Value correction of short-term financial investments	239	-2,091	-0.08	-950	-0.04
II	Short-term financial investments-net	ADP 018	2,478,614	99.92	2,180,671	99.96

No.	Short-term time deposits (Pattern of other short-term financial investments- item 9 of ADP 018)	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Komercijalna banka a.d. Belgrade	238200	1,747,503	71.85	1,870,002.00	87.05
2	Hypo Alpe Adria banka a.d. Belgrade	238200	24,260	1.00	263,871.00	12.28
3	Unicredit banka	238200	652,590	26.83	0.00	0.00
4	Part of long-term deposit at Pireaus banka due in 2012	238311	7,523	0.31	14,435.00	0.67
5	Part of long-term investment- SITA	238600	306	0.01	0.00	0.00
	Total (1+2+3+4+5)	238	2,432,182	100.00	2,148,308	100.00

22 Cash and cash equivalents ADP 019

in RSD thousand

No.	Cash and cash equivalents	account	12/31/2011	PARTICIPATIO N	12/31/2010	PARTICIPATIO N
1	Payment cards	240	308	0.42	518	0.20
2	Current accounts	241+242	16,059	21.91	195,017	75.24
3	Treasury	243+246	390	0.53	374	0.14
4	Foreign currency account	244	109,394	149.23	116,723	45.03
5	Other funds	248	712	0.97	317	0.12
6	Funds with limited usage or decreased value	249	-53,559	-73.06	-53,743	-20.73
	Total	ADP 019	73,304	100.00	259,206	100.00

23 VAT and prepayments and accrued income
ADP 020

in RSD thousand

No.	VAT and prepayments and accrued income	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Receivables for overpaid VAT	279	0	0.00	0	0.00
2	Prepaid and calculated costs	280	10,518	7.29	12,845	25.42
3	Receivables for non-invoiced income	281	2,804	1.94	23,077	45.66
4	Deferred VAT	287	18,848	13.06	14,618	28.92
5	Other prepayments and accrued income	289	112,201	77.72	0	0.00
	Total	ADP 020	144,371	100.00	50,540	100.00

24 Capital ADP 102

in RSD thousand

No.	Capital	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Share capital-ordinary shares	300	20,573,610	100.00	20,573,610	0.00
2	State capital	303	0	0.00	0	0.00
3	Other core capital	309	0	0.00	0	0.00
	Total core capital	ADP 102	20,573,610	0.00	20,573,610	0.00

25 Reserves ADP 104

in RSD thousand

No.	Reserves	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Legal reserves	321	0	0.00	0	0.00
2	Statutory and other reserves	322	761,355	100.00	0	0.00
I	Total	ADP 104	761,355	100.00	0	0.00

26 Revaluation reserves ADP 105

in RSD thousand

No.	Revaluation reserves	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Initial balance on 01/01 before correction	330	0	0.00	0	0.00
2	Increase due to correction of initial balance (estimation)	330	0	0.00	0	0.00
3	Decrease due to estimation					
I	Initial balance on 01/01 after correction (1+2) AOP 105		0	0.00	0	0.00
4	Decrease due to alienation and expenditures of fixed assets	330		0.00		0.00
5	Decrease due to transfer-IAS 12	330		0.00		0.00
6	Decrease due to decision on transformation of revaluation reserves into core capital	330		0.00		0.00
II	Total (I+3+4+5+6) AOP105	ADP 105	0	0.00	0	0.00

26 a Non-realised incomes ADP 106

in RSD thousand

No.	Non-realised incomes	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	Increase due to revaluation of participation	332	0	0.00	0	0.00
2	Decrease due to revaluation of participation	332	0	0.00	0	0.00
I	Balance on 12/31 after correction (1+2)	ADP 106	0	0.00	0	0.00

26 b Non-realised loss ADP 107

in RSD thousand

No.	Non-realised loss	account	12/31/2011	PARTICIPATIO N	12/31/2010	PARTICIPATIO N
1	Initial balance 01/01	333	73	28.08	0	0.00
	Increase due to decrease of fair value (shares in Privredna banka Beograd)	333	187	71.92	73	100.00
3	Decrease due to increase of fair value	333	0	0.00	0	0.00
4	Increase due to decision on transformation of revaluation reserves into core capital	333	0	0.00	0	0.00
I	Balance on 12/31 (1+2+3+4)	ADP 107	260	100.00	73	100.00

in RSD thousand

27 Pattern of non-distributed profit ADP 108

No.	Pattern of non-distributed profit	account	Amount
I	Total profit balance on 01/01/2010		1,413,007
1	Part of the profit distributed to the Establisher, under Decision of the Board of Directors on profit distribution for 2009 and Decision of the Government of RS to give consent on the Decision on profit distribution for 2009, and paid off to the Establisher during 2010		-1,413,007
2	Profit from current operations I-XII 2010	341000	1,937,323
II	Total profit balance 12/31/2010 (I+1+2)	ADP 229=ADP 108	1,937,323
3	Part of the profit distributed to the Establisher (dividend), under Decision of the Board of Directors on profit distribution for 2010 (the Decision no. 21-18/1 from 07/29/2011)		-1,118,661
4	Part of the profit distributed for reserves of the Company, under Decision of the Board of Directors on profit distribution for 2010 (the Decision no. 21-18/1 from 07/29/2011)		-761,355
5	Part of the profit distributed for participation of employees, under Decision of the Board of Directors on profit distribution for 2010 (the Decision no. 21-18/1 from 07/29/2011)		-57,307
6	Profit from current operations I-XII 2011	341000	1,580,293
III	Total profit balance 12/31/2011 (II+3+4+5+6)	ADP 229=ADP 108	1,580,293

28 Long-term reserves ADP 112

in RSD thousand

No.	Long-term reserves	Restructuring	Terminal wages for retirement	Jubilee bonuses	Total account 404	Reserving for litigations	TOTAL
1	2	3	4	5	6(4+5)	7	8(3+6+7)
		403	404	404	404	409	40
I	Total balance on 12/31/2007	0.00	18,952	39,675.00	58,627.00	84,083.00	142,710.00
1	Decrease due to discharge in 2008	0.00	-139.00	-3,723.00	-3,862.00	-848.00	-4,710.00
2	Decrease due to cancellation of reserving in 2008	0.00	-5,915.00	-27,564.00	-33,479.00	-2,351.00	-35,830.00
3	Increase due to new accounting of reserving 12/31/2008	0.00	0.00	0.00	0.00	18,924.00	18,924.00
II	Total balance on 12/31/2008 (I+2+3)	0.00	12,898.00	8,388.00	21,286.00	99,808.00	121,094.00
4	Decrease due to discharge in 2009	0.00	0.00	-614.00	-614.00	-6,437.00	-7,051.00
5	Decrease due to cancellation of reserving in 12/31/2009	0.00	0.00	0.00	0.00	-1,563.00	-1,563.00
6	Increase due to new accounting of reserving 12/31/2009	0.00	10,079.00	14,477.00	24,556.00	29,767.00	54,323.00
III	Total balance on 12/31/2009 (II+4+5+6)	0.00	22,977.00	22,251.00	45,228.00	121,575.00	166,803.00
7	Decrease due to discharge in 2010	0.00	-94.00	-3,806.00	-3,900.00	-1,069.00	-4,969.00
8	Decrease due to cancellation of reserving in 12/31/2010	0.00	0.00	-696.00	-696.00	-78,627.00	-79,323.00
9	Increase due to new accounting of reserving 12/31/2010	0.00	3,711.00	2,155.00	5,866.00	52,199.00	58,065.00
IV	Total balance on 12/31/2010 (III+7+8+9)	0.00	26,594.00	19,904.00	46,498.00	94,078.00	140,576.00
10	Decrease due to discharge in 2011	0.00	-633.00	-1,543.00	-2,176.00	-2,290.00	-4,466.00
11	Decrease due to cancellation of reserving in 12/31/2011	0.00	0.00	0.00	0.00	0.00	0.00
12	Increase due to new accounting of reserving 12/31/2011	0.00	10,141.00	6,293.00	16,434.00	15,330.00	31,764.00
V	Total balance on 12/31/2011 (IV+10+11+12)	0.00	36,102.00	24,654.00	60,756.00	107,118.00	167,874.00

28 a Summary of long-term and short-term reserving for restructuring (2005 to 2011)

in RSD thousand

No.	Long-term and short-term reserving	2005	2006	2007	2008	2009	2010	2011
1	2	3	4	5	6	7	8	9
		403	403	403 and 463	463	463		
1	Initial balance on 01/01	172,184.00	123,669.00	39,291.00	108,000.00	3,685.00	0.00	0.00
2	Decrease due to discharge	-48,515.00	-84,378.00	-39,291.00	-64,043.00	0.00	0.00	0.00
3	Increase due to reserving	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Decrease due to cancellation of reserving	0.00	0.00	108,000.00	-40,272.00	-3,685.00	0.00	0.00
	Total balance on 12/31/	123,669.00	39,291.00	108,000.00	3,685.00	0.00	0.00	0.00

29 Long-term liabilities ADP 113, 114 and 115

No.	Long-term liabilities	12/31/2011		12/31/2010	
		Amount in in RSD thousand 3	Amount in EUR 4	Amount in in RSD thousand 5	Amount in EUR 6
1	2				
1	Loans-currency clause	11,318.79	107,844.38	19,019.21	179,740.70
2	Loans-currency clause-maturity next year	7,545.86	71,896.32	7,607.69	71,896.32
3	Loans-currency clause- EUR EIB	1,118,191.83	10,654,032.29	1,215,290.37	11,485,080.67
4	Loans in foreign currency-maturity next year	87,222.52	831,048.38	87,937.14	831,048.38
5	Total loans (1+3)	1,129,510.61	10,761,876.67	1,234,309.57	11,664,821.37
6	Total loans-due next year (2+4)	94,768.38	902,944.70	95,544.82	902,944.70
7	Total net long-term loans (5-6) AOP 114	1,034,742.23	9,858,931.97	1,138,764.75	10,761,876.67
8	Financial leasing-for specific equipment	186,347.00	1,745,377.75	269,780.93	2,510,352.49
9	Part with due date in next year	75,784.18	709,815.65	81,963.97	764,974.74
10	Financial leasing-for cars	1,327.60	12,524.41	10,664.77	99,792.26
11	Part with due date in next year	1,327.60	12,524.41	9,326.29	87,267.85
12	Other long-term liabilities (in RSD)*	112,200.66	0.00	0.00	0.00
13	Part with due date in next year (in RSD)*	5,538.81	0.00	0.00	0.00
14	Total other long-term liabilities I (8+10+12)	299,875.27	1,757,902.16	280,445.69	2,610,144.75
15	Total other long-term liabilities with due date in next year (9+11+13)	82,650.59	722,340.06	91,290.26	852,242.59
16	Total net other long-term liabilities (14-15) AOP 115	217,224.68	1,035,562.10	189,155.44	1,757,902.16
17	Total net long-term liabilities (5+14)	1,429,385.88	12,519,778.83	1,514,755.27	14,274,966.12
18	Total liabilities-due next year (6+18)	177,418.97	1,625,284.76	186,835.08	1,755,187.29
19	Total net long-term liabilities (17-18) AOP 113	1,251,966.91	10,894,494.07	1,327,920.19	12,519,778.83

*Note: In the indicated table filed under number: 12 and 13-other long-term liabilities, foreign currency counter-value of liability is not disclosed, as they are contracted in RSD.

30 Short-term financial investments ADP 117

No.	Short term liabilities	12/31/2011		12/31/2010	
		Amount in in RSD thousand	Amount in EUR	Amount in in RSD thousand	Amount in EUR
1	Loans-currency clause	0	0	0	0
2	Loans in foreign currency-part of commodity loan	0	0	0	0
3	Loans in RSD	0	0	0	0
I	Total short-term financial liabilities (1+2+3)	0	0	0	0
4	Part of long-term loans with due date in next year	94,768.38	902,944.70	95,544.82	902,944.70
5	Part of financial leasing with due date in next year	77,111.78	722,340.30	91,290.26	852,242.59
6	Part of other financial liabilities with due date in next year (liability in RSD)	5,538.81	0.00	0.00	0.00
II	Part of long-term liabilities-with due date next year (4+5+6)	177,418.96	1,625,285.00	186,835.08	1,755,187.29
III	Total short-term financial liabilities (I+II)	177,418.96	1,625,285.00	186,835.08	1,755,187.29

31 Operating liabilities ADP 119

in RSD thousand

No.	Operating liabilities	account	12/31/2011	PARTICIPATI OM	12/31/2010	PARTICIPATI OM
1	2	3	4	5	6	7
1	Suppliers in country	433	107,649	55.35	94,510	68.31
2	Suppliers abroad	434	41,814	21.50	6,231	4.50
3	Other operating obligations	439	11,466	5.90	7,099	5.13
4	Received advance payments	430	33,549	17.25	30,506	22.05
	Operating liabilities (1 to 4)	ADP 119	194,478	100.00	138,346	100.00

32 Other short-term liabilities ADP 120

in RSD thousand

No.	Other short-term liabilities	account	12/31/2011	PARTICIPATI OM	12/31/2010	PARTICIPATI OM
1	2	3	4	5	6	7
1	Liabilities for net salaries and salary reimbursements	450+451+452+454 +455+456	106	9.63	44	7.77
2	Liabilities for taxes and contributions at cost of employer	453	63	5.72	26	4.59
3	Liabilities for employees	463	0	0.00	0	0.00
4	Liabilities from profit distribution-for the Budget	462	627	56.95	4	0.71
5	Liabilities for members of the Board of Directors and the Supervisory Board	464+465	260	23.61	491	86.75
6	Calculated interests	460	44	4.00	0	0.00
7	Other liabilities	469	1	0.09	1	0.18
	Total short-term liabilities (1 to 7)	ADP 120	1,101	100.00	566	100.00

33 Liabilities due to VAT, other public revenues and accrued costs and deferred revenues ADP 121 in RSD thousand

No.	Liabilities from VAT and other public revenues and accrued costs and deferred revenues	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	2	3	4	5	6	7
1	Liabilities for VAT	479	14,842	25.64	606	1.32
2	Liabilities for taxes, customs and other duties	482	440	0.76	823	1.79
3	Other liabilities for taxes, contributions and other duties	489	628	1.08	600	1.31
4	Accrued costs and deferred revenues	490	30,602	52.86	26,825	58.48
5	Calculated revenues of future periods	491	10,046	17.35	16,485	35.94
6	Deferred VAT	497	732	1.26	241	0.53
7	Other accrued costs and deferred revenues	499	605	1.04	287	0.63
	Total (1 to 7)	ADP 121	57,895	100.00	45,867	100.00

33 a Liabilities from profit-tax ADP 017 and 122 in RSD thousand

No.	Liabilities from company profit-tax	account	12/31/2011	PARTICIPATION	12/31/2010	PARTICIPATION
1	2	3	4	5	6	7
1	Liabilities for company profit-tax-assets for XII 2011, paid on 01/13/2012	481	12,099	-27.98	10,085	29.44
2	Liabilities for company profit-tax-after final calculation for I-XII 2011	481	-55,347	127.98	24,169	70.56
I	Total (1+2) account 481	ADP 122	0	0.00	34,254	100.00
II	Prepayment for profit-tax (1+2) account 223	ADP 017	-43,248	100.00	0.00	

34 Deferred tax liabilities ADP 123

in RSD thousand

No.	Deferred tax liabilities, account 498	Balance 12/31/2009	Correction 01/01/2010	Balance 01/01/2010	Balance on 12/31/2010	Balance on 12/31/2011
1	2	4	5	6	7	8
1	BALANCE 01/01/2008	198,666.00			0.00	0.00
	Booking at the end of year-referring to fair value of shares of Privredna banka Beograd	-155.00				
2	12/31/2008-decrease of deferred tax liabilities due to difference between current value of fixed assets under accounting and tax regulations	-7,506.00				
3	BALANCE 12/31/2008	191,005.00			0.00	0.00
4	Booking during the year-referring to fair value of shares of Privredna banka Beograd	0.00	0.00	0.00	0.00	0.00
5	12/31/2009-decrease of deferred tax liabilities due to difference between current value of fixed assets under accounting and tax regulations	-8,208.00	0.00	-8,208.00		
6	BALANCE 12/31/2009	182,797.00	133,958.00	316,755.00	316,755.00	0.00
7	Deferred tax resources under recognised and uncharged tax costs for 2010, with maturity in 2011 and which are recognised only after payment of PB for 2011				89.00	
8	12/31/2010-decrease of deferred tax liabilities due to difference between current value of fixed assets under accounting and tax regulations				19,738.00	
9	Total deferred tax revenue of the period (8+9)				19,827.00	
10	BALANCE of deferred tax liabilities 12/31/2010 (7-10)				296,928.00	296,928.00
11	Deferred tax resources under recognised and uncharged tax costs for 2011, with maturity in 2012 and which are recognised only after payment of PB for 2012					44.00
12	12/31/2011-decrease of deferred tax liabilities due to difference between current value of fixed assets under accounting and tax regulations					2,846.00
13	Total deferred tax revenue of the period (12+13)					2,890.00
14	BALANCE of deferred tax liabilities 12/31/2011 (11-14) ADP 123					294,038.00

35 Deferred tax assets ADP 021

No.	Deferred tax assets account 288	Balance 12/31/2009	Correction 01/01/2010	Balance 01/01/2010	Balance on 12/31/2010	Balance on 12/31/2011
1	Deferred tax resources under recognised and uncharged tax costs for 2011, with maturity in 2012 and which are recognised only after payment of PB for 2012	0.00	0.00	0.00	89.00	44.00
2	Compensation with account 498-deferred compensation of liabilities	0.00	0.00	0.00	89.00	44.00
3	Cancellation of deferred tax resources-12/31	0.00	0.00	0.00	0.00	0.00
	Total (1+2+3) ADP 021	0.00	0.00	0.00	0.00	0.00

36 SUMMARY OF CONTRACTED, PAID AND OUTSTANDING LIABILITIES FOR IMPORT OF SPECIAL AIRPORT EQUIPMENT

		in EUR						
No.	DESCRIPTION	TEAM IKUSI + CESCE	SITA- LEASING	VESTERGARD	TEAM IKUSI ANNEX VI	HYPO LEASING	TOTAL	
1	2	3	4	5	6	7	8 (3+4+5+6+7)	
I	Contracted value	5,152,170.43	850,099.20	1,132,020.00	981,500.00	3,889,034.72	12,004,824.35	
	Delivered and activated equipment-EUR	4,659,262.00	850,099.20	1,132,020.00	981,500.00	3,889,034.72	11,511,915.92	
	CESCE-loan insurance EUR	492,908.40	0.00	0.00	0.00	0.00	492,908.40	
	TOTAL EUR	5,152,170.43	850,099.20	1,132,020.00	981,500.00	3,889,034.72	12,004,824.35	
	Date of paying off beginning	2004.	2006.	2006.	2008.	2008.		
II	Paid on 12/31/2007	2,952,643.40	311,703.04	432,232.00	0.00	0.00	3,696,578.44	
III	Paid in 2008	879,810.80	198,356.48	167,168.00	392,600.00	356,892.21	1,994,827.49	
IV	Paid in 2009	879,810.80	170,019.84	177,203.00	392,600.00	543,425.49	2,163,059.13	
V	Paid in 2010	439,905.43	170,019.84	187,840.00	196,300.00	645,941.53	1,640,006.80	
VI	Paid in 2011	0.00	0.00	167,577.00	0.00	597,397.74	764,974.74	
VII	Total paid until 12/31/2011 (II+III+IV+V+VI)	5,152,170.43	850,099.20	1,132,020.00	981,500.00	2,143,656.97	10,259,446.60	
	Outstanding liabilities:							
	Clearing term							
1	2012	0	0	0	0	709,815.65	709,815.65	
2	2013	0	0	0	0	775,962.49	775,962.49	
3	2014	0	0	0	0	259,599.61	259,599.61	
VIII	BALANCE OF FOREIGN CURRENCY LIABILITIES FOR IMPORTED SPECIAL EQUIPMENT 12/31/2011 (1 to 3)	0.00	0.00	0.00	0.00	1,745,377.75	1,745,377.75	

37 SUMMARY OF LIABILITY BALANCE PER LOANS AND FINANCIAL LEASING AND THEIR MATURITY IN THE YEAR OF 2012

No.	DESCRIPTION	Account	BALANCE ON 12/31/2011		MATURITY IN 2012		MATURITY FROM 2012 UNTIL THE END OF PAYING OFF	
			Amount in RSD thousand 4	Amount in EUR 5	Amount in RSD thousand 6	Amount in EUR 7	Amount in RSD thousand 8 (4-6)	Amount in EUR 9 (5-7)
1	2	3						
1	Long-term loans in country	414+ part of 424	11,318.79	107,844.38	7,545.86	71,896.32	3,772.92	35,948.06
1.1	Housing loan 115935	414020+424020	11,318.79	107,844.38	7,545.86	71,896.32	3,772.92	35,948.06
2	Foreign loan from EIB-EUR	415+ part of 424	1,118,191.83	10,654,032.29	87,222.52	831,048.38	1,030,969.31	9,822,983.91
2.1	Foreign loan from EIB I-EUR	415000+424100	223,452.16	2,129,032.29	20,313.83	193,548.38	203,138.33	1,935,483.91
2.2	Foreign loan from EIB II-EUR	415010+424110	251,891.52	2,400,000.00	20,990.96	200,000.00	230,900.56	2,200,000.00
2.3	Foreign loan from EIB III-EUR	415020	642,848.15	6,125,000.00	45,917.73	437,500.00	596,930.43	5,687,500.00
3	TOTAL LEASING		187,674.60	1,757,902.16	77,111.78	722,340.06	110,562.84	1,035,562.10
3.1	PORCHE LEASING	419100+419110+425100+425110	1,327.60	12,524.41	1,327.60	12,524.41	0.00	0.00
3.2	HYPO LEASING	419120+425130	186,347.00	1,745,377.75	75,784.18	709,815.65	110,562.84	1,035,562.10
4	Other long-term liabilities	419600+425601	112,200.66	0.00	5,538.81	0.00	106,661.86	0.00
4.1	Direction for construction land	419600+425601	112,200.66		5,538.81		106,661.86	0.00
	TOTAL (1+2+3+4)		1,429,385.88	12,519,778.83	177,418.97	1,625,284.76	1,251,966.93	10,894,494.07

NOTE:

Exchange rate type, contracted and used for conversion into RSD and item 2 (Housing loans and loans from EIB)	Value in RSD 12/31/2011	Value in RSD 12/31/2010	Value in RSD 12/31/2009
EUR 1-exchange rate of Porsche leasing	104.9548	105.8147	96.1765
EUR 1-exchange rate of Hypo leasing (ite	106.0012	106.8697	97.1354
EUR 1-exchange rate of Hypo leasing (ite	106.7660	107.6082	97.8066

Long-term loans abroad are disclosed in amount of RSD 1,118,191.83 thousand (EUR 10,654,032.29), which refer to liabilities from Contract on financing of the project of urgent traffic readjustment, concluded on 12/13/2001 between EIB and the Government of RS, by which the Airport was approved of EUR 13,000,000.00 for investment to readjustment of airport infrastructure. The loan is approved with the term until 2025

Long-term liabilities in amount of RSD 187,674.60 thousand or EUR 1,757,902.16 mostly refer to liabilities from financial leasing, concluded with Hypo Alpe Adria leasing, for purchase of special mobile airport equipment, with the term until 2014.

Other long-term liabilities in amount of RSD 112,200.66 thousand refer to liabilities toward Direction for construction land as remuneration for adjustment of construction land for business facility for phases II and III of extension and adjustment of A and C waiting rooms and finger halls

38 SUMMARY OF LIABILITIES PER INTEREST RATE AND THEIR MATURITY IN 2012. -WHICH WERE NOT ENTERED INTO BALANCE REGISTER

No.	DESCRIPTION	Interest rate	BALANCE ON 12/31/2011		MATURITY IN 2012		MATURITY FROM 2012 UNTIL THE END OF PAYING OFF	
			Amount in RSD thousand 4	Amount in EUR 5	Amount in RSD thousand 6	Amount in EUR 7	Amount in RSD thousand 8 (4-6)	Amount in EUR 9 (5-7)
1	2	3						
1	1 Long-term loans in country		395.13	3,764.73	348.38	3,319.31	46.75	445.42
1.1.	Housing loan 115935	4.50%	395.13	3,764.73	348.38	3,319.31	46.75	445.42
2	2 Foreign loan from EIB-EUR		332,248.09	3,165,630.23	48,914.39	466,051.92	283,333.70	2,699,578.31
2.1.	Foreign loan from EIB I-EUR	5.16%	66,298.26	631,683.91	11,268.08	107,361.29	55,030.18	524,322.62
2.2.	Foreign loan from EIB II-EUR	4.85%	76,354.62	727,500.00	11,962.22	113,975.00	64,392.39	613,525.00
2.3.	Foreign loan from EIB III-EUR	4.07%	189,595.21	1,806,446.32	25,684.08	244,715.63	163,911.13	1,561,730.69
3	3 TOTAL LEASING		20,786.76	194,699.26	13,622.07	127,592.77	7,164.69	67,106.49
3.1.	PORSCH LEASING	8.00%	24.76	236.58	24.76	236.58	0.00	0.00
3.2.	HYPO LEASING	6.95%	20,762.00	194,462.68	13,597.31	127,356.19	7,164.69	67,106.49
	TOTAL LIABILITIES PER INTERSTS		353,429.97	3,364,094.22	62,884.83	596,964.00	290,545.14	2,767,130.22

NOTE:

Exchange rate type, contracted and used for conversion into RSD	Value in RSD 12/31/2011	Value in RSD 12/31/2010	Value in RSD 12/31/2009
EUR 1-middle exchange rate of NBS (item 3.1)	104.6409	105.4982	95.8888
EUR 1-selling rate of NBS- loans item 1 and item 2 (Housing loans and loans from EIB)	104.9548	105.8147	96.1765
EUR 1-exchange rate of Hypo leasing (item	106.7660	107.6082	97.8066

39 SUMMARY OF THE CURRENT INVESTMENT BALANCE ON 12/31/2011 in RSD thousand

No.	Equipment name	account	12/31/2011	12/31/2010
1	2	3	4	5
1	Equipment (special computer systems)	027300	11,112.00	0.00
2	Investment in foreign equipment Smith (6pcs, X-RAY INSPECTION SYSTEM, TYPE HI-SCAN 6040 a TIX)	027331	60,421.00	0.00
3	Investment in equipment Aviogei-transporters, elevators and self-propelled escalators	027334	0.00	51,088.00
4	Investment in equipment Stoebich-fire-protective curtains	027335	21,929.00	21,929.00
5	Investment in computer equipment Sita	027337	1,523.00	0.00
6	Investment in properties	027200	206,197.00	123,565.00
	Current investment (1+2+3+4+5+6)	027	301,182.00	196,582.00

40. RECONCILIATION OF LIABILITIES TOWARDS SUPPLIERS AND RECEIVABLES FOR GIVEN ADVANCE PAYMENTS

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 10/31/2011, when Open item statement (OIS) was submitted for adjustment	Amount of adjusted OIS	% of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not sent within 5 days	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	7(6/5)*100	8	9(8/5)*100	10	11(10/5)*100
		Advancement for properties and goods - domestic	9,773.00	12,423.00	12,423.00	100.00	0.00	0.00	0.00	0.00
1	028000		21,583.00	11,504.00	11,504.00	100.00	0.00	0.00	0.00	0.00
2	028010	Advancements for equipment-domestic	0.00	12,859.00	0.00	0.00	12,859.00	100.00	0.00	0.00
3	028100	Advancements for equipment-foreign								
	I	Advancements for properties and plants	31,356.00	36,786.00	23,927.00	65.04	12,859.00	34.96	0.00	0.00
4	150200	Advancements given to suppliers in country	3,971.00	34,734.00	32,851.00	94.58	1,883.00	5.42	0.00	0.00
5	150300	Advancements given to suppliers abroad	427.00	4,157.00	0.00	0.00	4,157.00	100.00	0.00	0.00
6	150600	Advancement- SITA	560.00	560.00	560.00	100.00	0.00	0.00	0.00	0.00
	II	Advancements given to suppliers in country	4,958.00	39,451.00	33,411.00	84.69	6,040.00	15.31	0.00	0.00
7	433000	Suppliers in country for invoiced services	80,595.66	39,792.00	36,890.00	92.71	2,902.00	7.29	0.00	0.00
8	433010	Suppliers in country for current investments	9,223.68	630.00	630.00	100.00	0.00	0.00	0.00	0.00
9	433050	Suppliers in country for equipment	17,829.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	III	Suppliers in country	107,649.11	40,422.00	37,520.00	92.82	2,902.00	7.18	0.00	0.00
10	434000	Foreign suppliers for invoiced goods and services	41,814.00	30,192.00	26,420.00	87.51	3,772.00	12.49	0.00	0.00
	IV	Foreign suppliers for invoiced goods and services	41,814.00	30,192.00	26,420.00	87.51	3,772.00	12.49	0.00	0.00

41. RECONCILIATION OF RECEIVABLES

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 10/31/2011, when Open item statement (OIS) was submitted for adjustment	Amount of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not sent within 5	% of OIS without respond	Amount of disputed OIS	% of disputed OIS	
			4	5	6	7(6/5)*100	8	9(8/5)*100	10	11(10/5)*100
1	2	3								
1	202000	Buyers in country	1,836,438.49	1,684,168.36	1,558,280.89	92.53	12,177.18	0.72	113,745.91	6.75
2	202010	Protocols-Jat	289.97	289.97	289.97	100.00	0.00	0.00	0.00	0.00
3	202020	Buyers CCW contracts	29,244.03	28,611.02	25,547.85	89.29	2,943.83	10.29	119.54	0.42
4	202030	Buyers CCW-other	16.38	28.49	27.89	97.89	0.00	0.00	0.60	2.11
5	202100	Buyers of basic devices	831.44	2,323.72	2,307.36	99.30	16.35	0.70	0.00	0.00
6	202210	Receivables from Dufry	32,107.48	41,020.90	41,020.90	100.00	0.00	0.00	0.00	0.00
7	202220	Receivables from Dufry-CCW	16.00	4.68	4.68	100.00	0.00	0.00	0.00	0.00
8	202800	Receivables from buyers in bankruptcy	541.69	541.69	0.00	0.00	541.69	100.00	0.00	0.00
9	202900	Sued domestic buyers	107,194.10	72,935.31	15,107.91	20.71	10,037.08	13.76	47,790.32	65.52
I	202	BUYERS IN COUNTRY	2,006,679.59	1,829,924.14	1,642,587.44	89.76	25,716.14	1.41	161,656.37	8.83
10	203000	Receivables from foreign buyers	324,234.14	365,499.23	263,369.97	72.06	69,205.61	18.93	32,923.65	9.01
11	203020	Buyers CCW-foreign	4,216.88	3,891.79	2,565.26	65.91	1,214.41	31.20	112.12	2.88
12	203300	Receivables from Montenegro Airways	89,456.70	78,723.25	78,723.25	100.00	0.00	0.00	0.00	0.00
13	203330	Other buyers-CG	36.27	99.91	0.00	0.00	99.91	100.00	0.00	0.00
14	203900	Sued foreign buyers	5,663.35	5,260.77	0.00	0.00	5,260.77	100.00	0.00	0.00
II	203	Buyers abroad	423,607.34	453,474.94	344,658.48	76.00	75,780.69	16.71	33,035.77	7.29
III	202+203	Receivables from buyers	2,430,286.94	2,283,399.08	1,987,245.92	87.03	101,496.83	4.44	194,692.14	8.53

42. RECONCILIATION OF LIABILITIES FOR RECEIVED ADVANCE PAYMENTS

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 10/31/2011, when Open item statement (OIS) was submitted for adjustment	Amount of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not sent within 5 days	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	8	9(8/5)*100	10	11(10/5)*100
1	430200	Receivables from legal entities in the country	167.33	98.17	84.41	13	13.59	0.42	0.43
2	430500	Receivables from foreign legal entities	955.85	917.89	0.00	918	100.00	0.00	0.00
3	430600	Deposits received from domestic legal entities	10,939.91	10,847.87	5,073.23	5,775	53.23	0.00	0.00
4	430610	Deposits received from foreign legal entities	11,158.89	10,422.78	0.00	10,423	100.00	0.00	0.00
5	430800	Advancements for leasing from domestic legal entities	1,314.33	1,452.50	1,102.49	350	24.10	0.00	0.00
6	430810	Advancements for leasing from foreign legal entities	320.00	366.56	366.56	0	0.00	0.00	0.00
7	430980	Liabilities for prepayments from domestic buyers	208.26	0.00	0.00	0	0.00	0.00	0.00
8	430990	Liabilities for prepayments from foreign buyers	8,484.95	1,664.51	115.16	1,549	93.1	0.00	0.00
I	430	Received advancements and deposits	33,549.52	25,770.28	6,741.84	19,028.02	73.84	0.42	0.00

43. RECONCILIATION OF TIME RESOURCES

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 10/31/2011, when Open item statement (OIS) was submitted for adjustment	Amount of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not sent within 5 days	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	8	9(8/5)*100	10	11(10/5)*100
1	220010	Interest for time resources in RSD	229.06	223.00	223.00	0	0	0	0
2	220020	Interest for time resources in foreign currencies	25,710.24	28,668.00	28,668.00	0.00	0.00	0.00	0.00
3	220030	Interest for housing loans	419.83	668.26	0.00	0.00	0.00	0.00	0.00
4	220300	Contract. and def. interest calcul. for leg. entit.	21,842.14	24,411.02	19,737.42	2,032	8.32	2,642	10.82
I	220	entities	48,201.27	53,970.28	48,628.42	2,032	3.76	0.00	0.00
5	238200	Short-term time resources in foreign currency	2,424,353.31	2,685,955.56	2,685,955.56	0.00	0.00	0.00	0.00
6	238311	Part of long-term deposit 038110	7,523.30	1,806.13	1,806.13	0.00	0.00	0.00	0.00
7	238600	Part of long-term investment-Sita	305.67	0.00	0.00	0.00	0.00	0.00	0.00
II	238	Time resources and loans in country	2,432,182.28	2,687,761.69	2,687,761.69	0.00	0.00	0.00	0.00
8	038110	Long-term time deposits in foreign currency	3,761.64	10,836.76	10,836.76	0.00	0.00	0.00	0.00
III	part 038	Long-term time deposits in foreign currency	3,761.64	10,836.76	10,836.76	0.00	0.00	0.00	0.00

44. RECONCILIATION OF LIABILITIES FOR LONG-TERM LOANS (LONG-TERM AND SHORT-TERM PART)

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 12/31/2011 sent OIS	Amount of adjusted OIS	% of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	7(6/5)*100	8	9(8/5)*100	10	11(10/5)*100
1	414020+424020	Housing loan 115935	11,318.79	11,318.79	11,318.79	100.00	0.00	0.00	0.00	0.00
2	415000+424100	Foreign loan from EIB I-EUR	223,452.16	223,452.16	223,452.16	100.00	0.00	0.00	0.00	0.00
3	415010+424110	Foreign loan from EIB II-EUR	251,891.52	251,891.52	251,891.52	100.00	0.00	0.00	0.00	0.00
4	415020+424120	Foreign loan from EIB III-EUR	642,848.15	642,848.15	642,848.15	100.00	0.00	0.00	0.00	0.00
I	414+415+424	TOTAL	1,129,510.61	1,129,510.61	1,129,510.61	100.00	0.00	0.00	0.00	0.00

45. RECONCILIATION OF LIABILITIES FOR LEASING (LONG-TERM+SHORT-TERM PART)

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 12/31/2011 sent OIS	Amount of adjusted OIS	% of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	7(6/5)*100	8	9(8/5)*100	10	11(10/5)*100
1	419110+425110	PORSCHE LEASING	1,327.60	1,327.60	1,327.60	100.00	0.00	0.00	0.00	0.00
2	419120+425130	HYPO LEASING	186,347.00	186,347.00	186,347.00	100.00	0.00	0.00	0.00	0.00
I		TOTAL	187,674.60	187,674.60	187,674.60	100.00	0.00	0.00	0.00	0.00

45 a RECONCILIATION OF OTHER LIABILITIES (LONG-TERM+SHORT-TERM PART)

in RSD thousand

No.	Account	Account name	Balance on 12/31/2011	Balance on 12/31/2011 sent OIS	Amount of adjusted OIS	% of adjusted OIS	OIS without respond acc. to note in IOS about compliance with balance, if respond is not sent within 5 days	% of OIS without respond	Amount of disputed OIS	% of disputed OIS
1	2	3	4	5	6	7(6/5)*100	8	9(8/5)*100	10	
1	419600+425601	DIRECTION FOR CONSTRUCTION LAND	112,200.66	0.00	112,200.66	100.00	0.00	0.00	0.00	0.00
I		TOTAL	112,200.66	0.00	112,200.66	100.00	0.00	0.00	0.00	0.00

46a PAID OFF GROSS MASS I SALARY, NUMBER OF EMPLOYEES UNDER TEMPLATE OF PAID CONTRIBUTIONS AND AVERAGE **2011.**
SALARY PER MONTHS in RSD thousand

2011 per months	Total			Permanently employed without management			Management		
	Number of employed under template on paid contributions	Paid gross I salary	Average gross I salary	Number of employees	Paid gross I salary	Average gross I salary	Number of employees	Paid gross I salary	Average gross I salary
I	2 (5+8)	3 (6+9)	4 (3/2)	5	6	7 (6/5)	8	9	10 (9/8)
II	419	49,527.16	118.20	410	47,014.03	114.67	9	2,513.13	279.24
III	415	39,596.58	95.41	406	37,245.47	91.74	9	2,351.11	261.23
IV	416	39,582.13	95.15	407	37,216.78	91.44	9	2,365.35	262.82
V	420	50,968.24	121.35	411	48,438.34	117.85	9	2,529.90	281.10
VI	416	41,695.36	100.23	407	39,280.85	96.51	9	2,414.51	268.28
VII	417	41,220.80	98.85	408	38,857.48	95.24	9	2,363.33	262.59
VIII	417	41,601.15	99.76	408	39,210.29	96.10	9	2,390.85	265.65
IX	417	42,428.61	101.75	408	40,036.40	98.13	9	2,392.21	265.80
X	418	41,428.25	99.11	409	39,134.20	95.68	9	2,294.05	254.89
XI	419	40,872.30	97.55	410	38,749.83	94.51	9	2,122.47	235.83
XII	430	41,989.48	97.65	421	39,884.79	94.74	9	2,104.70	233.86
	433	43,404.63	100.24	424	41,038.34	96.79	9	2,366.29	262.92
TOTAL		514,314.70	102.11		486,106.80	98.62		28,207.89	261.18
AVERAGE	420	42,859.56	102.11	411	40,508.90	98.62	9	2,350.66	261.18

46 b PAID OFF MASS OF GROSS I SALARY, NUMBER OF EMPLOYEES UNDER TEMPLATE ON PAID CONTRIBUTIONS AND AVERAGE IN 2010
SALARY PER MONTHS in RSD thousand

2010 per months	Total				Permanently employed without management				Management			
	Number of employees under template	Paid gross I salary	Average gross I salary	Number of employees	Paid gross I salary	Average gross I salary	Number of employees	Paid gross I salary	Average gross I salary	Number of employee	Paid gross I salary	Average gross I salary
I	2 (5+8)	3 (6+9)	4 (3/2)	5	6	7 (6/5)	8	9	10 (9/8)			
I	410	37,305.91	90.99	402	35,209.36	87.59	8	2,096.55	262.07			
II	411	36,034.69	87.68	403	33,991.99	84.35	8	2,042.70	255.34			
III	410	35,201.18	85.86	402	33,133.59	82.42	8	2,067.59	258.45			
IV	415	37,795.66	91.07	407	35,713.47	87.75	8	2,082.19	260.27			
V	416	37,189.54	89.40	408	35,097.90	86.02	8	2,091.64	261.46			
VI	417	35,856.73	85.99	409	33,773.29	82.58	8	2,083.44	260.43			
VII	416	35,776.89	86.00	408	33,688.71	82.57	8	2,088.18	261.02			
VIII	417	35,870.49	86.02	409	33,777.81	82.59	8	2,092.68	261.59			
IX	417	35,868.75	86.02	409	33,792.53	82.62	8	2,076.22	259.53			
X	416	35,866.85	86.22	408	33,891.75	83.07	8	1,975.10	246.89			
XI	417	35,867.49	86.01	409	34,022.79	83.19	8	1,844.70	230.59			
XII	417	35,867.30	86.01	409	33,773.86	82.58	8	2,093.44	261.68			
TOTAL		434,501.48	87.27		409,867.05	83.94		24,634.43	256.61			
AVERAGE	415	36,208.46	87.27	407	34,155.59	83.94	8	2,052.87	256.61			

No.	DESCRIPTION	ACCOUNT	12/31/2011						12/31/2010				
			in EUR	in USD	in CHF	in DEM	in GBP	RSD thousand	Total in RSD thousand (\$ to 1)	Value correction in RSD thousand	Total in RSD thousand	Value correction in RSD thousand	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
FINANCIAL RESOURCES													
1	Advance payments given for property, plants and equipment	028	0.00	0.00	0.00	0.00	0.00	0.00	44,046.85	44,046.85	-12,690.93	18,592.14	-12,690.93
2a	Participation in capital of other legal entities	032	0.00	0.00	0.00	0.00	0.00	0.00	378,495.68	378,495.68	-378,281.02	378,680.42	-378,281.02
2b	Long-term time deposit in currency	0381+0386	35,949.06	44,810.00	0.00	0.00	0.00	0.00	7,389.08	7,389.08	0.00	12,963.39	0.00
2c	Long-term housing loans given to employees	0387+0389	0.00	0.00	0.00	0.00	0.00	0.00	417,570.23	417,570.23	-329,130.42	404,729.70	-307,285.23
2	Long-term financial investments (20a+2b+2c)	032+038	35,949.06	44,810.00	0.00	0.00	0.00	0.00	796,069.90	803,434.98	-707,421.45	796,373.51	-685,576.26
3	Advance payments given for goods and services	150	24.10	9,421.35	0.00	0.00	0.00	1,790.81	3,970.56	4,958.09	-754.66	14,190.33	-754.66
4	Receivables from domestic buyers	202	0.00	0.00	0.00	0.00	0.00	0.00	2,006,679.59	2,006,679.59	-835,156.14	1,061,900.56	-179,483.36
5	Receivables from foreign buyers	203	3,729,231.27	409,811.79	0.00	0.00	0.00	0.00	237.30	423,607.34	-16,330.54	399,164.77	-21,536.16
6	Other receivables	22	231,297.91	21,835.94	0.00	0.00	0.00	0.00	70,921.24	96,874.07	-20,472.34	81,651.61	-4,755.29
7a	Loans given to employees for firing and pickled food	232	0.00	0.00	0.00	0.00	0.00	0.00	30,312.00	30,312.00	0.00	18,394.00	0.00
7b	Part of long-term housing loans given to employees	234	0.00	0.00	0.00	0.00	0.00	0.00	18,210.39	18,210.39	-2,080.74	14,929.15	-949.91
7c	Short-term time resources	236	21,771,896.32	1,903,780.00	0.00	0.00	0.00	0.00	0.00	2,432,182.28	0.00	2,148,308.11	0.00
7	Short-term financial investments (7a+7b+7c)	232+234+236	21,771,896.32	1,903,780.00	0.00	0.00	0.00	0.00	48,522.39	2,480,704.67	-2,090.74	2,181,621.26	-949.91
8	Cash and cash equivalents	240+241+242+243	308,509.46	287,911.59	3,162.24	0.00	0.00	4.70	17,467.02	73,304.30	0.00	259,206.45	0.00
9	Cash in GOLD Bank	244820	0.00	113,671.00	0.00	0.00	829,262.00	0.00	0.00	53,559.32	-53,559.32	53,742.58	-53,742.58
10	Receivables for VAT	279000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
I	TOTAL (1+2+3+4+5+6+7+8+9+10)		26,076,907.12	2,790,841.67	3,162.24	829,262.00	1,795.51	2,987,910.85	5,987,169.21	-1,648,476.11	4,866,443.22	4,866,443.22	-959,489.15
FINANCIAL OBLIGATIONS													
1	Long-term loans	414+415	9,858,931.97	0.00	0.00	0.00	0.00	0.00	0.00	1,034,742.23	0.00	1,138,764.75	0.00
2	Other long-t. fin. oblig. - financial leasing - Porsche	419110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.48	0.00
3	Other long-t. Fin. Oblig. - financial leasing -Hypo	419120	1,035,562.10	0.00	0.00	0.00	0.00	0.00	0.00	110,562.82	0.00	187,816.96	0.00
4	Other long-term liabilities	419600	0.00	0.00	0.00	0.00	0.00	0.00	106,661.86	106,661.86	0.00	0.00	0.00
5	Part of long-term loans with due date in next year	424	902,944.70	0.00	0.00	0.00	0.00	0.00	0.00	94,768.38	0.00	95,544.82	0.00
6	Part of long-t. financial leasing with due date in next year - VESTERGARD	425150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,679.07	0.00
7	Part of long-t. financial leasing with due date in next year - Porsche	425110	12,524.41	0.00	0.00	0.00	0.00	0.00	0.00	1,327.60	0.00	9,326.29	0.00
8	Part of long-t. financial leasing with due date in next year -Hypo	425130	709,815.65	0.00	0.00	0.00	0.00	0.00	0.00	75,794.18	0.00	64,284.90	0.00
9	Part of other long-term liabilities	425601	0.00	0.00	0.00	0.00	0.00	0.00	5,538.81	5,538.81	0.00	0.00	0.00
10	Liabilities toward domestic suppliers	433	0.00	0.00	0.00	0.00	0.00	0.00	107,649.11	107,649.11	0.00	94,509.91	0.00
11	Liabilities towards foreign suppliers	434	216,769.40	236,671.16	0.00	0.00	0.00	0.00	0.00	41,813.56	0.00	6,230.95	0.00
12	Other operating liabilities	439	0.00	0.00	0.00	0.00	0.00	0.00	11,465.76	11,465.76	0.00	7,098.63	0.00
13	Liabilities for received advance payments	430	159,030.09	53,449.00	0.00	0.00	0.00	0.00	12,586.25	33,549.52	0.00	30,506.66	0.00
14	Liabilities for salaries and salary reimbursements	45	0.00	0.00	0.00	0.00	0.00	0.00	188.84	188.84	0.00	70.40	0.00
15	Other liabilities	46	0.00	0.00	0.00	0.00	0.00	0.00	932.55	932.55	0.00	495.11	0.00
16	Liabilities for VAT	47	0.00	0.00	0.00	0.00	0.00	0.00	14,841.43	14,841.43	0.00	605.51	0.00
17	Liabilities for taxes, contributions and other duties	48	0.00	0.00	0.00	0.00	0.00	0.00	1,067.89	1,067.89	0.00	35,677.56	0.00
II	TOTAL FINANCIAL LIABILITIES (1 to 17)		12,895,578.32	290,020.16	85,9121	53,5920	124,6022	80,8662	250,912.48	1,640,874.52	0.00	1,669,950.00	0.00
Currency value in RSD on 12/31/2011, middle exchange rate of NBS			104,6499	80,8662	85,9121	53,5920	124,6022	80,8662	250,912.48	1,640,874.52	0.00	1,669,950.00	0.00
Currency value in RSD on 12/31/2011, selling exchange rate of NBS (Housing and loans of EIB)			104,9548										
Currency value in RSD on 12/31/2011, PORSCHE			106,0012										
Currency value in RSD on 12/31/2011, HYP0			106,7660										

47 b CATEGORIES OF FINANCIAL INSTRUMENTS OF THE COMPANY (CURRENCY RISK, MARKET RISK)

12/31/2010

No.	DESCRIPTION	ACCOUNT	12/31/2010										12/31/2009-corrected		
			in EUR	in USD	in CHF	in DKK	in DEM	in GBP	in RSD thousand	Total in RSD thousand	Value correction in RSD thousand	Total in RSD thousand	Value correction in RSD thousand		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
FINANCIAL RESOURCES															
Advance payments for property, plants and equipment															
1	Participation in capital of other legal entities	028	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,592.14	18,592.14	-12,690.93	18,592.14	-12,690.93	
2a	Long-term time deposit in currency	032	0.00	0.00	0.00	0.00	0.00	0.00	0.00	378,660.42	378,660.42	-378,291.02	20,154.82	-19,692.73	
2b	Long-term housing loans given to employees	0381+0384	107,844.38	20,005.00	0.00	0.00	0.00	0.00	0.00	12,963.39	12,963.39	0.00	18,570.03	0.00	
2c	Long-term financial investments (20a+2b+2c)	0387+0389	0.00	0.00	0.00	0.00	0.00	0.00	0.00	404,729.70	404,729.70	-307,285.23	380,568.61	-268,705.76	
2	Advance payments given for goods and services	032+038	107,844.38	20,005.00	0.00	0.00	0.00	0.00	0.00	783,410.12	786,373.51	-685,576.26	419,293.46	-288,398.49	
3	Receivables from domestic buyers	150	1,690.55	123,104.37	0.00	0.00	0.00	0.00	0.00	4,252.24	14,190.33	-754.66	32,177.69	-754.66	
4	Receivables from foreign buyers	202	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,061,900.56	907,688.77	-179,483.36	907,688.77	-134,377.24	
5	Other receivables	203	3,362,115.05	554,180.20	0.00	0.00	0.00	0.00	0.00	532.17	399,164.77	-21,536.16	274,664.89	-6,986.32	
6	Loans given to employees for firing and pickled food	22	653,465.49	10,990.13	0.00	0.00	0.00	0.00	0.00	11,840.88	81,651.61	0.00	14,840.00	0.00	
7a	Part of long-term housing loans given to employees	232	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,384.00	18,384.00	0.00	14,840.00	0.00	
7b	Part of long-term housing loans given to employees	234	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14,929.15	14,929.15	-949.91	13,547.99	-1,103.15	
7c	Short-term time resources	238	19,636,825.17	1,100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	2,148,308.11	0.00	2,137,272.07	0.00	
7	Short-term financial investments (7a+7b+7c)	232+234+238	19,636,825.17	1,100,000.00	0.00	0.00	0.00	0.00	0.00	33,313.15	2,181,621.26	-949.91	2,165,660.06	-1,103.15	
8	Cash and cash equivalents	46+248	445,377.39	199,282.34	4,515.24	0.00	0.00	0.00	0.00	196,038.92	259,206.45	0.00	121,174.87	0.00	
9	Cash in GOLD Bank	24+820	0.00	113,871.00	0.00	0.00	0.00	0.00	0.00	53,742.58	-53,742.58	0.00	48,241.49	-48,241.49	
10	Receivables for VAT	279000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22,835.03	0.00	
I	TOTAL (1+2+3+4+5+6+7+8+9+10)		24,107,318.03	2,121,233.04	4,515.24	0.00	0.00	829,262.00	4.70	2,109,980.19	4,865,445.22	-959,489.15	4,047,735.88	-501,617.66	
FINANCIAL LIABILITIES															
1	Long-term loans	414+415	10,761,876.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,138,764.75	0.00	1,121,881.70	0.00	
2	Other long-t. fin. oblig.-financial leasing -VESTERGARD	419150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16,068.76	0.00	
3	Other long-t. fin. oblig.-financial leasing -Porsche	419110	12,524.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,338.48	0.00	9,693.36	0.00	
4	Other long-t. fin. oblig.-financial leasing -Hypo	419120	1,745,377.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	187,816.96	0.00	234,217.96	0.00	
5	Part of long-term loans with due date in next year	424	902,944.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	95,544.82	0.00	197,604.23	0.00	
6	Part of long-t. financial leasing with due date in next year -	425150	167,577.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17,679.07	0.00	34,314.75	0.00	
7	Part of long-t. financial leasing with due date in next year -Hypo	425100+425110	87,267.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,326.29	0.00	21,870.73	0.00	
8	Part of long-t. financial leasing with due date in next year -Hypo	425130	597,397.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	64,284.90	0.00	59,098.29	0.00	
9	Liabilities toward domestic suppliers	433	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94,509.91	94,509.91	0.00	91,320.57	0.00	
10	Liabilities towards foreign suppliers	434	59,417.27	858.10	0.00	0.00	0.00	0.00	0.00	0.00	6,230.95	0.00	37,599.71	0.00	
11	Other operating liabilities	439	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,098.63	7,098.63	0.00	2,613.33	0.00	
12	Liabilities for received advance payments	430	119,769.63	81,533.12	0.00	0.00	0.00	0.00	0.00	11,407.22	30,506.66	0.00	20,972.96	0.00	
13	Liabilities for salaries and salary reimbursements	45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.40	70.40	0.00	24,414.93	0.00	
14	Other liabilities	46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	495.11	495.11	0.00	2,375.59	0.00	
15	Liabilities for VAT	47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	605.51	605.51	0.00	0.00	0.00	
16	Obligation for taxes, contributions and other duties	48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35,677.56	35,677.56	0.00	49,425.71	0.00	
II	TOTAL FINANCIAL LIABILITIES (1 to 16)		14,453,153.02	82,391.22	0.00	0.00	0.00	829,262.00	0.00	149,864.34	1,685,950.00	0.00	1,922,472.68	0.00	
Currency value in RSD on 12/31/2010, middle exchange rate of NBS (Deutsche, Iklus) Team, Vestergard, SITA)			105.4982	79.2802	84.4458	14.1492	53.9404	122.4161	1.0000						
Currency value in RSD on 12/31/2010, selling exchange rate of NBS (Housing and loans of EIB)			105.8147												
Currency value in RSD on 12/31/2010 PORSCHE			106.8697												
Currency value in RSD on 12/31/2010 HYPO			107.6082												

No.	DESCRIPTION	ACCOUNT	12/31/2011			12/31/2010		
			Total in RSD thousand	Value correction in RSD thousand	6 (4+5)	Total in RSD thousand	Value correction in RSD thousand	8
1	2	3	4	5	6 (4+5)	7	8	9 (7+8)
FINANCIAL RESOURCES								
1	Advance payments given for property, plants and equipment	028	44,046.85	-12,690.93	31,355.92	18,592.14	-12,690.93	5,901.22
2	Participation in capital of other legal entities	032	378,495.68	-378,291.02	204.65	378,680.42	-378,291.02	389.40
3	Advance payments given for goods and services	150	4,958.09	-754.66	4,203.44	14,190.33	-754.66	13,435.67
4	Receivables from domestic buyers	202	2,006,679.59	-835,156.14	1,171,523.45	1,061,900.56	-179,483.36	882,417.20
5	Receivables from foreign buyers	203	423,607.34	-16,330.54	407,276.81	399,164.77	-21,536.16	377,628.61
6	Other receivables	22	96,874.07	-20,472.34	76,401.74	81,651.61	-4,755.29	76,896.32
7	Loans given to employees for firing and pickled food	232	30,312.00	0.00	30,312.00	18,384.00	0.00	18,384.00
8	Cash and cash equivalents	241+242+244000+	73,304.30	0.00	73,304.30	259,206.45	0.00	259,206.45
9	Cash in GOLD Bank	246+248	53,559.32	-53,559.32	0.00	53,742.58	-53,742.58	0.00
10	Receivables for VAT	244820	0.00	0.00	0.00	0.00	0.00	0.00
10	Receivables for VAT	279000	0.00	0.00	0.00	0.00	0.00	0.00
	Noninterest		3,111,837.24	-1,317,254.94	1,794,582.30	2,285,512.87	-651,254.01	1,634,258.86
11	Part of long-term housing loans given to employees	234	18,210.39	-2,090.74	16,119.65	14,929.15	-949.91	13,979.24
12	Short-term time resources	238	2,432,182.28	0.00	2,432,182.28	2,148,308.11	0.00	2,148,308.11
13	Long-term time deposit in currency	0381+0384	7,369.08	0.00	7,369.08	12,963.39	0.00	12,963.39
14	Long-term housing loans given to employees	0387+0389	417,570.23	-329,130.42	88,439.80	404,729.70	-307,285.23	97,444.46
	Fixed interest rate		2,875,331.97	-331,221.17	2,544,110.81	2,580,930.35	-308,235.14	2,272,695.21
I	TOTAL FINANCIAL RESOURCES:		5,987,169.21	-1,648,476.11	4,338,693.11	4,866,443.22	-959,489.15	3,906,954.07
FINANCIAL OBLIGATIONS								
1	Liabilities toward domestic suppliers	433	107,649.11	0.00	107,649.11	94,509.91	0.00	94,509.91
2	Liabilities towards foreign suppliers	434	41,813.56	0.00	41,813.56	6,230.95	0.00	6,230.95
3	Other operating liabilities	439	11,465.76	0.00	11,465.76	7,098.63	0.00	7,098.63
4	Liabilities for received advance payments	430	33,549.52	0.00	33,549.52	30,506.66	0.00	30,506.66
5	Liabilities for salaries and salary reimbursements	45	168.84	0.00	168.84	70.40	0.00	70.40
6	Other liabilities	46	932.55	0.00	932.55	495.11	0.00	495.11
7	Liabilities for VAT	47	14,841.43	0.00	14,841.43	605.51	0.00	605.51
8	Liabilities for taxes, contributions and other duties	48	1,067.89	0.00	1,067.89	35,677.56	0.00	35,677.56
	Noninterest		211,488.64	0.00	211,488.64	175,194.73	0.00	175,194.73
9	Long-term loans	414+415	1,034,742.23	0.00	1,034,742.23	1,138,764.75	0.00	1,138,764.75
10	Other long-t. fin. oblig.-financial leasing -VESTERGARD	419150	0.00	0.00	0.00	0.00	0.00	0.00
11	Part of long-term loans with due date in next year	424	94,768.38	0.00	94,768.38	95,544.82	0.00	95,544.82
12	Part of long-t. financial leasing with due date in next year - VESTERGARD	425150	0.00	0.00	0.00	17,679.07	0.00	17,679.07
	fixed interest rate		1,129,510.61	0.00	1,129,510.61	1,251,988.65	0.00	1,251,988.65
13	Other long-t. fin.oblig.-financial leasing -Porsche	419110	0.00	0.00	0.00	1,338.48	0.00	1,338.48
14	Other long-t. Fin. Oblig.-financial leasing --Hypo	419120	110,562.82	0.00	110,562.82	187,816.96	0.00	187,816.96
15	Other long-term liabilities	419600	106,661.86	0.00	106,661.86	0.00	0.00	0.00
16	Part of long-t. financial leasing with due date in next year - Porsche	425100+425110	1,327.60	0.00	1,327.60	9,326.29	0.00	9,326.29
17	Part of long-t. financial leasing with due date in next year - Hypo	425130	75,784.18	0.00	75,784.18	64,284.90	0.00	64,284.90
18	Part of other long-term liabilities	425601	5,538.81	0.00	5,538.81	0.00	0.00	0.00
	Variable interest rate		299,875.27	0.00	299,875.27	262,766.62	0.00	262,766.62
II	TOTAL FINANCIAL LIABILITIES		1,640,874.52	0.00	1,640,874.52	1,689,950.00	0.00	1,689,950.00

12/31/2011

48 a CREDIT RISK-MANAGEMENT OF RECEIVABLES FROM BUYERS

Age pattern of due receivables from buyers

No.	DESCRIPTION	ACCOUNT	Number of days of expiry on 31/12/2011										Total on 12/31/2011 in RSD thousand	12/31/2010 Total in RSD thousand
			0 days of expiry	1-30 days of expiry	31-60 days of expiry	61-120 days of expiry	121-180 days of expiry	181-270 days of expiry	271-360 days of expiry	over 361 days of expiry	12 (4 to 11)	13		
1	2	3	4	5	6	7	8	9	10	11	12 (4 to 11)	13		
I	DOMESTIC BUYERS OF GOODS AND SERVICES	202	160,842.80	150,665.51	165,118.59	409,790.48	379,882.33	339,932.94	224,629.25	176,017.70	2,006,679.59	1,061,900.56		
1	Buyers of goods and services in country	202000	120,276.35	145,914.79	164,449.21	407,773.74	378,579.00	337,641.07	222,050.96	59,753.37	1,838,438.49	937,977.20		
2	Protocol from 2005-JAT	202010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	289.97	289.97	289.97		
3	Buyers of CCW services with concluded agreements	202020	8,240.22	4,748.87	640.03	1,203.03	1,303.33	2,238.93	2,248.11	8,621.51	29,244.03	20,837.21		
4	Buyers of CCW services without concluded agreements	202030	2.75	1.85	1.12	5.99	0.00	0.00	0.00	4.67	16.38	28.89		
5	Buyers of basic devices	202100	0.00	0.00	7.36	807.72	0.00	0.00	7.27	9.08	831.44	16.35		
6	Receivables from Durfy-for rent services	202210	32,107.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32,107.48	31,036.79		
7	Receivables from Durfy -for CCW services	202220	16.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.00	10.19		
8	Receivables from buyers being in liquidation procedure	202800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	541.69	541.69	541.69		
9	Claimed receivables from domestic buyers	202900	0.00	0.00	20.85	0.00	0.00	52.95	322.90	106,797.40	107,194.10	71,163.27		
II	FOREIGN BUYERS OF GOODS AND SERVICES	203	282,657.42	44,028.04	21,367.03	32,831.94	4,302.75	11,117.99	7,504.96	19,797.21	423,607.34	399,164.77		
1	Buyers of goods and services in country	203000	231,789.81	28,907.92	9,098.00	17,603.97	4,283.46	11,081.32	7,498.70	13,970.96	324,234.14	310,897.58		
2	Buyers of CCW services	203020	2,814.09	711.32	232.33	251.58	19.30	33.38	4.19	150.70	4,216.88	4,967.75		
3	Receivables from Montenegro Airlines	203300	48,053.53	14,408.80	12,017.99	14,976.39	0.00	0.00	0.00	0.00	89,456.70	77,605.44		
4	Receivables from other buyers from the Republic of Mon	203330	0.00	0.00	18.71	0.00	0.00	3.28	2.07	12.20	36.27	52.44		
5	Claimed receivables of foreign buyers	203900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,663.35	5,663.35	5,641.56		
III	TOTAL RECEIVABLES FROM BUYERS FOR GOODS AND SERVICES	202+203	443,300.23	194,693.55	186,485.62	442,622.42	384,185.09	351,050.93	232,134.20	195,814.91	2,430,286.94	1,461,065.33		
IV	INTEREST RECEIVABLES	220	26,020.96	1,138.37	26.37	38.37	31.99	39.20	19,163.07	1,742.94	48,201.27	35,163.68		
1	Interest on time resources in RSD	220010	229.06								229.06	631.58		
2	Interest on time resources in foreign currencies	220020	25,710.24								25,710.24	30,188.20		
3	Interest on housing loans	220030	81.66	33.68	26.37	38.37	31.99	39.20	23.84	144.72	419.83	189.51		
4	Contracted default interests for domestic buyers	220300	0.00	1,104.69	0.00	0.00	0.00	0.00	19,139.24	1,596.22	21,842.14	4,094.39		
			469,321.19	195,831.92	186,511.98	442,660.79	384,217.08	351,090.13	251,297.27	197,557.84				

48 b CREDIT RISK-MANAGEMENT OF RECEIVABLES FROM BUYERS

12/31/2010

Age pattern of due receivables from buyers

No.	DESCRIPTION	ACCOUNT	NUMBER OF DAYS OF EXPIRY ON 31/12/2010												Total in RSD thousand
			0 days of expiry	1-30 days of expiry	31-60 days of expiry	61-120 days of expiry	121-180 days of expiry	181-270 days of expiry	271-360 days of expiry	over 361 days of expiry	Total in RSD thousand on 12/31/2010	12/31/2009			
			4	5	6	7	8	9	10	11	12 (4 to 11)	13			
I		3													
1	DOMESTIC BUYERS OF GOODS AND SERVICES	202	837,409.87	33,363.50	8,203.83	10,693.49	8,817.33	11,565.07	11,672.34	140,175.12	1,061,900.56	907,688.77			
1	Buyers of goods and services in country	202000	794,873.56	32,613.58	7,614.41	9,706.84	8,047.13	8,313.91	8,505.25	68,302.53	937,977.20	812,282.99			
2	Protocol from 2005-JAT	202010	0.00	0.00	0.00	0.00	0.00	0.00	0.00	289.97	289.97	289.97			
3	Buyers of CCW services with concluded agreements	202020	11,226.75	744.43	586.43	984.30	770.21	867.74	856.20	4,809.15	20,837.21	17,086.36			
4	Buyers of CCW services without concluded agreements	202030	1.11	5.49	2.99	2.35	0.00	0.60	0.00	16.35	28.89	66.57			
5	Buyers of basic devices	202100	7.27	0.00	0.00	0.00	0.00	9.08	0.00	0.00	16.35	72.86			
6	Receivables from Duffy-for rent services	202210	31,035.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31,035.79	24,685.00			
7	Receivables from Duffy -for CCW services	202220	10.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.19	73.26			
8	Receivables from buyers being in liquidation procedure	202800	0.00	0.00	0.00	0.00	0.00	0.00	0.00	541.69	541.69	541.69			
9	Claimed receivables from domestic buyers	202900	255.19	0.00	0.00	0.00	0.00	2,383.75	2,308.89	66,215.43	71,163.27	52,590.08			
II	FOREIGN BUYERS OF GOODS AND SERVICES	203	254,786.70	67,253.22	26,725.12	37,459.41	3,664.86	1,192.57	335.55	7,947.34	399,164.77	274,664.89			
1	Buyers of goods and services in country	203000	213,938.05	54,038.87	16,995.77	20,072.24	2,794.16	554.47	329.33	2,174.70	310,897.58	199,074.55			
2	Buyers of CCW services	203020	1,393.92	1,032.52	147.64	739.88	870.70	638.10	3.69	121.31	4,987.75	3,128.34			
3	Receivables from Montenegro Airlines	203300	39,414.59	12,181.83	9,581.72	16,427.30	0.00	0.00	0.00	0.00	77,605.44	67,090.55			
4	Receivables from other buyers from the R. Montenegro	203330	40.14	0.00	0.00	0.00	0.00	0.00	2.53	9.77	52.44	73.65			
5	Claimed receivables of foreign buyers	203900	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,641.56	5,641.56	5,307.80			
III	TOTAL RECEIVABLES FROM BUYERS FOR GOODS AND SERVICES	202+203	1,092,196.57	100,616.71	34,928.95	47,952.90	12,482.19	12,757.64	12,007.89	148,122.46	1,461,065.33	1,182,353.66			
IV	INTEREST RECEIVABLES	220	31,986.38	20.73	16.52	24.57	18.95	17.04	768.30	2,310.69	35,163.68	28,829.68			
1	Interest on time resources in RSD	220010	691.40	0.00	0.00	0.18	0.00	0.00	0.00	0.00	691.58	5,630.85			
2	Interest on time resources in foreign currencies	220020	30,188.17	0.00	0.00	0.00	0.00	0.03	0.00	0.00	30,188.20	19,691.48			
3	Interest on housing loans	220030	2.12	20.73	16.52	24.39	18.95	17.02	14.94	74.85	189.51	314.17			
4	Contracted default interests for domestic buyers	220300	1,104.69	0.00	0.00	0.00	0.00	0.00	753.86	2,235.84	4,094.39	3,193.17			
V			1,124,182.95	100,637.45	34,945.47	47,977.47	12,501.14	12,774.69	12,776.69	150,433.16	1,496,229.01	1,211,183.34			

49 a CREDIT RISK-MANAGEMENT OF RECEIVABLES FROM BUYERS

12/31/2011

No.	DESCRIPTION	ACCOUNT OF BUYER	ACCOUNT OF CORRECTED VALUE	12/31/2011					12/31/2010								
				5 in EUR	6 in USD	7 in CHF	8 in GBP	9 in RSD thousand	10 GROSS RECEIVABLES FROM BUYERS ON 12/31/2011 IN RSD 000	11 CORRECTION OF VALUES from previous years not charged until 12/31/2011 in RSD thousand	12 NEW CORRECTION OF VALUES on 12/31/2011 in RSD thousand	13 TOTAL VALUE CORRECTION on 31/12/2011 in 000 RSD	14 GROSS RECEIVABLES FROM BUYERS in RSD thousand	15 VALUE CORRECTION in RSD thousand			
I		3	4														
1	2	202	209	0.00	0.00	0.00	0.00	2,006,679.59	-174,337.77	-660,818.37	-835,156.14	1,061,900.56	-179,483.36				
		202000	209000	0	0	0	0	1,836,438.49	-59,284.49	-657,696.03	-716,980.51	937,977.20	-99,501.72				
		202010	209000	0	0	0	0	289.97	-289.97	0.00	-289.97	289.97	-289.97				
		202020	209020	0	0	0	0	29,244.03	-7,785.50	-2,358.21	-10,143.71	20,837.21	-8,026.54				
		202030	209030	0	0	0	0	16.38	-4.67	-5.99	-10.66	28.69	-14.69				
		202100	209000	0	0	0	0	831.44	0.00	-16.35	-16.35	16.35	0.00				
		202210	209000	0	0	0	0	32,107.48	0.00	0.00	0.00	31,035.79	0.00				
		202220	209020	0	0	0	0	16.00	0.00	0.00	0.00	10.19	0.00				
		202800	209000	0	0	0	0	541.69	-541.69	0.00	-541.69	541.69	-541.69				
		202900	209000	0	0	0	0	107,194.10	-106,431.45	-741.80	-107,173.24	71,163.27	-71,108.74				
II		203	209	3,729,231.27	409,811.79	0.00	0.00	237.30	-13,736.77	-2,593.77	-16,330.54	359,164.77	-21,536.16				
		203000	209300	3,043,336.09	70,743.12	0.00	0.00	55.99	-7,947.95	-2,242.54	-10,190.83	310,687.58	-14,670.43				
		203020	209300	38,565.87	0.00	0.00	0.00	181.31	-113.27	-345.88	-459.15	4,967.75	-1,187.78				
		203300	209300	616,295.23	308,744.73	0.00	0.00	69,456.70	0.00	0.00	0.00	77,605.44	-2.53				
		203330	209300	346.61	0.00	0.00	0.00	36.27	-12.20	-5.35	-17.56	52.44	-33.86				
		203900	209300	30,687.47	30,323.94	0.00	0.00	5,663.35	-5,663.35	0.00	-5,663.35	5,641.56	-5,641.56				
III		202+203	209	3,729,231.27	409,811.79	0.00	0.00	2,430,286.94	-188,074.53	-663,412.14	-851,486.68	1,461,065.33	-201,019.52				
IV		220	229	228,979.51	21,635.94	0.00	0.00	48,201.27	-931.52	-17,113.57	-18,045.10	35,163.68	-2,328.05				
		220010	229000	0	0	0	0	229.06	0.00	0.00	0.00	691.58	0.00				
		220020	229020	228,979.51	21,635.94	0.00	0.00	25,710.24	0.00	0.00	0.00	30,188.20	0.00				
		220030	229030	0	0	0	0	419.63	0.00	0.00	0.00	189.51	0.00				
		220300	229200	0	0	0	0	21,842.14	-931.52	-17,113.57	-18,045.10	4,094.39	-2,328.05				
				104,6409	80,8662	85,9121	124,6022	1,0000									

49 b CREDIT RISK-MANAGEMENT OF RECEIVABLES FROM BUYERS

12/31/2010

No.	DESCRIPTION	ACCOUNT OF BUYER	ACCOUNT OF CORRECTED VALUE	12/31/2010					12/31/2009							
				5 in EUR	6 in USD	7 in CHF	8 in GBP	9 in RSD thousand	10 GROSS RECEIVABLES FROM BUYERS ON 12/31/2010 IN RSD 000	11 VALUE CORRECTION from previous years not charged until 12/31/2010 in RSD thousand	12 NEW VALUE CORRECTION 12/31/2010 in RSD 000	13 TOTAL VALUE CORRECTION on 12/31/2010 in 000 RSD	14 GROSS RECEIVABLES FROM BUYERS in RSD thousand	15 VALUE CORRECTION in RSD thousand		
I																
1	DOMESTIC BUYERS OF GOODS AND SERVICES(1 to 9)	202	209	0.00	0.00	0.00	0.00	1,061,900.56	-125,621.30	-53,862.06	13 (11+12)	907,688.78	-134,977.24			
1	Buyers of goods and services in country	202000	209000	0	0	0	0	937,977.20	-62,052.65	-37,449.07	-99,501.72	812,282.99	-76,789.76			
2	Protocol from 2005-JAT	202010	209000	0	0	0	0	289.97	-289.97	0.00	-289.97	289.97	-289.97			
3	Buyers of CCW services with concluded agreements	202020	209020	0	0	0	0	20,837.21	-4,114.97	-3,912.28	-8,026.54	17,086.36	-4,775.30			
4	Buyers of CCW services without concluded agreements	202030	209030	0	0	0	0	28.89	-12.97	-1.72	-14.69	66.57	-44.97			
5	Buyers of basic devices	202100	209020	0	0	0	0	16.35	0.00	0.00	0.00	72.86	0.00			
6	Receivables from Duffly-for rent services	202210	209000	0	0	0	0	31,035.79	0.00	0.00	0.00	24,685.00	0.00			
7	Receivables from Duffly-for CCW services	202220	209020	0	0	0	0	10.19	0.00	0.00	0.00	73.26	0.00			
8	Receivables from buyers being in liquidation procedure	202800	209000	0	0	0	0	541.69	-541.69	0.00	-541.69	541.69	-541.69			
9	Claimed receivables from domestic buyers	202900	209000	0	0	0	0	71,183.27	-58,609.76	-12,498.88	-71,108.74	52,590.08	-52,535.55			
II	FOREIGN BUYERS OF GOODS AND SERVICES(1 to 5)	203	209	3,362,115.05	554,180.20	0.00	0.00	399,164.77	-5,759.83	-14,776.33	-21,536.16	274,664.89	-6,988.31			
1	Buyers of goods and services in country	203000	209300	2,670,578.85	365,342.34	0.00	0.00	191.90	-976.20	-13,694.23	-14,670.43	189,074.55	-1,568.90			
2	Buyers of CCW services	203020	209300	43,863.20	0.00	0.00	0.00	340.26	-108.21	-1,079.57	-1,187.78	3,128.34	-107.02			
3	Receivables from Montenegro Airlines	203300	209300	616,488.44	156,513.92	0.00	0.00	77,605.44	0.00	-2.53	-2.53	67,090.55	0.00			
4	Receivables from other buyers from the R. Montenegro	203330	209300	487.09	0.00	0.00	0.00	52.44	-33.86	0.00	-33.86	73.65	-2.59			
5	Claimed receivables of foreign buyers	203900	209300	30,687.47	30,323.94	0.00	0.00	5,641.56	-5,641.56	0.00	-5,641.56	5,307.80	-5,307.80			
III	TOTAL (I+II)	202+203	209	3,362,115.05	554,180.20	0.00	0.00	1,062,432.73	-132,381.14	-68,638.39	-201,018.52	1,182,353.67	-141,963.55			
IV	RECEIVABLES FROM INTERESTS(1 to 4)	220	229	277,890.01	10,990.13	0.00	0.00	4,975.48	-2,240.89	-87.17	-2,328.05	28,829.67	-2,648.50			
1	Interest on time resources in RSD	220010	229010	0	0	0	0	691.58	0.00	0.00	0.00	5,630.65	0.00			
2	Interest on time resources in foreign currencies	220020	229020	277,890.01	10,990.13	0.00	0.00	30,188.20	0.00	0.00	0.00	19,691.48	0.00			
3	Interest on housing loans	220030	229030	0	0	0	0	189.51	0.00	0.00	0.00	314.17	0.00			
4	Contracted default interests for domestic buyers	220040	229040	0	0	0	0	4,094.39	-2,240.89	-87.17	-2,328.05	3,193.17	-2,648.50			
	Currency value in RSD on 12/31/2010, middle exchange rate of			105.4982	79.2802	84.4458	122.4161	1,0000								

No.	DESCRIPTION	ACCOUNT	MATURITY OF FINANCIAL INSTRUMENTS ON BALANCE ON 12/31/2011 in RSD thousand										
			Up to 1 days	1-3 months	From 3 months up to 1 year	From 1 up to 5 year	Over 5 years	Total in RSD thousand	Value correction in RSD thousand				
1	2	3	4	5	6	7	8	9	10	11	11		
FINANCIAL RESOURCES													
1	Advance payments given for property, plants and equipment	028	12,690.93	31,355.92	0.00	0.00	0.00	0.00	44,046.85	-12,690.93			
2a	Participation in capital of other legal entities	032	376,293.75	0.00	0.00	0.00	201.93	0.00	376,495.68	-376,293.75			
2b	Long-term time deposit in currency	0381+0382	0.00	0.00	0.00	0.00	3,761.64	0.00	3,761.64	0.00			
2 c	Deposits for membership in SITA	0384+0386	0.00	0.00	0.00	0.00	1,990.12	1,617.32	3,607.44	0.00			
2 d	Long-term housing loans given to employees	0387+0389	0.00	0.00	0.00	0.00	59,070.31	358,499.92	417,570.23	-329,130.42			
2	Long-term financial investments (2a+2b+2c+2d)	032+038	376,293.75	0.00	0.00	0.00	65,023.99	360,117.24	803,434.98	-707,421.45			
3	Advance payments given for goods and services	150	4,958.09	0.00	0.00	0.00	0.00	0.00	4,958.09	-754.66			
4	Receivables from domestic buyers	202	1,998,962.65	1,671.11	6,045.84	0.00	0.00	0.00	2,006,679.59	-835,156.14			
5	Receivables from foreign buyers	203	403,060.10	20,547.24	0.00	0.00	0.00	0.00	423,607.34	-16,330.54			
6	Other receivables	22	41,581.51	19,964.99	35,327.58	0.00	0.00	0.00	96,874.07	-20,472.34			
7a	Loans given to employees for firing and pickled food	232	5,052.00	10,104.00	15,156.00	0.00	0.00	0.00	30,312.00	0.00			
7 b	Part of long-term housing loans given to employees	234	4,770.54	2,439.57	11,000.27	0.00	0.00	0.00	18,210.39	-2,080.74			
7 c	Short-term time resources	238	1,421,223.93	441,372.60	569,585.75	0.00	0.00	0.00	2,432,182.28	0.00			
7	Short-term financial investments (7a+7b+7c)	232+234+238	1,431,045.47	453,915.18	595,742.02	0.00	0.00	0.00	2,480,704.67	-2,080.74			
8	Cash and cash equivalents	24	126,863.62	0.00	0.00	0.00	0.00	0.00	126,863.62	-53,559.32			
9	Receivables for VAT	27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
1	TOTAL FINANCIAL RESOURCES (1 to 9)		4,397,457.11	527,455.44	637,115.43	65,023.99	360,117.24	5,987,169.21	-1,648,476.11				
FINANCIAL OBLIGATIONS													
1	Long-term loans	414+415	0.00	0.00	0.00	352,662.99	682,079.25	1,034,742.23	0.00				
2a	Other long-t. financial obligations-financial leasing-Hypo	419120	0.00	0.00	0.00	110,562.82	0.00	110,562.82	0.00				
2b	Other long-term liabilities	419600	0.00	0.00	0.00	106,651.86	0.00	106,651.86	0.00				
2	Other long-term liabilities (2a+2b)	419	0.00	0.00	0.00	217,224.68	0.00	217,224.68	0.00				
3	Part of long-term loans with due date in next year	424	0.00	12,381.95	82,386.43	0.00	0.00	0.00	94,768.38	0.00			
4a	Part of long-term loans with due date in next year -Porsche	425110	381.19	593.22	353.20	0.00	0.00	0.00	1,327.60	0.00			
4 b	Part of long-term loans with due date in next year -Hypo	425130	6,060.71	12,257.21	57,466.26	0.00	0.00	0.00	75,784.18	0.00			
4 c	Part of other long-term liabilities	425601	0.00	0.00	5,538.81	0.00	0.00	0.00	5,538.81	0.00			
4	Part of long-term loans with due date in next year (4a+4b+4c)	425	6,441.89	12,850.43	63,358.26	0.00	0.00	0.00	82,650.59	0.00			
5	Liabilities toward domestic suppliers	433	107,649.11	0.00	0.00	0.00	0.00	0.00	107,649.11	0.00			
6	Liabilities towards foreign suppliers	434	41,813.56	0.00	0.00	0.00	0.00	0.00	41,813.56	0.00			
7	Other operating liabilities	439	11,465.76	0.00	0.00	0.00	0.00	0.00	11,465.76	0.00			
8	Liabilities for received advance payments	430	33,549.52	0.00	0.00	0.00	0.00	0.00	33,549.52	0.00			
9	Liabilities for salaries and salary reimbursements	45	168.84	0.00	0.00	0.00	0.00	0.00	168.84	0.00			
10	Other liabilities	46	932.55	0.00	0.00	0.00	0.00	0.00	932.55	0.00			
11	Liabilities for VAT	47	14,841.43	0.00	0.00	0.00	0.00	0.00	14,841.43	0.00			
12	Liabilities for taxes, contributions and other duties	48	1,067.89	0.00	0.00	0.00	0.00	0.00	1,067.89	0.00			
II	TOTAL FINANCIAL OBLIGATIONS (1 to 12)		217,930.53	25,232.38	145,744.70	569,887.67	682,079.25	1,640,874.52	0.00				
III	DIFFERENCE (I-II)		4,179,526.58	502,223.06	491,370.74	-504,863.68	-321,962.00	4,346,294.69	-1,648,476.11				

Currency value in RSD on 12/31/2011, middle exchange rate of NBS (Deutsche, Ikust, Team, Vestergard, SITA)	104.6409
Currency value in RSD on 12/31/2011, selling exchange rate of NBS (Housing and loans of EIB)	104.9548
Currency value in RSD on 12/31/2011 FORSCHE	106.0012
Currency value in RSD on 12/31/2011 HYPO	106.7660

No.	DESCRIPTION	3	CREDIT ACCOUNT	MATURITY OF CONTRACTED INTERESTS, NOT ON BALANCE ON 12/31/2011, BUT EXISTING AS CONTRACTUAL OBLIGATION							Total in RSD thousand	
				5	6	7	8	9	10 (5 to 9)	11		
1	2		4									
1	Interest on housing loans	Fixed interest rate	414+415	0.00	0.00	0.00	0.00	1,443,732.14	1,256,291.59	2,700,023.73	283,380.45	
2a	Interests for other long-term fin.oblig.-financial leasing-Porsche	Variab. interest rate	419110	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2b	Interests for other long-term fin.oblig.-financial leasing-Hypo	Variab. interest rate	419120	0.00	0.00	0.00	0.00	67,106.49	0.00	67,106.49	7,164.69	
2	Interests for other long-term fin.oblig.-financial leasing (2a+2b)		419	0.00	0.00	0.00	0.00	67,106.49	0.00	67,106.49	7,164.69	
3	Part of long-term loans with due date in 2012	Fixed interest rate	424	411.05	59,918.23	410,041.95	0.00	0.00	0.00	469,371.23	49,262.76	
4a	Part of long-term financial leasing with due date in 2012 -Porsche	Variab. interest rate	425110	96.56	105.26	34.76	0.00	0.00	0.00	236.58	24.76	
4 b	Part of long-term financial leasing with due date in 2012 -Hypo	Variab. interest rate	425130	12,998.07	24,724.18	89,633.94	0.00	0.00	0.00	127,356.19	13,597.31	
4	Interest for part of long-term financial leasing with due date in 2012 (4a+4b)		425	13,094.63	24,829.44	89,668.70	0.00	0.00	0.00	127,592.77	13,622.07	
5	TOTAL-INTERESTS (1+2+3+4)			13,505.68	83,747.67	499,710.65	1,510,838.63	1,256,291.59	3,364,094.22	353,429.97		

12/31/2010

50 a TABLE OF LIQUIDITY AND CREDIT RISK-MATURITY OF FINANCIAL INSTRUMENTS OF THE COMPANY, on balance on

No.	DESCRIPTION	ACCOUNT	MATURITY OF FINANCIAL INSTRUMENTS ON BALANCE ON 12/31/2010 in RSD thousand						Value correction in RSD thousand
			Up to 1 months	From 1 up to 3 months	From 1 up to 5 year	Over 5 years	Total in RSD thousand		
1	2	4	5	6	7	8	9	10 (5 to 9)	11
FINANCIAL RESOURCES									
1	Advance payments given for property, plants and equipment	028	12,690.93	5,901.22	0.00	0.00	0.00	18,592.14	-12,690.93
2a	Participation in capital of other legal entities	032	378,291.13	0.00	0.00	389.29	0.00	378,680.42	-378,291.02
2b	Long-term time deposit in currency	0381+0+382	0.00	0.00	0.00	11,377.39	0.00	11,377.39	0.00
2c	Deposits for membership in SITA	0384	0.00	0.00	0.00	0.00	1,586.00	1,586.00	0.00
2d	Long-term housing loans given to employees	0387+0+389	0.00	0.00	0.00	66,307.01	336,422.69	404,729.70	-307,285.23
3	Long-term financial investments (2a+2b+2c+2d)	032+038	378,291.13	0.00	0.00	80,073.69	338,008.69	796,373.51	-685,576.26
4	Advance payments given for goods and services	150	14,190.33	0.00	0.00	14,190.33	0.00	14,190.33	-754.66
5	Receivables from domestic buyers	202	422,878.97	117,465.93	512,901.38	8,654.29	0.00	1,061,900.56	-179,483.36
6	Receivables from foreign buyers	203	399,164.77	0.00	0.00	0.00	0.00	399,164.77	-21,556.16
7a	Other receivables	22	26,626.37	45,859.90	9,165.33	0.00	0.00	81,651.60	-4,755.29
7b	Loans given to employees for firing and pickled food	232	4,593.00	9,166.00	4,605.00	0.00	0.00	18,364.00	0.00
7c	Part of long-term housing loans given to employees	234	1,510.44	2,298.93	11,119.78	0.00	0.00	14,928.15	-949.91
7d	Short-term time resources	238	1,178,005.14	215,577.05	754,725.92	0.00	0.00	2,148,308.11	0.00
8	Short-term financial investments	232+234+238	1,184,108.58	227,061.99	770,450.70	0.00	0.00	2,181,621.26	-949.91
9	Cash and cash equivalents	24	312,949.03	0.00	0.00	0.00	0.00	312,949.03	-53,742.58
10	Receivables for VAT	27	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	TOTAL FINANCIAL RESOURCES (1 to 8)		2,750,900.10	396,289.03	1,292,517.41	88,727.98	338,008.69	4,866,443.21	-959,489.15
FINANCIAL OBLIGATIONS									
1	Long-term loans	414+415	0.00	0.00	0.00	363,160.07	775,604.69	1,138,764.76	0.00
2a	Other long-L financial obligations-financial leasing-Vestergard	4191+0+419150	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2b	Other long-L financial obligations-financial leasing-Porsche	419100+419110	0.00	0.00	0.00	1,336.48	0.00	1,338.48	0.00
2c	Other long-L financial obligations-financial leasing-Hypo	419120	0.00	0.00	0.00	187,816.96	0.00	187,816.96	0.00
3	Other long-term financial oblig.-financial leasing (2a+2b+2c)	419	0.00	0.00	0.00	189,155.44	0.00	189,155.44	0.00
4	Part of long-term loans with due date in next year	424	0.00	12,483.39	83,051.43	0.00	0.00	95,544.82	0.00
4a	Part of long-term financial leasing with due date in next year Vestergard	425140+425150	1,704.22	3,433.23	12,541.63	0.00	0.00	17,679.07	0.00
4b	Part of long-term financial leasing with due date in next year Porsche	425100+425110	1,373.65	2,776.97	5,175.67	0.00	0.00	9,326.29	0.00
4c	Part of long-term financial leasing with due date in next year Hypo	425130	0.00	11,301.26	52,983.64	0.00	0.00	64,284.90	0.00
5	Part of long-term financial leasing with due date in 2012 (4a+4b+4c)	425	3,077.86	17,511.46	70,700.94	0.00	0.00	91,290.26	0.00
6	Liabilities towards domestic suppliers	433	94,509.91	0.00	0.00	0.00	0.00	94,509.91	0.00
7	Liabilities towards foreign suppliers	434	6,230.95	0.00	0.00	0.00	0.00	6,230.95	0.00
8	Other operating liabilities	439	7,098.63	0.00	0.00	0.00	0.00	7,098.63	0.00
9	Liabilities for received advance payments	430	21,280.95	0.00	9,225.70	0.00	0.00	30,506.66	0.00
10	Liabilities for salaries and salary reimbursements	45	70.40	0.00	0.00	0.00	0.00	70.40	0.00
11	Other liabilities	46	495.11	0.00	0.00	0.00	0.00	495.11	0.00
12	Liabilities for VAT	47	605.51	0.00	0.00	0.00	0.00	605.51	0.00
13	LIABILITY for taxes, contributions and other duties	48	35,677.56	0.00	0.00	0.00	0.00	35,677.56	0.00
14	TOTAL FINANCIAL OBLIGATIONS (1 to 12)		169,046.89	29,994.85	162,983.07	552,315.51	775,604.69	1,689,950.01	0.00
15	DIFFERENCE (I-III)		2,581,953.21	366,294.19	1,129,529.34	-463,587.53	-437,696.00	3,176,493.20	-959,489.15

Currency value in RSD on 12/31/2010, middle exchange rate of NBS (Deutsche, Kusi Team, Vestergard, SITA) 105.4982
 Currency value in RSD on 12/31/2010, selling exchange rate of NBS (Housing and loans of EIB) 105.8147
 Currency value in RSD on 12/31/2010 PORSCHE 106.8697
 Currency value in RSD on 12/31/2010 HYPO 107.6082

50 b TABLE OF LIQUIDITY AND CREDIT RISKS (LIABILITIES PER INTERESTS)

12/31/2010

No.	DESCRIPTION	CREDIT ACCOUNT	MATURITY OF CONTRACTED INTERESTS, NOT ON BALANCE ON 12/31/2010, BUT EXISTING AS CONTRACTUAL OBLIGATION									
			Up to 1 month in EUR	1 -3 months in EUR	From 3 months up to 1 year in EUR	From 1 up to 5 years in EUR	Over 5 years in EUR	Total in EUR	Total in RSD thousand			
			5	6	7	8	9	10 (5 to 9)	11			
1	2	3	4	5	6	7	8	9	10 (5 to 9)	11		
1	Interest on housing loans	414+415	0.00	0.00	0.00	1,596,989.83	1,572,405.13	3,169,394.96	335,368.58			
2a	Interests for other long-term fin.oblig.-financial leasing-Vestergard	419140+419150	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2b	Interests for other long-term fin.oblig.-financial leasing-Porsche	419110	0.00	0.00	0.00	236.53	0.00	236.53	25.28			
2 c	Interests for other long-term fin.oblig.-financial leasing-Hypo	419120	0.00	0.00	0.00	194,462.68	0.00	194,462.68	20,925.78			
2	Interests for other long-term fin.oblig.-financial leasing (2a+2b+2c)	419	0.00	0.00	0.00	194,699.21	0.00	194,699.21	20,951.06			
3	Part of long-term loans with due date in 2011	424	686.95	64,282.09	445,120.15	0.00	0.00	510,089.19	53,974.93			
4a	Part of long-term financial leasing with due date in 2011 Vestergard	425150	1,416.00	2,597.00	7,510.00	0.00	0.00	11,523.00	1,215.66			
4 b	Part of long-term financial leasing with due date in 2011 -Porsche	425110	728.58	1,178.25	2,276.27	0.00	0.00	4,183.10	447.05			
4 c	Part of long-term financial leasing with due date in 2011 -Hypo	425130	0.00	34,506.38	135,503.41	0.00	0.00	170,009.79	18,294.45			
4	Interest for part of long-term financial leasing with due date in 2011 (4a+4b+4c)	425	2,144.58	38,281.63	145,289.68	0.00	0.00	185,715.89	19,957.15			
5	TOTAL-INTERESTS (1+2+3+4)		2,831.53	102,563.72	590,409.83	1,791,689.04	1,572,405.13	4,059,899.25	430,251.72			

51. Information about revenue from sale, per service types (ADP 202)

in RSD thousand

No.	Service type	2011				2010				Index
		Domestic	Foreign	Total	Participation	Domestic	Foreign	Total	Participation	
1	2	3	4	5 (3+4)	6	7	8	9 (7+8)	10	11 (5/9)
1	Passenger service	768,237.33	1,163,132.89	1,931,370.22	34.83	708,359.67	1,042,331.85	1,750,691.52	34.61	110.32
2	Security fee	200,367.95	237,198.15	437,566.10	7.89	182,448.66	201,534.96	383,983.62	7.59	113.95
3	Landing	123,435.07	525,764.19	649,199.26	11.71	140,033.04	529,132.95	669,165.99	13.23	97.02
4	Aircraft handling *	127,315.84	518,061.85	645,377.69	11.64	132,734.07	506,563.39	639,297.46	12.64	100.95
5	Infrastructure	76,504.54	312,807.35	389,311.89	7.02	78,235.47	306,416.45	384,651.93	7.60	101.21
6	Air-bridges	12,680.56	100,162.88	112,843.43	2.04	29,625.74	100,020.24	129,645.98	2.56	87.04
7	Lighting	21,326.18	39,143.71	60,469.89	1.09	22,595.29	32,715.28	55,310.56	1.09	109.33
8	Aircraft abode tax	4,856.79	19,926.81	24,783.60	0.45	5,873.84	18,698.16	24,572.00	0.49	100.86
9	Aircraft de-icing service	0.00	46,117.52	46,117.52	0.83	0.00	47,638.53	47,638.53	0.94	96.81
10	Commercial usage of apron *	59,429.41	0.00	59,429.41	1.07	59,843.96	0.00	59,843.96	1.18	99.31
11	Usage of the CUTE system	29,276.97	54,512.58	83,789.55	1.51	25,815.68	46,570.21	72,385.90	1.43	115.75
12	Service on special request *	20,069.00	24,850.07	44,919.07	0.81	18,822.41	26,221.56	45,043.97	0.89	99.72
13	Renting of advertisement space	63,052.09	163.83	63,215.92	1.14	77,079.78	0.00	77,079.78	1.52	82.01
14	Public services	127,422.83	2,332.58	129,755.41	2.34	118,965.60	3,800.78	122,766.38	2.43	105.69
15	Revenues from sale of kerosene (re-export) *	0.00	559,977.84	559,977.84	10.10	0.00	338,734.82	338,734.82	6.70	165.31
16	Cargo-custom services	139,031.12	18,775.32	157,806.43	2.85	140,576.14	16,994.70	157,570.84	3.11	100.15
17	Revenues from consulting services	0.00	35,666.13	35,666.13	0.64	0.00	0.00	0.00	0.00	0.00
18	DCS services *	1,192.19	23,738.86	24,931.05	0.45	3.06	19,230.33	19,233.39	0.38	129.62
19	Lost and found services *	1,926.62	16,251.03	18,177.65	0.33	1,953.14	18,591.15	20,544.29	0.41	88.48
20	Other services *	14,367.57	55,906.76	70,274.33	1.27	14,196.06	46,367.48	60,563.54	1.20	116.03
	TOTAL (1 to 20)	1,790,492.05	3,754,490.34	5,544,982.39	100.00	1,757,161.61	3,301,562.86	5,058,724.46	100.00	109.61
	Percentage participation of total domestic and foreign revenues in total revenues	32.29%	67.71%	100.00%		34.74%	65.26%	100.00%		

* We can abstract from the table accounts referring to the revenues from services of Ground-handling department.

52. Geographic information about sale revenues (ADP 202)

in RSD thousand

No.	Country	2011	Participation	2010	Participation
1	2	3	4	5	6
1	Serbia	1,790,492.05	32.29	1,757,161.61	34.74
2	Germany	690,984.41	12.46	767,798.56	15.18
3	Montenegro	483,853.00	8.73	443,891.98	8.77
4	Austria	321,516.48	5.80	298,997.51	5.91
5	Switzerland	278,027.89	5.01	176,402.92	3.49
6	Russia	147,574.14	2.66	141,448.53	2.80
7	Turkey	181,393.85	3.27	151,236.60	2.99
8	France	129,157.84	2.33	127,141.91	2.51
9	Great Britain	0.00	0.00	104,580.39	2.07
10	Italy	131,989.84	2.38	133,585.55	2.64
11	Czech Republic	100,151.45	1.81	138,338.53	2.73
12	Hungary	322,377.76	5.81	97,679.41	1.93
13	Spain	54,606.28	0.98	45,761.65	0.90
14	Tunisia	29,697.66	0.54	24,890.97	0.49
15	Ukraine	21,733.03	0.39	42,313.44	0.84
16	Greece	486.34	0.01	70,930.62	1.40
17	Norway	67,756.33	1.22	60,197.06	1.19
18	Denmark	24,871.15	0.45	41,036.85	0.81
19	Iran	254,138.39	4.58	0.00	0.00
20	Other	514,174.49	9.27	435,330.36	8.61
	TOTAL (1 to 20)	5,544,982.38	100.00	5,058,724.46	100.00

53. Summary of participation of buyers in sale revenues (ADP 202)

No.	Buyer's code	Buyer's name	2011	Participation	2010	Participation
	2	3	4	5	6	7
1	1912	Jat Airways	1,239,661.70	22.36	1,149,485.15	22.72
2	138	Deutsche Lufthansa	555,932.08	10.03	602,602.35	11.91
3	6699	Montenegro Airlines	483,853.00	8.73	443,891.98	8.77
4	10222	Branch of Austrian Airlines	251,015.88	4.53	240,160.09	4.75
5	139	Swiss Air	278,027.89	5.01	176,402.92	3.49
6	4129	Turkish Airlines	145,727.72	2.63	151,236.60	2.99
7	132	Aeroflot	147,574.14	2.66	141,448.53	2.80
8	135	ČSA	82,370.33	1.49	138,338.53	2.73
9	11	Alitalia	131,989.84	2.38	133,585.55	2.64
10	130	Air France	129,157.84	2.33	127,141.91	2.51
11	1562	Germanwings	117,330.38	2.12	122,350.01	2.42
12	134	British Airways	0.00	0.00	104,580.39	2.07
13	5157	Aegean	486.34	0.01	70,930.62	1.40
14	8051	Norwegian	67,756.33	1.22	60,197.06	1.19
15	10214	FlyNiki	70,500.60	1.27	58,837.42	1.16
16	10606	Wizz Air	282,470.15	5.09	50,934.45	1.01
17	2698	Malev	39,907.61	0.72	46,744.97	0.92
18	10393	Spanair	54,606.28	0.98	45,761.65	0.90
19	1242	European	17,721.95	0.32	42,846.19	0.85
20	4766	Aerosvit	21,733.03	0.39	42,313.44	0.84
21	10335	Cimber Sterling	24,871.15	0.45	41,036.85	0.81
22	4	International CG	7,685.52	0.14	40,167.40	0.79
23	4286	Tunisair	29,697.66	0.54	24,890.97	0.49
24	11357	Iran Air	254,138.39	4.58	0.00	0.00
25	11312	Branch of ČSA	17,781.12	0.32	0.00	0.00
26	11185	Mondial Bodrum	35,666.13	0.64	0.00	0.00
27	6323	Dufry	43,489.90	0.78	48,441.72	0.96
28		Other customers	1,013,829.42	18.28	954,397.71	18.87
		TOTAL (1 to 28)	5,544,982.38	100.00	5,058,724.46	100.00

in RSD thousand

54. Participation of buyers in balance of uncharged receivables on 12/31/2011

No.	Buyer's code	Buyer's name	in RSD thousand						
			12/31/2011	Participation	12/31/2010	Participation	6	7	
1	2	3	4	5	6	7			
1	1912	Jat Airways	1,638,743.45	67.43	757,066.28	51.82			
2	6237	Jat Tehnika d.o.o.	144,772.00	5.96	110,074.11	7.53			
3	4	International CG (Aviogenex)	41,452.14	1.71	35,018.64	2.40			
4	5827	Jat-Ketering d.o.o.	28,621.14	1.18	28,543.67	1.95			
5	6699	Montenegro Airlines	90,108.83	3.71	78,379.05	5.36			
6	10606	Wizz Air	65,281.64	2.69	19,395.41	1.33			
7	138	Deutsche Lufthansa	48,086.84	1.98	58,919.87	4.03			
8	10222	Branch of Austrian Airlines	26,996.72	1.11	21,115.77	1.45			
9	139	Swiss Air	24,003.99	0.99	26,009.07	1.78			
10	10393	Spanair	23,085.16	0.95	15,594.05	1.07			
11	4129	Turkish Airlines	13,629.38	0.56	15,387.66	1.05			
12	130	Air France	13,368.64	0.55	27,406.89	1.88			
13	8051	Norwegian	12,529.00	0.52	7,801.77	0.53			
14	132	Aeroflot	12,314.07	0.51	6,665.08	0.46			
15	11	Alitalia	12,273.24	0.51	11,894.74	0.81			
16	1562	Germanwings	11,833.21	0.49	10,866.96	0.74			
17	11899	FlyDubai	10,993.92	0.45	0.00	0.00			
18	10335	Cimber Sterling	8,400.61	0.35	8,601.78	0.59			
19	10214	Niki	7,875.34	0.32	6,569.68	0.45			
20	4286	Tunisair	7,450.72	0.31	8,700.65	0.60			
21	4766	Aerosvit	7,105.43	0.29	13,065.56	0.89			
22	2698	Malev	6,240.53	0.26	5,557.84	0.38			
23	1242	European	4,555.56	0.19	4,419.80	0.30			
24	135	ČSA	777.67	0.03	17,734.85	1.21			
25	11357	Iran Air	642.92	0.03	0.00	0.00			
26	11312	ČSA	92.85	0.00	0.00	0.00			
27	134	British Airways	0.00	0.00	152.90	0.01			
28		Other customers	169,051.94	6.96	166,123.25	11.37			
		TOTAL 202 and 203 (1 to 28)	2,430,286.94	100.00	1,461,065.33	100.00			

55. SUMMARY OF CHANGES IN RESERVES LITIGATIONS IN 2011

No.	Name of the Company-dispute description/file no.	Paid per litigations in 2011	Additional reserves in 2011
1	2	3	4
	Accounting entries	409000/241000	549000/409000
I	Balance of reserving for litigations on 01/01/2011		94,078,079.04
1	Labour dispute P-196/99, P-621/05	1,719,764.75	
2	Labour dispute XXXII-P-263/07	46,567.50	
3	Labour dispute - XII-P-2124/04, II-P12183/07	524,029.22	
4	Labour dispute XXV/III-P-893/05 3-P1-6133/10		3,500,000.00
5	Labour dispute XXV/III-P-988/05 11-P1-6136/10		2,000,000.00
6	Labour dispute XXXVI-P-80/07		180,000.00
7	Labour dispute XXIX-P1-88/07		1,000,000.00
8	Labour dispute XII-P-581/07 3-P1-3788-10		650,000.00
9	Labour dispute 3-P-6264/10 XII-P-2281/07		1,000,000.00
10	Labour dispute XVII-P1-509/09		2,000,000.00
11	Labour dispute IX-P1-491/09		1,000,000.00
12	Labour dispute 16-P1-638/11		2,000,000.00
13	Kolubara Investgradnja III-P-3371/06		2,000,000.00
II	Total changes in reserves in 2011 (1 to 13)	2,290,361.47	15,330,000.00
III	Balance of reserves for litigations on 12/31/2011 (I-II)		107,117,717.57

in RSD thousand

56. Off-balance evidence

No.	Account	DESCRIPTION	12/31/2011	12/31/2010
1	2	3	4	5
1	884300	RECEIVED DOMESTIC DRAFTS-recovery instruments from buyers-pieces	1,024	1,084
2	894400	ISSUED DOMESTIC DRAFTS for suppliers and leasing houses-pieces	308	328
3	884500	RECEIVED CURRENCY DRAFTS-pieces	0	1
4	894600	GIVEN FOREIGN DRAFTS-pieces	0	1
5	886100	RECEIVED RSD BONDS (Performance bonds from foreign suppliers)-value in RSD	124,195,317.15	33,806,229.49
6	886200	RECEIVED FOREIGN BONDS (Performance bond from foreign supplier and secured debt of buyers)-value in RSD	225,821,395.62	92,369,038.68
7	897100	BONDS IN RSD ISSUED to suppliers as secured debt-value in RSD	4,500,000.00	4,500,000.00
8	897200	BONDS IN FOREIGN CURRENCY ISSUED to suppliers as secured debt-value in RSD	8,086,620.00	1,079,246.59
9	888200	RESOURCES FOR JOINT HELP FROM SALARIES OF EMPLOYEES-value in RSD	580,979.74	566,113.23
		TOTAL (1 to 9)	363,185,644.51	132,322,041.99

57. BALANCE SHEET on 12/31/2011

Group of accounts, account	POSITION	ADP	Note no.	in thousand RSD	
				Current year	Previous year
1	2	3	4	5	6
	ASSETS				
	A. NON-CURR. ACT. PROPER. (002+003+004+005+009)	001		20,551,656	20,737,783
00	I. NON-PAID UP SUBSCRIBED CAPITAL	002			
012	II. GOODWILL	003			
01 without 012	III. INTANGIBLE INVESTMENTS	004	17	6,234	861
	BIOLOGICAL AGENCIES (006+007+008)	005	17 a	20,449,408	20,626,125
020,022,023,026, 027(part),	1. Property, plants and equipment	006		20,434,510	20,611,274
024,027(part), 028(part)	2. Investment property	007		14,476	14,332
021,025,027(part), 028(part)	3. Biological agencies	008		422	519
	V. LONG-TERM FINANCIAL INVESTMENTS (010+011)	009		96,014	110,797
030 to 032, 039(part)	1. Share in capital	010	18	205	389
033 to 038, 039(part), minus 037	2. Other long-term financial investments	011	18a, 18b	95,809	110,408
	B. TURNOVER PROPERTY (013+014+015)	012		4,508,114	3,944,369
10 to 13, 15	I. STOCKS	013	19	156,623	117,010
14	II. NON-CURRENT ASSETS INTENDED FOR SALE AND ASSETS OF OPERATION DISCONTINUED	014		-	-
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015		4,351,491	3,827,359
20, 21 and 22 except 223	1. Receivables	016	20	1,611,954	1,336,942
223	2. Receivables of amount paid above income-tax	017	15	43,248	-
23 minus 237	3. Short-term financial investments	018	21	2,478,614	2,180,671
24	4. Cash and cash equivalents	019	22	73,304	259,206
27 and 28 except 288	5. VAT and prepayments and accrued income	020	23	144,371	50,540
288	V. DEFERRED TAX LIABILITIES	021		-	-
	G. BUSINESS PROPERTY (001+012 +021)	022		25,059,770	24,682,152
29	D. LOSS ABOVE CAPITAL AMOUNT	023			
	Dj. TOTAL ASSETS (022+023)	024		25,059,770	24,682,152
88	E. OFF-BALANCE ASSETS	025	55	363,186	132,322
	OBLIGATIONS				
	A. CAPITAL (102+103+104+105+106-107+108-109-110)	101		22,914,998	22,510,860
30	I. CORE CAPITAL	102	24	20,573,610	20,573,610
31	II. NON-PAID UP SUBSCRIBED CAPITAL	103		-	-
32	III. RESERVES	104	25	761,355	-
330 and 331	IV. REVALUATION RESERVES	105	26	-	-
	V. NON-REALISED INCOMES FROM SECURITIES	106		-	-
333	VI. NON-REALISED LOSSES FROM SECURITIES	107	26b	260	73
34	VII. NON-DISTRIBUTED PROFIT	108	27	1,580,293	1,937,323
35	VIII. LOSS	109		-	-
037 and 237	IX . REPURCHASED OWN SHARES	110		-	-
	B. LONG-TERM RESERVES AND LIABILITIES (112+113+116)	111		1,850,734	1,874,364
40	I. LONG-TERM RESERVES	112	28, 28a	167,874	140,576
41	II. LONG-TERM LIABILITIES (114+115)	113	29	1,251,967	1,327,920
414,415	1. Long-term loans	114	29	1,034,742	1,138,765
41 without 414 and 415	2. Other long-term liabilities	115	29, 37	217,225	189,155
	III. SHORT-TERM LIABILITIES (117+118+119+120+121+122)	116		430,893	405,868
42 except 427	1. Short term liabilities	117	30, 37	177,419	186,835
427	2. Liabilities from assets intended for sale and assets of operation discontinued	118		-	-
43 and 44	3. Business liabilities	119	31	194,478	138,346
45 and 46	4. Other short-term liabilities	120	32	1,101	566
47, 48 except 481 and 49 except 498	5. Liabilities from VAT and other public revenues and accrued costs and deferred revenues	121	33	57,895	45,867
481	6. Liabilities from profit-tax	122	33a	-	34,254
498	V DEFERRED TAX LIABILITIES	123	16	294,038	296,928
	G. TOTAL OBLIGATIONS (101+111+123)	124		25,059,770	24,682,152
89	D. OFF-BALANCE SHEET LIABILITIES	125	55	363,186	132,322



58. INCOME SHEET in period from 01/01/2011 to 12/31/ 2011

in thousand RSD

Group of accounts, account	POSITION	ADP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
A. REVENUES AND EXPENDITURES FOR REGULAR BUSINESS					
I. OPERATING REVENUES (202+203+204-205+206)					
60 and 61	1. Revenues from sale of goods	202	4, 51, 52	5,544,982	5,058,725
62	2. Revenue from consumption of own products	203			
630	3. Increase in value of inventories	204			
631	4. Decrease in value of inventories	205			
64 and 65	5. Other operating revenues	206	5	443,340	410,187
II. OPERATING EXPENDITURES (208 to 212)					
50	1. Purchase value of sold goods	208	6	529,293	305,012
51	2. Costs of materials	209	7	373,933	367,873
52	3. Costs of salaries, salary compensations, and other personal expenses	210	8, 46a, 46b	888,703	715,895
54	4. Costs of amortization and reservations	211	9	666,148	777,371
53 and 55	5. Other operating expenditures	212	10	1,259,983	1,097,021
III. BUSINESS REVENUES (201-207)					
IV. BUSINESS LOSS (207-201)					
V. FINANCIAL REVENUES					
66		215	11	337,596	426,474
VI. FINANCIAL EXPENDITURES					
56		216	12	256,853	317,296
VII. OTHER REVENUES					
67 and 68		217	13	75,284	543,643
VIII. OTHER EXPENDITURES					
57 and 58		218	14	759,040	495,871
IX. PROFIT OF REGULAR OPERATING BEFORE TAX (213-214+215-216+217-218)					
		219		1,667,249	2,362,690
X. LOSS OF REGULAR OPERATING BEFORE TAX (214-213-215+216-217+218)					
		220			
XI. NET PROFIT OF OPERATIONS DISCONTINUED					
69 - 59		221			
XII. NET LOSS OF OPERATIONS DISCONTINUED					
59 - 69		222			
B. PROFIT BEFORE TAX (219-220+221-222)					
		223	15	1,667,249	2,362,690
V. LOSS BEFORE TAX (220-219+222-221)					
		224			
G. PROFIT TAX					
721	1. Period tax expenditure	225	15	89,846	145,194
722	2. Deferred period tax expenditure	226			
722	3. Deferred period tax revenue	227	16	2,890	19,827
723	D. Paid-up personal receiving to employer	228	16a	-	300,000
Đ. NET PROFIT (223-224-225-226+227-228)					
		229	27	1,580,293	1,937,323
E. NET LOSS (224-223+225+226-227+228)					
		230			
Ž. NET PROFIT FOR MINORITY INVESTORS					
		231			
Z. NET PROFIT FOR OWNERS OF PARENT LEGAL ENTITY					
		232			
I. PROFIT PER SHARE					
	1. Basic profit per share	233			
	2. Diluted profit per share	234			
TOTAL REVENUES (201+215+217)					
				6,401,202	6,439,029
TOTAL EXPENDITURES (207+216+218)					
				4,733,953	4,076,339

In Belgrade
02/26/2012

Translated by: Marija Jakovljević

M. Jakovljević



AD AERODROM "NIKOLA TESLA" BEOGRAD

**BUSINESS REPORT
I-XII 2011 GODINE**

BELGRADE, APRIL 2012 GODINE

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1. GENERAL DATA OF THE COMPANY

1	Business name	AD AERODROM "NIKOLA TESLA" BEOGRAD
	Head office and address	11180 Belgrade 59
	Register number	07036540
	TIN	100000539
2	web site and e-mail address	www.beg.aero ; kabinet@beg.aero
3	Number and date of the Rescript on Company registration	<p style="text-align: center;">Number of registration: BD 4874/2005 Date of registration: 06/15/2005</p> <p style="text-align: center;">Number of registration: BD 7651/2011 Date of registration: 01/24/2011 <i>Note: AD Aerodrom "Nikola Tesla" was registered with Registry Agency as an open joint stock company.</i></p>
4	Activity (code and description)	5223-Air-traffic services
5	Number of employees	435 employees on 12/31/2011, averagely 421 employees during the year
6	Core capital value	RSD 20,573,610,000 on 12/31/2011
7	Name, head office of auditor who revised the last financial statement	Deloitte d.o.o, No. 8 Terazije St, Belgrade
8	Number of issued shares, ISIN number and CFI code	Number of ordinary shares 34,289,350 (on 12/31/2011) CFI code ESVUFR ISIN number RSANTBE11090
9	Organised exchange market on which the shares are exchanged	Beogradska berza ad Beograd, No. 1 Omladinskih brigada St, 11070 Novi Beograd

Ten leading shareholders on 12/31/2011			
No.	Name of shareholder	Number of shares	% of participation
1)	THE REPUBLIC OF SERBIA	28,481,977	83.06
2)	SOCIETE GENERALE BANKA SRBIJA	404.896	1.18
3)	EAST CAPITAL ASSET MANAG.	212.466	0.61
4)	UNICREDIT BANK SRBIJA AD	192.886	0.56
5)	DANSKE INVEST TRANS-BALKAN FUN	149.355	0.43
6)	RAIFFEISEN BANK AD BEOGRAD	132.004	0.38
7)	ERSTE BANK A.D. NOVI SAD	104.307	0.3
8)	THE ROYAL BANK OF SCOTLAND N.V	44.608	0.13
9)	HYPO ALPE-ADRIA BANK AD BEOGRAD	34.680	0.1
10)	AKCIONARSKI FOND AD BEOGRAD	28.912	0.08

2. MANAGEMENT DATA:

Management members on the date 12/31/2011

The Board of Directors			
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)	Total paid net amount of reimbursement for the President and members of the Board of Directors for 2011
1	Mile Novačković, Belgrade	Bachelor of economics, National occupational service, Deputy of Director of Belgrade branch	3,714,684.84
2	Denijal Kozličić, Belgrade	Bachelor of economics, AUDAX, Commercial manager	
3	Nebojša Andrić, Belgrade	Lawyer, Cemocratic Party, Clerk	
4	Borisav Kovačević, Belgrade	Bachelor of philology, pensioner	
5	Dejan Milovanović, Prokuplje	Bachelor of Engineering, Telokom Srbija ad, Manager of Marketing and Sale	
6	Ksenija Kavedžić, Belgrade	Bachelor of traffic engineering, AD ANT, Head of passenger handling secot	
7	Slobodan Jovanović, Belgrade	Primary education, AD ANT, worker	
8	Ljupko Đekić, Belgrade	Fire protection engineer, AD ANT, Chief of maintenance service	

The Supervisory Board			
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)	Total paid net amount of reimbursement for the President and members of the Supervisory Board for 2011
1	Slobodan Veličković, Grdelica	Engineer of electrotechnical science, pensioner	764,788.02
2	Goran Malbaša, Aranđelovac	Engineer of technology, JKP "Bukulja", Sector Manager	
3	Dragoslav Stanković, Pukovac	Economist, unemployed	

Data on number of shares owned by management members are in the book of shareholders, as an official document, and are available on Internet page of the Central Securities Depository and Clearing House: www.crhov.rs

AD Aerodrom "Nikola Tesla" Beograd, as member of Chamber of Economy of Serbia, has accepted the Corporate management Codex, issued in the Official Gazette of the Republic of Serbia, no 1/2006, as well as on the web site of the Company www.beg.aero

3. AIR TRAFFIC TURNOVER

In the period I-XII 2011 it was achieved total air traffic turnover, as follows:

- 44,923 air movements,
- 3,124,633 passengers and
- 10,810 tons of cargo and mail.

3.1. AIR MOVEMENT TURNOVER

In the period from I-XII 2011 it was achieved the following number of air movements per traffic types:

Number of air movements per traffic types

Traffic types	Achievement 2010	Plan 2011	Achievement 2011	Index	Index	Participation 2010	Participation 2011
1	2	3	4	5 (4/2)	6 (4/3)	7	8
Domestic air traffic	92	98	108	117	110	0.21	0.24
International air traffic-domestic carriers	20.180	21.391	19.661	97	92	45.70	43.77
International air traffic-foreign carriers	23.888	25.322	25.154	105	99	54.09	55.99
TOTAL:	44.160	46.811	44.923	102	96	100.00	100.00

The data from the table indicate total physical air traffic volume in the period from I-XII 2011, which are 2% higher than in the same period last year and 4% lower than number of air movements forecasted in the Business plan for 2011.

Foreign carriers have dominant participation in international air traffic, within carrier pattern of the total traffic in 2011, with participation of 55.99%; there are domestic carriers in international air traffic with 43.77% and at the end, domestic air traffic with participation of 0.24%.

Participation of the domestic traffic and foreign carriers in international air traffic has increased in comparison to the previous year. Domestic carriers in international air traffic have scored a decrease from participation of 45.70% to the participation of 43.77% as compared with the previous year.

In international air traffic of domestic carriers total turnover of 19,661 air movements was achieved, which is the score 3% lower as compared with the same period of the previous year and 8% lower in comparison to the Plan for 2011. Other carriers in international traffic are: Jat Airways, Internacional CG and others.

Jat Airways with 87.00% of participation in international air traffic of domestic carriers has a dominant role.

That company has scored 2% increase of air movements in 2011 as compared with 2010 and 4% decrease in comparison with the Business plan.

In 2011 Jat Airways achieved 17,105 air movements in international air traffic and 16,849 air movements in 2010.

In 2011 Jat Airways carried out flights to new destinations, such as: Belfast, Cagliari, Dalaman, Dresden, Kaunas, Kefalonia, Krakov, Liege, Lisbon, Madrid, Maribor, Palma de Majorca, Pisa, Riga, Sabha, Siauliai, Sochi i Trabzon.

Aviogenex – International CG achieved 467 air movements in 2011, while it had performed 734 air movements in the same period of the previous year.

Other carriers in international air traffic are: Princ Aviation, Pelikan, Pink Air, Verano Motors, Neonukleon, Perfekta, Avio Služba and others, who had decrease of 20% in comparison to achievement in the perviosu yeaf and 24% in comparison to the Business plan for 2011.

Number of air movements of foreign carriers in international traffic

Carriers	Achievement 2010	Plan 2011	Achievement 2011	Index	Index	Participation 2010	Participation 2011
1	2	3	4	5 (4/2)	6 (4/3)	7	8
Lufthansa	3.443	3.650	3.561	103	98	14.41	14.16
Montenegro Airlines	3.230	3.424	2.901	90	85	13.52	11.53
Wizz Air	364	386	2.042	561	529	1.52	8.12
Austrian Airlines	1.695	1.797	1.807	107	101	7.10	7.18
Swiss International	752	797	1.455	193	183	3.15	5.78
Solinair	958	1.015	982	103	97	4.01	3.90
Turkish Airlines	733	777	736	100	95	3.07	2.93
Aeroflot	724	767	728	101	95	3.03	2.89
Air France	711	754	728	102	97	2.98	2.89
Niki Luftfahrt	572	606	719	126	119	2.39	2.86
Alitalia	675	716	692	103	97	2.83	2.75
Germanwings	674	714	680	101	95	2.82	2.70
Adria Airways	462	490	644	139	131	1.93	2.56
Malev	668	708	592	89	84	2.80	2.35
Olympic Airlines	0	0	548	0	0	0.00	2.18
CSA	1.192	1.264	529	44	42	4.99	2.10
Tarom	420	445	519	124	117	1.76	2.06
Cityline Hungary	522	553	518	99	94	2.19	2.06
LOT	419	444	424	101	95	1.75	1.69
Norwegian Air Shatl	254	269	316	124	117	1.06	1.26
Spanair	296	314	278	94	89	1.24	1.11
Air Baltic	122	129	221	181	171	0.51	0.88
Cimber Sterling	152	161	176	116	109	0.64	0.70
Tunis Air	150	159	172	115	108	0.63	0.68
Air Memphis	0	0	152	0	0	0.00	0.60
Aerosvit	300	318	144	48	45	1.26	0.57
Atlas Jet	116	123	104	90	85	0.49	0.41
Pegasus	0	0	104	0	0	0.00	0.41
Nesma Airlines	0	0	82	0	0	0.00	0.33
Flydubai	0	0	64	0	0	0.00	0.25
B & H Airlines	360	382	57	16	15	1.51	0.23
Croatia Airlines	0	0	48	0	0	0.00	0.19
Sky Work	0	0	34	0	0	0.00	0.14
Gazpromavia	72	76	28	39	37	0.30	0.11
Aircairo Company	0	0	8	0	0	0.00	0.03
Aegean Airlines	592	628	2	0	0	2.48	0.01
Koral blue	104	110	0	0	0	0.44	0.00
Nouvel Air Tunisie	98	104	0	0	0	0.41	0.00
Lotus Air	32	34	0	0	0	0.13	0.00
Air Vallee	10	11	0	0	0	0.04	0.00
British Airways	621	658	0	0	0	2.60	0.00
Other	2.395	2.539	2.359	98	93	10.03	9.38
TOTAL:	23.888	25.322	25.154	105	99	100.00	100.00

In 2011 there were 36 foreign air carriers and 2 domestic air carriers.

In international traffic of foreign carriers it was achieved 25,154 air movements, which are 5% higher score in comparison with the previous year and 1% lower as compared with the Business plan for 2011.

In foreign carrier pattern in 2011 Lufthansa with the participation of 14.16% has got the most significant role, than Montenegro Airlines with 11.53% and Wizz Air with 8.12%. These three companies achieved 33.81% of international traffic of foreign carriers.

There are few carriers with the participation in this type of traffic in the range from 7.18 to 3.90, such as: Austrian Airlines, Swiss International and Solinair.

Cargo traffic of express mail in 2011 was carried out by two carriers Cityline Hungary and Solinair.

Low Cost carriers in 2011 are: Germanwings on destinations for Cologne i Stuttgart, Norwegian Air Shuttle on destinations for Oslo i Stockholm, Nikki Luffahrt to Vienna , Wizz Air on destinations for Brussels, Dortmund, Eindhoven, London, Malmo, Memmingen, Rome and Stockholm, Air Baltic on the line to Riga and Flydubai for Dubai.

If international air traffic is considered as a whole (domestic and foreign carriers), Jat Airways has a dominant role amid all air-carriers with participation of 38.17%.

3.2. PASSENGER TURNOVER

Total passenger turnover of 3,124,633 was achieved in 2011, which is 16% higher than the achievement in 2010 and 4% higher in comparison with the Business plan for 2011.

Passenger turnover per traffic types

Carriers	Achievement 2010	Plan 2011	Achievement 2011	Index	Index	Participation 2010	Participation 2011
1	2	3	4	5 (4/2)	6 (4/3)	7	8
Domestic air traffic	117	130	202	173	155	0.01	0.01
International air traffic- domestic carriers	1,171,066	1,299,883	1,290,764	110	99	43.39	41.31
International air traffic- foreign carriers	1,527,547	1,695,577	1,833,667	120	108	56.60	58.68
TOTAL:	2,698,730	2,995,590	3,124,633	116	104	100.00	100.00

The greatest participation in passenger turnover per air traffic types in 2011 is 58.68% of foreign carriers in international air traffic, then there are domestic carriers in international air traffic with 41.31%, while domestic traffic participates with 0.01%.

The number of the passengers transported by foreign carriers in 2011 is 20% higher as compared with the previous year and 8% higher in comparison with the Business plan for 2011.

The number of the passengers transported by domestic carriers in international air traffic is 10% higher in comparison with the previous year and also 1% lower in comparison to the Business plan in 2011.

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

Carriers	2010	2011	Index	Participation 2010	Participation 2011
1	2	3	4 (3/2)	5	6
Jat Airways	1,088,323	1,237,686	114	40.33	39.61
Lufthansa	295.337	295.341	100	10.94	9.45
Wizz Air	50.202	286.463	571	1.86	9.17
Montenegro	220.089	225.844	103	8.16	7.23
Swiss International	105.545	160.482	152	3.91	5.14
Other	939.117	918.615	98	34.80	29.40
TOTAL:	2,698,613	3,124,431	116	100.00	100.00

The total number of passengers in international air traffic in 2011 is 3,124,431, which is 16% higher than in 2010.

Jat Airways is the leading carrier with the greatest number of passengers in international air carrier and it had 39.61% and there are the following: Lufthansa with 9.45%, Wizz Air with participation of 9.17%, Montenegro Airlines with 7.23% and Swiss International with 5.14%.

Passenger turnover of Jat Airways in international air traffic per destinations with the greatest number of passengers

Destinations	2010	2011	Index
1	2	3	4 (3/2)
Podgorica	91.369	102.716	112
Tivat	67.507	86.557	128
Zurich	73.970	80.103	108
London Heathrow	45.123	79.956	177
Paris	66.603	76.533	115

3.3. CARGO TURNOVER

In period I-XII 2011 10,810 tons of cargo turnover was achieved, which is 6% more than in the same period of the previous year and in the Business plan for 2011.

In 2011 cargo turnover in international air traffic of domestic carriers decreased by 9% in comparison to the previous year and in comparison to the Business plan for 2011, while in international air traffic of foreign air carriers, it increased by 11% in comparison to the previous year and the Business plan for 2011. Cargo turnover in domestic air traffic had very low volume in 2011 unlike the year before when there had been no cargo turnover.

Cargo turnover in tons

Carriers	Achievement 2010	Plan 2011	Achievement 2011	Index	Index	Participation 2010	Participation 2011
1	2	3	4	5 (4/2)	6 (4/3)	7	8
Domestic air traffic	0	0	1	0	0	0.00	0.00
International air traffic- domestic carriers	2.378	2.378	2.168	91	91	23.37	20.06
International air traffic- foreign carriers	7.796	7.796	8.641	111	111	76.63	79.94
TOTAL:	10.174	10.174	10.810	106	106	100.00	100.00

AD AERODROM "NIKOLA TESLA" BEOGRAD

PHYSICAL TRAFFIC VOLUME

	Traffic types	Achievement I-XII 2010		Plan I-XII 2011		Achievement I-XII 2011		Indexes			
		Participation		Participation		Participation		5 (4/2)			
		2		3		4		6 (4/3)			
1	Domestic traffic										
	Air movements	92	0	98	0	108	0	117	110		
	Passengers	117	0	130	0	202	0	173	155		
	Cargo and air mail (tons)	0	0	0	0	1	0	0	0		
2	International traffic-domestic carriers										
	Air movements	20,180	46	21,391	46	19,661	44	97	92		
	Passengers	1,171,066	43	1,299,883	43	1,290,764	41	110	99		
	Cargo and air mail (tons)	2,378	23	2,378	23	2,168	20	91	91		
3	International traffic-foreign carriers										
	Air movements	23,888	54	25,322	54	25,154	56	105	99		
	Passengers	1,527,547	57	1,695,577	57	1,833,667	59	120	108		
	Cargo and air mail + trucks (tons)	7,796	77	7,796	77	8,641	80	111	111		
4	Total										
	Air movements	44,160	100	46,811	100	44,923	100	102	96		
	Passengers	2,698,730	100	2,995,590	100	3,124,633	100	116	104		
	Cargo and air mail + trucks (tons)	10,174	100	10,174	100	10,810	100	106	106		

4. REVENUES AND EXPENDITURES

The Company performs business activity as single business segment. Accordingly, revenues and expenditures are disclosed at company level.

4.1. REVENUES

In the period I-XII 2011 AD Aerodrom "Nikola Tesla" achieved the total revenue in amount of RSD 6,401,201,681.03. Thus achieved total revenue is 1% lower in comparison to the achieved revenues in the same period of the previous year and 3% lower in comparison to the planned figures for that period.

The pattern of the achieved revenues for I-XII 2011 is shown in the table **Revenue pattern per service types**.

In the pattern of achieved revenues in 2011 Business revenues have the greatest participation of 94% of the total revenues, with RSD 5,988,321,860.15. The achieved revenues are 9% higher than the same in the same period of the previous year and 7% lower than the planned figures for I-XII 2011.

Within business revenues, RSD 1,881,985,767.65, which is 29% of total achieved revenues, regard to air services. These revenues are 1% lower than the same in the same period of the previous year and 12% lower than the planned figures in 2011.

It is important to mention that since 01/01/2011 AD Aerodrom "Nikola Tesla" Beograd has decreased landing fees for all aircraft types and categories by 7% and by additional 7% since 09/01/2011.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 2,368,936,317.04 for I-XII 2011, which is 37% of the total achieved revenues and as compared with the revenues from passenger service in the same period of the previous year, these revenues are 11% higher and 9% lower than the planned figures for the same period.

In the period I-XII 2011 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 157,806,433.65 and they are at the same level of the revenues on this basis in the same period in 2010 and by 9% less than the planned figures for the same period.

In the period I-XII 2011 the revenues from **other services** are 9% higher than in the same period of the previous year, 4% higher than the planned figures for I-XII 2011 and were achieved in the amount of RSD of 573,959,990.19. The greatest participation in these revenues refers to: revenues from public services, revenues from the CUTE system, revenues from advertising space, revenues from the commercial usage of apron, revenues from aircraft de-icing services, revenues from work-order services, and revenues from advisory services to management regarding to the Bodrum-Turkey project.

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene. In the period I-XII 2011 it was sold 6,984 tons of kerosene (2,770 tons sold to the air carrier Iran Air included), while in the same period of the previous year it was sold 5,211 tons of kerosene. Achieved revenues from sale of kerosene and goods for the period I-XII 2011 are higher by 66% in comparison to the same period of 2010, while in comparison to the planned figures for the period I-XII 2011 they had increase of 7%.

In the period I-XII 2011 revenues from renting of **business facilities** are achieved in the amount of RSD 443,339,480.49, which is 8% higher than in the same period of 2010 and 5% lower than the planned figures for the same period. The greatest portion of these revenues refers to renting of business facilities to Dufry Company.

Financial revenues (group 66) in the period I-XII 2011 are disclosed in amount of RSD 337.596.197,74 and are lower by 21% in comparison to the same period of the previous year because the realised exchange rate differences are significantly lower in this year than in the same period of the last year.

In the pattern of financial revenues for I-XII 2011 the greatest part refers to interests in amount of RSD 145.134.916,08, then realised exchange rate differences in amount of RSD 98.161.298,87 and non-realised exchange rate differences in amount of RSD 94.299.982,79.

Other revenues (group 67 and 68) in the period I-XII 2011 were achieved in the amount of RSD 75,283,623.14 and are by 86% lower in comparison to the same period in 2010. The reason for disclosed fall of these revenues lies in the fact that in 2010 the amount of RSD 358,598,396.00 was disclosed on this position, based on free of charge transfer of shares to the Airport, for participation in the capital of Mondial-Turkey, while in 2011 there were no revenues on that basis.

The greatest part of other revenues in the period I-XII 2011, refers to the revenues from positive effects of protection from revaluation risks and damage reimbursement from insurance companies.

It is important to mention that from the point of revenues per service types, achieved revenues in the period I-XII 2011 are lower than the planned for the same period firstly due to Euro exchange rate. The planned exchange rate is higher than the realised. The projected exchange rate of Euro in 2011 was RSD 112.00, and realised average middle exchange rate of Euro in the period I-XII 2011 was RSD 101.9702 The projected exchange rate of Euro for 2011 was calculated in the following pattern: the average exchange rate of Euro in December 2010, in amount of RSD 106.1975 was increased by the projected inflation for 2011, of 5.8% .
($106,1975 \times 1,058 = 112,35$).

Major buyers, from the point of participation in revenues from sale in 2011 are: Jat Airways RSD 1,239,661 thousand, Deutsche Lufthansa RSD 555,932 thousand and Montenegro Airlines RSD 483,853 thousand.

REVENUE PATTERN

No.	Service type	Service description	Achievement I-XII		Plan I-XII 2011	Achievement I-XII 2011	Index	
			2010	2011			7 (6/4)	8 (6/5)
I	2	3	4	5	6	7 (6/4)	8 (6/5)	
	Air services domestic carriers							
	612000+612300	Landing	140,033,038.79	151,394,773.22		123,435,068.16		88
	612010+612310	Lighting	22,595,286.60	26,267,290.32		21,326,182.12		94
	612030+612330	Handling	132,734,067.53	153,280,321.12		127,315,843.68		96
	612040	Infrastructure	76,235,474.82	90,476,734.83		76,504,539.33		98
	612050	Air-bridges	29,625,739.42	33,999,440.10		12,680,558.73		43
	612020+612320	Aircraft abode tax	5,873,840.16	6,828,409.28		4,856,791.06		83
	Total air services (domestic carriers):		409,097,447.32	462,246,968.87		366,118,983.08		89
	Air services foreign carriers							
	613010+613011	Landing	529,132,953.13	572,064,736.54		525,764,188.29		99
	613020+613021	Handling	506,563,389.21	575,056,558.03		518,061,848.44		102
	613030+613031	Lighting	32,715,277.74	38,031,900.79		39,143,711.98		120
	613040	Infrastructure	306,416,454.50	348,874,801.72		312,807,347.04		102
	613060	Air-bridges	100,020,241.75	111,170,264.25		100,162,876.16		100
	613000+613001	Aircraft abode tax	18,698,162.30	21,736,836.82		19,926,812.66		107
	Total air services (foreign carriers):		1,493,546,478.63	1,666,935,098.15		1,515,866,784.57		101
	Total air services		1,902,643,925.95	2,129,182,067.02		1,881,985,767.65		99
	Passenger service							
	612400 - domestic carriers - domestic traffic	Passenger service dom. carr/dom traff	14,466.36	17,610.43		33,304.20		230
	612410 - domestic carriers - international traffic	Passenger service dom. carr/intl traff	708,345,204.21	862,294,377.38		768,204,028.04		108
	613200 (foreign carriers)	Passenger service intl carr	1,042,331,853.07	1,268,868,471.09		1,163,132,886.94		112
	612420+612430+613230-security fees		383,983,619.73	467,437,224.47		437,566,097.86		114
	Total passenger service		2,134,675,143.37	2,598,617,683.37		2,368,936,317.04		111
III	CCW services							
	612500+612510	CCW services dom.market	140,496,216.77	154,082,200.93		139,029,018.39		99
	613300 +613310 (foreign)	CCW services foreign	17,074,626.16	18,725,742.51		18,777,415.26		110
	Total CCW services		157,570,842.93	172,807,943.44		157,806,433.65		100
IV	Total services in air traffic (I to IV):		4,194,889,912.25	4,900,607,693.83		4,408,728,518.34		105

No.	Service type	Service description	Achievement I-XII 2010	Plan I-XII 2011	Achievement I-XII 2011	Index	
						7 (6/4)	8 (6/5)
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	Other services						
1	612100+612360+613100	DCS services	19,233,388.60	20,387,391.92	24,931,048.96	130	122
2	612110+613891+613892+613893	Workorder	45,043,965.62	47,746,603.55	44,919,066.80	100	94
3	612130+612131+613072+612370+613071	VIP saloon	6,647,712.14	7,046,574.87	5,492,574.46	83	78
4	612140+612390+613090	CUTE (dom + foreign)	72,385,899.04	76,729,052.99	83,789,546.21	116	109
5	613080+612380	Lost and found services	20,544,288.91	21,776,946.25	18,177,650.47	88	83
6	6126+613120+613400+613401	Public services	122,766,377.73	126,096,632.73	129,755,410.43	106	103
7	612820+613170	Catering services business class	10,586,575.17	11,221,769.68	11,636,956.08	110	104
8	612870+613810	Advertising space	77,079,777.32	81,704,563.96	63,215,922.05	82	77
9	612883	Commercial usage of apron	59,843,961.84	63,434,599.55	59,429,408.89	99	94
10	613110	Aircraft de-icing service	47,638,533.71	50,496,845.73	46,117,522.76	97	91
11	Other non-mentioned services-dom+foreign		42,419,372.69	44,964,535.05	86,494,883.08	204	192
VI	Other services (1 to 11):		524,189,852.77	551,605,516.28	573,959,990.19	109	104
VII	Total 61-Revenues from sale of services (V+VI)		4,719,079,765.02	5,452,213,210.11	4,982,688,508.53	106	91
VIII	Revenues from sale of goods: 60-Revenues from sale of kerosene + goods		339,644,698.90	524,996,474.65	562,293,871.13	166	107
IX	Total (60++61) REVENUES FROM SALE (VII+VIII)		5,058,724,463.92	5,977,209,684.76	5,544,982,379.66	110	93
X	64 I 65 - Renting of business facilities		410,187,217.74	466,628,461.68	443,339,480.49	108	95
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	5,468,911,681.66	6,443,838,146.44	5,988,321,860.15	109	93
XII	66-FINANCIAL REVENUES		426,474,383.84	147,813,906.44	337,596,197.74	79	228
1	interests		161,997,887.84	147,813,906.44	145,134,916.08	90	98
2	exchange rate differences -realised		256,437,291.50	0.00	98,161,298.87	38	0
3	exchange rate differences -non-realised		8,039,204.50	0.00	94,299,982.79	14	0
XIII	67 and 68 OTHER REVENUES		543,643,200.28	0.00	75,283,623.14	14	0
XIV	Total revenues (XI+XII+XIII)		6,439,029,265.78	6,591,652,052.88	6,401,201,681.03	99	97

4.2. EXPENDITURES

In the period I-XII 2011 **total expenditures** were achieved in the amount of RSD 4,733,953,162.62. Thus achieved expenditures are 16% higher than the expenditures achieved in the same period of the previous year and 14% higher than the figures in the Plan for I-XII 2011.

The purchase value of sold goods (group 50) almost completely refers to the purchase value of the sold kerosene. For **purchase value of sold kerosene** it was spent RSD 528,741,150.83 or 74% more than in the same period of the previous year and 10% more in comparison to the Plan for I-XII 2011. Regarding the fact that the kerosene is also registered both on revenues and expenditures, the real revenue of the Company is realised price difference, which amounted for the period I-XII 2011 RSD 31.236.689,76. Average participation of price difference in sale value of kerosene for the period I-XII 2011 is 5.58%.

The costs of materials (group 51) participates in total expenditures with 8% and mostly refer to: costs of electrical power, costs of basic material, costs of fuel, fuel oil for heating, as well as cost spare parts for investment maintenance of working devices.

The most of total expenditures refers to the **costs of salaries, reimbursements and other personal earnings** (group 52), amounting for the period I-XII 2011 RSD 888,702,881.45. The costs of salaries of employees (gross II membership fees to Chambers excluded) of Aerodrom "Nikola Tesla" Beograd amount RSD 606,125,080.96, whereas the costs for persons engaged through Youth organizations amount RSD 230,254,368.27 (youth organizations Fan, Beograd, Knez, Milenijum, Medijator and Europa). Apart from salaries in the group 52 there are also included reimbursements per contracts (service contracts), reimbursements per temporary and occasional jobs, part-time work contracts, reimbursements for the members of the Board of Directors and the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport, business trip wages, costs of trips and joint assistance).

The costs of **amortization and reserving** (group 54) for the period I-XII 2011 amounted RSD 666.148.316,68, where the included net cost of amortization amounted RSD 634.384.239,65.

The most of the **costs of production services** (group 53) and **intangible costs** (group 55) refers to the **costs of services** of OZB Komerc RSD 730,671,548.32. Adding this amount to total costs for salaries, reimbursements and other personal earnings of employees (group 52) we come to the amount of RSD 1,619,374,429.77, which makes 34.21% of total expenditures of the period.

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

- **the costs of transport services**, where the most part refers to the costs of services of OZB Komerc for Ground-handling department in the amount of RSD 285,902,978.55, then the costs of monthly support to the CUTE system per contract, the costs of informing and passenger check-in-SITA, Air France, the costs of postal services and others.
- **the costs of other services** mostly referring to the services of OZB Komerc for Security department in the amount of RSD 272,480,384.56, then the costs of water, drainage, the costs of Dufry's services and others,
- **the costs of renting** referring to business facility renting.
- **the costs of advertising**.

Pattern of **the intangible costs** includes:

- **the costs of non-production services**, where the most part refers to the costs of services of OZB Komerc for the Technical maintenance, Investment, Commercial, Financial and Legal departments in the amount of RSD 172,288,185.21, then the cleaning services, costs of occupational health-JAT, the services of newly-incorporated companies – agricultural operative and parking, advocacy services, the costs of advanced trainings and others.

The costs of insurance premiums

Taxing costs

The costs of payment operations

The costs of membership fees

The representational costs and

Other intangible costs

The costs of salaries, reimbursements and other earnings (group 52), the services of OZB Komerc and amortization realised in 2011 in total amount of RSD 2,253,758,669.42 make 47.61% of total expenditures and 35.21% of total revenues of AD Aerodrom "Nikola Tesla" Beograd is needed to cover them.

Financial expenditures (group 56) in period I-XII 2011 are disclosed in the amount of RSD 256,853,282.90 and are 19% lower than in the same period of the previous year.

In the pattern of financial expenditures, expenditures realised from interest participate with 30.15%, amount RSD 77,452,107.00 and are 18% lower than in the same period of the previous year. The mentioned expenditures from interest refer to the interests for long-term liabilities per loans (EIB – reconstruction of the Terminal, Westergaard – vehicles for aircraft de-icing, housing loans and financial leasing).

Realised and non-realised negative exchange rate differences were achieved in the amount of RSD 179,401,175.90 and participate with 69.85% in the pattern of financial expenditures.

Other expenditures (group 57 and 58) in period I-XII 2011 were achieved in the amount of RSD 759,039,753.14, are 53% higher than in the same period of the previous year and mainly refer to: depreciation of receivables from buyers (RSD 680,660,906.65) within which the most part refers to JAT in the amount of RSD 660,564,855.69, depreciation of housing loans, which are being revalued with interest of 0.5% (RSD 24,219,039.51) losses from sale of plants and equipment (RSD 19,572,622.39).

Receivables from Jat Airways

Receivables from Jat Airways, older than 60 days on 12/31/2011 totally amount RSD 1,316,704,581.16.

RSD 660,564,855.69, receivables from Jat Airways older than 60 days, was booked as correction of receivables value.

Receivables from Jat Airways older than 60 days, which were not included in value correction, in amount of RSD 656,139,725.47, are settled by:

1. Conclusion of the agreement, referring to settlement of a part of the debt of Akcionarsko Društvo za vazdušni saobraćaj "Jat Airways" ad Beograd (Air carrier, joint stock company "Jat Airways") to Akcionarsko Društvo Aerodrom "Nikola Tesla" Beograd, in the amount of RSD 593,285,743.00 by transferring the following property of Jat Airways to Aerodrom "Nikola Tesla" Beograd: building of Flight operations (RSD 197,087,517.00-approximate estimation) and building of training centre (RSD 396,198,226.00-approximate estimation);

2. Recovery of debts in amount of RSD 13,435,593.69 in period from 01/01/2012 until 02/20/2012 and
3. Estimation of the management on possibility to recover debts in the amount of RSD 49,418,388.78, whereof the amount of RSD 39,411,830.36 was recovered until 04/17/2012.

Main suppliers, from the point of turnover in 2011 are: OZB Komerc (RSD 856,485,781.89) and Okta Crude Oil Refinery, ad - Skopje (RSD 544.068.807.99).

EXPENDITURE PATTERN

Account	Account name	Achievement I-XII 2010		Plan revision	Achievement I-XII 2011		INDEX	
		3	4		5	6 (5/3)	7 (5/4)	
1	2							
50	PURCHASE VALUE OF SOLD GOODS	305,012,100.06	481,434,400.00	529,292,614.59	174	110		
501	PURCHASE VALUE OF SOLD GOODS	305,012,100.06	481,434,400.00	529,292,614.59	174	110		
51	COSTS OF MATERIALS	367,872,573.91	532,267,460.05	373,933,025.62	102	70		
511	COSTS OF MATERIALS FOR PRODUCTION	114,245,793.32	177,702,460.05	99,651,314.96	87	56		
512	COSTS OF OVERHEADS	95,770,485.12	142,565,000.00	64,897,856.19	68	46		
513	COSTS OF FUEL AND ENERGY	157,856,295.47	212,000,000.00	209,383,854.47	133	99		
52	SALARIES, REIMBURSEMENTS	715,895,415.39	904,552,001.64	888,702,881.45	124	98		
520	SALARIES, REIMBURSEMENTS-GROSS	434,501,467.03	510,985,343.17	514,314,696.96	118	101		
521	TAXES AND CONTRIBUTIONS-EMPLOYER	77,305,131.00	85,958,076.45	91,810,384.00	119	107		
522	REIMBURSEMENT FOR TEMPORARY SERVICE CONTRACTS-GROSS	2,921,355.36	3,177,732.52	1,224,151.25	42	39		
524	REIMBURSEMENT FOR TEMPORARY AND OCCASIONAL SERVICE CONTRACTS-GROSS							
524	GROSS	164,064,478.63	169,732,966.37	232,233,828.92	142	137		
525	REIMBURSEMENT FOR NATURAL PERSONS-GROSS	164,689.76	160,159.67	388,036.20	236	242		
526	REIMBURSEMENTS FOR MEMBERS OF SUPERVISORY AND BOARD OF DIRECTORS-GROSS	6,887,064.44	9,384,822.96	11,231,309.97	163	120		
529	OTHER PERSONAL EXPENDITURES	30,051,229.17	125,152,900.50	37,500,474.15	125	30		
53	COSTS OF PRODUCTION SERVICES	682,247,554.70	854,909,459.97	846,714,724.08	124	99		
531	COSTS OF TRANSPORTATION SERVICES	302,660,245.87	307,284,277.75	373,776,482.12	123	122		
532	COSTS OF MAINTENANCE SERVICES	93,781,257.87	257,030,000.00	111,784,770.19	119	43		
533	COSTS OF LEASE	4,576,456.95	7,060,040.89	4,571,841.86	100	65		
535	COSTS OF ADVERTISING	22,523,428.96	30,000,000.00	24,918,389.51	111	83		
536	COSTS OF MARKET RESEARCH	0.00	5,160,000.00	0.00	0	0		
539	COSTS OF OTHER SERVICES	258,706,165.05	248,375,141.33	331,663,240.40	128	134		
54	COSTS OF AMORTIZATION AND RESERVES	777,371,004.12	800,000,000.00	666,148,316.68	86	83		
540	COSTS OF AMORTISATION	719,305,484.53	800,000,000.00	634,384,239.65	88	79		
545	RESERVES FOR REIMBURSEMENTS FOR EMPLOYEES	5,866,239.59	0.00	16,434,077.03	280	0		
549	OTHER LONG-TERM RESERVES	52,199,280.00	0.00	15,330,000.00	29	0		
55	INTANGIBLE COSTS	414,773,008.10	446,341,223.69	413,268,564.16	100	93		
550	COSTS OF NON-PRODUCTION SERVICES	254,208,917.99	281,982,742.08	281,960,392.57	111	100		
551	COSTS OF REPRESENTATION	6,254,767.67	10,532,629.07	6,640,321.57	106	63		
552	INSURANCE PREMIUMS	42,427,898.11	41,485,798.60	20,921,284.60	49	50		
553	COSTS OF PAYMENT SYSTEM	6,981,432.78	7,135,896.53	6,899,052.48	99	97		
554	COSTS OF MEMBERSHIPS	4,093,475.14	5,037,194.44	3,648,503.90	89	72		

Account	Account name	Achievement I-XII 2010		Plan revision		Achievement I-XII 2011		INDEX	
		3	4	5	6 (5/3)	7 (5/4)			
1	2								
555	COSTS OF TAXES	73,958,606.57	72,106,001.61	73,977,832.95	100	103			
559	OTHER INTANGIBLE COSTS	26,847,909.84	28,060,961.36	19,221,176.09	72	68			
56	FINANCIAL EXPENDITURES	317,296,508.56	80,879,756.08	256,853,282.90	81	318			
562	INTEREST EXPENDITURES	94,665,291.42	80,879,756.08	77,452,107.00	82	96			
563	NEGATIVE EXCHANGE RATE DIFFERENCES	186,084,811.02	0.00	179,373,996.46	96	0			
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	36,546,406.12	0.00	27,179.44	0	0			
57	OTHER EXPENDITURES	28,634,099.24	45,213,969.13	54,044,472.46	189	120			
570	LOSSES FOR EXPENDITURES	854,056.14	1,070,600.61	19,639,226.78	2300	1834			
574	DEFICITS	74,824.28	0.00	1,006,618.66	1345	0			
575	PROTECTION FROM REVALUATION RISK	0.00	0.00	898.49	#DIV/0!	0			
576	DIRECT WRIT-OFF OF RECEIVABLES	0.00	0.00	138,239.43	0	0			
577	EXPENSES-EXPENDITURES	162,444.86	544.76	0.00	0	0			
579	OTHER NON-MENTIONED EXPENDITURES	27,542,773.96	44,142,823.76	33,259,489.10	121	75			
58	EXPENDITURES FROM PROPERTY DEVALORIZATION	467,237,318.19	0.00	704,995,280.68	151	0			
582	DEVALORIZATION OF PROPERTY, PLANTS AND EQUIPMENT	140,841.00	0.00	46,000.00	33	0			
583	DEVALORIZATION OF LONG-TERM FINANCIAL INVESTMENTS	398,339,378.30	0.00	24,260,996.47	6	0			
584	DEVALORIZATION OF STOCKS OF MATERIALS AND GOODS	31,547.18	0.00	27,377.56	87	0			
585	DEVALORIZATION OF RECEIVABLES FROM FINANCIAL INVESTMENTS	68,725,551.71	0.00	680,660,906.65	990	0			
	TOTAL EXPENDITURES	4,076,339,582.27	4,145,598,270.56	4,733,953,162.62	116	114			

4.3. SALARIES

In the period I-XII 2011 the total sum paid for salaries amounted RSD 514,314,696.96 (gross I), which is 18% higher than in the same period of 2010 and 3% less than the planned amount for 2011.

Summary of paid salaries (gross I) in the period I-XII of the current year is given in the table per months:

SALARIES GROSS I

Month	Achievement 2010	Plan 2011	Achievement 2011	Index	
				5 (4/2)	6 (4/3)
1	2	3	4		
January	37,305,912.81	40,663,444.96	40,561,513.96	109	100
January-Christmas bonus	0.00	8,965,648.87	8,965,648.87	0	100
February	36,034,687.64	39,868,559.04	39,596,584.80	110	99
March	35,201,171.02	39,832,530.35	39,582,128.35	112	99
April	37,795,660.50	42,900,880.35	41,996,814.43	111	98
April-Eastern bonus	0.00	8,971,420.98	8,971,420.98	0	100
May	37,189,541.01	42,132,430.35	41,695,361.65	112	99
June	35,856,735.83	42,625,306.87	41,220,805.46	115	97
July	35,776,890.44	43,426,456.87	41,601,147.71	116	96
August	35,870,482.36	43,426,456.87	42,428,607.56	118	98
September	35,868,745.39	43,426,456.87	41,428,251.60	115	95
October	35,866,851.41	44,227,606.87	40,872,296.87	114	92
November	35,867,488.20	44,227,606.87	41,989,483.87	117	95
December	35,867,300.42	44,227,606.87	43,404,630.85	121	98
Total salaries	434,501,467.03	510,985,343.14	496,377,627.11	114	97
Total Christmas bonus	0.00	17,937,069.85	17,937,069.85	0	100
Total salaries+Christmas bonus	434,501,467.03	528,922,412.99	514,314,696.96	118	97

We can see in the table that in the period I-XII 2011 there were paid out salaries to employees according to individual work contracts as well as single payments, as Christmas and Eastern bonuses, to each employee, in the same amount of RSD 15,000.00.

The Christmas and Eastern bonuses were prescribed by the Business plan for 2011 on the account 529-other personal expenditures (Christmas and Eastern bonuses). Considering that this payment is, from the point of taxes and contributions, regarded as salary, the costs of salaries of the Company and average, paid out salary are increased by the amount of the gross II-RSD 21,216,870.85 (gross I amounts RSD 17,937,069.85).

In the period I-XII of the current year average gross salary with the Christmas and Eastern bonuses in the Company amounted RSD 101,700.00 and is 16% higher than the same for the previous year. Average net salary with the Christmas and Eastern bonuses in the Company amounted RSD 72,207.00. Course of average gross salary in the Company is shown in the table:

AVERAGE SALARY GROSS I

Month	AD ANT
January	118.527
February	94.057
March	95.147
April	121.598
May	99.907
June	99.060
July	99.263
August	101.566
September	99.224
October	98.306
November	93.795
December	99.952
Average I-XII 2011	101.700

4.4. FINANCIAL RESULT IN I-XII 2011 GODINE

In the period I-XII 2011 gross profit of the company was disclosed in the amount of RSD 1,580,293,085.78. Thus disclosed net profit is 18% lower than the profit in the same period of the previous year.

FINANCIAL RESULT

No.	POSITION	Achievement I-XII 2010	Plan I-XII 2011	Achievement I-XII 2011	Index	
					6 (5/3)	7 (5/4)
1	2	3	4	5		
1	Business revenues	5,468,911,681.66	6,443,838,146.44	5,988,321,860.15	109	93
2	Business expenditures	3,263,171,656.28	4,019,504,545.35	3,718,060,126.58	114	93
3	Business profit (1-2)	2,205,740,025.38	2,424,333,601.09	2,270,261,733.57	103	94
4	Financial revenues	426,474,383.84	147,813,906.44	337,596,197.74	79	228
5	Financial expenditures	317,296,508.56	80,879,756.08	256,853,282.90	81	318
6	Financial profit (4-5)	109,177,875.28	66,934,150.36	80,742,914.84	74	121
7	Other revenues	543,643,200.28	0.00	75,283,623.14	14	0
8	Other expenditures	495,871,417.43	45,213,969.13	759,039,753.14	153	1.679
9	Other profit (7-8)	47,771,782.85				
9a	Other loss (8-7)		45,213,969.13	683,756,130.00		1.512
10	Total revenues (1+4+7)	6,439,029,265.78	6,591,652,052.88	6,401,201,681.03	99	97
11	Total expenditures (2+5+8)	4,076,339,582.27	4,145,598,270.56	4,733,953,162.62	116	114
12	Total gross profit (10-11)	2,362,689,683.51	2,446,053,782.32	1,667,248,518.41	71	68
13	Period tax expenditure	145,193,494.47		89,846,278.00	62	0
14	Deferred period tax expenditure	0.00		0.00	0	0
15	Deferred period tax revenue	19,826,329.75		2,890,845.37	15	0
16	Paid-up personal receiving to employer (interim dividend)	300,000,000.00		0.00	0	0
17	Net profit	1,937,322,518.79		1,580,293,085.78	82	0

In disclosing of the business result for 2011 the amount of RSD 660 millions of receivables from Jat Airways, is corrected and this correction is contained at the position Other expenditures. These receivables will be included in revenues of Aerodrom "Nikola Tesla" at the time of recovery, whereof the Protocol on recovery will be concluded. By adding the corrected receivables from "Jat Airways" in the amount of RSD 660,564,856 to the disclosed net profit for 2011 in the amount of RSD 1.580.293.085, we come to the amount of RSD 2.240.857.941 as net profit.

Ratio analysis and analysis of business indicators					
No.	Description	ADP	2010	2011	Index 2011/2010
1	Total capital yield <i>(profit from regular operating before tax / capital)</i>	219/101	0.1050	0.0728	69.32
2	Property yield <i>(business revenue / business property)</i>	213/022	0.0894	0.0906	101.37
3	Net yield on own capital <i>(net profit / capital)</i>	229/101	0.0861	0.0690	80.13
4	Level of indebtedness <i>(long-term reserving and liabilities / total obligations)</i>	111/124	0.0759	0.0739	97.25
5	Level I of liquidity <i>(cash equivalents and cash / short-term liabilities)</i>	019/116	0.6386	0.1701	26.64
6	Level II of liquidity <i>(short-term receivables, investments and cash / short-term liabilities)</i>	015/116	9.4301	10.0988	107.09
7	Net turnover capital in RSD -000 <i>(turnover property (without deferred tax resources) -short-term liabilities)</i>	012-116	3,538,501	4,077,221	115.22

Changes of balance values				
Balance position	Amount (in RSD thousand)		Index	Reason of change
	2010	2011	2011/2010	
Long-term financial investments	110.797	96.014	86.66	decrease by 13.34% in comparison to 2010 is scored due to depreciation of PBB and depreciation of receivables from employees for housing loans
Stocks	117.010	156.623	133.85	increase by 33.85% in comparison to the previous year is the result of increase of stocks of kerosene, fuels, lubricants and operating supplies
Short-term receivables, investments and cash	3,827,359	4,351,491	113.69	increase by 13.69% in comparison to the previous year due to increase of: balance of receivables from domestic buyers, short-term investments and delimited calculated long-term liabilities for investments
Reserves	-	761.355	0.00	in 2011 stock balance is the result of profit distribution for 2010
Non-distributed profit	1,937,323	1,580,293	81.57	lower by 18.43% in comparison to 2010 due to increase of I.V receivables from domestic buyers
Long-term reserves	140.576	167.874	119.42	higher by 19.42% due to increased reserving for terminal wages and jubilee bonuses and reserving for litigations
Other long-term liabilities	189.155	217.225	114.84	higher by 14.84% due to increased long-term liabilities for investments

5. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES, BEGAN AFTER EXPIRY OF THE REPORTED BUSINESS YEAR

On February 27, 2012 the Government of the Republic of Serbia made the Conclusion no. 023--1413--2012, by which it gave a consent that the part of the debt of JAT Airways a.d. Beograd to the Company will be reconciled and the outstanding debt will be settled by a Protocol on rescheduling of debts.

According to the Conclusion of the Government on the Company and JAT Airways a.d. Beograd, two Deeds of partial arrangement were concluded, where the subject of reconciliation is on the one party's behalf, fixed property of JAT Airways a.d. Beograd on the complex of Aerodrom "Nikola Tesla" Beograd, and on the other party's behalf, the part of the receivables of the Company from JAT Airways a.d. Beograd in the amount of RSD 593.286 thousand.

The fixed property, being the subject of the Deeds of arrangement, are:

- the building of "Training centre", with total area of 3,936 m², whereon Jat Airways is registered as a beneficiary, of estimated value of EUR 3,755,497;
- the building of "Flight operations", with total area of 2,224 m², whereon Jat Airways is registered as a holder, of estimated value of EUR 1,868,160;

On the day of drafting of financial statements the procedure of reconciliation and drafting of the Protocol on rescheduling of due debts of JAT was in procedure.

On 12/31/2011, the management of the Company estimated that the receivables from JAT in the amount of RSD 49,418 thousand can be recovered and value correction of these receivables with purpose of bringing to recoverable value, was not performed. During 2012 the Company recovered RSD 39,412 thousand out of RSD 49,418 thousand up to 04/17/2012.

6. DESCRIPTION OF EXPECTED DEVELOPMENT OF THE COMPANY IN THE FOLLOWING PERIOD, CHANGES IN BUSINESS POLICIES OF THE COMPANY, AS WELL AS MAIN RISKS AND THREATS, TO WHICH THE COMPANY IS EXPOSED

Plan of air traffic turnover of the Company for 2012 is made in line with business policy of the Company which prescribes increase of air traffic volume, as follows air movements by 3%, passenger by 10% and cargo by 5%.

Arrival of three new carrier was announced from May to June 2012, which would offer three new air routes from Belgrade:

- Carrier Air One - Belgrade – Milan
- Carrier Croatia Airlines -Belgrade –Split
- Carrier Qatar Airways -Belgrade-Doha

Air carriers, which already operate with the Airport, as well as national air carrier JAT plan to offer more flights to popular destinations in summer season. All this help traffic volume to increase, and make Belgrade Airport even more attractive both to air carriers and passengers.

There are ongoing works on great infrastructure project of enlargement of terminal building in order to provide better comfort for passenger and more facilities.

The Airport has corrected prices for aircraft handling services, Air carriers are really interested in having high quality services performed quickly and at the lowest possible price. Indirectly, passengers also take advantage of such service, which makes ticket price lower.

Exceptional geographic position, space capacity, navigation and exploitation conditions and communication with other means of transport enables Airport "Nikola Tesla" to become the regional centre of air traffic in South-east Europe.

World economy crisis made huge impact on offer/demand in air services in Europe. A few air carriers, which had significant portion in the traffic from Belgrade Airport bankrupted within the previous year and that presents the situation in this field.

There were no discrepancies from business policy of the Company.

7. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

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

7.1. MARKET RISK

a) Currency risk

By analysis of financial resources and obligations at the end of 2011, we can conclude that the Company operates with low currency risk. It is due to the fact that almost all long-term receivables are contracted with currency clause.

b) Risk of interest rate change

Risk of change of interest rate does not represent significant risk for the Company. Financial instruments with contracted interest are mainly defined with fixed interest rate. Therefore, change of interest rate will not considerably influence revenues and expenditures of the Company

7.2. CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk. The Company has huge receivables of domestic and foreign buyers and the credit risk permanently exists. In order to diminish this risk, the Company monitors charging realisation on regular basis. It analyses value of recovery in contracted term, payment default and non-recovered receivables.

Receivables from buyers refer to many clients, whereof the greatest part refers to receivables from JAT Airways.


The Company depreciated receivables in the previous period for due receivables in the amount of RSD 851,487 thousand (2010: RSD 201,020 thousand), in cases where the Company had ascertained changes in credit capability of clients and that the receivables would not be recovered.

Within disclosed, due, non-corrected receivables RSD 754,321 thousand refer to non-corrected due receivables older than 60 days.

7.3. LIQUIDITY RISK AND CASH FLOW

Management of liquidity risk demands special attention of the Management of the Company. Therefore the Management has established business policy mostly based on financing from own resources. Outside funds are mostly long-term resources. In support of the fact that there is no liquidity risk, we have to mention that the Company has unemployed funds, deposited in banks as short-term investments, mainly for financing of future capital expenditures.

Prevela: Marija Jakovljević



**SHAREHOLDING COMPANY
BELGRADE NIKOLA TESLA AIRPORT**

**Financial Statements
Year Ended December 31, 2011 and
Independent Auditors' Report**

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Translation of the auditors' report issued in the Serbian language

INDEPENDENT AUDITORS' REPORT

TO THE ASSEMBLY AND MANAGEMENT BOARD OF BELGRADE NIKOLA TESLA AIRPORT

We have audited the accompanying financial statements (pages 2 to 42) of the Shareholding Company, Belgrade Nikola Tesla Airport (the "Company"), which comprise the balance sheet as at December 31, 2011, and the related income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting regulations of the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and the Law on Accounting and Auditing of the Republic of Serbia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements of the Shareholding Company, Belgrade Nikola Tesla Airport for the year ended December 31, 2011 have been prepared, in all material respects, in accordance with the accounting regulations of the Republic of Serbia.

Belgrade, April 11, 2012

Aleksandar Đurđević
Certified Auditor

INCOME STATEMENT
Year Ended December 31, 2011
(thousands of RSD)

	Note	2011	2010
OPERATING INCOME			
Sales income	5	5,544,982	5,058,725
Other operating income	6	443,340	410,187
		<u>5,988,322</u>	<u>5,468,912</u>
OPERATING EXPENSES			
Cost of commercial goods sold		(529,293)	(305,012)
Cost of materials	7	(373,933)	(367,873)
Staff costs	8	(888,703)	(715,895)
Depreciation, amortization and provisions	9	(666,148)	(777,371)
Other operating expenses	10	(1,259,983)	(1,097,021)
		<u>(3,718,060)</u>	<u>(3,263,172)</u>
PROFIT FROM OPERATIONS		<u>2,270,262</u>	<u>2,205,740</u>
Finance income	11a	337,596	426,474
Finance expenses	11b	(256,853)	(317,296)
Other income	12	75,284	543,643
Other expenses	13	(759,040)	(495,871)
		<u>(603,013)</u>	<u>156,950</u>
PROFIT BEFORE TAXATION		1,667,249	2,362,690
INCOME TAXES		14	
- Current income tax expense		(89,846)	(145,194)
- Deferred tax benefit		2,890	19,827
Remunerations paid to employer – interim dividend		-	(300,000)
NET PROFIT		<u>1,580,293</u>	<u>1,937,323</u>
Basic/Diluted earnings per share (in RSD)	15	<u>46.09</u>	<u>65.25</u>

The accompanying notes on the following pages
are an integral part of these financial statements.

These financial statements were approved by the Management Board of the Shareholding Company, Belgrade Nikola Tesla Airport on February 28, 2012 and submitted to the Serbian Business Registers Agency on February 29, 2012.

Signed on behalf of the Shareholding Company, Belgrade Nikola Tesla Airport by:

Velimir Radosavljević
General Manager

Ljiljana Simonović
Chief Financial Officer

Zorka Latinović
Head of Accounting

BALANCE SHEET
As of December 31, 2011
(thousands of RSD)

	Notes	December 31, 2011	December 31, 2010
ASSETS			
Non-current assets			
Intangible assets	16	6,234	861
Property, plant and equipment	16	20,434,932	20,611,793
Investment property	16	14,476	14,332
Equity investments	17	205	389
Other long-term investments	18	95,809	110,408
		<u>20,551,656</u>	<u>20,737,783</u>
Current assets			
Inventories and advances received	19	156,623	117,010
Accounts receivable	20	1,611,954	1,336,942
Receivables based on prepaid income taxes		43,248	-
Short-term financial placements	21	2,478,614	2,180,671
Cash and cash equivalents	22	73,304	259,206
Value added tax and prepayments	24	144,371	50,540
		<u>4,508,114</u>	<u>3,944,369</u>
Total assets		<u><u>25,059,770</u></u>	<u><u>24,682,152</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	25	20,573,610	20,573,610
Reserves		761,355	-
Unrealized losses on securities		(260)	(73)
Retained earnings		1,580,293	1,937,323
		<u>22,914,998</u>	<u>22,510,860</u>
Long-term provisions and liabilities			
Long-term provisions	26	167,874	140,576
Long-term borrowings	27	1,034,742	1,138,765
Other long-term liabilities	28	217,225	189,155
		<u>1,419,841</u>	<u>1,468,496</u>
Short-term liabilities			
Short-term financial liabilities	29	177,419	186,835
Accounts payable	30	194,478	138,346
Other short-term liabilities	31	1,101	566
Value added tax, other taxes and duties payable and accruals	32	57,895	45,867
Income taxes payable		-	34,254
		<u>430,893</u>	<u>405,868</u>
Deferred tax liabilities		294,038	296,928
Total equity and liabilities		<u><u>25,059,770</u></u>	<u><u>24,682,152</u></u>
Off-balance sheet items	33	<u>363,186</u>	<u>132,322</u>

The accompanying notes on the following pages are an integral part of these financial statements.

**SHAREHOLDING COMPANY
BELGRADE NIKOLA TESLA AIRPORT**

STATEMENT OF CHANGES IN EQUITY
Year Ended December 31, 2011
(thousands of RSD)

	Share Capital	State-Owned Capital	Reserves	Revaluation Reserves	Retained Earnings	Total
Balance, January 1, 2010	-	20,573,610	-	-	1,413,007	21,986,617
Change of the legal status	20,573,610	(20,573,610)	-	-	-	-
Unrealized losses on securities	-	-	-	(73)	-	(73)
Profit distribution:	-	-	-	-	-	-
- to the founder	-	-	-	-	(1,350,000)	(1,350,000)
- to the employees	-	-	-	-	(63,007)	(63,007)
Profit for the year	-	-	-	-	1,937,323	1,937,323
Balance, December 31, 2010	<u>20,573,610</u>	<u>-</u>	<u>-</u>	<u>(73)</u>	<u>1,937,323</u>	<u>22,510,860</u>
Balance, January 1, 2011	20,573,610	-	-	(73)	1,937,323	22,510,860
Unrealized losses on securities	-	-	-	(187)	-	(187)
Profit distribution:	-	-	-	-	-	-
- to the founder	-	-	-	-	(1,118,661)	(1,118,661)
- to the employees	-	-	-	-	(57,307)	(57,307)
- transfer to reserves	-	-	761,355	-	(761,355)	-
Profit for the year	-	-	-	-	1,580,293	1,580,293
Balance, December 31, 2011	<u>20,573,610</u>	<u>-</u>	<u>761,355</u>	<u>(260)</u>	<u>1,580,293</u>	<u>22,914,998</u>

The accompanying notes on the following pages
are an integral part of these financial statements.

CASH FLOW STATEMENT
Year Ended December 31, 2011
(thousands of RSD)

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Cash receipts from customers	5,131,510	5,306,744
Interest receipts from operations	3,344	930
Other receipts from operations	582,447	486,391
Cash paid to suppliers	(2,397,443)	(1,974,590)
Cash paid to, and on behalf of employees	(892,967)	(747,923)
Interest paid	(73,142)	(95,909)
Income taxes paid	(167,348)	(159,070)
Other public duties paid	(346,482)	(303,655)
	<u>1,839,919</u>	<u>2,512,918</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of intangible assets, property, plant and equipment and biological assets	4,136	367
Interest received from investing activities	141,164	142,710
Purchase of plants and equipment	(531,969)	(651,807)
Other financial placements	(282,768)	174,179
	<u>(669,437)</u>	<u>(334,551)</u>
Net cash used in investing activities		
CASH FLOWS FORM FINANCING ACTIVITIES		
Long-term and short-term borrowings and other liabilities (net outflow)	(91,897)	(207,051)
Finance lease	(88,237)	(127,420)
Dividends paid	(1,175,275)	(1,713,003)
	<u>(1,355,409)</u>	<u>(2,047,474)</u>
Net cash used in financing activities		
NET (DECREASE) / INCREASE OF CASH AND CASH EQUIVALENTS	(184,927)	130,893
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>259,206</u>	<u>121,175</u>
Foreign exchange (losses) / gains, net	(975)	7,138
	<u>(975)</u>	<u>7,138</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>73,304</u></u>	<u><u>259,206</u></u>

The accompanying notes on the following pages
are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

1. FOUNDATION AND ACTIVITY

The business entity – Belgrade Nikola Tesla Airport (hereinafter the “Company”) was established in 1992 as a company providing airport services based on a special Law and was fully owned by the Republic of Serbia. Accordingly, the Company’s total capital was held by the Republic of Serbia.

During 2006, pursuant to the Decision of the Government of the Republic of Serbia, the Public Company Belgrade Airport was renamed into a Public Company Belgrade Nikola Tesla Airport.

The Company’s was registered to perform the following business activities: providing conditions for landing, take-off and taxing of aircraft; ground handling of aircrafts, passengers, cargo at the airport apron; enabling jet fuel supply; catering services and luggage handling in the terminal building; passenger and crew transport; cargo storage and handling; joint use of equipment and fixtures; forwarding and transport; airport cleaning, sanitation and waste removal services; land leasing; airport security services; special requests and other related services.

Based on the Decision on determining dates for status changes in the Public Company Belgrade Nikola Tesla Airport as of August 5, 2005, four independent companies spun off as follows: Aerodrom catering d.o.o., Beograd, Aerodrom parking d.o.o., Beograd, Aerodrom poljoprivredna operativa d.o.o., Beograd and Aerodrom čistoća terminali d.o.o., Beograd. The status change was executed as of July 1, 2005. Fixed assets were transferred to the spun-offs and the ownership was transferred to the Republic of Serbia.

As of June 17, 2010, the Government of the Republic of Serbia enacted Decision number 023-4432/2010 on the change of legal form of the Public Company Belgrade Nikola Tesla Airport into a closed shareholding company. The aforementioned change was registered with the Serbian Business Registers Agency as of June 22, 2010, Decision number BD 68460/2010. A number of 34,289,350 shares were registered with the Central Securities Depository and Clearing House at July 7, 2010 as the Republic of Serbia ownership.

Following the legal form change, the Company continued its business activities under the business name Shareholding Company Belgrade Nikola Tesla Airport.

As of December 9, 2010, the Government of the Republic of Serbia enacted Decision number 023-9103/2010-1 whereby citizens of the Republic of Serbia and the Company’s former and present employees were granted vested rights to 16.85% of the ownership interest in the Company. This change of legal form into an open shareholding company was registered with the Serbian Business Registers Agency under Decision numbered BG 7651/2011 dated January 24, 2011.

Pursuant to the Decision on Admission of Shares to Listing A – Prime Market 04/4 numbered 478/11 as of January 28, 2011, the Company’s shares were admitted into Listing A – Prime Market of the Belgrade Stock Exchange. A total of 34,289,350 shares are registered with the Central Securities Depository and Clearing House. Trading in the Company’s shares commenced at the Belgrade Stock Exchange as of February 7, 2011.

The Company’s Tax Identification Number (TIN) is 100000539.

The Company’s registration number is 07036540.

The Company is headquartered in 11180 Belgrade, Surčin 59, Serbia.

As of December 31, 2011, the Company had 435 employees (December 31, 2010: 419 employees).

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1. Basis of Preparation and Presentation of Financial Statements

Pursuant to the Law on Accounting and Auditing (Official Gazette of the Republic of Serbia no. 46 of June 2, 2006 and no. 111 as of December 29, 2009), legal entities and entrepreneurs incorporated in Serbia are required to maintain their books of account, to recognize and value assets and liabilities, income and expenses, and to present, submit and disclose financial statements in conformity with the prevailing legislation and professional rules which include: the Framework for the Preparation and Presentation of Financial Statements (the "Framework"), International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as well as the related interpretations representing an integral part of these standards which were in effect as at December 31, 2002.

The amendments to IAS, as well as the newly-issued IFRS and the related interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"), in the period between December 31, 2002 and January 1, 2009, were officially adopted pursuant to a Decision enacted by the Ministry of Finance of the Republic of Serbia ("Ministry") and published in the Official Gazette of the Republic of Serbia number 77 of October 25, 2010.

However, until the preparation date of the accompanying financial statements, not all amendments to IAS/IFRS and IFRIC in effect for annual periods beginning on or after January 1, 2009 had been translated. In addition, the accompanying financial statements are presented in the format prescribed under the "Guidelines on the Prescribed Form and Content of the Financial Statements of Enterprises, Cooperatives and Entrepreneurial Ventures" (Official Gazette of the Republic of Serbia, no. 114/2006 3/2011). Such statements represent the complete set of financial statements as defined under the law, which differ from those defined under the provisions of IAS 1, "Presentation of Financial Statements," and differ in some respects, from the presentation of certain amounts as required under the aforementioned standard. Standards and interpretations in issue, but not yet officially translated and adopted and standards and interpretations in issue but not yet in effect are disclosed in Notes 2.2 and 2.3.

In addition, the accompanying financial statements depart from IAS and IFRS in the following respects:

- Departures from IAS 1 "Presentation of Financial Statements" and IAS 16 "Property, Plant and Equipment" in the treatment and recording of the effects of capital valuation mostly associated with the appraisal of property, plant and equipment and investment property. Namely, pursuant to Article 27 of the particular Articles of the Law on Supplements and Amendments of the Law Regulating the Right to Free-of-Charge Shares and Cash Compensation Exercised by Citizens in the Privatization Procedure (RS Official Gazette no. 30/2010), the Company's founder was obligated to make sure that the Company undergo a change of the legal form and state its core capital in shares of certain par value based on the restated carrying value of capital until June 30, 2010. In accordance therewith and following the capital valuation, the effects of valuation of assets and liabilities were credited to revaluation reserves. Pursuant to the procedure explained in Note 5 and based on the May 31, 2010 Decision of the Company's Management Board number 04-100/1 on capital increase, and the Decision adopted by the Government of the Republic of Serbia number 023-4175/2010 as of June 4, 2010 on issuing a consent on the aforementioned Decision on the increase of core capital from own assets by transforming reserves and retained earnings into core capital of the Public Company Belgrade Nikola Tesla Airport, in its business books the Company recorded the increase in state-owned capital as of January 1, 2010 through the opening balance adjustment by reducing other capital, reserves, revaluation reserves and retained earnings. The aforementioned accounting treatment departs from the requirements of IAS 16 "Property, Plant and Equipment" setting forth the following requirements: 1) revaluation results are reflected directly on equity, within the line item of revaluation reserves i.e. they are recognized as income in the profit and loss account to the extent a revaluation decrease of the same asset previously recognized in profit or loss is reversed; and in the part which sets forth that 2) the revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognized. The abovementioned recognition of valuation effects in the accompanying financial statements made in accordance with the aforementioned acts is not in compliance with IAS 1 "Presentation of Financial Statements."

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.1. Basis of Preparation and Presentation of Financial Statements (Continued)

- Departures from IAS 12 "Income Taxes" – SIC – 21 "Income Taxes – Recovery of Revalued Non-Depreciable Assets based on which deferred tax liabilities or assets are recognized as arising from non-depreciable assets according to IAS 16 "Property, Plant and Equipment" and measured based on tax ramification that would arise from the recovery of the carrying value of the asset through its sale, regardless of the basis of measuring the asset's carrying value. In the absence of a clear interpretation of regulations with respect to the cost of land, and determining the rights of handling and ownership over the Company's land, due to the particularity of the Company's activity and regulations governing the business operation of the Republic of Serbia airports, as well as special provisions of particular Articles of the Law on Supplements and Amendments of the Law Regulating the Right to Free-of-Charge Shares and Cash Compensation Exercised by Citizens in the Privatization Procedure (RS Official Gazette no. 30/2010), it is believed that the aforementioned SIC – 21 "Income Taxes – Recovery of Revalued Non-Depreciable Assets cannot be applied in the given circumstances.
- The accounting regulations of the Republic of Serbia depart from IAS and IFRS in the provisions of IAS 19, "Employee Benefits" given that, pursuant to the relevant Ministry interpretation, the employee share in profit distribution is recorded as decrease in retained earnings rather than charged to the net profit.

In accordance with the aforescribed, and given the potentially material effects which the departures of accounting regulations of the Republic of Serbia from IAS and IFRS may have on the fairness presentations made in the financial statements, the accompanying financial statements cannot be treated as a set of financial statements prepared in accordance with IAS and IFRS.

The financial statements were prepared at historical cost principle, unless otherwise stipulated in the accounting policies presented hereunder. In the preparation of the accompanying financial statements, the Company adhered to the accounting policies described in Note 3.

The Company's financial statements are stated in thousands of dinars (RSD). The dinar is the official reporting currency in the Republic of Serbia.

2.2. Standards and Interpretations in Issue, but not yet Translated and Adopted

As of the financial statements issuance date, the following standards, amendments were issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee but were not officially adopted and translated in the Republic of Serbia for the annual accounting periods commencing on or after January 1, 2010:

- Amendments to IFRS 7 "Financial Instruments: Disclosures" – Amendments improving fair value and liquidity risk disclosures (revised in March 2009, effective for annual periods beginning on or after January 1, 2009);
- Amendments to IFRS 1 "First-time Adoption of IFRS" – Additional Exemptions for First-time Adopters. The amendments relate to assets in oil and gas industry and determining whether an arrangement contains a lease (revised in July 2009, effective for annual periods beginning on or after January 1, 2010);
- Amendments to various standards and interpretations resulting from the Annual quality improvement project of IFRS published on April 16, 2009 (IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 36, IAS 39, IFRIC 16) primarily with a view to removing inconsistencies and clarifying wording, (amendments are to be applied for annual periods beginning on or after 1 January 2010, while the amendment to IFRIC is to become effective as of July 1, 2009);
- Amendments to IAS 38 "Intangible Assets" (revised in July 2009, effective for annual periods beginning on or after July 1, 2009);

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.2. Standards and Interpretations in Issue, but not yet Translated and Adopted (Continued)

- Amendments to IFRS 2 “Share-based Payment”: Amendments resulting from the Annual quality improvement project of IFRS (revised in April 2009, effective for annual periods beginning on or after July 1, 2009) and amendments relating to group cash-settled share-based payment transactions (revised in June 2009, effective for annual periods beginning on or after January 1, 2010);
- Amendments IFRIC 9 “Reassessment of Embedded Derivatives” effective for annual periods beginning on or after July 1, 2009 and IAS 39 “Financial Instruments: Recognition and Measurement” – Embedded Derivatives (effective for annual periods beginning on or after June 30, 2009);
- IFRIC 18 “Transfers of Assets from Customers” (effective for annual periods beginning on or after July 1, 2009);
- “Conceptual Framework for Financial Reporting 2010” being an amendments to “Framework for the Preparation and Presentation of Financial Statements” (effective for transfer of assets from customers received on or after September 2010);
- Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (effective for annual periods beginning on or after July 1, 2010);
- Amendments to IAS 24 “Related Party Disclosures” – Simplifying the disclosure requirements for government-related entities and clarifying the definition of a related party (effective for annual periods beginning on or after January 1, 2011);
- Amendments to IAS 32 “Financial Instruments: Presentation” – Accounting for rights issues (effective for annual periods beginning on or after February 1, 2010);
- Amendments to various standards and interpretations “Improvements to IFRSs” resulting from the Annual quality improvement project of IFRS published on May 6, 2010 (IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34, IFRIC 13) primarily with a view to removing inconsistencies and clarifying wording, (most amendments are to be applied for annual periods beginning on or after January 1, 2011);
- Amendments to IFRIC 14 “IAS 19 – The Limit on a defined benefit Asset, Minimum Funding Requirements and their Interaction” – Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after January 1, 2011);
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for annual periods beginning on or after July 1, 2010).

2.3. Standards and Interpretations in Issue not yet in Effect

At the date of issuance of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

- IFRS 9 “Financial Instruments” (effective for annual periods beginning on or after January 1, 2015);
- IFRS 10 “Consolidated Financial Statements” (effective for annual periods beginning on or after January 1, 2013);
- IFRS 11 “Joint Arrangements” (effective for annual periods beginning on or after January 1, 2013);

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)

2.3. Standards and Interpretations in Issue not yet in Effect (Continued)

- IFRS 12 “Disclosures of Involvement with Other Entities” (effective for annual periods beginning on or after January 1, 2013);
- IFRS 13 “Fair Value Measurement” (effective for annual periods beginning on or after January 1, 2013);
- IAS 27 (revised in 2011) “Separate Financial Statements” (effective for annual periods beginning on or after January 1, 2013);
- IAS 28 (revised in 2011) “Investments in Associates and Joint Ventures” (effective for annual periods beginning on or after January 1, 2013);
- Amendments to IFRS 1 “First-time Adoption of IFRS” – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (effective for annual periods beginning on or after July 1, 2011);
- Amendments to IFRS 7 “Financial Instruments: Disclosures” – Transfers of Financial Assets (effective for annual periods beginning on or after January 1, 2011);
- Amendments to IFRS 7 “Financial Instruments: Disclosures” – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2013);
- Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” – Mandatory Effective Date and Transition Disclosures;
- Amendments to IAS 1 “Presentation of Financial Statements” – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after July 1, 2012);
- Amendments to IAS 12 “Income Taxes” – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after January 1, 2012);
- Amendments to IAS 19 “Employee Benefits” – Improvements to the Accounting for Post-employment Benefits (effective for annual periods beginning on or after January 1, 2013);
- Amendments to IAS 32 “Financial Instruments: Presentation” – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2014);
- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine” (effective for annual periods beginning on or after January 1, 2013).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Income and Expense Recognition

Income is measured at the fair value of the consideration received or receivable for the sale of goods and services rendered in the regular course of business, net of discounts, recoveries and sales taxes.

Income from the sale of goods is recognized when the risk and rewards associated with the rights of ownership are transferred to the customer.

Income from the sale of services is recognized when services rendered have been invoiced.

At the moment in which income is recognized, the related expenditure is also recognized (as per the “matching principle”).

Interest income and interest expense are credited or charged to the income statement in the accounting period to which it relates.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2. Maintenance and Repairs

Current maintenance and repairs of fixed assets are charged to the income statement of the respective accounting period.

3.3. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale.

Investment income realized from the temporary placement of funds borrowed is netted against borrowing costs intended to finance qualifying assets.

All other borrowing costs are recognized on the profit and loss account in the period to which these relate.

3.4. Foreign Exchange Translation

Transactions denominated in foreign currencies are translated into dinars at the official exchange rates in effect at the date of each transaction.

Assets and liabilities denominated in foreign currencies are translated into dinars by applying the official exchange rates prevailing at the balance sheet date.

Foreign exchange gains or losses arising upon the translation of transactions, and assets and liabilities in foreign currencies are credited or charged to the income statement.

3.5. Employee Benefits

Taxes and Contributions Made to the Employee Social Security and Insurance Funds

In accordance with regulatory requirements in the Republic of Serbia, the Company is obligated to pay contributions to tax authorities and to various state social security funds that guarantee social security insurance benefits to employees. These obligations involve the payment of taxes and contributions on behalf of the employee, by the employer, in an amount computed by applying the specific, legally-prescribed rates. The Company is also legally obligated to withhold contributions from gross salaries to employees, and on behalf of its employees, to transfer the withheld portions directly to the applicable government funds. These taxes and contributions payable on behalf of the employee and employer are charged to expenses in the period in which they arise.

Obligations for Retirement Benefits and Jubilee Awards

Based on the Labor By-laws, the Company is obligated to pay retirement benefits to its employees in the amount of four average monthly salaries paid in the Company in the month preceding the payment of retirement benefit while jubilee awards are paid commensurately with the duration of employment with the employer as follows:

- 10 years of service – one average monthly salary paid in the Republic of Serbia
- 20 years of service – two average monthly salaries paid in the Republic of Serbia
- 30 years of service – tri average monthly salaries paid in the Republic of Serbia
- 35 years of service for women and 40 years for men – four average monthly salaries earned in the Republic of Serbia.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.5. Employee Benefits (Continued)

Obligations for Retirement Benefits and Jubilee Awards (Continued)

In its financial statements, the Company stated the present value of expected considerations paid to employees as retirement benefits and jubilee awards based on the valuation performed by an independent actuary. The assumptions used in the calculation by the actuary include a discount rate of 10% and expected salary growth in the Company of 5%.

3.6. Taxes and Contributions

Current Income Taxes

In the Republic of Serbia, income tax is payable at the rate of 10% on the tax base reported in the annual corporate income tax return as reduced by any applicable tax credits. The taxable base stated in the income tax return includes the profit shown in the statutory statement income, as adjusted for the differences that are specifically defined under statutory tax rules.

The tax regulations effective in the Republic of Serbia do not envisage that any tax losses of the current period be used to recover taxes paid within a specific carryback period. However, tax losses stated in tax returns filed by 2010 may be used to reduce or eliminate taxes to be paid in future periods, but only for a duration of no longer than ten ensuing years following the vesting date. The tax losses stated in the income tax returns filed for the year 2011 and afterwards, are available for carryforward, but only for a duration of no longer than five ensuing years. The tax losses incurred prior to January 2010 are available for carryforward against future credits, but only for a duration of no longer than ten ensuing years.

Deferred Income Taxes

Deferred income taxes are provided using the balance sheet liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. The currently-enacted tax rates or the substantively-enacted rates at the balance sheet date are used to determine the deferred income tax amount. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, and the tax effects of income tax losses and credits are available for carryforward, to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the tax loss/credits of the carryforwards can be utilized.

Deferred income taxes are either charged or credited to the income statement, except in so far as they relate to items that are directly credited or charged to capital, and in that instance, the deferred taxes are also recognized under equity.

Indirect Taxes and Contributions

Indirect taxes and contributions include property taxes, contributions paid by employer based on salaries and benefits, as well as other taxes and contributions paid pursuant to republic and municipal regulations. These taxes and contributions are presented within other operating expenses.

3.7. Property and Equipment

Items of property and equipment that qualify for recognition are carried at cost. Cost comprises purchase price, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Self-constructed assets are carried at cost unless its cost exceeds the market value of such asset. After recognition as an asset, an item of property and equipment is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The appraisal of the Company's property and equipment was performed at January 1, 2010 by an independent certified appraiser.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.7. Property and Equipment (Continued)

If an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of revaluation surplus. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in profit or loss. However, the decrease shall be debited directly to equity under the heading of revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

3.8. Investment Property

Investment property is property held by the Company to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. An investment property is measured initially at its cost. After recognition as an investment property is carried at its fair value.

3.9. Depreciation and Amortization

Depreciation of property and equipment and amortization of intangible assets are charged individually for each asset to the asset's appraised value at the beginning of year or to cost of assets placed in use during the year by applying the straight-line method. Depreciation and amortization rates have been determined so that the cost or appraised value of property and equipment is amortized in equal annual amounts over the estimated useful life of an asset. Depreciation and amortization rates applied were as follows:

	%
Buildings	
Energy and water supply facilities	1.5 – 10
Roads, airports and parking	2 - 12.5
Equipment	
New specialized equipment	6.67 - 33.33
Road transport equipment	6.67- 50
Telecommunication and TV equipment	9.09 - 50
Air transport equipment	6.67
Measuring and control devices and specialized devices	6.67
Laboratory equipment, teaching aids and medical devices	14.28
Electronic, computer machines and computers	11
Furniture and general purpose devices	10
Agricultural equipment	2.5
Road transport equipment obtained under finance lease arrangement	7.69 - 25

3.10. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the Company. All other leases are classified as operating leases.

The Company as a Lessor

Lease income from operating leases (rentals) is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred by lessors in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income.

The Company as a Lessee

Assets held under finance leases are initially recognized as the assets of the Company at the present value of the minimum lease payments, which is determined at the inception of the particular lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease liability.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.10. Leases (Continued)

The Company as a Lessee (Continued)

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (Note 3.3).

Lease payments under an operating lease are recognized as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.11. Impairment of Tangible Assets

At each balance sheet date, the Company's management reviews the carrying amounts of its fixed and intangible assets in order to determine the indications of impairment. If there is any indication that such assets have been impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is impossible to determine the recoverable value of an individual asset, the Company assesses the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is based on the higher of net selling price and value in use. The estimate of the value in use comprises the assessment of future cash inflows and outflows discounted to their present value by applying the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the estimated recoverable amount of assets (or cash generating unit) is below their carrying value, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense of the current period under operating expenses.

As of December 31, 2011, based on the assessment made by the Company's management, there were no indications that intangible assets, property and equipment have been impaired.

3.12. Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories of materials and spare parts is assigned by applying the weighted-average method. The cost comprises invoiced value, cost of transport and other related costs.

Inventories of goods are recorded at their selling prices. At the end of the accounting period, their value is adjusted to cost by an apportionment of the related selling margin, calculated on an average basis, between the cost of goods sold and the inventories held at the year-end.

Provisions charged to "other expenses" are made where appropriate in order to reduce the value of inventories to management's best estimate of net realizable value (including slow-moving, excessive and obsolete inventories). Inventories found to be damaged or of a substandard quality are written off.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.13. Financial Instruments

Financial assets and financial liabilities are recognized in the Company's balance sheet on the date upon which the Company becomes counterparty to the contractual provisions of a specific financial instrument.

Financial assets cease to be recognized when the Company loses control of the contractual rights governing such instruments; which occurs when the rights of use of such instruments have been realized, expired, abandoned, and/or ceded. Financial liabilities cease to be recognized when the Company fulfills the obligations, or when the contractual repayment obligation has either been cancelled or has expired.

Long-Term Financial Placements

Long-term financial placements include long-term deposits, equity investments and long-term housing loans extended to employees. Long-term housing loans are stated at fair value discounted by applying the market interest rate.

The Company has equity investments in banks undergoing liquidation and, pursuant to the applicable accounting standards, these were fully provided for.

Accounts Receivable, Short-Term Financial Placements and Other Short-Term Receivables

Accounts receivable, short-term financial placements and other short-term receivables are stated at nominal value net of allowance for impairment calculated based on the management's assessment of their collectability.

Cash and Cash Equivalents

For the purposes of the cash flow statement, cash includes cash on hand and balances on current dinar and foreign currency accounts held with commercial banks and short-term deposits with up to three-month maturities.

Financial Liabilities

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Other Financial Liabilities

Other financial liabilities (including borrowings and accounts payable) are initially recognized at fair value net of transaction costs. Loans and other financial liabilities are subsequently measured at amortized cost using the contractually agreed interest rate which approximates the effective interest rate.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

4. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

The presentation of the financial statements requires the Company's management to make best estimates and reasonable assumptions that influence the assets and liabilities amounts, as well as the disclosure of contingent liabilities and receivables as of the date of preparation of the financial statements, and the income and expenses arising during the accounting period. These estimations and assumptions are based on information available to us, as of the date of preparation of the financial statements. Actual results may vary from these estimates.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES (Continued)

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1. Depreciation and Amortization Charge and Rates Applied

The estimate of a useful life of property, equipment and intangible assets is based on historical experience with similar assets, as well as the anticipated technical advancement and changes in economic and industrial factors. The adequacy of the estimate of the remaining useful life of property and equipment is analyzed once a year based on the current expectations.

In addition, due to the significance of non-current assets in the Company's total assets, any change in the aforementioned assumptions may lead to material effects on the Company's financial position, as well as financial result. For instance, should the Company reduce the average useful life by 10%, additional depreciation and amortization charge would increase by approximately RSD 63,438 thousand for the year ended December 31, 2011 (December 31, 2010: RSD 71,930 thousand).

4.2. Provisions for Litigations

Generally, provisions are highly judgmental. The Company estimates the likelihood of unfavorable events happening as a result of past events and assesses the amount necessary to settle such liability. Although the Company acts prudently in making such estimates, given the great extent of uncertainty, in certain cases actual results may depart from them.

4.3. Allowance for Impairment of Receivables

We calculated the allowance for impairment of doubtful receivables over 60 days past due based on the estimated losses arising from customer's default. Our assessment is based on the aging analysis of accounts receivable, historical write-offs, customer creditworthiness and changes in the terms of sale, identified upon determining the adequacy of allowance for impairment of doubtful receivables. This includes the assumptions on the future customer behavior and the resultant future collections. The management assesses that additional allowance for impairment of receivables is not necessary.

4.4. Fair Value

The fair value of financial instruments for which an active market does not exist is determined by applying adequate valuation methods. The Company applies its professional judgment in the selection of adequate methods and assumptions.

It is a policy of the Company to disclose the fair value information of those components of assets and liabilities for which published or quoted market prices are readily available, and of those for which the fair value may be materially different than their recorded amounts. In the Republic of Serbia, sufficient market experience, stability and liquidity do not exist for the purchase and sale of receivables and other financial assets or liabilities, for which published market prices are presently not readily available. As a result of this, fair value cannot readily or reliably be determined in the absence of an active market. The Company's management assesses its overall risk exposure, and in instances in which it estimates that the value of assets stated in its books may not have been realized, it recognizes a provision. In the opinion of management, the reported carrying amounts are the most valid and useful reporting values under the present market conditions.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

5. SALES

	Year Ended December 31,	
	2011	2010
Sales on domestic market		
<i>Goods:</i>		
- retail	2,316	910
<i>Services:</i>		
- airport fees for ground handling of aircraft	231,648	249,429
- ground services	923,291	847,064
- ground handling of aircraft in domestic traffic	174,632	176,206
- safety fee	200,368	182,449
- boarding passengers (air bridge)	25,036	41,594
- CUTE system	29,277	25,816
- use of airport infrastructure	129,328	129,466
- cargo warehouse management, storage and handling of goods	139,031	140,576
- parking service	27,458	22,881
- rent of advertising space	63,052	77,080
- other services	113,852	103,851
	<u>2,056,973</u>	<u>1,996,412</u>
	<u>2,059,289</u>	<u>1,997,322</u>
Sales on foreign market		
<i>Goods – jet fuel</i>	559,978	338,735
<i>Products and services:</i>		
- ground services	1,093,440	985,715
- airport fees for ground handling of aircraft	952,232	948,376
- boarding passengers (air bridge)	87,808	88,052
- CUTE system	54,513	46,570
- airport parking fee	18,371	17,348
- special travelling services	25,156	29,979
- safety fee	237,198	201,535
- use of airport infrastructure	320,454	310,496
- lost and found services	16,251	18,591
- aircraft defrosting services	46,118	47,639
- cargo warehouse management, storage and handling of goods	18,776	16,995
- consulting services	35,666	-
- other services	19,732	11,372
	<u>2,925,715</u>	<u>2,722,668</u>
	<u>3,485,693</u>	<u>3,061,403</u>
	<u>5,544,982</u>	<u>5,058,725</u>

Other income from the sales on domestic market for the year 2011 were stated in the amount of RSD 113,852 thousand and mostly relate to the income from joint costs reinvoiced to lessors in the amount of RSD 52,565 thousand (2010: RSD 57,184 thousand) as well as income from workorder requests of RSD 20,069 thousand (2010: RSD 18,822 thousand).

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

5. SALES (Continued)

Sales of services as per geographical areas

	Year Ended December 31,	
	2011	2010
Serbia	1,790,492	1,757,161
Germany	690,984	767,799
Montenegro	483,853	443,892
Austria (*)	321,516	298,998
Switzerland	278,028	176,403
Russia	147,574	141,449
Turkey	181,394	151,237
France	129,158	127,142
Great Britain	-	104,580
Italy	131,990	133,586
Czech Republic	100,151	138,339
Hungary	322,378	97,679
Spain	54,606	45,762
Tunisia	29,698	24,891
Ukraine	21,733	42,313
Greece	486	70,931
Norway	67,756	60,197
Denmark	24,871	41,037
Iran	254,138	-
Other	514,176	435,329
	<u>5,544,982</u>	<u>5,058,725</u>

*A foreign customer – Austrian Airlines in 2010 registered a branch office of Austrian Airlines as a Republic of Serbia resident and in 2010 this customer is accounted for within domestic accounts receivable.

6. OTHER OPERATING INCOME

	Year Ended December 31,	
	2011	2010
Lease revenues:		
- from domestic entities	434,371	399,743
- from foreign entities	8,969	10,444
	<u>443,340</u>	<u>410,187</u>

7. COST OF MATERIALS

	Year Ended December 31,	
	2011	2010
Materials	99,651	114,246
Other material	64,898	95,770
Fuel	66,319	53,840
Fuel oil	31,173	20,591
Electricity	111,892	83,426
	<u>373,933</u>	<u>367,873</u>

NOTES TO THE FINANCIAL STATEMENTS

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8. STAFF COSTS

	Year Ended December 31,	
	2011	2010
Gross salaries:		
- employees	486,107	409,867
- management	28,208	24,634
Taxes and contributions paid by employer	91,811	77,305
Service contracts and author fees	1,612	3,086
Gross wages and benefits of temporary employees	232,234	164,064
Remunerations to the Management Board members	11,231	6,887
Employee transport to work	25,209	10,962
Business trip expenses	6,076	7,938
Retirement benefits and jubilee awards	2,018	3,239
Other staff costs	4,197	7,913
	<u>888,703</u>	<u>715,895</u>

9. DEPRECIATION, AMORTIZATION AND PROVISIONS

	Year Ended December 31,	
	2011	2010
Depreciation and amortization	634,384	719,306
Provisions for benefits and other payables to employees	16,434	5,866
Provisions for litigation	15,330	52,199
	<u>666,148</u>	<u>777,371</u>

10. OTHER OPERATING EXPENSES

	Year Ended December 31,	
	2011	2010
Transportation services	373,777	302,660
Maintenance	111,785	95,571
Rentals	4,572	4,576
Marketing and advertising	24,918	22,523
Membership fees	3,649	4,093
Physical and technical security	271,011	211,340
Other production services	60,652	46,254
JAT occupational medical services	14,742	12,154
Employee professional training	6,539	4,703
Cleaning and maintenance	97,365	72,283
Data processing services	74,178	50,618
Other non-production services	22,567	78,163
Fees	1,074	14,142
Interior design services	65,495	25,117
IT support	10,757	8,177
Bank charges	6,899	6,981
Insurance premiums	20,921	42,428
Entertainment	6,640	6,255
Land taxes	36,139	32,464
Property taxes	23,585	24,242
Indirect taxes and contributions	14,254	17,253
Other operating expenses	8,464	15,024
	<u>1,259,983</u>	<u>1,097,021</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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11. FINANCE INCOME AND EXPENSES

a) Finance income

	Year Ended December 31,	
	2011	2010
Interest received	145,135	161,998
Foreign exchange gains	188,094	262,833
Contractually agreed hedge against risk – currency clause	4,367	1,643
	337,596	426,474

b) Finance expenses

	Year Ended December 31,	
	2011	2010
Interest paid	77,452	94,665
Foreign exchange losses	179,374	186,085
Contractually agreed hedge against risk – currency clause	27	36,546
	256,853	317,296

12. OTHER INCOME

	Year Ended December 31,	
	2011	2010
Revaluation of long-term housing loans	28,339	37,654
Collected receivables previously written off	11,146	10,304
Reversal of long-term provisions:		
- litigations	-	78,627
- employee benefits	-	697
Income from reconciling the value of receivables and short-term financial placements	2,329	1,578
Income from inventory revaluation	-	3,668
Write-off of liability based on equity investment (Note 13)	-	358,598
Project takeover fee	-	39,674
Insurance claims settled	25,874	5,865
Other income	7,596	6,978
	75,284	543,643

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

13. OTHER EXPENSES

	Year Ended December 31, 2011	2010
Losses on disposal and sale of property and equipment	19,639	931
Write-off of receivables	138	-
Allowance for impairment of receivables	680,662	68,726
Impairment of inventories of material and goods	27	32
Charity	18,434	11,012
Impairment of long-term investments	24,261	39,741
Impairment of equity investments in foreign legal entities (Note 12)	-	358,598
Litigations expenses	2,402	3,481
Decrease in the carrying value of PP&E through the account of revaluation reserves determined in the previous appraisal	-	141
Other expenses	13,477	13,209
	759,040	495,871

In 2011, following the assessment of recoverability of receivables, the Company's management adopted a decision to provide for the accounts receivable totaling RSD 680,662 thousand (2010: RSD 68,726 thousand), where the largest portion of the allowance amount of RSD 660,565 thousand relates to the customer JAT Airways a.d., Beograd.

14. INCOME TAXES

a) Components of Income Taxes

	Year Ended December 31, 2011	2010
Current tax expense	89,846	145,194
Deferred tax benefit	(2,890)	(19,827)
	86,956	125,367

b) Numerical reconciliation between the tax expense and the product of accounting results multiplied by the applicable tax rate

	Year Ended December 31, 2011	2010
Profit before taxation	1,667,249	2,362,690
Income tax at the statutory tax rate of 10%	166,725	236,269
Tax effects of expenses not recognized in the tax balance	9,806	39,702
Tax credit for capital expenditures		
- from the current year	(81,514)	(117,611)
- from prior years	(8,332)	(27,582)
Other	271	(5,411)
	86,956	125,367

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts are expressed in thousands of RSD, unless otherwise stated.

14. INCOME TAXES (Continued)

c) Table of movements in deferred tax assets and liabilities

Deferred tax liabilities relate to temporary differences between the base at which property, plant, equipment and investment property are recognized for tax purposes and their carrying values shown in the Company's financial statements.

	December 31, 2011	December 31, 2010
<i>Deferred tax liabilities</i>		
Balance, January 1	296,928	316,666
Deferred tax benefit	(2,890)	(19,738)
	294,038	296,928

d) Realized, unused and unrecognized tax credits

Year of Inception	Year of Expiry	Tax Credit Carryforward	Tax Credits Used	Remaining Tax Credit Carryforward
2003	2013	64,510	8,332	56,178
2004	2014	121,717	-	121,717
2005	2015	106,634	-	106,634
2006	2016	161,173	1,709	159,464
2007	2017	34,140	986	33,154
2008	2018	58,616	953	57,663
2009	2019	-	-	-
2010	2020	-	-	-
2011	2021	81,514	81,514	-
		628,304	93,494	534,810

15. EARNINGS PER SHARE

	Year Ended December 31, 2011	Year Ended December 31, 2010
Net profit attributable to owners	1,580,293	2,237,323
Average weighted number of shares	34,289,350	34,289,350
	46.09	65.35

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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16. PROPERTY, EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS

	Land	Buildings	Equipment	Livestock	Construction in Progress and Advances	Total	Investment Property	Intangible Assets
Cost								
Balance, January 1, 2010	1,684,090	10,188,026	2,108,297	660	129,208	14,110,281	13,663	21,175
Opening balance adjustment upon appraisal	7,350,723	(20,557)	(654,717)	-	-	6,675,449	236	-
Balance, January 1, 2010, after adjustments	9,034,813	10,167,469	1,453,580	660	129,208	20,785,730	13,899	21,175
Additions	-	-	-	-	554,816	554,816	-	-
Transfer from construction in progress	-	54,668	411,374	-	(466,042)	-	-	-
Sale, disposal and retirement	-	-	(1,519)	-	(2,808)	(4,327)	-	-
Other	-	-	-	(141)	-	(141)	433	-
Balance, December 31, 2010	9,034,813	10,222,137	1,863,435	519	215,174	21,336,078	14,332	21,175
Balance, January 1, 2011	9,034,813	10,222,137	1,863,435	519	215,174	21,336,078	14,332	21,175
Additions	-	-	-	-	476,908	476,908	-	7,649
Transfer from construction in progress	-	2,823	344,030	-	(346,853)	-	-	-
Sale, disposal and retirement	-	-	(31,580)	(51)	-	(31,631)	-	-
Other	-	-	-	(46)	-	(46)	144	-
Balance, December 31, 2011	9,034,813	10,224,960	2,175,885	422	345,229	21,781,309	14,476	28,824
Accumulated Depreciation/ Amortization								
Balance, January 1, 2010	-	1,199,516	735,250	-	-	1,934,766	-	13,108
Opening balance adjustment upon appraisal	-	(1,199,516)	(735,250)	-	-	(1,934,766)	-	-
Balance, January 1, 2010, after adjustments	-	-	-	-	-	-	-	13,108
Charge for the year	-	402,047	310,053	-	-	712,100	-	7,206
Other	-	-	-	-	12,691	12,691	-	-
Sale and disposal	-	-	(506)	-	-	(506)	-	-
Balance, December 31, 2010	-	402,047	309,547	-	12,691	724,285	-	20,314
Balance, January 1, 2011	-	402,047	309,547	-	12,691	724,285	-	20,314
Charge for the year	-	378,637	253,471	-	-	632,108	-	2,276
Sale and disposal	-	-	(10,016)	-	-	(10,016)	-	-
Balance, December 31, 2011	-	780,684	553,002	-	12,691	1,346,377	-	22,590
Net book value								
December 31, 2011	9,034,813	9,444,276	1,622,883	422	332,538	20,434,932	14,476	6,234
December 31, 2010	9,034,813	9,820,090	1,553,888	519	202,483	20,611,793	14,332	861

Translation of the Auditors' Report issued in the Serbian language

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

16. PROPERTY, EQUIPMENT, INVESTMENT PROPERTY AND INTANGIBLE ASSETS (Continued)

The appraisal of property and equipment was performed in 2010 by applying the net asset method. The total appraisal effects as of December 31, 2010 totaled RSD 8,610,451 thousand. The aforementioned effects were recorded as a 2010 opening balance adjustment of property and equipment. To record the appraisal, the Company opted for an alternative method for recording property and equipment as required under IAS 16 "Property, Plant and Equipment."

Net book value of equipment was stated as of December 31, 2010 in the amount of RSD 1,622,883 thousand and includes assets acquired under finance lease arrangements of RSD 239,179 thousand.

As disclosed in Note 2.1, the Company did not state deferred tax liability based on land revaluation that would total RSD 735,072 thousand so as to apply the requirements for SIC – 21 "Income Taxes – Recovery of Revalued Non-Depreciable Assets."

17. EQUITY INVESTMENTS

	December 31, 2011	December 31, 2010
Equity investments in banks:		
Privredna banka a.d., Beograd	202	389
Equity investments in banks in liquidation:		
Union banka a.d., Beograd – <i>in liquidation</i>	667	667
Beogradska banka a.d., Beograd - <i>in liquidation</i>	18,988	18,988
Beobanka a.d., Beograd - <i>in liquidation</i>	38	38
	19,693	19,693
Equity investments in enterprises:		
Société International de Télécommunications Aéronautiques Suisse (SITA)	3	-
<i>Less: Allowance for impairment of equity investments in banks in liquidation</i>	(19,693)	(19,693)
	205	389

18. OTHER LONG-TERM FINANCIAL PLACEMENTS

	December 31, 2011	December 31, 2010
Assets for the membership with Société International de Télécommunications Aéronautiques Suisse (SITA)	3,913	1,586
Long-term deposits	11,285	25,812
Long-term loans to employees	435,780	419,659
	450,978	447,057
Current portion of long-term placements into Société International de Télécommunications Aéronautiques Suisse (SITA)	(306)	-
Current portions of long-term deposits	(7,523)	(14,435)
Current portion of long-term loans approved to employees	(18,211)	(14,929)
Fair value adjustment of long-term loans to employees	(329,129)	(307,285)
	95,809	110,408

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

18. OTHER LONG-TERM FINANCIAL PLACEMENTS (Continued)

Long-term deposits stated in the amount of RSD 11,285 thousand as of December 31, 2011 (without current portions of RSD 7,523 thousand) relate to the foreign currency deposit placed with Piraeus banka a.d., Beograd as collateral for a long-term borrowing. The deposit accrues interest at an annual rate of 0.5%.

Long-term loans to employees sated at December 31, 2011 as totaling RSD 435,780 thousand (without current portions of RSD 18,211 thousand and effects of fair value adjustments of RSD 329,129 thousand) relate to loans approved to employees to resolve their housing issues, maturing over a period from 20 to 40 years at an interest rate of 0.5% annually. The aforementioned loans are revalued applying the retail price index of the Republic of Serbia but not over the amount of the average gross salary growth in the Republic of Serbia economy registered in the previous year, while the respective loan agreements require that mortgages be inscribed over the subject apartments in favor of the Company once the apartment has been taken over by an employee. The loan revaluation in 2011 by applying the annual quotient of 0.07 (consumer price index) totaled RSD 28,339 thousand (Note 12). The effects of fair value adjustment of long-term loans in 2011 at a discount rate of 13 %, amounted to RSD 24,261 thousand (Note 13).

19. INVENTORIES AND ADVANCES PAID

	December 31, 2011	December 31, 2010
Material	93,723	53,969
Spare parts	8,813	9,364
Small tools and fixtures	3,377	6,259
Goods in warehouse	46,765	34,209
Goods in duty free shop	27	32
Advances paid	4,203	13,435
	156,908	117,268
<i>Less: Allowance for impairment</i>		
<i>- of material and spare parts</i>	(285)	(258)
	(285)	(258)
	156,623	117,010

20. ACCOUNTS RECEIVABLE

	December 31, 2011	December 31, 2010
Accounts receivable:		
- domestic	2,006,680	1,061,901
- foreign	423,607	399,165
Interest receivables, domestic	21,842	4,094
Receivables from employees	1,291	1,347
Other receivables	28,066	73,783
	2,481,486	1,540,290
<i>Less: Allowance for impairment</i>		
<i>- domestic accounts receivable</i>	(835,156)	(179,483)
<i>- foreign accounts receivable</i>	(16,331)	(21,537)
<i>- interest receivables</i>	(18,045)	(2,328)
	(869,532)	(203,348)
	1,611,954	1,336,942

Domestic accounts receivable (including interest) stated as of December 31, 2011 as totaling RSD 2,028,522 thousand mostly refer to the receivables from the customer JAT Airways a.d., Beograd in the amount of RSD 1,656,227 thousand, whereof the amount of RSD 17,483 thousand relates to penalties.

NOTES TO THE FINANCIAL STATEMENTS

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20. ACCOUNTS RECEIVABLE (Continued)

As of December 31, 2011 the matured accounts receivable from JAT Airways a.d., Beograd of more than 60 days past-due (including interest receivables of RSD 16,379 thousand) totaled RSD 1,316,705 thousand, whereof the amount of RSD 160,772 thousand relates to rescheduled prior year receivables in accordance with the April 22, 2010 Protocol on regulating matured liabilities, whereas the amount of RSD 1,142,497 thousand refers to the receivables from 2011.

In 2011, following the recoverability of receivables assessment, the Company's management adopted a Decision to provide for uncollected receivables from JAT Airways a.d., Beograd that are over 60 days past-due, totaling RSD 660,565 thousand (as decreased by the amount of RSD 13,436 thousand collected following the balance sheet date), whereof RSD 16,379 thousand represents allowance for impairment of interest receivables. Receivables from JAT Airways a.d., Beograd amounting to RSD 49,418 thousand were estimated as collectable, whereas the receivables of RSD 593,286 thousand were addressed in the Debt Settlement Agreement (Note 38).

Other receivables stated as of December 31, 2011 as amounting to RSD 28,066 thousand (December 31, 2010: 30,188 thousand) thousand mostly, in the amount of RSD 25,710 thousand, pertain to interest receivables from banks based on short-term deposits.

21. SHORT-TERM FINANCIAL PLACEMENTS

	December 31, 2011	December 31, 2010
Short-term loans to employees	30,312	18,384
Short-term deposits	2,424,353	2,133,873
Current portions of long-term deposits	7,523	14,435
Current portions of long-term loans to employees	18,211	14,929
Current portions of long-term placements in Société International de Télécommunications Aéronautiques Suisse (SITA)	306	-
	2,480,705	2,181,621
<i>Less: Fair value adjustment of loans to employees</i>	<i>(2,091)</i>	<i>(950)</i>
	2,478,614	2,180,671

Short-term deposits are provided in the following breakdown:

	December 31, 2011	December 31, 2010
Komercijalna banka a.d., Beograd	1,747,503	1,870,003
Hypo Alpe Adria Bank a.d., Beograd	24,260	263,870
UniCreditbank a.d., Beograd	652,590	-
	2,424,353	2,133,873

Short-term deposits stated as of December 31, 2011 in the amount of RSD 2,424,353 thousand pertain to the one-year maturity term deposits held with domestic banks at an interest rate ranging from 4.1% to 5.25% annually, which are re-termed following the maturity expiry.

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22. CASH AND CASH EQUIVALENTS

	December 31, 2011	December 31, 2010
Current account	16,059	195,017
Foreign currency account	109,394	116,723
Cash on hand	390	374
Other cash	1,020	835
	126,863	312,949
Less: Allowance for impairment of foreign currency assets held with banks in liquidation	(53,559)	(53,743)
	73,304	259,206

23. MOVEMENTS ON ALLOWANCES FOR IMPAIRMENT

	Cash and Cash Equivalents (Note 22)	Long-Term Financial Placements (Note 18)	Inventories of Material and Spare Parts (Note 19)	Accounts Receivable (Note 20)	Short-Term Financial Placements (Note 21)	Total
Balance, January 1, 2010	48,241	268,706	4,733	144,612	1,103	467,395
Charge for the year (Note 13)	-	-	32	68,726	-	68,758
Impairment of long-term investments and securities (Note 13)	-	39,741	-	-	-	39,741
Collected receivables previously provided for (Note 12)	-	-	-	(10,304)	-	(10,304)
Reconciliation of values	-	(1,578)	(3,668)	-	-	(5,246)
Foreign exchange gains	5,502	-	-	104	-	5,606
Other	-	416	(839)	210	(153)	(366)
Balance, December 31, 2010	53,743	307,285	258	203,348	950	565,584
Charge for the year (Note 13)	-	-	27	680,662	-	680,689
Impairment of long-term investments and securities (Note 13)	-	22,373	-	-	1,888	24,261
Collected receivables previously provided for (Note 12)	-	-	-	(11,146)	-	(11,146)
Reconciliation of values	(184)	(331)	-	(1,251)	(747)	(2,513)
Write-off	-	-	-	(2,047)	-	(2,047)
Foreign exchange losses	-	-	-	(34)	-	(34)
Other	-	(198)	-	-	-	(198)
Balance, December 31, 2011	53,559	329,129	285	869,532	2,091	1,254,596

24. VALUE ADDED TAXES AND PREPAYMENTS

	December 31, 2011	December 31, 2010
Value added tax	18,848	14,618
Accrued insurance premium	9,344	10,079
Accrued construction land utility fees (Note 28)	112,201	-
Other prepayments	3,978	25,843
	144,371	50,540

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25. SHARE CAPITAL

Based on the Law on Supplements and Amendments of the Law Regulating the Right to Free-of-Charge Shares and Cash Compensation Exercised by Citizens in the Privatization Procedure, the Company was bound to change its legal form by June 30, 2010 and state its core capital in shares of certain par value based on the restated carrying value of capital. During 2010, in the Conclusion of the Government of the Republic of Serbia (hereinafter the "Government") number 023-448/2010-1, the Company was suggested to choose most favorable consultant to assess the capital's market value and provide professional assistance in the preparation and implementation of the legal form transformation from a public company into a shareholding company.

As of June 17, 2010, the Government enacted a Decision number 023-4432/2010 on the change of the Company's legal form from a public company into a closed shareholding company.

The aforementioned change was registered with the Serbian Business Registers Agency number BD 68460/2010 as of June 22, 2010 whereby the subscribed capital totaled EUR 214,556,965 or RSD 20,573,610 thousand as of the subscription date.

As of July 7, 2010, a number of 34,289,350 shares were registered with the Central Securities Depository and Clearing House where the individual share par value totaled RSD 600 and at December 31, 2010 shares were held by the Republic of Serbia.

In accordance with the Law Regulating the Right to Free-of-Charge Shares and Cash Compensation Exercised by Citizens in the Privatization Procedure (Official gazette of the Republic of Serbia nos. 123/07 and 30/10) and based on the Government's Decision numbered 023-9103/2010-1, as of December 9, 2010, citizens of the Republic of Serbia and the Company's former and present employees were granted vested rights to 16.85% of the ownership interest in the Company.

Based on the data obtained from the Central Securities Depository and Clearing House, at January 25, 2011, the share capital structure following the ownership interest transfer was as follows:

	Value in Thousands of RSD	Share Count	Interest %
Republic of Serbia	17,107,193	28,511,988	83.15%
Present and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
	<u>20,573,610</u>	<u>34,289,350</u>	<u>100.00%</u>

As of January 21, 2011, the Company's Assembly enacted Decision no. 21-2/1 on the change of legal form from a closed shareholding company into an open shareholding company. The change was duly registered with the Serbian Business Registers Agency under Decision numbered BG 7651/2011 dated January 24, 2011.

Based on the data obtained from the Central Securities Depository and Clearing House, at December 31, 2011, the share capital structure was as follows:

	Value in Thousands of RSD	Share Count	Interest %
Republic of Serbia	17,107,193	28,511,988	83.15%
Domestic private individuals	2,465,849	4,109,749	11.99%
Domestic legal entities	120,820	201,367	0.59%
Foreign private individuals	4,736	7,893	0.02%
Foreign legal entities	260,065	433,442	1.26%
Custody entities	614,947	1,024,911	2.99%
	<u>20,573,610</u>	<u>34,289,350</u>	<u>100.00%</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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25. SHARE CAPITAL (Continued)

Profit Distribution

Based on the Amendments and Supplements to the Articles of Association, as of July 26, 2011, the Company's Management Board adopted Decision no. 4-136/1 whereby December 31, 2010 was set forth as the ex-dividend date for the financial year 2010. Accordingly, at July 29, 2011, the Company's Assembly, adopted a decision on the distribution of the year 2010 profit totaling RSD 1,937,323 thousand. A portion of the profit in the amount of RSD 1,118,661 thousand was distributed to the founder (dividend), whereas the amount of RSD 57,307 thousand was distributed to the employees based on their contribution to the overall business performance of the Company. The remaining RSD 761,355 thousand was transferred to the Company's reserves.

26. LONG-TERM PROVISIONS

	December 31, 2011	December 31, 2010
Provisions for employee retirement benefits	36,102	26,594
Provisions for jubilee awards	24,654	19,904
Provisions for litigation	107,118	94,078
	167,874	140,576

The movements in long-term provisions for employee retirement benefits, jubilee awards and litigations in 2011 are presented in the following table:

	Long-Term Provisions			
	Retirement Benefits	Jubilee Awards	Litigation	Total
Balance, January 1, 2010	22,977	22,251	121,575	166,803
Charge for the year (Note 9)	3,711	2,155	52,199	58,065
Reversal of provision (Note 12)	-	(697)	(78,627)	(79,324)
Release of provisions	(94)	(3,805)	(1,069)	(4,968)
Balance, December 31, 2010	26,594	19,904	94,078	140,576
Balance, January 1, 2011	26,594	19,904	94,078	140,576
Charge for the year (Note 9)	10,141	6,293	15,330	31,764
Release of provisions	(633)	(1,543)	(2,290)	(4,466)
Balance, December 31, 2011	36,102	24,654	107,118	167,874

Provisions for employee benefits were executed based on the present value of expected future payments to employees based on jubilee awards and retirement benefits. The present value of expected future payments of jubilee awards and retirement benefits has been determined using the annual interest rate of 10% and a projected salary growth rate of 5%.

27. LONG-TERM BORROWINGS

	December 31, 2011	December 31, 2010
Long-term borrowings		
- domestic	11,318	19,019
- foreign	1,118,192	1,215,290
	1,129,510	1,234,309
Current portion of long-term borrowings	(94,768)	(95,544)
	1,034,742	1,138,765

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All amounts expressed in thousands of RSD, unless otherwise stated.

27. LONG-TERM BORROWINGS (Continued)

	<u>Annual Interest Rate</u>	<u>Maturity</u>	<u>Outstanding Amount in EUR</u>	<u>Balance December 31, 2011</u>	<u>Balance December 31, 2010</u>
<i>a) Long-term domestic loans</i>					
Piraeus Banka a.d., Beograd	4.5%	May 26, 2013	107,844	11,318	19,019
				<u>11,318</u>	<u>19,019</u>
<i>b) Foreign long-term borrowings</i>					
European Investment Bank	4.07% - 5.16%		10,654,033	1,118,192	1,215,290
				<u>1,118,192</u>	<u>1,215,290</u>
Current portion of long-term borrowing:					
- domestic				(7,546)	(7,608)
- foreign				<u>(87,222)</u>	<u>(87,936)</u>
				<u>(94,768)</u>	<u>(95,544)</u>
				<u>1,034,742</u>	<u>1,138,765</u>

Long-term domestic loans stated as of December 31, 2011 as totaling RSD 11,318 thousand entirely relate to financing apartment building for the needs of the Company's employees.

Long-term loans stated in the balance sheet as of December 31, 2011 in the amount of RSD 1,118,192 thousand (EUR 10,654,033) refer to payables based on financing the Emergency Traffic Rehabilitation Project closed on December 13, 2001 among the European Investment Bank ("EIB"), the Republic of Serbia, the Road Directorate of the Republic of Serbia and the Company. Based on the Agreement, the Company was approved a loan of EUR 13,000,000 for the investments into and rehabilitation of airport infrastructure (studies, research and development, road and parking repair, investments in terminal, airport access area, equipment, evacuation system, luggage control and spare parts). The loan matures over the period ending 2025. The applicable interest rate is determined upon the approval of each loan tranche and so the annual interest rate for the first tranche totals 5.16%, for the second tranche the interest rate equals 4.85% and 4.07% is the rate applied to the third tranche. The repayment of the first loan tranche will be executed in 31 equal semi-annual installments starting from December 5, 2007, the second tranche is to be repaid in 30 equal semiannual installments starting from February 20, 2009 while third tranches is repaid starting from June 20, 2010 in 32 equal semiannual installments.

The maturities of long-term borrowings as of December 31, 2011 and 2010 are presented in the following table:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Up to one year	94,768	95,545
From one to two years	90,996	95,545
From two to three years	87,223	91,741
From three to four years	87,223	87,937
From four to five years	87,223	87,937
From five to ten years	436,111	439,686
Over ten years	245,966	335,918
	<u>1,129,510</u>	<u>1,234,309</u>

NOTES TO THE FINANCIAL STATEMENTS

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28. OTHER LONG-TERM LIABILITIES

	December 31, 2011	December 31, 2010
Finance lease liabilities	187,675	280,445
Other long-term liabilities	112,201	-
	299,876	280,445
Current portion of other long-term liabilities	(82,651)	(91,290)
	217,225	189,155

Finance Lease Liabilities

	Sum of Minimum Lease Payments		Present Value of Minimum Lease Payments	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
<i>Maturity:</i>				
Up to one year	90,734	111,247	77,112	91,290
From one to three years	117,728	210,107	110,563	189,155
	208,462	321,354	187,675	280,445
Less: future cost of financing – interest	(20,787)	(40,909)	-	-
Present value of minimum lease payments	187,675	280,445	187,675	280,445
Included in the financial statements as:				
Current portion of finance lease liabilities			(77,112)	(91,290)
			110,563	189,155

Finance lease liabilities stated in the amount of RSD 187,675 thousand (less current portion of RSD 77,112 thousand) as of December 31, 2011, entirely refer to the liabilities to Hypo Alpe Adria Leasing for the acquisition of special mobile airport equipment. The interest rates applied to finance lease liabilities range between 10.22% to 15.19% annually.

Other long-term liabilities totaling RSD 112,201 thousand (less current portion of RSD 5,539 thousand) as of December 31, 2011, entirely relate to the liabilities based on the Agreement entered into with the Belgrade Land Development Public Agency as of August 17, 2011. The Agreement defines the Company's total liability to the Belgrade Land Development Public Agency based on the construction land utility fees for the purpose of stage extension and reconstruction of Terminals 1 and 2 (extension of the airside concourses A and C as well as reconstruction of the existing passenger lounges and airside concourses at level 1 – stages 1, 2 and 3) and of the level 2 flow corridor and vertical communications – stage 4. The aforesaid liabilities are revalued by applying retail price index effective in the Republic of Serbia as of the payment date.

Stage 1 construction land utility fees were paid in 2011 whereas the fee liabilities for stages 2, 3 and 4 are due no later than August 17, 2102, August 17, 2103 and August 17, 2104. The Company recorded liabilities based on the construction land utility fees maturing in 2013 and 2014 as other long-term liabilities and charged them to prepayment account (Note 24).

The payment of the total construction land utility fee liability based on the final calculation for all facilities abovementioned (stages 1, 2, 3 and 4) is a prerequisite for obtaining the facility usage permit.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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29. SHORT-TERM FINANCIAL LIABILITIES	December 31, 2011	December 31, 2010
Current portions:		
- long-term borrowings	94,768	95,545
- other long-term liabilities	82,651	91,290
	<u>177,419</u>	<u>186,835</u>
30. ACCOUNTS PAYABLE	December 31, 2011	December 31, 2010
Accounts payable:		
- domestic	107,649	94,510
- foreign	41,814	6,231
Advances received	33,549	30,507
Other accounts payable	11,466	7,098
	<u>194,478</u>	<u>138,346</u>
31. OTHER SHORT-TERM LIABILITIES	December 31, 2011	December 31, 2010
Liabilities for salaries	168	70
Interest payable	44	-
Liabilities arising from profit distribution	627	
Other short-term liabilities	262	496
	<u>1,101</u>	<u>566</u>
32. VALUE ADDED TAX AND OTHER DUTIES PAYABLE, AND ACCRUALS	December 31, 2011	December 31, 2010
Value added tax payable	14,842	606
Customs and other duties payable	440	823
Accrued expenses	30,602	26,825
Future period accrued income	10,046	16,485
Other accruals	605	287
Other liabilities	1,360	841
	<u>57,895</u>	<u>45,867</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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33. OFF-BALANCE SHEET ITEMS

	December 31, 2011	December 31, 2010
Guarantees received	350,017	126,175
Third-party guarantees	12,587	5,579
Other	582	568
	363,186	132,322

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital Risk Management

There is no formal framework delineating the Company's risk management. The Company's Management Board considers capital risk and tries to relieve the risk effects, under the assumption that the Company will be able to continue its operations as a going concern, at the same time maximizing profits earned and optimizing debt to equity ratio. The Company's equity is comprised of debts, including long-term borrowings (Note 27), as well as other long-term liabilities, cash and cash equivalents and capital comprised of share capital, reserves and retained earnings.

Persons in control of finances on the Company level review the equity structure on annual basis. As part of this review, the Company's management considers the cost of capital and the risks associated with each class of capital.

The debt-to-equity ratio at end of the reporting period was as follows:

	December 31, 2011	December 31, 2010
Debt a)	1,429,386	1,514,755
Cash and cash equivalents	73,304	259,206
Net debt	1,356,082	1,255,549
Equity b)	22,914,998	22,510,860
Debt-to-equity ratio	0.06	0.06

- a) Debt is related to long-term borrowings, other long-term liabilities and finance lease liabilities.
- b) Equity includes share capital, reserves, accumulated losses on securities and retained earnings.

Significant Accounting Policies Regarding Financial Instruments

The review of significant accounting policies, including the basis for measurement and recognition of income and expenses for each category of financial assets and financial liabilities, is set out in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Categories of Financial Instruments

	December 31, 2011	December 31, 2010
Financial assets		
Equity investments	205	389
Other long-term financial placements	95,809	110,408
Accounts receivable	1,578,800	1,260,046
Short-term financial placements and loans	2,478,614	2,180,671
Other receivables	30,364	74,787
Cash and cash equivalents	73,304	259,206
	<u>4,257,096</u>	<u>3,885,507</u>
Financial liabilities		
Long-term borrowings	1,034,742	1,138,765
Other long-term liabilities	217,225	189,155
Current portions of long-term financial liabilities	177,419	186,835
Accounts payable	149,507	100,741
	<u>1,578,893</u>	<u>1,615,496</u>

Basic financial instruments held by the Company comprise cash and cash equivalents, receivables, financial placements arising directly from the Company's business operations, as well as long-term borrowings, accounts payable and other liabilities primarily used to finance the Company's current operations. In the regular course of business, the Company is exposed to the risk enumerated and delineated in the following passages.

Financial Risk Management

Financial risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. These risks are considered on time basis and are diminished by decreasing relevant exposures. The Company does not make use of any financial instruments so as to avoid the adverse effect of these risks on the Company's business operations, due to the fact that such instruments are not commonly used on the Republic of Serbia market, nor is there an organized market for such instruments in the Republic of Serbia.

Market Risk

In its business operations, the Company is exposed to financial risks inherent in fluctuations of foreign currency rates and interest rates.

The exposure to market risk is measured by means of the sensitivity analysis. There were significant changes neither in the exposure of the Company to the market risk, nor in the manner in which the Company manages or measures that risk.

Foreign Currency Risk

The Company is exposed to foreign currency risks inherent in cash and cash equivalents, accounts receivable, long-term borrowings, finance lease liabilities and accounts payable denominated in foreign currency. It does not make use of any special hedging instruments given that such instruments are uncommon in the Republic of Serbia.

The stability of economic environment in which the Company operates is greatly dependent upon the economic measures taken by the Republic of Serbia's Government including the establishment of an adequate legal and legislative framework.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market Risk (Continued)

Foreign Currency Risk (Continued)

The carrying values of the Company's monetary assets and liabilities denominated in foreign currency as of the reporting date were as follows:

	Assets		Liabilities	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
EUR	2,690,970	2,543,100	1,332,764	1,512,146
USD	211,278	149,400	19,131	68
CHF	272	381	-	-
	<u>2,902,520</u>	<u>2,692,881</u>	<u>1,351,895</u>	<u>1,512,214</u>

The Company is sensitive to the movements in the Euro (EUR), American Dollar (USD) and Swiss Franc (CHF) exchange rates. The following table gives details on the Company's sensitivity analysis to the increase/decrease of 10% in the Dinar to foreign currency exchange rate. These sensitivity rates were used to report on the foreign currency risk and represent the management's best estimate of reasonably expected fluctuations in exchange rates. The sensitivity analysis includes only the outstanding foreign currency assets and liabilities denominated in foreign currency and it adjusts their translation at the period end for the fluctuation of 10% in foreign exchange rates. The positive number from the table suggests an increase in the result of the current period, being the case when RSD value grows stronger as opposed to the currency at issue. In case of a RSD decrease of 10% against the foreign currency at issue, the impact on the profit for the current period would be the exact opposite of the one calculated in the previous case.

	December 31, 2011					
	EUR impact		USD impact		CHF impact	
	+10%	-10%	+10%	-10%	+10%	-10%
Profit/Loss	135,821	(135,821)	19,215	(19,215)	27	(27)

	December 31, 2010					
	EUR impact		USD impact		CHF impact	
	+10%	-10%	+10%	-10%	+10%	-10%
Profit/Loss	103,095	(103,095)	14,933	(14,933)	38	(38)

Interest Rate Risk

The Company is exposed to interest rate risk inherent in assets and liabilities with floating interest rate. This risk depends upon the financial market since the Company does not have any instruments that could alleviate its influence.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Market Risk (Continued)

Interest Rate Risk (Continued)

The carrying values of financial assets and liabilities at the end of the period under review are presented in the following table:

	December 31, 2011	December 31, 2010
		<i>Restated</i>
Financial assets		
<i>Non-interest bearing</i>		
Equity investments	205	389
Other long-term financial placements	3,607	11,377
Short-term financial placements and loans	30,312	18,384
Accounts receivable	1,578,800	1,260,046
Other receivables	30,364	74,787
Cash and cash equivalents	73,304	259,206
	1,716,592	1,624,189
<i>Fixed interest rates</i>		
Other long-term financial placements	92,202	99,031
Short-term financial placements and loans	2,448,302	2,162,287
	2,540,504	2,261,318
	4,257,096	3,885,507
Financial liabilities		
<i>Non-interest bearing</i>		
Other long-term liabilities	106,662	-
Current portions of long-term financial liabilities	5,539	-
Accounts payable	149,507	100,741
	261,708	100,741
<i>Fixed interest rates</i>		
Long-term borrowings	1,034,742	1,138,765
Current portions of long-term financial liabilities	94,768	95,544
	1,129,510	1,234,309
<i>Variable interest rates</i>		
Other long-term liabilities	110,563	189,155
Current portions of long-term financial liabilities	77,112	91,291
	187,675	280,446
	1,578,893	1,615,496

The sensitivity analysis presented in the following text has been established based on the Company's exposure to interest rate risk inherent in non-derivative instruments as of the balance sheet date. For the liabilities with variable interest rate, the analysis has been prepared under the assumption that the outstanding balance of assets and liabilities as of the balance sheet date remained constant throughout the year. The increase or decrease in interest rates of 1 percentage point represents the fluctuation reasonably anticipated by the management. Had the interest rates been 1 percentage point higher/lower and other variables remained unchanged, the Company would have incurred additional loss/realized additional profit in the year ended December 31, 2011 in the amount of RSD 1,877 thousand (December 31, 2010: RSD 2,804 thousand). Such situation is ascribed to the Company's exposure arising from the variable interest rates applied to long-term borrowings and other long-term liabilities.

NOTES TO THE FINANCIAL STATEMENTS

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All amounts expressed in thousands of RSD, unless otherwise stated.

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit Risk

Managing Accounts Receivable

Credit risk relates to the exposure inherent in the possibility that the contractual party fails to act upon its commitments and cause the Company to suffer financial loss. The Company's exposure to this risk is limited to the amount of accounts receivable as of the balance sheet date. Accounts receivable are due from a large number of customers with the most considerable portion due from JAT Airways a.d., Beograd in the amount of RSD 1,638,743 thousand (December 31, 2010: RSD 757,066 thousand).

The most significant customers are presented in the following table:

	December 31, 2011	December 31, 2010
JAT Airways, Beograd	1,638,743	757,066
JAT Tehnika, Beograd	144,772	110,074
Montenegro Airlines, Podgorica	90,109	78,379
Wizz Air, Hungary	65,282	19,395
Deutsche Lufthansa	48,087	58,920
Internacional CG, Beograd	41,452	35,019
Dufry d.o.o., Beograd	32,123	31,046
JAT Katering, Beograd	28,621	28,544
Branch of Austrian Airlines, Beograd	26,997	21,116
Swiss International	24,004	26,009
Spainair Barcelona	23,085	15,594
Turkish Airlines, Istanbul	13,629	15,388
Air France	13,369	27,407
JP PTT Saobraćaja Srbija, Beograd	13,343	13,330
Norwegian Air	12,529	7,802
Aeroflot	12,314	6,665
Alitalia-compagnia aerea Italiana S.P.A., Beograd	12,273	11,895
Other customers	189,555	197,417
	<u>2,430,287</u>	<u>1,461,066</u>
Less: Allowance for impairment of accounts receivable	<u>(851,487)</u>	<u>(201,020)</u>
	<u>1,578,800</u>	<u>1,260,046</u>

The structure of accounts receivable as of December 31, 2011 is presented in the following table:

	Gross Exposure	Allowance for Impairment	Net Exposure
Accounts receivable, not matured	443,300	-	443,300
Accounts receivable matured and provided for	851,487	(851,487)	-
Accounts receivable matured, but not provided for	<u>1,135,500</u>	<u>-</u>	<u>1,135,500</u>
	<u>2,430,287</u>	<u>(851,487)</u>	<u>1,578,800</u>

The structure of accounts receivable as of December 31, 2010 is presented in the following table:

	Gross Exposure	Allowance for Impairment	Net Exposure
Accounts receivable, not matured	1,092,196	-	1,092,196
Accounts receivable matured and provided for	201,020	(201,020)	-
Accounts receivable matured, but not provided for	<u>167,850</u>	<u>-</u>	<u>167,850</u>
	<u>1,461,066</u>	<u>(201,020)</u>	<u>1,260,046</u>

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Managing Accounts Receivable (Continued)

Accounts Receivable, not Matured

Accounts receivable, not matured as of December 31, 2011 in the amount of RSD 443,300 thousand (December 31, 2010: RSD 1,092,196 thousand) mostly refer to accounts receivable from JAT Airways a.d., Beograd and the following foreign customers: Montenegro Airlines, Podgorica, Wizz Air, Hungary and Deutsche Lufthansa. The average days sales outstanding in 2011 counted 87 days (2010: 79 days).

Accounts Receivable Matured and Provided for

In the previous periods, the Company calculated an allowance for impairment of matured receivables in the amount of RSD 851,487 thousand (2010: RSD 201,020 thousand), due from customers whose creditworthiness has changed and assessed to be most likely uncollectible.

Accounts Receivable Matured, but Unprovided for

The Company did not make an allowance for impairment of receivables matured as of December 31, 2011 in the amount of RSD 1,135,500 thousand (December 31, 2010: RSD 167,850 thousand), whereof the amount of RSD 720,355 thousand refers to receivables over 60 days past-due. The largest portion of receivables matured, unprovided for and over 60 days past-due is pertains to JAT Airways a.d., Beograd totaling RSD 656,140 thousand (Not 38).

The aging structure of accounts receivable matured, but not provided for is presented in the following table:

	December 31, 2011	December 31, 2010
Less than 30 days	216,434	134,484
31 - 60 days	198,711	32,284
61 - 90 days	105,751	1,082
91 - 180 days	115,616	-
Over 180 days	498,988	-
	1,135,500	167,850

Managing Accounts Payable

Accounts payable as of December 31, 2011 were stated in the amount of RSD 149,463 thousand (December 31, 2010: RSD 100,741 thousand) where the major portion relates to the payables arising from regular operations. Suppliers do not charge penalty against matured liabilities, whereas the Company duly settles accounts payable, as in accordance with financial risk management policies. The average days' payable outstanding in the course of 2011 counted 26 days (2010: 31 days).

Liquidity Risk

The ultimate responsibility for liquidity risk management rests with the Company's management, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserve, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

Tables of Liquidity and Credit Risk

The following tables provide the details of outstanding contractual maturities of assets of the Company. The amounts presented are based on the undiscounted cash flows arising from financial assets based on the earliest date upon which the Company will be able to collect such receivables.

Maturities of Financial Assets

	December 31, 2011					
	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Year	Total
Non-interest bearing	1,651,383	33,141	28,256	1,990	1,822	1,716,592
Fixed interest rate						
- principal	1,425,995	443,812	578,496	62,832	29,369	2,540,504
- interest	585	358	1,614	7,716	24,355	34,628
	3,077,963	477,311	608,366	72,538	55,546	4,291,724
	December 31, 2010					
	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Year	Total
Non-interest bearing	1,091,321	127,523	392,382	11,377	1,586	1,624,189
Fixed interest rate						
- principal	1,181,101	217,876	764,896	68,307	29,138	2,261,318
- interest	5,946	6,446	5,729	8,215	54,773	81,109
	2,278,368	351,845	1,163,007	87,899	85,497	3,966,616

The following tables present details of outstanding contractual maturities of the Company's financial liabilities. The amounts presented are based on the non-discounted cash flows from financial liabilities based on the earliest date upon which the Company's may be expected to settlement such liabilities.

Maturities of Financial Liabilities

	December 31, 2011					
	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Year	Total
Non-interest bearing	149,507	-	5,539	106,662	-	261,708
Fixed interest rate						
- principal	-	12,382	82,386	352,663	682,079	1,129,510
- interest	43	6,184	43,036	151,527	131,854	332,644
Variable interest rate						
- principal	6,442	12,851	57,819	110,563	-	187,675
- interest	1,398	11	4	7,165	-	8,578
	157,390	31,428	188,784	728,580	813,933	1,920,115
	December 31, 2010					
	Less than 1 Month	From 1 to 3 Months	From 3 Months to 1 Year	From 1 to 5 Years	Over 5 Year	Total
Non-interest bearing	100,741	-	-	-	-	100,741
Fixed interest rate						
- principal	1,704	15,917	95,603	363,160	757,925	1,234,309
- interest	222	7,056	47,752	168,480	165,886	389,396
Variable interest rate						
- principal	1,374	14,078	58,159	206,835	-	280,446
- interest	77	3,765	14,536	20,540	-	38,918
	104,118	40,816	216,050	759,015	923,811	2,043,810

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34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Fair Value of Financial Instruments

The following table represents the present value of financial assets and liabilities and their fair value as of December 31, 2011 and 2010.

	December 31, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Equity investments	205	205	389	389
Other long-term financial placements	95,809	95,809	110,408	110,408
Short-term financial placements and loans	2,478,614	2,478,614	2,180,671	2,180,671
Accounts receivable	1,578,800	1,578,800	1,260,046	1,260,046
Other receivables	30,364	30,364	74,787	74,787
Cash and cash equivalents	73,304	73,304	259,206	259,206
	<u>4,257,096</u>	<u>4,257,096</u>	<u>3,885,507</u>	<u>3,885,507</u>
Financial liabilities				
Long-term borrowings	1,034,742	1,034,742	1,138,765	1,138,765
Other long-term liabilities	217,225	217,225	189,155	189,155
Current portions of long-term financial liabilities	177,419	177,419	186,835	186,835
Accounts payable	149,507	149,507	100,741	100,741
	<u>1,578,893</u>	<u>1,578,893</u>	<u>1,615,496</u>	<u>1,615,496</u>

Assumptions for the Assessment of Financial Instruments' Fair Value

Given that the sufficient market experience, stability and liquidity do not presently exist for the purchase and sale of financial assets or liabilities, and given that the quoted prices, which could be used for the purposes of disclosing fair value of financial assets and liabilities are unavailable, the method here applied is that of discounted cash flows for long-term loans. In using this method of measurement, interest rates for financial instruments with similar characteristics have been used, with the aim to arrive at the relevant assessment of market values of financial instruments as of the balance sheet date. In addition, the assessment of current fair value relied also upon the assumption that the carrying value of short-term receivables and payables approximates their fair value as these are due for settlement within relatively short notice.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Fair Value of Financial Instruments (Continued)

	December 31, 2011			
	Level 1	Level 2	Level 3	Total
Financial assets				
<i>Available for sale:</i>				
- listed securities (Note 17)	202	-	-	202
- unlisted securities	-	-	-	-
Long-term loans to employees	-	-	99,202	99,202
<i>Total</i>	<u>202</u>	<u>-</u>	<u>99,202</u>	<u>99,404</u>

The table above only includes financial assets as the Company has no financial liabilities subsequently measured at fair value.

All gains and losses included in other comprehensive income relate to financial assets available for sale, and are reported as 'unrealized gains on securities.'

35. REMUNERATIONS TO MANAGEMENT

During 2011, the Company paid remunerations to key management comprised of the Management Board members, Supervisory Board members, Shareholders' Assembly members as well as directors and other managers (2011: total of 25; 2010: total of 24) in the gross amount of RSD 40,613 thousand (2010: RSD 32,674 thousand).

	December 31, 2011	December 31, 2010
<i>Management</i>		
Salaries	28,208	24,634
Profit distribution	1,173	1,153
	<u>29,381</u>	<u>25,787</u>
Remunerations to the Management Board members	6,172	5,434
Remunerations to the Supervisory Board members	1,177	1,075
Remunerations to the Shareholders' Assembly members	3,883	378
	<u>40,613</u>	<u>32,674</u>

36. TAXATION RISKS

The Republic of Serbia tax legislation is subject to varying interpretations, and legislative changes occur frequently. The interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not concur with the views of the Company's management. Consequently, transactions may be challenged by the relevant tax authorities and the Company could be assessed additional taxes, penalties and interest, which can be significant. The fiscal periods remain open for review by the tax and customs' authorities with regard to the tax-paying entity's tax liabilities for a period of five years.

37. LITIGATION

As of December 31, 2011, there were litigations filed against the Company with claims in the amount of RSD 389,307 thousand (without penalty interest). The amount of final losses on litigations may be increased by the amount of penalty interest accrued until the date of final resolution of these litigations, i.e. date of payment settlement of liabilities arising thereof. As of December 31, 2011, the Company formed provisions against the potential losses on litigations in the amount of RSD 107,177 thousand (Note 26). In the assessment of the Company's management, no additional materially significant losses are anticipated in the ensuing period.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

All amounts expressed in thousands of RSD, unless otherwise stated.

38. POST-BALANCE SHEET EVENTS

As of February 27, 2012, the Government of the Republic of Serbia enacted Conclusion no. 023-1413-2012 whereby it agreed to the settlement of a portion of JAT Airways a.d., Beograd debt to the Company, whereas the remaining portion of debt shall be regulated by a protocol on debt rescheduling.

Pursuant to the Government's Conclusion, two partial debt settlement agreements were concluded between the Company and JAT Airways a.d., Beograd whereby the settlement amount is represented in the form of immovable property of JAT Airways a.d., Beograd situated within the Belgrade Nikola Tesla Airport complex on one hand and a portion of the Company's receivables from JAT Airways a.d., Beograd in the amount of RSD 593,286 thousand on the other.

The immovable property that is subject of the Settlement Agreement comprises the following:

- Training center building of the total area of 3,736 m², whereof JAT Airways a.d., Beograd is registered as the user, of an estimated value of EUR 3,755,497;
- Aircrew building, of the total area of 2,224 m², whereof JAT Airways a.d., Beograd is registered as the holder, of an estimated value of EUR 1,868,160.

As of the reporting date, the procedure of reconciliation and compilation of the Protocol on rescheduling matured liabilities of JAT Airways a.d., Beograd was underway.

As of December 31, 2011, the Company's management assessed the receivables due from JAT Airways a.d., Beograd in the amount of RSD 49,418 thousand as collectable and chose not to calculate allowance for impairment thereof for the purpose of reducing them to their recoverable value. During 2012, out of the RSD 49,418 thousand, the Company has collected RSD 34,342 thousand.

39. EXCHANGE RATES

The official exchange rates for major currencies determined in the interbank currency market and used in the translation of balance sheet components denominated in foreign currencies, into Dinars were as follows:

	<u>December 31, 2011</u>	<u>December 31, 2010</u>
USD	80.8662	79.2802
EUR	104.6409	105.4982
CHF	85.9121	84.4458



STATEMENT

Hereby we state that, according to our best knowledge, the annual statement is drafted in line with appropriate international standards of financial reporting and that it shows true and impartial data on property, obligations, financial position and operating, profits and losses, cash flows and changes on the capital of the Company.

Signed by:

General Director

Prof. Velimir Radosavljević, PhD ME

Financial Director

Ljiljana Simonović

Head of Accounting Sector

Zorka Latinović

Translated by: Marija Jakovljević

M. Jakovljević