

**KONČAR GROUP MANAGING BOARD BUSINESS REPORT
FOR JANUARY – SEPTEMBER, 2015**

The KONČAR Group consists of KONČAR – ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) as the Mother Company and 17 Daughter Companies in which the Mother Company has the prevailing interest (more than 50 % of votes at the Annual / Extraordinary General Meeting). Privileged shares are registered in a part of companies in addition to ordinary shares. Besides, the Mother Company has a minority managing interest (49% votes at the Annual / Extraordinary General Meeting) in one company (the Associated Company).

Companies belonging to the Group are legally independent companies supervised, strategically directed and supported by the Mother Company through company supervisory boards and company annual/extraordinary general meetings in accordance with the Law on Trading Companies, Statutes of KONČAR - ELEKTROINDUSTRIJA d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) and Statutes of Group Companies. The Mother Company also manages a part of assets that are not invested into companies, but they offer a direct or indirect financial support to the marketing and sales of products and equipment of associated companies as a credit and warranty potential.

The potential liability of Končar - Elektroindustrija d.d. (KONČAR – ELECTRICAL INDUSTRY Inc.) for the total issued warranties as of 30/09/2015 amount to HRK 816.3 million representing a decrease by HRK 205 million compared to 31/12/2014. The decrease refers generally to the decrease of the advance payment guarantee of the company Končar – Električna vozila (Končar – Electrical Vehicles) in the amount of HRK 145.5 million and the company Končar – Generatori i motori (Končar – Generators and Motors) in the amount of HRK 28.7 million.

The Končar Group business activities are divided into business areas:

- Generation, transmission and distribution of Electrical Power and Transport: designing and construction of plants and equipment for generation, transmission and distribution of electric energy, electric locomotives, Electric Multiple Units, tramcars and side-line electric traction equipment;
- Industry: electric motor drives, low voltage electric equipment;
- Trade: electrical household appliances, serial products and low voltage electrical apparatuses;
- Special activities: research and development of products and infrastructural services.

Managing Board

The President and Members of the Managing Board are appointed and recalled by the Supervisory Board. The term of office of the President and Members of the Managing Board lasts 5 years; after expiry of their term of office, they can be reappointed. Pursuant the Trading Company Act and the Statutes of the Company, the Managing Board manages business activities at its own responsibility; it is obliged and authorised to perform all possible actions and make decisions it considers necessary for a successful managing of the Company. Some decisions, prescribed by the Statutes, require consent of the Supervisory Board.

Company Končar – Elektroindustrija d.d. (Končar – Electrical Industry Inc.) is managed by the Managing

Board comprising the following members:

Darinko Bago	The President of the Managing Board
Marina Kralj Miliša	A Member of the Managing Board in Charge of Legal, Common and Personnel Affairs
Jozo Miloloža	A Member of the Managing Board in Charge of Finances
Davor Mladina	A Member of the Managing Board in charge of Transmission and Distribution of Electric Power, Industry and Trade
Miroslav Poljak	A Member of the Managing Board in Charge of Generation of Electric Power, Corporate Development and ICT

Supervisory Board

Pursuant provision of the Trading Company Act and the Statutes of KONČAR – ELECTRICAL INDUSTRY Inc. the Annual (Extraordinary) General Meeting makes decision on nomination and recalling of the Supervisory Board. The Supervisory Board is responsible for appointment and recall of Managing Board Members and supervision over management of business activities of the Company. Any more significant transactions and business decisions (the level of transactions is defined by the Statues of the Company) requires the Supervisory Board consent.

The Supervisory Board has 9 members as follows:

Nenad Filipović	Supervisory Board President
Jasminka Belačić	Supervisory Board Deputy President
Boris Draženović	Member
Vicko Ferić	Member
Dragan Marčinko	Member
Petar Mišura	Member
Nikola Plavec	Member
Ivan Rujnić	Member
Petar Vlaić	Member

Končar Group Business Results for January to September, 2015

Končar Group Companies generated consolidated incomes from sales of products and services in the amount of HRK 2,221.8 million for the time period from January to September, 2015 and they are higher by 24.3 % compared to the achievements during the same time period of 2014.

On the domestic market the income from sales of products and services was generated in the amount of HRK 1,249.6 million, making it by 48.4 % higher in the comparison with the period from January to September of 2014. Incomes from sales of products and services on the foreign market were generated in the amount of HRK 972.2 million and they were by 2.9 % higher than the achievement of the same time period of the previous year. The export share in the total consolidated incomes from sales of products and services amounts to 44 %.

Operating incomes were generated in the amount of HRK 2,293.4 million making them higher by 20.1 % than the achieved from January to September, 2014. Within business incomes, incomes from sales of products and services amount to 96.8 % of the total business incomes. Operating expenses were generated in the

amount of HRK 2,211.4 million and they are by 19.8 % higher than the achievement from January to September of 2014.

The share of material expenses in business revenues (corrected by the change in stocks) amounts to 67.7 % making it higher by 3 % compared to the same time period of the previous year.

The share of personnel costs in business revenues (corrected by the change in stocks) amounts to 18 % and they are lower by 2.7 % compared to the previous year.

Amortization amounts to HRK 65.9 million making it higher by 2 % compared to the same time period of the previous year.

The difference between the operating incomes and the operating expenses gives the profit of operating activities in the amount of HRK 82 million making it higher by HRK 18.8 million or 29.8 % compared to the achievement for the time period January – September, 2014.

A share in profits belonging to associated entrepreneurs amounts to HRK 36.3 million and it is higher by 8.6 % or by HRK 2.9 million compared to the same time period of the previous year.

The difference between financial incomes and financial expenses is negative and it amounts to HRK 12.9 million.

In the time period January – September 2015 the total incomes were generated in the amount of HRK 2,375.8 million making them higher by 20.5 % compared to the generated incomes during the same time period in 2014. The total expenses for the same time period were generated in the amount of HRK 2,270.4 million and they were higher by 20.9 % comparing them with the time period from January to September, 2014.

The profits from the operating activities in the amount of HRK 82 million, the share in the profit of the associated entrepreneurs in the amount of HRK 36.3 million and the negative difference between financial incomes and expenses in the amount of HRK 12.9 million make the consolidated profit before tax in the amount of HRK 105.3 million. The profit tax advance payment amounts to HRK 17.6 million, while the profit after tax amounts to HRK 87.7 million distributed to the non-controlling interest (the minority interest) in the amount of HRK 13.8 million and to the Group Mother Company shareholders HRK 73.9 million. The profits allocated to the Group Mother Company shareholders are higher by 19.1 % compared to the achievement for the first half-year of 2014.

Out of 18 Končar Group Companies, 14 Companies generated a positive financial result, while four companies expressed a loss in the total amount of HRK 28.5 million out of which HRK 23.8 million belongs to the Mother Company shareholders.

Within the structure of incomes from sales of products and services in the domestic market, incomes from sales of products and services to the Croatian Railways amount to HRK 479.5 million (38.4 % of the total achieved incomes from sales of products and services in the domestic market). Incomes from sales of products and services to the Croatian Power Authority (HEP) from January to September, 2015 amount to 358.4 million making them higher by 13.1 % of the achieved incomes for the same time period of 2014 and lower by 21.8 % of the 9/12 of the Plan for 2015. The share of incomes from sales of products and services to the Croatian Power Authority (HEP) amount to 28.7 % of the total achieved incomes in the market of Croatia.

To trading companies the Group delivered products in the amount of HRK 201 million, to companies belonging to industry and shipbuilding sector the Group delivered products and services in the amount of HRK 117 million, to Zagreb Electric Trams (ZET) HRK 43.3 million, to INA, THT, Plinacro, HRK 23.3 million, to State and Local Government HRK 35.8 million and the rest amount of HRK 11.2 million refers to buyers from the civil engineering field, Croatian Motor Ways (HAC) and Croatian Roads (HC) and non-distributed buyers. The correction for the deferred incomes in the domestic market is negative and it amounts to HRK 19.9 million.

During the time period from January to September, 2015 in the foreign market the Group generated incomes from sales of products and services in the amount of HRK 972.2 million or 2.9 % more than the same time period of the previous year. The export share in the total incomes from sales of products and services amounts to 44 %. The most significant export was realised in the U.A.E. in the amount of HRK 133 million, Germany HRK 92.6 million, Sweden HRK 88.3 million, Finland HRK 57 million, Norway HRK 48.1 million and Iraq HRK 44.5 million. Compared to the previous year, a significant increase of incomes from sales of goods and services in export was generated by the export to the U.A.E. where the export was increased by the amount of HRK 120.6 million compared to the same time period of 2014 and it referred in the first line to the export of Distributive and Special Transformers and Končar - Switchgear. Compared to the previous year, the export was significantly increased in the markets of Germany (an increase of HRK 35.5 million). The increase of the export to Germany resulted from the increased export of several Group Companies (Končar - Distributive and Special Transformers, Končar – Metal Structures and Končar – Small Electrical machines).

During the time period January – September, 2015, Končar Group Companies contracted new projects in the amount of HRK 1,657 million. Out of the total contracted new projects HRK 923.3 million refer to new contracts contracted abroad (56 % of the total consolidated contracted projects). The contracted new projects in the amount of HRK 1,002.6 million will be performed in 2015, while the contracted project to be performed during 2016 and following years amount to HRK 654.4 million.

At the end of September, 2015, the contracted project status (receivables due) amounted to HRK 3,152.7 million that was by 15 % lower than the contracted project status at the beginning of the year.

The level of the total consolidated assets and asset sources as of 30th September, 2015 amounted to HRK 3,663.2 million making a decrease by HRK 255.3 million or 6.5 % compared to 31st December, 2014.

Within the structure of asset sources, the registered capital, reserves, retained profits, profits of the current year and not controlling interest capital amounted to HRK 2,306.2 million that was HRK 21.2 million more compared to the level on 31st December, 2014 and they made 63 % of the total sources. Long term reserves amounted to HRK 317.2 million and they were higher by HRK 13.5 million compared to the situation as of 31st December, 2014 and they made 8.7 % of the total sources. Long term and current liabilities amounted to HRK 901.4 million making them lower by HRK 323.1 million compared to the position at the end of 2014 and made 24.6 % of the total assets. Within the frames of current liabilities, trade payables amounted to HRK 328.5 million (HRK 82.8 million less compared to the position as of the end of 2014) and they made 9 % of the total assets. The total loans (both, long term and current) amounted to HRK 243.9 million and they were lower by HRK 64.9 million compared to the total loans as of 31st December, 2014 and they made 6.7 % of the total assets.

Long term asset sources (capital, long term reserves and long term liabilities) were higher by HRK 710.6 million from the long term assets and the average level of stocks pointing at a good term structure of asset sources. Current assets were 2.8 times higher than the current liabilities pointing at good liquidity of the system. The consolidated balance sheet structure showed a good financial stability of the Končar Group.

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
Managing Board President
Darinko Bago

30th October, 2015

STATEMENT OF PERSONS RESPONSIBLE FOR COMPILATION OF THE KONČAR GROUP CONSOLIDATED FINANCIAL REPORTS

This Statement of the Končar – Electrical Industry Inc., Zagreb, Managing Board is given regarding compilation and publishing of the Končar Group Consolidated Financial Reports for the time period January – September, 2015.

Financial Reports have been made in accordance of the International Standard for Financial Reporting applied in the European Union.

Pursuant our best knowledge, Consolidated Financial Reports show a complete and true presentation of the balance sheet, profit and loss account, cash flow and the capital change report of the Končar Group.

Signed in the name of the Managing Board:

Končar – Electrical Industry Inc.
President of the Managing Board

Darinko Bago

30th October, 2015

- Note:

Consolidated Financial Reports were compiled by expert services of Končar – Electrical Industry Inc.

Contract persons:

Ervin Filipčić, Managing Board Office Head, ervin.filipcic@koncar.hr

Marina Markušić, accounting expert, branka.velkovski@koncar.hr

Vesna Ilić, Accounting Department Head, vesna.ilic@koncar.hr

Appendix 1

Reporting period:

01.01.2015.

to

30.09.2015.

Quarterly financial report of entrepreneur TFI-POD

Registration number (MB) 03282635

Identification number of subject (MBS) 080040936

Personal identification number (OIB) 45050126417

Issuer company: KONČAR - ELECTRICAL INDUSTRY Inc.

Postal code and place 10000 ZAGREB

Street and number FALLEROVO ŠETALIŠTE 22

E-mail address: koncar.finance@koncar.hrInternet address: www.koncar.hr

Code and name of comune/to 133 ZAGREB

Code and county name 21 GRAD ZAGREB

Number of employees 51

Consolidated statement NO

(at quarter end)
NKD/NWC code: 2711

Subsidiaries subject to consolidation (according to IFRS): in appendix Registration number:

Book keeping service:

Contact person: ILIĆ VESNA

(fill in only surname and name of contact person)

Phone number: 01 3667 183

Fascimile: 01 3667 177

E-mail address: vesna.ilic@koncar.hr

Surname and name BAGO DARINKO

(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements

M.P.

(signed by authorised person for representation)

Balance Sheet
as of 30.09.2015.

Company: Končar - Electrical Industry Inc.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.170.656.277	1.255.707.209
I. INTANGIBLE ASSETS (004 do 009)	003	782.436	782.436
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	782.436	782.436
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	351.775.461	344.681.037
1. Land	011	74.531.676	74.194.519
2. Buildings	012	116.580.562	112.564.849
3. Plant and equipment	013	18.141.945	12.082.434
4. Tools, working inventory and transportation assets	014	1.761.616	984.829
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	474.661	11.238
7. Tangible assets in progress	017	3.348.650	1.753.664
8. Other tangible assets	018		
9. Investment in real-estate	019	136.936.351	143.089.504
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	798.534.752	891.308.323
1. Share in related parties	021	796.957.522	889.731.093
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	1.577.230	1.577.230
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	19.563.628	18.935.413
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	8.094.029	7.500.145
3. Other receivables	032	11.469.599	11.435.268
V. DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	413.279.378	351.556.504
I. INVENTORIES (036 do 042)	035	171.965	187.742
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		
5. Advances for inventories	040	171.965	187.742
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	119.367.429	63.196.382
1. Receivables from related parties	044	69.576.420	15.810.848
2. Receivables from end-customers	045	6.146.988	4.510.752
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	51.057	82.031
5. Receivables from government and other institutions	048	10.979.510	7.805.389
6. Other receivables	049	32.613.454	34.987.362
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	288.527.794	241.439.595
1. Share in related parties	051		
2. Loans to related parties	052	6.250.000	22.075.456
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	1.300.000	323.500
7. Other financial assets	057	280.977.794	219.040.639
IV. CASH AND CASH EQUIVALENTS	058	5.212.190	46.732.785
D) PREPAYMENTS AND ACCRUED INCOME	059	8.252.451	7.909.452
E) TOTAL ASSETS (001+002+034+059)	060	1.592.188.106	1.615.173.165
F) OFF BALANCE SHEET ITEMS	061	1.064.696.530	864.042.453

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.543.618.192	1.572.340.368
I. SUBSCRIBED SHARE CAPITAL	063	1.208.895.930	1.208.895.930
II. CAPITAL RESERVES	064	719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	235.357.614	294.106.743
1. Legal reserves	066	30.546.339	35.025.950
2. Reserve for own shares	067	1.338.982	4.143.784
3. Treasury shares and shares (deductible items)	068	1.338.982	4.143.784
4. Statutory reserves	069	163.414.511	217.684.029
5. Other reserves	070	41.396.764	41.396.764
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	9.052.844	6.248.041
1. Retained earnings	073	9.052.844	6.248.041
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	89.592.225	62.370.075
1. Net profit for the period	076	89.592.225	62.370.075
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	36.276.734	36.276.734
1. Provisions for pensions, severance pay and similar liabilities	080	2.009.239	2.009.239
2. Provisions for tax liabilities	081		
3. Other provisions	082	34.267.495	34.267.495
C) NON-CURRENT LIABILITIES (084 do 092)	083	0	0
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	12.293.180	6.556.063
1. Liabilities to related parties	094	3.682.024	3.013.001
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096		
4. Liabilities for advances	097		
5. Trade payables	098	1.365.439	723.134
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	2.509.863	699.064
9. Taxes, contributions and similar liabilities	102	4.219.079	1.651.680
10. Liabilities arising from share in the result	103	322.447	360.533
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	194.328	108.651
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.592.188.106	1.615.173.165
G) OFF BALANCE SHEET ITEMS	108	1.064.696.530	864.042.453
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement
period 01.01.2015. to 30.09.2015.

Company: Končar -Electrical Industry Inc.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	74.638.546	37.329.845	46.120.548	17.722.698
1. Rendering of services	112	39.976.012	13.658.271	41.864.464	14.017.875
2. Other operating income	113	34.662.534	23.671.574	4.256.084	3.704.823
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	91.643.429	40.996.241	54.542.134	15.787.722
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	18.133.901	6.444.026	18.801.523	6.056.638
a) Costs of raw materials	117	4.121.581	1.121.181	4.452.807	1.217.930
b) Cost of goods sold	118				
c) Other material expenses	119	14.012.320	5.322.845	14.348.716	4.838.708
3. Employee benefits expenses (121 do 123)	120	16.253.445	4.188.213	16.191.141	4.075.024
a) Net salaries	121	7.664.677	1.983.263	7.792.224	2.015.522
b) Tax and contributions from salary expenses	122	6.404.871	1.590.298	6.122.155	1.461.695
c) Contributions on salary	123	2.183.897	614.652	2.276.762	597.807
4. Depreciation and amortisation	124	8.769.069	2.938.895	6.978.838	2.066.658
5. Other expenses	125	14.618.637		12.536.362	3.589.402
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	33.868.377	27.425.107	34.270	
III. FINANCIAL INCOME (132 do 136)	131	55.737.178	3.777.972	77.286.016	5.775.908
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	49.953.232	51.309	64.936.656	347.749
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	5.783.946	3.726.663	12.349.360	5.428.159
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	4.349.519	547.619	6.494.355	1.832.141
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	4.349.519	547.619	6.494.355	1.832.141
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	130.375.724	41.107.817	123.406.564	23.498.606
X. TOTAL EXPENSES (114+137+143+145)	147	95.992.948	41.543.860	61.036.489	17.619.863
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	34.382.776	-436.043	62.370.075	5.878.743
1. Profit before taxes (146-147)	149	34.382.776	-436.043	62.370.075	5.878.743
2. Loss before taxes (147-146)	150	0			
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	34.382.776	-436.043	62.370.075	5.878.743
1. Profit for the period (149-151)	153	34.382.776	-436.043	62.370.075	5.878.743
2. Loss for the period (151-148)	154	0			
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	34.382.776	-436.043	62.370.075	5.878.743
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	98.696	106.631		
1. Exchange differences from international settlement	159	98.696	106.631		
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	98.696	106.631	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	34.481.472	329.412	62.370.075	5.878.743
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

STATEMENT OF CASH FLOWS - Direct method
period 01.01.2015. to 30.09.2015.

Legal entity: Končar Electrical Industry INC.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Cash receipts from customers	001	54.888.376	47.898.311
2. Cash receipts from royalties, fees, commissions, etc.	002		
3. Cash receipts from insurance for damages compensation	003		
4. Cash receipts arising from tax refunds	004		
5. Other cash receipts	005	20.300.484	11.423.708
I. Total increase in cash flow from operating activities (001 to 005)	006	75.188.860	59.322.019
1. Cash paid to suppliers	007	40.250.837	38.065.572
2. Cash paid to employees	008	18.637.500	20.334.084
3. Cash outflows for insurance for damages compensation	009		
4. Interest paid	010	1.519	234
5. Tax paid	011	9.235.727	9.527.997
6. Other cash outflows	012	56.839.652	6.994.773
II. Total decrease in cash flow from operating activities (007 to 012)	013	124.965.235	74.922.660
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015	49.776.375	15.600.641
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	016	1.859.596	11.346.349
2. Cash inflows from sale of equity and debt financial instruments	017	3.366.155	4.692.126
3. Interest receipts	018	2.946.509	4.407.784
4. Dividend receipts	019	72.752.923	99.082.339
5. Other cash inflows from investing activities	020		
III. Total cash inflows from investing activities(016 to 020)	021	80.925.183	119.528.598
1. Cash outflows for purchase of long - term tangible and intangible assets	022	9.162.816	2.771.353
2. Cash outflows for purchase of equity and debt financial instruments	023	26.933.000	77.669.489
3. Other cash outflows from investing activities	024		
IV. Total cash outflows from investing activities (022 to 024)	025	36.095.816	80.440.842
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	44.829.367	39.087.756
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027	0	
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	028		
2. Cash inflows from loans, debentures, credits and other borrowings	029	56.824.004	6.291.931
3. Other cash inflows from financing activities	030	36.236.492	139.469.718
V. Total cash inflows from financing activities (028 to 030)	031	93.060.496	145.761.649
1. Cash outflows for repayment of loans and bonds	032		
2. Dividends paid	033	30.869.921	30.805.010
3. Cash outflows for finance lease	034		
4. Cash outflows for purchase of own stocks	035		
5. Other cash outflows from financing activities	036	149.814.161	96.923.159
VI. Total cash outflows from financing activities (032 to 036)	037	180.684.082	127.728.169
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039	87.623.586	0
Total increases of cash flows (014 – 015 + 026 – 027 + 038 – 039)	040	0	23.487.115
Total decreases of cash flows (015 – 014 + 027 – 026 + 039 – 038)	041	92.570.594	0
Cash and cash equivalents at the beginning of period	042	115.212.162	5.212.190
Decrease in cash and cash equivalents	043		41.520.595
Increase in cash and cash equivalents	044	92.570.594	
Cash and cash equivalents at the end of period	045	22.641.568	46.732.785

STATEMENT OF CHANGES IN EQUITY

period 01.01.2015. to 30.09.2015.

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	1.208.895.930	1.208.895.930
2. Capital reserves	002	719.579	719.579
3. Reserves from profit	003	235.357.614	294.106.743
4. Retained earnings or loss carried forward	004	9.052.844	6.248.041
5. Net profit or loss for the period	005	89.592.225	62.370.075
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	1.543.618.192	1.572.340.368
11. Foreign exchange differences ffrom foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	60.806.115	28.722.177
17.Total increase or decrease of equity (AOP 011 to 016)	017	60.806.115	28.722.177
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		