

Appendix 1

Reporting period:

1.1.2015

to

31.12.2015

Annual financial report GFI-POD

Registration number (MB)	03282635	
Identification number of subject (MBS)	080040936	
Personal identification number (OIB)	45050126417	
Issuer company:	KONČAR - ELECTRICAL INDUSTRY Inc.	
Postal code and place	10000 ZAGREB	
Street and number	FALLEROVO ŠETALIŠTE 22	
E-mail address:	koncar.finance@koncar.hr	
Internet address:	www.koncar.hr	
Code and name of comune/town	133 Zagreb	
Code and county name	21 Grad zagreb	
Consolidated statement	YES	
Number of employees (at quarter end)	3.666	
NKD/NWC code:	2711	
Subsidiaries subject to consolidation (according to IFRS):	in appendix	Registration number:
Končar - Energetika i usluge d.o.o.	Zagreb	1343068
Končar - Institut za elektrotehniku d.d.	Zagreb	3645363
Končar - Elektronika i informatika d.d.	Zagreb	3282899
Končar - Mali električni strojevi d.d.	Zagreb	3282678
Končar - Generatori i motori d.d.	Zagreb	1356216
Končar - Obnovljivi izvori d.o.o.	Zagreb	2435071
Končar - Mjerni transformatori d.d.	Zagreb	3654656
Končar - Distributivni i specijalni transform. d.d.	Zagreb	3654664
Končar - Električni aparati srednjeg napona d.d.	Zagreb	3641287
Končar - Električna vozila d.d.	Zagreb	3282660
Končar - Sklopna postrojenja d.d.	Sesvetski Kraljevec	3641279
Končar - Kućanski aparati d.o.o.	Zagreb	1403222
Končar - Električni visokonaponski aparati d.d.	Zagreb	3641252
Končar - Niskonaponske sklopke i prekidači d.o.o.	Zagreb	3228398
Končar - Montažni inženjering d.d.	Zagreb	3654362
Končar - Inženjering za energetiku i transport d.d.	Zagreb	3654354
Končar - Metalne konstrukcije d.d.	Zagreb	1114328
Book keeping service:		
Contact person:	MARINA MARKUŠIĆ	
(fill in only surname and name of contact person)		
Phone number:	01 3667175	Fascimile: 01 3655377
E-mail address:	marina.markusic@koncar.hr	
Surname and name	DARINKO BAGO	
(authorised person for representation)		

Disclosure documents:

1. Audited annual financial statements
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements
4. The decision of the competent authority (the proposal) about the development of the annual financial statements
5. Decision on the allocation of profits or covering of loss

M.P.

(signed by authorised person for representation)

Balance Sheet
as of 31.12.2015

Company: Končar - Electrical Industry Inc.				
Position	AOP	Note	Previous period	Current period
1	2	3	4	5
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001			
B) NON-CURRENT ASSETS (003+010+020+029+033)	002		1.500.640.621	1.503.356.747
I. INTANGIBLE ASSETS (004 to 009)	003	019	51.887.268	61.269.128
1. Expenditure for development	004		12.974.083	41.142.345
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		7.215.558	6.240.755
3. Goodwill	006	018	7.648.985	7.980.446
4. Advances for purchase of intangible assets	007		2.791.472	0
5. Intangible assets in progress	008		20.739.489	5.500.867
6. Other intangible assets	009		517.681	404.715
II. PROPERTY, PLANT AND EQUIPMENT (011 to 019)	010	020	1.151.280.486	1.148.361.935
1. Land	011		157.551.669	148.676.673
2. Buildings	012		374.498.998	339.602.117
3. Plant and equipment	013		395.110.951	389.848.707
4. Tools, working inventory and transportation assets	014		73.039.556	69.646.340
5. Biological assets	015		0	0
6. Advances for purchase of tangible assets	016		5.167.701	2.209.211
7. Tangible assets in progress	017		40.667.212	54.021.489
8. Other tangible assets	018		695.156	571.342
9. Investment in real-estate	019	021	104.549.243	143.786.056
III. NON-CURRENT FINANCIAL ASSETS (021 to 028)	020	023	274.238.781	276.130.123
1. Share in related parties	021		290.067	290.067
2. Loans to related parties	022		0	0
3. Participating interests (shares)	023		2.835.328	3.525.043
4. Loans to companies with participating interest	024		0	0
5. Investments in securities	025		2.468.814	2.045.946
6. Loans, deposits, etc.	026		5.346.633	5.421.451
7. Other non-current financial assets	027		27.765	1.110.535
8. Equity-accounted investments	028	022	263.270.174	263.737.081
IV. RECEIVABLES (030 to 032)	029	024	23.234.086	17.595.561
1. Receivables from related parties	030		0	0
2. Receivables arising from sales on credit	031		15.006.304	11.143.191
3. Other receivables	032		8.227.782	6.452.370
V. DEFERRED TAX ASSET	033		0	0
C) CURRENT ASSETS (035+043+050+058)	034		2.401.922.985	2.134.604.477
I. INVENTORIES (036 to 042)	035	025	518.635.068	508.629.833
1. Raw materials and supplies	036		247.105.816	279.934.355
2. Production in progress	037		139.401.839	132.820.941
3. Finished products	038		78.550.983	63.566.763
4. Merchandise	039		18.872.725	21.424.308
5. Advances for inventories	040		28.743.705	4.923.466
6. Long term assets held for sale	041		5.960.000	5.960.000
7. Biological assets	042		0	0
II. RECEIVABLES (044 to 049)	043		1.051.904.986	879.781.542
1. Receivables from related parties	044	026	90.454.659	85.012.340
2. Receivables from end-customers	045	027	861.192.402	720.175.786
3. Receivables from participating parties	046		0	0
4. Receivables from employees and members of the company	047	028	717.474	2.116.894
5. Receivables from government and other institutions	048	028	46.496.077	29.742.785
6. Other receivables	049	028	53.044.374	42.733.737
III. CURRENT FINANCIAL ASSETS (051 to 057)	050	029	440.129.180	399.573.719
1. Share in related parties	051		0	0
2. Loans to related parties	052		0	0
3. Participating interests (shares)	053		0	0
4. Loans to companies with participating interest	054		0	0
5. Investments in securities	055		0	0
6. Loans, deposits, etc.	056		439.829.339	398.936.121
7. Other financial assets	057		299.841	637.598
IV. CASH AND CASH EQUIVALENTS	058	030	391.253.751	346.619.383
D) PREPAYMENTS AND ACCRUED INCOME	059	031	15.919.363	12.077.169
E) TOTAL ASSETS (001+002+034+059)	060		3.918.482.969	3.650.038.393
F) OFF BALANCE SHEET ITEMS	061	046	2.609.945.726	2.091.669.212

EQUITY AND LIABILITIES				
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	033	2.285.004.838	2.321.496.034
I. SUBSCRIBED SHARE CAPITAL	063		1.208.895.930	1.208.895.930
II. CAPITAL RESERVES	064		719.579	719.579
III. RESERVES FROM PROFIT (066+067-068+069+070)	065		402.539.213	483.175.793
1. Legal reserves	066		41.498.096	47.810.318
2. Reserve for own shares	067		1.338.982	4.143.784
3. Treasury shares and shares (deductible items)	068		1.338.982	4.143.784
4. Statutory reserves	069		288.059.873	359.980.956
5. Other reserves	070		72.981.244	75.384.519
IV. REVALUATION RESERVES	071		-2.448.221	530.629
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073 to 074)	072		288.659.683	272.108.024
1. Retained earnings	073		288.659.683	272.108.024
2. Loss carried forward	074		0	0
VI. NET PROFIT OR LOSS FOR THE PERIOD (076 to 077)	075		129.249.283	127.651.294
1. Net profit for the period	076		129.249.283	127.651.294
2. Net loss for the period	077		0	0
VII. MINORITY INTEREST	078		257.389.371	228.414.785
B) PROVISIONS (080 to 082)	079	034	303.662.836	297.950.535
1. Provisions for pensions, severance pay and similar liabilities	080		21.722.159	26.165.515
2. Provisions for tax liabilities	081		0	0
3. Other provisions	082		281.940.677	271.785.020
C) NON-CURRENT LIABILITIES (084 to 092)	083	035	161.907.630	143.126.007
1. Liabilities to related parties	084		0	0
2. Liabilities for loans, deposits, etc.	085		0	0
3. Liabilities to banks and other financial institutions	086		161.907.630	142.988.558
4. Liabilities for advances	087		0	0
5. Trade payables	088		0	0
6. Commitments on securities	089		0	0
7. Liabilities to companies with participating interest	090		0	0
8. Other non-current liabilities	091		0	0
9. Deferred tax liabilities	092		0	137.449
D) CURRENT LIABILITIES (094 to 105)	093		1.092.509.057	758.043.917
1. Liabilities to related parties	094	036	40.587.416	18.304.764
2. Liabilities for loans, deposits, etc.	095		170.000	0
3. Liabilities to banks and other financial institutions	096	037	143.274.866	87.973.492
4. Liabilities for advances	097	041	416.855.472	182.349.546
5. Trade payables	098	039	371.071.518	349.049.822
6. Commitments on securities	099		0	0
7. Liabilities to companies with participating interest	100		0	0
8. Liabilities to employees	101	042	34.243.049	34.866.404
9. Taxes, contributions and similar liabilities	102	042	49.118.557	54.914.602
10. Liabilities arising from share in the result	103	042	515.804	547.066
11. Liabilities arising from non-current assets held for sale	104		0	0
12. Other current liabilities	105	040, 042	36.672.375	30.038.221
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	043	75.398.608	129.421.900
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107		3.918.482.969	3.650.038.393
G) OFF BALANCE SHEET ITEMS	108	046	2.609.945.726	2.091.669.212
ADDITION TO BALANCE SHEET (only for consolidated financial statements)				
ISSUED CAPITAL AND RESERVES				
1. Attributable to majority owners	109		2.027.615.467	2.093.081.249
2. Attributable to minority interest	110		257.389.371	228.414.785

Income statement
period 1.1.2015 to 31.12.2015

Company: Končar -Electrical Industry Inc.

Position	AOP	Note	Previous period	Current period
1	2	3	4	5
I. OPERATING INCOME (112 to 113)	111		2.831.421.198	3.181.712.959
1. Rendering of services	112	003	2.648.756.225	3.049.074.117
2. Other operating income	113	004	182.664.973	132.638.842
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114		2.727.454.678	3.056.054.522
1. Change in inventories of work in progress	115		-34.110.042	14.793.829
2. Material expenses (117 to 119)	116		1.931.859.118	2.183.711.710
a) Costs of raw materials	117	005	1.393.472.795	1.640.662.224
b) Cost of goods sold	118		174.074.312	167.474.457
c) Other material expenses	119	006	364.312.011	375.575.029
3. Employee benefits expenses (121 to 123)	120	007	492.282.905	509.926.132
a) Net salaries	121		272.887.492	288.931.225
b) Tax and contributions from salary expenses	122		149.464.211	147.323.004
c) Contributions on salary	123		69.931.202	73.671.903
4. Depreciation and amortisation	124	008	89.495.937	89.518.168
5. Other expenses	125	009	167.771.897	132.180.382
6. Write down of assets (127+128)	126	010	13.848.429	32.634.901
a) non-current assets (except financial assets)	127		0	7.948.519
b) current assets (except financial assets)	128		13.848.429	24.686.382
7. Provisions	129	011	55.315.803	72.093.841
8. Other operating costs	130	012	10.990.631	21.195.559
III. FINANCIAL INCOME (132 to 136)	131	013	53.423.921	64.630.909
1. Interest, foreign exchange differences, dividends and similar income from related parties	132		79.912	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	133		49.473.543	63.310.288
3. Income from investments in associates and joint ventures	134		0	0
4. Unrealised gains (income) from financial assets	135		3.870.466	1.320.621
5. Other financial income	136		0	0
IV. FINANCIAL EXPENSES (138 to 141)	137	014	43.951.590	70.852.069
1. Interest, foreign exchange differences, dividends and similar income from related parties	138		0	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	139		43.951.590	70.453.077
3. Unrealised losses (expenses) from financial assets	140		0	398.992
4. Other financial expenses	141		0	0
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	015	62.643.786	50.117.737
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143		0	0
VII. EXTRAORDINARY - OTHER INCOME	144		0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145		0	0
IX. TOTAL INCOME (111+131+144)	146		2.947.488.905	3.296.461.605
X. TOTAL EXPENSES (114+137+143+145)	147		2.771.406.268	3.126.906.591
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148		176.082.637	169.555.014
1. Profit before taxes (146 to 147)	149		176.082.637	169.555.014
2. Loss before taxes (147 to 146)	150		0	0
XII. TAXATION	151	016	15.985.686	18.234.642
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152		160.096.951	151.320.372
1. Profit for the period (149 to 151)	153		160.096.951	151.320.372
2. Loss for the period (151 to 148)	154		0	0
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)				
XIV. PROFIT OR LOSS FOR THE PERIOD				
1. Attributable to majority owners	155		129.249.283	127.651.294
2. Attributable to minority interest	156		30.847.668	23.669.078
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)				
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157		160.096.951	151.320.372
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158		-4.581.055	5.253.081
1. Exchange differences from international settlement	159		153.289	-31.058
2. Changes in revaluation reserves of long-term tangible and intangible assets	160		0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161		0	549.795
4. Profit or loss from cash flow hedging	162		-4.734.344	4.734.344
5. Profit or loss from hedging of foreign investments	163		0	0
6. Share of other comprehensive income/loss from associated companies	164		0	0
7. Actuarial gains/losses from defined benefit plans	165		0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166		0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167		-4.581.055	5.253.081
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168		155.515.896	156.573.453
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)				
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD				
1. Attributable to majority owners	169		127.185.546	130.630.134
2. Attributable to minority interest	170		28.330.350	25.943.319

STATEMENT OF CASH FLOWS - Direct method
period 1.1.2015 to 31.12.2015

Legal entity: Končar Electrical Industry INC.				
Position	AOP	Note	Previous period	Current period
1	2	3	4	5
CASH FLOW FROM OPERATING ACTIVITIES				
1. Cash receipts from customers	001		2.969.856.248	3.284.706.115
2. Cash receipts from royalties, fees, commissions, etc.	002		0	0
3. Cash receipts from insurance for damages compensation	003		10.421.474	8.624.665
4. Cash receipts arising from tax refunds	004		95.258.051	95.553.924
5. Other cash receipts	005		80.638.517	44.971.923
I. Total increase in cash flow from operating activities (001 to 005)	006		3.156.174.290	3.433.856.627
1. Cash paid to suppliers	007		2.139.060.318	2.434.570.686
2. Cash paid to employees	008		563.116.563	592.725.805
3. Cash outflows for insurance for damages compensation	009		8.259.572	22.123.377
4. Interest paid	010		12.844.527	10.608.690
5. Tax paid	011		145.390.711	140.498.545
6. Other cash outflows	012		166.918.977	121.469.956
II. Total decrease in cash flow from operating activities (007 to 012)	013		3.035.590.668	3.321.997.059
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014		120.583.622	111.859.568
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	015		0	0
CASH FLOW FROM INVESTING ACTIVITIES				
1. Cash flow from sale of long - term tangible and intangible assets	016		3.428.752	11.021.416
2. Cash inflows from sale of equity and debt financial instruments	017		3.368.778	4.695.685
3. Interest receipts	018		0	0
4. Dividend receipts	019		47.746.396	63.011.096
5. Other cash inflows from investing activities	020		0	0
III. Total cash inflows from investing activities(016 to 020)	021		54.543.926	78.728.197
1. Cash outflows for purchase of long - term tangible and intangible assets	022		52.132.404	78.152.877
2. Cash outflows for purchase of equity and debt financial instruments	023		64.974	69.220.012
3. Other cash outflows from investing activities	024		0	0
IV. Total cash outflows from investing activities (022 to 024)	025		52.197.378	147.372.889
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026		2.346.548	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	027		0	68.644.692
CASH FLOW FROM FINANCING ACTIVITIES				
1. Cash receipts from issuance of equity and debt financial instruments	028		0	6.690
2. Cash inflows from loans, debentures, credits and other borrowings	029		100.526.072	48.575.088
3. Other cash inflows from financing activities	030		603.925.768	583.530.839
V. Total cash inflows from financing activities (028 to 030)	031		704.451.840	632.112.617
1. Cash outflows for repayment of loans and bonds	032		95.429.212	121.569.501
2. Dividends paid	033		45.286.601	49.352.291
3. Cash outflows for finance lease	034		0	0
4. Cash outflows for purchase of own stocks	035		0	2.804.803
5. Other cash outflows from financing activities	036		741.644.882	546.235.266
VI. Total cash outflows from financing activities (032 to 036)	037		882.360.695	719.961.861
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038		0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	039		177.908.855	87.849.244
Total increases of cash flows (014 – 015 + 026– 027 + 038 – 039)	040		0	0
Total decreases of cash flows (015 – 014 + 027– 026 + 039 – 038)	041		54.978.685	44.634.368
Cash and cash equivalents at the beginning of period	042		446.232.436	391.253.751
Decrease in cash and cash equivalents	043		0	0
Increase in cash and cash equivalents	044		54.978.685	44.634.368
Cash and cash equivalents at the end of period	045	030	391.253.751	346.619.383

STATEMENT OF CHANGES IN EQUITY

period **1.1.2015** to **31.12.2015**

Naziv pozicije	AOP oznaka	Note	Previous year	Current year
1	2	3	4	5
1. Subscribed share capital	001	033	1.310.790.370	1.297.613.140
2. Capital reserves	002		719.579	719.579
3. Reserves from profit	003		512.659.011	587.584.450
4. Retained earnings or loss carried forward	004		305.473.271	283.739.756
5. Net profit or loss for the period	005		160.096.951	151.320.372
6. Revaluation of tangible assets	006		0	0
7. Revaluation of intangible assets	007		0	0
8. Revaluation of available for sale assets	008		0	549.795
9. Other revaluation	009		-4.734.344	-31.058
10. Total equity and reserves (AOP 001 to 009)	010		2.285.004.838	2.321.496.034
11. Foreign exchange differences from foreign investments	011		153.289	-31.058
12. Current and deferred taxes	012		0	
13. Cash flow hedge	013		-4.734.344	4.734.344
14. Change of accounting policies	014		0	
15. Correction of significant mistakes of prior period	015		0	
16. Other changes	016		114.077.558	31.787.910
17. Total increase or decrease of equity (AOP 011 to 016)	017		109.496.503	36.491.196
17 a. Attributable to majority owners	018		95.337.393	65.465.782
17 b. Attributable to minority interest	019		14.159.110	-28.974.586

Notes to Financial Statement