

## ENERGOPROJEKT HOLDING CO.

**INCOME STATEMENT**  
for the period January 1 to September 30 , 2010

in 000 RSD

Group accounts, account	POSITION	EDP	Amount		
			Note no.	Current year	Previous year
1	2	3	4	5	6
	<b>A. BUSINESS REVENUE AND EXPENSES</b>				
	<b>I. BUSINESS REVENUE (202+203+204-205+206)</b>	201	-	<b>1,445,203</b>	<b>2,240,170</b>
60 and 61	1. Sale revenue	202	6	5,947,371	578,208
62	2. Revenue from undertaking of outputs and goods for own purposes	203	6	576	163
630	3. Increase of inventories	204	7	182,601	1,661,105
631	4. Decrease of inventories	205	7	4,685,991	-
64 and 65	5. Other business revenue	206	8	646	694
	<b>II. BUSINESS EXPENSES (208 to 212)</b>	207	-	<b>769,554</b>	<b>1,945,672</b>
50	1. Cost value of sold goods	208	-	-	-
51	2. Cost of material	209	9	25,884	12,765
52	3. Staff costs	210	10	132,364	125,451
54	4. Depreciation and provisions costs	211	11	15,080	13,780
53 and 55	5. Other business expenses	212	12	596,226	1,793,676
	<b>III. PROFIT FROM OPERATIONS (201 - 207)</b>	213	-	<b>675,649</b>	<b>294,498</b>
	<b>IV. LOSS FROM OPERATIONS (207 - 201)</b>	214	-	-	-
66	V. FINANCIAL REVENUE	215	13	329,286	465,270
56	VI. FINANCIAL EXPENSES	216	13	227,689	293,166
67, 68	VII. OTHER REVENUE	217	14	138	7,670
57, 58	VIII. OTHER EXPENSES	218	14	9,324	1,642
	<b>IX. PROFIT FROM OPERATIONS BEFORE TAX (213-214+215-216+217-218)</b>	219	-	<b>768,060</b>	<b>472,630</b>
	<b>X. LOSS FROM OPERATIONS BEFORE TAX (214-213-215+216-217+218)</b>	220	-	-	-
69-59	XI. NET PROFIT FROM DISCONTINUED OPERATIONS	221	-	-	1,258
59-69	XII. NET LOSS FROM DISCONTINUED OPERATIONS	222	-	65	-
	<b>B. PROFIT BEFORE TAX (219-220+221-222)</b>	223	-	<b>767,995</b>	<b>473,888</b>
	<b>V. LOSS BEFORE TAX (220-219+222-221)</b>	224	-	-	-
	<b>G. INCOME TAX</b>		-	-	-
721	1. Tax expenses for the period	225	-	22,958	7,217
722	2. Deferred tax expenses for the period	226	-	-	-
722	3. Deferred tax revenues for the period	227	-	-	-
723	<b>D. EMPLOYER'S EARNINGS PAID</b>	228	-	-	-
	<b>Đ. NET PROFIT (223-224-225-226+227-228)</b>	229	-	<b>745,037</b>	<b>466,671</b>
	<b>E. NET LOSS (224-223+225+226-227+228)</b>	230	-	-	-
	<b>Ž. NET PROFIT BELONGING TO MINORITY INVESTORS</b>	231	-	-	-
	<b>Z. NET PROFIT BELONGING TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	232	-	-	-
	<b>I. EARNINGS PER SHARE</b>		-	-	-
	1. Basic earnings per share	233	-	-	-
	2. Deceased (diluted) earnings per share	234	-	-	-

## ENERGOPROJEKT HOLDING CO.

**BALANCE SHEET**  
**on September 30, 2010**

in 000 RSD

Group accounts account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	<b>A. NON-CURRENT ASSETS (002+003+004+005+009)</b>	001	-	<b>4,880,485</b>	<b>4,681,354</b>
00	I. UNPAID SUBSCRIBED CAPITAL	002	-	-	-
012	II. GOODWILL	003	-	-	-
01 w/out 012	III. INTANGIBLE ASSETS	004	16	9,791	4,863
	IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	005	-	445,648	456,203
020,022,023, 026,027(part), 028(part),029	1. Property, plant and equipment	006	17,18	445,648	456,203
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	-	<b>4,425,046</b>	<b>4,220,289</b>
030 to 032, 039(part)	1. Equity share	010	19	4,252,972	4,217,046
033 to 038, 039(part) less 037	2. Other long-term financial investments	011	20	172,074	3,243
	<b>B. CURRENT ASSETS (013+014+015)</b>	012	-	<b>2,522,538</b>	<b>7,052,421</b>
10 to 13,15	I. INVENTORIES	013	21	335	4,387,082
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	-	<b>2,522,203</b>	<b>2,665,339</b>
20, 21 and 22, except 223	1.Receivables	016	22	1,010,712	776,512
223	2.Receivables for overpaid income tax	017	-	-	-
23 less 237	3.Short-term financial investments	018	23	1,252,437	583,628
24	5.Cash equivalents and cash	019	24	246,616	639,498
27 and 28 except 288	4.VAT and accruals	020	25	12,438	665,701
288	<b>C. DEFERRED TAX ASSETS</b>	021	-	-	-
	<b>D. OPERATING ASSETS (001+012+021)</b>	022	-	<b>7,403,023</b>	<b>11,733,776</b>
29	<b>E. LOSS OVER CAPITAL</b>	023	-	-	-
	<b>F. TOTAL ASSETS (022+023)</b>	024	-	<b>7,403,023</b>	<b>11,733,776</b>
88	<b>G. OFF-BALANCE SHEET ITEMS</b>	025	41	<b>9,399,509</b>	<b>14,144,902</b>

Group accounts, account	POSITION	EDP	Note no.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	<b>CAPITAL AND LIABILITIES</b>				
	<b>A. CAPITAL (102+103+104+105+106-107+108-109-110)</b>	101	-	<b>7,014,655</b>	<b>6,262,250</b>
30	I. ISSUED AND OTHER CAPITAL	102	26,27	4,193,014	3,814,302
31	II. UNPAID SUBSCRIBED CAPITAL	103	-	-	-
32	III. RESERVES	104	28	1,702,979	1,672,515
330 i 331	IV. REVALUATION RESERVES	105	29	57,829	49,460
332	V. UNREALIZED GAINS BASED ON SECURITIES AVAILABLE FOR SALE	106	-	10,647	28,803
333	V. UNREALIZED LOSSES BASED ON SECURITIES AVAILABLE FOR SALE	107	-	1,924	3,910
34	VII. RETAINED EARNINGS	108	30	1,052,451	707,405
35	VIII. LOSS	109	-	-	-
037 and 237	IX. REDEEMED OWN SHARES	110	31	341	6,325
	<b>B. NON-CURRENT PROVISIONS AND LIABILITIES (112+113+116)</b>	111	-	<b>378,561</b>	<b>5,462,986</b>
40	I. NON-CURRENT PROVISIONS	112	32	261,021	262,400
41	II. NON-CURRENT LIABILITIES (114+115)	113	-	<b>8,565</b>	<b>73,645</b>
414, 415	1. Long-term credits	114	33	-	-
41 w/out 414 and 415	2. Other non-current liabilities	115	34,35	8,565	73,645
	III. CURRENT LIABILITIES (117+118+119+120+121+122)	116	-	<b>108,975</b>	<b>5,126,941</b>
42, except 427	1. Short-term financial liabilities	117	36	1,114	139,134
427	2. Liabilities from assets held for sale and assets from discontinued operations	118	-	-	-
43 and 44	3. Liabilities from business operations	119	37	73,044	4,948,309
45 i 46	4. Other short-term liabilities	120	38	24,361	25,811
47, 48 except 481 and 49 except 498	5. VAT and other public liabilities and accruals	121	39	7,905	12,886
481	6. Income tax liabilities	122	39	2,551	802
498	<b>C. DEFERRED TAX LIABILITIES</b>	123	40	<b>9,807</b>	<b>8,539</b>
	<b>D. TOTAL CAPITAL AND LIABILITIES (101+111+123)</b>	124	-	<b>7,403,023</b>	<b>11,733,776</b>
89	<b>E. OFF-BALANCE SHEET ITEMS</b>	125	41	<b>9,399,509</b>	<b>14,144,902</b>

**STATEMENT OF CHANGES IN CAPITAL**  
for the period January 1 to September 30, 2010

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	Undis-tributed 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	3,187,612	414	27,178	427	-	440	1,591,953	453	55,066	466	41,502	479	24,325	492	162	505	866,826	518	-	531	3,427	544	5,790,873	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	3,187,612	417	27,178	430	-	443	1,591,953	456	55,066	469	41,502	482	24,325	495	162	508	866,826	521	-	534	3,427	547	5,790,873	560	-
5	Total increase in the previous year	405	599,512	418	-	431	-	444	5,736	457	24,415	470	27,519	483	6,227	496	-	509	469,137	522	-	535	4,647	548	1,127,899	561	-
6	Total decrease in the previous year	406	-	419	-	432	-	445	1,679	458	-	471	15,918	484	5,206	497	162	510	626,092	523	-	536	4,156	549	644,577	562	-
7	Balance on December 31, previous year (no.4+5-6)	407	3,787,124	420	27,178	433	-	446	1,596,010	459	79,481	472	53,103	485	25,346	498	-	511	709,871	524	-	537	3,918	550	6,274,195	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	3,787,124	423	27,178	436	-	449	1,596,010	462	79,481	475	53,103	488	25,346	501	-	514	709,871	527	-	540	3,918	553	6,274,195	566	-
11	Total increase in the current year	411	1,650,125	424	-	437	-	450	4,115	463	23,442	476	7,419	489	2,318	502	1,924	515	1,213,871	528	-	541	31	554	2,899,335	567	-
12	Total decrease in the current year	412	1,271,413	425	-	438	-	451	69	464	-	477	2,693	490	17,017	503	-	516	871,291	529	-	542	3,608	555	2,158,875	568	-
13	Balance on Jun 30, of the current year (no.10+11-12)	413	4,165,836	426	27,178	439	-	452	1,600,056	465	102,923	478	57,829	491	10,647	504	1,924	517	1,052,451	530	-	543	341	556	7,014,655	569	-

## ENERGOPROJEKT HOLDING CO.

**CASH FLOW STATEMENT**  
for the period January 1 to September 30 , 2010

in 000 RSD

Position	EDP	Amount	
		Current year	Previous year
1	2	4	5
<b>A. CASH FLOW FROM BUSINESS ACTIVITIES</b>			
<b>I. Cash flow from business activities (1 to 3)</b>	301	<b>1,261,732</b>	<b>2,497,854</b>
1. Sale and received advance payments	302	1,214,909	2,475,214
2. Received interests from business activities	303	-	200
3. Other cash flow from regular operations	304	46,823	22,440
<b>II. Cash outflow from business activities (1 to 5)</b>	305	<b>882,285</b>	<b>2,567,361</b>
1. Cash to suppliers and advances paid	306	661,960	2,379,811
2. Staff costs	307	134,037	127,435
3. Interests paid	308	2,239	4,447
4. Income tax	309	39,015	4,176
5. Other public duties	310	45,034	51,492
<b>III. Net cash flow from business activities (I-II)</b>	311	<b>379,447</b>	-
<b>IV. Net cash outflow from business activities (II-I)</b>	312	-	<b>69,507</b>
<b>B. CASH FLOW FROM INVESTMENTS</b>			
<b>I. Cash flow from investments (1 to 5)</b>	313	<b>11,509</b>	<b>51,281</b>
1. Sale of shares and stakes (net inflow)	314	-	3,174
2. Sale of intangible assets, property, plant, equipment and biological assets	315	-	-
3. Other financial investments (net inflow)	316	-	6,965
4. Interests received from investments	317	11,509	24,175
5. Dividends received	318	-	16,967
<b>II. Cash outflow from investments (1 to 3)</b>	319	<b>610,509</b>	<b>133,565</b>
1. Acquisition of shares and stakes (net outflow)	320	-	-
2. Acquisition of intangible assets, property, plant, equipment and biological assets	321	9,701	11,972
3. Other financial investments (net outflow)	322	600,808	121,593
<b>III. Net cash flow from investments (I-II)</b>	323	-	-
<b>IV. Net cash outflow from investments (II-I)</b>	324	<b>599,000</b>	<b>82,284</b>
<b>V. CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>I. Cash flow from financing activities (1 to 3)</b>	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	-	-
<b>II. Cash outflow from financing activities (1 to 4)</b>	329	<b>150,986</b>	<b>8,434</b>
1. Acquisition of own shares and stakes	330	-	4,954
Long and short-term credits and other liabilities (net outflow)	331	147,769	-
3. Finance leasing	332	3,154	3,268
4. Dividends paid	333	63	212
<b>III. Net cash flow from financing activities (I-II)</b>	334	-	-
<b>IV. Net cash outflow from financing activities (II-I)</b>	335	<b>150,986</b>	<b>8,434</b>
<b>G. TOTAL CASH FLOW (301+313+325)</b>	336	<b>1,273,241</b>	<b>2,549,135</b>
<b>D. TOTAL CASH OUTFLOW (305+319+329)</b>	337	<b>1,643,780</b>	<b>2,709,360</b>
<b>DJ. NET CASH FLOW (336-337)</b>	338	-	-
<b>E. NET CASH OUTFLOW (337-336)</b>	339	<b>370,540</b>	<b>160,225</b>
<b>Z. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD</b>	340	<b>568,353</b>	<b>746,725</b>
<b>Z. GAINS ON EXCHANGE</b>	341	<b>447,488</b>	<b>53,261</b>
<b>I. LOSS ON EXCHANGE</b>	342	<b>398,685</b>	<b>263</b>
<b>J. CASH AT THE END OF THE ACCOUNTING PERIOD</b> ( 338-339+340+341-342)	343	<b>246,616</b>	<b>639,498</b>

**STATISTICAL ANNEX**  
for the period January 1 to September 30 , 2010

**AND GENERAL DATA ON THE LEGAL ENTITY, I.E. ENTERPRENEUR**

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Number of business months (designation from 1 to 12 )	601	9	9
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	78	76

**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	<b>1.Intangible assets</b>				
	1.1. Balance at the beginning of the year	606	10,581	964	9,617
	1.2. Increase (acquisitions) during the year	607	335	-	335
	1.3. Decrease (sale, removal from inventory and impairment) during the year	608		-	161
	1.4.Revaluation during the year	609		-	-
	1.5.Balance at the end of the year (606+607-608+609)	610	10,916	1,125	9,791
o2	<b>2. Real property, plant, equipment and biological assets</b>				
	2.1. Balance at the beginning of the year	611	767,831	315,281	452,550
	2.2. Increase (acquisitions) during the year	612	8,017	-	8,017
	2.3. Decrease (sale, removal from inventory and ensuring) during the year	613	-	-	14,919
	2.4. Revaluation during the year	614		-	-
	2.5. Balance at the end of the year ( 611+612-613+614)	615	<b>775,848</b>	<b>330,200</b>	<b>445,648</b>

**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	-	4,265,744
12	3. Finished products	618	-	-
13	4. Goods	619	-	-
14	5. Non-current assets held for sale	620	-	-
15	6. Advances given	621	335	121,338
	<b>7.TOTAL (616+617+618+619+620+621=013 )</b>	<b>622</b>	<b>335</b>	<b>4,387,082</b>

**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	4,165,836	3,787,124
	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	<b>TOTAL: ( 623+625+627+629+630+631+632=102)</b>	<b>633</b>	<b>4,193,014</b>	<b>3,814,302</b>

**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
	<b>1. Ordinary shares</b>			
	1.1. Number of ordinary shares	634	9,467,810	9,467,810
part 300	1.2. Nominal value of ordinary shares - total	635	4,165,836	3,787,124
	<b>2. Priority shares</b>			
	2.1. Number of priority shares	636	-	-
part 300	2.2. Nominal value of priority shares - total	637	-	-
300	<b>3. TOAL - nominal value of shares ( 635+637= 623)</b>	<b>638</b>	<b>4,165,836</b>	<b>3,787,124</b>

**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	925,696	633,789
43	2. Liabilities from operations (balance at the end of the year 640 ≤ 117)	640	72,892	4,948,227
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	82,726	286,627
43	5. Business liabilities (receivables turnover without initial balance)	643	979,348	4,599,098
450	6. Liabilities for net income and income compensations (receivables turnover without initial balance)	644	69,576	67,366
451	7. Liabilities for salaries tax and salaries compensations paid by employees (receivables turnover without initial balance)	645	10,784	10,337
452	8. Liabilities for contributions on salaries and salaries compensations paid by employees (receivables turnover without initial balance)	646	13,967	13,797
461,462 and 723	9. Liabilities for dividends, profit share and employer's personal earnings (receivables turnover without initial balance)	647	-	1,545
465	10. Liabilities toward physical entities for compensations per contracts (receivables turnover without initial balance)	648	2,579	2,015
47	11. VAT collected during sale of products, goods and services (receivables turnover without initial balance)	649	54,746	408,812
	<b>12. Control summary (from 639 to 649)</b>	<b>650</b>	<b>2,212,314</b>	<b>10,971,613</b>

**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	14,808	6,126
520	2. Salaries and salaries compensations (gross)	652	93,462	89,145
521	3. Tax expenses and contributions on salaries and salaries compensations paid by employer	653	13,810	13,412
522,523,524 and 525	4. Expenses for compensations to physical entities (gross) based on contracts	654	4,465	3,035
526	5. Expenses of compensations to BoD & Supervision Board members (gross)	655	15,883	15,516
529	6. Other personal expenses and compensations	656	4,744	4,343
53	7. Expenses of production services	657	518,016	1,744,820
533, part 540 and part 525	8. Lease expenses	658	839	617
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	15,080	13,500
552	12. Expenses of insurance premiums	662	4,223	7,713
553	13. Payroll expenses	663	4,460	2,144
554	14. Membership fees	664	870	599
555	15. Tax expenses	665	33,253	6,175
556	16. Contributions	666	-	-
562	17. Interests	667	2,824	6,683
part 560, part 561 and 562	18. Interests expenses and a part of financial expenses	668	2,824	6,683
part 560, part 561 and part 562	19. Interests expenses per credits and banks and dfo	669	2,746	6,675
part 579	20. Expenses for humanitarian, cultural, health, educational, scientific and religious purposes, for protection of the Environment and sports	670	1,285	1,222
	<b>21. Control summary (from 651 to 670)</b>	<b>671</b>	<b>733,592</b>	<b>1,928,408</b>

**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	24,214	31,774
part 660, part 661, and part 662	7. Revenue from interests per accounts and deposits in banks and other financial organizations	678	11,424	23,382
part 660, part 661 and part 669	8. Revenue from dividends and profit share	679	42,630	212,392
	<b>9. Control summary (from 672 to 679 )</b>	<b>680</b>	<b>78,268</b>	<b>267,548</b>

**IX OTHER DATA**

Amounts in 000 RSD

DESCRIPTION	EDP designation	Current year	Previous year
1	2	3	4
1. Liabilities for ascises (according to annual ascises 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	-	-
7. Personal income of entrepreneurs from net profit (filled in by entrepreneurs only)	687	-	-
<b>8. Control summary (from 681 to 687)</b>	<b>688</b>	<b>-</b>	<b>-</b>

**ENERGOPROJEKT HOLDING A.D.  
BEOGRAD**

**Notes to the Financial Statements  
as at September 30, 2010**

## 1. COMPANY BACKGROUND

Energoprojekt Holding a.d., Beograd (hereinafter: the Company) is an open joint stock company for holding operations with a mixed ownership structure.

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 125/2004) based on the Resolution of Compliance with the Companies Law and the Articles of Association adopted by the General Meeting on 28/09/2006.

The Company originally registered with the Commercial Court of Belgrade in registry insert number 1-2511-00, and later re-registered with the Serbian Business Registers Agency with Decision BD 8020/2005 of 20/05/2005.

Based on Decision No. VIII Fi 8390/99 issued 30/06/2000 by the Commercial Court of Belgrade, the Company harmonized its operations with the Companies Law (FRY Official Gazette No. 29/96), the Law on Business Classification (FRY Official Gazette No. 31/96) in respect of the company name, registered business, equity and management, and changed its name from “Energoprojekt Holding share based company in mixed ownership for incorporating, financing and managing other companies”, at the time registered by Decision No. FI 5843/91 of 13/06/1991 of the same court, to “Energoprojekt Holding joint stock company for holding operations”.

The legal predecessor of Energoprojekt Holding share based company in mixed ownership is Energoprojekt Holding Korporacija, registered with the District Court of Belgrade by Decision No. Fi 423 of 12/01/1990, a company that was organized under the previous Companies Law (SFRY Official Gazette No. 77/88, 40/89, 46/90 and 60/91) through adoption of the Self-Management Agreement for Organizational Changes in the Composite Organization of Associated Labour “Energoprojekt“ and the associated workers’ organizations, as it was styled at the time, at a referendum held 08/12/1989.

Energoprojekt Group consists of the parent company Energoprojekt Holding a.d., Beograd with its 10 (ten) subsidiaries (9 joint stock companies and 1 limited company) with an equity share of 50% or more, and 2 (two) affiliated companies (1 limited company and 1 joint stock company) with an equity share of 50% or less.

	Name of subsidiary	% Share of equity in subsidiary
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.	96,43
8	EP-Industrija a.d.	62,77
9	EP-Entel a.d.	86,26
10	EP-Garant a.d.o.	64,13

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
NOTES TO THE FINANCIAL STATEMENTS

	Name of affiliate	% Share of equity in affiliated company
1	Enjub d.o.o.	50,00
2	Energobroker a.d.	28,60

Our registered head office address is: Bulevar Mihaila Pupina 12, 11070 Beograd.

Tax registration number: 100001513.

Registration number: 07023014.

Registered business code :6420.

The Company had an average of 78 employees in the third quarter of 2010 (3Q2009: 76 employees).

The company's shares are A-listed on the Belgrade Stock Exchange.

## **2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements on which we are reporting are prepared in accordance with the Law on Accounting and Auditing (RS Official Gazette 46/2006) and the relevant regulations thereunder, applying the accounting policies set out in Note 4 of this Report and according to general practice in Serbia.

The Company's financial statements have been prepared in the form prescribed by the Regulation of the Form and Contents of Financial Statements submitted by companies, cooperatives, other legal entities and entrepreneurs (RS Official Gazette No. 119/08).

### **2.1. Functional and reporting currency**

The figures in the financial statements are shown in thousands of RSD. The RSD represents the functional and reporting currency of the Company. All transactions made in currencies other than the functional currency are treated as FX transactions.

Figures in the financial statements are shown in thousands of RSD (functional currency and domicile currency) as at balance sheet date – 30/09/2010.

Comparative data is shown in RSD thousand as of 30/09/2009.

The official exchange rates for main currencies prescribed by the NBS used in the translation of monetary assets and liabilities denominated in foreign currencies into RSD, were as follows:

	30.09.2010.	30.09.2009.
EUR	106,1748	93,0114
USD	78,1099	63,5975

### **3. MANAGEMENT ESTIMATION AND ASSESSMENT**

Preparation of the consolidated financial statements in accordance with IAS and IFRS requires that the management performs estimation, ponderation and assumption reflecting on the reporting figures of assets, liabilities, revenues and expenses. The obtained results may differ from estimated.

### **4. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES**

#### **(a) Principles of valuation – basic assumptions**

The financial statements are prepared on the accrual basis of accounting and going concern.

Under this basis, the effects of transactions and other events are recognized when they occur (and not as cash or its equivalent is received or paid). Financial statements prepared on the accrual basis (except Cash Flow Statement) inform users not only of past transactions involving the payment and receipt of cash but also of obligations to pay cash in the future and of resources that represent cash to be received in the future.

The financial statements are prepared on the assumption that the Company is a going concern and will continue in operation for the foreseeable future.

#### **(b) Recognition of the elements of financial statements**

An asset is recognized in the balance sheet when it is probable that the future economic benefits will flow to the Company and the asset has a cost or value that can be measured reliably.

A liability is recognized in the balance sheet when it is probable that outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

Income is recognized in the income statement when an increase in the future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

Expenses are recognized in the income statement when a decrease in the future economic benefits related to a decrease in an asset or an increase of liability has arisen that can be measured reliably.

Under a financial concept of capital, such as invested money or invested purchasing power, capital is synonymous with the equity of the Company. The concept of capital is shown in the financial capital maintenance. Financial capital maintenance is measured into nominal monetary items-RSD. Under this concept a profit is earned only if the financial (or money) amount of the net assets at the end of period exceed the financial (or money) amount of net assets at the beginning of the period, after excluding any distributions to, and contributions from, owners during the period.

**(c) Profits/losses on translation of foreign currencies**

Cash, receivables and liabilities in foreign currencies are translated into the functional currency at the official rate of exchange ruling at the balance sheet date. Gains and losses arising on the translation of foreign currency receivables and liabilities into RSD amounts are treated as revenues/expenses of the period.

Cash, receivables and liabilities secured with a currency clause are translated at the official rate of exchange ruling at the balance sheet date, and the effects are recorded in the income statement as a financial revenue or expense.

**(d) Sales revenue**

Sales revenue is defined based on invoices and completed sales transactions until the end of the accounting period, provided a debtor-creditor relation was created on that date and that an invoice was issued. Revenues are measured at the fair value of the consideration received or receivables taking into account the amount of any trade discount and volume rebates allowed by the company. The difference between the fair value and the nominal amount is recognized as interest revenue. Revenue from the sale of goods is recognized when all of the following conditions have been satisfied:

- the Company has transferred to the buyer any and all significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues from services rendered are recognized by reference to the stage of completion of the transaction at the balance sheet date.

### **(e) Operating expenses**

Operating expenses comprise of costs of purchase, material used, gross salaries and compensations for salaries, depreciation and provisions, producing costs and non material costs.

The basic elements and principles of expense recognition are:

- expenses are recognized and stated when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably;
- expenses are recognized on the basis of a direct association between the costs incurred and the earnings (going concern);
- when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined, expenses are recognized on the basis of systematic and rational allocation procedure;
- expenses are recognized immediately when an expenditure produces no future economic benefits or when future economic benefits do not qualify, or cease to qualify, for recognition in the balance sheet as asset;
- expenses are also recognized in those cases when a liability is incurred without the recognition of an asset.

### **(f) Profit and losses**

Profit represents increases in economic benefits, include those arising on sale of fixed assets for price higher than net book value, unrealized gains arising on the sale of securities (when securities measured by their market price) and those resulting from increases in the net book value of fixed assets because of stopping circumstances causing their decreasing.

Losses arising on the sale of assets by prices lower than book value, those arising on the disposal of non write off fixed assets, damages which can be refunded in whole or separately from insurances and by applying principle of decrease in assets value.

### **(g) Financial revenues and expenses**

The financial revenues and expenses include revenue and expenses from interest weather due, paid or added to the amount of receivables or liabilities on the balance sheet date, gains and losses from exchange, as well as those arising from relation between entity, associates and subsidiaries and others.

Revenues from dividends are recognized as income in the year when they are approved for payment.

### **(h) Income tax**

Income tax represents the amount that is calculated in accordance with Serbian Republic Law. Tax obligation is calculated at 10% on the taxable income (in 2007: 10%). The taxable income represents gross income in the income statement, prepared in accordance with the accounting

regulations, less some revenue and expenditure according to the tax regulations. Tax deductions are also applied (investments in fixed assets in the entity's registered line of business and other tax deductions according to the tax regulations for which the Company is eligible).

**(i) Deferred income tax**

Deferred income tax is reserved entirely, applied liability method, for temporary differences arising from tax base and accounting amounts disclosed in the financial statements.

The amount of deferred income tax is determined by the legal rates in force.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities may also be offset against each other.

The Company applies IAS 12 which defines temporary differences and calculated deferred tax liabilities/assets. Temporary differences are the result of different tax bases for calculating depreciation for accounting and tax purposes according to the applicable regulations.

**(j) Employee benefits**

**/i/ Pension insurance and employee benefits**

The Company makes payments on behalf of its employees duties to the Pension Fund of the Republic of Serbia. All employees are the members of this pension fund. All contributions arising from said obligation are recognized as an expense/liability at the time of the transaction. Companies within the System do not have their own pension funds or post-employment plans in the event of termination hence there are no pension duties.

**/ii/ Health insurance**

The Company pays health insurance contributions which are recognized as an expense/liability when calculated.

**/iii/ Retirement bonus**

The Company pays to its employees a retirement bonus equal to three salaries obtained in the month preceding the retirement month (according to the terms of the Particular Collective Agreement) or the legal minimum if higher.

### **/iiii/ Post-employment benefits**

A severance wage is payable in cases of consensual termination of an employment contract when the employer and employee agree on termination of employment in exchange for a severance wage, subject to management approval.

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

Intangible assets are identifiable non monetary assets without physical substance controlled by the Company if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise.

Intangible assets comprise of: goodwill, licenses, concession, trademarks, accounting software, franchises, design and implementation of new products, processes or systems, copyrights, investment in other properties, plants and equipment, etc.

Property, plant and equipment are:

- tangible assets that are held by a company for use in the production or supply of goods or services, for rental to others, or for administrative purpose;
- tangible assets that are expected to be used during more than one period;

An item of property, plant and equipment is recognized as an asset:

- if it is probable that future economic benefits associated with the item will flow to the entity; and
- if the cost of the item can be measured reliably.

An item of property, plant and equipment are initially measured at its cost – purchase price. The cost price consists of the invoiced amount plus any directly attributable costs of bringing the asset to working condition for its intended use. Cost price of aforementioned assets produced in the own production comprises of direct and indirect costs relating to this investment.

The purchase cost or price cost includes borrowing costs which may be indirectly added to the purchase, construction or production the asset available for use in accordance with IAS/IFRS.

Subsequent expenses relating to an item of intangible asset, property, plant and equipment that has already been recognized is added to the carrying amount if the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the company.

Subsequent expenses are treated as subsequent investment:

- if the item's useful life is extended, including an increase in its capacity;
- if a substantial improvement in the quality of output is achieved; and
- if a substantial reduction in previously assessed operating costs is achieved.

All other subsequent expenses (maintenance costs, technical service, minor repairs etc.) are recognized as an expense when incurred.

After initial recognition as an asset, property, plant and equipment is carried at its purchase cost or cost less any accumulated depreciation and any accumulated impairment losses.

An item of intangible asset, property, plant and equipment is eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from retirement or disposal is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the income statement.

Investment property is property (land or a building – or part of a building – or both) held by the owner or by the lessee under a finance lease (long-term lease) to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purpose or sale in the ordinary course of business. Investment property therefore generates cash flows which are largely independent from other property held by the Company.

An investment property should be measured initially at its cost. Transaction costs are included in the initial measurement.

Subsequent expenditure relating to an investment property that has already been recognized is added to the carrying amount of the investments property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the period in which it is incurred.

After initial recognition the investment property is measured by their fair value. Fair value is usually its market value. Fair value is measured as the most probable price reasonably obtainable in the market at the balance sheet date in keeping with the fair value definition. It is the best price reasonably obtainable by the seller.

A gain or loss arising from s change in the fair value of investment property is included in net profit or loss for the period in which it arises.

### **(I) Depreciation**

Depreciation base presents acquisition cost after determination of residual and retirement amount.

The residual value of an intangible asset is assumed to be zero unless:

1. there is a commitment by a third party to purchase the asset at the end of its useful life, or
2. there is an active market for the asset and residual value can be determined by reference to that market and it is probable that such a market will exist at the end of the asset's useful life.

For the purposes of financial statements preparation, intangible assets are written off by the

proportional method of amortization over a period of five years, excluding investments used over a fixed period, which are written off in accordance with the dates agreed in the contract. Goodwill is not amortized but is subject to an impairment test conducted before the preparation of the financial reports in accordance with IAS.

Intangible assets with unlimited lifetime are not amortized.

Accounting of depreciation of intangible assets is applied from the beginning of the following month in relation to the month when the asset was put in use.

For tax balance purposes, depreciation of intangible assets is applied according to the relevant regulations.

Internally generated goodwill is not recognized as an intangible asset.

After initial recognition, property, plant & equipment is disclosed at cost value less total depreciation and impairment losses.

The basis for depreciation of property, plant & equipment consists of cost less residual value of the asset.

Property, plant & equipment is systematically depreciated over the useful life of the asset.

For financial reporting purposes, depreciation is accounted for using the proportional method over the estimated useful life of the asset. The estimated useful life 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 tax balance purposes, property, plant and equipment are classified and depreciated according to rates prescribed under tax laws.

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

The applicable depreciation rates are:

	(%)
Buildings	1,3-15,0
Plants	5,0-25,0
Computers and accessories	20,0
Vehicles	12,5-16,0
Intangible investments	20,0

### **(m) Financial investments**

Financial investments represent financial assets initially measured at its cost, which is fair value of the consideration given for it. Transaction costs are included in the initial measurement of all financial assets.

For the purpose of measuring a financial asset subsequent to initial recognition financial assets are classified into four categories:

- a) financial assets held for trading, initially recognized at its fair value through profit or loss;
- b) held-to-maturity investments;
- c) loans and receivables originated by the company and not held for trading;
- d) available-for-sale financial assets.

A financial asset is classified as available for sale if it cannot be grouped into any of the other three categories of financial assets.

A financial asset is classified as hold to maturity, and not as available for sale, if the asset is part of portfolio of similar assets for which the trading model exists in order to obtain profit from short-term changes in price or dealer margins.

After initial recognition, the company measured financial assets, including derivatives that are assets, at their fair values, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets:

- loans and receivables, and investments held-to-maturity measured at amortized cost using the effective interest method;
- investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

There is insufficient market stability, experience and liquidity in Serbia in the process of financial assets trading and official information from the market is not available. Therefore it is usually not possible to measure the fair value as required by IFRS.

A recognized gain or loss arising from a change in the fair value of financial asset or financial liability that is not part of a hedging relationship, initially recognized at fair value through the profit or loss, now is recognized profit or loss in the income statement and for financial asset available for sale in the revaluation reserves.

### **(n) Inventories**

Inventories of goods and material are measured at their cost value. The cost of inventories comprise all costs of purchase incurred in bringing the inventories to their present location and condition. These costs also include all direct costs incurred in the purchase plus storage and transport, handling and other costs directly attributable to the cost of purchase.

Subtraction of material inventories spent is performed by the benchmark treatment of weighted average cost formulas.

**(o) Short term receivables and investments**

Short term receivables comprise trade receivables from related parties, domestic and foreign buyers in the moment of sold products and performed services.

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

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

Short term financial investments held for trading are measured by cumulated depreciation, notwithstanding the company's tendency to hold them to maturity.

If it is probable that the Company will not be able to collect all due receivables (principal plus interest) in accordance with the contractual terms for the issued loans, receivables or investments held to maturity, stated by cumulated depreciation, loss appears caused by depreciation or uncollectible receivables.

Indirect write off is applied to short term receivables and investments where recovery is uncertain, while direct write off is applied in duly documented cases when recovery is not possible.

The probability of recovery is evaluated in each specific case based on the relevant supporting documents (e.g. bankruptcy or liquidation of the debtor, excessive debt, disposal of property, forced or out-of-court settlement, obsolescence, court order, board resolution and other cases where non-collectability is supported by credible documents).

**(p) Cash and cash equivalents**

Cash and cash equivalents consist of: petty cash, demands deposits with banks, other short term highly liquidity investments which may be transferred in the known cash that are not under the influence of significant risk of value changes and bank overdrafts. Bank overdrafts are included in the Balance sheet as the figure liabilities for loans – under item current liabilities as short term financial liabilities.

**(r) Rentals**

Rentals, in which lesser keeps a significant part of risk and ownership profit, are classified as business rentals. Payments made from business rentals are charged against income statement on the proportional base during the rental period.

**(s) Finance lease liabilities**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Title may or may not eventually be transferred.

The liability for finance lease is stated at the balance sheet date deducted for the interest comprising in the lease (net value of minimum lease repayment). The interest is allocated to the accounting periods in lease period and in accordance with the repayment schedule.

Finance lease liabilities are not charged against accrued liabilities for non-due interests according to the repayment schedule.

**(t) Commitment and contingencies**

Contingent liability is disclosed, but not recognized, only by the occurrence or non-occurrence of one or more uncertain future events and when it is provision recognized in the financial statements.

A contingent asset is not disclosed, unless an economic benefit is probable in the future. If the inflow is certain it can be recognized in the financial statement.

**(u) Borrowing costs**

Other borrowing costs include interests, charges and other costs arose in the company as relate in accordance with IAS/IFRS.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset.

Borrowing costs are recognized as expenses in the period in which they are incurred.

**(v) Impairment**

If an asset is impaired during the year the board of directors, based on a reasoned proposal of the managing director, assesses whether there are indications of asset impairment in accordance with IAS, or if there are indications of a reduction in the earlier recognized amortization of these assets.

If the indicators are present, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

At the end of the year, based on a reasoned proposal from the managing director and ALCO, the board of directors issues a resolution of the impairment amount or the amount deductible from previously recognized impairments.

### **(w) Financial liabilities**

Financial liabilities comprise long term liabilities (liabilities to the associates and legal bodies with interactive participation, long term loans, liabilities from long term securities and other), short term financial liabilities (liabilities to the associates and legal bodies with interactive participation, short term loans and other short term financial liabilities), short term liabilities from operating activities (suppliers and other commitments) and other short term liabilities.

Short term liabilities represent those maturing one year from the maturity date, or from the balance sheet date.

Long term liabilities represent those maturing over one year from the financial statements date. Long term liabilities maturing in up to one year from the financial statements date are disclosed as short term liabilities.

Financial liabilities are recognized initially by their purchase cost which represents their fair price paid for them. Transaction charges are included in the beginning measurement of all financial liabilities.

Direct write off is applied for decreasing liabilities based on legal provisions or under an out-of-court settlement etc.

### **(x) Long term provisions**

A provision is recognized when:

1. the Company has a present obligation (legal or constructive) as a result of a past event,
2. it is probable that an outflow of resources will be required to settle the obligation, and
3. a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, no provision is recognized.

Long term provisions consist of: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits and other long term provisions for liabilities covering (legal or constructive) as a result of a past event, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the

obligation which can be reliably estimated (e.g. lawsuits in progress), as well as reservations for issued guarantees.

Long term provision for expenses and risks are tracked by sorts and their reduction/cancellation is credited as income.

Provisions are not recognized for future operational losses.

Provisions are distinguished from other liabilities because there is uncertainty about the timing or amount of the future expenditure required in settlement.

The amount recognized as a provision is the estimate of the expenditure expected to be required to settle the obligation.

Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Decisions regarding individual provisions are resolved by the Holding's board of directors.

#### **(y) Effects of changes in accounting policies, new accounting estimates and correction of fundamental errors**

Correction of the additionally determined material significant errors is one influence on the financial statements relating to one or several prior accounting periods whereby those financial statements may not be considered as reliable at the date of their issuing.

Correction of the prior years material significant errors is done by the restating prior years undistributed profit/loss opening balance.

Materially significant effects and correction of fundamental errors are corrected retroactively with the adoption of the comparative data disclosed in the financial statements, if it is practically impossible (than the changes in accounting policy is applied prospect). All corrections arising are disclosed as a correction in the figure of opening balance's undistributed profit item.

#### **(z) Foreign exchange rates**

Official exchange rates significant for the Company's operations and translations of the figures in the financial statement into RSD were as follows:

	30/09/2010	30/09/2009
EUR	106,1748 RSD	93,0114 RSD
USD	78,1099 RSD	63,5975 RSD
GBP	123,8334 RSD	101,8968 RSD

CHF	79,8487 RSD	61,5073 RSD
RUB	2,5801 RSD	2,1311 RSD
LYD	63,6822 RSD	53,7389 RSD

## **5. FINANCIAL RISK MANAGEMENT**

### **5.1. Financial risk factors**

The Company's activities expose it to variety of financial risks: market risk (including currency risk, fair value interest risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivate financial instruments to hedge certain risk exposures.

Risk management is carried out by the Financial Department of the Company under policies approved by the Board of Directors. The Financial Department identifies, evaluates and hedges financial risks in close co-operation with the operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of financial instruments and the investment of excess liquidity.

#### **(a) Market risk**

##### **/i/ Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR and USD. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations.

##### **/ii/ Fair value risk**

The Company has in its portfolio securities available for sale recognized by the fair value. Considering the fact that the market on the stock exchange is uncertain there is a possibility for fair value risk appearance.

##### **/iii/ Interest rate risk**

The Company borrows assets on the financial market by the changeable interest rates, connected with Euribor, Belibor and reference interest rate issued by the NBS on the rep transactions. With an aim to avoid/limit risk of significant changes in the financial markets, the Company borrows assets over short-term periods while insisting on receiving the bank's lowest margin with a mandatory clause allowing early repayment without additional penalties.

The Company has policy that limit the amount of credit exposure to any financial institution.

**(b) Credit risk**

The Company is exposed to credit risk through trade receivables as disclosed in the balance sheet. These receivables can be reasonably viewed as non-risk claims since these are dispersed mostly across customers who are Energoprojekt Group members (subsidiaries), and are based on on-going business arrangements.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of adequate sources of funding due to the dynamic nature of the business. The Company aims to maintain flexibility in funding by collecting their funds from buyers and investments of available funds.

**6. REVENUES FROM SALES**

	31/09/2010 (RSD 000)	30/09/2009 (RSD 000)
<b>Domestic market</b>		
Revenues from services rendered to subsidiaries	335.122	318.010
Revenues from services rendered to other affiliates	207	
Revenues from services sold on the local market	5.612.042	260.198
<b><u>TOTAL</u></b>	<b><u>5.947.371</u></b>	<b><u>578.208</u></b>
<b>Foreign market</b>		
Revenues from services to subsidiaries		
<b><u>TOTAL</u></b>		
<b><u>GRAND TOTAL</u></b>	<b><u>5.947.371</u></b>	<b><u>578.208</u></b>

Revenue from services rendered to subsidiaries (335.122 thousand RSD) in the local market is generated by services rendered by the Company under contracts which were approved and endorsed by the boards of directors of the Company and the respective subsidiaries, in accordance with their respective Articles of Association.

Revenue from services rendered to other affiliates (207 thousand RSD) relates to the Protocol for ENJUB representation in lawsuits.

Revenue from services sold on the local market includes income from the completed sales contract for an unfinished building in Blok 26 (5.302.842 thousand RSD), income under Annex XIV of the Contract for the Reconstruction of the Prokop Station 5<sup>th</sup> and 6<sup>th</sup> railway tracks (309.198 thousand RSD), and commission income from airline ticket sales (2 thousand RSD).

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Income from the own use of products, services and merchandise (576 thousand RSD) is attributed to automobile use for business travel.

**7. INCREASE/(DECREASE) IN INVENTORIES**

	30.09.2010 RSD 000	30.09.2009 RSD 000
Inventories increase	182,601	1,661,105
Inventories decrease	(4,685,991)	
<b>Total</b>	<b>(4,503,390)</b>	<b>1,661,105</b>

The posted increase of WIP (182.601 thousand RSD) relates to a sales contract for an unfinished building (Block 26, Unit I) while the WIP decrease of 4.685.991 thousand RSD results from the completion of the same contract on 31/03/2010.

**8. OTHER OPERATING INCOME**

	30.09.2010 RSD 000	30.09.2009 RSD 000
Rents	646	694
Other		
<b>Total</b>	<b>646</b>	<b>694</b>

**9. MATERIAL COST**

	30.09.2010 RSD 000	30.09.2009 RSD 000
Raw material		30
Other material cost (overheads)	11,076	6,609
Fuel and energy	14,808	6,126
<b>Total</b>	<b>25,884</b>	<b>12,765</b>

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**10. STAFF COSTS**

	<u>30.09.2010</u>	<u>30.09.2009</u>
	RSD 000	RSD 000
Salaries and fringe benefits (gross)	93,462	89,145
Taxes and contributions on salaries and fringe benefits charged to employer	13,810	13,412
Temporary service contracts	3,694	3,035
Copyright agreements	559	
Temporary and provisional contracts	212	
Board of Directors and Supervisory Board	15,883	15,516
Other personal expenses remunerations	4,744	4,343
<b>Total</b>	<b><u>132,364</u></b>	<b><u>125,451</u></b>

**11. DEPRECIATION AND PROVISION EXPENSES**

	30.09.2010	30.09.2009
	<u>RSD 000</u>	<u>RSD 000</u>
Depreciation of property, plant, equipment	15,080	13,500
Provision for fringe and other employee benefits		280
<b>Total</b>	<b><u>15,080</u></b>	<b><u>13,780</u></b>

Depreciation costs for the third quarter of 2010 totalled 15.080 thousand RSD (3Q2009: 13.500 thousand RSD) and include depreciation of property, plant, equipment in accordance with Note 4(1).

## 12. OTHER OPERATING EXPENSES

	30.09.2010	30.09.2009
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Costs of production services</u></b>		
Service costs of outputs	480,497	1,705,232
Transportation costs	4,217	4,974
Maintenance costs	29,261	29,595
Rental costs	839	617
Advertising costs	345	1,987
Costs of other services	2,857	2,415
<b>Subtotal</b>	<b><u>518,016</u></b>	<b><u>1,744,820</u></b>
<b><u>Non-production costs</u></b>		
Costs of non-production services	27,003	22,466
Expense accounts	3,050	2,267
Insurance premium costs	4,223	7,713
Payment operation costs	4,460	2,143
Membership fees	870	599
Tax duties	33,253	6,175
Other intangible expenses	5,351	7,493
<b>Subtotal</b>	<b><u>78,210</u></b>	<b><u>48,856</u></b>
<b>Total</b>	<b><u><u>596,226</u></u></b>	<b><u><u>1,793,676</u></u></b>

Other operating expenses include:

- ❖ Execution of a sales contract for an unfinished building Block 26, Unit I (208.814 thousand RSD) of which:
  - Service costs of outputs 177.483 thousand RSD,
  - Property tax: 27.326 thousand RSD,
  - Insurance premiums: 2.158 thousand RSD,
  - Payment transactions: 1.823 thousand RSD,
  - Telephone services: 24 thousand RSD,
  
- ❖ Execution of Annex XIV of the Contract for the Reconstruction of the Prokop Station 5<sup>th</sup> and 6<sup>th</sup> railway tracks (305.376 thousand RSD) of which:
  - Service costs of outputs 303.014 thousand RSD,
  - Insurance premiums: 1.086 thousand RSD,
  - Payment transactions: 1.276 thousand RSD,

### 13. FINANCIAL REVENUES AND EXPENSES

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Financial revenues</u></b>		
Financial income from transactions with parent company and subsidiaries	213,918	255,962
Financial income from other subsidiaries	5,973	56
Income from interest	11,424	23,392
FX gains	96,482	180,450
Gains on foreign currency clause	206	120
Other financial revenues	1,283	5,290
<b>Total</b>	<b><u>329,286</u></b>	<b><u>465,270</u></b>
<b><u>Financial expenses</u></b>		
Financial expenses from transactions with parent company and subsidiaries	5,085	40,186
Costs of interest	2,823	6,683
FX losses	218,758	246,007
Losses on foreign currency clause	1,023	290
<b>Total</b>	<b><u>227,689</u></b>	<b><u>293,166</u></b>

The structure of the Company's financial revenue of 213.918 thousand RSD from its subsidiaries is as follows:

- Income based on foreign currency clauses from operations with subsidiaries totalled 161.347 thousand RSD, and are based on service contracts between the Holding and its subsidiaries.
- Interest income from subsidiaries in the amount of 11.224 thousand RSD, specifically: 7.698 thousand RSD (Energoprojekt Visokogradnja), 1.694 thousand RSD (Energoprojekt Urbanizam i arhitektura), 1.174 thousand RSD (Energoprojekt Niskogradnja) and 658 thousand RSD (Energoprojekt Energodata).
- Share of profits generated by subsidiary Energoprojekt Garant a.d.o. totalling 41.347 thousand RSD.

Financial income from other affiliates include interest income and exchange rate gains on an extended loan (5.973 thousand RSD) to Enjub.

**14. OTHER REVENUES AND EXPENSES, ADJUSTMENT GAINS  
AND IMPAIRMENT COSTS**

<b><u>Other revenues and property value adjustment gains</u></b>	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
	RSD 000	RSD 000
Gains on disposals of intangibles and PP&E		
Gains on disposals of LT investments and securities		
Previously written-off claims recovered		340
Income from positive hedging effects		114
Income from reduction of liabilities		
Other	138	7,216
<b>Total</b>	<b><u>138</u></b>	<b><u>7,670</u></b>
<b><u>Other expenses and property impairment costs</u></b>	<b><u>30.09.2010</u></b>	<b><u>30.09.2009</u></b>
	RSD 000	RSD 000
Disposal and write-off of intangibles and PP&E		
Shortages		
Direct receivables write-off		
Other expenses	9,324	1,642
Impairment of receivables and ST financial investments		
Impairment of other property		
<b>Total</b>	<b><u>9,324</u></b>	<b><u>1,642</u></b>

## 15. CONSTRUCTION CONTRACTS

Revenue from fixed price construction contracts is recognized in percent according to the degree of completion of the contracted work on the balance sheet date.

The degree of completion of the contracted work is calculated as the ratio of contractual expenses incurred for the executed work to date against the most recent estimate of total contract cost.

The Company signed a sales contract for the construction of a class A office building in Block 26, Unit I, on October 12, 2007 (effective as of November 09, 2007) with “Blue Center d.o.o“ for the sum of 61,630 mil EUR plus VAT, totalling 72,72 mil. EUR.

The sales contract for an unfinished building in Block 26, Unit I was finalized in the 1<sup>st</sup> quarter of this year.

	<b>30.09.2010.</b> <u>RSD 000</u>	<b>30.09.2009</b> <u>RSD 000</u>	<u>Note:</u>
Income from inventories increase	182,601	1,661,105	7
Income from inventories decrease	4,685,991		7
Recognized income for period	5,302,842	260,141	6
Degree of completion	100%	93.7144%	
Incurred expenses for period	208,814	1,661,105	12
Advances		4,878,910	37
Non-invoiced income		650,753	25
Unfinished production		4,265,744	21

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
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## INTANGIBLE INVESTMENTS

	Development	Concessions, patents etc.	Goodwill	Other intangibles	Intangible investments in progress	Advances on intangibles	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
<b>Cost value</b>							
<b>Balance on 01/01/2010</b>				1,600	8,981		10,581
Restated opening							0
Additions				479	334	365	1,178
Transfers					(478)	(365)	(843)
Disposal							0
Appraisal							0
Other							0
<b>Balance on 30/09/2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,079</b>	<b>8,837</b>	<b>0</b>	<b>10,916</b>
<b>Value adjustment</b>							
<b>Balance on 01/01/2010</b>				964			964
Restated balance							0
Depreciation 30/09/2010				161			161
Disposal							0
Write-off							0
Appraisal							0
Other							0
<b>Balance on 30/09/2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,125</b>	<b>0</b>	<b>0</b>	<b>1,125</b>
<b>Net book value</b>							
<b>30/09/2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>954</b>	<b>8,837</b>	<b>0</b>	<b>9,791</b>
<b>30/09/2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>689</b>	<b>4,174</b>	<b>0</b>	<b>4,863</b>

## 16. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings	Plant, equipment	Equipment in progress	Property in progress	Advances on equipment	Advances on property	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
<b>Cost value</b>							
<b>Balance on 1/1/2010</b>	548,530	96,810		122,160	331		767,831
Restated opening							0
Transfers		3,477	3,790	406	900	5,170	13,743
Additions			(3,477)		(1,060)	(1,189)	(5,726)
Disposals							0
Appraisal							0
Other							0
<b>Balance on 30/09/2010</b>	<b>548,530</b>	<b>100,287</b>	<b>313</b>	<b>122,566</b>	<b>171</b>	<b>3,981</b>	<b>775,848</b>
<b>Value adjustment</b>							
<b>Balance on 1/1/2010</b>	272,602	42,679					315,281
Restated balance							0
Depreciation 30/09/2010	5,367	9,552					14,919
Disposals							0
Write-off							0
Appraisal							0
Other							0
<b>Balance on 30/09/2010</b>	<b>277,969</b>	<b>52,231</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330,200</b>
<b>Net book value</b>							
<b>30/09/2010</b>	<b>270,561</b>	<b>48,056</b>	<b>313</b>	<b>122,566</b>	<b>171</b>	<b>3,981</b>	<b>445,648</b>
<b>30/09/2009</b>	<b>277,717</b>	<b>56,155</b>	<b>122,160</b>		<b>171</b>		<b>456,203</b>

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**17. EQUIPMENT UNDER LEASE**

		RSD 000	
		30.09.2010	30.09.2009
<u>Leasing</u>	Group	Net book value	Group Net book value
	Cars	11,133	Cars 14,159
	Copying machines	194	Copying machines 259
	Other		Other
	<b>Total</b>	11,327	14,418

## **18. EQUITY INVESTMENTS**

Equity investments represent long term investments in shares and in subsidiaries and affiliates, banks and insurance companies (available for sale securities).

Equity investments in subsidiaries and affiliates are disclosed according to the method used by the Company for disclosing its investment at purchase cost. The Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the date of acquisition.

Equity investments in other companies and investments in available for sale securities are estimated at fair value.

Equity investments pertain to shares of:

ENERGOPROJEKT HOLDING A.D., BEOGRAD  
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<b>SUBSIDIARIES</b>		<b>30.09.2010.</b>	<b>30.09.2009.</b>
<b>Company name</b>	<b>% share</b>	<b>Present value</b>	<b>Present value</b>
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%	146,456	146,456
EP Promet d.o.o.	100.00%	295	295
EP Energodata a.d.	96.43%	191,438	191,438
EP Industrija a.d.	62.77%	61,208	61,208
EP Entel a.d.	86.26%	216,422	216,422
EP Garant a.d.o.	64.13%	401,371	360,026
EP Montenegro d.o.o.	100.00%	10	8
Inec Eng. Ltd.	100.00%	72,123	65,520
Encom GmbH	100.00%	5,101	4,756
Nana off shore	100.00%	1,488	1,272
<b>Total</b>		<b>4,176,218</b>	<b>4,127,707</b>

**OTHER AFFILIATES**

<b>Company name</b>	<b>% share</b>	<b>Present value</b>	<b>Present value</b>
Enjub d.o.o.	50.00%	13,550	13,550
Energobroker a.d.	26.60%	4,371	4,371
Energ Ghana Ltd.	80.00%	6,686	5,717
United Cons.Botswana	100.00%	4,363	3,731
Zecco Zambia	100.00%	799	683
<b>Total</b>		<b>29,769</b>	<b>28,052</b>

**OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES**

<b>Company name</b>	<b>Present value</b>	<b>Present value</b>
Dunav a.d.o	1,006	2,003
Jubmes banka a.d.	21,870	32,563
Hypo Alpe-Adria bank	3,366	3,366
Hipotekarna banka Podg.	6,583	10,841
FIMA SEE Activist	14,160	12,514
<b>Total</b>	<b>46,985</b>	<b>61,287</b>

**T O T A L** **4,252,972** **4,217,046**

## 19. OTHER LONG TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.09.2010	30.09.2009
	RSD 000	RSD 000
a) Long term loans approved		
- local market		
- foreign market		
<b>Total</b>	-	-
b) Foreign currency savings bonds		
c) Staff housing loans	2,188	1,648
d) Long term loans to subsidiaries		
e) Other long-term investments	169,886	1,595
<b>Total</b>	<u>172,074</u>	<u>3,243</u>

## 20. INVENTORIES

	30.09.2010	30.09.2009
	RSD 000	RSD 000
Work in progress		4,265,744
Paid advances	335	121,338
<b>Total</b>	<u>335</u>	<u>4,387,082</u>

The Company did not post WIP as of 30/09/2010 as a result of completion of the sales contract for an unfinished building in Block 26, New Belgrade (Note 15) in the 1<sup>st</sup> quarter this year.

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**21. RECEIVABLES**

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Trade receivables</u></b>		
Trade receivables (parent and subsidiaries)	871,992	664,493
Trade receivables - other affiliates	245	
Trade receivables (domestic)	53,459	105
Trade receivables (foreign)		
Less: value adjustment		(30,809)
<b>Subtotal</b>	<b><u>925,696</u></b>	<b><u>633,789</u></b>
<b><u>Receivables from specific business operations</u></b>		
Other receivables from specific operations	41,187	39,467
Less: value adjustment		(511)
<b>Subtotal</b>	<b><u>41,187</u></b>	<b><u>38,956</u></b>
<b><u>Other</u></b>		
Interest and dividends	41,560	130,664
Staff claims	619	1,324
Receivables from state institutions		
Prepaid income tax		
Other prepaid taxes and contributions		
Other receivables	2,372	2,348
Less: value adjustment	(722)	(30,569)
<b>Subtotal</b>	<b><u>43,829</u></b>	<b><u>103,767</u></b>
<b>Total</b>	<b><u><u>1,010,712</u></u></b>	<b><u><u>776,512</u></u></b>
	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Trade receivables (domestic)</u></b>		
Belgrade	922,614	643,192
Less: value adjustment		(10,850)
<b>Subtotal</b>	<b><u>922,614</u></b>	<b><u>632,342</u></b>
<b><u>Trade receivables (foreign)</u></b>	3,082	1,447
Europe		19,864
Africa		95
Less: value adjustment		(19,959)
<b>Subtotal</b>	<b><u>3,082</u></b>	<b><u>1,447</u></b>
<b>Total</b>	<b><u><u>925,696</u></u></b>	<b><u><u>633,789</u></u></b>

The company still has some unresolved internal relations with Energoprojekt Energodata a.d., Energoprojekt Visokogradnja a.d. and Energoprojekt Entel a.d., inherited from previous years.

## 22. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	30.09.2010 RSD 000	30.09.2009 RSD 000
<b><u>Short term loans and investments - parent company, subsidiaries and affiliates</u></b>		
Subsidiaries	1,120,918	631,662
Affiliates	86,391	17,440
Maturing obligations - long term loans	33	
Less: value adjustment	-66,389	-65,494
<b>Subtotal</b>	<b>1,140,953</b>	<b>583,608</b>
 <b><u>Short term loans - domestic</u></b>		
Loans to workers		
Maturing obligations - long term loans		20
Less: value adjustment		
<b>Subtotal</b>	<b>-</b>	<b>20</b>
 <b><u>Other short term financial investments</u></b>		
Alpha Bank -short-term FX deposit	111,484	
Less: value adjustment		
<b>Subtotal</b>	<b>111,484</b>	<b>-</b>
 <b>Total</b>	<b>1,252,437</b>	<b>583,628</b>

## 23. CASH AND CASH EQUIVALENTS

	30.09.2010 RSD 000	30.09.2009 RSD 000
<b><u>RSD</u></b>		
Current accounts	2,129	1,901
Treasury	31	124
<b>Subtotal</b>	<b>2,160</b>	<b>2,025</b>
<b><u>Foreign currency</u></b>		
Foreign currency accounts	244,064	637,450
Treasury	392	23
<b>Subtotal</b>	<b>244,456</b>	<b>637,473</b>
<b>Total</b>	<b>246,616</b>	<b>639,498</b>

The Company's foreign currency assets are term deposited (short-term) at rates varying from 1,05% up to 3,8% p.a. (EUR) and 2,2% p.a. (USD).

## 24. VAT AND ACCRUALS

	30.09.2010 RSD 000	30.09.2009 RSD 000
<b><u>Value added tax-accrued</u></b>	228	8,124
<b><u>Accrued income</u></b>		
Prepayments	580	1,739
Uninvoiced income receivables	9,655	650,753
Accrued commitments		
Other accruals	1,975	5,085
<b>Subtotal</b>	<b>12,210</b>	<b>657,577</b>
<b>Total</b>	<b>12,438</b>	<b>665,701</b>

The largest single balance sheet item under accruals as of 30/09/2010 are non-invoiced receivables (9.655 thousand RSD) pertaining to calculated receivables from subsidiaries for office building maintenance services in the period July-September of this year. On 30/09/2009 the same balance sheet item applied to non-invoiced income under the sales contract for an unfinished building in Block 26, New Belgrade, which was finalized in the first quarter this year.

## 25. SHARE CAPITAL

The share capital consists of:

	30.09.2010 RSD 000	30.09.2009 RSD 000
Share capital		
Ordinary shares		3,787,124
Preferred shares		
Principal capital	<b>4,165,836</b>	<b>3,787,124</b>
Other share capital	27,178	27,178
<b>Total principal and other capital</b>	<b>4,193,014</b>	<b>3,814,302</b>

According to records of the Central Securities Depository, the ownership structure of shares of Energoprojekt Holding a.d. on 30/09/2010 is as follows:

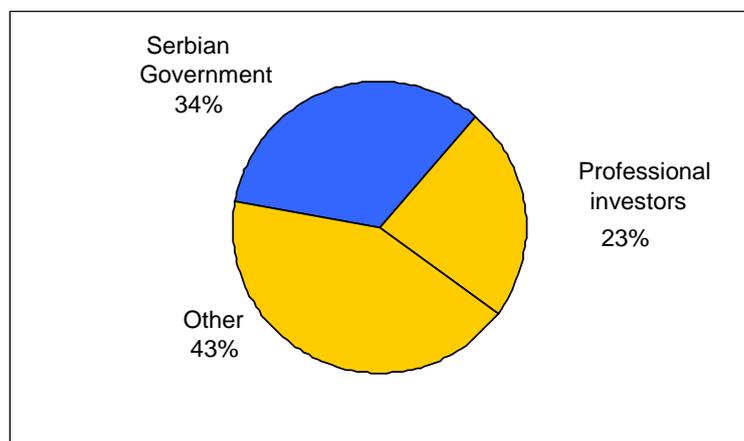
ENERGOPROJEKT HOLDING A.D., BEOGRAD  
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	no. of shares	% of total issue
<b>Shares held by private shareholders</b>	<b>3,000,291</b>	<b>31.69%</b>
<b>Shares held by legal entities</b>	<b>4,858,234</b>	<b>51.31%</b>
- Serbian Government	3,178,533	33.57%
- Other legal entities	1,679,701	17.74%
<b>Summary (custody) account</b>	<b>1,609,285</b>	<b>17.00%</b>
<b>Total shares</b>	<b>9,467,810</b>	<b>100%</b>

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%	8,507	265	8,772	4,737,134	1,046,019	5,783,153	50.03%	11.05%	61.08%
from 5% to 10%	1	0	1	506,124	0	506,124	5.35%	0.00%	5.35%
over 10% to 25%	0	0	0	0	0	0	0.00%	0.00%	0.00%
over 25% to 33%	0	0	0	0	0	0	0.00%	0.00%	0%
over 33% to 50%	1	0	1	3,178,533	0	3,178,533	33.57%	0.00%	33.57%
over 50% to 66%	0	0	0	0	0	0	0.00%	0.00%	0%
over 66% to 75%	0	0	0	0	0	0	0.00%	0.00%	0%
over 75%	0	0	0	0	0	0	0.00%	0.00%	0%
<b>Total shares</b>	<b>8,509</b>	<b>265</b>	<b>8,774</b>	<b>8,421,791</b>	<b>1,046,019</b>	<b>9,467,810</b>	<b>88.95%</b>	<b>11.05%</b>	<b>100.00%</b>

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3,178,533	33.57%
Hypo kastodi 4	506,124	5.35%
East capital asset manag.	432,456	4.57%
GP Napred a.d. Beograd	306,009	3.23%
Privredna banka Zagreb d.d.	237,712	2.51%
Unicredit Bank Austria AG	193,777	2.05%
Gustavus capital asset mngt.	175,000	1.85%
Raiffeisen zentralbank	116,275	1.23%
Erste bank custody 00001	113,064	1.19%
Banka Koper d.d.	98,314	1.04%



Structure of share capital on 30/09/2010:

- Share capital	6.289.277
- Serbian Government	3.178.533
<b>Total</b>	<b>9.467.810</b>

The share capital consists of 9.467.810 ordinary shares each with a nominal value of 440 RSD (4.165.836 thousand RSD), or a specific book value of 740,89 RSD.

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

Resolutions were taken at the 35<sup>th</sup> Annual General Meeting on September 2, 2010 under item 5 and 6 of the agenda on the matters of:

- a) Distribution of Energoprojekt Holding's annual profits for 2009
- b) Organization of the VIII issue of ordinary shares without a public offering for the purpose of converting undistributed profit to equity, and replacement of the shares accordingly in order to increase their nominal value.

Total net profit 468.834.193,32 RSD generated in 2009 according to the financial statements was allocated by GM resolution as follows:

1. Company provisions 5% (23.441.709,67 RSD)
2. Undistributed profits (445.392.483,65 RSD)

The combined undistributed profit, including undistributed profits from previous years (240.733.973,63 RSD) and from 2009 (445.392.483,65 RSD) totalled 686.126.457,28 RSD.

The undistributed profits were allocated as follows:

- a) Part of the undistributed profit in the sum of RSD 378.712.400,00 RSD (9.467.810 shares x 40,00 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 GM resolution taken under item 6, on the VIII issue of ordinary shares without public offering for the purpose of converting undistributed profit to equity and replacement of the shares accordingly in order to increase their nominal value from 400,00 to 440,00 RSD.
- b) The balance of 307.414.057,28 RSD remains unallocated.

On September 16, 2010 the Securities Commission issued Decision No. 4/0-24-3924/3-10 approving the securities issue without a public offering for the purpose of converting undistributed profit to equity and replacement of the existing shares accordingly in the amount of 4.165.836.400,00 RSD, or the equivalent of 9.467.810 ordinary shares at a nominal value of 440,00 RSD.

As of 2007 the company's shares are listed on the A-list of the Belgrade Stock Exchange.

## 26. OTHER CAPITAL ASSETS

Other capital assets were created by reporting of non-operational assets sources in 2005 and amount to 27.178 thousand RSD.

## 27. RESERVES

The reserves consist of:

	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
Issuing premium	1,600,056	1,593,034
Legal reserves	23,185	23,185
Statutory and other	79,738	56,296
<b>Total</b>	<b>1,702,979</b>	<b>1,672,515</b>

Issuing premium represents the positive difference between the obtained selling price per share and the share's nominal value.

Until 2004 legal reserves were mandatory and were formed by allocating at least 5% of the profit each year until the reserves reach at least 10% of the capital assets.

The Company's internal legislation defines the statutory reserves, which are prescribed by the General Meeting at the Board's proposal and cannot be less than 5% of the net profit.

According to the GM resolution of 02/09/2010 a total of 5% of the profits (23.442 thousand RSD) based on the financial statements for 2009 was allocated to the company provisions.

## 28. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

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

	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
Revaluation reserves	57,829	49,460
Unrealized profit from available for sale securities	10,647	28,803
Unrealized losses from available for sale securities	(1,924)	(3,910)
<b>Total</b>	<b>66,552</b>	<b>74,353</b>

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 on reporting date (30/09/2010).

## 29. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
<b>Retained earnings from previous years</b>	<b>709,871</b>	<b>866,826</b>
Adjustment of income tax revenues	(303)	(584)
Distribution of profits (dividends)		(601,093)
Distribution of profits (increase of nominal value per share)	(378,712)	
Allocation to statutory reserves		
Other adjustments	(23,442)	(24,415)
<b>Current year's profit</b>		
<b>Total</b>	<b>745,037</b>	<b>466,671</b>
	<b>1,052,451</b>	<b>707,405</b>

The resolution to allocate undistributed profits was issued at the 35<sup>th</sup> General Meeting of Energoprojekt Holding a.d., held on 02/09/2010, under item 5 of the agenda.

## 30. REDEEMED SHARES

A total of 9.796 treasury shares are redeemed as of 31/12/2009 with a nominal value of 3.918 thousand RSD. In 2010, 9.020 treasury shares were sold. The share nominal value was increased from 400,00 to 440,00 RSD based on the resolution issued at the 35<sup>th</sup> General Meeting, and so on 30/06/2010 the Company holds a total of 776 treasury shares with a nominal value of 341 thousand RSD.

## 31. LONG TERM PROVISIONS

Long term provisions are recognized when:

- an enterprise has a present obligation (legal or constructive) as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Long term provisions consist of:

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	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	1,021	2,400
Other	260,000	260,000
<b>Total</b>	<b>261,021</b>	<b>262,400</b>

### 32. LONG TERM LOANS

Commitments on long term loans mature in more than one year from the performance date or the annual balance sheet date.

There are no long term loans.

### 33. OTHER LONG TERM LIABILITIES

Other long term liabilities relate to:

	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
Payables to parent company and subsidiaries		62,370
Long term finance lease	8,565	11,275
<b>Total</b>	<b>8,565</b>	<b>73,645</b>

The reduced obligations to parent and subsidiaries as of 30/09/2010 are related to the completion of the sales contract for an unfinished building in Block 26, New Belgrade.

### 34. LONG TERM LEASING OBLIGATIONS

	<u>RSD 000</u>		<u>RSD 000</u>	
	<b>30.09.2010</b>		<b>30.09.2009</b>	
	<b>Minimum future leasing payments</b>	<b>Interest</b>	<b>Minimum future leasing payments</b>	<b>Interest</b>
Up to 1 year	1,089	216	833	262
1-5 years	8,565	769	11,275	1,492
5+ years				
<b>Total</b>	<b>9,654</b>	<b>985</b>	<b>0</b>	<b>1,754</b>

### 35. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	CCY	Interest %	<b>30.09.2010</b> RSD 000	<b>30.09.2009</b> RSD 000
<b><u>Short term loans domestic</u></b>				
<i>Societe Generale Bank Serbia</i>	<i>Eur</i>	<i>3mthEuribor +3,85%</i>		138,173
Other				
Current maturities on long-term loans				
<b>Subtotal</b>			<b>0</b>	<b>138,173</b>
<b><u>Other short term financial liabilities</u></b>				
Other short term financial liabilities				128
Short term liabilities maturing in one year or less- Raiffeisen Leasing	<i>Eur</i>		207	119
Short term liabilities maturing in one year or less- Intesa Leasing	<i>Eur</i>		882	714
Other ST financial liabilities-VISA accounts			25	
<b>Subtotal</b>			<b>1,114</b>	<b>961</b>
<b>Total</b>			<b>1,114</b>	<b>139,134</b>

### 36. LIABILITIES FROM OPERATIONS

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Liabilities from business operations</u></b>		
Received advances, short-term and safety deposits		4,879,625
Suppliers-parent and subsidiaries	63,209	57,295
Suppliers-affiliates	1,149	980
Suppliers-domestic	8,534	10,327
Suppliers-foreign		
Other liabilities		
<b>Subtotal</b>	<b><u>72,892</u></b>	<b><u>4,948,227</u></b>
<b><u>Liabilities from specific operations</u></b>		
Other	152	82
<b>Subtotal</b>	<b><u>152</u></b>	<b><u>82</u></b>
<b>Total</b>	<b><u><u>73,044</u></u></b>	<b><u><u>4,948,309</u></u></b>

The reduction of received advance payments as of 30/09/2010 is related to the completion of the sales contract for an unfinished building in Block 26, New Belgrade.

Geographical distribution of suppliers:

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Local suppliers</u></b>		
Belgrade	66,099	63,017
Less: value adjustment		
<b>Subtotal</b>	<b><u>66,099</u></b>	<b><u>63,017</u></b>
<b><u>Foreign suppliers</u></b>		
Europe-subsidiaries	5,720	4,737
Africa-other entities	74	
Asia-other affiliates	999	848
Less: value adjustment		
<b>Subtotal</b>	<b><u>6,793</u></b>	<b><u>5,585</u></b>
<b>Total</b>	<b><u><u>72,892</u></u></b>	<b><u><u>68,602</u></u></b>

### 37. OTHER SHORT TERM LIABILITIES

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Salaries and fringe benefits</u></b>	<b>11,854</b>	<b>12,297</b>
<b><u>Other obligations</u></b>		
Dividends	6,046	6,291
Profit sharing	4,299	4,309
Employees	143	145
Members of the Board of Directors and Supervisory Board	1,235	1,259
Service contracts	195	903
Other	589	607
<b>Total</b>	<b><u>24,361</u></b>	<b><u>25,811</u></b>

### 38. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS

	<b>30.09.2010</b>	<b>30.09.2009</b>
	<u>RSD 000</u>	<u>RSD 000</u>
<b><u>Value added tax</u></b>	<b>4,975</b>	<b>11,293</b>
<b><u>Other taxes, contributions and duties</u></b>		
Liabilities for income tax	2,551	802
Liabilities for taxes, customs and other duties charged to costs	2,159	513
Other liabilities for taxes, contributions and other duties	732	1,044
<b>Subtotal</b>	<b><u>5,442</u></b>	<b><u>2,359</u></b>
<b><u>Accruals and deferred income</u></b>		
Accrued expenses	39	36
Deferred income		
Collected VAT		
Other accruals		
<b>Subtotal</b>	<b><u>39</u></b>	<b><u>36</u></b>
<b>Total</b>	<b><u>10,456</u></b>	<b><u>13,688</u></b>

### 39. DEFERRED TAX ASSETS AND LIABILITIES

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

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

	<b>30.09.2010</b>	<b>30.09.2009</b>
	RSD 000	RSD 000
Deferred tax assets		
Deferred tax liabilities	9,807	8,539
<b>Net tax assets/liabilities</b>	<b>9,807</b>	<b>8,539</b>

Assessment of deferred tax assets was not made as of 30/09/2010 because of their intangibility.

### 40. OFF-BALANCE SHEET ITEMS

The Company's off-balance sheet assets and liabilities (9.399.509 thousand RSD) include sureties from issued guarantees and approved credit lines based on loans and guarantees issued in favor of subsidiaries for a total sum of 9.266.388 thousand RSD (the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral), obligations for Enjub dividends (30,442 thousand RSD) and usage rights for city building land (102.679 thousand RSD).

### 41. LAWSUITS

N r	Petitioner	Respondent	Grounds for lawsuit and value	Court of jurisdiction	Outcome
1.	Civil lawsuit (4 petitioners)	EP Holding a.d.	Employment and wages 1.292,00USD, 2.444,40EUR and 5.206.086,41 RSD	Belgrade Court	Uncertain
2.	Land Development Agency	EP Holding a.d.	Fee for Hyatt, 15.459.728,80 RSD	Commercial Court	Settlement in process
3.	EP Holding a.d. & EP Visokogradnja a.d.	City of Belgrade, Serbia, Belgrade Arena, Land	8.399.218,81 USD in debts		Success

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		Development Agency			
4.	EP Oprema a.d.- EP Holding a.d.	Belgrade Arena	4.817.705,05 RSD in debts	Commercial Court	Founded
5.	Milan Raonić	EP Holding a.d., EP Visokogradnja a.d. i EP Urbanizam i arhitektura a.d.	Copyright infringement, 7.000.000,00 RSD	District Court of Belgrade	Uncertain
6.	EP Holding a.d.	MV Inženjering. Čačak	5.524.202,40 RSD in debts	Commercial Court of Čačak	Execution procedure

#### 42. POST BALANCE SHEET EVENTS

There were no events subsequent to balance date that would have a material financial effect on the financial statements as presented.

Belgrade,  
November 4, 2010

Statements approved by:

Managing Director

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