

Dalekovod d.d.
Marijana Čavića 4
10 000 Zagreb



Management Report for Jan to Dec 2014

***IMPORTANT NOTE TO MANAGEMENT REPORT:**

As an integral part of the Management Report, the financial statements provided below are preliminary, unaudited, unconsolidated statements.

Discrepancies may occur between the preliminary and final financial statements for the Group, which will not significantly affect the Group's business performance.

The Group's annual audited financial statements will be published within the statutory time limit, by 30 April 2015.

Unaudited, consolidated

Zagreb, 14 February 2014



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I. MANAGEMENT REPORT

Dalekovod Group (the “Group”) obtained EBITDA of HRK 27.5 million, more than in 2013 when its EBITDA was HRK -30.8 million. Such increase is a result of the operational restructuring of Dalekovod Group (“Group”) undertaken through reorganization of business processes and business rationalization. Such increase in EBITDA was achieved with a lower level of revenue, which was HRK 1,028.8 million in 2014, 12% less than in 2013 as a direct result of the lengthy process of entering into a pre-bankruptcy settlement before the Commercial Court, which also reflected on obtaining new contracts on the local and international markets. The net operating income obtained by Dalekovod Group was HRK 128.1 million.

During the same period, Dalekovod d.d. (the “Company”) obtained operating revenue of HRK 741.5 million, 10.7% less than in 2013. This figure is a result of public tenders postponed by local investors, deferred foreign revenue in Ukraine resulting from political uncertainties, and the lengthy process of pre-bankruptcy settlement.

Its EBITDA was HRK 41.7 million, an increase compared to the year 2013 when EBITDA amounted to HRK 0.8 million, as a result of the Company’s operational restructuring.

Its net income of HRK 101.4 million obtained in 2014 is a result of the financial revenue of HRK 203.1 million obtained as a result of the pre-bankruptcy settlement and calculation of the fair value of the deriving financial instruments. According to the pre-bankruptcy settlement and refinancing of obligations to financial institutions, suppliers and other creditors, the fair value as at the report date was calculated and presented in financial statements in accordance with the International Accounting Standards, representing a one-time effect on the Company’s Income Statement and Balance Sheet.

The Company’s business in 2014 was marked by positive shifts in Company’s and Group’s operations:

- The Company is being restructured as planned;
- Strong focus on obtaining new contacts abroad;
- Appointment of new Management Board members in the Company; and
- Appointment of new Supervisory Board members.

The change in the strategy of the Company and the Group includes a strong focus on international markets. The Company and its management are aware it is crucial to continue with further optimization of fixed costs for the Company to adapt to the newly emerged setting of reduced demand on the local market and adapt for penetrating international markets.

During the past period, the Company used additional efforts to obtain projects on international markets. The Company is implementing projects in Norway, Ukraine, Latvia, Montenegro, Kosovo, Poland and Slovenia.



The Group and the Company are competing in a number of tenders in the country and abroad to contract new works and meet the plan for sustainable growth of revenue in the upcoming years. As a result of strong international activity, the Company is expected to be awarded significant new contracts abroad, of which the Company will promptly notify its shareholders.

For the Management Board:

Paško Vela

Chairman of the
Management Board
Dalekovod d.d.



II. DECLARATION

Pursuant to Article 410, paragraph 1, and Article 407, paragraph 2, subparagraph 3 and paragraph 3 of the Capital Market Act, the persons responsible for preparing the Report: Paško Vela, Chairman of the Management Board, Željko Lakić, Management Board Member, Adrijana Raković, Management Board Member, and Marko Jurković, Management Board Member, hereby make this

DECLARATION

To the best of our knowledge, the summary set of financial statements of DALEKOVOD, prepared in compliance with the appropriate financial reporting standards, provides a full and true view of the assets, liabilities and income of DALEKOVOD, with a brief comment on the causes of the information provided. The financial statements have not been audited.

For the Management Board:

Paško Vela

Chairman of the Management Board
Dalekovod d.d.

III. BALANCE SHEET

Assets

Item	ADP code	Preceding year	Current year	Preceding year	Current year
		DALEKOVOD D.D.		DALEKOVOD GROUP	
1	2	3	4	5	6
ASSETS					
A) RECEIVABLES FOR SUBSCRIBED AND UNPAID CAPITAL	001	0	0	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	905,439,504	1,022,555,549	1,186,895,227	1,329,670,191
I. INTANGIBLE ASSETS (004 to 009)	003	7,022,262	19,142,918	10,234,288	22,185,102
1. Expenditures for development	004	0	0	0	0
2. Concessions, patents, licenses, product and service marks, software and other rights	005	7,022,262	19,141,033	8,905,615	19,988,160
3. Goodwill	006	0	0	1,213,000	1,213,000
4. Prepayments for purchase of intangible assets	007	0	0	0	0
5. Intangible assets under preparation	008	0	1,885	0	258,777
6. Other intangible assets	009	0	0	115,673	725,164
II. TANGIBLE ASSETS (011 to 019)	010	516,163,090	497,507,704	1,040,465,595	1,033,098,940
1. Land	011	164,913,887	164,913,887	285,138,497	285,151,022
2. Buildings	012	56,634,825	53,740,411	229,792,973	615,944,980
3. Plant and equipment	013	68,877,075	61,144,548	118,870,097	105,718,493
4. Tools, operating equipment and transport assets	014	4,862,839	2,062,784	13,966,627	10,918,221
5. Biological assets	015	0	0	0	0
6. Prepayments for tangible assets	016	0	0	45,232	45,373
7. Tangible assets in progress	017	0	0	392,643,852	15,317,381
8. Other tangible assets	018	0	0	8,317	3,471
9. Investments in real property	019	220,874,464	215,646,074	0	-1
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	367,818,211	499,665,776	120,554,090	264,463,643
1. Shares in affiliates	021	314,078,254	281,983,012	70,516,314	64,322,506
2. Loans made to affiliates	022	1,401,507	13,726,840	0	0
3. Participating interests (shares)	023	25,516,604	25,520,024	21,766,296	20,348,798
4. Loans made to entities where there are participating interests	024	0	0	0	0
5. Investments in securities	025	22,984,198	22,400,065	22,984,198	22,400,065
6. Loans, deposits, etc. made	026	3,837,648	4,677,976	5,287,282	6,034,415
7. Other non-current financial assets	027	0	151,357,859	0	151,357,859
8. Investment accounted for using the share method	028	0	0	0	0
IV. RECEIVABLES (030 to 032)	029	14,435,941	6,239,151	15,641,254	8,131,291
1. Receivables from affiliates	030	0	0	0	0
2. Receivables based on credit sales	031	0	0	0	0
3. Other receivables	032	14,435,941	6,239,151	15,641,254	8,131,291
V. DEFERRED TAX ASSETS	033	0	0	0	1,791,214
C) CURRENT ASSETS (035+043+050+058)	034	392,194,887	652,903,159	546,754,750	890,649,006
I. INVENTORIES (036 to 042)	035	9,443,774	20,352,639	109,993,744	153,733,769
1. Raw materials and supplies	036	8,480,689	19,764,972	58,725,963	83,495,506
2. Production in progress	037	0	0	710,157	14,869,582
3. Finished products	038	963,085	580,544	41,133,828	43,275,037
4. Merchandise	039	0	7,123	9,097,868	11,893,416
5. Prepayments for inventories	040	0	0	206,768	198,734
6. Noncurrent assets held for sale	041	0	0	119,160	1,494
7. Biological assets	042	0	0	0	0

II. RECEIVABLES (044 to 049)	043	325,314,674	513,421,802	398,603,199	599,366,875
1. Receivables from affiliates	044	63,184,886	54,149,896	3,075,000	0
2. Trade receivables	045	173,293,741	366,660,041	265,321,737	483,867,084
3. Receivables from participating entities	046	671,564	1,108,572	1,222,951	1,165,604
4. Receivables from employees and shareholders	047	209,971	99,610	1,383,881	144,811
5. Receivables from the government and other institutions	048	264,321	13,114,326	5,600,761	17,250,506
6. Other receivables	049	87,690,191	78,289,357	121,998,869	96,938,871
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	51,890,333	77,889,888	8,089,176	71,509,933
1. Shares in affiliates	051	0	0	0	0
2. Loans made to affiliates	052	51,405,306	19,896,133	0	0
3. Participating interests (shares)	053	0	0	0	0
4. Loans made to entities where there are participating interests	054	311,737	2,311,737	311,737	2,311,737
5. Investments in securities	055	28,290	40,177,710	28,290	40,177,710
6. Loans, deposits, etc. made	056	145,000	15,504,308	7,710,324	28,981,541
7. Other financial assets	057	0	0	38,825	38,945
CASH IN BANK AND ON HAND	058	5,546,106	41,238,830	30,068,631	66,038,429
D) PREPAYMENTS AND ACCRUALS	059	4,485,669	1,956,421	2,045,233	3,473,126
E) TOTAL ASSETS (001+002+034+059)	060	1,302,120,060	1,677,415,129	1,735,695,210	2,223,792,322
F) OFF-BALANCE SHEET RECORDS	061	947,853,743	385,113,451	1,500,611,951	441,301,945

Liabilities

Item	ADP code	Preceding year	Current year	Preceding year	Current year
		DALEKOVOD D.D.		DALEKOVOD GROUP	
1	2	3	4	5	6
A) CAPITAL AND RESERVE (063+064+065+071+072-073+075+078)	062	-36,279,739	347,297,988	40,579,836	447,589,630
I. SHARE CAPITAL (SUBSCRIBED)	063	286,726,500	247,193,050	286,726,500	247,193,050
II. CAPITAL RESERVE	064	80,478,889	86,141,670	80,478,889	86,141,670
III. RESERVE FROM PROFITS (066+067-068+069+070)	065	157,131,299	31,918,412	183,334,825	65,644,541
1. Statutory reserve	066	11,486,600	11,486,600	11,652,467	11,652,984
2. Reserve for own shares	067	7,773,071	7,773,071	7,773,071	7,773,071
3. Own shares (deductible)	068	7,773,071	7,773,071	7,773,071	7,773,071
4. Reserve required by Articles	069	32,881,286	32,881,286	32,923,976	32,923,976
5. Other reserve	070	112,763,413	-12,449,474	138,758,382	21,067,582
IV. REVALUATION RESERVE	071	40,014,573	40,014,573	40,014,627	40,014,573
V. RETAINED EARNINGS	072	-441,240,682	-159,390,318	-427,543,269	-119,275,070
1. Retained earnings	073	0	0		
2. Loss carried forward	074	441,240,682	159,390,318	427,543,269	119,275,070
VI. FISCAL YEAR'S PROFIT OR LOSS (076-077)	075	-159,390,318	101,420,601	-122,216,466	128,173,881
1. Fiscal year's profit	076	0	101,420,601		128,173,881
2. Fiscal year's loss	077	159,390,318	0	122,216,466	
VII. MINORITY INTEREST	078	0		-215,270	-303,016
B) PROVISIONS (078 to 080)	079	4,211,441	6,189,034	7,039,138	9,416,391
1. Provisions for pensions, severance pay and similar liabilities	080	4,211,441	2,864,434	6,975,473	6,051,957
2. Provisions for tax liabilities	081	0	0	0	0
3. Other provisions	082	0	3,324,600	63,665	3,364,434
C) NONCURRENT LIABILITIES (084 to 092)	083	20,542,464	762,085,433	33,632,884	698,680,741
1. Liabilities to affiliates	084	0	72,601,167	0	0
2. Liabilities for loans, deposits, etc.	085	0	0	0	0
3. Liabilities to banks and other financial institutions	086	0	407,616,799	10,186,092	416,079,049
4. Liabilities for prepayments	087	0	0	0	0
5. Trade payables	088	969,117	249,220,320	1,352,686	249,954,545

6. Liabilities under securities	089	0	19,457,879	0	19,457,879
7. Liabilities to entities where there are participating interests	090	0	3,185,125	0	3,185,125
8. Other noncurrent liabilities	091	9.569.204	0	12.089.963	0
9. Deferred tax liability	092	10.004.143	10.004.143	10.004.143	10.004.143
D) CURRENT LIABILITIES (094 to 105)	093	1.309.565.604	560.887.513	1.650.299.541	1.066.945.409
1. Liabilities to affiliates	094	119.155.367	17.459.547	26.085	0
2. Liabilities for loans, deposits, etc.	095	8.009.169	733.021	10.636.799	6.501.499
3. Liabilities to banks and other financial institutions	096	627.217.358	229.708.270	952.511.268	564.814.343
4. Liabilities for prepayments	097	21.371.228	105.600.264	26.535.076	112.790.002
5. Trade payables	098	448.080.173	129.277.638	521.769.757	271.852.608
6. Liabilities under securities	099	44.197.127	0	44.197.127	0
7. Liabilities to entities where there are participating interests	100	6.370.250	0	6.370.250	0
8. Liabilities to employees	101	9.902.032	7.027.579	18.667.164	20.166.126
9. Liabilities for taxes, contributions and similar levies	102	19.502.861	25.933.745	33.377.965	41.263.986
10. Liabilities based on share in the result	103	1.899.762	1.899.762	1.899.762	1.899.762
11. Liabilities based on non-current assets held for sale	104	0	0	0	0
12. Other current liabilities	105	3.860.277	43.247.687	34.308.288	47.657.083
E) ACCRUALS AND DEFERRED REVENUE	106	4.080.290	955.161	4.143.811	1.160.152
F) TOTAL – LIABILITIES (062+079+083+093+106)	107	1.302.120.060	1.677.415.129	1.735.695.210	2.223.792.322
E) OFF-BALANCE SHEET RECORDS	108	947.853.743	385.113.451	1.500.611.951	441.301.945
APPENDIX TO BALANCE SHEET (to be completed by an entity preparing a consolidated annual financial statement)					
A) CAPITAL AND RESERVE					
1. Attributable to parent company capital holders	109			40,795,106	447,892,646
2. Attributable to minority interest	110			-215,270	-303,016

IV. STATEMENT OF COMPREHENSIVE INCOME

Item	ADP code	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014
		DALEKOVOD D.D.		DALEKOVOD GROUP	
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	830,097,002	741,469,436	1,169,704,440	1,028,764,250
1. Sales revenues	112	808,532,574	727,911,469	1,145,141,036	988,740,099
2. Other operating revenues	113	21,564,428	13,557,967	24,563,404	40,024,151
II. OPERATING EXPENSES (115+116+120+121+122+123+124+125+126+127+128+129+130)	114	862,902,956	763,814,884	1,248,838,278	1,052,171,602
1. Changes to the value of inventories of production in progress and finished products	115	222,457	90,478	23,147,485	-17,953,238
2. Material costs (117 to 119)	116	573,956,834	450,388,878	740,330,713	600,288,462
a) Costs of raw materials and materials	117	144,344,893	71,982,124	182,401,517	124,054,302
b) Costs of sold goods	118	30,844,699	59,833,308	87,611,207	109,650,339
c) Other external costs	119	398,767,242	318,573,446	470,317,989	366,583,821
3. Personnel costs (121 to 123)	120	134,293,980	110,470,573	232,215,581	205,258,111
a) Net salaries and wages	121	93,596,090	75,229,636	152,410,864	131,870,119
b) Costs of taxes and contributions from salaries	122	26,285,558	22,635,950	53,771,749	47,942,125
c) Contributions on salaries	123	14,412,332	12,604,987	26,032,968	25,445,867
4. Amortization	124	33,640,886	33,152,849	48,309,063	49,151,693
5. Other costs	125	98,629,850	93,380,762	135,025,841	123,017,813
6. Value adjustment (127+128)	126	5,775,158	68,722,601	45,754,462	73,513,509
a) non-current assets (other than financial assets)	127	1,454,551	0	19,559,070	0
b) current assets (other than financial assets)	128	4,320,607	68,722,601	26,195,392	73,513,509
7. Provisions	129	7,115,918	3,324,600	7,478,033	4,637,509
8. Other operating expenses	130	9,267,873	4,284,143	16,577,100	14,257,744
III. FINANCIAL REVENUES (132 to 136)	131	23,399,739	263,146,507	24,142,695	238,981,983
1. Interest, exchange rate variations, dividend and similar revenues arising from relations with affiliates	132	2,505,565	30,211,253	1,145,607	0
2. Interest, exchange rate variations, dividend and similar revenues arising from relations with non-affiliated entities and other persons	133	20,197,191	55,168,632	22,202,046	61,173,137
3. Part of revenues from associated entities and participating interests	134	696,983	0	696,983	0
4. Unrealized gains (revenues) from financial assets	135	0	0	0	0
5. Other financial revenues	136	0	177,766,622	98,059	177,808,846
IV. FINANCIAL EXPENSES (138 to 141)	137	136,917,560	116,666,089	41,260,273	55,142,861
1. Interest, exchange rate variations and other expenses with affiliates	138	595,612	1,287,730	0	0
2. Interest, exchange rate variations, and other expenses arising from relations with non-affiliated entities and other persons	139	20,374,125	30,700,186	21,525,841	47,723,258
3. Unrealized losses (expenses) from financial assets	140	115,947,823	77,909,202	19,040,989	248,907
4. Other financial expenses	141	0	6,768,971	693,443	7,170,696
V. SHARE IN PROFIT FROM AFFILIATED ENTITIES	142	0	0	0	0
VI. SHARE IN LOSS FROM AFFILIATED ENTERPRISES	143	0	0	12,977,579	8,016,794
VII. EXTRAORDINARY/OTHER REVENUES	144	0	0	0	0
VIII. EXTRAORDINARY/OTHER EXPENSES	145	0	0	0	0
IX. TOTAL REVENUES (111+131+142+144)	146	853,496,741	1,004,615,943	1,193,847,135	1,267,746,233
X. TOTAL EXPENSES (114+137+143+145)	147	999,820,516	880,480,973	1,303,076,130	1,115,331,258
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-146,323,775	124,134,970	-109,228,995	152,414,975



1. Profit before taxes (146-147)	149	0	124,134,970		152,414,975
2. Loss before taxes (147-146)	150	146,323,775		109,228,995	
XII. CORPORATE INCOME TAX	151	13,066,543	22,714,369	13,639,201	24,328,799
XIII. PERIOD'S PROFIT OR LOSS (148-151)	152	-159,390,318	101,420,601	-122,868,197	128,086,176
1. Period's profit (148-151)	153	0	101,420,601	0	128,086,176
2. Period's loss (151-148)	154	159,390,318		122,868,197	
APPENDIX TO BALANCE SHEET (to be completed by an entity preparing a consolidated annual financial statement)					
1. Attributable to parent company equity holders	155			-122,216,466	128,173,881
2. Attributable to minority interest	156			-651,731	-87,705
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be completed by an enterprise subject to application of IFRS)					
I. PERIOD'S PROFIT OR LOSS (=152)	157	-159,390,318	101,420,601	-122,868,197	128,086,176
II. OTHER COMPREHENSIVE PROFIT/LOSS BEFORE TAXES (159 to 165)	158			-11,645,015	
1. Exchange rate variations from conversion of foreign operations	159			2,780,100	
2. Changes to revaluation reserves of non-current assets and intangible assets	160			-14,425,115	
3. Profit or loss based on revaluation of financial assets available for sale	161				
4. Profit or loss based on efficient cash flow protection	162				
5. Profit or loss based on efficient protection of net foreign investments	163				
6. Affiliated enterprises' share in other comprehensive profit/loss	164				
7. Actuary gains/losses under defined receipts plans	165				
III. TAX ON OTHER COMPREHENSIVE PERIOD'S PROFIT	166				
IV. NET OTHER COMPREHENSIVE PERIOD'S PROFIT OR LOSS (158-166)	167			-11,645,015	
V. COMPREHENSIVE PERIOD'S PROFIT OR LOSS (157+167)	168	-159,390,318	101,420,601	-134,513,212	128,086,176
APPENDIX TO THE Statement of Other Comprehensive Income (to be completed by an enterprise subject to application of IFRS)					
1. Attributable to parent company equity holders	169			-133,459,440	128,173,881
2. Attributable to minority interest	170			-1,053,772	-87,705

V. CASH FLOW STATEMENT

Item	ADP code	Preceding year	Current year	Preceding year	Current year
		DALEKOVOD D.D.		DALEKOVOD GROUP	
1	2	3	4	5	6
CASH FLOW FROM OPERATING ACTIVITIES					
1. Income before taxes	001	-146,323,775	124,134,970	-109,228,995	152,414,975
2. Amortization	002	33,640,886	33,152,849	48,309,063	49,151,693
3. Increase in current liabilities	003		0		0
4. Decrease in current liabilities	004	47,510,508	0	128,135,958	0
5. Decrease in inventories	005	895,666	0	42,786,388	0
6. Other cash flow increase	006	104,659,083	716,350,846	69,458,007	870,553,411
I. Total increase in cash flow from operating activities	007	40,382,368	873,638,665	179,460,421	1,072,120,079
1. Decrease in current liabilities	008	21,210,657	122,353,972	94,876,744	260,725,036
2. Increase in current liabilities	009		188,107,128		200,763,676
3. Increase in inventories	010		10,908,865		43,740,025
4. Other cash flow decrease	011	33,933,686	590,086,822	19,639,805	589,167,405
II. Total decrease in cash flow from operating activities (008 to 011)	012	55,144,343	911,456,787	114,516,549	1,094,396,142
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013		0	64,943,872	0
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	14,761,975	37,818,122		22,276,063
CASH FLOW FROM INVESTMENT ACTIVITIES					
1. Cash receipts from sale of non-current tangible and intangible assets	015	608,544	0	0	0
2. Cash receipts from sale of equities and debt instruments	016		0	0	0
3. Cash receipts from interest	017	255,522	28,290	52,863	32,807
4. Cash receipts from dividends	018		0		0
5. Other cash receipts from investment activities	019	13,036,537	150,309,561	1,721,582	192,183,271
III. Total cash receipts from investment activities (015 to 019)	020	13,900,603	150,337,851	1,774,445	192,216,078
1. Cash expenditures for purchase of non-current tangible and intangible assets	021	2,421,362	26,618,119	45,915,211	53,735,852
2. Cash expenditures for acquisition of equities and debt financial instruments	022	56,124	0		0
3. Other cash expenditures from investment activities	023		25,999,555	38,925,180	63,420,757
IV. Total cash expenditures from investment activities (021 to 023)	024	2,477,486	52,617,674	84,840,391	117,156,609
B1) NET INCREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (020-024)	025	11,423,117	97,720,177		75,059,469
B2) NET DECREASE IN CASH FLOW FROM INVESTMENT ACTIVITIES (024-020)	026	0	0	83,065,946	0
CASH FLOW FROM FINANCIAL ACTIVITIES					
1. Cash receipts from issue of own equities and debt financial instruments	027	0	0		0
2. Cash receipts from loan principal, debentures, loans and other lending	028	0	0	45,448,543	0
3. Other receipts from financial activities	029	0	0	9,162,893	16,967,918
V. Total cash receipts from financial activities (027 to 029)	030	0	0	54,611,436	16,967,918
1. Cash expenditures for repayment of loan principal and bonds	031	0	0	25,521,654	8,338,890
2. Cash expenditures for dividend payment	032	0	0		0
3. Cash expenditures for financial lease	033	0	12,398,584	1,214,784	13,209,241
4. Cash expenditures for redemption of own shares	034	0	0		0
5. Other cash expenditures from financial activities	035	806,854	11,810,747	837,854	12,233,395
VI. Total cash expenditures from financial activities (031 to 035)	036	806,854	24,209,331	27,574,292	33,781,526
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0	27,037,144	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	806,854	24,209,331		16,813,608
Total cash flow increase (013-014+025-026+037-038)	039	0	35,692,724	8,915,070	35,969,798
Total cash flow decrease (014-013+026-025+038-037)	040	4,145,712	0		0



Cash and cash equivalents at the beginning of the period	041	9,691,818	5,546,106	21,153,561	30,068,631
Increase in cash and cash equivalents	042	0	35,692,724	8,915,070	35,969,798
Decrease in cash and cash equivalents	043	4,145,712	0		0
Cash and cash equivalents at the end of the period	044	5,546,106	41,238,830	30,068,631	66,038,429

VI. STATEMENT OF CHANGES IN EQUITY

Item	ADP code	Preceding period	Current period	Preceding period	Current period
		DALEKOVOD D.D.		DALEKOVOD GROUP	
1. Subscribed capital	001	286,726,500	247,193,050	286,726,500	247,193,050
2. Capital reserve	002	80,478,889	86,141,670	80,478,889	86,141,670
3. Reserve from profit	003	157,131,299	31,918,412	183,334,825	65,644,541
4. Retained earnings or loss carried forward	004	-441,240,682	-159,390,318	-427,543,269	-119,275,070
5. Profit or loss for the year	005	-159,390,318	101,420,601	-122,216,466	128,173,881
6. Revaluation of noncurrent tangible assets	006	40,014,573	40,014,573	40,014,627	40,014,573
7. Revaluation of intangible assets	007				
8. Revaluation of financial assets available for sale	008				
9. Other revaluation	009				
10. Total capital and reserve (ADP 001 to 009)	010	-36,279,739	347,297,988	40,795,106	447,892,646
11. Exchange rate differences on account of net investments in foreign operations	011				
12. Current and deferred taxes (part)	012				
13. Cash flow hedging	013				
14. Changes in accounting policies	014				
15. Adjustment of significant errors in the preceding period	015				
16. Other changes in equity	016				
17. Total increase or decrease in equity	017				
17a. Attributable to parent equity holders	018			40,795,106	447,892,646
17b. Attributable to minority interest	019			-215,270	-303,016

VII. NOTES TO FINANCIAL STATEMENTS

1. MANAGEMENT BOARD MEMBERS

1. Chairman: Paško Vela
2. Member: Adrijana Raković
3. Member: Marko Jurković
4. Member: Željko Lakić

2. SUPERVISORY BOARD MEMBERS

Chairman: Marko Lesić
 Vice Chairman: Ivan Peteržilnik
 Member: Vlado Čović
 Member: Uwe Heiland
 Member: Marko Makek
 Member: Hrvoje Markovinović
 Member: Anton Pernar
 Member: Krešimir Ružđak
 Member: Mirela Tomljanović Radović

3. SHAREHOLDING (as at 31 December 2014):

KONSOLIDATOR D.O.O.	15,000,000
HYPO ALPE-ADRIA-BANK D.D./ PBZ CO OMF - KATEGORIJA B	1,466,871
SOCIETE GENERALE-SPLITSKA BANKA D.D./ ERSTE PLAVI OMF KATEGORIJE B	1,000,131
SOCIETE GENERALE-SPLITSKA BANKA D.D./ AZ OMF KATEGORIJE B	932,297
SOCIETE GENERALE-SPLITSKA BANKA D.D./ AZ PROFIT DOBROVOLJNI MIROVINSKI FOND	451,488
HRVATSKA POŠTANSKA BANKA D.D./ KAPITALNI FOND D.D.	396,952
TELEGRA D.O.O.	220,315
ZAGREBAČKA BANKA D.D./STATE STREET BANK AND TRUST COMPANY, BOSTON	191,733
OTP BANKA D.D./INS683	191,294
OTP BANKA D.D./INE805	131,242
OTHERS	4,736,982
TOTAL	24,719,305



4. MERGERS AND CONSOLIDATIONS

There were no mergers or consolidations in 4Q 2014.

5. UNCERTAINTY

No items of doubtful and disputable debt affecting business continuity were identified in 4Q 2014.

6. DESCRIPTION OF PRODUCTS AND SERVICES

Over time, Dalekovod d.d. has become specialized in performing contracts on a turnkey basis in the following areas:

- electrical facilities, especially transmission lines between 0.4 and 500 kV
- transformer stations of all levels and voltages up to 500 kV
- air, underground and underwater cables up to 110 kV
- telecommunication facilities
- all types of networks and antennas
- production of suspension and joining equipment for all types of transmission lines and transformer stations 0.4 and 500 kV
- production and installation of all metal parts for roads, especially for road lighting, safety barriers and traffic signals
- tunnel lighting and traffic management
- electrification of railways and tramways

7. CHANGES IN ACCOUNTING POLICIES

No new accounting policies were introduced.