

BALANCE SHEET
on Jun 30, 2009

in 000 RSD

Group accounts account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. NON-CURRENT ASSETS (002+003+004+005+009)	001	-	4,675,891	4,518,237
00	I. UNPAID SUBSCRIBED CAPITAL	002	-	-	-
012	II. GOODWILL	003	-	-	-
01 w/out 012	III. INTANGIBLE ASSETS	004	16	4,940	212
	IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	005	-	454,329	339,066
020,022,023, 026,027(part), 028(part),029	1. Property, plant and equipment	006	17,18	454,329	339,066
024,027(part) 028(part)	2. Investment property	007	-	-	-
021,025,027 (part) and 028(part)	3. Biological assets	008	-	-	-
	V. LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	-	4,216,622	4,178,959
030 to 032, 039(part)	1. Equity share	010	19	4,213,372	4,118,924
033 to 038, 039(part) less 037	2. Other long-term financial investments	011	20	3,250	60,035
	B. CURRENT ASSETS (013+014+015)	012	-	6,723,992	3,659,748
10 to 13,15	I. INVENTORIES	013	21	4,104,471	1,604,479
14	II. NON-CURRENT ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS	014	-	-	-
	III. SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016+017+018+019+020)	015	-	2,619,521	2,055,269
20, 21 and 22, except 223	1.Receivables	016	22	711,435	784,494
223	2.Receivables for overpaid income tax	017	22	-	26,654
23 less 237	3.Short-term financial investments	018	23	512,757	548,747
24	5.Cash equivalents and cash	019	24	741,004	424,809
27 and 28 except 288	4.VAT and accruals	020	25	654,325	270,565
288	C. DEFERRED TAX ASSETS	021	-	-	-
	D. OPERATING ASSETS (001+012+021)	022	-	11,399,883	8,177,985
29	E. LOSS OVER CAPITAL	023	-	-	-
	F. TOTAL ASSETS (022+023)	024	-	11,399,883	8,177,985
88	G. OFF-BALANCE SHEET ITEMS	025	42	13,552,980	5,575,799

Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	CAPITAL AND LIABILITIES				
	A. CAPITAL (102+103+104+105+106-107+108-109-110)	101	-	6,188,144	5,826,069
30	I. ISSUED AND OTHER CAPITAL	102	26,27	3,214,790	3,214,790
31	II. UNPAID SUBSCRIBED CAPITAL	103	-	-	-
32	III. RESERVES	104	28	1,645,432	1,651,028
330 i 331	IV. REVALUATION RESERVES	105	29	55,240	108,678
332	V. UNREALIZED GAINS BASED ON SECURITIES AVAILABLE FOR SALE	106	-	15,703	-
333	V. UNREALIZED LOSSES BASED ON SECURITIES AVAILABLE FOR SALE	107	-	264	-
34	VII. RETAINED EARNINGS	108	30	1,264,037	851,573
35	VIII. LOSS	109	-	-	-
037 and 237	IX. REDEEMED OWN SHARES	110	31	6,794	-
	B. NON-CURRENT PROVISIONS AND LIABILITIES (112+113+116)	111	-	5,203,200	2,343,781
40	I. NON-CURRENT PROVISIONS	112	32	262,400	262,831
41	II. NON-CURRENT LIABILITIES (114+115)	113	-	154,473	35,435
414, 415	1. Long-term credits	114	33	-	-
41 w/out 414 and 415	2. Other non-current liabilities	115	34,35	154,473	35,435
	III. CURRENT LIABILITIES (117+118+119+120+121+122)	116	-	4,786,327	2,045,515
42, except 427	1. Short-term financial liabilities	117	36	140,468	414,511
427	2. Liabilities from assets held for sale and assets from discontinued operations	118	-	-	-
43 and 44	3. Liabilities from business operations	119	37	4,570,701	1,594,929
45 i 46	4. Other short-term liabilities	120	38	22,427	30,199
47, 48 except 481 and 49 except 498	5. VAT and other public liabilities and accruals	121	39	52,731	5,876
481	6. Income tax liabilities	122	-	-	-
498	C. DEFERRED TAX LIABILITIES	123	40	8,539	8,135
	D. TOTAL CAPITAL AND LIABILITIES (101+111+123)	124	-	11,399,883	8,177,985
89	E. OFF-BALANCE SHEET ITEMS	125	42	13,552,980	5,575,799

INCOME STATEMENT
for the period January 1 to Jun 30 , 2009

in 000 RSD

Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	A. BUSINESS REVENUE AND EXPENSES				
	I. BUSINESS REVENUE (202+203+204+205+206)	201	-	1,755,296	557,144
60 and 61	1. Sale revenue	202	6	396,744	244,973
62	2. Revenue from undertaking of outputs and goods for own purposes	203	-	-	-
630	3. Increase of inventories	204	7	1,357,955	312,122
631	4. Decrease of inventories	205	-	-	-
64 and 65	5. Other business revenue	206	8	597	49
	II. BUSINESS EXPENSES (208 to 212)	207	-	1,514,674	512,060
50	1. Cost value of sold goods	208	-	-	-
51	2. Cost of material	209	9	9,511	8,882
52	3. Staff costs	210	10	80,488	88,848
54	4. Depreciation and provisions costs	211	11	12,995	6,020
53 and 55	5. Other business expenses	212	12	1,411,680	408,310
	III. PROFIT FROM OPERATIONS (201 - 207)	213	-	240,622	45,084
	IV. LOSS FROM OPERATIONS (207 - 201)	214	-	-	-
66	V. FINANCIAL REVENUE	215	13	432,655	477,640
56	VI. FINANCIAL EXPENSES	216	13	278,927	46,557
67, 68	VII. OTHER REVENUE	217	14	268	8,624
57, 58	VIII. OTHER EXPENSES	218	14	318	1,035
	IX. PROFIT FROM OPERATIONS BEFORE TAX (213-214+215-216+217-218)	219	-	394,300	483,756
	X. LOSS FROM OPERATIONS BEFORE TAX (214-213-215+216-217+218)	220	-	-	-
69-59	XI. NET PROFIT FROM DISCONTINUED OPERATIONS	221	-	1,258	-
59-69	XII. NET LOSS FROM DISCONTINUED OPERATIONS	222	-	-	-
	B. PROFIT BEFORE TAX (219-220+221-222)	223	-	395,558	483,756
	V. LOSS BEFORE TAX (220-219+222-221)	224	-	-	-
	G. INCOME TAX				
721	1. Tax expenses for the period	225	-	4,811	10,123
722	2. Deferred tax expenses for the period	226	-	-	-
722	3. Deferred tax revenues for the period	227	-	-	-
723	D. EMPLOYER'S EARNINGS PAID	228	-	-	-
	Đ. NET PROFIT (223-224-225-226+227-228)	229	-	390,747	473,633
	E. NET LOSS (224-223+225+226-227+228)	230	-	-	-
	Ž. NET PROFIT BELONGING TO MINORITY INVESTORS	231	-	-	-
	Z. NET PROFIT BELONGING TO EQUITY HOLDERS OF THE PARENT COMPANY	232	-	-	-
	I. EARNINGS PER SHARE				
	1. Basic earnings per share	233	-	-	-
	2. Deadjusted (diluted) earnings per share	234	-	-	-

CASH FLOW STATEMENT
for the period January 1 to Jun 30 , 2009

in 000 RSD

Position	EDP	Note no.	Amount	
			Current year	Previous year
1	2	3	4	5
A. CASH FLOW FROM BUSINESS ACTIVITIES				
I. Cash flow from business activities (1 to 3)	301		1,842,601	839,319
1. Sale and received advance payments	302		1,820,561	806,241
2. Received interests from business activities	303		200	24,849
3. Other cash flow from regular operations	304		21,840	8,229
II. Cash outflow from business activities (1 to 5)	305		1,838,907	954,603
1. Cash to suppliers and advances paid	306		1,719,441	772,107
2. Staff costs	307		83,142	95,760
3. Interests paid	308		3,263	23,822
4. Income tax	309		3,374	8,656
5. Other public duties	310		29,687	54,258
III. Net cash flow from business activities (I-II)	311		3,694	-
IV. Net cash outflow from business activities (II-I)	312		-	115,284
B. CASH FLOW FROM INVESTMENTS				
I. Cash flow from investments (1 to 5)	313		83,331	60,766
1. Sale of shares and stakes (net inflow)	314		-	-
2. Sale of intangible assets, property, plant, equipment and biological assets	315		-	-
3. Other financial investments (net inflow)	316		65,387	4,463
4. Interests received from investments	317		17,068	-
5. Dividends received	318		876	56,303
II. Cash outflow from investments (1 to 3)	319		133,565	146,990
1. Acquisition of shares and stakes (net outflow)	320		-	-
2. Acquisition of intangible assets, property, plant, equipment and biological assets	321		11,972	20,916
3. Other financial investments (net outflow)	322		121,593	126,074
III. Net cash flow from investments (I-II)	323		-	-
IV. Net cash outflow from investments (II-I)	324		50,234	86,224
V. CASH FLOW FROM FINANCING ACTIVITIES				
I. Cash flow from financing activities (1 to 3)	325		-	-
1. Increase of capital assets	326		-	-
2. Long-term and short-term credits (net inflow)	327		-	-
3. Other long-term and short-term liabilities	328		-	-
II. Cash outflow from financing activities (1 to 4)	329		7,146	7,589
1. Acquisition of own shares and stakes	330		4,954	-
Long and short-term credits and other liabilities (net outflow)	331		-	1,941
3. Finance leasing	332		2,184	5,501
4. Dividends paid	333		8	147
III. Net cash flow from financing activities (I-II)	334		-	-
IV. Net cash outflow from financing activities (II-I)	335		7,146	7,589
G. TOTAL CASH FLOW (301+313+325)	336		1,925,932	900,085
D. TOTAL CASH OUTFLOW (305+319+329)	337		1,979,618	1,109,182
DJ. NET CASH FLOW (336-337)	338		-	-
E. NET CASH OUTFLOW (337-336)	339		53,686	209,097
Z. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	340		746,725	629,350
Z. GAINS ON EXCHANGE	341		58,772	15,672
I. LOSS ON EXCHANGE	342		10,807	11,116
J. CASH AT THE END OF THE ACCOUNTING PERIOD (338-339+340+341-342)	343		741,004	424,809

STATEMENT OF CHANGES IN CAPITAL
for the period January 1 to Jun 30, 2009

in 000 RSD

No.	DESCRIPTION	EDP	Issued capital (group 30 without 309)	EDP	Other capital (account 309)	EDP	Unpaid sub-scribed capital (group 31)	EDP	Emission premium (account 320)	EDP	Reserves (account 321, 322)	EDP	Revaluation reserves (group 330,331)	EDP	Unrealized gains based on securities available for sale (account 332)	EDP	Unrealized losses based on securities available for sale (account 333)	EDP	Undistributed profit (group 34)	EDP	Loss to the capital value (group 35)	EDP	Redeemed own shares and stakes (account 037, 237)	EDP	Total (quant. 2+3+4+5+6+7+8-9+10-11-12)	EDP	Loss above capital (group 29)
		1	2	3	4	5	6	7	8	9	10	11	12	13	14												
1	Balance on January 1, of the previous year	401	3,066,185	414	27,178	427	-	440	1,595,962	453	40,441	466	125,868	479	-	492	-	505	516,813	518	-	531	-	544	5,372,447	557	-
2	Correction of materially significant errors and changes in accounting policies in the previous year - increase	402	-	415	-	428	-	441	-	454	-	467	-	480	-	493	-	506	-	519	-	532	-	545	-	558	-
3	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	403	-	416	-	429	-	442	-	455	-	468	-	481	-	494	-	507	-	520	-	533	-	546	-	559	-
4	Corrected initial balance on January 1, of the previous year (no.1+2-3)	404	3,066,185	417	27,178	430	-	443	1,595,962	456	40,441	469	125,868	482	-	495	-	508	516,813	521	-	534	-	547	5,372,447	560	-
5	Total increase in the previous year	405	121,427	418	-	431	-	444	-	457	14,625	470	11,837	483	77,295	496	2,281	509	488,886	522	-	535	3,427	548	708,362	561	-
6	Total decrease in the previous year	406	-	419	-	432	-	445	4,009	458	-	471	96,203	484	52,970	497	2,119	510	138,873	523	-	536	-	549	289,936	562	-
7	Balance on December 31, previous year (no.4+5-6)	407	3,187,612	420	27,178	433	-	446	1,591,953	459	55,066	472	41,502	485	24,325	498	162	511	866,826	524	-	537	3,427	550	5,790,873	563	-
8	Correction of materially significant errors and changes in accounting policies in the previous year - increase	408	-	421	-	434	-	447	-	460	-	473	-	486	-	499	-	512	-	525	-	538	-	551	-	564	-
9	Correction of materially significant errors and changes in accounting policies in the previous year - decrease	409	-	422	-	435	-	448	-	461	-	474	-	487	-	500	-	513	-	526	-	539	-	552	-	565	-
10	Corrected initial balance on January 1, of the current year (no.7+8-9)	410	3,187,612	423	27,178	436	-	449	1,591,953	462	55,066	475	41,502	488	24,325	501	162	514	866,826	527	-	540	3,427	553	5,790,873	566	-
11	Total increase in the current year	411	-	424	-	437	-	450	-	463	-	476	21,014	489	-	502	102	515	886,097	528	-	541	3,367	554	903,642	567	-
12	Total decrease in the current year	412	-	425	-	438	-	451	1,587	464	-	477	7,276	490	8,622	503	-	516	488,886	529	-	542	-	555	506,371	568	-
13	Balance on Jun 30, of the current year (no. 10+11-12)	413	3,187,612	426	27,178	439	-	452	1,590,366	465	55,066	478	55,240	491	15,703	504	264	517	1,264,037	530	-	543	6,794	556	6,188,144	569	-

STATISTICAL ANNEX
for the period January 1 to Jun 30 , 2009

AND GENERAL DATA ON THE LEGAL ENTITY, I.E. ENTREPRENEUR

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Number of business months (designation from 1 to 12)	601	6	6
2. Size designation (from 1 to 3)	602	3	3
3. Ownership designation (from 1 to 5)	603	2	2
4. Number of foreign (legal or physical) entities with equity share	604	-	-
5. Average number of employees based on the balance at the end of each month (whole number)	605	79	79

II GROSS CHANGES OF INTANGIBLE ASSETS AND REAL PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. designation	Gross	Correction of value	Net (col.4-5)
1	2	3	4	5	6
o1	1. Intangible assets				
	1.1. Balance at the beginning of the year	606	5,779	684	5,095
	1.2. Increase (acquisitions) during the year	607	-	-	-
	1.3. Decrease (sale, removal from inventory and impairment) during the year	608		-	155
	1.4. Revaluation during the year	609		-	-
	1.5. Balance at the end of the year (606+607-608+609)	610	5,779	839	4,940
o2	2. Real property, plant, equipment and biological assets				
	2.1. Balance at the beginning of the year	611	754,582	298,036	456,546
	2.2. Increase (acquisitions) during the year	612	10,343	-	10,343
	2.3. Decrease (sale, removal from inventory and ensuring) during the year	613	-	-	12,560
	2.4. Revaluation during the year	614		-	-
	2.5. Balance at the end of the year (611+612-613+614)	615	764,925	310,596	454,329

III STRUCTURE OF INVENTORIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP. designation	Current year	Previous year
1	2	3	4	5
10	1. Inventories	616	-	-
11	2. Unfinished production	617	3,962,593	1,601,425
12	3. Finished products	618	-	-
13	4. Goods	619	-	-
14	5. Non-current assets held for sale	620	-	-
15	6. Advances given	621	141,878	3,053
	7. TOTAL (616+617+618+619+620+621=013)	622	4,104,471	1,604,478

IV STRUCTURE OF CAPITAL ASSETS

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
300	1. Share capital	623	3,187,612	3,187,612
	in it: foreign capital	624	-	-
301	2. Share of limited liability company	625	-	-
	in it: foreign capital	626	-	-
302	3. Shares of members of partnership and limited-partnership company	627	-	-
	in it: foreign capital	628	-	-
303	4. State-owned capital	629	-	-
304	5. Socially-owned capital	630	-	-
305	6. Cooperative shares	631	-	-
309	7. Other capital shares	632	27,178	27,178
30	TOTAL: (623+625+627+629+630+631+632=102)	633	3,214,790	3,214,790

V EQUITY STRUCTURE

Number of shares as a whole number

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
	1. Ordinary shares			
	1.1. Number of ordinary shares	634	9,107,463	9,107,463
part 300	1.2. Nominal value of ordinary shares - total	635	3,187,612	3,187,612
	2. Priority shares			
	2.1. Number of priority shares	636	-	-
part 300	2.2. Nominal value of priority shares - total	637	-	-
300	3. TOAL - nominal value of shares (635+637= 623)	638	3,187,612	3,187,612

VI RECEIVABLES AND LIABILITIES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
20	1. Sale receivables (balance at the end of the year 639 ≤ 016)	639	559,848	372,232
43	2. Liabilities from operations (balance at the end of the year 640 ≤ 117)	640	4,570,616	1,594,744
part 228	3. Receivables during the year from insurance companies for damages (debt turnover without initial balance)	641	-	-
27	4. VAT paid during acquisition of goods and services (debt turnover without initial balance)	642	229,893	73,976
43	5. Business liabilities (receivables turnover without initial balance)	643	3,545,317	1,059,639
450	6. Liabilities for net income and income compensations (receivables turnover without initial balance)	644	41,866	43,778
451	7. Liabilities for salaries tax and salaries compensations paid by employees (receivables turnover without initial balance)	645	6,455	6,792
452	8. Liabilities for contributions on salaries and salaries compensations paid by employees (receivables turnover without initial balance)	646	9,211	9,138
461,462 and 723	9. Liabilities for dividends, profit share and employer's personal earnings (receivables turnover without initial balance)	647	-	1,220
465	10. Liabilities toward physical entities for compensations per contracts (receivables turnover without initial balance)	648	899	521
47	11. VAT collected during sale of products, goods and services (receivables turnover without initial balance)	649	323,580	196,523
	12. Control summary (from 639 to 649)	650	9,287,685	3,358,563

VII OTHER EXPENSES AND EXPENDITURES

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	DEP designation	Current year	Previous year
1	2	3	4	5
513	1. Fuel and energy costs	651	4,017	3,579
520	2. Salaries and salaries compensations (gross)	652	55,902	58,855
521	3. Tax expenses and contributions on salaries and salaries compensations paid by employer	653	8,896	9,138
522,523,524 and 525	4. Expenses for compensations to physical entities (gross) based on contracts	654	1,365	794
526	5. Expenses of compensations to BoD & Supervision Board members (gross)	655	10,232	9,141
529	6. Other personal expenses and compensations	656	4,093	10,920
53	7. Expenses of production services	657	1,377,508	326,843
533, part 540 and part 525	8. Lease expenses	658	324	237
part 533, part 540 & part 525	9. Expenses of land lease	659	-	-
536,537	10. Expenses of research and development	660	-	-
540	11. Depreciation expenses	661	12,715	6,020
552	12. Expenses of insurance premiums	662	5,580	5,135
553	13. Payroll expenses	663	1,997	1,874
554	14. Membership fees	664	485	478
555	15. Tax expenses	665	4,075	3,254
556	16. Contributions	666	-	-
562	17. Interests	667	4,663	27,863
part 560, part 561 and 562	18. Interests expenses and a part of financial expenses	668	4,663	27,863
part 560, part 561 and part 562	19. Interests expenses per credits and banks and dfo	669	4,651	27,238
part 579	20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for protection of the Environment and sports	670	100	873
	21. Control summary (from 651 to 670)	671	1,501,266	520,105

VIII OTHER REVENUE

Amounts in 000 RSD

Group accounts, account	DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4	5
60	1. Goods sale revenue	672	-	-
640	2. Revenue from premiums, subsidies, dotations, recourses, compensations and tax duties returns	673	-	-
641	3. Revenue from conditioned donations	674	-	-
part 650	4. Revenue from land lease	675	-	-
651	5. Membership revenue	676	-	-
part 660, part 661, 662	6. Interests revenue	677	25,054	27,532
part 660, part 661, and part 662	7. Revenue from interests per accounts and deposits in banks and other financial organizations	678	16,671	24,663
part 660, part 661 and part 669	8. Revenue from dividends and profit share	679	212,392	409,663
	9. Control summary (from 672 to 679)	680	254,117	461,858

IX OTHER DATA

Amounts in 000 RSD

DESCRIPTION	EDP. designation	Current year	Previous year
1	2	3	4
1. Liabilities for accsises (according to annual accsises calculation)	681	-	-
2. Calculated custom duties and other import duties (total annual amount according to calculation)	682	-	-
3. Capital subsidies and other state subsidies for construction and acquisition of capital assets and intangible assets	683	-	-
4. State allocations for premiums, recourses and covering of current operating expenses	684	-	-
5. Other state allocations	685	-	-
6. Received donations from abroad and other non-returnable assets in money or nature from foreign legal and physical entities	686	-	8,065
7. Personal income of entrepreneurs from net profit (filled in by entrepreneurs only)	687	-	-
8. Control summary (from 681 to 687)	688	-	8,065

ENERGOPROJEKT HOLDING CO. BELGRADE

NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2009

1. COMPANY BACKGROUND

Energoprojekt Holding Co., Belgrade (in further text: the Company) is an open shareholding company for holding operations of joint ownership.

The Company was adjusted to the Law on Companies (Official Gazette of RS no. 125/2004) by adoption of the Decision on Adjustment to the Law on Companies and the Articles of Association at the General Shareholders` Meeting held on September 28, 2006.

The Company was registered and transferred into the Registry of the Business Registers Agency, with the Decision BD 8020/2005, from May 20, 2005, from the court registry of the Commercial Court in Belgrade, with previous registration on the registry sheet no. 1-2511-00.

With the Decision of the Commercial Court in Belgrade VIII Fi 8390/99, from June 30, 2000, the Company was adjusted to the Law on Companies (Official Gazette of FRY 29/96), the Law on Classification of Activities (Official Gazette of FRY 31/96) concerning its name, activities, capital assets and bodies, changed its name into Energoprojekt Holding Shareholding Company for Holding Operations, from Energoprojekt Holding Shareholding Company of Joint Ownership for Founding, Funding and Management of Other Companies, up till then registered with the Decision of the same court with the Decision FI 5843/91 from June 13, 1991.

Legal predecessor of Energoprojekt Holding Shareholding Company of Joint Ownership is the Energoprojekt Holding Corporation, registered in the Registry of the District Commercial Court in Belgrade, with the Decision Fi 423 from January 12, 1990, organized per the previous Law on Companies (Official Gazette of SFRY 77/88, 40/89, 46/90 and 60/91) by adoption of the Self-Management Agreement on changes in organization of the previous Complex Organization of Associated Labor Energoprojekt and the associated Work Organizations, at the referendum held on December 8, 1989.

Energoprojekt Holding Co., Belgrade, is a parent company which, with 12 (twelve) subsidiaries (9 shareholding companies and 3 limited liability companies), in which its equity share is over 50%, as well as 2 (two) associates (1 limited liability company and 1 shareholding company), in which its equity share is 50% and less, makes a group of companies with the short name Energoprojekt Group.

Names of subsidiaries	% share of the Holding in the equity of subsidiaries
1 EP-Visokogradnja a.d.	92.39
2 EP-Niskogradnja a.d.	93.32
3 EP-Oprema a.d.	67.87
4 EP-Hidroinženjering a.d.	94.84
5 EP-Urbanizam i arhitektura a.d.	94.40
6 EP-Promet d.o.o.	100.00
7 EP-Energodata a.d.	95.05
8 EP-Industrija a.d.	62.77
9 EP-Entel a.d.	86.26
10 EP-Garant a.d.o.	64.13
11 EP-Ingraf d.o.o.	100.00
12 BE Company d.o.o.	100.00

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	Names of associates	% share of the Holding in the equity of associates
1	Enjub d.o.o.	50.00
2	Energobroker a.d.	28.60

In accordance with provisions of Article 7 of the Law on Accounting and Auditing, the Company is classified in the business year 2008 as a large legal entity.

Seat of the Company is at the address Bulevar Mihaila Pupina 12, 11070 Beograd.

Tax identification number of the Company is: 100001513

Statistical number of the Company is: 07023014

Activity code of the Company is: 74150 (110620)

Average number of employees in the first half of the business year 2009 was: 79 employees (in 2008: 79 employees).

Shares of the Company are traded at the A listing of the Belgrade Stock Exchange.

Financial statements of the Company have been approved by the Board of Directors at the 3rd meeting held August 6, 2009.

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Financial statements which we are reporting have been prepared in accordance with the Law on Accounting and Auditing (RS Official Gazette no. 46/2006) and the regulations adopted based on that law, with implementation of accounting policies stated in Note 4 to these statements and the generally adopted practice in the Republic of Serbia.

Financial statements of the Company are presented in the format regulated by the Rules on the content and form of templates of financial statements for companies, collectives, other legal entities and entrepreneurs (RS Official Gazette no. 119/08).

2.1. Functional and reporting currency

Amounts in financial statements are stated in thousands of Dinars (RSD). RSD is the functional and the currency for presentation (reporting currency) of the Company. All transactions performed in currencies which are not the functional currency are treated as transactions in foreign currencies.

Amounts in financial statements are stated in thousands of RSD, i.e., in the functional currency, which is a domicile currency, valid on the day of the balance – June 30, 2009.

Comparative data are presented in thousands of RSD valid on June 30, 2008.

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

Official medium exchange rates of the National Bank of Serbia (NBS) applied for exchange rates of monetary funds and liabilities were as follows:

	June 30, 2009	June 30, 2008
EUR	93.4415	78.9784
USD	66.2471	50.0117

3. ESTIMATES AND ASSESSMENTS BY THE MANAGEMENT

Preparation of financial statements in accordance with IAS and ISFS requires the management to make estimates, assessments and assumptions which are reflected in the reported amounts of the assets, liabilities, income and expenditures. Realized results may differ from the estimates.

4. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

(a) Rules for estimation – principal assumptions

Financial statements are prepared according to the principle of occurrence of a business event (principle of causality) and the principle of continuity.

According to the principle of occurrence of a business event, effects of business changes and other events are recognized at the moment of occurrence (not when cash or its equivalent is received or paid). Financial statements prepared on the principle of occurrence of a business event (except for the Report on Cash Flow) provide information not only on business changes in the previous period, which include payment and receipt of cash, but also on liabilities for payment of cash in the future period and on resources which present cash to be received in the future period.

Financial statements are prepared under the assumption that the Company shall operate in the indefinite period of time and that it shall continue to operate in the foreseeable future as well.

(b) Recognition of elements of financial statements

An asset is recognized in the balance sheet when it is probable that the Company shall have future economic benefits and when the asset has a purchase value, or cost price, or a value which can reliably be measured.

A liability is recognized in the balance sheet when it is probable that outflow of assets which contain economic benefits shall result from settling of present liabilities, and when the amount of the liability to be settled can reliably be measured.

Revenue is recognized in the balance sheet when increase of future economic benefits is linked with the increase of assets or decrease of liabilities which can reasonably be measured, i.e., recognition of revenue occurs simultaneously with recognition of increase of assets or decrease of liabilities.

Expenses are recognized in the income statement when decrease of future economic benefits, which is linked with decrease of assets or increase of liabilities, can reliably be measured, i.e., recognition of expenses occurs simultaneously with recognition of increase of liabilities or decrease of assets.

Equity is stated in accordance with the financial concept of capital as invested money or invested purchase power, and presents net assets of the Company. The concept of preserving of financial assets derives from the financial concept of equity. Preserving of financial assets is measured in nominal monetary units - RSD. According to this concept, income is earned only if financial (or monetary) amount of net assets at the end of the period exceeds the financial (or monetary) amount of net assets at the beginning of the period, after inclusion of all distributions to, or contributions from owners during the year.

(c) Calculation of foreign currencies and accounting of exchange rate differences

Monetary assets and liabilities in foreign currencies are calculated in their RSD counter value per the exchange rate valid on the day of the balance sheet. Positive and negative exchange rate differences deriving from this are expressed as revenues or expenses for the given period.

Calculation of monetary assets and liabilities with the agreed protection through currency clause is done according to the exchange rate valid on the day of the balance sheet, where the effect is accounted in the income statement as financial income, i.e. expense.

(d) Sales return

Sales return is stated in the amount of the invoiced realization, i.e., sale made until the end of the accounting period, provided that that day debtor-creditor relations occurred and such an invoice was delivered. Income is measured per fair value of the received compensation or receivables, taking into account the amount of all trade discounts and quantity rebates which the Company approved. Difference between the fair value and the nominal amount of compensation is recognized as interest income. Sales return is recognized when all requirements are satisfied:

- The Company has transferred all significant risks and benefits from ownership to the buyer;
- Management of the Company does not hold or influence the management in the degree usually linked with ownership, or control of sold products and goods;
- When it is possible to reliably measure the return on sales;
- When it is probable that a business change shall be accompanied with a flow of economic benefits for the Company, and
- When expenses which were incurred or shall be incurred in connection with the business change may be reliably measured.

Income from services is stated proportionally to the degree of completeness of the service on the date of the balance sheet.

(e) Operating expenses

Total operating expenses consist of: cost value of sold goods, expenses of materials, salaries and other personal expenses, depreciation and provisions expenses, expenses of production services and intangible expenses.

Principal elements and principles of recognition of expenses are:

- Expenses are recognized, i.e., recorded and stated when decrease of future economic benefits, linked with decrease of assets or increase of liabilities, may reliably be measured;
- Expenses are recognized based on the direct link of expenses with the income (principle of causality);
- When it is expected that economic benefits shall flow in during several accounting periods, and the link with the income may be established in a broader sense or indirectly, expenses are recognized through the procedure of systemic and reasonable allocation;
- Expenses are recognized when they do not bring about any economic benefits, or when and up to the amount up to which future economic benefits do not satisfy the requirements or have stopped satisfying the requirements for recognition in the balance sheet as an asset;
- Expenses are recognized in cases when a liability occurs without a simultaneous recognition of assets.

(f) Gain and loss

Gain presents an increase of economic benefits, and includes income which occurs in case of a sale of non-current assets per value larger than its accounting value, then unrealized gains based on sale of market securities (in case when valuation of securities is done per their market value), as well as gains occurring during increase of the accounting value of non-current assets because of cease of the effect of requirements on decrease of their value.

Loss occurs based on: sale of assets per prices lower than their accounting value; removal from inventory of unwritten-off capital assets; damages which may be compensated totally or partly from insurance companies; implementation of the principle of imparity (decrease of value of assets).

(g) Financial gain and loss

Financial gain and loss include: income and expenses from interests, income and expenses from exchange rate differences, income and expenses from the relation with the parent, dependent and other associated legal entities and other financial income and expenses.

Income from dividends is recognized as income in the year when the right is established for their payment.

(h) Profit tax

Profit tax is the amount calculated and paid in accordance with Republican regulations. Tax liability is calculated per rate of 10% of taxable income (in 2006: 10%). Taxable income is determined in the tax balance by adjustment of the income stated in the income statement, made in accordance with the accounting regulations, for certain expenses and income, in accordance with tax regulations. Accounting tax is decreased by tax easements (investments in capital assets in own registered activity and other easements in accordance with tax regulations, for which the Company satisfies requirements).

(i) Deferred income tax

Deferred income tax is reserved in full amount, using the method of liabilities, for temporary differences which occur between the tax basis for the assets and liabilities and their accounting amounts in financial statements.

The amount of deferred income tax is determined based on effective legal tax rates.

Deferred income tax assets are recognized up to the scope in which it is probable that future taxable income, in relation to which temporary differences may be applied, is available. Offsetting of deferred tax assets and liabilities is allowed.

(j) Employee wages

/i/ Contributions for pension insurance and other taxes

The Company pays contributions to the Pension Fund of the Republic of Serbia on behalf of its employees. All employees are members of the said Pension Fund. All contributions for the mandatory pension insurance are recognized as expense and liability at the moment of accounting. Companies within the Group do not have their pension plan, or a plan of compensations upon termination of employment, and, accordingly, no liabilities for pensions.

/ii/ Contributions for health insurance

The Company accounts and settles contributions for health insurance, which at the moment of accounting are recognized as expense and liability.

/iii/ Retirement bonus

The Company pays to employees severance pay for retirement in the triple amount of the salary they realized for the month preceding the month in which severance pay is paid (in accordance with provisions defined in the Individual Collective Agreement), or in the amount defined by the Labor Law, if that is more favorable for employees.

/iiii/ Severance pay for terminated employees

Severance pay is also paid in case of a mutually agreed termination of employment, i.e., in case when the employer and the employee conclude an agreement on termination of employment in replacement for a severance pay, on which decision is previously made by the Employer's competent body.

**(k) Intangible assets, property, plant, equipment, natural assets
and investment property**

Intangible investment is a definable non-monetary asset without a physical content, which the Company may control and from which inflow of future economic benefits is expected.

Intangible assets consist of: goodwill, licenses, concessions, logos, seals, accounting software, franchises, investment in development of new products, processes and devices, copyrights, investments in others` real property, plant and equipment, etc.

Real property, plant and equipment are tangible assets:

- Which the Company keeps for use in production, or for delivery of goods, or rendering of services, for renting to other entities, or for administrative purposes;
- For which it is expected they shall be used longer than one accounting period;

Real property, plant and equipment are recognized as assets:

- When it is probable that future economic benefits based on them shall flow into the Company; and
- When procurement or cost value of the asset may reliably be measured;

Procurement of intangible assets, plant and equipment during the year is recorded per procurement value. Procurement value consists of the invoice value of procured goods, plus all dependent expenses of procurement and all expenses of bringing into the functional condition. Cost value of the said assets in own production consists of direct expenses and the belonging indirect expenses, which relate to that investment.

Procurement value, or cost value, also includes borrowing expenses which may be directly attributed to acquisition, construction or making of assets which are brought into a condition for use in accordance with IAS and ISFS.

Later expense relating to the already recognized intangible assets, real property, plant and equipment, is attributed to the stated amount of the assets, if it is probable that inflow of future economic benefits shall be larger than the originally estimated return rates of the assets.

Later expense is treated as additional investment, if:

- Useful lifetime is extended, including increase of capacity;
- Significant promotion of the product's quality is achieved; and
- Operating expenses are significantly lower in comparison to expenses before investment.

All other later expenses (servicing expenses, technical maintenance, smaller repairs, etc.) are recognized as expenses for the period in which they occurred.

After they are recognized as assets, real property, plant and equipment are stated per procurement or cost value, less total amount of calculated depreciation and total amount of loss because of impairment.

Intangible investment, real property, plant and equipment stop being stated in the balance sheet, after estrangement, or when assets are permanently withdrawn from use and when from their estrangement no future economic benefits are expected.

Gain or loss deriving from removal from inventory or estrangement are determined as a difference between the estimated net sale income and the stated amount of the asset, and recognized as income or expense in the income statement.

Investment real property is real property (land, construction facility, or both, which the Company, as the owner or a leaseholder, based on financial leasing (long term lease) holds for the purpose of realizing income from real property (by leasing), or for the purpose of increasing the value of the property, or both, not for production or supply of goods, or rendering of services, or for administrative operations, or sale within the framework of regular operations. Accordingly, investment property creates cash flows which are in a great degree independent from other property held by the Company.

Initial measuring of investment property during acquiring (procurement) is done per procurement value or cost value. In initial measuring, dependent expenses of procurement are included in the procurement value or cost value.

Later expenses relating to the already recognized investment property are attributed to the stated amount of that investment property if it is probable that inflow of future economic benefits shall be larger than the originally estimated return rate of that investment property. All other later expenses are recognized as expenditures for the period in which they occurred.

After initial recognition, investment property is measured per its fair value. Fair value is measured as the most probable price which can realistically be obtained at the market, on the date of the balance sheet, in accordance with the definition of fair value. That is the best price which the seller may realistically obtain.

Gain or loss because of change of fair value of investment property is included in net profit or net loss for the period in which it occurred.

(I) Depreciation

Basis for depreciation of intangible assets consists of procurement value or cost value after deduction of their remaining value.

The remaining value of intangible assets is considered equal to zero, except when:

- 1) There is a contractual obligation of a third entity to buy off that asset at the end of its remaining useful life, or
- 2) There is an active market for that asset, where the remaining value can be determined, and that market shall continue to the end of the useful life of the asset.

For financial statements, intangible assets are written off through proportional depreciation rate within five years, except for investments whose useful life is determined with a contract, when writing off is done in deadlines deriving from the contract.

Goodwill is not depreciated, but it is mandatory before preparation of financial statements to perform the impairment test in accordance with IAS.

For intangible assets with unlimited lifetime depreciation is not accounted.

Accounting of depreciation of intangible assets is done from the beginning of the following month in relation to the month when intangible assets were put in use.

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NOTES TO THE FINANCIAL STATEMENTS

For preparing of tax balance, depreciation of intangible assets is done according to valid legal regulations.

Internally occurred goodwill is not recognized as intangible assets.

For preparing of tax balance, depreciation of intangible assets is done according to valid legal regulations.

After initial recognition, real property, plant and equipment are stated per procurement value or cost value, less total amount of accounted depreciation and total amount of loss because of impairment.

Basis for depreciation of real property, plant and equipment consists of procurement value or cost value, after deduction of the remaining value of assets.

Real property, plant and equipment are depreciated on systematic basis during useful lifetime of the assets.

For financial statements, depreciation is accounted with the proportional method during estimated useful lifetime of the asset. The estimated useful lifetime of the asset is reviewed if needed, and if expectations significantly differ from previous estimates, depreciation rates are adjusted for the current and future periods.

For preparing of tax balance, real property, plant and equipment are classified and depreciated per rates in accordance with tax laws.

Accounting of depreciation begins from the following month in relation to the month in which capital assets were put in use.

Implemented depreciation rates are as follows:

	(%)
Buildings	1.3-15.0
Drive equipment	5.0-25.0
Computers and belonging equipment	20.0
Vehicles	12.5-16.0
Intangible assets	20.0

(m) Financial investments

Financial investments present funds which are during initial recognition measured per their procurement value, which presents fair value of compensation given for them. Transaction expenses are included in initial measuring of all funds.

For measuring of a financial asset after initial recognition, funds are classified into four categories:

- (a) Funds held for trading, initially recognized per fair value through gain or loss;
- (b) Investments held until maturity;
- (c) Loans and receivables deriving from the company which are not held for trading, and
- (d) Funds available for sale.

Funds are classified as funds available for sale if they do not belong totally to either of the other three above stated categories of funds.

Funds are classified as funds held for trading, not as funds available for sale, if they are part of the portfolio of similar assets for which there is a template of trading for realization of gain from short-term fluctuation of prices of dealers` margin.

After initial recognition, the company measures funds (including derivatives which are assets) per their fair value, without any impairment for transaction expenses that may arise during sale or other estrangement, except for:

- Loans and receivables and investments which are held until due which are measured per depreciated price, by implementation of the method of effective interest rate;
- Investments in proprietary securities which are not traded on active market and whose fair value cannot reliably be measured, which are measured per procurement price.

In the Republic of Serbia there is no sufficient market experience, stability and liquidity for purchase and sale of funds, and official market information are not always available. Therefore, fair value most often is not possible to be determined reliably in conditions of nonexistence of an active market, as the ISFS require.

Recognized gain or loss deriving from a change in fair value of a fund or a liability (which is not a part of protection relations) initially recognized per fair value through gain or loss, is recognized as gain or loss in the income statement, and for financial property available for sale on revaluation reserves.

(n) Inventories

Stocks of materials, spare parts, inventories and goods are estimated per procurement value. Procurement value consists of net invoice value and dependent procurement expenses. Dependent expenses imply all direct expenses in the procedure of procurement until storing, including the belonging expenses of own transport, loading and unloading, up to the level of the market price of such a service.

Accounting of spent stocks of materials is done with the method of pondered average price.

(o) Short term receivables and investments

Short-term receivables include receivables from buyers – dependent and other associated legal entities and other buyers at home and abroad on the basis of sale of products, goods and services.

Short-term investments include credits, stocks and bonds and other short-term investments which are due, i.e., which are to be sold up to one year from the day of commitment, i.e., balance.

Short-term receivables from buyers are measured per value from the original invoice. If the value in the invoice is stated in foreign currency, translation into the reporting currency is made per medium exchange rate valid on the day of transaction. Changes in currency exchange rates from the date of transaction until the date of collection of receivables are stated as exchange rate differences in

income or expenses. Receivables stated in foreign currency on the day of the balance are calculated according to the valid exchange rate, and exchange rate differences are recognized as income or expense for the period.

Short-term financial investments which are not held for trading are measured per depreciated value, not taking into account intention of the company to hold them until maturity.

If there is a probability that companies shall not be able to collect all amounts due (capital and interest) according to contracted terms for the given credits, receivables or investments which are held until maturity, which are stated per depreciated value, loss has occurred because of impairment or uncollected receivables.

Writing off of short-term receivables and investments for which there is a probability of non-collection is done with indirect writing off, while in cases when impossibility of collection is certain and documented, writing off, in total or partly, is done with direct writing off.

Probability of impossibility of collection is determined in each concrete case based on documented reasons (bankruptcy, i.e., liquidation of the debtor, over indebtedness, estrangement of property, forced settlement, out-of-court settlement, expiration, court decision, administrative body act, as well as in other cases for which the companies own credible documents on impossibility of collection.)

(p) Cash and cash equivalents

Cash and cash equivalents include: money in treasury, deposits at sight in banks, other short-term highly liquid investments which may quickly turn into known cash amounts and which are not under a significant risk of change of value and overdraft on current account. Overdrafts on current accounts are included in the balance sheet as debts for credits within current liabilities, as short-term liabilities.

(r) Leases

Leases in which the leaseholder keeps a significant part of the risk and use from ownership are classified as business leases. Payments made based on business leases are included in the income statement on a proportional basis during the period of the lease.

(s) Financial leasing obligations

Leasing is qualified as financial in case when significant risks and uses which derive from ownership of the object of lease are transferred to the buyer, where formal ownership does not have to be transferred.

Liability based on financial leasing is stated on the day of the balance in value decreased by the interest contained in the lease (present value of the lease payment minimum). Interest is allocated to accounting periods during the lease, in accordance with the plan of payment.

Liabilities based on financial leasing are not calculated as active time accruals liabilities for undue interest, per the plan of payment.

(t) Potential assets and contingencies

Contingencies are disclosed, but are not recognized, except in cases when outflow of resources is probable and when provisions are recognized in financial statements.

Existence of a potential asset is not disclosed, except if inflow of economic benefits is probable. If realization of income is almost certain, an asset may be recognized in financial statements.

(u) Borrowing expenses

Borrowing expenses are interests, commissions and other expenses occurring in the company in connection with borrowing of funds in accordance with IAS and ISFS.

Borrowing expenses which may be directly attributed to acquisition, construction or making of an asset which is brought in condition for use, are included in procurement value or cost price of the asset.

Other borrowing costs are recognized as expenses for the period in which they occurred.

(v) Impairment of assets

If during the year there is impairment of assets, Board of Directors of the company, based on explained proposal of the General Manager/C.E.O. of the company, determines if there are indicators that there was an impairment of assets in accordance with IAS, as well as if there were indicators that decrease occurred of the previously recognized impairment of the assets.

In case of existence of the indicators, the Board of Directors of the Holding makes a decision on the amount of impairment, or the amount by which previously recognized impairments should be abolished.

At the end of the year, the Board of Directors of the Holding, based on explained proposal of the General Manager and the inventory commission, makes a decision on the amount of impairment, or the amount for which previously recognized impairment should be abolished.

(w) Financial liabilities

Financial liabilities are considered long-term liabilities (liabilities toward associated legal entities and legal entities with mutual share, long-term credits, liabilities per long-term securities and other long-term liabilities), short-term financial liabilities (liabilities toward associated legal entities and legal entities with mutual share, short-term credits and other short-term liabilities), short-term liabilities from operations (suppliers and other liabilities from operations) and other short-term liabilities.

Short-term liabilities are considered liabilities which are due within a year, from the date of commitment, i.e., date of the annual balance.

Long-term liabilities are considered liabilities which are due for payment in the period longer than a year from the date of making of financial statements.

A part of long-term liabilities which are due for payment in the period shorter than a year from the date of making of financial statements are stated as short-term liabilities.

In initial recognition, the Company ensures financial liabilities per their procurement value, which presents fair value of compensation received for it. Transaction expenses are included in initial measuring of all financial liabilities.

Decrease of liabilities based on the law, out-of-court settlements and similar, is done through direct writing off.

(x) Long-term provisions

Long-term provisions are recognized when:

1. The Company has a liability (legal or real) which is a result of a past event,
2. There is a probability that outflow of resources shall be needed for settlement of liabilities, and
3. Amount of the liability may reliably be estimated.

If these terms are not fulfilled, provisions are not recognized.

Long-term provisions include provisions for expenses within the warranty period, provisions for expenses of renewal of natural resources, provisions for securities and deposits kept, provisions for restructuring of the company,

provisions for compensations and other benefits for employees and other long-term provisions for covering of liabilities (legal or real), deriving from past events, for which it is probable they shall cause outflow of resources which contain economic benefits, for their settlement and which can be reliably estimated (for example, litigations in process), as well as provisions for issued guarantees and other warranties.

Long-term provisions for expenses and risks are followed by types, and their decreasing i.e., abolishing is done in favor of income.

Provisions are not recognized for future operating losses.

Provisions differ from other liabilities because of the uncertainty concerning the date of occurrence, or amounts of future expenses needed for settlement.

Measuring of provisions is done in the amount of expected expenses for settlement of liabilities.

Provisions are reviewed on the day of each balance sheet and corrected to reflect the best present estimate. If it is no more probable that outflow of resources shall be needed for settlement of liability, provisions are abolished.

Decision on individual provisions is made by the Board of Directors of the Holding.

(y) Effects of accounting policy changes, changes in accounting estimates and errors from previous periods

Correction of later established materially significant mistakes is the one which has such a significant impact on financial statements for one or more previous periods that those financial statements may no longer be considered reliable on the day of their issuing.

Correction of materially significant mistakes from previous periods is done through correction of initial balance of undistributed profit or loss from previous years.

Materially significant effects of changes in accounting policies and later established mistakes are corrected retroactively with adjustment of comparable data in financial statements, except if it is practically unfeasible (then a change of accounting policy is implemented prospectively). Each correction deriving from it is stated as correction of the amount of undistributed profit at the beginning of the period.

(z) Foreign currency exchange rates

Official exchange rates of currencies which are significant for operations of the Company and which were used for calculation of foreign currency positions in financial statements into RSD, were as follows:

	<u>30/06/2009</u>	<u>30/06/2008</u>
EUR	93,4415 RSD	78,9784 RSD
USD	66,2471 RSD	50,0117 RSD
GBP	110,0347 RSD	99,6950 RSD
CHF	61,2169 RSD	49,1129 RSD
RUB	2,1545 RSD	2,1325 RSD
LYD	55,0818 RSD	42,1325 RSD

5. FINANCIAL RISK MANAGEMENT

5.1. Financial risk factors

Operations of the Company are exposed to various financial risks: market risk (which includes risk from changes in foreign currency exchange rates, risk of changes in fair value, risk of changes of interest rates and risk of prices), credit risk and risk of liquidity. Risk management in the Company is oriented toward attempting, in a situation of unpredictability of financial markets, to reduce potential negative impacts to financial operations of the Company to a minimum. The Company uses derived financial instruments in order to protect itself from some forms of risks.

Risk management is performed by the Financial Department of the Company based on policies approved by the Board of Directors. Financial Department of the Company identifies and estimates financial risks and defines ways for protection from risks closely cooperating with business units of the Company.

Risk management is performed based on policies of the Board of Directors, which include fields such as: foreign currency risk, interest risk, use of financial instruments and investing of surplus of liquid assets.

(a) Market risk

/i/ Foreign currency risk

The Company operates in international framework and is exposed to a foreign currency exchange rate risk, which derives from operation with different currencies, primarily EUR and USD. The risk derives from future trade transactions, recognized assets and liabilities and net investments in operations abroad.

/ii/ Change of fair value risk

The Company in its portfolio has stocks and bonds available for sale per fair value. Bearing in mind the "shallow" market and possibilities of significant oscillations on the stock market, there is a risk from a change of fair value.

/iii/ Change of interest rates risk

The Company gets indebted at the financial market per changeable interest rates, linked with Euribor, Belibor and the Referent interest rate of NBS to repo transactions. In the aim of avoiding/limiting the risk of significant changes at financial markets, the Company gets indebted for shorter time periods, insisting on lower margin of banks with a mandatory clause on the possibility of early return of credits without additional penalties.

(b) Credit risk

The Company is not substantially exposed to credit risk from financial institutions. The Company has a policy which limits exposure to credit risks toward each individual financial institution. There is, however, some level of risk regarding collection from buyers primarily as a result of poor overall economic liquidity. To mitigate this form of credit risk, the Company has secured sufficient collateral from all its debtors.

(c) Liquidity risk

Careful management of liquidity risk implies maintenance of a sufficient cash amount and securities intended for sale, as well as ensuring of adequate sources of funds because of the dynamic nature of operations of the Company. The Company attempts to maintain the flexibility of funding through collection from buyers and investing of free monetary assets.

ENERGOPROJEKT HOLDING CO., BELGRADE
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6. SALES REVENUE

<u>Domestic market</u>	30.06.2009 <u>RSD.000</u>	30.06.2008 <u>RSD.000</u>
Revenue from sale of services to subsidiaries	211,184	197,373
Revenue from sale of services to associates		
Revenue from sale of services at the domestic market	<u>185,560</u>	<u>47,600</u>
Total	396,744	244,973
<u>Foreign markets</u>		
Revenue from sale of services to subsidiaries		
Total		
Total	<u>396,744</u>	<u>244,973</u>

Most of the revenue from sale of services to subsidiaries at domestic market is based on rendering of Company's services based on contracts approved and adopted by the Board of Directors of the Company and Boards of Directors of dependent companies, in accordance with the Articles of Association of the Company and Articles of Association of dependent companies, and totaled 198,127 thousand RSD.

Revenue from sale of services at the domestic market relates to the revenue from realization of the Sale Contract for the building in construction, in the amount of RSD 185,505 thousand (Note 15), and revenue from commission for sale of airline tickets, in the amount of RSD 55 thousand.

7. REVENUE FROM INCREASE / (DECREASE) OF VALUE OF INVENTORIES OF PRODUCTS AND SERVICES

	30.06.2009 <u>RSD 000</u>	30.06.2008 <u>RSD 000</u>
Work in progress on June 30	1,357,955	312,122
Total	1,357,955	312,122
Less		
Work in progress on January 1		
Total	0	0
Total	<u>1,357,955</u>	<u>312,122</u>

Revenue from increase of value of inventories of products and services relates to realization of the Sale Contract for the building in construction (Note 15).

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

8. OTHER OPERATING REVENUES

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Lease income	597	49
Other operating revenues		
Total	<u>597</u>	<u>49</u>

9. COST OF MATERIALS

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Expenses for materials for making	31	946
Expenses for other materials (overhead)	5,463	4,357
Expenses for fuel and energy	4,017	3,579
Total	<u>9,511</u>	<u>8,882</u>

10. STAFF COSTS

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Expenses for salaries and compensations (gross)	55,901	58,855
Expenses for taxes and contributions on salaries and compensations paid by employer	8,896	9,138
Expenses for compensation per temporary service contracts	1,355	785
Expenses for compensations per copyright contracts	11	9
Expenses for compensations per contracts on temporary and occasional		
Expenses for compensations to members of the BoD and Supervisory	10,232	9,141
Other personal expenses and compensations	4,093	10,920
Total	<u>80,488</u>	<u>88,848</u>

11. EXPENSES OF DEPRECIATION AND PROVISIONS

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Expenses of depreciation of real property, plant and equipment	12,715	6,020
Provisions for compensations and other employees` benefits	280	
Total	<u>12,995</u>	<u>6,020</u>

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

Expenses of depreciation in the first half of 2009, in the amount of RSD 12,715 thousand (in 2008: RSD 6,020 thousand) relate to depreciation of real property, plant and equipment, in accordance with Note 4(1).

The appraised cost of provisions for wages and other employee benefits of RSD 280 thousand relates to the implementation of IAS 19.

12. OTHER OPERATING EXPENSES

	30.06.2009	30.06.2008
	RSD 000	RSD 000
<u>Production services expenses</u>		
Expenses of services for making of products and services	1,352,034	307,318
Expenses of transport services	3,300	2,879
Expenses of maintenance services	18,430	12,205
Lease expenses	324	237
Expenses of advertising and propaganda	1,835	2,810
Expenses of other services	1,585	1,395
Total	1,377,508	326,844
<u>Intangible expenses</u>		
Expenses of non-production services	15,810	63,155
Entertainment expenses	1,584	2,398
Expenses of insurance premium	5,581	5,135
Expenses of payment operations	1,997	1,874
Membership expenses	486	478
Tax expenses	4,075	3,254
Other intangible expenses	4,639	5,172
Total	34,172	81,466
Grand total	1,411,680	408,310

The sum of RSD 1.357.955 thousand included in other operating expenses pertains to expenses associated with performance of the Sales Contract for the building under construction in Block 26, and includes:

- Cost of production services: RSD 1.352.034 thousand
- Cost of insurance premiums: RSD 4.208 thousand
- Cost of payment transactions: RSD 1.490 thousand
- Cost of postal/telephone services: RSD 222 thousand
- Other intangibles: RSD 1 thousand

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL REVENUES AND EXPENSES

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Financial revenues</u>		
Financial revenues from subsidiaries	255,558	409,770
Financial revenues from associates	56	
Revenue from interests	16,680	24,663
Positive exchange rate differences	155,050	38,503
Revenue based on effects of currency clause	21	1,942
Other financial revenue	5,290	2,762
Total	<u>432,655</u>	<u>477,640</u>
<u>Financial expenses</u>		
Financial expenses from relations with subsidiaries	35,763	
Expenses of interests	4,663	27,863
Negative exchange rate differences	238,265	18,633
Expenses based on effects of the currency clause	236	61
Total	<u>278,927</u>	<u>46,557</u>

The Company has realized financial revenue from share in profit of dependent companies (dividends) in the amount of RSD 207,102 thousand, these being:

	<u>RSD 000</u>
Energoprojekt Garant a.d.o.	108.917
Energoprojekt Oprema a.d.	32.927
Energoprojekt Industrija a.d.	32.822
Energoprojekt Entel a.d.	<u>32.436</u>
Total	<u>207.102</u>

14. OTHER REVENUES AND EXPENSES, REVENUE FROM ASSET VALUE ADJUSTMENT, AND ASSET IMPAIRMENT COSTS

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Other revenue and revenue from adjustment of value of assets</u>		
Gain from sale of intangible assets, real property, plant and equipment		
Gain from sale of share and long-term securities		
Collected written-off receivables		
Revenue from effects of contracted protection against risks	114	22
Revenue from decrease of liabilities		
Other not mentioned revenues	154	8,602
Total	<u>268</u>	<u>8,624</u>

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

	30.06.2009	30.06.2008
<u>Other expenses and expenses for impairment of assets</u>	RSD 000	RSD 000
Loss based on removal from inventory and sale of intangible assets, real property, plant and equipment		
Shortages		
Expenses based on effects of contracted protection against risks		
Expenses based on direct writing off of receivables		
Other not mentioned expenses	318	1,035
Impairment of long-term financial investments and other securities available for sale		
Impairment of receivables and short-term financial investments		
Impairment of other assets		
Total	318	1,035

15. CONSTRUCTION CONTRACTS

Revenue from fixed price construction contracts is recognized per the method of percentages of completion, contracted activities on the balance sheet.

Degree of completion of contracts is calculated through proportion between arisen contractual expenses for executed work up to the given date according to last estimated total contracted expenses.

The Company has signed a sale contract for construction of a business building of class "A" in Block 26, Bay I, on October 12, 2007 (operative from November 09, 2007) with "Blue Center d.o.o" for the amount of EUR 61,63 mil, plus VAT, which amounts to EUR 72,72 mil. Deadline for realization of the Contract is 24 months, i.e., November 9, 2009.

Collection of the sale price is in advance in three installments: the first of EUR 12,000 mil + VAT (paid within a month from signing of the contract), the second of EUR 43,63 mil + VAT (during 19 months - period of construction in accordance with the dynamics of construction) and the third installment of EUR 6,00 mil + VAT after registering the building in the cadastre.

Mortgage was registered for the building as security for payment by the Buyer in the amount of paid funds. Guarantee was issued for good completion of works in the contractor domain in the amount of EUR 2.00 mil.

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

	30.6.2009 <u>RSD 000</u>	30.6.2008 <u>RSD 000</u>	<u>Napomene br.</u>
Revenue from increase of value of inventories of products and services	1,357,955	312,122	7
Revenue recognized as revenue for the given period	185,505	47,547	6
Degree of completion of the contract	83,76%	37,69%	
Expenses arisen in the given period	1,357,955	312,122	12
Received advance payments	4,385,124	1,485,100	37
Uninvoiced contractual revenue	576,117	244,241	25
Unfinished production	3,962,593	1,601,425	21

16. INTANGIBLE INVESTMENTS

	Investments in development	Concessions, patents, etc.	Goodwill	Other intangible investments	Intangible investments in progress	Advances on intangible investments	Total
	<u>RSD 000</u>	<u>RSD 000</u>	<u>RSD 000</u>	<u>RSD 000</u>	<u>RSD 000</u>	<u>RSD 000</u>	<u>RSD 000</u>
<u>Cost value</u>							
Balance 01/01/2009				1,605	4,174		5,779
Correction of initial balance							0
New acquisitions							0
Transfer from/to							0
Estrangement & removal fm inventory							0
Revaluation - estimate							0
Other							0
Balance 30/06/2009	0	0	0	1,605	4,174	0	5,779
<u>Correction of value</u>							
Balance 01/01/2009				684			684
Correction of initial balance							0
Depreciation for 30/06/2009				155			155
Estrangement & removal from inv.							0
Impairments							0
Revaluation - estimate							0
Other							0
Balance 30/06/2009	0	0	0	839	0	0	839
<u>Unwritten-off value</u>							
30.06.2009	0	0	0	766	4,174	0	4,940
30.06.2008	0	0	0	212		0	212

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

17. PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY

	Land	Property	Plant and equipment	Investment property	Capital assets in preparation	Advances on cap. assets	Total
<u>Cost value</u>	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
Balance 01/01/2009		548,530	83,687		122,193	171	754,581
Correction of initial balance							0
Transfer from one form into another					(2,106)	(6,273)	(8,379)
New acquisitions			2,106		10,344	6,273	18,723
Estrangement & removal fm inventory							0
Exchange rate differences							0
Other, estimate of values							0
Balance on 30/06/2009	0	548,530	85,793	0	130,431	171	764,925
<u>Correction of value</u>							
Balance 01/01/2009		265,446	32,590				298,036
Correction of initial balance							0
Depreciation for 30/06/2009		3,578	8,982				12,560
Estrangement & removal fm inventory							0
Impairments							0
Revaluation - estimate							0
Other							0
Balance on 30/06/2009	0	269,024	41,572	0	0	0	310,596
<u>Unwritten-off value</u>							
30.06.2009	0	279,506	44,221	0	130,431	171	454,329
30.06.2008	0	286,663	36,508	0	27	15,868	339,066

18. LEASED EQUIPMENT

<u>Leasing</u>	30.06.2009		RSD 000 30.06.2008	
	Asset groups	Net accounting value	Asset groups	Net accounting value
Cars		14,916	Cars	21,523
Xerox machine		287	Xerox machine	359
Other			Other	
Total		15,203		21,882

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

19. EQUITY SHARE

Equity shares present long-term financial investments in shares and equity in subsidiaries and associates, banks and insurance companies (securities available for sale).

Equity share in subsidiaries and associates are valued per the method per which the Company states its investment per cost value.

The Company recognizes revenue only in the degree in which it receives its part from distribution of undistributed net income of the user of investment, which occurs after the day when the Company acquired it.

Equity share in other legal entities and securities available for sale are valued per their market (fair) value.

Equity share relate to shares (equity) in:

SUBSIDIARIES	Company	% share	30.06.2009	000 RSD
			Present value	30.06.2008 Present value
	EP Visokogradnja a.d.	92.39%	1,704,254	1,704,254
	EP Niskogradnja a.d.	93.32%	855,506	855,506
	EP Oprema a.d.	67.87%	121,316	121,316
	EP Hidroinzenjering a.d.	94.84%	399,230	399,230
	EP Urbanizam i arh. a.d.	94.40%	146,455	146,455
	EP Promet d.o.o.	100.00%	295	295
	EP Energodata a.d.	95.05%	164,016	164,016
	EP Industrija a.d.	62.77%	61,209	61,209
	EP Entel a.d.	86.26%	216,422	216,422
	EP Garant a.d.o.	64.13%	360,026	251,109
	EP Ingraf a.d.	100.00%	25,575	25,575
	EP Montenegro d.o.o.	100.00%	9	
	BE Company d.o.o.	100.00%	1,848	
	Inec Eng. Ltd.	100.00%	70,752	64,104
	Encom GmbH	100.00%	4,778	4,038
	Nana off shore	100.00%	1,325	
	Total		4,133,016	4,013,529
ASSOCIATES				
	Company	% share	Present value	Present value
	Enjub d.o.o.	50.00%	13,550	13,550
	Energobroker a.d.	28.60%	4,371	4,371
	Energo Ghana Ltd.	80.00%	5,955	4,495
	United Cons.Botswana	100.00%	3,886	2,934
	Zecco Zambia	100.00%	712	537
	Total		28,474	25,887
OTHER LEGAL ENTITIES AND SECURITIES HELD FOR SALE				
	Company		Present value	Present value
	Dunav a.d.o		1,581	3,208
	Jubmes banka a.d.		19,884	65,580
	Hypo Alpe-Adria bank		3,366	3,366
	Hipotekarna banka Podg.		10,891	7,355
	FIMA SEE Activist		16,160	
	Total		51,882	79,509
	TOTAL		4,213,372	4,118,925

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

20. OTHER LONG-TERM FINANCIAL INVESTMENTS

Other long-term financial investments relate to:

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
a) Given long-term credits		
at home		
abroad		
Total		
b) Foreign currency savings bonds		
c) Housing loans to employees	1,648	1,565
d) Approved long-term loans to subsidiaries		
e) Other long-term provisions	1,602	58,470
Total	<u><u>3,250</u></u>	<u><u>60,035</u></u>

21. INVENTORIES

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Material, spare parts, tools and inventories		
Work in progress	3,962,593	1,601,425
Finished products		
Goods		
Non-current assets intended for sale		
Given advance payments	141,878	3,054
Total	<u><u>4,104,471</u></u>	<u><u>1,604,479</u></u>

Work in progress in the amount of RSD 3,962,593 thousand relates to realization of the contracts on sale of the building under construction in Block 26 (Note 15).

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

22. RECEIVABLES

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Receivables based on sale</u>		
Buyers – subsidiaries	590,444	382,675
Buyers – associates		
Buyers at home	287	92
Buyers abroad		
Less: Correction of value	(30,883)	(10,535)
Total	<u>559,848</u>	<u>372,232</u>
<u>Receivables from specific projects</u>		
Receivables from exporters		
Receivables based on import for others		
Receivables from consignment and sale on commission		
Other receivables from specific projects	32,941	45,232
Less: Correction of value	(511)	(469)
Total	<u>32,430</u>	<u>44,763</u>
<u>Other receivables</u>		
Receivables for interests and dividends	146,761	362,698
Receivables from employees	851	1,080
Receivables from governmental bodies and organizations		2,569
Receivables for prepaid income tax		26,654
Receivables for other prepaid taxes and contributions	3	1,152
Other receivables	2,117	
Less: Correction of value	(30,575)	
Total	<u>119,157</u>	<u>394,153</u>
Total	<u><u>711,435</u></u>	<u><u>811,148</u></u>
	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Buyers at home</u>		
Beograd	570,242	365,825
Vojvodina		
Serbia proper		
Less: Correction of value	(10,828)	(10,535)
Total	<u>559,414</u>	<u>355,290</u>
<u>Buyers abroad</u>		
Former Yugoslav republics	434	
Europe	19,956	16,867
Africa	99	75
Less: Correction of value	(20,055)	
Total	<u>434</u>	<u>16,942</u>
Total	<u><u>559,848</u></u>	<u><u>372,232</u></u>

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

The Company has some unresolved internal relations issues with Energoprojekt Energodata a.d., Energoprojekt Niskogradnja a.d. and Energoprojekt Visokogradnja a.d. inherited from earlier periods.

23. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments include:

Currency	Interest %	<u>30.06.2009</u> RSD 000	<u>30.06.2008</u> RSD 000
<u>Short-term credits and investments – subsidiaries and associates</u>			
Subsidiaries		573,539	226,044
Associates		4,672	
Current maturity of long-term credits			
Less: Correction of value		(65,494)	(38,251)
Total		<u>512,717</u>	<u>187,793</u>
<u>Short-term credits at home</u>			
Credits given to employees			26
Current maturity of long-term credits		40	26
Less: Correction of value			
Total		<u>40</u>	<u>52</u>
<u>Short-term credits abroad</u>			
Given credits			
Current maturity of long-term credits			
Less: Correction of value			
Total		<u>-</u>	<u>-</u>
<u>Securities held until due</u>			
Less: Correction of value			
Total		<u>-</u>	<u>-</u>
<u>Securities traded</u>			
Subsidiary - Energodata a.d.			
Other legal entities - Stankom banka			
Less: Correction of value			
Total		<u>-</u>	<u>-</u>
<u>Other short-term financial investments</u>			
Alpha bank a.d.-short fixed term foreign currency deposits			355,403
Vojvodjanska banka a.d. - earmarked term deposit			5,499
Other			
Less: Correction of vaue			
Total		<u>-</u>	<u>360,902</u>
Total		<u><u>512,757</u></u>	<u><u>548,747</u></u>

ENERGOPROJEKT HOLDING CO., BELGRADE
NOTES TO THE FINANCIAL STATEMENTS

24. CASH AND CASH EQUIVALENTS

	30.06.2009	30.06.2008
	RSD 000	RSD 000
<u>In RSD</u>		
Current accounts	7,758	1,209
Treasury	50	33
Securities		
Short fixed term deposits		
Other		
Total	7,808	1,242
<u>In foreign currency</u>		
Foreign currency accounts	733,059	423,489
Treasury	137	78
Letters of credit		
Other		
Funds whose use is limited or value decreased		
Total	733,196	423,567
Total	741,004	424,809

Funds of the Company in foreign currency are short fixed deposited at varying rates between 0.75% and 4.8% p.a. for EUR, and 2.2% p.a. for USD.

25. VALUE ADDED TAX AND ACTIVE TIME ACCRUALS

	30.06.2009	30.06.2008
	RSD 000	RSD 000
<u>Value added tax</u>	70,152	13,317
<u>Deferred income</u>		
Expenses paid in advance	2,320	219
Uninvoiced receivables for unaccounted income	576,117	244,241
Accrual expenses for liabilities		
Other deferred income	5,736	12,788
Total	584,173	257,248
Total	654,325	270,565

Receivables for uninvoiced income in the amount of RSD 576,117 thousand relate to realization of the sale contract for the building under construction (Note 15).

ENERGOPROJEKT HOLDING CO., BELGRADE
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26. CAPITAL ASSETS

Capital assets include the following capital forms:

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Share capital		
ordinary shares	3,187,612	3,187,612
preferential shares		
Capital assets	<u>3,187,612</u>	<u>3,187,612</u>
Other capital assets	27,178	27,178
Total capital assets and other capital	<u><u>3,214,790</u></u>	<u><u>3,214,790</u></u>

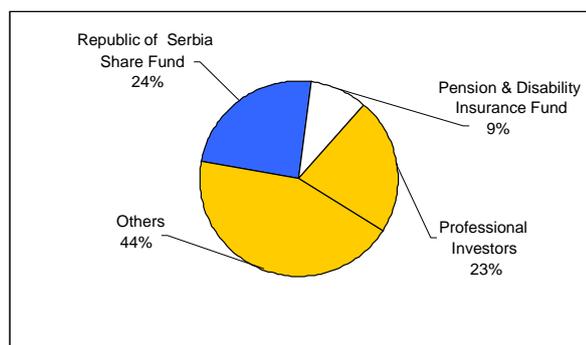
According to the records of the Central Securities Registry, the registered balance of ownership of the Company's shares on June 30, 2009 was:

	no. of shares	% of total emission
Shares owned by physical entities	2,982,813	32.75%
Shares owned by legal entities	4,496,200	49.37%
- Share Fund and Pension/Disability Insurance Fund	3,056,283	33.56%
- Other legal entities	1,439,917	15.81%
Summary (custody) account	1,628,450	17.88%
Total number of shares	9,107,463	100%

Number of shareholders with equity share	number of entities			number of shares			% of total emission		
	domestic	foreign	total	domestic	foreign	total	domestic	foreign	total
to 5%	8,603	262	8,865	5,203,363	847,817	6,051,180	57.13%	9.31%	66.44%
from 5% to 10%	1	0	1	857,266	0	857,266	9.41%	0.00%	9.41%
over 10% to 25%	1	0	1	2,199,017	0	2,199,017	24.15%	0%	24.15%
over 25% to 33%	0	0	0	0	0	0	0%	0%	0%
over 33% to 50%	0	0	0	0	0	0	0%	0%	0%
over 50% to 66%	0	0	0	0	0	0	0%	0%	0%
over 66% to 75%	0	0	0	0	0	0	0%	0%	0%
over 75%	0	0	0	0	0	0	0%	0%	0%
Total number of shares	8,605	262	8,867	8,259,646	847,817	9,107,463	90.69%	9.31%	100.00%

List of top 10 shareholders according to number of shares:

Name	no. of shares	% of total emission
Share fund of the Republic of Serbia	2,199,017	24.15%
PIO fund of the Republic of Serbia	857,266	9.41%
Hypo kastodi 4	416,842	4.58%
East capital asset manag.	319,065	3.50%
GP Napred a.d. Beograd	292,940	3.22%
Raiffeisen zentralbank	244,801	2.69%
Privredna banka Zagreb d.d.	234,195	2.57%
Unicredit Bank Austria AG	212,809	2.34%
Gustavus capital asset mngt.	170,000	1.87%
Societe Generale Yugoslav Bank	81,062	0.89%
Erste&Steiermarkische bank d.d.	81,061	0.89%



ENERGOPROJEKT HOLDING CO., BELGRADE
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Share capital – ordinary shares include founding shares and shares issued during operations with the right of management, right on participation in profit of the shareholding company and apart of the bankrupt's estate in accordance with the Memorandum of Association, i.e., decision on share issue.

Resolutions were taken at the 33rd General Meeting held 14 July 2009 under item 5 of the agenda on the matters of:

- a) Distribution of Energoprojekt Holding's annual profits for 2008,
- b) Organization of the VI issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity, and the replacement of shares on the same grounds in order to increase their nominal value, and
- c) Organization of the VII issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity.

The total net profit of RSD 488.301.716,68 which according to the final account was generated in 2008, according to the General Meeting's resolution is to be allocated as follows:

1. 5% (RSD 24.415.085,83) into the company's reserves
2. the sum of RSD 463.886.630,85 into undistributed profit

The combined undistributed profit, including undistributed profits from previous years (RSD 377.939.900,78) and undistributed profit from 2008 (RSD 463.886.630,85), amounts to a total of RSD 841.826.531,63.

The above undistributed profit is allocated as follows:

- a) A portion of the undistributed profit in the sum of RSD 455.373.150 (9.107.463 shares * 50 RSD) will be used to increase the company's equity pro rata of each shareholder's share of the Holding's equity, in accordance with the General Meeting's resolution, taken under item 5b, on the VI issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity, and the replacement of shares on the same grounds in order to increase their nominal value from 350,00 to 400,00 RSD.
- b) A portion of the undistributed profit in the sum of RSD 145.719.408,00 will be used for dividend payment in shares RSD 144.138.800,00, representing the RSD equivalent of 360.347 shares with a nominal value of 400,00 RSD per share, in accordance with the General Meeting's resolution, taken under item 5c, on the VII issue of ordinary shares without a public offer for the purpose of converting undistributed profit to equity.

A portion of the undistributed profit in the sum of RSD 1.580.608, which cannot be paid out in full shares, will be paid to shareholders in cash for the appropriate amount which exceeds the full share price.

The remaining sum of RSD 240.733.973,63 is allocated as undistributed profit.

On 23 July 2009 the Securities Committee issued its Decision No. 4/0-24-4188/3-09 whereby it approved the issue of securities without a public offer for the purpose of converting undistributed profit to equity, and the replacement of existing shares on the same grounds in the amount of RSD 3.642.985.200,00, or the equivalent of 9.107.463 ordinary shares with a nominal value of 400,00 RSD, and on 30 July 2009 the committee issued its Decision No. 4/0-24-4245/3-09 whereby it approved the issue of securities without a public offer for the purpose of converting undistributed

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profit to equity in the amount of RSD 144.138.800, or the equivalent of 360.347 ordinary shares with a nominal value of 400,00 RSD.

Procedure is currently underway for the registration of shares in the issuing account with the Central Registry.

Since the company's bi-annual financial reports are prepared as at 30 June 2009, the GM resolution will be recorded in company books after the reporting date.

As of 2007 the Company's shares are traded on the A-listing of the Belgrade Stock Exchange.

27. OTHER CAPITAL ASSETS

Other capital assets were made by reposting of sources of non-operational assets in 2005 and amount to RSD 27,178 thousand.

28. RESERVES

Reserves comprise of:

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
Emission premium	1,590,366	1,595,962
Legal reserves	23,185	23,185
Statutory and other reserves	31,881	31,881
Total	<u>1,645,432</u>	<u>1,651,028</u>

Emission premium presents a positive difference between the achieved sale value of shares and their nominal value.

The legal reserves had to be formed by 2004, by bringing each year from the profit at least 5% in, until a minimum amount reaches 10% of issued capital.

Memorandum of Association of the Company defines Statutory reserves whose amount is decided by the General Shareholders' Meeting at proposal of the Board of Directors, which may not be smaller than 5% of the realized net profit.

Based on the GM resolution of July 14, 2009, a total of 5% of the profits according to financial reports for 2008, or the equivalent of 24,415 thousand RSD, was allocated to the company reserves, which will be recorded in company books after the reporting date (Note 26).

29. REVALUATION RESERVES, UNREALIZED PROFIT AND LOSSES BASED ON SECURITIES

Revaluation reserves, unrealized profit and losses based on available-for-sale securities include:

	30.06.2009	30.06.2008
	RSD 000	RSD 000
Revaluation reserves	55,240	108,678
Unrealized profit from available for sale securities	15,703	
Unrealized losses from available for sale securities	(264)	
Total	70,679	108,678

Based on the amendments of the Regulation of account framework and contents of an account within the account framework for business companies, cooperatives, other legal entities and entrepreneurs, which was adopted in end-2008 to ensure compliance with the revised IAS 39, a number of new accounts were introduced among which 332 – Unrealized profits from available for sale securities, and 333 – Unrealized losses from available for sale securities. As a result, some of the positions which in previous years were posted in the corresponding analytic records within the group 330 – Revaluation reserves, were transferred to these new accounts in 2008.

The change in revaluation reserves resulted from the adjustment of the value of securities from the Company's portfolio with their fair value on the secondary market at reporting date (30 June 2006).

Changes in revaluation reserves can also occur based on exchange rate differences associated with share of capital of dependent and other related legal entities operating abroad.

30. UNDISTRIBUTED PROFIT

Undistributed profit relates to:

	30.06.2009	30.06.2008
	RSD 000	RSD 000
Undistributed profit of earlier years	866,826	516,813
Correction of profit based on materially significant mistakes		
Correction of profit based on changes of accounting policies		
Correction of profit based on acquiring and sale of own shares		
Correction of profit based on realized revaluation reserves		
Correction of profit based on income tax	(584)	(1,601)
Correction of profit based on intangible assets		
Correction of profit based on revaluation of equity share in banks		
Correction of profit based on accumulated revaluation reserves		
Correction of profit based on revaluation income		
Correction of profit based on goodwill		
Correction of profit based on first implementation of IAS 19		
Correction of profit based on first implementation of IAS 12		
Profit distribution (dividends)		
Profit distribution share issue		(122,647)
Profit distribution in statutory reserves		(14,625)
Other adjustments	7,048	
Current year`s profit	390,747	473,633
Total	1,264,037	851,573

At the 33rd General Meeting of Energoprojekt Holding a.d. held 14 July 2009 resolution was taken under item 5 of the agenda on the distribution of undistributed profit, which will be recorded in company books after the reporting date (Note 26).

31. REDEEMED SHARES

In the first half of 2009 the Company redeemed 9,620 shares with a nominal value of 3,367 thousand RSD, bringing the total number of redeemed shares to 19.410 shares with a nominal value of 6.794 thousand RSD.

32. LONG-TERM PROVISIONS

Long-term provisions are recognized when:

- The company has an obligation (legal or real) which is the result of a past event;
- It is probable that outflow of resources which contains economic benefits shall be needed for settlement of the liability; and
- Amount of the liability may reliably be measured.

Long-term provisions include:

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	30.06.2009	30.06.2008
	RSD 000	RSD 000
Provisions for expenses with the warranty period		
Provisions for kept securities and deposits		
Provisions for expenses of restructuring		
Provisions for compensations and other benefits for employees	2,400	2,831
Other long-term provisions	260,000	260,000
Total	262,400	262,831

33. LONG-TERM CREDITS

Liabilities per long-term credits are due in a deadline longer than a year from the day of commitment, i.e., from the day of the annual balance sheet.
The Company does not have long-term credits.

34. OTHER LONG-TERM LIABILITIES

Other long-term liabilities relate to:

	30.06.2009	30.06.2008
	RSD 000	RSD 000
Liabilities which can be converted into capital		
Liabilities toward parent and dependent legal entities	143,145	21,807
Liabilities toward other associated legal entities		
Liabilities per emitted stocks in the period longer than a year		
Liabilities based on long-term financial leasing	11,328	13,628
Other long-term liabilities		
Total	154,473	35,435

Increase of liabilities toward dependent companies occurred based on the performance of the construction contract for the building in Block 26, Bay I, and relates to Energoprojekt Visokogradnja a.d. – 5% guarantee deposit per interim certificates.

35. LIABILITIES BASED ON LONG-TERM LEASE

	RSD 000		RSD 000	
	30.06.2009		30.06.2008	
	Future minimal payment of the lease	Interest	Present value of minimal payments of the lease	Interest
Up to one year	1,657	521	1,822	683
Between one and five years	11,327	1,477	13,628	2,396
Longer than five years				
Total	12,984	1,998	0	15,450
				3,079
				0

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36. SHORT-TERM FINANCIAL LIABILITIES

Short-term financial liabilities include:

	Currency	Interest %	<u>30.06.2009</u> RSD 000	<u>30.06.2008</u> RSD 000
<u>Short-term credits at home</u>				
		<i>6 months</i>		
		<i>Belibor+</i>		
<i>Hypo Alpe-Adria Bank AD</i>		<i>1,5% p.a.</i>		34,946
		<i>Ref. IR</i>		
		<i>NBS.+0,8 %</i>		
<i>Alpha Bank</i>		<i>p.a.</i>		300,000
		<i>1 month</i>		
		<i>Belibor+ 2%</i>		
<i>Unicredit Bank</i>		<i>p.a.</i>		77,743
		<i>3months</i>		
		<i>Euribor+3,85</i>		
<i>Societe Generale Bank Serbia</i>		<i>%</i>	138,812	
Other				
Current maturity of long-term credits				
Total			<u>138,812</u>	<u>412,689</u>
<u>Other short-term financial liabilities</u>				
Liabilities per short-term securities				
Other short-term financial liabilities				
Liabilities for non-current assets and assets from discontinued operations intended for sale				
A part of other long-term liabilities which are due up to one year -Raiffeisen leasing			234	710
A part of other long-term liabilities which are due up to one year -Intesa leasing			1,422	1,112
Other short-term financial liabilities - VISA accounts				
Total			<u>1,656</u>	<u>1,822</u>
Grand total			<u>140,468</u>	<u>414,511</u>

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37. LIABILITIES FROM BUSINESS OPERATIONS

	30.06.2009	30.06.2008
	RSD 000	RSD 000
<u>Operating liabilities</u>		
Received advance payments, deposits and securities	4,385,124	1,485,387
Suppliers-subsiidiaries	172,846	98,076
Suppliers-associates	999	126
Suppliers at home	11,647	11,155
Suppliers abroad		
Other operating liabilities		
Total	4,570,616	1,594,744
<u>Liabilities from specific operations</u>		
Liabilities toward importers		
Liabilities based on export on behalf of others		
Liabilities based on consignment and sale on commission		
Other liabilities from specific operations	85	185
Total	85	185
Grand total	4,570,701	1,594,929

Received advance payment in the amount of RSD 4,385,124 thousand relates to the collected advance payment per the sale contract for a building in construction (Note 15).

The largest part of the amount of RSD 172,846 thousand at position Suppliers –parent and dependent companies, relates to Energoprojekt Visokogradnja a.d., the amount of RSD 152,502 thousand relates to the liability per XIX Interim Progress Certificate for June 2009 for the construction of the building in Block 26, Bay I.

Geographical distribution of suppliers is as follows:

	30.06.2009	30.06.2008
	RSD 000	RSD 000
<u>Suppliers at home</u>		
Beograd	179,716	104,177
Less: Correction of value		
Total	179,716	104,177
<u>Suppliers abroad</u>		
Europe-dependent legal entities	4,911	5,133
Africa-other legal entities		47
Asia-other related legal entities	865	
Less: Correction of value		
Total	5,776	5,180
Grand total	185,492	109,357

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38. OTHER SHORT-TERM LIABILITIES

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Liabilities for salaries and compensations</u>	11,259	14,389
<u>Other liabilities</u>		
Liabilities for interests and expenses of funding		4,316
Liabilities for dividends	4,959	5,573
Liabilities for share in profit	4,309	4,309
Liabilities toward employees	125	109
Liabilities toward members of BoD and Supervising board	1,096	1,008
Liabilities toward physical entities for compensations per contracts	231	67
Other liabilities	448	428
Total	<u><u>22,427</u></u>	<u><u>30,199</u></u>

39. VAT AND OTHER PUBLIC REVENUE LIABILITIES AND ACCRUALS

	30.06.2009	30.06.2008
	<u>RSD 000</u>	<u>RSD 000</u>
<u>VAT liability</u>	51,890	3,976
<u>Liability for other taxes, contributions and other duties</u>		
Excise tax		
Tax liability based on business results		
Taxes, customs and other duties from purchases or charged to expenses	181	982
Other liabilities for taxes, contributions and other duties	624	664
Subtotal	<u>805</u>	<u>1,646</u>
<u>Accruals</u>		
Expenses accounted in advance	36	
Accounting income of future period		
Collected VAT		
Accrued income from effects of agreed risk protection		
Accrued dependent purchase costs		
Deferred income and received donations		
Accrued income based on receivables		
Other accruals		254
Subtotal	<u>36</u>	<u>254</u>
Total	<u><u>52,731</u></u>	<u><u>5,876</u></u>

40. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets are amounts of income tax which may be compensated in future periods, which relate to deductible temporary differences, unused tax losses and credits transferred in advance. They are recognized in the degree in which it is probable that future taxable profit shall be realized.

Deferred tax liabilities are amounts of income tax which shall be paid in future period based on taxable temporary differences.

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	30.06.2009	30.06.2008
	RSD 000	RSD 000
Deferred tax assets		
Deferred tax liabilities	8,539	8,135
Net tax assets/liabilities	8,539	8,135

As of 30 June 2009, no assessment has been made of the deferred tax assets and liabilities due to their intangible nature.

41. LAWSUITS

No	Claimant	Defendant	Basis	Litigation value	Court	Expected outcome
1.	Jovanović Vlada	EP Holding a.d.	Income payment	1,292.00 USD 27,000.00 RSD	District Court	Uncertain
2.	Office for Building Land	EP Holding a.d.	Compensation for HYATT	15,459,728.80 RSD	Commercial Court	Settlement in progress
3.	EP Holding a.d. and Visokogradnja a.d.	City of Belgrade, RS, Bel.Arena, Office for Building Land	Debt	8,399,218.81 USA \$	Commercial Court	Founded
4.	EP Oprema a.d. Holding a.d.	Belgrade Arena	Debt	4,817,705.05 RSD	Commercial Court	Appealed
5.	Ljiljana Bakić	EP Holding a.d. & Urbanizam i arhitektura a.d. EP Holding a.d.		389,703.54 RSD	IV Municipal Court	Uncertain
6.	Dragoljub Bakić	EP Holding a.d. & Urbanizam i arhitektura a.d.		389,382.87 RSD	IV Municipal Court	Uncertain
7.	EP Holding a.d. & GP Napred	Limes	Voiding of entry of change of founder		Commercial Court	Uncertain
8.	EP Holding a.d.	Epsturs et al.	Establishment of ownership rights		Basic Court of Kotor	Founded
9.	Milan Raonić	EP Holding, Visokog. & Urb. i arh.	Copyright infringement	7,000,000.00 RSD	District Court of Belgrade	Uncertain
10.	NEW Company	GP Napred & EP Holding a.d.	Contract performance / establishment of ownership rights		Commercial Court of Belgrade	Partly founded
11.	EP Holding a.d.	MV Inženjering Čačak	Debt	5,524,202.40 RSD	Commercial Court of Čačak	Execution procedure
12.	EP Holding a.d.	Municipality of Stari Grad	Procedure for establishment		1 st Municipal Court of Belgrade	Uncertain

42. OFF-BALANCE SHEET ASSETS AND LIABILITIES

Off-balance sheet assets and liabilities of the Company in the amount of RSD 13,552,980 thousand relate to surety from issued guarantees and approved credit lines based on credits and guarantees for affiliated companies in the amount of RSD 6,759,245 thousand (based on issued guarantees the Company has concluded contracts with affiliated companies for which it guarantees and from the same it has received adequate collateral), payment guarantee to IATA for the sum of RSD 2.897 thousand, performance bonds for the building under construction in Block 26 in the amount of RSD 186,883 thousand, mortgage on the building in construction in the amount of RSD 5,481,405 thousand, and the right on use of the city building land in the amount of RSD 1,122,550 thousand.

43. EVENTS AFTER THE BALANCE SHEET

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

Belgrade,
29 July 2009

Statements approved by:

Managing Director