

Energoprojekt Holding Plc.
Semi-Annual Consolidated Report
for 2016

Pursuant to Article 53 of the Law on Capital Market (RS Official Gazette, No. 31/2011) and pursuant to Article 9 of the Rulebook on the Content, Form and Method of Publication of Annual, Semi-Annual and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012 and 5/2015), **Energoprojekt Holding Plc. from Belgrade, registration No.: 07023014 hereby publishes the following:**

SEMI-ANNUAL CONSOLIDATED REPORT FOR 2016

C O N T E N T S

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT GROUP FOR 2016

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

2. BUSINESS REPORT

(Note: Business Report and Consolidated Business Report are presented as one report, containing information of significance for the economic overview)

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED REPORT OF THE ENERGOPROJEKT GROUP FOR 2016 * (Note)

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF
ENERGOPROJEKT GROUP FOR 2016 (Balance Sheet, Income
Statement, Report on Other Income, Cash Flow Statement, Statement
on Changes in Equity, Notes to Financial Statements)

Reporting period:

from

1.1.2016

until

30.6.2016

Quarterly Financial Statement for Businesses KFI-PD

Business name: ENERGOPROJEKT HOLDING p.l.c.

Reg. No.: 07023014

Postal code, city: 11070

NOVI BEOGRAD

Street and number: BULEVAR MIHAILA PUPINA 12

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Website: www.energoprojekt.rs

Consolidated/individual: CONSOLIDATED - Energoprojekt Group

Approved (yes/no): Yes

Audited (yes/no): No

Contact person: DIMITRAKI ZIPOVSKI

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Name and surname: VLADIMIR MILOVANOVIC

(authorized officer)

Documents for publishing (in PDF format, as a whole):

1. Financial statements (balance sheet, income statement, statement of other results, cash flow statement, statement of changes in equity, notes to the financial statements)
2. Business Report
3. Statement of responsible person for the preparation of the Report



9.

(Signature of legal representative)

BALANCE SHEET

at day 30.06.2016

RSD thousand

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
ASSETS			
A. SUBSCRIBED CAPITAL UNPAID	0001		
B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002	17,281,204	17,421,296
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	66,223	69,295
1. Investments in development	0004	3,791	4,039
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	62,432	64,245
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008		1,011
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	15,334,059	15,474,905
1. Land	0011	709,616	882,471
2. Buildings	0012	7,282,717	7,339,649
3. Plant and equipment	0013	3,625,443	3,665,434
4. Investment property	0014	3,344,008	3,275,616
5. Other property, plant and equipment	0015	122,068	109,492
6. Property, plant and equipment in progress	0016	81,435	70,345
7. Investments in property, plant and equipment, not owned	0017	122,153	35,596
8. Advances paid on property, plant and equipment	0018	46,619	96,302
III. NATURAL ASSETS (0020+0021+0022+0023)	0019		
1. Forests and growing crops	0020		
2. Livestock	0021		
3. Natural assets in progress	0022		
4. Advances paid for natural assets	0023		
IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024	979,374	1,049,392
1. Shares in subsidiaries	0025		
2. Shares in affiliated companies and joint ventures	0026	760,363	833,041
3. Shares in other companies and other available for sale securities	0027	21,130	26,251
4. Long term investments in parent companies and subsidiaries	0028		
5. Long term investments in other affiliated companies	0029		
6. Long term investments, domestic	0030		
7. Long term investments, foreign countries	0031		
8. Securities held to maturity	0032		
9. Other long term financial investments	0033	197,881	190,100
V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034	901,548	827,704
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other affiliated companies	0036	48,988	43,500
3. Receivables from credit sales	0037		
4. Receivables from financial leasing contracts	0038		
5. Receivables from pledged assets	0039		
6. Bad debts and uncollectible claims	0040		
7. Other long term receivables	0041	852,560	784,204
C. DEFERRED TAX ASSETS	0042		

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043	26,224,364	24,954,277
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044	5,911,341	5,458,231
1. Material ,parts, tools and small inventories	0045	1,019,865	1,196,693
2. Work and services in progress	0046	1,238,718	1,456,325
3. Finished products	0047	700,345	132,958
4. Goods	0048	58,310	77,372
5. Fixed assets for sale	0049	67,140	70,307
6. Advances paid for inventories and services	0050	2,826,963	2,524,576
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051	9,374,180	9,751,353
1. Local buyers - parent company and subsidiaries	0052		
2. Foreign buyers - parent company and subsidiaries	0053		
3. Local buyers - other affiliated companies	0054	3,599	4,141
4. Foreign buyers - other affiliated companies	0055	961,450	826,804
5. Local buyers	0056	2,261,049	2,373,683
6. Foreign buyers	0057	6,147,873	6,546,725
7. Other receivables from sales	0058	209	
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	138,447	80,168
IV. OTHER RECEIVABLES	0060	625,586	493,729
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061	337,530	333,759
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062	1,637,245	1,789,496
1. Short term loans and investments - parent company and subsidiaries	0063		
2. Short term loans and investments - other affiliated companies	0064	164,669	162,419
3. Short term credits and loans, domestic	0065		
4. Short term credits and loans, foreign countries	0066	18,846	16,549
5. Other short term financial investments	0067	1,453,730	1,610,528
VII. CASH AND CASH EQUIVALENTS	0068	4,209,002	4,800,373
VIII. VALUE ADDED TAX	0069	220,028	112,663
IX. PREPAYMENTS AND ACCRUED INCOME	0070	3,771,005	2,134,505
E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071	43,505,568	42,375,573
F. OFF-BALANCE SHEET ASSETS	0072	28,284,914	28,278,584

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
LIABILITIES			
A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401	19,510,270	19,547,906
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	5,894,010	5,894,010
1. Share capital	0403	5,574,959	5,574,959
2. Shares of limited liability companies	0404		
3. Investments	0405		
4. State owned capital	0406		
5. Socially owned capital	0407		
6. Shares of cooperatives	0408		
7. Issuing premium	0409	237,014	237,014
8. Other share capital	0410	82,037	82,037
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412		
IV. RESERVES	0413	374,587	374,590
V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	6,267,267	6,211,764
VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	341,253	450,976
VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	28,600	30,504
VIII. RETAINED EARNINGS (0418+0419)	0417	6,496,663	6,481,980
1. Retained earnings from previous years	0418	6,122,782	5,434,490
2. Retained earnings from current year	0419	373,881	1,047,490
IX. NON-CONTROLLING INTEREST	0420	165,090	165,090
X. LOSSES (0422+0423)	0421		
1. Losses from previous years	0422		
2. Losses from current year	0423		
B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424	3,912,191	3,855,014
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	1,136,353	1,137,466
1. Provisions for warranty costs	0426	522,645	491,826
2. Provisions for recovery of natural resources	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for wages and other employee benefits	0429	238,371	270,777
5. Provisions for legal expenses	0430		
6. Other long term provisions	0431	375,337	374,863
II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432	2,775,838	2,717,548
1. Liabilities convertible into capital	0433		
2. Liabilities to parent company and subsidiaries	0434		
3. Liabilities to other affiliated companies	0435		
4. Liabilities for issued securities for more than one year	0436		
5. Long term credits and loans, domestic	0437	295,948	218,927
6. Long term credits and loans, foreign countries	0438	214,927	215,266
7. Long term liabilities from financial leasing	0439	170,507	122,071
8. Other long term liabilities	0440	2,094,456	2,161,284
C. DEFERRED TAX LIABILITIES	0441	798,478	792,571
D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	19,284,629	18,180,082
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	3,954,337	3,856,625
1. Short term loans from parent company and subsidiaries	0444		
2. Short term loans from other affiliated companies	0445		
3. Short term credits and loans, domestic	0446	3,433,035	3,163,179
4. Short term credits and loans, foreign countries	0447	255,447	154,864
5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		
6. Other short term financial liabilities	0449	265,855	538,582
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	6,286,080	5,476,677

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	3,659,187	3,848,637
1. Suppliers - parent company and subsidiaries, local	0452		
2. Suppliers - parent company and subsidiaries, foreign countries	0453		
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455	6,058	5,975
5. Suppliers, local	0456	1,992,809	2,182,699
6. Suppliers, foreign countries	0457	1,636,246	1,642,578
7. Other operating liabilities	0458	24,074	17,385
IV. OTHER SHORT TERM LIABILITIES	0459	1,701,217	1,778,493
V. VALUE ADDED TAX	0460	683,921	559,499
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	709,739	855,653
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	2,290,148	1,804,498
D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		
E. TOTAL LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464	43,505,568	42,375,573
F. OFF-BALANCE LIABILITIES	0465	28,284,914	28,278,584

INCOME STATEMENT

from 01.01.2016 until 30.06.2016

RSD thousand

DESCRIPTION 1	EDP 2	Total			
		current period		previous period	
		quarter 3	cumulative 4	quarter 5	cumulative 6
INCOME FROM NORMAL ACTIVITIES					
A. OPERATING INCOME (1002+1009+1016+1017)	1001		14,552,640		16,128,439
I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		43,160		45,747
1. Income from sale of goods to parent company and subsidiaries on local market	1003				
2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004				
3. Income from sale of goods to other affiliated companies on local market	1005				
4. Income from sale of goods to other affiliated companies on foreign markets	1006				
5. Income from sale of goods on local market	1007		40,721		34,100
6. Income from sale of goods on foreign markets	1008		2,439		11,647
II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		14,383,622		15,996,902
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010				
2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011				
3. Income from sale of finished products and services to other affiliated companies on local market	1012				437
4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013		287,448		457,305
5. Income from sale of finished products and services on local market	1014		4,774,745		5,911,714
6. Income from sale of finished products and services on foreign markets	1015		9,321,429		9,627,446
III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016				
IV. OTHER OPERATING INCOME	1017		125,858		85,790
EXPENSES FROM NORMAL ACTIVITIES					
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		14,247,655		15,542,841
I. COST PRICE OF GOODS SOLD	1019		45,830		46,373
II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020		108,351		15,777
III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021		581,147		69,331
IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022		231,367		9,569
V. MATERIAL COSTS	1023		3,179,223		3,479,534
VI. FUEL AND ENERGY COSTS	1024		440,122		695,789
VII. EMPLOYEE EXPENSES AND BENEFITS	1025		4,551,870		4,499,114
VIII. PRODUCTION SERVICE COSTS	1026		4,710,644		5,539,413
IX. DEPRECIATION EXPENSES	1027		385,954		368,441
X. PROVISION EXPENSES	1028		120,323		44,856
XI. INTANGIBLE EXPENSES	1029		1,271,820		944,860
C. OPERATING INCOME (1001-1018) ≥ 0	1030		304,985		585,598
D. OPERATING LOSSES (1018-1001) ≥ 0	1031				
E. FINANCIAL REVENUES (1033+1038+1039)	1032		665,226		1,407,044
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		142,337		89,466
1. Financial income from parent company and subsidiaries	1034				
2. Financial income from other affiliated companies	1035		23,064		7,861
3. Share of profits in associated companies and joint ventures	1036		48,122		69,983
4. Other financial revenues	1037		71,151		11,622
II. INTEREST INCOME (THIRD PARTY)	1038		80,575		52,161
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039		442,314		1,265,417
F. FINANCIAL EXPENSES (1041+1046+1047)	1040		623,597		1,494,698
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		15,104		3,197
1. Financial expenses from transactions with parent company and subsidiaries	1042				
2. Financial expenses from transactions with other affiliated companies	1043		3,121		2,834
3. Share of losses in affiliated companies and joint ventures	1044		11,485		172
4. Other financial expenditure	1045		498		191
II. INTEREST EXPENSES (THIRD PARTY)	1046		121,698		164,626
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047		486,795		1,326,875
G. FINANCIAL GAINS (1032-1040)	1048		41,629		
H. FINANCIAL LOSSES (1040-1032)	1049				87,654
I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050		16,215		4,240
J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051		296		13,047
K. OTHER INCOME	1052		178,622		73,644
L. OTHER EXPENSES	1053		69,720		162,072
M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049-1050-1051+1052-1053)	1054		471,435		400,709
N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055				
O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056				45,801
P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		69,350		
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058		402,085		446,510
R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059				

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
S. INCOME TAX					
I. TAXABLE EXPENSES FOR THE PERIOD	1060		22,298		66,836
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		5,906		2,192
III. DEFERRED TAX INCOME FOR THE PERIOD	1062				
T. MANAGEMENT EARNINGS					
U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		373,881		377,482
V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065				
I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		57,752		96,683
II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		316,129		280,799
III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068				
IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069				
V. EARNINGS PER SHARE					
1. Basic earnings per share	1070				
2. Reduced (diluted) earnings per share	1071				

CASH FLOW STATEMENT

from 01.01.2016 until 30.06.2016

RSD thousand

DESCRIPTION	EDP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	15,263,312	19,144,382
1. Sales and prepayments	3002	15,083,503	18,964,582
2. Interests from operating activities	3003	10,517	51,756
3. Other inflow from normal operations	3004	169,292	128,044
II. Cash outflow from operating activities (1 to 5)	3005	15,875,982	17,996,504
1. Payments to suppliers and prepayments	3006	9,730,710	11,898,540
2. Employee expenses and benefits	3007	4,844,872	4,503,995
3. Interests paid	3008	140,256	171,313
4. Income tax	3009	215,585	626,755
5. Payments based on other public revenues	3010	944,559	795,901
III. Net cash inflow from operating activities (I-II)	3011		1,147,878
IV. Net cash outflow from operating activities (II-I)	3012	612,670	
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	278,279	116,252
1. Sale of shares and stocks (net inflow)	3014	5,514	
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	28,180	2,972
3. Other financial investments (net inflow)	3016	207,367	85,681
4. Interest received from investment activities	3017	24,067	22,696
5. Dividends received	3018	13,151	4,903
II. Cash outflow from investing activities (1 to 3)	3019	314,882	219,933
1. Purchase of shares and stocks (net outflow)	3020		68,379
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	314,882	151,554
3. Other financial investments (net outflow)	3022		
III. Net cash inflow from investing activities (I-II)	3023		
IV. Net cash outflow from investing activities (II-I)	3024	36,603	103,681
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	300,994	1,169
1. Equity increase	3026		101
2. Long term loans (net inflow)	3027	78,570	
3. Short term loans (net inflow)	3028	199,026	
4. Other long term liabilities	3029	18,980	
5. Other short term liabilities	3030	4,418	1,068
II. Cash outflow from financing activities (1 to 6)	3031	149,660	475,148
1. Repurchase of own shares and stocks	3032		
2. Long term loans (net outflow)	3033		85,303
3. Short term loans (net outflow)	3034		98,475
4. Other liabilities	3035	30,182	86,694
5. Financial leasing	3036	115,940	201,190
6. Dividends paid	3037	3,538	3,486
III. Net cash inflow from financing activities (I-II)	3038	151,334	
D. Net cash outflow from financing activities (II-I)	3039		473,979
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	15,842,585	19,261,803
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	16,340,524	18,691,585
G. NET CASH INFLOW (3040-3041)	3042		570,218
H. NET CASH OUTFLOW (3041-3040)	3043	497,939	
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	4,800,373	3,099,258
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	26,635	179,336
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	120,067	52,380
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	4,209,002	3,796,432

STATEMENT OF OTHER RESULTS

from 01.01.2016 until 30.06.2016

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
A. NET OPERATING RESULTS					
I. NET PROFIT (EDP 1064)	2001		373,881		377,482
II. NET LOSSES (EDP 1065)	2002				
B. OTHER COMPERHENSIVE GAINS OR LOSSES					
a) Items not reclassifiable in the balance sheet in future periods					
1. Change of revaluation of intangibles, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				6,139
2. Actuarial gains or losses from defined income plans					
a) gains	2005				
b) losses	2006				
3. Gains and losses from equity instrument investments					
a) gains	2007				
b) losses	2008				
4. Gains and losses from share of other comprehensive profits and losses of affiliates					
a) gains	2009				
b) losses	2010				
b) Items that may be reclassified in the balance sheet in future periods					
1. Gains and losses from translation of financial statements for foreign operations					
a) gains	2011		1,145		98,246
b) losses	2012		110,868		101,174
2. Gains and losses from hedging of net investments in foreign operations					
a) gains	2013				
b) losses	2014				
3. Gains and losses from cash flow hedging					
a) gains	2015				
b) losses	2016				
4. Gains and losses from available for sale securities					
a) gains	2017		1,215		9,032
b) losses	2018				49
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0					
	2019				
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0					
	2020		108,508		84
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD					
	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0					
	2022				
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0					
	2023		108,508		84
C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0					
	2024		265,373		377,398
II. TOTAL COMPERHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0					
	2025				
D. TOTAL COMPERHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0					
	2026		265,373		377,398
1. Payable to majority shareholders					
	2027		219,279		290,497
2. Payable to non-controlling shareholders					
	2028		46,094		86,901

STATEMENT OF CHANGES IN EQUITY

from 01.01.2016 until 30.06.2016

RSD thousand

DESCRIPTION	Equity component																																
	EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 w 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses	EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from shares and losses of affiliates	EDP	334 w 335 Gains and losses from foreign operations and translation of financial statements	EDP	336 Gains and losses from cash flow hedging	EDP	337 Gains and losses from available for sale securities	EDP	Total capital [X (row 1b, col.3 to col.15) - Y (row 1a, col.3 to col.15)] ≥ 0	EDP	Losses exceeding capital [X (row 1a, col.3 to col.15) - Y (row 1b, col.3 to col.15)] ≥ 0			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16																		
Opening balance 01.01. _____																																	
a) debit balance	4001		4019		4037		4055		4073		4091		4109		4127		4145		4163		4181		4199		4217		41.501		4235		17.999,397	4244	
b) credit balance	4002	6,059,920	4020		4038	374,453	4056		4074		4092	5,402,867	4110	5,788,138	4128		4146		4164		4182	415,520	4200		4218								
Adjustment for materially significant errors and changes in accounting policies																																	
a) adjustment of debit balance	4003		4021		4039		4057		4075		4093		4111		4129		4147		4165		4183		4201		4219				4236			4245	
b) adjustment of credit balance	4004		4022		4040		4058		4076		4094		4112		4130		4148		4166		4184		4202		4220								
Adjustment of opening balance on 01.01. _____																																	
a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005		4023		4041		4059		4077		4095		4113		4131		4149		4167		4185		4203		4221		41.501		4237		17.999,397	4246	
b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	6,059,920	4024		4042	374,453	4060		4078		4096	5,402,867	4114	5,788,138	4132		4150		4168		4186	415,520	4204		4222								
Changes in previous _____ year																																	
a) debit balance activity	4007	820	4025		4043		4061		4079		4097	353,845	4115	231,462	4133		4151		4169		4187	96,991	4205		4223		1,452		4238			4247	
b) credit balance activity	4008		4026		4044	137	4062		4080		4098	1,432,958	4116	655,088	4134		4152		4170		4188	132,447	4206		4224		12,449						
Closing balance previous year at 31.12. _____																																	
a) debit balance (3a+4a-4b) ≥ 0	4009		4027		4045		4063		4081		4099		4117		4135		4153		4171		4189		4207		4225		30,504		4239		19,547,906	4248	
b) credit balance (3b-4a+4b) ≥ 0	4010	6,059,100	4028		4046	374,590	4064		4082		4100	6,481,980	4118	6,211,764	4136		4154		4172		4190	450,976	4208		4226								
Adjustment for materially significant errors and changes in accounting policies																																	
a) adjustment of debit balance	4011		4029		4047		4065		4083		4101		4119		4137		4155		4173		4191		4209		4227				4240			4249	
b) adjustment of credit balance	4012		4030		4048		4066		4084		4102		4120		4138		4156		4174		4192		4210		4228								
Adjustment of opening balance current year at 01.01. _____																																	
a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013		4031		4049		4067		4085		4103		4121		4139		4157		4175		4193		4211		4229		30,504		4241		19,547,906	4250	
b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	6,059,100	4032		4050	374,590	4068		4086		4104	6,481,980	4122	6,211,764	4140		4158		4176		4194	450,976	4212		4230								
Changes in current _____ year																																	
a) debit balance activity	4015		4033		4051	3	4069		4087		4105	374,958	4123	21,490	4141		4159		4177		4195	110,868	4213		4231							4251	
b) credit balance activity	4016		4034		4052		4070		4088		4106	389,641	4124	76,993	4142		4160		4178		4196	1,145	4214		4232		1,904						
Closing balance at end quarter current year _____																																	
a) debit balance (7a+8a-8b) ≥ 0	4017		4035		4053		4071		4089		4107		4125		4143		4161		4179		4197		4215		4233		28,600		4243		19,510,270	4252	
b) credit balance (7b-8a+8b) ≥ 0	4018	6,059,100	4036		4054	374,587	4072		4090		4108	6,496,663	4126	6,267,267	4144		4162		4180		4198	341,253	4216		4234								

ENERGOPROJEKT GROUP BELGRADE

**NOTES TO THE SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
FOR 2016**

Belgrade, 2016

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1. COMPANY BACKGROUND

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

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

In 2016, Energoprojekt Group was organized as follows:

Activity	No. of local subsidiaries, affiliates and joint ventures	No. of business units for investment works and branch offices abroad	No. of subsidiaries and affiliates abroad
Planning and research	4	27	5
Construction and fitting	5	66	12
Holding	1		
Other	6		4
Total	16	93	21

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

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

Financial statements for 2015 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Group for 2016** approved by the Executive Board of the Company, on August 12, 2016 in the 12th meeting of Executive Board of the Company and are no subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2015 and in semi-annual consolidated financial statements for 2015.

2. CONSOLIDATION GROUP

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

Local subsidiaries, joint ventures and affiliated companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100,00
2.	Energoprojekt Niskogradnja Plc.	100,00
3.	Energoprojekt Oprema Plc.	67,87
4.	Energoprojekt Sunnyville Ltd.	100,00
<i>Planning and Research</i>		
5.	Energoprojekt Urbanizam i arhitektura Plc.	100,00
6.	Energoprojekt Industrija Plc.	62,77
7.	Energoprojekt Entel Plc.	86,26
8.	Energoprojekt Hidroinzenjering Plc.	100,00
<i>Other</i>		
9.	Energoprojekt Energodata Plc.	100,00
10.	Energoprojekt Promet Ltd.	100,00
11.	Energoprojekt Garant Ltd.	92,94
12.	Energoplast Plc.	60,00
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
13.	Enjub Ltd.	50,00
Affiliated Companies		
Other		
14.	Fima See Activist Plc.	28,70

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

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

By equity method, closed-end investment fund FIMA SEE Activist Plc. is included in consolidated financial statements of Energoprojekt Group as at December 31, 2015, in compliance with IFRS 11 - Joint Arrangements, since the percentage of Energoprojekt Holding shares in equity of subject company, by the end of 2015, was over 20,00%, which makes the mentioned fund the affiliated company.

Subsidiaries abroad – overseas companies

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

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

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

No.	Company Name	Included through primary consolidation
<i>Overseas</i>		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
<i>Construction and Equipping</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro	EP Oprema Plc.
7.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Designing and Research</i>		
8.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
9.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
10.	Energoconsult L.L.C., Abu Dhabi, UAE	EP Entel Plc.
11.	Zahinos Ltd., Cyprus	EP Industrija Plc.
12.	Enhisa S.A., Lima, Peru	EP Hidroinzenjering Plc.
<i>Other</i>		
13.	Energoprojekt Energodata Montenegro Ltd., Montenegro	EP Energodata Plc.
<i>Affiliated Companies Abroad</i>		
<i>Construction and Equipping</i>		
14.	Energo Nigeria Ltd., Lagos, Nigeria (40,00%)	EP Oprema Plc.
<i>Domestic</i>		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
15.	Energopet Ltd. (33,33 %)	EP Industrija Plc.

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

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

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

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

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

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

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

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

- Law on Corporate Income Tax ("RS Official Gazette" No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - and other law, 142/2014, 1/2015 - authentic interpretation and 112/2015),
- Law on Value Added Tax ("RS Official Gazette" No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - and other law, 142/2014 and 83/2015),

- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("RS Official Gazette" No. 99/2010, 8/2011, 13/2012, 8/2013 i 20/2014 - and other rules),
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("RS Official Gazette" 24/2014, 30/2015),
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("RS Official Gazette" No. 116/2004 and 99/2010),
- Rules on Transfer Prices and Methods applied in compliance with the „at arms's lenght“ principle in determining the price of transactions among parties ("RS Official Gazette" No. 61/2013 and 8/2014) and other regulations.

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

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

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

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

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

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

Functional currency and currency used for data presentation

Amounts presented in financial statements are in thousands of Serbian dinar (RSD). The Company uses RSD as the functional and reporting currency. Transactions effectuated in non-functional currencies shall be treated as transactions effectuated in foreign currencies.

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

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

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

The official middle currency exchange rates of the National Bank of Serbia used for recalculation of monetary assets and liabilities are presented in the table below.

The official middle currency exchange rates of the National Bank of Serbia

<i>Currency</i>	<i>June 30, 2016</i>	<i>December 31, 2015</i>
	<i>Amount in RSD</i>	
EUR 1	123,3115	121,6261
USD 1	111,0714	111,2468
GBP 1	148,7473	164,9391

The average currency exchange rates applied for balance sheet items in 2016 and 2015 were as follows:

<i>Currency</i>	<i>June 30, 2016</i>	<i>December 31, 2015</i>
	<i>Amount in RSD</i>	
EUR 1	122,9472	120,9580
USD 1	110,1885	108,5117
GBP 1	157,6994	165,3416

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. Achieved results may differ from the estimated ones.

In order to prepare and present the consolidated financial statements in compliance both with the requirements of operative legal regulations in the field of this profession and with the requirements contained in the applicable legal regulations in the Republic of Serbia, Company management has to apply the best possible assessments and reasonable assumptions that are reflected on reported amounts of assets, liabilities, income and expenses. Although the actual future results may differ from the assessed ones, the assessments and presumptions are based on information available as at the balance sheet date.

Financial statements are prepared under presumption that the Company will continue to conduct its business for an indefinite period of time and that it will continue its operations in foreseeable future.

Companies included in consolidation of the Energoprojekt Group operate in four continents and include, as already state above, a large number of legal entities in the country and abroad. Such a complex Group, with its primary focus on business operations in international markets, due to some objective reasons cannot provide all the required documentation in a timely manner to meet the requirements of prescribed deadlines for preparation of semi-annual financial statements in compliance with the applicable legal regulations. This particularly pertains to Companies operating in Africa (Uganda) and in South America (Peru).

In addition to that, Companies comprising the Energoprojekt Group pursue different business activities. Primary business activity of the largest Companies of this Group is building construction and fitting that is specific for performance of works over longer periods of time, which then require certification by supervisory bodies within individual projects, so that the result and balances in financial statements are directly conditional upon the external factors that are, to some extent, beyond control of our Companies and their management.

In respect of the legal regulations regulating the obligation to submit semi-annual financial statements, Energoprojekt Holding sent an official letter dated June 4, 2012 to Securities Commission, Belgrade Stock Exchange and Listing Committee with an initiative to extend the legally prescribed deadlines for submission and publication of semi-annual consolidated financial statements. This initiative of Energoprojekt Holding in the above context has not resulted in any extension of prescribed deadlines by the regulatory bodies to this day. Bearing in mind the above presented specificities of business operations of Energoprojekt Group Companies, these semi-annual financial statements were prepared by relying on a larger number of management assessments of the subsidiary companies included in Group consolidation, with the aim to present the financial standing and results of the Group in the reporting period as realistically as possible.

Starting from the legally prescribed deadlines for preparation of Semi-Annual Consolidated Financial Statements, and bearing in mind the need to present a comprehensive semi-annual consolidated financial statement, management of the Companies of Energoprojekt Group performed certain assessments of receivables/income and liabilities/expenses. Below you may find the most significant performed calculation per each company of the Energoprojekt Group.

- On the occasion of preparation of its financial statements, **Energoprojekt Visokogradnja** performed calculations of income and expenses in certain items. Owing to the specific character of the construction industry, performance and completion of construction activities are certified upon delivery of payment certificates to the investor. Investor reviews and verifies the payment certificates together with the supervisory body.

Verified payment certificates for the works performed by June 30, 2016 had not been delivered until completion of financial statements, and the management performed an assessment of revenues based on the issued and still not certified payment certificates, and on such basis the increase in accrued non-invoiced income was recognized in the following Projects:

Project name - calculated income	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Internationally:</i>	
Z-101 Underground Parking Garage Syktyvkar	1.735
<i>Total</i>	<i>1.735</i>
<i>In the Country:</i>	
Belgrade Waterfront	90.134
<i>Total</i>	<i>90.134</i>
TOTAL	<i>91.869</i>

In the expense item, calculation was performed based on works completed and services rendered by subcontractors and suppliers for which invoices had not been delivered by the financial statements date in the following Projects:

Project name - calculated expenses	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Internationally:</i>	
Z-096 Forte bank, Astana (material, lease and subcontractor expenses)	20.384
Z-085 Commercial premisses Uhta, Russia (subcontractor expenses)	757
Z-088 Hotel Hyatt Rostov	113
Z-089 Aktau Hospital	59
<i>Total</i>	<i>21.313</i>
<i>In the country:</i>	
Belgrade Waterfront (lease and subcontractor expenses)	9.458
Sunnyville Project (subcontractor expenses)	4.031
<i>Total</i>	<i>13.489</i>
TOTAL	<i>34.802</i>

In addition to the above mentioned calculated expenses, Energoprojekt Visokogradnja has calculated tax expenses on projects abroad, in the amount of RSD 232.508 thousand (referred mainly to corporate income tax for 2016 on project Z-096 Forte bank Astana; RSD 232.222 thousand); wages and paid leave expenses in the amount of RSD 10.376 thousand; wage and contribution taxes in the amount of RSD 24.888 thousand (mainly for project Z-096 Forte bank Astana: RSD 24.350 thousand); fuel and energy expenses in the amount of RSD 2.763 thousand; locally non-paid wage tax interest in the amount of RSD 1.641 thousand and other expenses in the amount of RSD 1.064 thousand.

- Starting from the legally defined deadlines for preparation of semi-annual consolidated financial statements, and bearing in mind the requirement to produce comprehensive semi-annual consolidated financial statements, management of **Energoprojekt Niskogradnja** performed assessments of receivables/income and liabilities/expenses.

According to the contractual provisions, deadlines for verification of performed works by the supervisory body in Projects realized in the country and abroad are not aligned with the balance sheet date of the Semi-Annual Financial Statements. Due to that, General Managers and expert services engaged on such Projects performed assessments of receivables/income, based on relevant records (measurement book, geodetic surveying, delivered requests for interim payment certificates, etc.). By paying special attention to the fact that back-to-back agreement were concluded for some of these projects with a number associates and subcontractors, as well as to the fact that there is a significant time lag between the completion of services/deliveries and delivery of invoices for such services/deliveries due to some specific market conditions, General Managers and expert services additionally performed assessments of liabilities/expenses based on relevant records.

In compliance with the above presented explanations, the following calculations were performed within the Semi-Annual Financial Statements:

Project Name – calculated income	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Abroad:</i>	
Z-027 Mpigi Kanoni, Uganda	626.236
Z-035 Sungira Hill, Uganda	166.575
Z-030 Chancay y Rucuy, Peru	79.738
Z-034 Puerto Bermudez - Vial San Alejandro, Peru	70.804
Branch Office Peru, Peru	19.890
Z-029 Mutundwe, Weraga, Wansaso, Uganda	4.879
<i>Total</i>	<i>968.122</i>
<i>In the Country:</i>	
Project Lajkovac Ljig	769.378
Project Sarani Tunnels	185.218
Project Kolubara River II pase	73.500
<i>Total</i>	<i>1.028.096</i>
TOTAL	<i>1.996.218</i>

Project Name – calculated expenses	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Abroad:</i>	
Projects in Ugandi	182.480
Z-034 Puerto Bermudez - Vial San Alejandro, Peru	30.496
Z-030 Chancay y Rucuy, Peru	21.081
Branch office Peru, Peru	5.079
Z-023 Pericos, Peru	15
Z-016 Chavimochic, Peru	4
Z-019 Cochabamba Chota, Peru	2
<i>Total</i>	<i>239.157</i>
<i>In the Country:</i>	
Project Lajkovac Ljig	455.534
Project Kolubara River Relocation and Regulation	68.728
Project Sarani Tunnels	19.450
Project Pancevo Railroad	4.382
Logistic center	2.681
Project Corridor X Sopot – Ruma Railroad	827
<i>Total</i>	<i>551.602</i>
TOTAL	<i>790.759</i>

In **Energoprojekt Oprema**, in item Prepayments and Deferred Expenses, revenues based on incurred costs which were not invoiced or for which invoices were issued after the financial statements date were calculated and recorded in the amount of RSD 551.942 thousand, as presented in following table:

Project Name - calculated income	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Projects realized abroad:</i>	
Project Minsk	179.172
Projects in Nigeria (Energo Nigeria Ltd., Lagos, Nigeria)	121.338
<i>Total</i>	<i>300.510</i>
<i>Projects realized in the country:</i>	
Project DV Pancevo - Romanina border	226.770
Project DV Kostolac Relocation	19.730
Project DV Bor - Majdanpek	4.932
<i>Total</i>	<i>251.432</i>
TOTAL	<i>551.942</i>

In item Accrued Costs and Deferred Revenues, the consortium partners' expenses based on incurred costs which were not invoiced or for which invoices were issued after the financial statements date in 2016, were recorded and estimated in the amount of RSD 523.988 thousand, as presented in following table:

Project Name – calculated expenses	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Abroad:</i>	
Project Minsk	166,471
Project Embassy of RS in Nigeria	40,693
Project Rwanda	39,460
Project GE Emerald Kalabar	4,315
<i>Svega</i>	<i>250,939</i>
<i>In the Country:</i>	
Project DV Pancevo – Romanina border	220,025
Project DV Kostolac Relocation	23,429
Project DV Bor – Majdanpek	17,264
Project Sarani Tunnels	12,331
<i>Total</i>	<i>273,049</i>
TOTAL	<i>523,988</i>

• In **Energoprojekt Hidroinzenjering**, in item receivables for non-invoiced income, income from received but not verified items for works done till 30/06/2016, amounting to RSD 20.017 thousand as presented in following table:

Project Name – calculated income	<i>In RSD thousand</i>
	<i>30/06/2016</i>
<i>Abroad:</i>	
Z-09 Beni Slimane, Algeria	8,701
Z-12 Soubela, Algeria	5,348
Z-08 Seklafa, Algeria	5,208
Z-14 Dyedra, Algeria	760
TOTAL	<i>20,017</i>

In Accrued Costs item, the amount of RSD 5.117 thousand was calculated, for project Z-16 Tabeggart, Algeria, based on services done by subcontractors, non-invoiced till the financial statement date.

• In **Energoprojekt Industrija**, in item non-invoiced income generated abroad, completed works as per agreements concluded with Health and Care Administration of Eastern Kazakhstan Region, in the amount of RSD 9.064 thousand.

• In **Energoprojekt Holding**, in item Accruals, interest on loans from banks in the country, together with electricity costs for the sixth month of the current year, amounting to RSD 2.711 thousand.

5. CONSOLIDATION

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

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

5.1. Subsidiary Companies

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

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

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

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

5.2. Affiliated Companies

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

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

5.3. Joint Ventures

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

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

- the joint business, or
- the joint venture.

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

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

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

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

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

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

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

6. ACCOUNTING PRINCIPLES

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

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

By complying with the *Going Concern Principle*, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as

well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period.

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

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

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

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

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

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

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies applied to consolidated financial statements of the Energoprojekt Group, are primarily based on the Rules on Accounting and Accounting Policies of the Company, complying with those applied to financial statements for the year enden on December 31st, 2015 and are consistently applied to all included years, unless otherwise stated.

If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on existing IFRS rules in force.

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

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

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

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

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

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

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

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

9. FINANCIAL RISKS

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

From the Company's point of view, there is a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal

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

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

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

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

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

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

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

9.1. Credit Risk

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

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

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

9.2. Market Risk

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

The market risk includes three risk types:

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

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

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

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

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

9.3. Liquidity Risk

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

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

INCOME STATEMENT

10. OPERATING INCOME

10.1. Income from Sale of Merchandise

Structure of income from the sales of goods	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Income from sale of goods on local market	40.721	34.100
Income from sale of goods on foreign market	2.439	11.647
TOTAL	43.160	45.747

• **Income from sale of goods on local market in the amount** of RSD 40.721 thousand, relate mostly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 23.016 thousand based mainly on the sales on projects "Lajkovac-Ljig": RSD 14.621 thousand and "Tunnel Sarani": RSD 6.891 thousand. Sales to subcontractors is mainly done based on subcontracting agreements and defined prices of their services are inclusive of the price of stocks (they are obliged to provide for and to pay for the stocks). Stocks, consisting primarily of fuel and spare parts required for unobstructed performance of works, were supplied (sold) to subcontractors with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor;
- Energoplast in the amount of RSD 7.311 thousand;
- Energoprojekt Energodata in the amount of RSD 6.133 thousand and
- Energoprojekt Visokogradnja in the amount of RSD 2.744 thousand.

• **Income from sale of goods on foreign market in the amount** of RSD 2.439 thousand are related, predominantly, to Energo Kaz, in the amount of RSD 1.291 thousand.

10.2. Income from Sale of Products and Services

Structure of income from the sales of products and services	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Income from sale of products and services to other related companies - domestic		437
Income from sale of products and services to other related companies - foreign	287,448	457,305
Income from sale of products and services on local market	4,774,745	5,911,714
Income from sale of products and services on foreign market	9,321,429	9,627,446
TOTAL	14,383,622	15,996,902

- **Income from sale of products and services to other related companies on foreign market** in the amount of RSD 287.448 thousand derived from products and services to the affiliated company of Energo Nigeria Ltd., Lagos, Nigeria, dominantnly within Energoprojekt Oprema, in the amount of RSD 287.399 thousand.
- **Income from sale of products and services on local market** in the amount of RSD 4.774.745 thousand, are related, mostly, to the following companies within Energoprojekt Group:
 - Energoprojekt Niskogradnja, in the amount of RSD 3.013.436 thousand, mainly for projects: "Lajkovac-Ljig" – RSD 1.684.827 thousand, "Tunnel Sarani" in the amount of RSD 564.110 thousand;
 - Energoprojekt Oprema, in the amount of RSD 698.413 thousand, dominantnly for the project "DV Pancevo - Romanian border": RSD 541.058 thousand, "Prokop": RSD 94.923 thousand, as well as on projects "DV Bor - Majdanpek": RSD 49.649 thousand;
 - Energoprojekt Visokogradnja, in the amount of RSD 473.959 thousand, dominantnly on project Belgrade Waterfront: RSD 333.118 thousand, and selling the final products (real estate) at Cara Nikolaja Str.: RSD 116.765 thousand and on Project Sunnyville: RSD 62.480 thousand; and
 - Energoplast in the amount of RSD 168.822 thousand, based on plastic caps.
- **Income from sale of products and services on foreign market** in the amount of RSD 9.321.429 thousand, are related, mostly, to the following companies of Energoprojekt Group:
 - Energoprojekt Visokogradnja, in the amount of RSD 4.249.188 thousand, based on works realized for investors, mainly in company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1.298.364 thousand, as well as in Russia and Kazakhstan, on projects: "Z-096 Forte bank", Astana: RSD 2.781.749 thousand, "Z-101" Underground Parking Garage Siktivkar: RSD 41.866 thousand and "Z-088 Hotel Hyatt", Rostov: RSD 30.170;
 - Energoprojekt Entel, in the amount of RSD 2.559.426 thousand, derived mainly from companies of the Group abroad (Energoprojekt Entel LTD, Doha, Qatar: RSD 1.314.983 thousand, EP Entel L.L.C., Muscat, Sultanate of Oman: RSD 363.517 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 879.117 thousand) and
 - Energoprojekt Niskogradnja, in the amount of RSD 1.742.338 thousand, on projects in Uganda: RSD 1.204.770 thousand (dominantnly on Project Z-027 Mpigi – Kanoni: RSD 922.176) and in Peru: RSD 537.568 thousand (dominantnly on Project Z-030 Cancay hydropower plant in Rucuy: RSD 26.896 thousand).

10.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Income from premiums, subventions, subsidies, donations, etc.		
Other operating income:		
a) Rent from other legal entities in the country	9,094	11,173
b) Rent from other legal entities abroad	41,249	41,320
c) Other operating income from parent companies, subsidiaries and other related parties		
d) Other operating income	75,515	33,297
<i>Total</i>	<i>125,858</i>	<i>85,790</i>
GRAND TOTAL	<i>125,858</i>	<i>85,790</i>

- **Rental income from other legal entities in the country** in the amount of RSD 9.094 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 3.457 thousand, primarily based on the rental of facility in Ub and facility in Preradoviceva Street in Belgrade;

- Energoprojekt Energodata in the amount of RSD 2.863 thousand, from the rent of the business facility in Palmira Toljatija Street and of the barracks in New Belgrade; and

- Energoprojekt Garant in the amount of RSD 1.687 thousand, based on the rental of the business facility in Bulevar Zorana Djindjica Street and of the business premises in YU business centre in New Belgrade.

- **Income from the rent from other legal entities abroad** in the amount of RSD 41.249 thousand was predominantly generated by the following companies of the Energoprojekt Group:

- Dom 12 S.A.L., Lebanon in the amount of RSD 13.009 thousand, based on the rent of the office building in Moscow;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 11.815 thousand, based on the rent of a number of properties in Zambia;

- Energoprojekt Niskogradnja in the amount of RSD 8.811 thousand, based on the rent of a part of the office building "Cruz del Sur" in Lima, Peru: RSD 6.158 thousand and of the machinery in Peru: RSD 2.653 thousand; and

- Energo (Private) Limited, Zimbabwe in the amount of RSD 3.504 thousand (based on the rent of properties in Zimbabwe).

- **Other operating income** in the amount of RSD 75.515 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Garant in the amount of RSD 59.343 thousand relate mainly to the income from the decrease in provisions for damage: RSD 51.496 thousand and income from the premiums transferred to reinsurance and coinsurance: RSD 7.547 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 13.675 thousand, mainly within Energoprojekt Ghana Ltd., Accra, Ghana, in the amount of RSD 11.239 thousand.

11. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Cost price value of goods sold:		
a) Cost price of goods sold on local market	41,507	36,301
b) Cost price of goods sold on foreign market	4,323	10,072
TOTAL	45,830	46,373

• **Cost price of goods sold on local market** in the amount of RSD 41.507 thousand primarily is related to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 22.762 thousand, for purchase of inventory and spare parts, with the aim to provide the subconstructor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor, mainly on projects: "Lajkovac-Ljig", "Tunnel Sarani" and "Vranjska Banja - Ristovac";

- Energoprojekt Energodata in the amount of RSD 9.367 thousand, for purchasing of software and hardware delivered for further sales and

- Energoplast in the amount of RSD 6.017 thousand, for purchasing of finished caps delivered for further sales.

• **Cost price of goods sold on foreign market** in the amount of RSD 4.323 thousand is related mainly to Energoprojekt Visokogradnja, in the amount of RSD 3.114 thousand.

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

Increase/decrease in inventories of intermediate and finished goods and services in progress	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Income from use of own products and merchandise	108,351	15,777
Increase in inventories of intermediate and finished goods and services in progress	581,147	69,331
Decrease in inventories of intermediate and finished goods and services in progress	231,367	9,569
TOTAL	458,131	75,539

- **Income from use of own products and merchandise** in the amount of RSD 108.351 thousand relate mainly to Energoprojekt Niskogradnja, in the amount of RSD 106.914 thousand, based on own construction projects pertaining to preparation works on Project Z-034 Puerto Bermudez Road, Peru; RSD 90.302 (access roads, workshop, storehouse etc.) and completed equipment repair: RSD 16.294 thousand (in the country: RSD 10.612 thousand and abroad: RSD 5.682 thousand)

- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 581.147 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Sunnyville in the amount of RSD 394.798 thousand, based on the increase of value in inventories of intermediate production of commercial and residence complex “Sunnyville”,

- Energoprojekt Visokogradnja in the amount of RSD 115.465 thousand based on the increase in value of inventories of intermediate on the construction of residential and business building in Cara Nikolaja (finished in June 2016) and

- Energoprojekt Niskogradnja in the amount of RSD 59.370 thousand, based on production of crashed stone and sand for concrete production for Project Z-034 Puerto Bermudez Road, Peru.

- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 231.367 thousand relates, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 226.626 thousand, based mainly on sold property in Cara Nikolaja Str. in the amount of RSD 116.337 and in Herceg Novi in the amount of RSD 55.703 thousand and depreciation of inventory of the intermediate production in Cara Nikolaja Str. (reducing the cost price to net selling price), in the amount of RSD 43.035 and

- Energoprojekt Niskogradnja in the amount of RSD 4.741 thousand, based on decrease (use) of inventory of produced goods used for production of base, asphalt, concrete fractions for Project Z-030 Hydropower plant in Chancay, Peru.

13. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Material costs:		
a) Costs of materials used in production	2,839,787	3,141,987
b) Costs of other materials (overheads)	185,152	157,894
c) Costs of spare parts	120,978	155,529
d) Costs of one-off write-off of tools and inventory	33,306	24,124
<i>Total</i>	<i>3,179,223</i>	<i>3,479,534</i>
Fuels and energy costs:		
a) Fuel costs	337,810	595,680
b) Costs of electrical energy and heating	102,312	100,109
<i>Total</i>	<i>440,122</i>	<i>695,789</i>
TOTAL	3,619,345	4,175,323

- **Cost of materials used in production** in the amount of RSD 2.839.787 thousand relate, mainly, to the following companies of the Energoprojekt Group:
 - Energoprojekt Visokogradnja, in the amount of RSD 1.664.842 thousand, out of which costs incurred in Projects realized abroad: "Z-096 Forte bank", Astana (RSD 1.202.889 thousand), "Z-088 Hotel Hyatt", Rostov (RSD 16.868 thousand), "Z-101" Underground Parking Garage 2 Siktivkar (RSD 15.971 thousand), as well as within Energoprojekt Ghana Ltd., Accra, Ghana (RSD 177.180 thousand), meanwhile the most significant part of costs locally are related to projects "Belgrade Waterfront": RSD 174.860 thousand, and Sunnyville RSD 34.163 thousand;
 - Energoprojekt Niskogradnja, in the amount of RSD 559.594 thousand, out of which costs incurred in projects realized abroad: RSD 200.708 (mainly in Peru: RSD 199.692 thousand), meanwhile the projects in the country amount to RSD 358.886 thousand,
 - Energoprojekt Oprema, in the amount of RSD 254.434 thousand, mainly on projects "Rwanda": RSD 103.968 thousand, "DV Pancevo - Romanian border": RSD 61.567 thousand, "Tunnel Sarani": RSD 22.741 thousand, and
 - Energoprojekt Sunnyville in the amount of RSD 172.916 thousand, based on construction of commercial and residence complex "Sunnyville",
- The largest shares in **costs of other materials (overhead)** amounting to RSD 185.152 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 136.716 thousand (abroad: RSD 133.009 thousand, in the country: RSD 3.707 thousand), Energoprojekt Entel, in the amount of RSD 22.404 thousand, Energoprojekt Visokogradnja in the amount of RSD 9.392 thousand and Energoprojekt Hidroinzenjering in the amount of RSD 5.757 thousand.
- **Costs of spare parts** in the amount of RSD 120.978 thousand relate, dominantnly, to Energoprojekt Niskogradnja in the amount of RSD 102.327 thousand (abroad: RSD 77.818 thousand, in the country: RSD 24.509 thousand).
- **Costs of one-off write-off of tools and inventory** in the amount of RSD 33.306 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 15.718 thousand and Energoprojekt Visokogradnja in the amount of RSD 14.452 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 440.122 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 287.810 thousand, which were predominantly incurred abroad.

14. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Expenses of wages and fringe benefits (gross)	3,682,260	3,621,271
Taxes and contributions on wages and contributions on wages payable by employer	386,526	373,983
Service agreements contributions	5,934	7,837
Copyright agreements contributions	11,695	14,868
Costs of contributions for contract fees for temporary and periodical engagement	48,433	79,288
Considerations to physical persons based on other agreements	34,151	33,881
Considerations to General Manager and/or Management and Supervisory Board members	13,998	11,893
Other personnel expenses and fringe benefits	368,873	356,093
TOTAL	4,551,870	4,499,114

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 4.068.786 thousand relate primarily to Energoprojekt Entel in the amount of RSD 1.573.711 thousand, Energoprojekt Niskogradnja in the amount of RSD 893.486 thousand, Energoprojekt Visokogradnja in the amount of RSD 868.011 thousand, Energoprojekt Oprema in the amount of RSD 204.298 thousand and Energoprojekt Hidroinzenjering in the amount of RSD 185.018 thousand.

- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 48.433 thousand were predominantly incurred in Energoprojekt Niskogradnja in the amount of RSD 34.823 thousand (in the country: RSD 4.733 thousand, abroad: RSD 30.090 thousand) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works.

- **Other personnel expenses and fringe benefits** amounting to RSD 368.873 thousand predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 179.186 thousand (abroad: RSD 142.716 thousand based on catering on the site of works, transportation and other personnel related costs in the projects realized abroad: RSD 118.598 thousand and expenses within Energoprojekt Ghana, Accra, Ghana: RSD 24.118 thousand, meanwhile in the country: RSD 36.470 thousand, mainly on redundancy payment in the amount of RSD 20.930 thousand).

Other personnel expenses include the costs of business trips, costs for transportation to and from site of works, solidarity fund allowances, scholarship allowances and other compensations. In addition to Energoprojekt Visokogradnja, a significant share in other personnel expenses was incurred in Energoprojekt Niskogradnja amounting to RSD 92.617 thousand, Energoprojekt Entel in the amount of RSD 31.762 thousand, Energoprojekt Hidroinzenjering in the amount of RSD 20.589 thousand, Energoprojekt Oprema in the amount of RSD 19.779 thousand and Energoprojekt Urbanizam i Arhitektura in the amount of RSD 10.063 thousand.

15. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01/-30/06/15</i>
Production service cost	3,852,301	4,575,828
Transportation services' costs	235,505	242,791
Repairs and maintenance services' costs	93,488	97,085
Rental costs	418,926	488,890
Trade fairs' costs	130	7,692
Advertising costs	17,219	5,767
Research costs	4,232	2,343
Costs of other services	88,843	119,017
TOTAL	4,710,644	5,539,413

• **Production service costs** in the amount of RSD 3.852.301 thousand are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1.836.157 thousand for the costs based on subcontracting agreements in the country amounting to RSD 1.738.000 thousand and abroad (in Uganda and Peru) amounting to RSD 98.157 thousand. Decreased production service costs referring to last year comparative period, mostly came as a result of reduced realization of works on the new as well as on the existing projects,

- Energoprojekt Visokogradnja in the amount of RSD 1.072.459 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 94.879 thousand (on projects "Belgrade Waterfront" and "Cara Nikolaja Street") and abroad, in the amount of RSD 977.580 thousand (mainly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 668.421 thousand and on project "Z-096 Forte bank", Astana: RSD 304.026 thousand), and

- Energoprojekt Oprema in the amount of RSD 736.256 thousand comprise of the subcontractors' costs and consortium partners' costs in a number of projects in the country: RSD 449.868 thousand (primarily "DV Pancevo - Romanian border", "Prokop" and "Tunnel Sarani") and abroad: RSD 286.388 thousand.

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 235.505 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 134.717 thousand, Energoprojekt Visokogradnja in the amount of RSD 48.912 thousand and Energoprojekt Niskogradnja in the amount of RSD 33.061 thousand.

• **Repair and maintenance services' costs** amounting to RSD 93.488 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 46.973 thousand, in Energoprojekt Entel in the amount of RSD 15.856 thousand and in Energoprojekt Visokogradnja in the amount of RSD 10.141 thousand. These costs were predominantly incurred for regular equipment maintenance.

• **Rental costs** amount to RSD 418.926 thousand and are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 257.478 thousand, recorded primarily for the rent of apartments and office premises in the Companies of this Group abroad;
 - Energoprojekt Niskogradnja in the amount of RSD 95.043 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 60.058 thousand (in Peru and Uganda) and in the country in the amount of RSD 34.985 thousand where the rent of large machinery for the projects realized in Peru and Uganda; and
 - Energoprojekt Visokogradnja in the amount of RSD 56.022 thousand are predominantly related to the rental costs of apartments and machinery abroad, amounting to RSD 50.701 thousand (predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 26.090 thousand, as well as on projects Z-096 Forte bank Astana: RSD 18.633 thousand and Z-088 Hotel Hyatt, Rostov: RSD 4.167 thousand).
- **Advertising costs** amounting to RSD 17.219 thousand relate predominantly to Energoprojekt Oprema, in the amount of RSD 5.110 thousand (based mainly on the sponsorship expenses for Serbian Water Polo Association: RSD 3.282 thousand), Energoprojekt Holding in the amount of RSD 4.569 thousand (based on the sponsorship expenses for Serbian Water Polo Association, advertising costs on billboards, media presentations, etc.) and to Energoprojekt Garant in the amount of RSD 3.441 thousand (based on promotional and advertising costs for media presentations).
 - **Costs of other services** in the amount of RSD 88.843 thousand were primarily incurred in the following Companies of the Energoprojekt Group:
 - Energoprojekt Niskogradnja in the amount of RSD 36.203 thousand, primarily based on the construction sites' security costs, geotechnical elaboration costs, utility services' costs, costs of licenses, legalization costs, personal protection at work, registration of vehicles, etc.;
 - Energoprojekt Visokogradnja in the amount of RSD 17.264 thousand primarily based on the costs of personal protection at work, registration of vehicles, photocopying costs, etc.;
 - Energoprojekt Energodata in the amount of RSD 13.074 thousand, primarily based on the costs incurred for ATM maintenance, graphic design and printing services, hardware services, etc.;
 - Energoprojekt Hidroinzenjering in the amount of RSD 8.063 thousand, primarily based on the costs of licenses, photocopying costs, costs of personal protection at work, motor vehicles' registration, and
 - Energoprojekt Holding in the amount of RSD 5.234 thousand, primarily based on the costs incurred costs of personal protection at work, motor vehicles' registration, costs of licenses and photocopying costs.

16. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 24)	9.981	7.799
b) Depreciation of property, plant and equipment (Note 25)	375.973	360.642
<i>Total</i>	<i>385.954</i>	<i>368.441</i>
Provisions expenses		
a) Warranty period provisions' expenses	34.621	
b) Provisions for contributions and other personnel benefits	18.441	29.028
c) Other long-term provisions	67.261	15.828
<i>Total</i>	<i>120.323</i>	<i>44.856</i>
TOTAL	506.277	413.297

- **Depreciation expenses** for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at December 31, 2015, due to the fact that there were no significant changes which need valuation as at balance sheet date (Note 25).
- **Warranty period provision expenses** in the amount of RSD 34.621 thousand were performed within Energoprojekt Visokogradnja, for the Project Z-096 Forte bank Astana (Note 37).
- **Provisions for contributions and other personnel benefits** in the amount of RSD 18.441 thousand relate, in total, to Energoprojekt Entel (based on redundancy payment for personnel abroad, within Energoprojekt Entel Ltd, Doha, Qatar).
- **Other provisions** in the amount of RSD 67.261 thousand relate in their entirety to Energoprojekt Garant Company based on share in damage compensation amounting to RSD 36.701 thousand, provisions for damage compensation in the amount of RSD 24.034 thousand, provisions for activities on various risks' prevention amounting to RSD 5.981 thousand and other provisions in the amount of RSD 545 thousand.

17. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Intangible expenses	252,989	401,116
Expense account	30,988	28,796
Insurance premiums expenses	112,927	116,118
Payment operations' expenses	205,355	169,482
Membership fee expenses	5,239	4,824
Tax duties	585,401	129,848
Contribution expenses	1,030	3,306
Other non-operating expenses	77,891	91,370
TOTAL	1,271,820	944,860

- **Intangible expenses** in the amount of RSD 252.989 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs) consist primarily of the costs of Energoprojekt Entel amounting to RSD 10.256 thousand, Energoprojekt Niskogradnja amounting to RSD 83.059 thousand and Energoprojekt Visokogradnja ithe amount of RSD 27.059 thousand.

- **Insurance premium expenses** amounting to RSD 112.927 thousand were incurred based on the insurance of works, property and persons, primarily in Energoprojekt Entel in the amount of RSD 55.999 thousand, in Energoprojekt Niskogradnja in the amount of RSD 38.975 thousand, in Energoprojekt Visokogradnja in the amount of RSD 9.153 thousand and Energoprojekt Hidroinzenjering, inthe amount of RSD 5.353 thousand.

- **Payment operation expenses** in the amount of RSD 205.355 thousand predominantly relate to Energoprojekt Visokogradnja amounting to RSD 76.252 thousand (in the country: RSD 11.870 thousand and abroad: RSD 64.382 thousand), Energoprojekt Niskogradnja amounting to RSD 58.966 thousand (most of which pertain to the bank fee costs for guarantees provided, in the country: RSD 31.521 thousand and abroad (Uganda and Peru): RSD 22.513 thousand, Energoprojekt Oprema amounting RSD 32.074 thousand, Energoprojekt Entel amounting RSD 21.690 thousand, and Energoprojekt Hidroinzenjering amounting RSD 12.048 thousand.

- **Tax duties** in the amount of RSD 585.401 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 333.753 thousand, mainly abroad: RSD 326.480 thousand, mostly on project "Z-096 Forte bank", Astana: RSD 232,222 thousand (based on calculated income tax for 2016);

- Energoprojekt Sunnyville in the amount of RSD 144.017 thousand based on property tax and contributions for construction site developing;

- Energoprojekt Entel in the amount of RSD 65.187 thousand, abroad: RSD 63.972 thousand, dominantly within Energoprojekt Entel Ltd, Doha, Qatar: RSD 59.799 thousand) and in the country: RSD 1.215 thousand; and

- Energoprojekt Holding in the amount of RSD 13.059 thousand, dominantly based on property tax: RSD 12.718 thousand.

Increase of tax duties comparing to the last year comparable period, in the amount of RSD 455.553 thousand, dominantly came as a result of increase within Energoprojekt Visokogradnja, in the amount of RSD 277.310 thousand (based on calculated income tax on project "Z-096 Forte bank", Astana, in 2016) and Energoprojekt Sunnyville in the amount of RSD 139.737 thousand (based on property tax and contribution for construction site developing).

- Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, etc.) amounting to the total of RSD 77.891 thousand consist primarily to the costs incurred by Energoprojekt Visokogradnja in the amount of RSD 30.813 thousand, Energoprojekt Entel in the amount of RSD 23.976 thousand, Energoprojekt Oprema in the amount of RSD 6.524 thousand and Energoprojekt Niskogradnja in the amount of RSD 6.517 thousand.

18. FINANCIAL INCOME AND FINANCIAL EXPENSE

18.1. Financial Income

Structure of financial income	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Financial income from other related companies	23,064	7,861
Financial income from the profit of affiliated companies and joint ventures	48,122	69,983
Other financial income:		
a) Income from dividends	2,506	4,904
b) Other financial income	68,645	6,718
<i>Total</i>	<i>71,151</i>	<i>11,622</i>
<i>Total financial income from related companies and other financial income</i>	<i>142,337</i>	<i>89,466</i>
Interest income (third party)	80,575	52,161
Exchange rate gains and positive currency clause effects (third party)	442,314	1,265,417
TOTAL	665,226	1,407,044

- **Interest income (third party)** in the amount of RSD 80.575 thousand consists primarily of the interest income of Energoprojekt Niskogradnja in the amount of RSD 45.584 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 24.335 thousand (Project "Z-017" Kawempe-Kafu) and interest income of the principal credit of the Surco Municipality in Peru, as starting from the day of the court decision for damage compensation demand in favor of the Company: RSD 19.993 thousand. Significant share in interest income (third parties) in reported period gained also Energoprojekt Garant, in the amount of RSD 10.098 thousand, mainly based on coupon bonds: RSD 6.172 thousand and interest rate based on

fixed-term deposit: RSD 3470 thousand), Energoprojekt Oprema, in the amount of RSD 8.876 thousand, Energoprojekt Visokogradnja, in the amount of RSD 7.881 thousand and Energoprojekt Entel in the amount of RSD 6.308 thousand, mainly based on short term deposits with commercial banks.

- **Exchange rate gains and positive currency clauses effects (third party) are presented in Note 18.2.**

18.2. Financial Expense

Structure of financial expense	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Financial expenses from transactions with other related company	3,121	2,834
Financial expense from the losses of affiliated companies and joint ventures	11,485	172
Other financial expenses	498	191
<i>Total financial expenses from related parties and other financial expenses</i>	<i>15,104</i>	<i>3,197</i>
Interest expenses (third party)	121,698	164,626
Exchange rate losses and negative currency clause effects (third party)	486,795	1,326,875
TOTAL	623,597	1,494,698

- **Financial expense from transactions with other related companies** in the amount of RSD 3.121 thousand comprise of the affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the negative FX differences and expenses incurred from the effects of FX clauses recorded in Energoprojekt Oprema.
- **Financial expenses from losses of affiliated companies and joint ventures** in the amount of RSD 11.485 thousand relate to net result of the affiliated company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 10.533 thousand (40,00%) and closed investment fund Fima See Activist Plc., in the amount of RSD 952 thousand (28,70%), which were included by applying the equity method in consolidated financial statements of Energoprojekt Group (Energo Nigeria Ltd., Lagos, Nigeria was included in consolidated financial statements of related company Energoprojekt Oprema by the primary consolidation).
- **Interest expense (third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions. Interest expenses in the amount of RSD 121.698 thousand relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 61.524 thousand (in the country: RSD 41.482 thousand and abroad: RSD 20.042 thousand, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 6.958 thousand and other projects abroad: RSD 13.084 thousand), Energoprojekt Niskogradnja in the amount of RSD 39.767 thousand (in the country: RSD 23.194 thousand and abroad: RSD 16.573 thousand) and Energoprojekt Holding in the amount of RSD 10.922 thousand, (based on credit loans with commercial banks in the country) .

- **Exchange rate losses and negative currency clause effects** amount to RSD 486.795 thousand, and gains from FX differences and income from the effects of FX clauses amount to RSD 442.314 thousand, so that in the reporting period net negative FX differences and expenses from the effect of FX clauses were booked in the amount of RSD 44.481 which primarily consist of the expenses incurred by the Energoprojekt Niskogradnja in the amount of RSD 35.921 thousand, due to the money assets and liabilities denominated in foreign currencies, as a result of business activities abroad, as well as FX differences. Furthermore, projects in the country (such as “Tunnel Sarani” and “Lajkovac-Ljig” Project) were agreed with FX clauses.

From the beginning of the year until June 30, 2016, RSD was depreciated to EUR by 1,39% (in 2015, by June 30 it appreciated by 0,55%) and to USD was appreciated by 0,16% (in 2015, by June 30: 8,31% was depreciated from the beginning of the year).

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

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

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Income from value adjustment of long-term financial investments and securities available for sale	16,215	133
Income from value adjustment of receivables and short-term financial investments		4,107
TOTAL	16,215	4,240

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 16.215 thousand relate, mostly, to Energoprojekt Garant in the amount of RSD 16.175 thousand based on adjustment of fair value of old foreign currency savings bonds (mainly coupon bonds: RSD 15.992 thousand).

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

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Expenses from value adjustment of long-term financial investments and securities available for sale	108	
Expenses from value adjustment of receivables and short-term financial investments	188	13,047
TOTAL	296	13,047

- **Expenses from value adjustment of other assets disclosed at fair value through the Income Statement** in the amount of RSD 296 thousand relate completely to Energoprojekt Garant based on value depreciation of one serie of the coupon bonds: RSD 108 thousand and value adjustment of liabilities older than 90 days, pursuant to the Law on Insurance, in the amount of RSD 188 thousand.

20. OTHER INCOME AND OTHER EXPENSE

20.1. Other Income

Structure of other income	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Income from disposal of intangible assets, property, plant and equipment	9.438	939
Income from disposal of materials	12.072	22
Surpluses	485	
Collected written-off receivables	16.435	28.153
Income from the effects of agreed risk protection that cannot be posted in other comprehensive result	123	147
Income from reduction of liabilities	97.929	1.418
Income from release of long-term and short-term provisions		308
Other income not posted elsewhere	42.128	42.657
Income from value adjustment of property, plant and equipment	12	
TOTAL	178.622	73.644

- **Income from disposal of intangibles assets, property, plant and equipment** in the amount of RSD 9.438 thousand relate mostly to Energoprojekt Entel in the amount of RSD 5.912 thousand, and Energoporjekt Visokogradnja in the amount of RSD 2.420 thousand.

- **Income from disposal of materials** in the amount of RSD 12.072 thousand relate completely to Energoprojekt Visokogradnja, mostly for projects Z-088 Hotel Hyatt Rostov: RSD 4.522 thousand, Z-100 Underground Parking Garage Siktivkar: RSD 3.448 thousand and Z-101 Underground Parking Garage Siktivkar 2: RSD 2.916 thousand

- **Collected written-off receivables** in the amount of RSD 16.435 thousand relate mostly to Energoprojekt Oprema in the amount of RSD 16.431 thousand (Project "Bor").

- **Income from reduction of liabilities** in the amount of RSD 97.929 thousand relate mostly to Energoprojekt Visokogradnja in the amount of RSD 94.416 thousand, mainly based on suspension of precalculated liabilities for tax on salaries abroad (pursunat to legislation valid in 2015), in the amount of RSD 82.662 thousand, as well as based on reduction of liabilities to the old owners of Cara Nikolaja Street building, in the amount of RSD 11.374 thousand.

- **Other income not posted elsewhere** in the amount of RSD 42.128 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 35.132 thousand, in the country: RSD 18.698

thousand (mostly based on the release of provisions for overstated financial statements in other functional currency in relation to the reporting currency of the completed projects realized abroad that were accounted for, in compliance with IAS 21: RSD 17.933 thousand) and abroad RSD 16.434 thousand, and

- Energoprojekt Niskogradnja in the amount of RSD 2.314 thousand, comprising primarily of the income from the collection of damage compensation from insurance companies based on equipment destruction in the amount of RSD 1.642 thousand and based on the sales of secondary raw materials (scrap iron) in the amount of RSD 636 thousand.

20.2. Other Expense

Structure of other expense	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment	11,742	9,907
Losses incurred from the sales of materials	442	903
Shortages	538	94
Expenses from direct write-off of receivables	6,795	2,225
Other expenses not otherwise mentioned	50,203	148,881
Impairment of other assets		62
TOTAL	69,720	162,072

• **Losses from decommissioning and disposal of intangibles assets, property, plant and equipment** in the amount of RSD 11.742 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 9.851 thousand, based mainly on decommissioning of equipment on Project “Z-088 Hotel Hyatt Rostov” in the amount of RSD 9.707 thousand.

• **Expenses from direct write-off of receivables** in the amount of RSD 6.795 thousand relate, mostly, to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 3.626 thousand, based mainly on write-off receivables from investors on Project „Z-080 Hospital Aktau“: RSD 3.622 thousand, and

- Energoprojekt Niskogradnja in the amount of RSD 2.624 thousand, based on write-off of receivables from subcontractors on Project “Lot 1.1 Novi Sad”, which is under liquidation procedure.

• **Other expenses not otherwise mentioned** in the amount of RSD 50.203 thousand predominantly relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 19.098 thousand, predominantly based on scholarship expenses incurred in the companies abroad;

- Energoprojekt Niskogradnja in the amount of RSD 9.373 thousand, primarily based on penalties and breaches committed, in the amount of RSD 7.984 thousand (mostly abroad: RSD 7.611 thousand) and based on the costs of donations granted in the country, in the amount of RSD 445;

- Energoprojekt Hidroinzenjering in the amount of RSD 7.365 thousand, predominantly based on fullfilling of agreed liabilities for construction designing in Algeria, in the amount of RSD 4.515 thousand, and

- Energoprojekt Holding in the amount of RSD 6.126 thousand, primarily based on donations granted, in the amount of RSD 5.916 thousand.

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01/01-30/06/16</i>	<i>01/01-30/06/15</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		45,801
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	69,350	
TOTAL	(69,350)	45,801

- **Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year** in the amount of RSD 69.350 thousand came as a result of subsequently determined profit and/or loss from previous period in the amounts that are of no material significance and which were credited/debited to the current period, mainly within Energoprojekt Niskogradnja, primarily based on subcalculated income tax compared with the tax stated in the submitted tax return for 2015, in Uganda and correction of overcalculated income for the works performed in 2015, on Project "Tunnel Sarani".

22. PROFIT BEFORE TAX

Structure of gross result	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Operating income	14,552,640	16,128,439
Operating expenses	14,247,655	15,542,841
<i>Operating result</i>	<i>304,985</i>	<i>585,598</i>
Financial income	665,226	1,407,044
Financial expenses	623,597	1,494,698
<i>Financial result</i>	<i>41,629</i>	<i>(87,654)</i>
Income from value adjustment of other assets disclosed at fair value through income statement	16,215	4,240
Other revenues	178,622	73,644
Expenses from value adjustment of other assets disclosed at fair value through income statement	296	13,047
Other expenses	69,720	162,072
<i>Result of other revenues and expenses</i>	<i>124,821</i>	<i>(97,235)</i>
<i>Result from regular operations before tax</i>	<i>471,435</i>	<i>400,709</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		45,801
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	69,350	
TOTAL INCOME	15,412,703	17,659,168
TOTAL EXPENSES	15,010,618	17,212,658
PROFIT/LOSS BEFORE TAX	402,085	446,510

Total income of the Energoprojekt Group in the reporting year in the amount of RSD 402.085 thousand is a result of realized business profit in the amount of RSD 304.985 thousand (mainly within Energoprojekt Entel, Energoprojekt Niskogradnja, and Energoprojekt Oprema); and, on income made in other business activities, in the amount of RSD 55.471 thousand (mainly within Energoprojekt Visokogradnja as a result of suspension of liabilities based on precalculated tax for salaries abroad – Note 20.1), as well as financial income, in the amount of RSD 41.629 thousand.

23. EARNINGS PER SHARE

Indicator	In RSD thousand	
	01/01-30/06/16	01/01-30/06/15
Net-profit pertaining to parent company shareholders	316.129	280.799
Weighted average number of regular shares in the period	10.931.292	10.931.292
Profit per share (RSD)	28,92	25,69

BALANCE SHEET

24. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Development investments	Software and other rights	Intangible assets in progress	Total
Purchase value				
Balance as at December 31, 2015	4.945	196.171	1.011	202.127
New purchases		6.926		6.926
Disposal and decommissioning		(883)		(883)
Increase by transfer from investments in progress		1.011	(1.011)	
Other transfers (from)/to				
FX gains and losses		(66)		(66)
Other increase/(decrease)				
Balance as at June 30, 2016	4.945	203.159		208.104
Valuation adjustment				
Balance as at December 31, 2015	906	131.926		132.832
Depreciation	248	9.733		9.981
Disposal and decommissioning		(883)		(883)
FX gains and losses		(49)		(49)
Other increase/(decrease)				
Balance as at June 30, 2016	1.154	140.727		141.881
Net book value				
31.12.2015	4.039	64.245	1.011	69.295
30.06.2016	3.791	62.432		66.223

Software and other rights as at June 30, 2016 relate to various software used by the Energoprojekt Group for own purposes, which are depreciated in compliance with the relevant accounting policy.

25. PROPERTY, PLANT AND EQUIPMENT

In RSD thousand

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and investment property in progress	Other property, plant and equipment	Property, plant and equipment in progress	Investments in other property, plant and equipment	Advances for property, plant and equipment	Total
<i>Purchase value</i>									
Balance as at December 31, 2015	882.471	7.440.392	10.205.812	3.275.616	233.241	70.345	44.402	96.302	22.248.581
Purchase during the year		1.957	276.795		15.426	15.274	90.620	131	400.203
Increase by transfer from investments in progress			50.449		4.308	(4.308)		(50.449)	
Transfer to fixed assets held for sale			(1.371)						(1.371)
Other transfers from / (to)	(172.841)								(172.841)
Disposal and decommissioning			(93.035)		(3.538)				(96.573)
Profit/(loss) included in Report on Other Result (group 330)									
Profit/(loss) included in Income Statement									
FX gains and losses	(14)	(19.909)	(815)	68.392	4			635	48.293
Other increases / (decreases)			611			124			735
Balance as at June 30, 2016	709.616	7.422.440	10.438.446	3.344.008	249.441	81.435	135.022	46.619	22.427.027
<i>Valuation adjustment</i>									
Balance as at December 31, 2015		100.743	6.540.378		123.749		8.806		6.773.676
Correction of opening balance									
Depreciation		38.868	326.229		6.813		4.063		375.973
Disposal and decommissioning			(52.562)		(3.171)				(55.733)
Transfer to fixed assets held for sale			(1.076)						(1.076)
Other transfers from / (to)									
Impairment									
FX gains and losses		112	16						128
Other increases /decreases			18		(18)				
Balance as at June 30, 2016		139.723	6.813.003		127.373		12.869		7.092.968
<i>Net book value</i>									
Balance as at December 31, 2015	882.471	7.339.649	3.665.434	3.275.616	109.492	70.345	35.596	96.302	15.474.905
Balance as at June 30, 2016	709.616	7.282.717	3.625.443	3.344.008	122.068	81.435	122.153	46.619	15.334.059

• **Land**

Value of land of the Energoprojekt Group amounting to RSD 709.616 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517.609 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova), Energoprojekt Niskogradnja in the amount of RSD 98.048 (land in Peru and in the country – in Stara Pazova) and to the Energoprojekt Oprema Company in the amount of RSD 75.058 thousand (Sevino polje plot – in New Belgrade).

• **Buildings**

As at June 30, 2016, buildings were presented according to their revalorization value, in the amount of RSD 7.282.717 thousand. As at June 30, 2016, revalorization value was defined by fair value ultimate appraisal, reduced for subsequent accumulated depreciation. The last fair value appraisal of buildings was performed on December 31, 2014, by qualified valuers. Since the fair value result was insignificantly changed, there were no need to perform another fair value appraisal at balance sheet day, December 31, 2015, as well as on June 30, 2016. Instead, pursuant to the relevant provisions of IAS 16, it is necessary to perform revalorization process once in three to five years. Residual value useful life appraisal was performed on December 31, 2015 pursuant to IAS 16 provisions.

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

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

• **Plant and Equipment**

As at December 31, 2015, appraisal of the residual value and the remaining useful life of the equipment with significant accounting value were performed, pursuant to IAS 16.

In acquisitions of plant and equipment in the reporting period that amounted to RSD 276.795 thousand, the largest share belongs to Energoprojekt Visokogradnja, in the amount of RSD 117.470 thousand (in the country: RSD 58.006 thousand, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 51.073 thousand, in project Z-096 Forte Bank, Astana, Kazakhstan: RSD 8.391 thousand) Energoprojekt Niskogradnja in the amount of RSD 104.303 thousand (abroad – Uganda and Peru: RSD 74.486 thousand, and in the country: RSD 29.817 thousand), Energoplast in the amount of RSD 20.036 thousand and Energoprojekt Entel, in the amount of RSD 19.236 thousand (in the country: RSD 10.787 thousand and within companies abroad: RSD 8.449 thousand).

Of the total items in the reporting period, the amount of RSD 50.751 thousand relates entirely to equipment regulated by the Financial Lease Agreement, which is in its entirety related to Energoprojekt Niskogradnja.

Liabilities of the Energoprojekt Group based on the financial lease are explained in the Note 38.2.

- **Investment property** as at June 30, 2016, amount to RSD 3.344.008 thousand.

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

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

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

In the reporting period, the Energoprojekt Group generated income from the rent of investment property in the amount of RSD 38.851 thousand, and the main share of such amount relate to the income generated from the rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 13.009 thousand and from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 11.815 thousand (within Energoprojekt Zambia Limited, Zambia and Zambia Engineering and Contracting Company Limited, Zambia) and a part of office building „Cruz del Sur“ in Peru, in the amount of RSD 6.158 thousand (within Energoprojekt Niskogradnja).

Information on mortgages on the Energoprojekt Group properties is presented in detail in Note 45.

- **Advances paid for property, plant and equipment** in the amount of RSD 46.619 thousand relate mostly to the advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria, in the amount of RSD 46.488 thousand.

26. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Shares in affiliated companies and joint ventures	760,363	833,041
Shares in other companies and other available for sale	21,130	26,251
Other long-term financial investments	197,881	190,100
TOTAL	979,374	1,049,392

- **Shares in affiliated companies and joint ventures** in the amount of RSD 760.363 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Energoprojekt Nigeria Ltd., Lagos, Nigeria	250,096	376,574
Energoprojekt Ltd. Belgrade	439,127	408,093
Fima See Activist Plc., Belgrade	30,956	25,277
Enjub Ltd., Belgrade	40,184	23,097
TOTAL	760,363	833,041

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

Energoprojekt Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Capital	250.096	376.574
	<i>30/06/16</i>	<i>30/06/15</i>
Net profit (loss) of the current period	(10.533)	47.827

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

Energoprojekt Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Non-current assets	422,498	403,782
Operating assets	587,546	461,192
Assets	1,010,044	864,974
Liabilities	605,064	456,881
Capital	404,980	408,093
	<i>30/06/16</i>	<i>30/06/15</i>
Income	512,574	508,206
Net profit of the current period	31,035	22,156

Financial data pertaining to affiliate Fima See Activist, Plc. Belgrade on the 28,70% (27,93% as at December 31, 2015) equity share of Energoprojekt Holding in the affiliate is presented in the following table.

Fima See Activist Plc., Beograd	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Non-current assets		
Operating assets	31.058	25.386
Assets	31.058	25.386
Liabilities	102	109
Capital	30.956	25.277
	<i>30/06/16</i>	<i>30/06/15</i>
Income	6.490	
Net profit (loss) of the current period	(952)	

Closed Investment Fund Fima See Activist Plc. was included for the first time in consolidated financial statements of the Energoprojekt Group on December 31, 2015 (Note 2).

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

Enjub Ltd. Belgrade	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Non-current assets	128.978	128.978
Operating assets	139.326	118.894
Assets	268.304	247.872
Liabilities	228.120	224.775
Capital	40.184	23.097
	<i>30/06/16</i>	<i>30/06/15</i>
Income	22.589	4.384
Net profit (loss) of the current period	17.087	(171)

- **Shares in other companies and available for sale securities** in the amount of RSD 21.130 thousand are presented in the following table.

Shares in other companies and available for sale securities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Shares in other companies:		
a) Banks and financial organizations and other legal entities	21.115	26.236
b) Other securities available for sale	15	15
TOTAL	21.734	26.855

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

Share in banks, financial organizations and other legal entities in the amount of RSD 21.115 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 20.336 thousand (Jubmes banka Plc., Belgrade, Energo Broker Plc., Beograd and Dunav osiguranje Plc., Belgrade, Belgrade Stock Exchange and other).

- **Other long-term financial investments** in the amount of RSD 197.881 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Housing loans granted to employees	45,687	46,482
Deposits for bank guarantees	32,799	32,192
Other	119,395	111,426
TOTAL	197,881	190,100

- **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 45.687 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 26.662 thousand, Energoprojekt Oprema in the amount of RSD 10.994 thousand and Energoprojekt Niskogradnja in the amount of RSD 3.787 thousand.

- **Deposits for bank guarantees** in the amount of RSD 32.799 thousand relate mostly to Energoprojekt Entel in the amount of RSD 32.686 thousand (within Energoprojekt Entel LTD, Doha, Qatar: RSD 24.563 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 8.123 thousand).

- **Other long-term financial investments** in the amount of RSD 119.395 thousand relate to the following Companies of the Energoprojekt Group:

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

- Energoprojekt Entel in the amount of RSD 31.033 thousand, based mainly on the deposits for apartments abroad in the amount of RSD 8.232 (within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 4.366 thousand, Energoprojekt Entel LTD, Doha, Qatar: RSD 3.086 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 780 thousand) and based on deposits for working visas in the amount of RSD 15.876 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE).

27. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>21/12/15</i>
Receivables from other related companies	48,988	43,500
Other long-term receivables	852,560	784,204
TOTAL	901,548	827,704

- **Receivables from other related companies** in the amount of RSD 48.988 thousand relate to the receivables of Energoprojekt Oprema from its affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the long-term guarantee deposit in its projects abroad.

- **Other long-term receivables** in the amount of RSD 852.560 thousand comprise completely of the receivables of the Energoprojekt Entel Company based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term (within Energoprojekt Entel Ltd. Doha, Qatar: RSD 764.392 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 88.168 thousand).

28. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Material, parts, tools and small inventories	1,019,865	1,196,693
Work and services in progress	1,238,718	1,456,325
Finished products	700,345	132,958
Goods	58,310	77,372
Non-current assets held for sale	67,140	70,307
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related companies		125,149
b) Advances paid for material, parts and inventory	589,273	374,358
c) Advances paid for goods	2,067	7,945
d) Advances paid for services	2,235,623	2,017,124
<i>Total</i>	<i>2,826,963</i>	<i>2,524,576</i>
TOTAL	5,911,341	5,458,231

- **Material, parts, tools and small inventories** in the amount of RSD 1.019.865 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 626.407 thousand, out of which inventories abroad amount to RSD 460.357 thousand (Uganda: RSD 333.279 thousand, Peru: RSD 127.078 thousand), and inventories in the country amount to RSD 166.050 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 189.929 thousand, out of which inventories in the country amount to RSD 106.385 thousand (mainly on Project Belgrade Waterfront: RSD 42.012 thousand and Spare parts Store at Vozdovac: RSD 24.585 thousand), meanwhile inventories abroad amount to RSD 83.544 thousand (mainly on projects Z-096 Forte bank, Astana: RSD 41.191 thousand and Z-088 Hotel Hyatt, Rostov: RSD 21.870 thousand);

- Energoprojekt Oprema in the amount of RSD 116.952 thousand, out of which material inventories amount to RSD 108.349 thousand, and tools and small inventories amount to RSD 8.603 thousand,

- Energoplast in the amount of RSD 64.874 thousand, out of which material inventories amount to RSD 48.901 thousand, and parts inventories amount to RSD 15.973 thousand.

- **Work and services in progress** in the amount of RSD 1.238.718 thousand relate to following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 755.653 thousand, out of which work in progress abroad RSD 516.949 thousand (based on the works on the residential complex Sistet Bare in Herceg Novi, Montenegro); meanwhile in the country amounts to RSD 238.704 thousand (based on own investments in Belgrade, in Knez Danilova Street: RSD 79.686 thousand, in Bezanijska Kosa: RSD 48.375 thousand, in Vozdovac: RSD 25.937 thousand and in Bor, in Bor Shopping Mall: RSD 84.706 thousand),

- Energoprojekt Sunnyville in the amount of RSD 416.860 thousand, relate to production in progress based on construction of business and residential complex Sunnyville, and

- Energoprojekt Niskogradnja in the amount of RSD 66.205 thousand relate to production of crushed stone for upper level, crushed stone for filtering, concrete aggregate and material for lower level (filling) in projects abroad (Peru).

- **Finished products** in the amount of RSD 700.345 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 638.316 thousand relate mainly to the constructed property in Cara Nikolaja Str. in the amount of RSD 611.753 thousand and in Bezanijska Kosa in the amount of RSD 26.385 thousand, and

- Energoplast in the amount of RSD 62.029 thousand that relate to the finished plastic stoppers.

- The total value of **goods** in the amount of RSD 58.310 thousand primarily relate to Energoprojekt Niskogradnja in the amount of RSD 17.545 thousand (that almost entirely relate to the invoiced materials and spare part, for the projects realized in the country and abroad, in Peru and Uganda, which were not received until June 30, 2016 - Goods in Transit), Energoprojekt Entel, in the amount of RSD 21.115 thousand (for purchasing of pipes for EPS and their construction); and Energoplast in the amount of RSD 15.011 thousand (acquired finished stoppers for resale).

• **Non-current assets held for sale** amount to RSD 67.140 thousand, out of which the amount of RSD 50.688 thousand relate to Energoprojekt Niskogradnja; and RSD 16.452 thousand relate to Energoprojekt Energodata.

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

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

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

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

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

- In 2015 and 2016, in Energoprojekt Energodata, based on the management Decision, ATMs were reclassified and posted as fixed assets held for sale in the total amount of RSD 16.452 thousand.

• **Advances paid for inventories and services** in the amount of RSD 2.826.963 thousand mainly relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.364.852 thousand, mainly refer to advances paid abroad, within Energoprojekt Ghana Ltd, Accra, Ghana, in the amount of RSD 1.334.672 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 725.399 thousand, mainly for advance payments made for services provided by subcontractors in the country (dominantlz, project Lajkovac -Ljig) and

- Energoprojekt Oprema in the amount of RSD 703.831 thousand out of which for advances paid for projects in the country amount to RSD 503.647 thousand, and abroad amount to RSD 200.184 thousand.

Collateral for advances paid are disclosed in Note 45.

29. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Local buyers - other related companies	3,599	4,141
Foreign buyers - other related companies	961,450	826,804
Local buyers	2,261,049	2,373,683
Foreign buyers	6,147,873	6,546,725
Other receivables from sales	209	
TOTAL	9,374,180	9,751,353

- **Local buyers - other related companies** in the amount of RSD 3.599 thousand relate entirely to the receivables from joint venture Enjub Ltd. in the amount of RSD 2.123 mainly in Energoprojekt Visokogradnja.

- **Foreign buyers– other related companies** in the amount of RSD 961.450 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, primarily in Energoprojekt Oprema in the amount of RSD 936.788 thousand and Energoprojekt Hidroinzenjering, in the amount of RSD 24.662 thousand.

- **Local buyers** amounting to RSD 2.261.049 thousand and relate primarily to the receivables of Energoprojekt Niskogradnja: RSD 1.451.878 thousand and to those of Energoprojekt Oprema: RSD 292.659 thousand, Energoplast in the amount of RSD 145.718 thousand and Energoprojekt Visokogradnja in the amount of RSD 138.479 thousand.

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

Structure of local buyers	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
China Shandong Intern.E&T org. Belgrade	716.491	438.256
AzVirt, Belgrade	406.969	319.625
RZD International	208.514	467.801
PC EPS/Kolubara Pestan	48.450	25.958
West Construction Ltd.	21.712	7.456
PC City Construction Novi Sad	7.480	68.957
Other	42.262	60.806
Total	1.451.878	1.388.859

- **Foreign buyers** in the amount of RSD 6.147.873 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 2.763.992 thousand, Energoprojekt Visokogradnja in the amount of RSD 1.570.570 thousand and Energoprojekt Entel in the amount of RSD 1.361.621 thousand.

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

Structure of foreign buyers	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority, Uganda, Z-017 i Z-027	1.862.461	2.025.501
Ministry of Works and Transport, Z-010	496.294	499.293
Kampala Capital City Authority	36.454	189.973
The Civil Aviation Authority, Z-032 i Z-033	50.074	108.717
<i>Total Uganda</i>	<i>2.445.283</i>	<i>2.823.484</i>
<i>Peru:</i>		
Empresa de Generacion Electrica Rio Banos SAC Z-030	123.781	176.192
Consorcio Pericos San Ignacio, Peru, Z-023	69.828	70.265
Sindicato Energetico SA Z-030	42.613	69.192
Consorcio Vial San Alejandro Z-034	18.100	34.716
Conalvias	21.924	19.978
Other	42.201	86.613
<i>Total Peru</i>	<i>318.447</i>	<i>456.956</i>
<i>Other foreign buyers</i>	<i>262</i>	<i>262</i>
TOTAL	<i>2.763.992</i>	<i>3.280.702</i>
<i>Energoprojekt Visokogradnja:</i>		
Accent Development Solutions, Z-096	718.569	744.542
Cargo center Ghana (within Energoprojekt Ghana Ltd)	587.099	355.843
Prombistroi, Z-092	10.079	8.790
Schlumberger Logeco, Astrahan, Russia, Z-091	6.002	17.734
Stojgazkonsalting, Uhta, Rusija, Z-085	5.542	257.625
MKC-RosEvroDevelopment, Z-088	3.448	3.007
Other	239.831	112.317
TOTAL	<i>1.570.570</i>	<i>1.499.858</i>
<i>Energoprojekt Entel:</i>		
Within Energoprojekt Entel L.L.C., Doha, Qatar	756.157	816.034
Within Energoconsult L.L.C., Abu Dhabi, UAE	479.283	274.953
Within Energoprojekt Entel L.L.C., Muskat, Sultanate of Oman	126.181	191.690
TOTAL	<i>1.361.621</i>	<i>1.282.677</i>

30. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Receivables from special transactions from other related companies	87,438	76,032
Receivables from special transactions from other companies	51,009	4,136
TOTAL	138,447	80,168

- **Receivables from special transactions from other related companies** in the amount of RSD 87.438 thousand relate to Energoprojekt Oprema in the amount of RSD 85.537 thousand, based on the expenses passed through to the affiliated company Energo Nigeria Ltd., Lagos, Nigeria and to Energoprojekt Holding in the amount of RSD 1.901 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

- **Receivables from special transactions from other companies** in the amount of RSD 51.009 thousand relate predominantly to Energoprojekt Entel, in the amount of RSD 46.687 thousand (within Energoprojekt Entel LTD, Doha, Qatar).

31. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Interest and dividend receivables:		
a) Interest and dividend receivable from affiliated companies	52.167	46.372
b) Interest agreed and default interest receivable from other companies		56
<i>Total</i>	<i>52.167</i>	<i>46.428</i>
Receivables from employees	25.903	24.705
Receivables from state institutions and organizations	187	
Receivables for overpaid income tax	181.740	87.870
Receivables in respect of prepaid other taxes and contributions	15.591	11.192
Receivables for fringe benefits' returns	7.585	9.329
Receivables for damage compensation	1.611	2.141
Other short-term receivables	340.802	312.064
TOTAL	625.586	493.729

- **Interest and dividend receivables from other affiliated companies** in the amount of RSD 52.167 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.

- **Receivables from employees** in the amount of RSD 25.903 thousand relate predominantly to unjustifiably paid advance payments to employees leaving to work in foreign countries and to loans

granted to employees, and specifically Energoprojekt Niskogradnja, in the amount of RSD 6.547 thousand, Zambia Engineering and Contracting Company Limited, in the amount of RSD 5.002 thousand, Energoprojekt Visokogradnja in the amount of RSD 4.558 thousand, Energoprojekt Oprema, in the amount of RSD 4.215 thousand and Energoprojekt Energodata, in the amount of RSD 3.913 thousand.

- **Receivables for overpaid income tax** in the amount of RSD 181.740 thousand predominantly refer to Energoprojekt Niskogradnja, in the amount of RSD 83.358 thousand, Energoprojekt Oprema in the amount of RSD 33.361 thousand, Energoprojekt Entel in the amount of RSD 21.514 thousand, Energoprojekt Visokogradnja in the amount of RSD 18.016 thousand and Energoprojekt Holding in the amount of RSD 17.157 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 15.591 thousand and predominantly refer to Zambia Engineering and Contracting Company Limited, in the amount of RSD 6.219 thousand, Energoprojekt Visokogradnja in the amount of RSD 6.036 thousand (mostly within the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 6.003 thousand), Energoprojekt Hidroinzenjering in the amount of RSD 1.827 thousand and Energoprojekt Industrija in the amount of RSD 1.482 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 7.585 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 4.044 thousand, Energoprojekt Holding in the amount of RSD 898 thousand and Energoprojekt Hidroinzenjering in the amount of RSD 657 thousand and Energoprojekt Energodata in the amount of RSD 542 thousand.

- **Other short-term receivables** amounting to RSD 340.802 thousand and predominantly relate to the following companies of Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 251.458 thousand, mainly based on the receivables from Tax Administration for overpaid income tax in Peru and Uganda: RSD 192.790 thousand, receivables for overpaid VAT in Uganda, for June 2016 in the amount of RSD 34.437 thousand and to the receivables for the externally granted loans to Consortiums in Peru for payment of joint liabilities on the project: RSD 22.356 thousand, and

- Energoprojekt Hidroinzenjering, in the amount of RSD 56.383 thousand, mostly based on receivables from partners in Consortium on the project Yaraskay - Peru for the works finished.

32. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH INCOME STATEMENT

Structure of financial assets assessed at fair value through Income Statement	In RSD thousand	
	30/06/16	31/12/15
Shares	1,359	1,359
Bonds	336,171	332,400
TOTAL	337,530	333,759

Financial assets assessed at fair value through Income statement relate entirely to the shares and bonds of Energo Garant, say: 45 shares of Belgrade Stock Exchange, total value of RSD 1.359 thousand, and 2.661 foreign currency coupon bonds, in the amount of RSD 336.171 thousand.

Valuation adjustment of financial assets assessed at fair value through Income statement is performed for foreign currency coupon bonds based on data obtained from the secondary market for such assets and by applying the foreign exchange rate, as at balance sheet day.

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Short-term loans and investments - other related companies	164,669	162,419
Short-term international credits and loans	18,846	16,549
Portion of long-term financial investments with maturity date up to one year:		
a) Portion of long-term financial investments in other legal entities with maturity date up to one year	770	949
<i>Total</i>	<i>770</i>	<i>949</i>
Securities held to maturity - portion with maturity date up to one year		9,569
Other short-term financial investments:		
a) Short term deposits	1,446,528	1,593,710
b) Other short-term financial investments	6,432	6,300
<i>Total</i>	<i>1,452,960</i>	<i>1,600,010</i>
TOTAL	1,637,245	1,789,496

- **Short-term loans and investments - other related companies** in the amount of RSD 164.669 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

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

- **Short-term international credits and loans** in the amount of RSD 18.846 thousand relate entirely to Energoprojekt Visokogradnja, primarily to the loan granted to subcontractor, Tandem Inter company, in the amount of RSD 9.097 thousand and Bon Apetit company, in the amount of RSD 8.763 thousand, to complete the work on Project Z-088 Hotel Hyatt Rostov, Russia, for which those subcontractors were hired, within agreed deadline.

- **Short term deposits** in the amount of RSD 1.446.528 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 1.100.245 thousand relate to the deposits with

international and domestic commercial banks, abroad within Energoprojekt Entel Qatar: RSD 865.802 thousand, with interest rate of 1,18% quarterly and Energo Consult LLC Abu Dhabi, UAE: RSD 185.900 thousand, with interest rate of 1,42% annually, and in the country: RSD 48.543 thousand, with Beonia rate reduced for 200 b.p. annually;

- Energoprojekt Garant in the amount of RSD 346.283 thousand relate to the foreign currencies deposits in EUR and USD with the domestic commercial banks with interest rate ranging from 1,00 % to 1,85 % annually.

- **Other short term financial investments** in the amount of RSD 6.432 thousand, relate, mainly, to Energoprojekt Niskogradnja in the amount of RSD 6.265 thousand, out of which the biggest share, in the amount of RSD 5.994 thousand relate to working licences for personnel non-citizens of Republic of Uganda.

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Current (business) account	105,614	145,321
Earmarked cash and letters of credit	25,003	5
Petty cash	954	667
Foreign currency account	2,772,832	3,067,170
Letters of credit in foreign currencies		366
Foreign currency petty cash	114,417	132,158
Other cash:		
a) Short term deposits	560,237	887,484
b) Other cash	606,915	525,124
<i>Total</i>	<i>1,167,152</i>	<i>1,412,608</i>
Value-impaired or restricted cash	23,030	42,078
TOTAL	4,209,002	4,800,373

- **Current (business) account** of the Energoprojekt Group in the amount of RSD 105.614 thousand predominantly refer to the current accounts of the Energoprojekt Oprema in the amount of RSD 41.736 thousand, Energoprojekt Holding in the amount of RSD 29.680 thousand and Energoprojekt Sunnyville in the amount of RSD 14.460 thousand.

- **Foreign currency account** in the amount of RSD 2.772.832 thousand predominantly refer to the foreign currency accounts of the Energoprojekt Visokogradnja in the amount of RSD 980.457 thousand (in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 445.315 thousand), Energoprojekt Entel in the amount of RSD 725.157 thousand, Energoprojekt Oprema in the amount of RSD 505.093 thousand, Energoprojekt Niskogradnja in the amount of RSD 305.788 thousand and Energoprojekt Hidroinzenjering in the amount of RSD 109.381 thousand.

- **Foreign currency petty cash** in the amount of RSD 114.417 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 77.840 thousand, Energoprojekt Niskogradnja in the amount of RSD 21.555 thousand and Energoprojekt Hidroinzenjering in the amount of RSD 8.054 thousand.

- **Short term deposits** in the amount of RSD 560.237 thousand relate to the term deposits predominantly within Energoprojekt Oprema in the amount of RSD 336.259 thousand, Energoprojekt Visokogradnja in the amount of RSD 102.233 thousand and Energoprojekt Holding in the amount of RSD 98.661 thousand.
- **Other cash** in the amount of RSD 606.915 thousand refer predominantly to Energoprojekt Visokogradnja in the amount of RSD 602.933 thousand (predominantly to the collaterals provided for the projects of the Energoprojekt Ghana Ltd., Accra, Ghana, in the amount of RSD 602.125 thousand).
- **Value-impaired or restricted cash** in the amount of RSD 23.030 thousand relate entirely to Energoprojekt Hidroinzenjering based on bank deposits serving as collaterals for guarantees' issuing for the projects abroad (Ourkiss, Alto Piura, Yarascay and Machu Picchu). Cash will be available upon the release of the guarantees in question.

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of value added tax	<i>in RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Value added tax	220,028	112,663
TOTAL	220,028	112,663

- **Value added tax** in the amount of RSD 220.028 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Visokogradnja in the amount of RSD 115.606 thousand, Energoprojekt Oprema in the amount of RSD 36.977 thousand and Energoprojekt Niskogradnja in the amount of RSD 35.263 thousand.

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income	In RSD thousand	
	30/06/16	31/12/15
Prepayments:		
a) Prepaid costs - other related legal entities	790	
b) Prepaid subscriptions for professional publications	548	1.629
c) Prepaid rent	218.173	290.006
d) Prepaid insurance premiums	15.685	26.129
e) Prepaid advertizing and marketing expenses	11	
f) Other prepaid expenses	71.847	53.042
<i>Total</i>	<i>307.054</i>	<i>370.806</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other related legal entities	121.338	
b) Receivables for accrued non-invoiced income - other legal entities	3.263.250	1.691.909
<i>Total</i>	<i>3.384.588</i>	<i>1.691.909</i>
Other deferred expenses:		
a) Accrued value added tax	9.402	43.618
b) Other deferred expenses	69.961	28.172
<i>Total</i>	<i>79.363</i>	<i>71.790</i>
TOTAL	3.771.005	2.134.505

- **Prepaid rent** in the amount of RSD 218.173 thousand primarily refer to Energoprojekt Entel in the amount of RSD 167.485 thousand, based on flat rents for Companies of Energoprojekt Group workers abroad.

- **Receivables for accrued non-invoiced income – other related legal entities** in the amount of RSD 121.338 thousand refer completely to calculated income within Energoprojekt Oprema from affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on projects in Nigeria.

- **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 3.263.250 thousand refer primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 2.005.376 thousand, primarily refer to the receivables from interim payment certificates for work on following projects:

- Lajkovac-Ljig: RSD 769.378 thousand;
- Tunnel Sarani: RSD 185.218 thousand;
- Relocation and regulation of Kolubara River, II phase: RSD 73.500 thousand;
- Z-027 Mpigi Kanoni, Uganda: RSD 626.236 thousand;
- Z-035 Sungira Hill, Uganda: RSD 166.575 thousand;
- Z-030 Chancay y Rucuy, Peru: RSD 79.738 thousand;
- Z-034 Puerto Bermudez – Vial San Alejandro, Peru: RSD 70.804 thousand, and other.

- Energoprojekt Oprema in the amount of RSD 463.176 thousand, refer to:

- non-invoiced income on Project Minsk: RSD 179.172 thousand;
- non-invoiced income on projects in the country: RSD 251.432 thousand; and
- non-finished works invoiced but not verified in 2015, reduced for appraisal of non-verified works amounts: RSD 32.572 thousand for Project Bor.

- Energoprojekt Holding in the amount of RSD 391.175 thousand relate entirely to the realization of the Agreement on Construction of Republic of Serbia Embassy in Abuja, Federal Republic of Nigeria, a turn-key project, in the Cadastral parcel No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

- Energoprojekt Visokogradnja in the amount of RSD 281.631 thousand relate to the receivables for payment certificates submitted to the Investor for verification, but not verified before the balance sheet submission date. The largest receivables for the accrued non-invoiced income are recorded for the following projects:

- Prokop Railway Station: RSD 147.977 thousand;
- Belgrade Waterfront: RSD 113.392 thousand;
- Sulphuric acid plant and Smelter in Bor: RSD 7.639 thousand; and other.

- Mentionig other companies of Energoprojekt Group, reveivables for accrued non-invoiced income were recorded at Energoprojekt Industrija in the amount of RSD 61.676 thousand, Energoprojekt Hidroinzenjering in the amount of RSD 60.216 thousand.

• **Accrued Value Added Tax (VAT)** in the amount of RSD 9.402 thousand include VAT presented in received invoices for reported period, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for June of the reported year. The most important amount of accrued VAT was recorded within Energoprojekt Oprema in the amount of RSD 6.389 thousand and Energoprojekt Visokogradnja in the amount of RSD 2.210 tousand.

• **Other prepayments and deferred expenses** in the amount of RSD 69.961 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 52.706 thousand (interest on bank deposits, transferrable premiums and claims charged to coinsurer and reinsurer calculated in advance) and to Energoprojekt Holding in the amount of RSD 13.316 thousand (for precalculated property tax for 2016, in the amount of RSD 12.857 thousand).

36. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Equity capital - reduced for non-controlling interest in equity capital	5.894.010	5.894.010
Reserves	374.587	374.590
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.267.267	6.211.764
Unrealized gains from securities and other components of other comprehensible result (credit balances under account class 33 except 330)	341.253	450.976
Unrealized losses from securities and other components of other comprehensible result (debit balances under account class 33 except 330)	28.600	30.504
Retained earnings	6.496.663	6.481.980
Non-controlling interest - in equity capital	165.090	165.090
TOTAL	19.510.270	19.547.906

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Share capital - total	5,724,580	5,724,580
Non-controlling interest - in share capital	(149,621)	(149,621)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	9,289	9,289
Non-controlling interest - in limited liability companies	(9,289)	(9,289)
<i>Total stakes in limited liability companies</i>		
Issuing premium	237,014	237,014
Other share capital - total	88,217	88,217
Other non-controlling interest	(6,180)	(6,180)
<i>Total other share capital</i>	<i>82,037</i>	<i>82,037</i>
TOTAL	5,894,010	5,894,010

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

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

- **Issuing premium** in the amount of RSD 237.014 thousand is recorded based on acquisition and selling of Company shares at value higher than nominal, in period 2006-2011.

36.2. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Legal reserves	218,856	218,856
Statutory and other reserves	155,731	155,734
TOTAL	374,587	374,590

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

- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company.

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

Structure of revaluation reserves from intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,168,802	3,168,802
b) Revaluation reserves from revaluation of other property	1,112,602	1,127,301
<i>Total</i>	<i>4,281,404</i>	<i>4,296,103</i>
Revaluation reserves from revaluation of investment property	1,809,243	1,739,041
Revaluation reserves from revaluation of plant and equipment	176,620	176,620
TOTAL	6,267,267	6,211,764

- **Revaluation reserves from revaluation of property** in the amount of RSD 4.281.404 thousand relate to valuation of fair value of buildings and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves).

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

- the fair value booking effects of Energoprojekt office building as at December 31, 2014, in the amount of RSD 3.055.774 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672.228 thousand and
- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 559.200 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1.112.602 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja: RSD 259.130 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business facilities, Lima, Peru and residential building in Kampala, Uganda);
- Energoprojekt Visokogradnja: RSD 241.087 thousand (buildings in Belgrade, in Vozdovac and in Palilula and in Stara Pazova);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 194.849 thousand (an office building in London);
- Energo (Private) Limited, Zimbabwe: RSD 160.625 thousand (business and residential buildings in Harare, Zimbabwe);
- Energopet Ltd.: RSD 81.068 thousand (business buildings and land in Belgrade - Krnjesevci) and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 74.967 thousand (business and residential buildings in Zambia).

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1.809.243 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the Energoprojekt Group:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 1.013.290 thousand (a business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540.422 thousand (an office building in Moscow);
- Energoprojekt Niskogradnja: RSD 144.624 thousand (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 108.333 thousand.

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

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Unrealized gains on transaction of financial statements for international operations	341,253	450,976
TOTAL	341,253	450,976

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 341.253 thousand relate primarily to Energoprojekt Visokogradnja, Energoprojekt Entel and Energoprojekt Oprema.

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

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Unrealized losses on securities available for sale	28,600	30,504
TOTAL	28,600	30,504

- **Unrealized losses on securities available for sale** in the amount of RSD 28.600 thousand, which predominantly relate to Energoprojekt Holding in the amount of RSD 27.228 thousand, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

36.6. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Retained earnings from previous years:		
a) Balance as at January 1	6,481,980	5,402,867
b) Changes	(359,198)	31,623
<i>Total</i>	6,122,782	5,434,490
Retained earnings from the current year	373,881	1,047,490
TOTAL	6,496,663	6,481,980

- Total change of **retained earnings** of the current year in the amount of RSD 14.683 thousand mainly came as a result of the net profit of the Energoprojekt Group in the reporting period, in the amount of RSD 373.881 thousand, decreases based on the distribution of retained earnings (dividend payments in Energoprojekt Holding, Energoprojekt Oprema, Energoprojekt Entel and in Energoprojekt Garant), in the amount of RSD 309.531 thousand and FX differences between the opening balance of the retained earnings of the companies abroad in the amount of RSD 55.717 thousand.

36.7. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Non-controlling interest - in equity capital	165,090	165,090
TOTAL	165,090	165,090

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

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

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>u 000 dinara</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Equity capital	6.059.100	6.059.100
Non-controlling interest - in equity capital	(165.090)	(165.090)
<i>Total equity capital</i>	<i>5.894.010</i>	<i>5.894.010</i>
Reserves	374.587	374.590
Non-controlling interest - in reserves	(21.296)	(21.297)
<i>Total reserves</i>	<i>353.291</i>	<i>353.293</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6.267.267	6.211.764
Non-controlling interest - in revaluation reserves	(303.804)	(303.808)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5.963.463</i>	<i>5.907.956</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	341.253	450.976
Non-controlling interest - in unrealized gains	(7.090)	(15.975)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>334.163</i>	<i>435.001</i>
Unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	28.600	30.504
Non-controlling interest - in unrealized losses	(791)	(1.017)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>27.809</i>	<i>29.487</i>
Retained earnings	6.496.663	6.481.980
Non-controlling interest - in retained earnings	(784.289)	(853.821)
<i>Total retained earnings</i>	<i>5.712.374</i>	<i>5.628.159</i>
Total capital of the companies with shares of majority shareholders	<i>18.229.492</i>	<i>18.188.932</i>
Non-controlling interest - in total capital	1.280.778	1.358.974
TOTAL CAPITAL	<i>19.510.270</i>	<i>19.547.906</i>

37. LONG-TERM PROVISIONS

Structure of long-term provisions	<i>in RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Provisions for warranty period costs	522,645	491,826
Provisions for wages and other employee benefits	238,371	270,777
Other long-term provisions	375,337	374,863
TOTAL	1,136,353	1,137,466

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

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

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

Structure of long-term provisions	<i>In RSD thousand</i>	
	<i>Costs of provisions during warranty period</i>	<i>Other provisions</i>
Balance as at January 1, 2015	454,572	358,827
Additional provisions	186,281	16,036
Used during the year	(25,433)	
Release of unused provision amounts	(164,634)	
Differences in foreign exchange rates	41,040	
Balance as at December 31, 2015	491,826	374,863
Additional provisions	34,621	474
Used during the year	(4,326)	
Release of unused provision amounts		
Differences in foreign exchange rates	524	
Balance as at June 30, 2016	522,645	375,337

- **Provisions for warranty period** in the amount of RSD 522.645 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 409.313 thousand disclosed based on the provisions for cost of significant changes in agreed items without an option to charge the additional works in the Group companies abroad, namely: within Energoprojekt Entel LTD, Qatar: RSD 333.711 thousand (based on several projects for Qatar General Electricity and Water Corporation „KAHRAMAA“) and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 75.602 thousand (based on project for „DEWA“).

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences and are expected to be paid in the period no longer than 5 years.

They were expressed as an expression of prudent approach in case that it will not be possible to collect all the receivables from agreements with amendments, modifications and extended collection terms. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Comparing to the previous reporting period, the decrease in the said provisions in the amount of RSD 642 thousand, entirely came as result of FX gains, considering the activities abroad and introducing them in financial records of the company, pursuant to IFRS 21 – Effects of Changes in Foreign Exchange Rates);

- Energoprojekt Oprema in the amount of RSD 54.503 thousand, performed in 2015, for „Prokop“ project: RSD 38.920 thousand, „TENT“ Obrenovac: RSD 12.344 thousand, „Bridge across the DTD canal“: RSD 1.244 thousand and „DV Belgrade - Pancevo“: RSD 1.995 thousand.

The Company usually provides guarantee for its products for the period of 1-3 years, depending on the project in question. Management assesses costs of future provision for warranty period, based on information on new demands from previous period, as well as on recent trends which might indicate that those information could vary from the future ones.

Comparing to previous year, a decrease of related reserves in the amount of RSD 395 thousand relate to used reserves for reporting period (Project DV Belgrade – Pancevo: RSD 228 thousand, “Bridge across the DTD canal”: RSD 120 thousand and TENT Obrenovac: RSD 47 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 58.829 thousand, based on reserves performed in 2015 for project Z-091 Schlumberger, Astrahan in the amount of RSD 7.830 thousand and reserves performed in 2015 and 2016 for project Z-096 Forte bank, Astana in the amount of RSD 50.999 thousand.

Comparing to previously reported period, an increase of related reserves in the amount of RSD 31.856 thousand was recorded based on the increase of reserves for costs in 2016, for project Z-096 Forte bank, Astana: RSD 34.621 and FX differences, in the amount of RSD 1.166 thousand, and, on the other hand, decrease based on partly use of reserves for project Z-091 Schlumberger, Astrahan: RSD 3.931 thousand.

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

• **Other long-term provisions** in the amount of RSD 375.337 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 260.000 thousand, posted in the balance as at December 31, 2006, in compliance with the Decision of the competent body of the Company, as potential contractual costs related to the Joint Construction Agreement - Block 26, New Belgrade, No. 507, concluded between the consortium „Energoprojekt – Napred“ and Trinity Capital Ltd.

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

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

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

- Energoprojekt Niskogradnja in the amount of RSD 97.097 thousand that relate entirely to the liability towards the subcontractor based on the Z-0163 Project "Navigation Lock", Iraq. Provision amount was determined by applying the methodology identical to the methodology prescribed by the Government of Iraq, based on which the Company collected its receivables on the said Project; and
- Energoprojekt Garant in the amount of RSD 18.240 thousand that relate predominantly to the provisions for risk levelling.

Increase of other long-term provisions respecting the last year comparative period, in the amount of RSD 474 thousand, relate entirely to Energoprojekt Garant, mainly based on increase of reserves for premium cancellation, performed quarterly (pursuant to the Law on Insurance and Regulation on Reserve for Bonuses and Discounts Defining).

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Long-term credits and loans domestic	295.948	218.927
Long-term credits and loans foreign countries	214.927	215.266
Long term liabilities from financial leasing	170.507	122.071
Other long-term liabilities	2.094.456	2.161.284
TOTAL	2.775.838	2.717.548
Part of long-term liabilities with maturity date up to one year (Note 39.3.)	260.322	535.007

38.1. Long-Term Credits and Loans

Structure of long-term credits and loans	In RSD thousand	
	30/06/16	31/12/15
In the country:		
a) Long-term loans granted by banks in the country:		
Societe Generale bank		218.927
Jubmes bank	295.948	
<i>Total</i>	295.948	218.927
b) Long-term loans granted by other entities in the country		
<i>Total - loans domestic</i>	295.948	218.927
Abroad:		
Long-term loans granted by other entities abroad	214.927	215.266
<i>Total - loans abroad</i>	214.927	215.266
TOTAL	510.875	434.193

- **Long-term loans granted by banks in the country** in the amount of RSD 295.948 thousand entirely relate to Energoprojekt Visokogradnja, based on long-term loan from Jubmes bank.

Long-term loans granted by the domestic banks as at balance sheet day are presented in the following tables, categorized as liabilities with maturity date up to one year (posted within short-term liabilities, Note 39.3.) and as liabilities with maturity date longer than one year (posted within long-term loans), as well as maturity dates of the long-term loans and currencies in which such loans were denominated broken down per individual companies of the Energoprojekt Group to which such long-term loans relate.

Creditor	Interest rate	In RSD thousand			
		30/06/16		31/12/15	
		Long-term liability	Short-term liability	Long-term liability	Short-term liability
Energoprojekt Visokogradnja:					
VTB bank	3 M Euribor + 5,3% p.a.		178.801		176.358
Societe Generale bank	5,15% p.a.				71.712
Societe Generale bank	3m Euribor + 4% p.a.			218.927	72.976
Jubmes bank	3,59% p.a.	295.948			
<i>Total</i>		295.948	178.801	218.927	321.046
Energoprojekt Industrija:					
RS Development Fund	2.5% p.a.		10.380		30.527
<i>Total</i>		-	10.380	-	30.527
TOTAL		295.948	189.181	218.927	351.573

Structure of long-term loans' maturity dates	<i>in RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
1 to 2 years	177,569	
2 to 5 years	118,379	218,927
TOTAL	295,948	218,927

Structure of accounting liabilities for long-term loans granted to Company as per denomination currency	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
RSD		
EUR	295,948	218,927
TOTAL	295,948	218,927

- **Long-term loans granted by other companies abroad** in the amount of RSD 214.927 thousand relate entirely to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Baniya II Project in Guinea (USD 1.935 thousand). Since the succession process of former SFRY Republics is not completed and in view of the principle of prudence, the management of the Company is of the opinion that conditions for the write-off of the said liabilities have not yet been met at the moment.

38.2. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Financial leasing liabilities	170,507	122,071
TOTAL	170,507	122,071

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

Of the total long-term financial lease liabilities amounting to RSD 170.507 thousand, the largest share in the amount of RSD 158.136 thousand relate to Energoprojekt Niskogradnja.

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

Creditor	Currency	Outstanding debt in currency	Outstanding debt in RSD thousand	Repayment and maturity date	Annual interest rate
<i>Lease liabilities in the country:</i>					
Sogelease	EUR	1.133.889	139.822	monthly from 15/07/2016 till 15/04/2019	6m Euribor + margin = 4,41%
Unicredit Leasing	EUR	663.097	81.767	monthly from 11/09/2017 till 11/09/2018	3m Euribor + 4,20%
TOTAL		1.796.986	221.589		

Financial lease liabilities denominated in RSD as at June 30, 2016 are presented in the following table, broken down into:

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

Creditor	<i>In RSD thousand</i>	
	<i>Long-term liability</i>	<i>Short-term liability</i>
Sogelease, Srbija	101.625	38.196
UniCredit Leasing, Serbia	56.511	25.257
TOTAL	158.136	63.453

Structure of financial leasing liabilities per maturity dates	<i>In RSD thousand</i>	
	<i>Present Value</i>	<i>Future Value</i>
Up to 1 year	63.453	71.553
1 to 5 years	158.136	161.198
More than 5 years		
TOTAL	221.589	232.752

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

38.3. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Other long-term liabilities	2,094,456	2,161,284
TOTAL	2,094,456	2,161,284

- **Other long-term liabilities** in the amount of RSD 2.094.456 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1.920.154 thousand that relate in their entirety to the portion of total liabilities for advances received with the due date of January 1, 2017, in compliance with the adopted schedule of works and advance payments repayment schedule for the Projects “Lajkovac-Ljig”, Serbia: RSD 1.213.320 thousand, „Z-034 Road Puerto Bermudez“, Peru: RSD 565.594 thousand; and “Z-027 Mpigi-Kanoni”, Uganda: RSD 141.240 thousand,
- Energoprojekt Sunnyville in the amount of RSD 172.957 thousand comprising of the liability from the Agreement on purchase of 85,6a of construction land that is due and mature in 6 (six) equal monthly instalments starting from May 2018; and
- Energoprojekt Visokogradnja in the amount of RSD 1.345 thousand consisting of the warranty deposit according to the Agreement with “Putevi Invest, Ltd.”, in Project “Prokop”.

Liabilities towards the former owners of land parcels who sold their land for the construction of residential and business facilities, where the Company undertook to provide the former land owners with properties that will be constructed in Cara Nikolaja Street in Belgrade, as compensation. This liability was posted at the projected cost of such future properties in the amount of RSD 84.902 thousand, since property delivery to the former owners will be performed in July 2016.

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Short-term credits and loans in the country	3,433,035	3,163,179
Short-term credits and loans abroad	255,447	154,864
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	260,322	535,007
b) Other short-term financial liabilities	5,533	3,575
Total	265,855	538,582
TOTAL	3,954,337	3,856,625

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD	1,951,860	1,100,844
b) Loans with foreign currency clause	1,481,175	2,062,335
TOTAL	3,433,035	3,163,179

- **Short-term loans granted by banks in the country** in the amount of RSD 3.433.035 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.523.376 thousand, and specifically:
 - RSD loans granted by Unicredit bank and Alpha bank in the amount of RSD 931.481 thousand; interest rates ranging from 1m Belibor + 1,20% to 1,35% per annum; collaterals: promissory company notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema and
 - Loans with foreign currency clause (in EUR) granted by Alpha bank, Unicredit bank and Hypo Alpe Adria bank in the amount of RSD 591.895 thousand; interest rates ranging from 1m Euribor + 4,70% per annum to 3m Euribor + 5,95% per annum; collaterals: promissory company notes and suretyships of Energoprojekt Holding, Energoprojekt Niskogradnja and Energoprojekt Oprema for the loans granted by Alpha bank and Unicredit bank; and promissory notes and guarantees issued by Energoprojekt Holding for the loan granted Hypo Alpe Adria bank;
- Energoprojekt Niskogradnja in the amount of RSD 1.003.464 thousand, namely:
 - RSD loans granted by Societe General bank, Alpha bank, Unicredit bank, Komercijalna bank and OTP bank, in the amount of RSD 872.754 thousand; interest rates: without interest to 1m Belibor + 1,40%, 1m Belibor + 0,70%, 1m Belibor + 1,20%, 1m Belibor + 1,15%, interest on deposit allowances + 2,10% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Holding, Energoprojekt Visokogradnja, Energoprojekt Oprema and Energoprojekt Hidroinzenjering;
 - Loans with the foreign currency clause (in EUR) in the amount of RSD 130.710 thousand granted by Societe Generale bank, interest rate from 3m Euribor + 4,00% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Holding, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinzenjering and Energoprojekt Oprema;
- Energoprojekt Holding in the amount of RSD 682.734 thousand, and specifically:
 - Loans with foreign currency clause (in EUR) granted by Eurobank, Erste bank and Jubmes bank, interest rate from 3m Euribor + 3,75% to 3,50% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinzenjering, Energoprojekt Oprema, Energoprojekt Industrija and Energoprojekt Energodata.
- Energoprojekt Energodata in the amount of RSD 149.474 thousand, namely:
 - RSD loans granted by the Alpha bank and Jubmes bank in the amount of RSD 147.625 thousand, with the interest rate 1m Belibor + 1,35% to 6,00% per annum, collaterals: blank promissory notes of the Company and suretyships of the Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinzenjering, Energoprojekt Oprema, Energoprojekt Industrija and Energoprojekt Holding;
 - Loan with foreign currency clause (in EUR) granted by Jubmes bank in the amount of RSD 1.849 thousand, interest rate 3,50% per annum; collaterals: promissory notes of the Company and suretyships issued by Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinzenjering, Energoprojekt Oprema, Energoprojekt Industrija and Energoprojekt Holding.
- Energoprojekt Hidroinzenjering in the amount of RSD 73.987 thousand, namely:
 - Loans with FX clause (EUR) granted by the Societe Generale bank and Hypo Alpe Adria bank, with the interest rate from 3m Euribor + 4,00% to 5,30% per annum, collateral: blank promissory notes of the Company and of Energoprojekt Holding.

Structure of the book value of short-term credit loans in the country, denominated in foreign currencies is presented in the table below:

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
RSD	1,951,860	1,100,844
EUR	1,481,175	2,062,335
TOTAL	3,433,035	3,163,179

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Short-term loans granted by foreign banks	255.447	154.864
TOTAL	255.447	154.864

- **Short-term loans granted by foreign banks** in the amount of RSD 255.447 thousand relate to:
 - Energoprojekt Visokogradnja in the amount of RSD 129.068 approved to Energoprojekt Ghana, based on over-draft on current account;
 - Energoprojekt Niskogradnja in the amount of RSD 111.364 thousand (loans granted by the Standard Chartered Bank in Peru, with interest rate of 11% per annum, the repayment of which was secured with real estate lien to land and buildings of the Company (Note 45) and
 - Energoprojekt Hidroinzenjering in the amount of RSD 15.015 thousand (approved by Scotia bank, Peru, with interest rate of 5,99% per annum, the repayment of which was secured Company bills).

Structure of the book value of short-term credit loans abroad, denominated in foreign currencies is presented in the table below:

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
USD	111.364	111.797
Other currencies	144.083	43.067
TOTAL	255.447	154.864

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	<i>In RSD thousand</i>	
	30/06/16	31/12/15
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year	193.633	364.754
Portion of other long-term liabilities with maturity date up to one year:		
a) Financial lease liabilities with maturity date up to one year	66.689	170.253
<i>Total</i>	<i>260.322</i>	<i>535.007</i>
Other short-term financial liabilities	5.533	3.575
TOTAL	265.855	538.582

• **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 193.633 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 178.801 thousand (Note 38.1), as presented in the following table.

Bank	Approval Date	Maturity Date Dospeća	Currency	Approved Amount in foreign currency	Outstanding Balance in RSD thousand	Interest Rate	One-off Rate	Collateral
VTB Bank	27/10/2014	27/10/2016	EUR	1.450.000	178.801	3m Euribor + 5,3% p.a.	0,25%	EP Holding and EP Niskogradnja
TOTAL					178.801			

- Energoprojekt Industrija in the amount of RSD 10.380 thousand (Note 38.1), that relate to a portion of long-term loan granted by Development Fond of Republic of Serbia with maturity up to one year (in EUR, with annual interest rate of 2,5%) and

- Energoprojekt Niskogradnja in the amount of RSD 4.452 thousand that relate to a portion of long-term loans granted by Caterpillar Chile for equipment purchasing, with maturity up to one year (in USD, with annual interest rate of 5,95%).

• **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 66.689 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 63.453 thousand (Note 39.3).

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Advances received from other related companies	248,770	245,808
Advances received from other legal entities in the country	2,605,046	2,028,298
Advances received from other legal entities, abroad	3,427,169	3,198,971
Deposits received, abroad	5,095	3,600
TOTAL	6,286,080	5,476,677

- **Advances received from other related companies** in the amount of RSD 248.770 thousand relate to liabilities towards Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 248.651 thousand.

- **Advances received from other legal entities in the country** in the amount of RSD 2.605.046 thousand primarily relate to liabilities of Energoprojekt Niskogradnja in the amount of RSD 952.330 thousand (mainly advances received on the Projects “Lajkovac-Ljig” (China Standong International E&T Branch Belgrade): RSD 710.255 thousand; “ Tunnel Sarani ” (AzVirt): RSD 150.857 thousand and “Kolubara II phase” (PC Elektroprivreda Srbije): RSD 71.132 thousand), Energoprojekt Oprema in the amount of RSD 833.346 thousand (for the advances received from the Investor for the “DV Pancevo - Romanian border“: RSD 500.321, „Kolubara Landfill“: RSD 268.814 thousand and other projects in the country: RSD 46.211 thousand) and Energoprojekt Visokogradnja in the amount of RSD 776.290 thousand (mainly for the advances received for the project Belgrade Waterfront: RSD 567.679 thousand and on the own investment in the country - Cara Nikolaja Str. project: RSD 208.585 thousand).

- **Advances received from other legal entities, foreign countries** in the amount of RSD 3.427.169 thousand primarily refer to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1.655.216 thousand for performance of works for the Investors, primarily within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 1.651.016 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 884.369 thousand for advances received in Uganda in the amount of RSD 429.166 thousand (for Project „Z-027 Mpigi Kanoni) and in Peru in the amount of RSD 455.203 thousand (for project „Z-034 Road P. Bermudez“) and

- Energoprojekt Oprema in the amount of RSD 727.248 thousand, based mainly for projects in Minsk: RSD 724.967 thousand.

- **Deposits received, abroad** in the amount of RSD 5.052 thousand relate mainly to Energoprojekt Niskogradnja, based on the deposits received for the rent of apartments in the „Cruz del Sur“ in Peru in the amount of RSD 3.135 thousand.

41. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Suppliers - other affiliated companies, abroad	6,058	5,975
Suppliers, local	1,992,809	2,182,699
Suppliers, abroad	1,636,246	1,642,578
Other operating liabilities	24,074	17,385
TOTAL	3,659,187	3,848,637

- **Suppliers – other affiliated companies, abroad** in the amount of RSD 6.058 thousand relate to the liabilities of the Energoprojekt Oprema towards Energo Nigeria Ltd., Lagos, Nigeria.
- **Suppliers, local** in the amount of RSD 1.992.809 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 1.160.187 thousand, to Energoprojekt Oprema in the amount of RSD 307.119 thousand, to Energoprojekt Visokogradnja in the amount of RSD 421.474 thousand, and Energoprojekt Energodata in the amount of RSD 31.516 thousand.

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

Structure of suppliers in the country	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
<i>Energoprojekt Niskogradnja:</i>		
Nukleus Ltd.	404.042	329.727
Ingrap Omni Ltd.	148.864	289.314
Geosonda Fundiranje Plc.	77.193	54.103
Evrogradnja Ltd.	51.538	74.713
Lafarge Ltd.	51.226	20.744
Evropolis plus Ltd.	42.138	4.700
Tehno - Rent Ltd.	28.922	27.719
Atlas Copco Plc.	22.096	6.707
Telekomunikacija Ltd.	20.512	5.795
Hidrotehnika Hidroenergetika Plc.	18.644	18.605
Telefonkabl Plc.	17.441	24.119
Others	277.571	458.300
Total	1.160.187	1.314.546

In structure of suppliers liabilities in the country, the most important item are liabilities towards subcontractors, where the payment is directly related to the previous receivable payment from clients - investors („back to back“ agreements). Besides, subcontracting services agreements define debt detain as a deposit warranty for the agreed work completion.

- **Suppliers, abroad** in the amount of RSD 1.636.246 thousand relate primarily to Energoprojekt Entel in the amount of RSD 602.291 thousand (mostly within company Energoprojekt Entel LTD, Doha, Qatar: RSD 429.093 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 103.428 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 56.659 thousand), Energoprojekt Visokogradnja in the amount of RSD 548.002 thousand (mainly, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 425.103 thousand and on projects Z-088 Hotel Hyatt Rostov: RSD 42.892 thousand and Z-096 Forte bank, Astana: RSD 47.765 thousand), Energoprojekt Niskogradnja in the amount of RSD 281.092 thousand (mainly in Uganda: RSD 183.406 thousand and in Peru: RSD 91.603 thousand) and Energoprojekt Oprema in the amount of RSD 155.666 thousand.

- **Other operating liabilities** in the amount of RSD 24.074 thousand predominantly refer to Energoprojekt Garant in the amount of RSD 21.950 thousand (primarily liabilities for re-insurance and co-insurance premiums, etc.) and Energoprojekt Niskogradnja in the amount of RSD 1.665 thousand (liabilities for cheques issued to suppliers in Peru to settle trade payables, which were not realized by June 30, 2016).

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Liabilities from special transactions - other legal entities	16.148	16.174
Liabilities for wages, fringe benefits and compensations	1.186.036	1.566.937
Other liabilities:		
a) Liabilities for interest and financing costs	2.232	4.389
b) Liabilities for dividends	437.019	126.724
c) Liabilities to employees	27.033	16.590
d) Liabilities to General Manager, or to management and Supervisory Board members	2.570	3.205
e) Liabilities to physical persons for contractual compensations	3.271	4.043
f) Liabilities for short-term provisions	3.785	5.294
g) Other various liabilities	23.123	35.137
<i>Total</i>	<i>499.033</i>	<i>195.382</i>
TOTAL	1.701.217	1.778.493

- **Liabilities from special transactions – other legal entities** in the amount of RSD 16.148 thousand, relate entirely to Energoprojekt Entel (mostly to liabilities to associates of the projects within Energoprojekt Entel LTD, Doha, Qatar).

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 1.186.036 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, liabilities to Chambers for salaries in the country and abroad, etc.) relate predominantly to Energoprojekt Visokogradnja in the amount of RSD 512.318 thousand (abroad: RSD 356.005 thousand, in the country: RSD 156.313 thousand), Energoprojekt Entel in the amount of RSD 254.799 thousand (abroad: RSD 229.948 thousand, in the country: RSD 24.851 thousand), Energoprojekt Niskogradnja in the amount of RSD

233.502 thousand (abroad: RSD 173.219 thousand, in the country: RSD 60.283 thousand), Energoprojekt Hidroinzenjering in the amount of RSD 76.830 thousand (abroad: RSD 59.338 thousand, in the country: RSD 17.492 thousand) and Energoprojekt Oprema in the amount of RSD 31.861 thousand (in the country: RSD 30.298 thousand, abroad: RSD 1.563 thousand).

- **Liabilities for dividends** in the amount of RSD 437.019 thousand relate predominantly to Energoprojekt Holding in the amount of RSD 237.056 thousand, Energoplast in the amount of RSD 102.800 thousand, Energoprojekt Oprema in the amount of RSD 49.574 thousand and Energoprojekt Entel in the amount of RSD 46.915 thousand.

Increase liabilities for dividends comparing to the previous period, in the amount of RSD 310.295 thousand relate to Energoprojekt Holding, in the amount of RSD 229.512 thousand (predominantly as the result of Resolution from 44th Repeat Annual General Meeting of Shareholders on distribution of total undistributed income as ta December 31, 2015 for dividends, in total amount of RSD 20.00 per share, meaning grand total of RSD 218.626 thousand), Energoprojekt Oprema in the amount of RSD 45.176 thousand and Energoporjekt Entel in the amount of RSD 35.607 thousand (mainly based on this years' Resolution of General Meeting of Shareholders on distribution of undistributed income).

- **Liabilities to employees** in the amount of RSD 27.033 thousand relate predominantly to Energoprojekt Visokogradnja, in the amount of RSD 22.224 thousand, mainly based on liabilities of redundancy recorded in the reporting period, in the amount of RSD 19.184 thousand (payments from July 2016).

- **Other various liabilities** in the amount of RSD 23.123 thousand relate primarily to Energoprojekt Niskogradnja in the amount of RSD 11.138 thousand (liabilities to Company's Workers' Union, Social Security Fund for Employees, liabilities towards third persons based on withholding from net employees' salaries for statutory and administrative bans, etc.), and to Energoprojekt Visokogradnja in the amount of RSD 9.073 thousand (withholding from salaries for Union fees and charities, alimonies, etc.).

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

43.1. Liabilities for Value Added Tax

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Liabilities for value added tax	683,921	559,499
TOTAL	683,921	559,499

- **Liabilities for value added tax** in the amount of RSD 683.921 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 620.905 thousand (abroad: RSD 615.217 thousand, mainly within Energoprojekt Ghana Ltd., Accra: RSD 528.667 thousand and on project Z-096 Forte bank, Astana: RSD 83.856 thousand, and in the country: RSD 5.688 thousand).

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Liabilities for income tax	647,534	654,522
Liabilities for other taxes, contributions and fees payable	62,205	201,131
TOTAL	709,739	855,653

• **Liabilities for income tax** in the amount of RSD 647.534 thousand relate primarily to Energoprojekt Entel in the amount of RSD 638.044 thousand and Energoprojekt Niskogradnja in the amount of RSD 7.013 thousand (based on liability valuation for income tax rate for reporting period).

Liabilities for income tax within Energoprojekt Entel in the amount of RSD 638.044 thousand relate entirely to Energoprojekt Entel LTD, Doha, Qatar, based on the liabilities disclosed in 2011 for the expenses of the Head Office or for the Energoprojekt Entel for the period of 3 years (for 2008, 2009 and 2010) that are not recognized by the local Tax Administration. Namely, the local Tax Administration does not recognize the amount disclosed as costs for services rendered by the Energoprojekt Entel Company over the said period as costs, but is of the opinion that income tax should have additionally been paid on that amount as well. A lawsuit was initiated to resolve this issue and the outcome of this lawsuit is uncertain. The short term deposit with the Doha Bank includes cash earmarked and kept in case of a negative outcome of this lawsuit.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 62.205 thousand relate primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 19.967 thousand, the largest part of which relate to the unpaid liabilities for taxes and contributions for workers abroad in the amount of RSD 6.994 thousand, and unpaid liabilities for taxes within Energoprojekt Ghana Ltd., Accra, Ghana in the amount of RSD 7.205 thousand;

- Energoprojekt Holding in the amount of RSD 13.569 thousand, mainly based on property tax liabilities in the amount of RSD 12.587 thousand;

- Energoprojekt Entel in the amount of RSD 9.307 thousand, in the country: RSD 6.194 thousand (mainly based on dividend tax liabilities) and abroad (within company in Qatar), in the amount of RSD 3.113 thousand, and

- Energoprojekt Niskogradnja in the amount of RSD 8.475 thousand, mostly for value added tax based on tax statements for June 2016, in Peru: RSD 7.535 thousand (liabilities were settled in due time).

43.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Accrued expenses - other legal entities	1.807.052	1.113.969
Deferred income - other legal entities	161.589	433.874
Other accruals	321.507	256.655
TOTAL	2.290.148	1.804.498

• **Accrued expenses – other related companies** in the amount of RSD 1.807.052 thousand relate primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 865.400 thousand, for cost calculation performed in reporting period, in the amount of RSD 790.759 thousand, as stated in Note 4, as well as valuation costs precalculated from previous periods, in the amount of RSD 74.641 thousand, mostly related to:

- Calculated costs for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 57.224 thousand;

- Calculated costs for interests on insurance of working sites from previous periods, paid by consortium in Peru (share of liability going to Energoprojekt Niskogradnja Peru), for those which consortium, pursuant to the local regulation in Peru, does not send invoices before the final calculation: RSD 12.861 thousand; and

- Calculated costs for the previous period on projects in Serbia, with no invoices received up to the reporting day: RSD 4.000 thousand.

- Energoprojekt Oprema in the amount of RSD 605.730 thousand, based on calculated costs for reporting period (Note 4), as well as previous periods, as presented in table below:

Structure of accrued expenses (other legal entities)	<i>in RSD thousand</i>
	<i>30/06/16</i>
<i>In the Country:</i>	
Project DV Pancevo - Romanian border	281,602
Project Relocation DV Kostolac	23,429
Project RTB Bor	20,165
Project DV Bor - Majdanpek	17,264
Project Tunnel Sarani	12,331
Total	354,791
<i>Abroad:</i>	
Project Minsk	166,471
Project RS Embassy in Nigeria	40,693
Project Rwanda	39,460
Project GE Emerald Kalabar	4,315
Total	250,939
TOTAL	605,730

Energoprojekt Visokogradnja in the amount of RSD 308.377 thousand relating mainly, to:

- Calculated cost for the project Z-096 Forte bank, Astana: RSD 256.141 thousand (based on calculated income tax for 2016: RSD 244.485 thousand, calculated suppliers' cost: RSD 20.582 thousand and enviromental tax costs: RSD 74 thousand) and Z-088 Hotel Hyatt, Rostov: RSD 18.608 thousand,

- Calculated costs within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 8.483 thousand; and

- Calculated costs in the country: RSD 16.493 thousand.

- **Deferred income – other legal entities** in the amount of RSD 161.589 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Garant in the amount of RSD 109.086 thousand (based on transferrable insurance and re-insurance premiums) and

- Energoprojekt Visokogradnja in the amount of RSD 52.503 thousand (mostly on Project “Belgrade Waterfront”, based on insurance and warranties income: RSD 23.258 thousand);

- **Other accruals** in the amount of RSD 321.507 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Garant in the amount of RSD 157.756 thousand, based mainly on the provisions for non-life insurance damage compensations, in the amount of RSD 149.645 thousand, and

- Energoprojekt Oprema in the amount of RSD 122.539 thousand, based on collected guarantees for Elwo, Poland, in the amount of RSD 98.748 thousand and deferred VAT expenses of invoices in the amount of RSD 23.791 thousand on Project Minsk.

44. OFF BALANCE SHEET ASSETS AND LIABILITIES

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

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

Structure of off balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>30/06/16</i>	<i>31/12/15</i>
Issued and received guarantees, letters of credits and bills of exchange	22,739,943	22,733,809
Construction land use rights	4,663,306	4,663,306
Other off balance sheet assets/liabilities	881,665	881,469
TOTAL	28,284,914	28,278,584

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

- **Mortgages registered against companies of the Energoprojekt Group**

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the property of total area of 4,488 m², located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m², in Doha - Qatar, Zone 44, East Al Najja, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has

mortgaged the property in the “Doha Bank” according to the contract no. 52973 as collateral for issuing tender and performance guarantees.

- In order to secure a credit line approved to the Energoprojekt Niskogradnja Company by the Scotiabank Peru, property was mortgaged for the amount of RSD 1.114.295 thousand (USD 10.032.239,80) which is 75.66% of the total appraised value of the property mortgaged. Appraisal was performed by an external independent qualified appraiser, “J.R.Z. Valuaciones S.A.C” in Peru, which holds recognized and relevant professional qualifications and recent experience with property locations and categories appraised. This Appraiser was hired by the Scotiabank Peru.

Mortgage registered against Energoprojekt Niskogradnja is presented in the following table.

Property	sq. m	Book value	Appraised value	Appraised value
		In RSD thousand	In USD	In RSD thousand
Land - Camp Primavera, Sullana, Peru	95.907,47	29.479	5.754.448,20	639.155
Office facility in 16-18 floor in Lima, Peru	427,73	57.949	1.005.501,73	111.682
Cruz Del Sur building in Lima, Peru	4.295,38	673.482	6.499.632,37	721.923
TOTAL		760.910	13.259.582,30	1.472.760
Mortgage 75.66%			10.032.239,80	1.114.295

- To secure the advance guarantee Energoprojekt Hidroinzenjering has mortgaged properties in Peru: office 601 and the parking lot no. 14, on the sixth and first floor of the building facing the Los Rosales street (now Amador Merino Reyna) 460, San Isidro district, Lima, Peru, registered on records no. 234244 and 234237 of the Property register of Lima, Peru.

- As a collateral for the advance payment and professional performance of work warranty at Sberbank Serbia Plc., Energoprojekt Oprema registered its right for receivables.

- The overdraft loan granted by the Indo-Zambia Bank to Zambia Engineering and Contracting Company Limited, Zambia was secured by a lien on the mortgage over the following property: Plot 3148 Mukwa Road, Zambia.

• **Mortgages registered in favour of the companies of the Energoprojekt Group**

- In Energoprojekt Niskogradnja:

- as a collateral for entire amount of receivables based on the advance paid to the Subcontractors’ Consortium on Lajkovac- Ljig Project in compliance with the provisions of the Agreement on Subcontracting of Construction Works within the Lajkovac-Ljig Highway Construction Project, Section V: Lajkovac-Ljig, from km 53+139.91 to km 77+118.23 a first order mortgage was registered based on a final out-of-court order, namely, as a collateral for 50% receivables on fuel, euro-diesel, owned by the subcontractor to the maximum amount of RSD 328.663 thousand (USD 3.787.376,84), and as a collateral for another 50% receivables - on the land

owned by the subcontractor to the maximum amount of (USD 3.787.376,84), or RSD 328.663 thousand;).

- As a collateral for receivables based on the advance paid to the partner on Project Redirection and Regulation of Kolubara River, Phase 2 with Pestan tributary and accompanying infrastructure, in compliance with the provisions of the Internal Agreement on Establishing of Provisional Group for joint performance of works, lien was registered on machinery and equipment of project partner. Collateral amount is RSD 71.137 thousand.

- In Energoprojekt Holding:

- As collateral to secure the repayment of loan pursuant to the Annex No. 8 of the Loan Agreement No. 367, in the amount of RSD 16.955 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No. 4 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 147.714 thousand (EUR 1.198 thousand), there is a lien statement (mortgage was not registered) provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

46. COMMITMENT AND CONTINGENCIES

Contingent liabilities that can potentially result in an outflow of economic benefits of the Company can primarily arise from the lawsuits. Contingent **liabilities arising from lawsuits** are primarily reflected in the potential completion of lawsuits against the Company, yet no liability or provision was recorded in the balance sheet.

Contingent assets that can potentially result in economic benefits for the Company may primarily arise **based on the lawsuits** in which the Company is involved as the plaintiff.

Contingent assets arising from lawsuits leads to the potential for completion of lawsuits in favour of the Company, yet no receivables was recorded in the balance sheet and no economic benefit has been recorded in any other manner (such as, for example, by reducing value of an unjustified advance payment, etc.).

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at June 30, 2016, include principal amount only for each lawsuit.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
1.	Sreta Ivanisevic	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Uncertain	1st Basic Court in Belgrade	Uncertain	Uncertain
2.	Vladan i Tomislav Krdzic	EP Holding Plc.	Damage compensation (free shares were not allotted to the Plaintiffs)	RSD 444.000,00	Commercial Court in Belgrade	2016	Unfounded, according to the Decision of the Court of first instance, the application was rejected, Court Decision on Plaintiffs' appeal is pending.
3.	Rajko Ljubojevic	EP Holding Plc.	Expropriation	RSD 34.959.600,00 and RSD 672.000,00	1st Basic Court in Belgrade	2016	Uncertain, according to the Decision of the Court of the first instance, the amount of compensation was defined. Court Decision on EP Holding appeal is pending.
4.	Kovacevic Pavle, Radmila i Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Amount not defined	Administrative Court in Belgrade		According to the Decision of RS MF, appeals against the Decision of the Court of first instance, according to which plaintiffs are entitled to pecuniary compensation for expropriated land, were rejected; an administrative lawsuit initiated.
5.	EP Holding Plc.	Zekstra grupa Ltd.	Damage compensation (roof repair in G. Delceva 38 Street)	EUR 7.032,68	Commercial Court in Belgrade	2016	According to Decision of the first instance Court EP Holding claim rejected. EP Holding appeal pending.
6.	EP Holding Plc.	Republika Srbija, EPS Srbije, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Amount not defined	Basic court, Niksic	2016	Claim is grounded, upon appeals by the RS and Montenegrin Government, the matter was remitted for reconsideration.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
7.	Marko Martinoli	EP Holding Plc. and EP Niskogradnja Plc.	Share squeeze-out	RSD 638.674,92	Commercial Court in Belgrade	2016	First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
8.	Direkcija za gradjevinsko zemljiste	EP Holding Plc., NIS and Putnik Plc.	Claim for construction land for Hayat	Uncertain	Higher court in Belgrade	2017	First instance proceedings is pending – expert assessment
9.	Belim Plc. in liquidation	EP Holding Plc.	Unfounded acquisition	RSD 138.004.221,28	Commercial Court in Belgrade	2016	Uncertain, First instance Court Decision approved Plaintiff's application. An appeal lawsuit of EP Holding initiated.
10.	EP Holding Plc.	Beogradsko mesovito preduzece Plc.	Share value appraisal	Amount not defined	Commercial Court in Belgrade	2016	Justified
11.	Goran Rakic	EP Holding Plc. and Kompresor automobili Ltd.	Ownership title to be determined	No amount	2nd Basic Court in Belgrade	2016	Ungrounded
12.	Activeast Management Ltd	EP Holding Plc. and EP Niskogradnja Plc.	Payment of difference in share prices		Commercial Court in Belgrade	2016	Uncertain
13.	EP Holding Plc.	Napred Razvoj Plc.	Compensation for organization of Extraordinary meeting of Energoprojekt Holding	RSD 2.881.041,77	Commercial Court in Belgrade	2016	Uncertain, according to the Decision of the Court of first instance, the application was rejected, Court Decision on EP Holdings' appeal is pending.
14.	Kosmaj mermer	EP Visokogradnja Plc.	Ungrounded claim of a creditor with separate satisfaction right		Commercial Court in Belgrade	2016	Ungrounded, Decision of the Court of first instance, the application was rejected, Court Decision on appeal is pending.
15.	EP Visokogradnja Plc.	Vesna Perincic	Debt	RSD 88.500,00	3rd Basic Court in Belgrade	2016	EP Visokogradnja appeal granted, so the lawsuit will be repeated, and Perincic Vesne appeal was legally rejected.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
16.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667.104,25	Commercial Court in Belgrade	2016	According to the final court decision, Plaintiff's claim was granted.
17.	Milan Brankovic	EP Visokogradnja Plc.	Annulment of a temporary employment contract		1st Basic Court in Belgrade	2016	Ungrounded, proceedings suspended until completion of lawsuit 17.P1.11640/10
18.	EP Visokogradnja Plc.	Trudbenik gradnja	Claim recognized in liquidation procedure	RSD 2.767.501,76	Commercial Court in Belgrade		Uncertain collection of claim.
19.	Djordje Miksa	EP Visokogradnja Plc.	Contractual fine payment	RSD 512.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
20.	Sladjan Pavlovic	EP Visokogradnja Plc.	Damage compensation	RSD 1.700.000,00	3rd Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
21.	EP Visokogradnja Plc.	Cvitan Dragan	Debt	RSD 122.922,87	3rd Basic Court in Belgrade	2016	Justified. Partially collected. Enforced performance pending.
22.	Natasa Milojevic	EP Visokogradnja Plc.	Ownership title to be determined	RSD 100.000,00	1st Basic Court in Belgrade	2016	First instance court decision denied plaintiff's claim.
23.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271.813,90	Commercial Court in Belgrade	2016	Justified
24.	EP Visokogradnja Plc.	Alumaks sistemi Ltd.	Damage compensation (block 29)	RSD 31.605.600,00	Commercial Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings..

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
25.	EP Visokogradnja Plc.	Veso Romic	Unfounded acquisition	RSD 35.301.780,00	Commercial Court in Belgrade	2016	Justified
26.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 290.385.390,00		2016	Justified, proceedings suspended.
27.	EP Visokogradnja Plc.	Beobanka Plc. in bankruptcy	Claims registration	USD 1.031.053,82	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
28.	EP Visokogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 5.000.000,00	Commercial Court in Belgrade		Justified, claim recognized in liquidation procedure
29.	EP Visokogradnja Plc.	Banex trade . in bankruptcy	Debt of GBP 800.203,44 paid RSD 8.478.580,00		Commercial Court in Belgrade		Justified. Partially collected.
30.	EP Visokogradnja Plc.	Belim Plc.	Debt under settlement agreement	USD 612.000,00	Commercial Court in Belgrade	Completed	Justified, debt not yet collected.
31.	EP Visokogradnja Plc.	Grad Beograd, Direkcija za gradjevinsko zemljiste, RS	Debt (Arena)	RSD 208.000.245,40	Commercial Court in Belgrade	2016	First instance court decision partly granted plaintiff's claim. An appeal proceedings initiated.
32.	EP Visokogradnja Plc.	JP Zeleznice, Beocvor	Debt (Prokop)	RSD 407.301.020,00	Commercial Court in Belgrade	2016	Justified, proceedings suspended.
33.	Bozo Tomasevic	EP Visokogradnja Plc.	Annulment of employment contract termination	RSD 140.000,00	1st Basic Court in Belgrade	2016	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated an appeal proceedings, second instance court decision is pending.
34.	Aleksandar Petrovic	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3.500.000,00	3rd Basic Court in Belgrade	2016	Decision on Court incompetence in Serbia adjudicated. Positive result expected.
35.	Sava Krajinovic	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269.000,00	1st Basic Court in Belgrade	2016	Ungrounded

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
36.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350.000,00	1st Basic Court in Belgrade	2016	Unjustified, Decision of first instance court claim announced withdrawn, plaintiffs' appeal pending in second instance Court.
37.	Nenad Dautovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
38.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438.530,00	Commercial Court in Belgrade		Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
39.	Residence object, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2.000.000,00	1st Basic Court in Belgrade		Unjustified, proceudre stopped.
40.	EP Visokogradnja Plc.	Sinisa i Dragan Romic	Contesting of share transfer agreement		Commercial Court in Belgrade	2016	Justified
41.	Kojic Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1.130,00	1st Basic Court in Belgrade	2016	Ungrounded
42.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bunkruptcy	Debt	RSD 1.340.520,00	Commercial Court in Valjevo	Uncertain	Receivables recognized through bankruptcy procedure.
43.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1.098.898,15	Commercial Court in Belgrade	2016	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
44.	Drago Stupar and others	EP Visokogradnja Plc.	Ownership land title to be determined		Basic court, Herceg Novi	2016	Decision of the Court of first instance claim rejected. Plaintiffs' appeal pending.
45.	Dusan Petrovic, Vladimir Glisovic i EGP Investments	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
46.	Sasa Boskovic	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
47.	Husein Smailovic	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59.000,00 monthly as of January 2010	3rd Basic Court in Belgrade	2017	Uncertain. Partly grounded.
48.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15.000,00 monthly as of January 21, 1989	3rd Basic Court in Belgrade	2016	Ungrounded
49.	Radosavljevic Velibor	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2016	Ungrounded
50.	EGP Investments	EP Viskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
51.	Ostojic Dragomir, Djuric Milorad i Jorgic broker Plc.	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Uncertain
52.	EP Visokogradnja Plc.	PIK Zemun in bunkruptcy	Debt	RSD 33.705,46	Commercial Court in Belgrade	2016	Presented receivalbes in bunkruptcy.
53.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115.776,00 with interest	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
54.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	RSD 31.642,40	Commercial Court in Belgrade	2016	Justified. Compulsory payment on the way.
55.	Dragan Petrovic	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Uncertain
56.	Fond PIO	Kolex Ltd. and EP Visokogradnja Plc.	Agreement annulment defined		Higher court in Belgrade	2016	Plaintiffs' appeal rejected by Court Decision. Plaintiffs' revision pending.
57.	EP Visokogradnja Plc.	Shooting Federation	Debt	RSD 70.803,28			Receivable obsoleted
58.	Milic Jankovic	Direkcija za gradjevinsko zemljiste, EP Visokogradnja Plc. and Aleksic Ruzica	Ownership title to be determined		1st Basic Court in Belgrade	2016	Justified
59.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanovic Milinko	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
60.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Omni promet Ltd.	Court should determine whether the Agreement is null and void or not		3rdBasic Court in Belgrade	2017	Uncertain
61.	PC Poste Srbije	EP Visokogradnja Plc.	Debt in different accounts	RSD 17.002,24	Commercial Court in Belgrade	2016	Partly grounded
62.	Perunovic Momcilo	EP Visokogradnja Plc.	Ownership title to be determined		3rdBasic Court in Belgrade	2016	Justified
63.	Devic Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5.774,42	3rdBasic Court in Belgrade	2016	Ungrounded

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
64.	Milorad Vasic	EP Visokogradnja Plc.	Damage compensation (block 12)	RSD 25.732.877,55	Higher court in Belgrade	2016	Plaintiffs' appeal adopted by Court Decision. Revision pending.
65.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 266.447,62	Commercial Court in Sremska Mitrovica	2016	Uncertain
66.	EP Visokogradnja	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pancevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
67.	EP Visokogradnja	Amiga Ltd. Kraljevo in restructuring	Debt	RSD 114.425,00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
68.	EP Visokogradnja	Hypo Alpe-Adria-Bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
69.	EP Visokogradnja	Uni Credit bank Srbija	Injunctive relief		Commercial Court in Belgrade	2016	Injunctive relief of forbidden guaranteed payment by Court decision.
70.	EP Visokogradnja	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5.048.082,19	Arbitration Court in Rostov, RF	2016	Justified
71.	EP Visokogradnja	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5.236.849,31	Arbitration Court in Rostov, RF	2016	Justified
72.	EP Visokogradnja	МКЦ РосЕвроДевелопмент ООО, Ростов, РФ	Debt for works performed	RUB 175.502.823,20	Arbitration Court in Rostov, RF	2016	Justified
73.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1.269.860,00	Commercial Court in Belgrade		Partly paid, cca RSD 160.000,00, for the rest the procedure is stopped.
74.	Bojic Zeljko	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rd Basic Court in Belgrade	2017	Uncertain, accrued earnings paid in total

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
75.	Ivic Ivica	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
76.	Tomic Radisa	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
77.	Rados Nenad	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
78.	ZR Spektar Dekor	EP Visokogradnja	Debt payment for works on MKC Hyatt	EUR 139.913,81	Commercial Court in Belgrade	2016	Grounded
79.	Vidojevic Vladan	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
80.	Paunovic Ljubisa	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
81.	Jovicic Dejan	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
82.	Alen Vasic	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect	RSD 600.000,00	3rdBasic Court in Belgrade	2017	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
83.	Topalovic Igor	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain
84.	Radeka Predrag	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
85.	Gogic Vitomir	EP Visokogradnja	Damage compensation – unpaid fee and compensations due to overtime and work effect		3rdBasic Court in Belgrade	2017	Uncertain, accrued earnings paid in total
86.	Svetlana Zivanovic	EP Visokogradnja	Damage compensation – unpaid fee		3rdBasic Court in Belgrade	2017	Main debt paid, interest rates remaining
87.	Milovanovic Milenko	EP Visokogradnja	Damage compensation – unpaid fee		3rdBasic Court in Belgrade	2016	Main debt paid, interest rates remaining
88.	Pavlovic Igor	EP Visokogradnja	Damage compensation – unpaid fee		3rdBasic Court in Belgrade	2016	Main debt paid, interest rates remaining
89.	Danijel Salipur	EP Visokogradnja	Employment existing and damage compensation	RSD 1.320.000,00	3rdBasic Court in Belgrade	2017	Uncertain
90.	Antonijevic Dragan	EP Visokogradnja	Damage compensation – unpaid fee		3rdBasic Court in Belgrade	2016	Main debt paid, interest rates remaining

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
91.	Stojkovic Milorad	EP Visokogradnja	Damage compensation – unpaid fee		3rd Basic Court in Belgrade	2016	Main debt paid, interest rates remaining
92.	Miloje Zivanovic	EP Visokogradnja	Damage compensation – unpaid fee		3rd Basic Court in Belgrade	2016	Main debt paid, interest rates remaining
93.	Ivanovic Sinisa	EP Visokogradnja	Damage compensation – unpaid fee		3rd Basic Court in Belgrade	2016	Main debt paid, interest rates remaining
94.	EP Oprema Plc.	DGP Zlatibor	Payment for works completed	RSD 42.000.000,00	Commercial Court in Belgrade	Finished	Grounded, payment uncertain, debtor in bankruptcy.
95.	EP Oprema Plc.	GP Rad in bankruptcy	Debt	USD 1.100.000,00	Commercial Court in Belgrade		Receivables in bankruptcy defined.
96.	EP Oprema Plc.	Graditelj Leskovac	Works contracted	RSD 71.129.042,82	Commercial Court in Leskovac	Finished	Grounded, payment uncertain, debtor in bankruptcy.
97.	EP Oprema Plc. and EP Holding Plc.	Municipality of Medvedja	Return of given	RSD 120.000.000,00	Commercial Court in Leskovac	Uncertain, lawsuit stopped	Uncertain
98.	EP Oprema Plc.	Clinical Center of Sebia	Debt for works performed	EUR 255.544,13	Commercial Court in Belgrade	2016	Uncertain, lawsuit pending.
99.	EP Oprema Plc.	Clinical Center of Sebia	Damage compensation	EUR 1.559.000,00	Commercial Court in Belgrade	2016	Plaintiffs' appeal adopted by first instance decision, KCS presented appeal.
100.	EP Oprema Plc..	Nemanja Iovic	Unfounded acquisition	RSD 64.600,50	1st Basic Court in Belgrade	2016	Plaintiffs' appeal adopted by the Court decision. Decision enforcement pending.
101.	Djordjevic Goran	PC EMS EP Oprema	Private nuisance		Basic court, Krusevac	2016	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
102.	Stankovic Vladan	EP Oprema	Damage compensation	RSD 2.300.000,00	Basic court, Bor	2016	Plaintiffs' appeal adopted by first instance decision. EP Oprema appeal pending.
103.	Stanojkovic Milorad	EP Oprema Plc. and PC Elektromreze	Damage compensation	RSD 10.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
104.	Marinkovic Stanisa	EP Oprema Plc. -intervener	Damage compensation	RSD 304.000,00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.
105.	Stanojlovic Cedomir	EP Oprema Plc. -intervener	Damage compensation	RSD 261.000,00	Basic court, Vranje	2016	Partly grounded, first instance procedure pending.
106.	Ristic Cedomir	EP Oprema Plc. -intervener	Damage compensation	RSD 63.000,00	Basic court, Vranje	2016	Partly grounded, EP Oprema appeal pending.
107.	Milan Ilic i Nenad Babic	EP Oprema a.d.	Injury at work	RSD 4.200.000,00	3rd Basic Court in Belgrade	2016	Partly grounded. First instance decision in favor of EP Oprema – plaintiffs rejected; plaintiffs appealed; First instance partly grounded, repeated procedure pending.
108.	Novica Cirovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 100.000,00	Basic court, Leskovac	2016	Partly grounded, first instance procedure pending.
109.	Milan Cvetkovic	EP Oprema Plc. PC Elektromreze Srbije	Damage compensation	RSD 1.381.278,00	Basic court, Vranje	2016	First instance procedure pending.
110.	Stamenkovic Ivan	PC Elektromreze Srbije EP Oprema Plc.	Private nuisance		2nd Basic Court in Belgrade	2016	Ungrounded
111.	Stankovic Vladan	EP Oprema a.d.	Damage compensation in monthly rates	RSD 8.000,00	Basic court, Bor	2016	First instance decision in favor of EP Oprema; First instance appeal pending.
112.	EP Oprema a.d.	Dnevni list Kurir	Denial disclosure		Higher court in Belgrade	2016	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
113.	EP Oprema a.d. as lider of consortium	RC for Rights Protection in Public Tender Competition	Decision Annulation in Public Tender Competition for Novi Beograd Heat Plant		Administrative Court	Uncertain	Uncertain
114.	Jovan Cvokic and other	EP Niskogradnja Plc.	Bonus payment	EUR 20.145,11	3rdBasic Court in Belgrade	2016	Ungrounded
115.	Tanic Dusan	EP Niskogradnja Plc.	Annulment of Decision on salary amount		3rdBasic Court in Belgrade	2016	Ungrounded
116.	EP Niskogradnja Plc.	Internacional CG in restrcture	Debt	RSD 182.056,00	Commercial Court in Belgrade	2016	Justified
117.	Dragan Tomic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
118.	Dragomir Ostojic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
119.	Igor i Sasa Sebic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
120.	Sasa Boskovic	EP Niskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2016	Ungrounded
121.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance bond	KM 3.500.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
122.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 7.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
123.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advance payment	KM 4.000.000,00	Municipal Court, Sarajevo	Uncertain	Uncertain
124.	EP Niskogradnja Plc.	JIK Banka Plc. in bunkruptcy	Claims registration	USD 218.000,00	Commercial Court in Belgrade	Uncertain	Justified

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
125.	EP Niskogradnja Plc.	Jugobanka Plc. branch in New York	Claims registration	USD 455.877,88 and RSD 12.060.320,00	Commercial Court in Belgrade	Uncertain	Justified
126.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4.546,10 and RSD 16.278.517,00	Commercial Court in Belgrade	Uncertain	Justified
127.	Simic Ljubisa	PC Putevi Srbije and EP Niskogradnja Plc.	Damage compensation	EUR 4.598,80	1st Basic Court in Belgrade	2016	Ungrounded
128.	Sent Andrea Ltd.	EP Niskogradnja Plc.	Damage compensation – profit lost due to agreement termination	RSD 2.912.451,60	Commercial Court in Belgrade	2016	Appeal considered suspended.
129.	Strajnic Nenad	PC Putevi Srbije and EP Niskogradnja Plc. – intervener	Damage compensation	RSD 183.928,48	Basic court, Novi Sad	2016	Uncertain
130.	Sekulic Dragan	PC Putevi Srbije; Dunav osiguranje Plc.; EP Niskogradnja Plc. - intervener	Damage compensation		Basic court, Novi Sad	2016	Uncertain
131.	DIN Ltd.	EP Niskogradnja Plc.	Debt on different accounts	RSD 542.836,83	Commercial Court in Belgrade	2016	Ungrounded
132.	Jokic Todor	EP Niskogradnja Plc.	Annulment of a temporary employment contract		Basic court, Gornji Milanovac	2016	Ungrounded
133.	Danicic Nemanja	EP Niskogradnja Plc.	Damage compensation based on injury at work	RSD 268.520,00	Basic court, Gornji Milanovac	2016	Uncertain
134.	Stanisic Tomo	EP Niskogradnja Plc.	Damage compensation	RSD 244.413,97	3rd Basic Court in Belgrade	2016	Ungrounded
135.	Matkovic Ljubisa, Milostiva and Gordana	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290.000,00	Basic court, Gornji Milanovac	2016	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
136.	Matkovic Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
137.	RF PIO Branch Beograd	EP Niskogradnja	Recourse claim	RSD 419.600,10	Commercial Court in Belgrade	Uncertain, stopped till penal lawsuit ends	Uncertain
138.	Aleksandar Babic and other	EP Niskogradnja Plc.	Bonus payment	RSD 40.906,00	3rdBasic Court in Belgrade	2016	Ungrounded
139.	Gordana i Veselin Medenica	EP Niskogradnja Plc.	Damage compensation - injury at work	RSD 3.200.000,00	3rdBasic Court in Belgrade	2016	Uncertain
140.	Milko Tadic	EP Niskogradnja Plc.	Annulment of a temporary employment contract		3rdBasic Court in Belgrade	2016	Ungrounded
141.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt, trip to Yemen Compensation protest of Energoprojekt Niskogradnja	Legal claim: USD 17.604.299,00 Compensation protest: USD 17.390.380,06	Commercial Court in Belgrade	2016	First instance expert procedure pending, expecting the first instance decision for settlement, thus suspending liabilities of EP Niskogradnja towards Bosna putevi.
142.	Vladimir Marinkovic	EP Niskogradnja Plc.	Overtime, Peru	USD 5.552,84	3rdBasic Court in Belgrade	2016	Ungrounded, lawsuit stopped.
143.	EP Niskogradnja	Dejan Vujic PR Dey trade Vreoci	Unfounded acquisition	RSD 304.749,89	Commercial Court in Belgrade	2016	Justified
144.	Musikic Vera and Branislav	PC Putevi Srbije EP Niskogradnja Plc. - intervienier	Damage comensation due to death of closed person	RSD 1.920.000,00	Basic Court, Vrbas	2017	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
145.	Jovanovic Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt; EP Niskogradnja a.d.	Damage compensation	RSD 380.000,00	Basic court, Gornji Milanovac	2016	Uncertain
146.	Angelina i Dejan Lukic	EP Niskogradnja Plc.	Damage compensation	RSD 2.000.000,00	3rdBasic Court in Belgrade	2016	Ungrounded
147.	EP Niskogradnja Plc. and	Intermost Ltd. in bankruptcy	Debt (Novi Sad)	RSD 378.685.160,00	Commercial Court in Belgrade	2016	Plaintiffs appeal of EP Niskogradnja grounded, returned to the first instance for repeated lawsuit, on appeal of Intermost Ltd.
	Intermost Ltd.. in bankruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189.827.985,00	Commercial Court in Belgrade	2016	
148.	Dunav osiguranje Plc.	PC Putevi Srbije EP Niskogradnja Plc.- intervener	Damage compensation	RSD 170.536,00	Commercial Court in Belgrade	2016	Uncertain
149.	Adis Oprasic	EP Niskogradnja plc.	Debt due to Proxy Agreement	EUR 6.000,00	Municipal Court in Sarajevo	2017	Ungrounded
150.	S.Stojic	EP Hidroinzenjering Plc.	Claims for unpaid salaries earned abroad	USD 6.466 ie. RSD 482.865	1st Basic Court in Belgrade	Plaintiffs' appeal pending, expected end by the end of 2016	Favourable
151.	P. Stanisic and J. Blagojevic	EP Hidroinzenjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	1st Basic Court in Belgrade	First instance decision by the end of 2016	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
152.	M. Bojic	EP Hidroinzenjering Plc.	Unpaid salary earned abroad and unpaid subsistence allowance	USD 8.340 ie. RSD 622.811	1st Basic Court in Belgrade	First instance decision in our favour, appeal presented, expected end by the end of 2016	Favourable
153.	EP Hidroinzenjering Plc.	RIKO Ljubljana Slovenia	Unpaid invoices	EUR 159.425,89	Municipal Court in Ljubljana Slovenia	Uncertain	Favourable
154.	EP Energodata Plc.	"Sipad komerc" in bankruptcy	Unpaid services performed	RSD 258.586,20 + interest	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy	Uncertain payment amount.
155.	Violeta Nikolic	EP Garant Plc.	Request to be reappointed to position of Executive Manager		3rd Basic Court in Belgrade	2016	Ungrounded
156.	EP Garant Plc.	JKP BVK Beogradski vodovod	Recourse – damage compensation	RSD 1.900.000	Commercial Court in Belgrade	2016	Up to 40% of demanded (700.000 RSD)
157.	Marko Martinoli	EP Entel Plc.	Annulment of separate financial statement		Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
158.	Vladimir Grabez, Marko Martinoli, Activist Ltd. Activeast management Ltd.	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 452.071.063,00	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
159.	Sinisa Kistic	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 104.803.172,80	Commercial Court in Belgrade	2016	Ungrounded, first instance rejected Plaintiffs appeal, Plaintiff presented new appeal.
160.	EP Entel Plc.	PC EPS (RB Kolubara)	Debt payment on different accounts	RSD 11.628.000,00	Commercial Court in Belgrade	2016	Uncertain, first instance rejected Plaintiffs appeal.
161.	Paripovic Dusko	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1.300.000,00	Basic court, Pozarevac	Uncertain	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
162.	Milanka Bancic	EP Industrija Plc	Housing lawsuit		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, second instance return to amendment procedure.
163.	EP Industrija Plc.	Jugoremedija Plc.- in bankruptcy	Claims registration	EUR 321.146,18	Commercial Court in Zrenjanin	Uncertain	Bankruptcy procedure confirmed RSD 28.884.312,77
164.	Marko Martinoli	EP Industrija Plc.	Annulment of financial statements		Commercial Court in Belgrade	Uncertain	First instance in favour of EP Industrija, result uncertain.
165.	EP Industrija	Milanka Bancic	Relocation		New Belgrade Municipality	Uncertain	Uncertain
166.	EP Urbanizam i arhitektura Plc.	Miodrag Cvijic	Damage compensation	RSD 1.523.072,42	3rdBasic Court in Belgrade	Uncertain	Uncertain, validity and executivity clauses suspended.
167.	Tamara Vukadinovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
168.	Jelena Davidovic	EP Urbanizam i arhitektura Plc.	Annulment of employment termination		3rdBasic Court in Belgrade	Uncertain	Uncertain
169.	Stefanovic Miroslav	EP Urbanizam i arhitektura Plc.	Labour dispute	RSD 189.286,00	3rdBasic Court in Belgrade	Uncertain	First instance in favor of EP Urb. and arch., appeal pending.
170.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 3		3rdBasic Court in Belgrade	Uncertain	Lawsuit interruption forecasted
171.	Veljkovic Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 4		3rdBasic Court in Belgrade	Uncertain	First Instance

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
172.	Markovic Vladimir	EP Urbanizam i arhitektura Plc.	Debt	USD 10.147,80	1st Basic Court in Belgrade	Uncertain	Uncertain, EP Urb. and Arch. appeal pending
173.	Milan Raonic	EP Urbanizam i arhitektura Plc.	Damage compensation (copyrights)	RSD 35.015.794,75 and RSD 1.000.000,00	Higher court in Belgrade	2017	Uncertain
174.	Katarina Cvejic	EP Urbanizam i arhitektura Plc.	Debt	RSD 136.000,00	3rd Basic Court in Belgrade	2016	Plaintiffs' appeal adopted by first instance decision. Pending.

In addition to the above listed lawsuits, Energoprojekt Holding, as Plaintiff, is involved in the lawsuit against Music Ivan for damage compensation (roof repair in 38 Goce Delceva Street), for which a receivable in the amount of RSD 30 thousand was posted in Company books.

It should be noted here that an impairment of the receivable owed by Zekstra Group Ltd. to Energoprojekt Holding was performed in 2014 in the amount of RSD 867 thousand (EUR 7 thousand), and that in 2015 the receivable amount owed by Napred Razvoj Plc. in the amount of RSD 2.881 thousand was impaired within Energoprojekt Holding.

In addition of the above listed court cases in which Energoprojekt Holding is the defendant, there is a lawsuit with the New Company Ltd. branch IN Hotel, in which the plaintiff requests the GP Napred Razvoj Plc. company to determine the ownership right over the hotel building constructed on a lot for which Energoprojekt Holding was registered as a holder of rights in addition to the GP Napred Razvoj Plc. company. In this lawsuit, Energoprojekt Holding is a passive co-litigant, and thus there are no potential commitments for Energoprojekt Holding, but it had to be included in the action due to the formal reasons.

In addition to the above stated, the second instance procedure is in progress as well, in which a number of minority shareholders of the Energoprojekt Niskogradnja called in question the price of shares from compulsory redemption that was paid by Energoprojekt Holding as the majority shareholder. In addition to that, the first instance procedure is also in progress in which a small number of minority shareholders of the Energoprojekt Visokogradnja called into question the price paid to them in the procedure initiated at their request for compulsory sale of shares.

47. POST BALANCE SHEET EVENTS

There were no events after the balance sheet date that could have any significant effect on the credibility of the financial statements.

In Belgrade,
On August 9, 2016

2. BUSINESS REPORT

- Authentic overview of Company's growth and business results, financial position and information of significance for its assets valuation;
 - Description of Company's anticipated growth in the following period, changes in its business policies and main risks and threats to which its business is exposed;
 - Major events after the end of the reporting year;
 - Major transactions with related parties;
 - Corporate activities in research and development;
-

Note:

Business Report and Consolidated Business Report are presented as one report, containing information of significance for the economic overview.

Authentic overview of Company's growth and business results, financial position and information of significance for its assets valuation

An authentic overview of the Energoprojekt Holding Plc. (parent Company) and Energoprojekt Group growth and business results, financial position and information of significance for the valuation of corporate assets is presented and explained in detail within the Notes to the Financial Statements (see Chapter 1 of the said Statements).

Plans for 2016 include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 309,7 million, namely: EUR 142,4 million (46%) in the country and EUR 167,3 million (54%) abroad. During the first half of 2016, contracts for new business deals worth the total of EUR 165,1 million were concluded: EUR 97,2 million (59%) in the country and EUR 67,9 million (41%) abroad, which makes 53% of the total targeted annual contracting plan.

As at the last day of the reporting period, business deals worth approximately EUR 490,9 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 214,9 million ; abroad EUR 276,0 million).

Description of Company's anticipated growth in the following period, changes in its business policies and main risks and threats to which its business is exposed

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2016:

Priority tasks:

- Activities aimed at preparation of a new strategic document – “Basic Elements of the Medium-Term Business Plan for 2016–2020“.
- Further development of the business and information system that is matched to the needs of the Energoprojekt Holding Plc.,

- Continued financial and business consolidation of individual subsidiaries of the Energoprojekt Group, which have, due to various reasons, presented poorer business results over the previous period (from the aspect of their revenues, profit, human resources' competencies, secured projects and borrowing debts).

Other business-related tasks:

- To improve efficiency of the management system and allocation of individual responsibilities in all operational processes;
- To strengthen the management system and the internal control system for the business processes in the subsidiaries (with the aim to increase their revenues and profit, parallel with optimization of operational costs) and to thus reduce the operational risk levels;
- To establish adequate management structure that will raise the team spirit to a higher level in the team-work atmosphere;
- To revitalize the existing business activities that are currently in decline or stagnating and to initiate new developmental projects;
- To re-engineer the business processes and to improve personnel structures in Energoprojekt Visokogradnja Plc., Energoprojekt Hidroinženjering Plc. and in all the other Companies of the Energoprojekt Group, wherever necessary;
- To strengthen the functions of internal supervision and internal audit in Energoprojekt Holding Plc. and in the Energoprojekt Group;
- To provide for sustainable growth and development of the Energoprojekt Group, and to increase equity capital and dividend distribution;
- Transparency of business operations and public presentation of Energoprojekt, by means of supplying relevant information through the Stock Exchange and regular communication with investors, partners and experts, in the country and abroad.

The most significant threats to which the Company is exposed include: continuing and deepening of the global and Eurozone economic crisis; competition in the form of foreign companies from the countries with huge populations and cheap workforce; competition in the form of the foreign companies with easier access to cheaper financial resources; institutional changes in the domestic and selected foreign markets; dependency on the political stability of the markets in which Energoprojekt realizes its projects and so on.

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as a constituent part of all its executive functions and as one of the principal functions of the Company's internal audit. Efforts on risk management development strategy are intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2016.

At 44th Repeat Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 23rd, 2016, new members of Energoprojekt Holding Plc. Supervisory Board were appointed for the next four year period.

Pursuant to the Resolution of Annual General Meeting of Energoprojekt Holding Plc. and based on Art. 86, par. 4 of the Articles of Association of Energoprojekt Holding Plc., the Energoporjekt Holding Plc. Supervisory Board was founded at its 1st constitutional meeting, on June 27th, 2016.

At 2nd Energoprojekt Holding Plc. Supervisory Board Meeting, celebrated on July 1st, 2016, the Resolution on Appointment of General Manager and Executive Managers of Energoprojekt Holding plc. was approved.

The expected company development in the forthcoming period will be realized complying the approved company documents:

- *"Basic Business Guidelines of the Energoprojekt Group in mandatory period"* (approved at 2nd Energoprojekt Holding Plc. Supervisory Board Meeting, celebrated on July 1st, 2016, following the proposal of General Manager);
- *"Annual Business Plan of Energoprojekt Holding Plc. and Energoprojekt Group for the year 2016"* (approved on 265th Energoprojekt Holding Plc. Executive Board Meeting, celebrated on December 21st, 2015).

Major business events after the end of the reporting year

There were no major business events from the balance date to the date of publication of the said statements, which would require disclosure or exert any impact on the authenticity of the disclosed financial statements.

At 44th Repeat Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 23rd, 2016, the following relevant resolutions were approved: Resolution on Approval of Energoprojekt Group Annual Consolidated Statement for 2015 (*Energoprojekt Group consolidated financial statement for 2015; Auditor's Report for 2015 and Annual Business Report*); Resolution on Approval of Energoprojekt Holding Plc. Annual Business Report for 2015 (*Energoprojekt Holding Plc. financial statements for 2015; Auditor's Report for 2015 and Annual Business Report*); Resolution on Distribution of Undistributed Profits; Resolution on Approval of Report by the Supervisory Board of Energoprojekt Holding Plc.; Resolution on Appointment of the Company Auditor for 2016 and Approval of the Auditor's Fee; Resolution on Appointment of Members of the Supervisory Board of Energoprojekt Holding Plc.; Resolution on Fees to the Members of Supervisory Board for their Engagement in this Board and

on prior Consent for Signing of Agreement on Fees to the Members of Supervisory Board of Energoprojekt Holding Plc.; Decision on Acquisition of Own shares of Energoprojekt Holding Plc..

Regular annual meetings of all subsidiaries shareholders from the Energoprojekt Group were held in due legal terms, so that all proposed resolutions were duly approved.

Relevant business news on major events are being regularly published on the Energoprojekt web site (at: <http://www.energoprojekt.rs>) and on the web site of the Belgrade Stock Exchange (in Serbian and in English), as a part of the Company's obligations related to the Prime Listing of its shares on the Belgrade Stock Exchange

Major transactions with related parties

Receivables from the related parties arise primarily from the sale of services and are mature and collectible within 15 days from the invoicing date. Blank bills of exchange and relevant authorizations were provided to the Company as payment securities. Detailed explanations are provided in the "Notes to the Financial Statements".

Corporate activities on research and development

Energoprojekt Holding Plc. establishes and improves its own integrated management system (IMS) that includes quality management (harmonized with ISO 9001:2008 standard), environmental protection management (harmonized with ISO 14001:2004 standard) and health and safety at work management (harmonized with OHSAS 18001:2007 standard).

Activities on further development and implementation of an adequate business and information system are underway, and the system will be adequate to the current scope and planned growth of the Company's business.

A new strategic medium-term business documents of companies and the Energoprojekt Group, for 2016-2020 period, will, among other things, include information about new Company's projections in the field of research and development.

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

To the best of our knowledge, the Semi-Annual Consolidated Financial Statements of Energoprojekt Group for 2016 were prepared in compliance with the relevant International Financial Reporting Standards and they present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

In compliance with the Law on Capital Market (RS Official Gazette, No. 31/2011) we hereby declare that the financial statements in question have not been audited.

Person responsible for preparation of the Report:

Legal Representative:

Energoprojekt Holding Plc.

Energoprojekt Holding Plc.

Executive Director for Finance

Chief Executive Officer



Dr Dimitraki Zipovski

Dr Dimitraki Zipovski, D.Sc. Ecc.



Vladimir Milovanovic
Vladimir Milovanovic, B.Sc. Mech. Eng.

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED REPORT OF ENERGOPROJEKT GROUP FOR 2016 *

Note *:

- Semi-Annual Consolidated Report of the Energoprojekt Group for 2016 was approved and adopted on August 12, 2016, at 12th meeting of the Executive Board of the Issuer.

In Belgrade, August 2016

Person responsible for preparation of the Report:

Energoprojekt Holding Plc.

Executive Director for Finance



Dimitraki Z. P.
Dr Dimitraki Zipovski, D.Sc. Ecc.

Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer



Vladimir Milovanović
Vladimir Milovanović, B.Sc. Mech. Eng.