

Quarterly report
Energoprojekt Holding plc
2nd quarter 2012

Pursuant to Article 53 of the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011) and Article 5 of the Regulation of the Form, Contents and Manner of Publication of Annual, Semi-Annual and Quarterly Reports submitted by public companies („Official Gazette of the Republic of Serbia“ No. 14/2012), **Energoprojekt Holding plc from Belgrade, ID No: 07023014 publishes the following:**

QUARTERLY REPORT FOR THE 2ND QUARTER 2012

C O N T E N T S

1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE 2ND QUARTER 2012

(Balance sheet, Income statement, Cash flow statement, Statement of Changes in Equity, Notes to the Financial Statements)

2. BUSINESS REPORT

3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORT)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE 2ND QUARTER 2012 * (Note)

1. FINANCIAL STATEMENTS ENERGOPROJEKT HOLDING PLC FOR THE
2ND QUARTER 2012 (Balance sheet, Income statement, Cash flow statement,
Statement of Changes in Equity, Notes to the Financial Statements)

Reporting period:

from

1/1/2012

until

6/30/2012

Quarterly Financial Statement for Businesses KFI-PD

Business name: **ENERGOPROJEKT HOLDING p.l.c.**

Reg. No.: **07023014**

Postal code, city: **11070**

NOVI BEOGRAD

Street and number: **BULEVAR MIHAILA PUPINA 12**

E-mail: **ep@energoprojekt.rs**

Website: **www.energoprojekt.rs**

Consolidated/individual: **INDIVIDUAL**

Approved (yes/no): **Yes**

Audited (yes/no): **No**

Consolidation group:*

Head office:

Reg. No.:

Contact person: **DIMITRAKI ZIPOVSKI**

(name and surname of contact person)

Phone: **(011) 310 10 44**

Fax: **(011) 213 14 12**

E-mail: **d.zipovski@energoprojekt.rs**

Name and surname: **VLADIMIR MILOVANOVIC**

(authorized officer)

*Consolidated financial statements for 2nd quarter (half-year) only

BALANCE SHEET

as at 30.06.2012.

in RSD thousands

Description	ADP	Total	
		end of quarter current year	31-Dec previous year
1	2	3	4
ASSETS			
A. NON-CURRENT ASSETS (002 + 003 + 004 + 005 + 009)	001	6,334,569	6,083,468
I SUBSCRIBED CAPITAL, UNPAID	002		
II GOODWILL	003		
III INTANGIBLES	004	9,568	10,139
IV PROPERTY, PLANT, EQUIPMENT AND NATURAL ASSETS (006 + 007 + 008)	005	1,054,928	815,502
1. Property, plant & equipment	006	456,400	318,804
2. Investment property	007	598,528	496,698
3. Natural assets	008		
V LONG-TERM FINANCIAL INVESTMENTS (010+011)	009	5,270,073	5,257,827
1. Share of Capital	010	4,451,174	4,455,931
2. Other long-term financial investments	011	818,899	801,896
B. CURRENT ASSETS (013 + 014 + 015)	012	2,072,923	1,861,181
I. MATERIAL	013	435	707
II. ASSETS HELD FOR TRADING AND SUSPENDED BUSINESS ASSETS	014		
III SHORT-TERM RECEIVABLES, INVESTMENTS AND CASH (016 + 017 + 018 + 019 + 020)	015	2,072,488	1,860,474
1. Receivables	016	831,968	560,254
2. Receivables from prepaid income tax	017		3,784
3. Short-term financial investments	018	1,097,750	1,053,269
4. Cash and cash equivalents	019	133,342	239,998
5. VAT and deferred income	020	9,428	3,169
C. DEFERRED TAX ASSETS	021		
D. BUSINESS PROPERTY (001 + 012 + 021)	022	8,407,492	7,944,649
E. LOSSES OVER CAPITAL	023		
F. TOTAL ASSETS (022 + 023)	024	8,407,492	7,944,649
G. OFF-BALANCE SHEET ASSETS	025	9,438,513	9,665,845
LIABILITIES			
A. CAPITAL (102+103+104+105+106-107+108-109-110)	101	7,680,205	7,167,219
I ORIGINAL CAPITAL	102	5,095,322	4,855,761
II SUBSCRIBED CAPITAL, UNPAID	103		
III RESERVES	104	1,735,366	1,735,366
IV REVALUATION RESERVES	105	43,080	43,080
V UNREALIZED GAINS FROM SECURITIES	106	5,357	9,875
VI UNREALIZED LOSSES FROM SECURITIES	107	5,437	3,170
VII UNDISTRIBUTED PROFIT	108	806,517	526,307
VIII LOSSES	109		
IX REDEEMED TREASURY SHARES	110		
B. LONG-TERM PROVISIONS AND LIABILITIES (112 + 113 + 116)	111	717,694	767,837
I LONG-TERM PROVISIONS	112	264,863	264,863
II LONG-TERM COMMITMENTS (114 + 115)	113	220,620	84,500
1. Long-term loans	114	220,620	84,033
2. Other long-term commitments	115		467
III SHORT-TERM COMMITMENTS (117 + 118 + 119 + 120 + 121 + 122)	116	232,211	418,474
1. Short-term financial commitments	117	167,537	360,950
2. Commitments for assets held for trading and suspended business assets	118		
3. Business commitments	119	23,522	21,158
4. Other short-term commitments and accruals	120	25,890	31,254
5. VAT and other public revenue, accruals	121	13,506	4,620
6. Corporate income tax	122	1,756	492
C. DEFERRED TAX LIABILITIES	123	9,593	9,593
D. TOTAL LIABILITIES (101 + 111 + 123)	124	8,407,492	7,944,649
E. OFF-BALANCE SHEET LIABILITIES	125	9,438,513	9,665,845

P&L ACCOUNT

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description	ADP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
A. BUSINESS INCOME AND EXPENDITURE					
I. BUSINESS INCOME (202+203+204-205+206)	201	107,731	210,814	91,750	187,267
1. Sales revenue	202	101,276	198,211	86,093	175,733
2. Own use of products, services and merchandise	203	120	241	149	299
3. Increase of finished goods, WIP and services in progress	204				
4. Decrease of finished goods, WIP and services in progress	205				
5. Other business revenues	206	6,335	12,362	5,508	11,235
II. BUSINESS EXPENDITURE (208 to 212)	207	95,523	184,967	115,445	187,060
1. Cost of merchandise sold	208				
2. Cost of material	209	6,523	10,655	6,529	10,310
3. Costs of salaries, fringe benefits and other personal expenses	210	47,706	95,095	47,087	90,989
4. Costs of depreciation and provisions	211	5,578	10,530	5,014	10,066
5. Other business expenses	212	35,716	68,687	56,815	75,695
III BUSINESS PROFIT (201 - 207)	213	12,208	25,847		207
IV BUSINESS LOSSES (207 - 201)	214			23,695	
V FINANCIAL INCOME	215	376,294	557,780	321,913	354,820
VI FINANCIAL EXPENDITURE	216	17,851	48,283	46,496	93,254
VII OTHER INCOME	217	72	146	15,144	20,414
VIII OTHER EXPENDITURE	218	1,106	2,635	165	681
IX OPERATING REVENUE BEFORE TAX (213 - 214 + 215 - 216 + 217 - 218)	219	369,617	532,855	266,701	281,506
X OPERATING LOSSES BEFORE TAX (214 - 213 - 215 + 216 - 217 + 218)	220				
XI NET PROFIT FROM SUSPENDED OPERATIONS	221				
XII NET LOSSES FROM SUSPENDED OPERATIONS	222		677	104	140
B. PROFIT BEFORE TAX (219 - 220 + 221 - 222)	223	369,617	532,178	266,597	281,366
C. LOSSES BEFORE TAX (220 - 219 + 222 - 221)	224				
D. INCOME TAX					
1. Tax liabilities for the period	225	5,267	10,533	20,247	21,705
2. Deferred tax liabilities for the period	226				
3. Deferred tax income for the period	227				
E. Salaries paid to employer	228				
F. NET PROFIT (223 - 224 - 225 - 226 + 227 - 228)	229	364,350	521,645	246,350	259,661
G. NET LOSS (224 - 223 + 225 + 226 - 227 + 228)	230				
H. NET PROFIT PAYABLE TO MINORITY STAKEHOLDERS	231				
I. NET PROFIT PAYABLE TO PARENT COMPANY OWNERS	232				
J. EARNINGS PER SHARE					
1. Basic earnings per share	233				
2. Diluted earnings per share	234				

CASH FLOW STATEMENT

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description 1	ADP 2	Total	
		cumulative for current year quarter 3	cumulative for previous year quarter 4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I Cash proceeds from operating activities (1 to 3)	301	244,358	588,461
1. Proceeds from sale and prepayments	302	243,922	585,143
2. Proceeds from received interest from operating activities	303		
3. Other proceeds from operating activities	304	436	3,318
II Cash outflows from operating activities (1 to 5)	305	247,328	342,992
1. Suppliers and given prepayments	306	116,456	139,339
2. Salaries, fringe benefits and other staff expenses	307	95,174	93,881
3. Payment of interests	308	2,134	2,976
4. Payment of income taxes	309	5,491	73,598
5. Payment of other public revenue expenses	310	28,073	33,198
III Net cash receipts from operating activities (I-II)	311		245,469
IV Net cash payments from operating activities (II-I)	312	2,970	
B. CASH FLOW FROM INVESTING ACTIVITIES			
I Proceeds from investing activities (1 to 5)	313	247,125	140,250
1. Proceeds from sale of shares and equity (net receipts)	314		771
2. Proceeds from sale of intangibles, property, plant, equipment, and natural assets	315		1,896
3. Other financial investments (net receipts)	316	205,504	
4. Proceeds from interests	317	7,565	11,177
5. Proceeds from dividends	318	34,056	126,406
II Cash outflow from investing activities (1 to 3)	319	253,893	950,282
1. Purchase of shares and equity (net payments)	320		6,223
2. Purchase of intangibles, property, plant, equipment, and natural assets	321	253,893	520,030
3. Other financial investments (net payments)	322		424,029
III Net cash receipts from investing activities (I-II)	323		
IV Net cash payments from investing activities (II-I)	324	6,768	810,032
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I Cash receipts from financing activities (1 to 3)	325		254,250
1. Increase in share capital	326		
2. Long term and short term loans (net receipts)	327		254,250
3. Other long term and short term commitments	328		
II Cash payments from financing activities (1 do 4)	329	112,254	3,181
1. Purchase of treasury shares and equity	330		
2. Long term and short term loans and other liabilities (net payments)	331	111,000	
3. Finance lease	332	1,254	3,180
4. Payment of dividends	333		1
III Net cash receipts from financing activities (I-II)	334		
IV Net cash payments from financing activities (II-I)	335	112,254	
D. TOTAL CASH RECEIPTS (301 + 313 + 325)	336	491,483	982,961
E. TOTAL CASH PAYMENTS (305 + 319 + 329)	337	613,475	1,296,455
F. NET CASH RECEIPTS (336 - 337)	338		
G. NET CASH PAYMENTS (337 - 336)	339	121,992	313,494
H. CASH AT BEGINNING OF REPORTING PERIOD	340	239,998	469,938
I. EXCHANGE RATE GAINS FROM CASH TRANSLATION	341	15,336	
J. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	342		6,168
K. CASH AT END OF REPORTING PERIOD (338 - 339 + 340 + 341 - 342)	343	133,342	150,276

STATEMENT ON CHANGE IN EQUITY

from 01.01.2012. until 30.06.2012.

in RSD thousands

Description	ADP	Shareholders equity (group 30 w/out 309)	ADP	Other capital (no. 309)	ADP	Subscribed capital, unpaid (group 31)	ADP	Issue premium (no. 320)	ADP	Reserves (no. 321, 322)	ADP	Revaluation reserves (accounts 330 and 331)	ADP	Unrealized gains from securities (account 332)	ADP	Unrealized losses from securities (account 333)	ADP	Undistributed profit (group 34)	ADP	Losses up to capital (group 35)	ADP	Redeemed treasury shares and equity (no. 037, 237)	ADP	Total (col. 2+3+4+5+6+7+8+9+10-11-12)	ADP	Losses over capital (group 29)
1		2		3		4		5		6		7		8		9		10		11		12		13		14
Balance on 01-Jan previous year ____	401	4,165,836	414	27,178	427		440	1,600,056	453	102,923	466	43,080	479	15,902	492	2,008	505	943,386	518		531	341	544	6,896,012	557	
Adjustment for material errors and changes in accounting policies in previous year - increase	402		415		428		441		454		467		480		493		506		519		532		545		558	
Adjustment for material errors and changes in accounting policies in previous year - decrease	403		416		429		442		455		468		481		494		507		520		533		546		559	
Restated balance on 01-Jan previous year ____ (no. 1+2-3)	404	4,165,836	417	27,178	430		443	1,600,056	456	102,923	469	43,080	482	15,902	495	2,008	508	943,386	521		534	341	547	6,896,012	560	
Total increase in previous year	405	662,747	418		431		444	434	457	31,958	470		483	3,971	496	1,189	509	916,786	522		535		548		1,614,707	561
Total decrease in previous year	406		419		432		445	5	458		471		484	9,998	497	27	510	1,333,865	523		536	341	549	1,343,500	562	
Balance on 31-Dec previous year ____ (no. 4+5-6)	407	4,828,583	420	27,178	433		446	1,600,485	459	134,881	472	43,080	485	9,875	498	3,170	511	526,307	524		537		550	7,167,219	563	
Adjustment for material errors and changes in accounting policies in current year - increase	408		421		434		447		460		473		486		499		512		525		538		551		564	
Adjustment for material errors and changes in accounting policies in current year - decrease	409		422		435		448		461		474		487		500		513		526		539		552		565	
Restated balance on 01-Jan current year ____ (no. 7+8-9)	410	4,828,583	423	27,178	436		449	1,600,485	462	134,881	475	43,080	488	9,875	501	3,170	514	526,307	527		540		553	7,167,219	566	
Total increase in current year	411	239,561	424		437		450		463		476		489		502	2,267	515	521,645	528		541		554	758,939	567	
Total decrease in current year	412		425		438		451		464		477		490	4,518	503		516	241,435	529		542		555	245,953	568	
Balance at end quarter current year ____ (no. 10+11-12)	413	5,068,144	426	27,178	439		452	1,600,485	465	134,881	478	43,080	491	5,357	504	5,437	517	806,517	530		543		556	7,880,205	569	

**ENERGOPROJEKT HOLDING PLC
BEOGRAD**

**NOTES TO THE FINANCIAL STATEMENTS
as at June 30, 2012**

1. COMPANY BACKGROUND

Energoprojekt Holding plc, Beograd (hereinafter: the Company) is a joint stock company for holding operations.

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 36/2011 and 99/2012) based on the Resolution of Compliance with the Companies Law and the Memorandum of Association adopted by the General Meeting on 16/03/2012 and the Articles of Association adopted by the General Meeting on 12/01/2012.

In the process of harmonizing with the new Companies Law, the business information of Energoprojekt Holding plc with the Serbian Business Registers Agency was modified based on the Resolution of the Serbian Business Registers Agency BD 49189/2012, dated 18/04/2012, under which the Company's new Memorandum and Articles of Association, management bodies, members of the Executive Board and the Chairman and members of the Supervisory Board were registered.

By adopting and registering the Resolution on the compliance of the Memorandum of Association of Energoprojekt Holding plc with the Articles of Association of the Company adopted pursuant to provisions of the new Companies Law, the Resolution on compliance with the Companies Law and the Articles of Association of the Company from 2006 ceased to apply.

The Company is registered and re-registered in the Register kept by the Serbian Business Registers Agency, pursuant to the Decision BD 8020/2005 of 20/05/2005 from the Commercial Court of Belgrade with previous registration on the registry insert, number 1-2511-00.

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 Corporation, 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 Labor “Energoprojekt“ and the associated workers’ organizations, as it was styled at the time, at a referendum held 08/12/1989.

Basic data on the Company

<i>Head office</i>	Belgrade, Bulevar Mihaila Pupina 12
<i>Registration number</i>	07023014
<i>Registered business code and name of the activity</i>	6420 (74150 and 110620) - holding company
<i>Tax registration number</i>	100001513

The Company is the parent company that forms with a large number of subsidiaries and affiliated companies in the country and abroad a **group of companies referred to as The Energoprojekt Group**.

Subsidiaries in the country are as follows:

- Energoprojekt Visokogradnja a.d.,
- Energoprojekt Niskogradnja a.d.,
- Energoprojekt Oprema a.d.,
- Energoprojekt Hidroinženjering a.d.,
- Energoprojekt Urbanizam i arhitektura a.d.,
- Energoprojekt Energodata a.d.,
- Energoprojekt Industrija a.d.,
- Energoprojekt Entel a.d.,
- Energoprojekt Garant a.d.,
- Energoprojekt Promet d.o.o. and
- Enjub d.o.o.

The following table contains data on the ownership share in these subsidiaries.

<i>Equity investments in subsidiaries</i>	
<i>Subsidiary</i>	<i>% ownership</i>
Energoprojekt Visokogradnja a.d.	92,39
Energoprojekt Niskogradnja a.d.	93,32
Energoprojekt Oprema a.d.	67,87
Energoprojekt Hidroinženjering a.d.	94,84
Energoprojekt Urbanizam i arhitektura a.d.	94,40
Energoprojekt Energodata a.d.	96,43

ENERGOPROJEKT HOLDING PLC, BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

Energoprojekt Industrija a.d.	62,77
Energoprojekt Entel a.d.	86,26
Energoprojekt Garant a.d.o.	92,94
Energoprojekt Promet d.o.o.	100,00

Ownership share of the Company in the domestic affiliated company is indicated in the following table.

<i>Equity investments in affiliated companies</i>	
<i>Affiliated company</i>	<i>% ownership</i>
Enjub d.o.o.	50,00

The Company is, according to criteria defined by the Law on accounting and auditing, classified as a **middle-sized legal entity**.

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

Semi-annual financial statements that are the subject of these Notes are **separate financial statements** of the Company, approved by the Board of Directors of the Company on 13.08.2012.

2. MANAGEMENT STRUCTURE

The key management of the Company in 2012 included the following persons:

- Vladimir Milovanović - General Manager;
- Dimitraki Zipovski - Executive Manager for finances, accounting and plan;
- Zoran Radosavljević - Executive Manager for corporate projects, development and quality;
- Zoran Jovanović - Executive Manager for legal affairs and
- Dragan Tadić - Executive Manager for „Real Estate“ projects.

3. OWNERSHIP STRUCTURE

According to records of the Central Securities Depository, the ownership structure of Energoprojekt Holding plc shares on 30/06/2011 is presented in the Note No. 24 - Equity.

4. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These Financial statements of the Company were prepared according to the *Law on Accounting and Auditing* and regulations that were adopted based on this Law.

Financial statements of the Company are disclosed in the form as prescribed by the Regulation of the Form and Contents of Annual, Semi-Annual and Quarterly Financial Statements submitted by public companies.

Functional and reporting currency

The figures in the financial statements have been prepared in thousand of RSD. The RSD represents functional and reporting currency. All transactions made in the currencies which are not the functional are treated as foreign currency transactions.

The figures in the financial statements are shown in RSD thousand, in the functional and domicile currency as at balance sheet date 30/06/2012.

The official NBS middle exchange rates used in the translation of monetary assets and liabilities were as follows:

	30.06.2012	30.06.2011
EUR	115,8203	102,4631
USD	92,1476	70,6398

5. MANAGEMENT ESTIMATION AND ASSESSMENT

The 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.

6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies and calculation methods used in the preparation of the semi-annual financial statement 2012 are consistent with those applied in financial statements for the year ending 31/12/2011.

7. REVENUES FROM SALES

	30.06.2012	30.06.2011.
	<u>RSD 000</u>	<u>RSD 000</u>
Revenues from services rendered to subsidiaries	198.166	175.518
Revenues from services rendered to other affiliates	-	192
Revenues from services sold on the local market	45	23
TOTAL	<u>198.211</u>	<u>175.733</u>

Revenue from services rendered to subsidiaries on 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 the respective documentation and amount to 198.166 thousand RSD.

Income from the own use of products, services and merchandise (241 thousand RSD, in 2011: 23 thousand RSD) is attributed to automobile use for business travel.

8. OTHER OPERATING INCOME

	30.06.2012	30.06.2011
	<u>RSD 000</u>	<u>RSD 000</u>
Rents	12.362	11.235
Other operating income		
Total	<u>12.362</u>	<u>11.235</u>

Rents comprise of income generated mostly by EP Visokogradnja a.d. (11.863 thousand RSD) from the renting of the bachelor's hotel in Batajnicki drum (Contract No. 40, dated 31/01/2011), other operating income is generated from renting the roof terrace in an office building to Telekom a.d.

9. MATERIAL COST

	30.06.2012	30.06.2011
	<u>RSD 000</u>	<u>RSD 000</u>
Other material cost (overheads)	3.343	4.768
Fuel and energy	7.312	5.542
Total	<u>10.655</u>	<u>10.310</u>

10. STAFF COSTS

	30.06.2012	30.06.2011
	RSD 000	RSD 000
Salaries and fringe benefits (gross)	69,640	64,882
Taxes and contributions on salaries and fringe benefits charged to employer	10,016	10,073
Temporary service contracts	969	2,507
Copyright agreements	-	310
Temporary and provisional contracts	566	-
Board of Directors and Supervisory Board	8,025	10,341
Other personal expenses remunerations	5,879	2,876
Total	95,095	90,989

11. DEPRECIATION AND PROVISION EXPENSES

	30.06.2012	30.06.2011
	RSD 000	RSD 000
Depreciation of property, plant, equipment	10.530	10.066
Provision for fringe and other employee benefits	-	-
Total	10.530	10.066

12. OTHER OPERATING EXPENSES

	30.06.2012	30.06.2011
	RSD 000	RSD 000
<u>Costs of production services</u>		
Transportation costs	1,820	2,515
Maintenance costs	18,866	35,956
Rental costs	768	500
Advertising costs	1,481	8,737
Costs of other services	1,824	1,917
Total	24,759	49,625
<u>Non-production costs</u>		
Costs of non-production services	25,149	8,666
Expense accounts	1,736	3,424
Insurance premium costs	375	619
Payment operation costs	3,472	2,008
Membership fees	763	348
Tax duties	4,860	5,233
Other intangible expenses	7,573	5,772
Subtotal	43,928	26,070
Total	68,687	75,695

The most important costs in the costs of production services (24.759 thousand RSD) are maintenance costs that amount to 18.866 thousand RSD and include ongoing maintenance of the office building and fixed assets.

Non-production costs amount to 43.928 thousand RSD, out of which 25.149 thousand RSD refer to auditor's and attorney fees, consulting services, intellectual services, professional training, etc.

13. FINANCIAL REVENUES AND EXPENSES

	30.06.2012	30.06.2011
	RSD 000	RSD 000
<u>Financial revenues</u>		
Financial income from transactions with parent company and subsidiaries	515.095	330.678
Financial income from other affiliates	20.771	4.588
Income from interest	3.574	5.097
FX gains	16.187	13.898
Gains on foreign currency clause	113	315
Other financial revenues	2.040	244,00
Total	557.780	354.820
<u>Financial expenses</u>		
Financial expenses from transactions with parent company and subsidiaries	102	64.334
Financial expenses from transactions with other affiliates	-	3.846
Costs of interest	8.878	11.272
FX losses	3.570	13.785
Losses on foreign currency clause	35.733	17
Total	48.283	93.254

The most important revenues in Financial revenues are FX gains from transactions with subsidiaries (217.233 thousand RSD) and interests (42.669 thousand RSD) from subsidiaries; the most important losses in Financial expenses are Losses on foreign currency clause (35.733 thousand RSD) and Costs of interest (8.878 thousand RSD) mostly related to loans approved by the Development Fund and the Alpha Bank.

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

	30.06.2012	30.06.2011
	RSD 000	RSD 000
<u>Other revenues and property value adjustment gains</u>		
Gains on disposals of intangibles and PP&E	-	108
Previously written-off claims recovered	-	5.115
Income from positive hedging effects	-	154
Value adjustment of claims and short-term financial investments	-	15.037
Other	146	
Total	146	20.414
	30.06.2012	30.06.2011
	RSD 000	RSD 000
<u>Other expenses and property impairment costs</u>		
Disposal and write-off of intangibles and PP&E	58	-
Losses on disposals of equity investments and securities	8	-
Shortages	-	-
Direct receivables write-off	295	90
Other	2,274	591
Total	2,635	681

15. INTANGIBLE INVESTMENTS

	Intangible		Advances on	Total
	Other intangibles	investments in	intangibles	
	RSD 000	progress		RSD 000
		RSD 000		
<u>Cost value</u>				
Balance 1.1.2012	2,326	8,837	419	11,582
Restated balance			(419)	(419)
New purchases				-
Balance on 30.06.2012	2,326	8,837	-	11,163
<u>Value adjustment</u>				
Balance on 1.1.2012	1,443			1,443
Restated balance				-
Depreciation	152			152
Balance on 30.06.2012	1,595	-	-	1,595
<u>Net book value</u>				
30.06.2012	731	8,837	-	9,568

16. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	Buildings	Plant and equipment	Investment property	Property in progress	Advances on property	Total
	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000	RSD 000
Cost value						
Balance 1.1.2012	581,801	97,261	496,698		-	1,175,760
Restated balance						-
Transfers	199,621	1,259	101,830	(302,710)	(1,484)	(1,484)
New purchases				302,710	3,189	305,899
Disposal and write-off		(4,491)				(4,491)
FX exchange gains and losses						-
Other, value assessment						-
Balance on 30.06.2012	781,422	94,029	598,528	-	1,705	1,475,684
Value adjustment						
Balance on 1.1.2012	296,938	63,321				360,259
Restated balance						-
Depreciation	58,996	6,062				65,058
Disposal and write-off		(4,561)				(4,561)
Impairment						-
Revaluation - assessment						-
Other						-
Balance on 30.06.2012	355,934	64,822	-	-	-	420,756
Net book value						
30.06.2012	425,488	29,207	598,528	-	1,705	1,054,928

On 31.03.2012, the purchase agreement No. 92/263/1 was concluded with Energoprojekt Urbanizam i arhitektura a.d. that sold business premises in the Energoprojekt office building covering 2.704 m², purchase price 199.621 thousand RSD, written-off value 54.553 thousand RSD and present value 145.068 thousand RSD.

On 08.06.2012, the purchase agreement No. 176/547 was concluded with Energoprojekt Visokogradnja a.d. covering the purchase of business premises (investment property) on the third floor of the building No. 2, separate part of the building No. 235, Palmira Toljatija street No. 5 (old Mercator), covering an area of 643 m², on the cadastral plot No. 254, registered in the Registry of Immovable Property No. 3132 Cadastral Municipality New Belgrade, purchase price 80.688 thousand RSD. Pursuant to Contract No. 8/17, dated 13/01/2012, investment maintenance works were performed on the accommodation complex „Pavilions“ in Zemun, Batajnicki drum No. 24 (investment property) in the amount of 21.142 thousand RSD.

17. 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

ENERGOPROJEKT HOLDING PLC, BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

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:

SUBSIDIARIES	% share	<u>000 RSD</u>	<u>000 RSD</u>
		30.06.2012.	31.12.2011.
		Present value	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%	146,456	146,455
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%	61,209	61,209
EP Entel a.d.	86.26%	216,422	216,422
EP Garant a.d.o.	92.94%	597,545	597,545
EP Montenegro d.o.o.	100.00%	-	8
Inec Eng. Ltd.	100.00%	62,359	62,359
Encom GmbH	100.00%	3,493	3,493
Nana off shore	100.00%	1,258	1,258
Total		4,360,781	4,360,788
 OTHER AFFILIATES			
	% share	Present value	Present value
Enjub d.o.o.	50.00%	13,550	13,550
Zecco Zambia	100.00%	587	587
Total		14,137	14,137
 OTHER COMPANIES AND AVAILABLE FOR SALE SECURITIES			
		Present value	Present value
Dunav a.d.o		422	515
Jubmes banka a.d.		41,794	46,835
Aik banka a.d.		680	824
Hipotekarna banka Podg.		8,962	8,434
Energobroker a.d.		4,371	4,371
Hotel Bela lađa Bečej		5,947	5,947
FIMA SEE Activist		14,080	14,080
Total		76,256	81,006
 T O T A L		 4,451,174	 4,455,931

18. OTHER LONG TERM FINANCIAL INVESTMENTS

Other long term financial investments include:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Staff housing loans	2,020	2,087
Long term loans to subsidiaries	816,879	799,809
Total	818,899	801,896

Long term loans to subsidiaries relate to the following companies: Energoprojekt Visokogradnja a.d. (89.047 thousand RSD) and Energoprojekt Niskogradnja a.d. (727.832 thousand RSD).

19. INVENTORIES AND ADVANCES

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Paid advances	435	707
Total	435	707

20. RECEIVABLES

	30.06.2012	31.12.2011
	RSD 000	RSD 000
<u>Trade receivables</u>		
Trade receivables (parent and subsidiaries)	522,480	425,491
Trade receivables - other affiliates	705	705
Trade receivables (domestic)	66	13
Less: value adjustment		
Subtotal	523,251	426,209
<u>Receivables from specific business operations</u>		
Other receivables from specific operations	52,746	61,795
Less: value adjustment	-	-
Subtotal	52,746	61,795
<u>Other</u>		
Interest and dividends	255,760	71,969
Staff claims	169	101
Receivables from state institutions	565	662
Prepaid income tax	-	3,784
Other prepaid taxes and contributions	-	41
Other receivables	-	-
Less: value adjustment	(523)	(523)
Subtotal	255,971	76,034
Total	831,968	564,038

ENERGOPROJEKT HOLDING PLC, BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

Receivables are presented in detail in the following table.

Short-terms receivables structure	<i>in 000 dinars</i>	
	<i>30.06.2012</i>	<i>31.12.2011</i>
<i>Domestic buyers</i>		
Energoprojekt Visokogradnja a.d.	102.355	74.557
Energoprojekt Niskogradnja a.d.	221.504	186.016
Energoprojekt Hidroinženjering a.d.	75.002	65.094
Energoprojekt Entel a.d.	8.454	7.290
Energoprojekt Energodata a.d.	59.408	50.874
Energoprojekt Industrija a.d.	39.724	31.854
Energoprojekt Oprema a.d.	8.957	6.464
Energoprojekt Urbanizam i arhitektura a.d.	3.375	-
Other	942	871
Subtotal	519.721	423.020
Energoprojekt Montenegro d.o.o.	3.530	3.189
Other		-
Subtotal	3.530	3.189
Energoprojekt Visokogradnja a.d.	34.208	63.934
Energoprojekt Niskogradnja a.d.	7.324	19.183
Energoprojekt Hidroinženjering a.d.	28.694	24.070
Energoprojekt Entel a.d.	144.002	386
Energoprojekt Energodata a.d.	5.833	8.453
Energoprojekt Industrija a.d.	286	171
Energoprojekt Urbanizam i arhitektura a.d.	65	-
Energoprojekt Oprema a.d.	77.744	178
Other	10.561	21.454
Subtotal	308.717	137.829
TOTAL	831.968	564.038

21. SHORT TERM FINANCIAL INVESTMENTS

Short term financial investments include:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
<u>Short term loans and investments - parent company, subsidiaries and affiliates</u>		
Subsidiaries	942,939	925,811
Affiliates	154,666	126,999
Maturing obligations - long term loans		
Less: value adjustment		
Subtotal	1,097,605	1,052,810
<u>Short term loans - domestic</u>		
Loans to workers	-	320
Maturing obligations - long term loans	145	139
Less: value adjustment		
Subtotal	145	459
<u>Other short term financial investments</u>		
Alpha Bank -short-term FX deposit		
Other short term financial investmets - Visokogradnja		
Subtotal	-	-
Total	1,097,750	1,053,269

ENERGOPROJEKT HOLDING PLC, BEOGRAD
NOTES TO THE FINANCIAL STATEMENTS

Loans to subsidiaries and other affiliates are presented in detail in the following table.

No	Borrower and contract no.	Borrowed amount in currency (000 EUR)	Receivables due based on the loan in (000 EUR)	Receivables due based on the loan in (000 RSD)	Maturity	Loan terms and conditions
1	EP Visokogradnja a.d.					
	Debt Reprogramming Agreement No. 70/17	5,266	5,266	609,920	31.12.2012.	4,5% annually
	Debt Reprogramming Agreement No. 69/18/V	1,518	1,518	175,781	31.12.2012.	one month EURIBOR + 5 %
	Total EP Visokogradnja a.d.	6,784	6,784	785,701		
2	EP Niskogradnja a.d.					
	Debt Reprogramming Agreement No. 71/509-RSD	1,053	1,053	121,977	31.12.2011.	two-week repo +1.5%
	Total EP Niskogradnja a.d.	1,053	1,053	121,977		
3	EP Energodata a.d.					
	Debt Reprogramming Agreement No. 72/18	304	304	35,262	31.12.2011.	annual EURIBOR+4,5%
	Total EP Energodata a.d.	304	304	35,262		
TOTAL SUBSIDIARIES		8,141	8,141	942,940		
4	EP Enjub d.o.o.					
	Loan Reprogramming Agreement No. 82,26,80,510	1,198	1,198	138,741	31.12.2011.	three months EURIBOR+6,5%
	Annex No.4 to Loan Agreement No. 367	138	138	15,925	31.12.2011.	three months EURIBOR+6,5%
	Total EP Enjub d.o.o.	1,336	1,336	154,666		
TOTAL AFFILIATES		1,336	1,336	154,666		
5	TOTAL	9,477	9,477	1,097,605		

22. CASH AND CASH EQUIVALENTS

	30.06.2012	31.12.2011
<u>RSD</u>	<u>RSD 000</u>	<u>RSD 000</u>
Current accounts	331	2,344
Treasury	61	110
Subtotal	392	2,454
<u>Foreign currency</u>		
Foreign currency accounts	116,849	165,544
Short-term time deposits and other funds	16,101	72,000
Subtotal	132,950	237,544
Total	133,342	239,998

23. VAT AND ACCRUALS

	30.06.2012	31.12.2011
	<u>RSD 000</u>	<u>RSD 000</u>
<u>Value added tax</u>	-	-
<u>Accruals</u>		
Prepayments	3.454	1.291
Uninvoiced income receivables	148	134
VAT prepayments	199	527
Other accruals	5.627	1.217
Subtotal	9.428	3.169
Total	9.428	3.169

24. SHARE CAPITAL

The principal capital consists of:

	30.06.2012	31.12.2011
	<u>RSD 000</u>	<u>RSD 000</u>
Share capital		
ordinary shares	5,068,144	4,828,583
preferred shares		
principal capital	5,068,144	4,828,583
Other principal capital	27,178	27,178
Total principal and other capital	5,095,322	4,855,761

At the XXXIX General Meeting of Energoprojekt Holding plc held on 29.06.2012, a Resolution was adopted on the X issue of ordinary shares without public offering for the

purpose of converting undistributed profit to equity amounting to 239.561 thousand RSD, 469.728 shares with nominal value per share of 510,00 din. The remaining amount of the full nominal value of a share pursuant to this Resolution (1.868 thousand RSD), will be paid by the Company to shareholders in cash. This Resolution is recorded in accounting books on 29/06/2012 and registered in the Serbian Business Registers Agency on 20/07/2012.

Present ownership structure of Energoprojekt Holding plc 30.06.2012

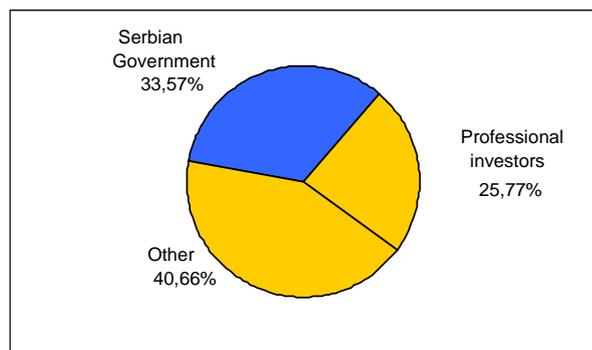
According to the records of the Central Securities Depository, the registered shares ownership structure of Energoprojekt Holding plc (30/06/2012) was as follows:

	no. of shares	% of total issue
Shares held by private shareholders	2.968.708	31,56%
Shares held by legal entities	4.482.739	47,35%
- Serbian Government	3.178.533	33,57%
- Other legal entities	1.304.206	13,78%
Summary (custody) account	2.016.363	21,30%
Total shares	9.467.810	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%	8.065	251	8.316	5.282.451	458.356	5.740.807	55,79%	4,84%	60,64%
from 5% to 10%	1	0	1	548.470	0	548.470	5,79%	0,00%	5,79%
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%
Total shares	8.067	251	8.318	9.009.454	458.356	9.467.810	95,16%	4,84%	100,00%

List of top 10 shareholders by total shares held:

Name	no. of shares	% of total issued
Serbian Government	3.178.533	33,57%
Napred Razvoj a.d. Novi Beograd	548.470	5,79%
Raiffeisenbank AD Beograd - custody	470.692	4,97%
Unicredit Bank Srbija AD - custody	345.652	3,65%
Unicredit Bank Srbija AD - custody	301.135	3,18%
Raiffeisenbank AD Beograd - custody	231.712	2,45%
NLB Bank AD Beograd - custody	149.669	1,58%
Gustaviadavegardh fonder aktie	145.000	1,53%
Erste Bank AD Novi Sad - custody	124.351	1,31%
Erste Bank AD Novi Sad - custody	123.345	1,30%



25. RESERVES

The reserves consist of:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Issuing premium	1.600.485	1.600.485
Legal reserves	23.185	23.185
Statutory and other	111.696	111.696
Total	1.735.366	1.735.366

26. REVALUATION RESERVES, UNREALIZED PROFIT/LOSS FROM SECURITIES

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

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Revaluation reserves	43,080	43,080
Unrealized profit from available for sale securities	5,357	9,875
Unrealized losses from available for sale securities	(5,437)	(3,170)
Total	43,000	49,785

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 (30/06/2012).

27. UNDISTRIBUTED PROFIT

The undistributed profit relates to:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Balance on 01.01.	526.307	943.386
Adjustment of income tax revenues	(6)	1
Distribution of profits (dividends)	(1.868)	
Distribution of profits (increase of nominal value per share)	(239.561)	(662.747)
Allocation to statutory reserves		(31.958)
Current year's profit	521.645	277.625
Total	806.517	526.307

28. 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:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
Provisions for fringe and other employee benefits	4.863	1.021
Other long-term provisions	260.000	260.000
Total	264.863	261.021

29. LONG TERM LOANS

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

	Currency	Interest %	30.06.2012	31.12.2011
			RSD 000	RSD 000
<u>In currency</u>				
Republic of Serbia Development Fund	<i>EUR</i>	<i>4.5% p.a.</i>	220,620	84,033
Subtotal			220,620	84,033
Total			220,620	84,033

The Republic of Serbia Development Fund approved a long-term permanent capital assets loan of 321.174.000,00 RSD (3.040.225,67 EUR) on 30/12/2010.

The principal loan amount is determined by applying a currency clause so that the debt is calculated in EUR according to the NBS middle rate on the date of disbursement of the loan and then translated into RSD based on the middle rate on the due date.

On 14.05.2012, the Annex 1 to the Loan agreement was concluded under the following terms and conditions:

- Loan repayment in 2 years with a grace period until 31/12/2012. During the grace period intercalary interest is calculated per quarter retrospectively and applied to the principal debt.
- Interest rate 4,5 % per annum.
- Loan repayment in quarterly annuities starting from 31.12.2012.

Annuities maturing till 30.06.2013 are 107.160 thousand RSD (925 thousand EUR) and they are disclosed under short-term financial commitments maturing in less than one year.

The loan will be secured by bills of exchange issued by Energoprojekt Holding plc and guarantees from Energoprojekt Niskogradnja a.d., Energoprojekt Oprema a.d., Energoprojekt Entel a.d., Energoprojekt Industrija a.d. and Energoprojekt Hidroinženjering a.d.

30. OTHER LONG TERM LIABILITIES

Other long term liabilities relate to:

	30.06.2012 RSD 000	31.12.2011 RSD 000
Long term finance lease	-	467
Total	-	467

31. SHORT TERM FINANCIAL LIABILITIES

Short term financial liabilities consist of:

	30.06.2012 RSD 000	31.12.2011 RSD 000
Short term loans domestic	57.875	117.222
Part of long-term loans maturing in one year	107.160	241.198
Subtotal	165.035	358.420
<u>Other short term financial liabilities</u>		
Part of long-term liabilities maturing in one year	2.025	2.460
Other ST financial liabilities-VISA accounts	477	70
Subtotal	2.502	2.530
Total	167.537	360.950

32. LIABILITIES FROM OPERATIONS

	30.06.2012	31.12.2011
	RSD 000	RSD 000
<u>Liabilities from business operations</u>		
Received advances, short-term and safety deposits	222	603
Suppliers-parent and subsidiaries	6.204	3.136
Local suppliers	15.663	17.052
Foreign suppliers	1.159	367
Subtotal	23.248	21.158
<u>Liabilities from specific operations</u>		
Other	274	-
Subtotal	274	-
Total	23.522	21.158

Geographical distribution of suppliers is as follows:

	30.06.2012	31.12.2011
	RSD 000	RSD 000
<u>Local suppliers</u>		
Belgrade	19,116	20,188
Less: value adjustment	-	-
Total	19,116	20,188
<u>Foreign suppliers</u>		
Europe - subsidiaries	2,751	367
Europe - other affiliates	1,159	
Africa - other subsidiaries	-	-
Asia - other affiliates	-	-
Less: value adjustment	-	-
Subtotal	3,910	367
Total	23,026	20,555

33. OTHER SHORT TERM LIABILITIES

	30.06.2012	31.12.2011
	RSD 000	RSD 000
<u>Salaries and fringe benefits</u>	12,044	11,060
<u>Other obligations</u>		
Interest and financing costs	204	7,390
Dividends/profit sharing	12,211	10,343
Employees	206	422
Members of the Board of Directors and Supervisory Board	525	1,332
Service contracts	164	91
Other obligations	536	616
Total	25,890	31,254

34. VAT AND OTHER PUBLIC DUTIES AND ACCRUALS

	30.06.2012 RSD 000	31.12.2011 RSD 000
<u>Value added tax</u>	4.926	3.477
<u>Other taxes, contributions and duties</u>		
Liabilities for income tax	1.756	492
Liabilities for taxes, customs and other duties charged to costs	5.331	237
Other liabilities for taxes, contributions and other duties	449	840
Subtotal	7.536	1.569
Accruals		
Precalculated expenses	2.800	66
Subtotal	2.800	66
Total	15.262	5.112

35. DEFERRED TAX ASSETS AND LIABILITIES

	30.06.2012 RSD 000	31.12.2011 RSD 000
Deferred tax assets	-	(395)
Deferred tax liabilities	9,593	9,988
Net tax assets/liabilities	9,593	9,593

36. OFF-BALANCE SHEET ITEMS

The Company's off-balance sheet assets and liabilities (9.438.513 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 8.432.992 thousand RSD (the Company has concluded contracts with subsidiaries for the issued guarantees and has secured satisfactory collateral), obligations under performance bonds – external: Unicredit bank for remedies within the warranty for Prokop (18.807 thousand RSD) and Alpha bank for timely settlement of obligations related to airplane tickets (2.895 thousand RSD) and rights to use city building land (937.451 thousand RSD), receivables for dividends from Enjub (30.443 thousand RSD) directly written-off in the previous period and mortgage on Enjub apartments (15.925 thousand RSD) under the concluded loan agreement in favor of Enjub.

37. COMMITMENT AND CONTINGENCIES

Contingent liability that may result in the outflow of economic benefits, may arise, first of all, from lawsuits. **A contingent liability arising from lawsuits** leads possibly to the completion of legal proceedings against the Company, yet no liability or provision was recorded in the balance sheet.

The following table contains the number and estimated values of lawsuits with the Company as the defendant and not very small probability for the Company to lose the case. Disclosed values with the contingent liability as at 30.06.2012, include only the principal amount per case.

<i>Plaintiff</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Natural person	2	2	4
Legal person	1	-	1
TOTAL	3	2	5
<i>in 000 dinars</i>			
Natural person	11.400	779	12.179
Legal person	15.460	-	15.460
TOTAL	26.860	779	27.639

Detailed information on the largest lawsuits with the Company as the defendant is indicated in the following table.

<i>Plaintiff</i>	<i>Basis of claims</i>	<i>Contingent liability in 000 dinars</i>
Belgrade Land Development Public Agency	Urban development land tax for Hyatt	15.460
Radomir Banjac	Damage claim - mobbing	4.400
Milan Raonic	Copyright infringement	7.000
TOTAL		22.900

A contingent asset arising from lawsuits leads possibly to the completion of legal proceedings in favor of the Company, yet no liability was recorded in the balance sheet and the economic benefit was not recorded (for example, by reducing the value of unjustified advance payment, etc.).

The following table contains the number and estimated values of lawsuits with the Company as the plaintiff and there is a reasonable probability for the Company to win the case.

<i>Defendant</i>	<i>The first instance proceedings</i>	<i>The second instance proceedings</i>	<i>Total</i>
<i>No. of cases</i>			
Legal person	3	-	3
TOTAL	3		3
<i>in 000 dinars</i>			
Legal person	898.786	-	898.786
TOTAL	898.786	-	898.786

Detailed information on the largest lawsuits with the Company as the plaintiff is indicated in the following table.

<i>Defendant</i>	<i>Basis of claims</i>	<i>Contingent assets in 000 dinars</i>
The City of Belgrade, RS, Belgrade Arena, Belgrade Land Development Public Agency	Part of debt to EP Holding and EP Visokogradnja for works on the hall	773.968
Belgrade Arena	Debt for works on the hall	4.818
Medvedja municipality	Damage claim according to contract	120.000
TOTAL		898.786

38. POST BALANCE SHEET EVENTS

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

2. BUSINESS REPORT

- Reliable presentation of the development and business results of the company, its financial status and property assessment;
 - Description of the anticipated company growth in the next time period, changes in company's business policies and main risks and threats to which the company is exposed;
 - Major business events after the expiration of the business year included in the report;
 - Major business deals with related parties;
 - Activities of the company in the field of research and development;
-

Reliable presentation of the development and business results of the company, its financial status and assets evaluation data

Reliable presentation of the development and business results of the company, its financial status and assets evaluation data are presented in detail and explained in the "Notes to financial statements for the 2nd quarter 2012" (Chapter 1 of the respective report).

The description of the anticipated development of the company in the next time period, changes in business policies of the company and main risks and threats to which the company is exposed

The anticipated development of the company in the next time period will be achieved according to adopted strategic documents of the company:

- ***“The mid-term (4-year) programme of Energoprojekt Holding plc business policy and the Energoprojekt Group for the period from 2011 till 2015“*** (adopted at the XXXVI Annual General Meeting of Energoprojekt Holding plc shareholders, held on 30.06.2011)
- ***"The programme for the implementation of the business policy of Energoprojekt Holding plc and Energoprojekt Group for the period from 2011 till 2015"*** adopted by a resolution passed at the XXXVI Annual General Meeting of Energoprojekt Holding plc shareholders (adopted at the Second Meeting of the Board of Directors of Energoprojekt Holding plc held on 29.07.2011, on proposal of the General Manager). The adopted mid-term work programme will be implemented through a variety of projects (in total 18 projects) for which respective work teams are formed and project activities dynamics have been defined;
- **„Basic business guidelines of the Energoprojekt Group“** in the following mandate period (adopted at the second meeting of the Supervisory Board of Energoprojekt Holding plc held on 23.03.2012, on proposal of the General Manager). In the context of adopted strategic documents and commenced development activities and considering the necessary time for the implementation of reforms, the Supervisory Board has accepted the respective strategy proposal of the General Manager for the next time period (Fiscal Consolidation and Ownership Strategy, Dividend Strategy, Human Resources Management Strategy and HR Development in the Energoprojekt Group, Business Area and Market Strategy, Quality System Development Strategy, Risk Management Strategy and Own Investments Strategy).

The most important threats and dangers to which the company is exposed: expansion and escalation of the global economic crisis and the euro zone crisis; foreign companies from most populated countries with cheap manpower as competition; foreign competition with access to cheaper financing; institutional changes on the local and selected foreign markets; business operations depend on the political stability of the market where Energoprojekt is implementing projects, etc.

Energoprojekt's business activities in the country and at foreign markets require the implementation of a system for early risks identification and management as an integral part of all executive functions, one of the basic functions being the internal audit of the company. The risk management strategy will be developed in-depth and systematically in the next time period.

Major business events after the expiration of the business year included in the report

There were no major business events from the balance sheet date till the publication date of the respective statement that would influence the credibility of the presented financial statements.

For the purpose of harmonization of operations with the "Companies Law" at the XXXVII Extraordinary Meeting of Energoprojekt Holding plc shareholders, held on 12.01.2012, a new Articles of Association of Energoprojekt Holding plc and Rules of Procedure were adopted. At the XXXVIII Extraordinary Meeting of Energoprojekt Holding plc shareholders, held on 16.03.2012 the Resolution of Compliance with the Memorandum of Association of Energoprojekt Holding plc was passed and a new Supervisory Board of Energoprojekt Holding plc was elected. At the Second Meeting of the Supervisory Board, held on 23.03.2012, the General Manager and the new Executive Board of Energoprojekt Holding plc were elected (4-year mandate). On 18/04/2012, Energoprojekt Holding plc was registered in the Serbian Business Registers Agency.

At the XXXIX repeated General Meeting of Energoprojekt Holding plc shareholders, held on 29/06/2012, the following relevant Resolutions were adopted: Resolution to adopt the annual consolidated report of Energoprojekt group for 2011; Resolution to adopt the annual report of Energoprojekt Holding plc for 2011; Resolution to issue ordinary shares, X issue without public offering for the purpose of converting undistributed profit to equity; Resolution to adopt the report of the Supervisory Board of Energoprojekt Holding plc and Resolution on the appointment of auditors and their service fee.

Relevant business news on major events are published, on a regular basis, on the website of Energoprojekt (<http://www.energoprojekt.rs>) and the Belgrade Stock Exchange (in Serbian and English language), in keeping with the obligations of Prime-listed companies on the Belgrade Stock Exchange.

Major transactions with related parties

Receivables from related parties arise mostly from the sales of services and are due within 15 days from the invoice date. The Company received blank bills of exchange and authorizations as collateral. Please find detailed explanation in “Notes to financial statements”.

Research and development activities of the Company

A quality management system will be developed in the following period in accordance with adopted strategic orientations. The goal is to unify key procedures in quality management within the group of design and consulting companies and the group of construction BSc(Eng)ing companies and to perform business certification in the Energoprojekt group.

During the mid-term period, an appropriate business information system will be selected and implemented, a system that corresponds to the actual scope of business activities and planned business growth and that will enable, beside financial management, also personnel management, asset management and fixed assets management. The selection and implementation of the respective information system as well as the respective training will be completed till the end of the mid-term period.

Own investments of Energoprojekt and related parties in previous years were limited to investments in construction works (residential areas and business premises), for sales on the market. The law on public-private partnership and increased interest in investments related to some sectors such as energy sector, acquisition of other companies, etc. imposes the need to develop methods for the identification of potential investments as well as identification of possible effects on business activities of Energoprojekt Holding plc and the Energoprojekt Group.

3. STATEMENT OF RESPONSIBILITY (BY PERSONS WHO PREPARED THE REPORT)

To the best of our knowledge, the Quarterly Financial Statement was prepared by implementing respective international standards for financial reporting and provides true and objective data on the assets, liabilities, financial status and business activities, profit and losses, cash flows and changes in equity capital of the company, including companies included in reports.

Pursuant to the Capital Market Law („Official Gazette of the Republic of Serbia“ No. 31/2011), we declare hereby that these financial statements have not been revised.

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding plc

General Manager

Vladimir Milovanović, BSc(Eng)

4. DECISION BY THE RELEVANT DEPARTMENT OF THE COMPANY TO ADOPT THE QUARTERLY REPORT FOR THE 2ND QUARTER 2012 *

Note *:

- The quarterly report of Energoprojekt Holding plc for the 2nd quarter 2012 has been approved and adopted on 13th August 2012 at the 21. General Meeting of the Executive Board of the reporting company.

In Belgrade, August 2012

Person responsible for the preparation of the Report:

Energoprojekt Holding plc

Executive Director for Finance, Accounting and Planning

Dr Dimitraki Zipovski, BSc(Econ)

Legal representative:

Energoprojekt Holding plc

General Manager

Vladimir Milovanović, BSc(Eng)