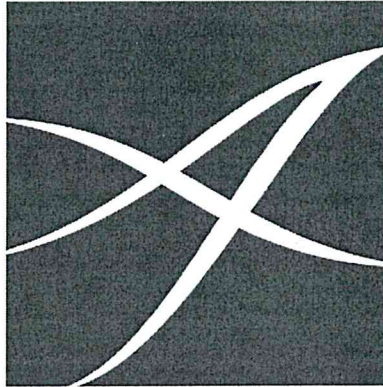


JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
01 Бр. 5923
14. 11. 2016 год.
200

In accordance with Article 53 of the Capital Market Act (Official Gazette of RS No. 31/2011 and 112/2015) and in accordance with the Regulations on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies published by the Commission for Securities, Joint Stock Company Belgrade Nikola Tesla Airport announces:

**REPORT FOR THE THIRD QUARTER OF 2016
AND FOR THE PERIOD I-IX 2016**



C o n t e n t

- 1. Financial statements for the third quarter of 2016 and for the period I-IX 2016**
 - **INCOME SHEET for the third quarter of 2016 and for the period I-IX 2016;**
 - **BALANCE SHEET on 30 September 2016;**
 - **REPORT ON OTHER RESULTS for the period I-IX 2016;**
 - **STATEMENT ON CHANGES IN CAPITAL for the period I-IX 2016;**
 - **CASH FLOW STATEMENT for the period I-IX 2016; and**
 - **NOTES TO THE FINANCIAL STATEMENTS with 30 September 2016.**

- 2. Report on company operations for the third quarter of 2016 and for the period I-IX 2016**

- 3. Statement**

FINANCIAL STATEMENTS 30 September, 2016

- 1. INCOME SHEET for the third quarter of 2016 and for the period I-IX 2016;**
- 2. BALANCE SHEET on 30 September, 2016;**
- 3. REPORT ON OTHER RESULTS for the period I-IX 2016;**
- 4. STATEMENT ON CHANGES IN CAPITAL for the period I-IX 2016;**
- 5. CASH FLOW STATEMENT for the period I-IX 2016;**
- 6. NOTES TO THE FINANCIAL STATEMENTS on 30 September, 2016.**

04 November 2016

INCOME SHEET
In the period from 1 January to 30 September, 2016

INCOME SHEET

for the period from 01.01.2016 to 30.09.2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.07-30.09.2016)	Cumulative (01.01-30.09.2016)	Quarter (01.07-30.09.2015)	Cumulative (01.01-30.09.2015)
1	2	3	4	5	6	7	8
	REVENUES OF REGULAR BUSINESS						
60 to 65, except 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		2,588,866	6,509,223	2,507,551	6,226,919
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	5	851	56,905	38,826	73,362
600	1. Revenues from sale of goods to parent companies and subsidiaries in domestic market	1003					
601	2. Revenues from sale of goods to parent companies and subsidiaries in foreign markets	1004					
602	3. Revenues from sale of goods to other related parties in domestic market	1005					
603	4. Revenue from sale of goods to other related parties in foreign markets	1006					
604	5. Revenues from sale of goods in domestic market	1007	5	577	1,575	545	1,313
605	6. Revenue from sale of goods in foreign market	1008	5	274	55,330	38,281	72,049
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	2,290,239	5,746,878	2,203,688	5,515,974
610	1. Revenues from sale of products and services to parent com. and subsidiaries in domestic market	1010					
611	2. Revenues from sale of products and services to parent companies and subsidiaries in foreign market	1011					
612	3. Revenues from sale of products and services to other related parties in domestic market	1012					
613	4. Revenues from sale of products and services to other related parties in foreign market	1013					
614	5. Revenues from sale of products and services in domestic market	1014	6	1,053,481	2,530,998	967,293	2,326,034
615	6. Revenues from sale of products and services in foreign market	1015	7	1,236,758	3,215,880	1,236,395	3,189,940
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		0	230		
65	IV OTHER OPERATING REVENUES	1017	9	297,776	705,210	265,037	637,583

INCOME SHEET (continued)
In the period from 1 January to 30 September, 2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.07-30.09.2016)	Cumulative (01.01-30.09.2016)	Quarter (01.07-30.09.2015)	Cumulative (01.01-30.09.2015)
1	2	3	4	5	6	7	8
	EXPENDITURES OF REGULAR BUSINESS						
50 to 55, 62 and 63	B. OPERATING EXPENSITURES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		1,190,955	3,580,127	1,122,110	3,158,603
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	429	51,663	35,625	67,928
62	II. REVENUES FROM ACTIVATION OF USE OF OWN PRODUCTS AND GOODS	1020		0			
630	III. INCREASE OF STOCK VALUE OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1021					
631	IV. DECREASE OF STOCK VALUE OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1022					
51 excp. 513	V. COSTS OF MATERIAL	1023	11	52,942	129,121	27,475	89,666
513	VI. COSTS OF FUEL AND ENERGY	1024	12	59,963	187,249	64,987	201,965
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	13	688,789	2,108,102	627,939	1,740,674
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	70,654	239,051	106,007	272,689
540	IX. AMORTIZATION COSTS	1027	15	226,139	643,032	197,395	572,205
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	6,800	8,800	0	8,000
55	XI. INTANGIBLE COSTS	1029	17	85,239	213,109	62,682	205,476
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		1,397,911	2,929,096	1,385,441	3,068,316
	G. OPERATING LOSS (1018 – 1001) ≥ 0	1031					
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		24,448	150,760	43,760	224,053
66, exce p. 662, 663 and 664	I. FINANCIAL REVENUES FROM RELATED PARTIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0			
660	1. Financial revenues from parent companies and subsidiaries	1034					
661	2. Financial revenues from other related parties	1035					
665	3. Revenue from participation in profit of associated legal entities and joint ventures	1036					
669	4. Other financial revenues	1037					
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	23,244	76,650	32,136	134,384

INCOME SHEET (continued)
In the period from 1 January to 30 September, 2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.07-30.09.2016)	Cumulative (01.01-30.09.2016)	Quarter (01.07-30.09.2015)	Cumulative (01.01-30.09.2015)
1	2	3	4	5	6	7	8
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	1,204	74,110	11,624	89,669
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		18,155	72,649	49,211	128,032
56, excp. 562, 563 and 564	I. FINANCIAL EXPENDITURES FROM RELATED PARTIES RELATION AND OTHER FIN. EXPENDITURES (1042 + 1043 + 1044 + 1045)	1041		0			
560	1. Financial expenditures from relation with parent companies and subsidiaries	1042					
561	2. Financial expenditures from relation with other related parties	1043					
565	3. Expenditures from participation in the loss of associated legal entities and joint ventures	1044					
566 and 569	4. Other financial expenditures	1045					
562	II. INCOME EXPENDITURES (TOWARD THIRD PARTIES)	1046	20	9,446	31,086	10,744	35,060
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	8,709	41,563	38,467	92,972
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		6,293	78,111	-5,451	96,021
	Ž. LOSS FROM FINANCING (1040 – 1032)	1049		0			
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	99	384	120	9,557
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	204,119	204,126	869,219	2,074,444
67 and 68, excp. 683 and 685	J. OTHER REVENUES	1052	24	6,465	42,730	1,534	1,918,390
57 and 58, excp. 583 and 585	K. OTHER EXPENDITURES	1053	25	6,081	23,184	13,455	23,356
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	1,200,568	2,823,011	498,970	2,994,484

INCOME SHEET (continued)
In the period from 1 January to 30 September, 2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.07-30.09.2016)	Cumulative (01.01-30.09.2016)	Quarter (01.07-30.09.2015)	Cumulative (01.01-30.09.2015)
1	2	3	4	5	6	7	8
	U. OPERATING LOSS BEFORE TAX (1031 – 1030 + 1049 – 1048 + 1051 – 1050 + 1053 – 1052)	1055					
69-59	M. NET INCOME FROM DISCONTINUED OPERATIONS, THE EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1056					
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1057					
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	1,200,568	2,823,011	498,970	2,994,484
	O. LOSS BEFORE TAX (1055 – 1054 + 1057 – 1056)	1059					
	P. INCOME TAX						
721	I. INCOME TAX EXPENDITURE	1060	26	122,547	294,099	70,312	379,038
part of 722	II. DEFERRED TAX EXPENDITURE	1061	26	97,869	174,698	37,873	37,857
part of 722	III. DEFERRED INCOME TAX	1062		0		0	0
723	R. EARNINGS PAID BY EMPLOYER	1063				500,000	500,000
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	27	980,152	2,354,214		2,077,589
	T. NET LOSS (1059 – 1058 + 1060 + 1061 – 1062)	1065				109,215	
	I NET INCOME OF MINORITY SHAREHOLDERS	1066					
	II NET PROFIT OF THE MAJORITY OWNER	1067					
	III PROFIT PER SHARE		27				
	1. Basic earning per share	1068					
	2. Reduced (diluted) earning per share	1069					
6	TOTAL REVENUES (1001+1032+1050+1052)			2,619,878	6,703,097	2,552,965	8,378,919
5	TOTAL EXPENDITURES (1018+1040+1051+1053)			1,419,310	3,880,086	2,053,995	5,384,435

BALANCE SHEET
On 30 September, 2016

BALANCE SHEET

on 30.09. 2016

- In thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	ASSETS					
0	A. NON-PAID UP SUBSCRIBED CAPITAL	1				
	B. FIXED ASSETS (0003 + 0010 + 0019 + 0024 + 0034)	2		22,189,827	21,730,626	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008 + 0009)	3	28	72,140	80,523	0
010 & part 019	1. Investments in development	4				
011, 012 & part 019	2. Concessions, patents, licences, trade marks, software and other rights	5	28	72,140	80,523	
013 & part 019	3. Goodwill	6				
014 & part 019	4. Other intangible assets	7				
015 & part 019	5. Intangible assets in progress	8				
016 & part 019	6. Advances for intangible assets	9				
2	II. REAL ESTATE, PLANTS AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	29	21,994,232	21,529,104	0
020, 021 & part 029	1. Land	11	29	9,137,520	9,120,668	
022 & part 029	2. Buildings	12	29	9,640,194	9,858,745	
023 & part 029	3. Plants and equipment	13	29	2,756,292	2,482,528	
024 & part 029	4. Investment property	14	29	26,073	26,073	
025 & part 029	5. Other property, plants and equipment	15	29	3,619	3,619	
026 & part 029	6. Property, plants and equipment in progress	16	29	336,441	20,236	
027 & part 029	7. Investments in some. else's property, plant and equipment	17		0	0	
028 & part 029	8. Advances for property, plants and equipment	18	29	94,093	17,235	
3	III. BIOLOGICAL AGENCIES (0020 + 0021 + 0022 + 0023)	19		105	120	0
030, 031 & part 039	1. Forests and perennial plants	20				
032 & part 039	2. Livestock unit	21	29	105	120	
037 & part 039	3. Biological agencies in progress	22				
038 & part 039	4. Advances for biological agencies	23				
04. except 047	IV. LONG-TERM FINANCIAL INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24		123,350	120,879	0
040 & part 049	1. Shares in subsidiaries	25				
041 & part 049	2. Shares in associated companies and joint ventures	26				
042 & part 049	3. Shares in other legal entities and other securities available for sale	27	30	1	1	
part 043, part 044 & part 049	4. Long-term investments to parent companies and subsidiaries	28				
part 043, part 044 & part 049	5. Long-term investments to other related parties	29				
part 045 & part 049	6. Long-term investments in the country	30				
part 045 & part 049	7. Long-term investments abroad	31				
046 & part 049	8. Securities hold to maturity	32				
048 & part 049	9. Other long-term financial investments	33	31	123,349	120,878	

BALANCE SHEET (cont'd.)
On 30 September, 2016

- In thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	ASSETS					
5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34		0	0	0
050 & part 059	1. Receivables from parent company and subsidiaries	35				
051 & part 059	2. Receivables from other related parties	36				
052 & part 059	3. Receivables from sale on trade credit	37				
053 & part 059	4. Receivables from sale per contracts on financial leasing	38				
054 & part 059	5. Receivables based on guarantees	39				
055 & part 059	6. Disputed and doubtful receivables	40				
056 & part 059	7. Other long-term receivables	41				
288	V. DEFERRED TAX ASSETS	42				
	G. TURNOVER PROPERTY (0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		7,030,167	6,540,995	0
Class 1	I STOCKS (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		114,585	141,272	0
10	1. Material, spare parts, tools and small inventory	45	32	87,403	94,820	
11	2. Unfinished production and unfinished services	46				
12	3. Ready products	47				
13	4. Goods	48	33	4,433	12,301	
14	5. Non-current assets intended for sale	49				
15	6. Advances paid for stock and services	50	34	22,749	34,151	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		1,378,993	1,701,939	0
200 & part 209	1. Buyers in the country – parent companies and subsidiaries	52				
201 & part 209	2. Buyers abroad – parent companies and subsidiaries	53				
202 & part 209	3. Buyers in the country – other related parties	54				
203 & part 209	4. Buyers abroad – other related parties	55				
204 & part 209	5. Buyers in the country	56	35	551,159	1,069,267	
205 & part 209	6. Buyers abroad	57	36	827,834	632,672	
206 & part 209	7. Other receivables from sale	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	37	304,773	90,631	
236	V FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME SHEET	61				
236 except 236 and 237	VI SHORT-TERM INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62		3,933,316	3,876,640	0
230 & part 239	1. Short-term loans and invest. – parent com. and subsidiaries	63				
231 & part 239	2. Short-term loans and investments – other related parties	64				
232 & part 239	3. Short-term credits and loans in the country	65	38	41,501	77,841	
233 & part 239	4. Short-term credits and loans abroad	66				
234, 235, 238 & part 239	5. Other short-term financial investments	67	39	3,891,815	3,798,799	
24	VII CASH AND CASH EQUIVALENTS	68	41	1,251,702	704,127	
27	VIII VALUE ADDED TAX	69				
28 except 288	IX PREPAYMENTS AND ACCRUED INCOME	70	42	46,798	26,386	
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	71		29,219,994	28,271,621	0
88	Ђ. OFF-BALANCE SHEET ASSETS	72	62	481,439	320,491	

BALANCE SHEET (cont'd.)
On 30 September, 2016

- in thousands RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL (0402 + 0411 – 0412 + 0413 + 0414 + 0415 – 0416 + 0417 + 0420 – 0421) ≥ 0 = (0071 – 0424 – 0441 – 0442)	401	43	27,209,034	25,697,984	0
30	I CORE CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	402		20,573,610	20,573,610	
300	1. Share capital	403	44	20,573,610	20,573,610	
301	2. Shares of limited liability companies	404				
302	3. Stakes	405				
303	4. State capital	406				
304	5. Social capital	407				
305	6. Cooperative shares	408				
306	7. Share issue premium	409				
309	8. Other core capital	410				
31	II NON-PAID SUBSCRIBED CAPITAL	411				
047 and 237	III REPURCHASED OWN SHARES	412				
32	IV RESERVES	413	45	4,120,259	2,842,810	
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLES, PROPERTY, PLANTS AND EQUIPMENT	414	45	147,998	148,390	
33 except 330	VI. NON-REALISED INCOMES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (credit balance of group account 33 except 330)	415	45	12,788	12,788	
33 except 330	VII. NON-REALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULTS (debit balance of group account 33 except 330)	416				
34	VIII NON-DISTRIBUTED PROFIT (0418 + 0419)	417	46	2,354,379	2,120,386	0
340	1. Non-distributed profit of previous years	418	46	165	144,356	
341	2. Non-distributed profit of the current year	419	46	2,354,214	1,976,030	
	IX. SHARE WITHOUT RIGHT OF CONTROL	420				
35	X.LOSS (0422 + 0423)	421		0	0	0
350	1. Loss of previous years	422				
351	2. Loss of the current year	423				
	B. LONG-TERM RESERVES AND LIABILITIES (0425 + 0432)	424		1,001,455	1,017,814	0
40	I LONG-TERM RESERVES (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	47	197,676	225,020	0
400	1. Reserves for costs within guarantee period	426				
401	2. Reserves for restoration of natural resources	427				
403	3. Reserves for restructuring costs	428				
404	4. Reserves for retirement and other employee benefits	429	48;49	107,830	110,239	
405	5. Reserves for litigations	430	48;49	89,846	114,781	
402 и 409	6. Other long-term reserves	431				
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		803,779	792,794	0
410	1. Liabilities that may be converted into capital	433				
411	2. Liabilities toward parent companies and subsidiaries	434				
412	3. Liabilities toward other related parties	435				

BALANCE SHEET (cont'd.)
On 30 September, 2016

- in thousands RSD -

Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year	Previous year	
					Final balance 31.12.2015	Initial balance 01.01.2015
1	2	3	4	5	6	7
	LIABILITIES					
413	4. Liabilities from securities for a period longer than one year	436				
414	5. Long-term credits and loans in the country	437				
415	6. Long-term credits and loans abroad	438	50,51	803,659	792,794	
416	7. Liabilities base on financial leasing	439				
419	8. Other long-term liabilities	440			0	
498	V. DEFERRED TAX LIABILITIES	441	26	263,006	88,308	
42 to 49 (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		746,619	1,467,515	0
42	I SHORT-TERM FINANCIAL OBLIGATIONS (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443	52	39,019	101,380	0
420	1. Short-term loans from parent companies and subsidiaries	444				
421	2. Short-term loans from other related parties	445				
422	3. Short-term credits and loans in the country	446				
423	4. Short-term credits and loans abroad	447				
427	5. Liabilities on fixed assets and assets from discontinued operations intended for sale	448				
424, 425, 426 and 429	6. Other short-term financial obligations	449	52	39,019	101,380	
430	II RECEIVED PREPAYMENT, DEPOSITS AND BAILS	450	53	137,272	62,361	
43 except 430	III BUSINESS LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		134,046	240,783	0
431	1. Suppliers – parent com. and subsidiaries in the country	452				
432	2. Suppliers – parent com. and subsidiaries abroad	453				
433	3. Suppliers – other related parties in the country	454				
434	4. Suppliers – other related parties abroad	455				
435	5. Suppliers in the country	456	54	111,708	204,483	
436	6. Suppliers abroad	457	55	3,605	10,916	
439	7. Other business liabilities	458	56	18,733	25,384	
44, 45 и 46	IV OTHER SHORT-TERM LIABILITIES	459	57	23,773	858,225	
47	V LIABILITIES FROM VALUE ADDED TAX	460	58	68,016	25,809	
48	VI LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	461	59,60	65,883	96,616	
49 except 498	VII ACCRUALS AND DEFERRED INCOME	462	61	278,610	82,341	
	D. LOSS OVER CAPITAL (0412 + 0416 + 0421 – 0420 – 0417 – 0415 – 0414 – 0413 – 0411 – 0402) ≥ 0 = (0441 + 0424 + 0442 – 0071) ≥ 0	463				
	DJ. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 – 0463) ≥ 0	464		29,219,994	28,271,621	0
89	E. OFF-BALANCE SHEET LIABILITIES	465	62	481,439	320,491	

STATEMENT ON OTHER COMPREHENSIVE RESULT, period 1 January to 30 September, 2016

STATEMENT ON OTHER RESULTS							
for the period from 01.01.2016 to 30.09.2016							
- in thousands RSD -							
Group of accounts-account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01.07-30.09.2016)	Cumulative (01.01-30.09.2016)	Quarter (01.07-30.09.2015)	Cumulative (01.01-30.09.2015)
1	2	3	4	5	6	7	8
	A. NET RESULTS FROM OPERATIONS						
	I. NET PROFIT (ADP 1064)	2001	27	980,152	2,354,214		2,077,589
	II. NET LOSS (ADP 1065)	2002				109,215	
	B. OTHER COMPREHENSIVE PROFITS AND LOSS						
	a) Items that will not be reclassified in income sheet in future periods						
	1. Changes in the revaluation of intangible assets, property, plant and equipment						
330	a) increase in revaluation reserves	2003					
	b) decrease in revaluation reserves	2004		0		47	179
	2. Actuarial gains and losses on defined benefit plans						
331	a) gains	2005					
	b) losses	2006					
	3. Gains or losses on investments in equity capital instruments						
332	a) gains	2007					
	b) losses	2008					
	4. Gains or losses on shares in other comprehensive profit or loss of associated companies						
333	a) gains	2009					
	b) losses	2010					
	b) Items that can subsequently be reclassified in income sheet in future periods						
	1. Gains or losses based on recalculation of financial statements of foreign operations						
334	a) gains	2011					
	b) losses	2012					
	2. Gains or losses on hedging instruments of net investment in a foreign operation						
335	a) gains	2013					
	b) losses	2014					
	3. Gains or losses on risk hedging instruments of cash flow						
336	a) gains	2015					
	b) losses	2016					
	4. Gains or losses on securities available for sale						
337	a) gains	2017					
	b) losses	2018					
	I. OTHER GROSS COMPREHENSIVE PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			0	0	0
	II. OTHER GROSS COMPREHENSIVE LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		0	0	47	179
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021					
	IV. NET OTHER COMPREHENSIVE PROFIT (2019 - 2020 - 2021) ≥ 0	2022			0		0
	V. NET OTHER COMPREHENSIVE LOSS (2020 - 2019 + 2021) ≥ 0	2023		0	0	47	179
	B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD						
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 - 2002 + 2022 - 2023) ≥ 0	2024		980,152	2,354,214		2,077,410
	II. TOTAL NET COMPREHENSIVE LOSS (2002 - 2001 + 2023 - 2022) ≥ 0	2025		0	0	109,262	0
	G. TOTAL NET COMPREHENSIVE PROFIT OR LOSSY (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		980,152	2,354,214	0	2,077,410
	1. Attributable to majority owners of capital	2027					
	2. Attributable to owners who do not have control	2028					

CASH FLOW STATEMENT
In the period from 1. January to 30 September, 2016

CASH FLOW STATEMENT

in the period from 01.01.2016 to 30.09.2016

- in thousands RSD-

Positions	ADP	Amount	
		Current year 1-IX 2016	Previous year 1-IX 2015
1	2	3	4
A. CASH FLOWS FROM BUSINESS ACTIVITY			
I. Cash inflow from business activities (1 to 3)	3001	7,606,503	6,983,904
1. Sale and received advance payments	3002	6,789,452	6,057,730
2. Interests received from business activity	3003	7,316	19,938
3. Other inflows from regular operations	3004	809,735	906,236
II. Cash outflow from business activities (1 to 5)	3005	4,284,004	4,049,714
1. Payments for suppliers and given advance payments	3006	1,003,602	934,695
2. Salaries, salary compensations and other personal expenses	3007	2,103,209	1,650,599
3. Paid interest	3008	46,483	29,141
4. Income-tax	3009	554,626	856,406
5. Payment from other public revenues	3010	576,084	578,873
III. Net cash inflow from business activities (I - II)	3011	3,322,499	2,934,190
IV. Net cash outflow from business activities (II - I)	3012		
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Cash inflow from investment activity (1 to 5)	3013	87,140	122,868
1. Sale of shares and portions (net inflows)	3014	0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	3015		183
3. Other financial investments (net inflows)	3016		
4. Interests received from investment activities	3017	87,140	122,685
5. Dividends received	3018	0	0
II. Cash outflows from investment activities (1 to 3)	3019	1,145,208	2,628,644
1. Purchase of shares and portions (net outflows)	3020	0	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	3021	1,116,253	580,205
3. Other financial investments (net outflows)	3022	28,955	2,048,439
III. Cash net inflow from investment activities (I - II)	3023	0	0
IV. Cash net outflow from investment activities (II - I)	3024	1,058,068	2,505,776

CASH FLOW STATEMENT (cont'd.)
In the period from 1. January to 30 September, 2016

CASH FLOW STATEMENT

in the period from 01.01.2016 to 30.09.2016

- in thousands RSD-

Positions	ADP	Amount	
		Current year I-IX 2016	Previous year I-IX 2015
1	2	3	4
V. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	0	0
1. Core capital increase	3026	0	0
2. Long-term loans (net inflows)	3027	0	0
3. Short-term loans (net inflows)	3028	0	0
4. Other long-term liabilities	3029	0	0
5. Other short-term liabilities	3030	0	0
II. Cash outflow from financing activities (1 to 6)	3031	1,721,616	2,673,457
1. Redemption of own shares and portions	3032	0	0
2. Long-term loans (outflows)	3033	63,685	62,460
3. Short-term loans (outflows)	3034		0
4. Other liabilities (outflows)	3035	0	0
5. Financial leasing	3036		0
6. Paid-up dividends	3037	1,657,931	2,610,997
III. Net cash inflow from financing activities (I-II)	3038		
IV. Net cash outflow from financing activities (II-I)	3039	1,721,616	2,673,457
G. OVERALL CASH INFLOW (3001 + 3013 + 3025)	3040	7,693,643	7,106,772
D. OVERALL CASH OUTFLOW (3005 + 3019 + 3031)	3041	7,150,828	9,351,815
DJ. NET CASH INFLOW (3040 – 3041)	3042	542,815	
E. NET CASH OUTFLOW (3041 – 3040)	3043	0	2,245,043
Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	3044	704,127	2,803,851
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3045	16,240	36,709
I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3046	11,480	28,132
J. CASH AT THE END OF ACCOUNTING PERIOD (3042 – 3043 + 3044 + 3045 – 3046)	3047	1,251,702	567,385

JSC BELGRADE NIKOLA TESLA AIRPORT
NOTES TO FINANCIAL STATEMENTS
30 September, 2016

1. FOUNDING AND OPERATION OF THE COMPANY

1.1. General data of the company

The Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: the Company) has been established for provision of airport services (aircraft landing, take-off, taxing and parking and aircraft, passenger and cargo handling). Apart from the basic activity of rendering airport services, the Company, as side activities, provides other services at airport complex, satisfying the needs of service users, domestic and foreign air carriers.

Operation of the Airport dates back to March 25, 1928, at the location Bežanijska kosa, and operation on the current location (Surčin) started in 1962.

By a Decision of the Government of Republic of Serbia of 1992, the Airport was re-registered as Javno preduzeće (public company) Aerodrom „Beograd“ and in 2006, also by a decision of the Government it got the name JP Aerodrom „Nikola Tesla“

The Government of Republic of Serbia on 17.06.2010 made the Decision No. 023-4432/2010, on change of legal form of JP Aerodrom "Nikola Tesla" Beograd from a public company into closed joint stock company. The change of legal form is registered with the Business Registers Agency on 22.06.2010 by the Rescript No.BD 68460/2010.

After the change of legal form the company continued its business under the full name **Akcionarsko društvo Aerodrom "Nikola Tesla" Beograd.**

By the Rescript of the Registers Agency No: BD 7651/2011 dated on 24.01.2011, Akcionarsko društvo Aerodrom Nikola Tesla Beograd was registered in Business Registers Agency as an open joint stock company.

<i>Head-office</i>	11180 Belgrade 59, Surčin
<i>Registration number</i>	07036540
<i>Tax identification number</i>	100000539
<i>Activity code and name</i>	5223-Air-traffic services

According to the classification criteria from the Law on accounting and audit AD Aerodrom "Nikola Tesla" Beograd is classified as a large legal person.

1.2. Number of employees and engaged persons

On Balance Sheet date on 30 September, 2016 the Company had 1,922 engaged workers of which 1,299 employees of the Company and 493 permanent employees, employees on a definite period of time 806, temporary workers 227, and 396 workers engaged through youth organizations (on 31 December 2015 there were 1,871 engaged workers, of which 491 permanent employees, 762 employed for a definite period of time, 454 workers engaged through youth organizations, and 164 workers engaged in temporary and occasional jobs).

In I-IX 2016, the average number of employees engaged by the Company at the end of each month was 1,897 of which average number of employees of the Company is 1,286 (496 permanent employees, 790 employees for a definite period of time), 188 workers engaged in temporary and occasional jobs, 422 workers engaged through youth organizations (during 2015 there were on average 1,782 employees: 485 permanent employees, 617 employed for a definite period of time, 435 workers hired through youth organizations, 65 workers through OZB Komerc and 181 workers engaged in temporary and occasional jobs).

1. FOUNDING AND OPERATION OF THE COMPANY (cont'd.)

1.3. Management structure

The Company has established two-tier management system. The Bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly comprises of the company Shareholders entitled to participate in Assembly work. The Shareholder, in possession of 1% of ordinary shares (34,289 shares) is entitled to participate in Assembly work.

The Supervisory Board has 7 members assigned by the Assembly of the Company. The Supervisory Board may form different experts committees with at least three members, whereof one has to be an independent member of the Supervisory Board.

The Executive Board has 5 executive directors including the General Director. The Executive directors are assigned by the Supervisory Board of the Company.

1.4. Ownership structure

After change of legal form into a closed joint stock company, the Central depository and clearing house registered on 07.07.2010, 34,289,350 shares; 100% in ownership of Republic of Serbia.

The Government of Republic Serbia, on 09.12.2010 made the Decision No. 023-9103/2010-1, by which citizens of Republic of Serbia, the employees and former employees of the Company have acquired the right to 16.85% of ownership of the Company. After transfer of the right to free of charge shares to citizens, employees and former employees, Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the Decision on admission of shares to Prime Listing 04/4 No. 478/11 dated on 28.01.2011, the shares of the Company are accepted on 'A' Listing of the Belgrade Exchange Market. Stock trade on the Belgrade Exchange Market commenced on 07.02.2011.

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1 Basis for composition and presentation of financial statements

Financial statements for the I-IX 2016 are prepared in a manner and in accordance with the legislation, which was used in the preparation of annual financial statements for 2015, which is fully stated in Note 2, to financial statements for 2015.

Financial statements for the I-IX 2016 were approved at the meeting of the Supervisory Board on 14.11.2016.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES

3.1 Incomes and outcomes

Sales revenue is recognized when the risks and benefits associated with the right of ownership is transferred to the customer, and that includes the date of delivery to the customer.

Revenue from services is recognized when the service is rendered, or proportionately during the performance of services if it lasts for more than one accounting period.

Revenue from lease based on operational leasing are recognized evenly over the lease.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.1 Incomes and outcomes (cont'd.)

Revenue is measured at the fair value of the funds received or receivable, in net amount after deduction of discounts and value added tax.

Revenue from interest and dividends are recognized in accordance with the principle of the formation in favour of the accounting period to which they relate, using the effective interest method.

With the date on which revenues are recognized are also recognized corresponding expenditures (principle of causality of revenue and expenditure).

Operating expenditures are recognized in the income statement according to utilization of acquired services or as they are incurred.

Expenses are accounted for on an accrual basis of revenue and expenditure.

Maintenance and repair of fixed assets are recorded in the income statement in the accounting period when they arise.

3.2. Costs of borrowings

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, are included in the purchase value of the asset and until that period when all the activities are essentially completed, necessary to prepare the asset for the intended use or sale. Assets being qualified relate to the assets which required a significant period of time to get ready for its intended use.

Income from investments realized on the basis of the temporary investment of borrowed funds is deducted from the borrowing costs incurred intended to finance assets that qualify.

All other borrowing costs are recognized in the income statement in the period to which they relate.

3.3. Conversion of foreign exchange amount

Transactions denominated in foreign currencies are converted into dinars at the official exchange rates established on the Interbank Exchange Market, prevailing at the transaction date.

Assets and liabilities denominated in foreign currencies at the balance sheet date are converted into dinars by applying the official exchange rates established on the Interbank Exchange Market, in effect on that day.

Gains and losses arising from transactions in foreign currencies and from the recalculation of monetary items in the balance sheet items denominated in foreign currencies are credited or charged to the income statement as gains or losses from exchange rate differences.

Non-monetary items in the balance sheet are not recalculated at the balance sheet date but are carried at historical cost, calculated at the exchange rate on the date of transaction, except for non-monetary items that are measured at fair value, in which case they are recalculated at the exchange rate on the date of determination of fair value. Revenues and Expenditures based on exchange rate differences and currency clause effects are recorded in the income statement of the recorded period.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.3. Conversion of foreign exchange amount (cont'd.)

Average foreign exchange rates, determined at the interbank foreign exchange market, used in the conversion of foreign currency balance sheet positions into dinars, for the major currencies were as follows:

Description	30.09.2016	31.12.2015
Middel exchange rate of NBS:	Value in RSD	
EUR	123.2929	121.6261
USD	109.8965	111.2468
CHF	113.7179	112.5230
GBP	142.5022	164.9391

Liabilities based on long-term loans from the EIB are converted into RSD counter value at an agreed selling rate of the bank.

Selling rate of banks on the date of financial statements preparation is presented in the following table:

Description	30.09.2016	31.12.2015
Contracted exchange rate:	Value in RSD	
EUR - for EIB loan	123.6628	121.991

3.4. Real estates, plants, equipment, biological resources

Intangible assets relate to purchased software and licenses and are carried at cost less accumulated amortization and are written-off by straight line method over a period of two to ten years.

3.5. Real estates, plants, equipment, biological resources

Property, plant and equipment that meet the requirements for recognition of assets are carried at their purchase price or cost. Cost represents the invoiced amount plus all expenses incurred to its intended use.

After initial recognition, property, plant and equipment are presented at revalued amount that reflects their fair value at the date of revaluation, less the total amount of the value correction based on amortization and total amount of value correction for impairment loss.

The fair value of real estate makes their market value, which is determined by the assessment. Revaluation takes place only when the fair value of a revalued asset differs materially from its carrying amount. Gains from revaluation are recognized in other gains and losses in favour of the revaluation reserve in equity. Do the amounts previously recognized losses from the revaluation or impairment recognized in the income statement, gains from revaluation are recognized in the income statement, and the rest of gains are recognized in other gains and losses. Losses on revaluation are recognized after valuation or testing for impairment, and are recognized in other gains and losses up to the amount of previously recognized revaluation reserve in equity and the remainder of losses are recognized in the income statement. At expenditure or disposal of assets related revaluation reserve is transferred directly to undistributed profit.

The last assessment of the value of property, plant and equipment was made on 31.12.2014.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.5. Real estates, plants, equipment, biological resources (cont'd.)

Tools and supplies, whose useful life is longer than one year and individual purchase price greater than the average gross salary in the Republic, are recognized as property, plant and equipment at purchase cost. These assets are amortized according to the estimated useful life.

Gains or losses arising from write-offs or alienation are recognized as revenue or expenditure in the income statement.

3.6. Amortisation of properties, plants, equipment and intangible investments

Depreciation of property, plant and equipment is calculated using straight-line method over the estimated useful life. The depreciation rates that were used in the 2015 business year, as well as the rate of amortization calculated based on the useful life of the assets according to the evaluation report, which started to be applied in the first quarter of 2016 are given in the following table:

DESCRIPTION	2016	2015
Building facilities	%	%
Water and electricity facilities	2.27 - 7.14	2.27 - 7.14
Roads, airports and parking lots	2.22 - 33.33	2.22 - 33.33
Other building facilities	5.00 - 50.00	5.00 - 50.00
Flats given to employees for use	1.49	1.49
Equipment	%	%
New specific equipment	6.67 - 50.00	6.67 - 50.00
Equipment for road traffic	6.67 - 33.33	6.67 - 33.33
Equipment for PTT and TV	10 - 50.00	10 - 50.00
Equipment for air traffic	4 - 50.00	4 - 50.00
Measuring and control devices and specific devices	4.00 - 33.33	4.00 - 33.33
Labor. equipment, teaching aids and med. devices	20.00 - 25	20.00 - 25
Electronic, calculating machines and computers	16.67 - 33.33	16.67 - 33.33
Furniture and equipment for general purposes	4.00 - 50.00	4.00 - 50.00
Equipment for road traffic under financial leasing	8.33 - 33.33	8.33 - 33.33
Equipment and plants	10.00 - 25.00	10.00 - 25.00
Tools and inventory	25.00 - 100.00	25.00 - 100.00
Intangible investments	%	%
Software and licenses	10.00 - 50.00	10.00 - 50.00

3.7. Investment property

Investment properties are properties that the Company, as the owner, holds to earn rentals or for capital appreciation or for both of them, and not for use in the provision of services or for administrative purpose or sale in the ordinary course of business. Initial measurement of investment property during the acquisition is carried at purchase value or cost price. After initial recognition, valuation of investment property is carried at fair value at the end of each business year. Positive and negative effects from changes in fair value of investment property are recognized through the income statement.

The Company has engaged a certified appraiser - Institute for Economic Research Belgrade, to assess the value of investment property as on 31.12.2015.

In the report on assessment of the fair value the investment property is determined by the weight of probability of estimated value using the replacement cost method and the yield method.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.8. Impairment

At each balance sheet date the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that there has been a loss due to the impairment of such assets. If any such indication exists, the recoverable amount of assets is estimated so that the extent of the impairment loss could be determined. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit, to which the asset belongs.

The recoverable amount is net selling price or value in use, whichever is higher. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using the discount rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset.

If the estimated recoverable amount of the asset (or cash generating unit) is less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. Losses from impairment are recognized as an expense immediately, unless the relevant asset is land or buildings that are not used as investment property carried at a revalued amount, in which case the impairment loss is treated as a reduction in the value of revaluation.

With the subsequent reversal of the impairment, the carrying amount of the asset (cash generating unit) is increased to the revised estimated recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined in previous years if there were no losses recognized in this asset (cash generating unit) due to impairment. A reversal of an impairment loss is recognized immediately in income, unless the relevant asset is carried at appraised value, in which case the reversal of the impairment loss is treated as an increase due to revaluation.

On 30 September, 2016, based on the Company's management estimates there are no indications that the value of the assets is impaired.

3.9. Stocks

Stocks are disclosed per purchase value, i.e. cost value or net sale value, depending on the fact which one is lower.

Net sale value is price for sale of stocks in nominal operation conditions after price decrease by sale costs. Cost includes the invoiced value, transport and acquisition costs.

Calculation of stock output is determined by the method of average weighed purchase price.

Inventories are recorded at the sales price. At the end of the accounting period, their value is adjusted to cost allocation, price differences, calculated on an average basis between the purchaser cost of realized goods and supplies in stock at the end of the year.

Charged to other expenses shall be corrected inventory value in cases where it determines that is necessary to bring value to their net estimated realizable value (including inventories with slow turnover, excess and obsolete inventories). Damaged inventory and inventory that does not meet the standards are written off.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.10. Taxes and contributions

Income tax

Income tax expense in the income statement represents the sum of current tax expense and deferred tax expense not recognized within other gains and losses or directly in equity.

Receivables and liabilities in respect of current income tax or deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to offset the recognized amounts and if it intends to settle on a net basis or simultaneously realize the asset and settle the liability.

Current income tax

Assets and liabilities arising from current income taxes represent liabilities or receivables from the fiscal authorities in connection with the current or prior periods that are not implemented on the date of these financial statements.

Current income tax represents an amount calculated by applying the statutory income tax rate of 15% on the tax base determined in the tax balance, which represents the amount of profit before tax after deduction of the effects of adjusting income and expenses, in accordance with the tax regulations of the Republic of Serbia, with the decrease in the statutory income tax credits.

The Law on Corporate Income Tax of the Republic of Serbia do not envisage that any tax losses of the current period be used to recover taxes paid in previous years. However, losses which are included in the tax balance until 2009, can be used to reduce the tax base in future periods over the next ten years from the vesting date, and the losses realized and recognized in the tax statement for 2010 and beyond, can be used to reduce the tax base in future periods, but not longer than five years.

The Law on Corporate Income Tax of the Republic of Serbia in the part of tax credit provides that taxpayers who have until December 31, 2013 were entitled to a tax incentive under Art. 48. The previous law, and expressed the information in the tax return and the tax return for 2013, cannot be entitled to use up to the deadline and in the manner prescribed by the earlier law. According to Art.48 Paragraph 5 of the previous law, "unused tax credits can be offset against income tax in future periods up to the prescribed limit of 33% (for large and medium-sized enterprises), but not longer than ten (10) years that you apply as of the tax balance sheet for the year 2003 ". In determining the income tax for 2016, the earliest previous tax period from which they can use unused tax credit is the tax account or PK form in 2006. Transferred tax credit is used in the order of investment.

Deferred income tax

Deferred tax effects arise as a consequence of difference between basis for amortization calculation according to accounting and tax regulations. Also, this difference accrues on basis of existence of equipment with purchase value in the moment of purchase lower than average gross salary in RS, on basis of non-used tax loan for investments in real estate, plants and equipment and in other cases when there is time difference between tax liability arising and tax payment due date. Deferred tax liabilities are recognized for all chargeable temporary differences, while deferred tax resources are recognized in extent in which it is possible for chargeable profits to be available for usage of deducting temporary differences. The carrying value of deferred tax assets is examined on the balance sheet date and adjusted if necessary to comply with the current assessment of the taxable profits of future periods.

Deferred tax resources and liabilities are calculated at the tax rate of 15% whose use is expected in the period when the asset is realized or the liability settled.

Deferred income taxes are charged or credited in the income statement, except when it relates to items that are directly credited or charged to capital, and in this circumstance the deferred tax is also recognized within the capital.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.10. Taxes and contributions (cont'd.)

Taxes and contributions independent of results

Taxes and contributions independent of results include real estate and other taxes and contributions in line with republic, tax and general regulations. These taxes and contributions are disclosed within other business expenditures.

Tax risks

The tax laws of the Republic of Serbia are often differently interpreted and are subject to frequent changes. The interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may differ from the management interpretations. As a result of the foregoing, transactions may be challenged by tax authorities and the Company could be assessed additional taxes, penalties and interest. Period of obsolescence tax liability is five years. This practically means that tax authorities could determine payment of outstanding liabilities within five years from the origination of the liability.

3.11. Benefits for employees

Taxes and contributions to funds for social security of employees

In line with regulations applicative in Republic of Serbia, the Company pays contributions to state funds which provide social security of employees. Such obligations include contributions for employees at cost of employer in amounts calculated at rates proscribed by relevant regulations. The company is, also obliged to suspend contributions from gross salaries of employees and pay that, in name of employees, to those funds. Contributions at cost of employer and contributions at cost of employees are booked as expenditures of related period.

Reserving for terminal wages and jubilee bonuses

Based on the Collective Bargaining Agreement adopted on 12.02.2015 the Company is obliged to pay to the employees:

- Terminal wage for retirement in amount of 4 average month salaries without tax and contributions paid at the employer's in the very month before payment of terminal wage
- Jubilee awards for total time spent in employment with the employer in the amount of the average monthly salary without tax and contributions paid by the employer for the month preceding the month in which the employee is entitled to jubilee awards as follows:
 - 10 years – one average month salary
 - 20 years – two average month salaries
 - 30 years - three average month salaries
 - 35 years for women and men- four average month salaries.

Because of the obligations regulated by collective agreement, the Company at the end of each business year assesses reserving for terminal wages and jubilee bonuses in accordance with the requirements of standard IAS 19- Employee Benefits.

The Company has engaged an authorized actuary, Aleksandar Perišić, to assess provisions for retirement benefits and jubilee awards on 31 December 2015. The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 49.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.12. Leasing

Leasing is classified as financial leasing whenever all the risks and benefits arising from ownership of assets are transferred to the fullest extent to the lessee by lease. All other leases are classified as operating leases.

The Company as lessor

Revenues based on operating leases (income from rents) are recognized using the straight-line method over the lease period. Indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as lessee

Assets held by financial leasing contracts are initially recognized as assets of the Company at the present value of the minimum lease payments determined at the beginning of the lease period. The corresponding liability to the lessor is included in the balance sheet as a liability from financial leasing.

Payment of lease instalments is allocated between financial expenses and reduction of the lease liability in order to achieve a constant rate of participation in the outstanding amount of the obligation. Finance expenses are recognized immediately in the income statement, except if directly attributable to assets that are qualified for use, in which case they are capitalized in accordance with the general policy of the Company's borrowing costs.

Rate based on operating leases are recognized as an expense on a straight-line basis during the lease term, unless there is another systematic basis that better reflects the time pattern which economic benefits from the leased asset.

In the event that lease incentives are granted, those included in the operational leasing and are recognized as a liability. The benefit of incentives is recognized as a reduction in expenses for rent on a straight-line basis, unless there is another systematic basis that better reflects the time structure of consumption of economic benefits from the leased asset.

3.13. Information on business segments

The Company performs business activity as single business segment, provision of airport services. Accordingly, information relating to sales income per products and services, geographical information on income from sales, represent disclosure at company level.

3.14. Financial instruments

Any contractual right from which arises a financial asset and a financial liability or equity instrument is recognized as a financial instrument on the settlement date.

Upon initial recognition, financial assets and financial liabilities are measured at cost, being the fair value of compensation given (in the case of assets) or received (in the case of liabilities).

De-recognition of financial assets is when the contractual rights to the cash flows arising from the financial asset expire or when substantially all the risks and rewards are transferred. De-recognition of financial liabilities is when the obligation is extinguished, settled, cancelled or expired.

Long term investments

Long-term investments after initially are measured by:

- Fair values, if held for trading,
- Amortized cost, if you have a fixed maturity date,
- Cost, if they do not have a fixed maturity date.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.14. Financial instruments (cont'd.)

Long-term investments held for trading and for which, due to the lack of an active market, it is not possible to determine a market value, are carried at purchase cost.

Long-term loans granted to employees are measured at fair value discounted by applying market interest rates.

Short-term receivables and investments

Short-term receivables and investments include receivables from sales and other receivables, as well as short-term loans to employees.

Receivables from sales of goods and services are measured by the cost of the original invoice. Invoiced interest related to the sale of goods and services are recognized as other receivables and are recorded in income in the period in which they arise.

Other receivables and investments originated by the company are measured at amortized cost.

Any difference between the carrying amount and subsequent measurement is recognized as a gain or loss in the period in which incurred.

Devaluation of funds

At each balance date, objective evidences of the value of assets are evaluated, by analysis of expected net cash inflows.

For all receivables for which there is reasonable doubt that they will not be collected in a nominal amount, corrections shall be made. Direct write-off shall be made only after the end of the litigation or by decision of the management body.

Cash and cash equivalents

Cash and cash equivalents include cash on current accounts at banks and in hand and highly liquid investments with maturity up to three months after the acquisition, which can be quickly converted to known amounts of cash, and which is not subject to significant risk of changes in value.

Financial liabilities

Financial liabilities include long-term liabilities (long-term loans and other long-term liabilities), short-term financial liabilities (short-term loans and other short-term liabilities), short-term operating liabilities and other liabilities.

Financial liabilities are initially recognized at the proceeds received. After initial recognition, financial liabilities are measured at the amount by which the liabilities are initially recognized, reduced by repayments of principal, increased by the amount of capitalized interest and reduced by any write-off approved by the creditor. Interest payable on financial liabilities is charged to financial expenses in the period to which they relate, and presented within other short-term liabilities and accruals and deferred income.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.15. The capital, reserves and payment of profits (dividends)

The basic capital consists of the nominal value of the issued shares.
Other components of the capital include:

- Revaluation reserves based on the revaluation of property, plant and equipment
- Actuarial gains and losses on defined benefit plans
- Other reserves

All retained gains and accumulated losses in this and prior periods are recognized in undistributed profit and loss.

Distributed profits (dividends) are recognized under liabilities when the Assembly of the Company adopts a decision on profit distribution.

3.16. Provisions, contingent assets and contingent liabilities

Provision for legal disputes, harmful contracts or other requirements towards the Company is recognized when for the Company's performance arise a legal or constructive obligation as a result of past events, when it is a certain outflow of economic benefits from the Company and when amounts of these outflows can be reliably estimated. Time or the exact amount of the outflow may still be uncertain.

Restructuring costs are recognized only when there is a detailed formal plan for the restructuring and the management has announced the main features of the plan to everyone a plan has influence to or the execution of the plan has already begun. Provisions are not recognized for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available on the date of adoption of the report, including the risks and uncertainties associated with the present obligation. For a number of similar obligations, the likelihood of outflow for settling is determined at the level of obligations class. Provisions are discounted to present value, in the event that the amount of discounting is materially significant.

Any remuneration in connection with the obligations for which it is certain that the Company will realize from third parties are recognized as a separate asset. However, this asset cannot be a larger amount than the related provision.

No obligation, that is, no provision is recognized if there is not a certain outflow of economic benefits arising from present obligations. Such situations are disclosed as a contingent liability, except in cases where the possibility of outflow is small.

3.17. Summary of significant accounting estimates

Presentation of financial statements requires the Company management to use the best possible estimates and reasonable assumptions that have effect to the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, as well as revenues and expenditures during the reporting period. These estimates and assumptions are based on information available at the date of the financial statements. Actual results may differ from estimated.

Shown below are the key assumptions concerning the future and other key sources of estimating uncertainty at the balance sheet date, which represent a significant risk for material adjustments to the balance sheet items in the following financial year.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.17. Summary of significant accounting estimates

3.17.1. Amortisation and amortisation rate

Calculation of amortization and amortization rates are based on projected economic useful life of property, plant and equipment. Once a year, the Company assesses the economic useful life based on current forecasts.

In addition, due to the significance of fixed assets in the total assets of the Company, any change in the aforementioned assumptions may lead to material effects on the financial position of the Company as well as the financial result. As an example, if the Company shorten the average useful life by 10%, this would result in additional amortization charges for the year ended on 30 September, 2016 for about RSD 64.303 thousand (year ended on 31 March 2015: RSD 76.788 thousand).

3.17.2. Correction of values of uncollectible receivables

We calculated value correction for receivables older than 60 days, based on the estimated losses due to customer inability to fulfil the obligations. Our estimate is based on the aging analysis of receivables, historical write-offs, credit worthiness of our customers and changes in the conditions of sale, in determining the adequacy of the value correction of doubtful and disputed receivables. This includes assumptions about future customer behaviour and the resulting future collections. Management believes that no additional value correction of receivables is necessary, with the exception of value correction already reported in the financial statements.

3.17.3. Litigations

Overall, provisions have largely been subject to estimates. The Company assesses the likelihood of adverse cases may occur as a result of past events and assesses the amount required to settle the obligation. Assessment of potential liabilities arising from legal disputes is carried out by internal expert services or external advisors.

Although the Company respects the precautionary principle when evaluating, considering that there is a large dose of uncertainty, in some cases actual results may differ from these estimates.

3.17.4. Fair value

The fair value for the purposes of disclosure under the requirements of IFRS 13 is defined as the price that would be received for the sale of assets, or paid to transfer obligations in a regular transaction between market participants on the measurement date.

Business policy of the Company is to disclose information about the fair (fair) value of assets and liabilities for which official market information exist and when fair value is materially different from the carrying value. In the Republic of Serbia there is no sufficient market experience, stability and liquidity for the purchase and sale of receivables and other financial assets or liabilities, given that published market information is not readily available. Hence, fair value can not be reliably determined in the absence of an active market. The Company's management assesses risk and when it estimates that the value of assets stated in its books may not be realized, it makes value corrections. In the opinion of the company management, the amounts in these financial statements reflect the value that is, in the circumstances, the most valid and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. The fair value is the price that would be charged or paid for the transfer of responsibilities in a regular transaction at the primary or most favorable market on the date of measurement, the current market conditions, and regardless of whether that price is directly observable or estimated using other valuation techniques.

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd.)

3.17. Summary of significant accounting estimates

3.17.4. Fair value (cont'd.)

Valuation techniques that are applied for measuring fair value, should make maximum use of relevant observable inputs and minimize the use of unobservable inputs.

To increase consistency and comparability in fair value measurements and related disclosures the fair value hierarchy shall be determined, which classifies into three levels inputs for valuation techniques that are used in determining the fair value according to the structure below:

Inputs Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities to which the entity has access at the date of weighing. Assumptions of level 1 inputs relate to the existence of the primary market for the asset or liability or, in the absence of the primary market, the most advantageous market for the asset or liability; and whether the entity can realize the transaction for the asset or liability based on market price at the date of measurement.

Inputs Level 2 - inputs that are not quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs that are not quoted prices, if they are visible for assets or liabilities and inputs supported by market.

Inputs Level 3 - unobservable inputs for the asset or liability that entity develops using the best information available in the circumstances. So, all reasonably available information about the market participants assumptions are considered. Unobservable inputs are considered market participant assumptions and meet the objective of fair value measurement.

4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES

Article 4 of the Rule book on the provision of ground handling services at airports - Official Gazette of RS No. 61/2015, stipulates that the airport operator and provider of ground handling services separate accounts (accounts) for the provision of ground handling services from the accounts for other activities, in accordance with applicable accounting standards. In the annual financial statements of the airport operator shall be visible absence of any related financial flows between provision of ground handling services and its activities as airport operator.

From 01.07.2016 started separate billing of ground handling services from other services of the airport operator, then determining attributable direct expenditures on the accounting documents of the airport operator and ground handling activities, as well as allocation of indirect expenditures on airport operators and ground handling activities on the basis of the adopted keys for allocation of indirect expenditures. Based on the above, the separation of business results of ground handling activities from airport operator's activities will in the future be made on the basis of recorded exact data on revenues and expenditures.

Separation of business operations, i.e. realized revenues and expenditures of the Airport for the period I-IX 2016, to business activities of the airport operator and the business activities of ground handling services was carried out on the basis of the adopted Amended Business Plan for 2016 by the Supervisory Board (Decision No.33 -179/1 dated 24.06.2016), that is on the basis of by plan adopted parameters for separation of ground handling services from the airport operator's activities and defined planned participation of related expenditures, and according to the Rule book on the provision of ground handling services at airports. Based on the above is compiled Income Sheet for the period I-IX 2016 in which financial results of the airport operator's activities and activities of ground handling services are shown separately, as follows:

4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES (cont'd.)

INCOME SHEET for AIRPORT OPERATOR and GROUND HANDLING						
for the period from 01.01.2016 to 30.09.2016						
- in thousand RSD -						
Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year		
				AIRPORT OPERATOR (01.01-30.09.2016)	GROUND HANDLING (01.01-30.09.2016)	Total AIRPORT (01.01-30.09.2016)
1	2	3	4	5	6	7(5+6)
	REVENUES OF REGULAR BUSINESS					
60 to 65, excep. 62 and 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		5,393,092	1,116,131	6,509,223
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	5	56,905	0	56,905
604	5. Revenues from sale of goods in domestic market	1007	5	1,575	0	1,575
605	6. Revenue from sale of goods in foreign market	1008	5	55,330	0	55,330
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	4,630,747	1,116,131	5,746,878
614	5. Revenues from sale of products and services in domestic market	1014	6	2,073,940	457,058	2,530,998
615	6. Revenues from sale of products and services in foreign market	1015	7	2,556,807	659,073	3,215,880
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		230	0	230
65	IV OTHER OPERATING REVENUES	1017	9	705,210	0	705,210
	EXPENDITURES OF REGULAR BUSINESS					
50 to 55, 62 and 63	B. OPERATING EXPENSITURES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028+ 1029) ≥ 0	1018		2,544,919	1,035,208	3,580,127
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	51,663	0	51,663
51 exp.513	V. COSTS OF MATERIAL	1023	11	92,735	36,386	129,121
513	VI. COSTS OF FUEL AND ENERGY	1024	12	139,971	47,278	187,249
52	VII. COSTS OF SALARIES, SALARY COMPENSAT. AND OTHER PERSONAL EXPENSES	1025	13	1,322,189	785,913	2,108,102
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	203,966	35,085	239,051
540	IX. AMORTIZATION COSTS	1027	15	531,470	111,562	643,032
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	16	8,679	121	8,800
55	XI. INTANGIVBLE COSTS	1029	17	194,246	18,863	213,109
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		2,848,173	80,923	2,929,096

4. SEPARATION OF REVENUE AND EXPENDITURE OF THE GROUND HANDLING ACTIVITY FROM THE REVENUE AND EXPENDITURE OF AIRPORT OPERATOR'S ACTIVITIES (cont'd.)

INCOME SHEET for AIRPORT OPERATOR and GROUND HANDLING						
for the period from 01.01.2016 to 30.09.2016						
- in thousand RSD -						
Group of accounts-account	POSITION	ADP	Note No.	Amount		
				Current year		
				AIRPORT OPERATOR (01.01-30.09.2016)	GROUND HANDLING (01.01-30.09.2016)	Total AIRPORT (01.01-30.09.2016)
1	2	3	4	5	6	7(5+6)
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		150,712	48	150,760
662	II. INCOME REVENUE (FROM THIRD PARTIES)	1038	18	76,650	0	76,650
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	19	74,062	48	74,110
56	DJ. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		72,649	0	72,649
562	II. INCOME EXPENDITURES (TOWARD THIRD PARTIES)	1046	20	31,086	0	31,086
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	21	41,563	0	41,563
	E. PROFIT FROM FINANCING (1032 – 1040)	1048		78,063	48	78,111
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1050	22	384	0	384
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT AND LOSS	1051	23	200,317	3,809	204,126
67 and 68, except. 683 and 685	J. OTHER REVENUES	1052	24	41,406	1,324	42,730
57 and 58, except. 583 and 585	K. OTHER EXPENDITURES	1053	25	21,607	1,577	23,184
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054	26	2,746,102	76,909	2,823,011
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	2,746,102	76,909	2,823,011
	P. INCOME TAX					
721	I. INCOME TAX EXPENDITURE	1060	26	282,563	11,536	294,099
part of 722	II. DEFERRED TAX EXPENDITURE	1061		174,698	0	174,698
part of 722	III. DEFERRED INCOME TAX	1062	26	0		
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	27	2,288,841	65,373	2,354,214
6	TOTAL REVENUES (1001+1032+1050+1052)			5,585,594	1,117,503	6,703,097
5	TOTAL EXPENDITURES (1018+1040+1051+1053)			2,839,492	1,040,594	3,880,086

5. REVENUES FROM SALE OF GOODS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Revenues from sale of beverages in catering facilities	708	548
Revenues from sale of fuel on domestic market	867	765
Revenues from sale of goods on domestic market	1,575	1,313
Revenues from sale of goods- kerosene (reexport)	55,330	72,030
Revenues from sale of fuel on foreign market	0	19
Revenues from sale of goods on foreign market	55,330	72,049
Total revenues from sale of goods	56,905	73,362

6. REVENUES FROM THE SALE OF SERVICES of the Airport in domestic and foreign markets in the period I-IX 2016 were separated on revenues from services provided by the airport operator's activities and revenues made by the activity of ground handling services on the basis of real income and by the plan adopted parameters for the separation of ground handling services from the airport operator's activities, as shown in the following table:

6. REVENUES FROM SALE OF SERVICES IN FOREIGN MARKET WITH REVENUES OF GROUND HANDLING SERVICES	I-IX 2016					I-IX 2015			
	Revenues of Airport Operator	Revenues of Ground Handling	Total revenues of Airport (w/o for.buyer branches)	Revenues from for. buyer branches	Revenues without foreign buyer branches	Total revenues of Airport (with for.buyer branches)	Revenues from for. buyer branches	Revenues without foreign buyer branches	
	1	2	3	4 (2+3)	5	6 (4-5)	7	8	9(7-8)
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
Passenger service*	1,034,025	45,224	1,079,249	77,947	1,001,302	950,418	72,672	877,746	
Security fee	372,038	0	372,038	15,463	356,575	355,818	14,813	341,005	
Landing	173,107	0	173,107	28,884	144,223	166,699	25,287	141,412	
Aircraft handling *	-	193,847	193,847	37,828	156,019	186,374	36,346	150,028	
Infrastructure	107,787	0	107,787	21,829	85,958	103,387	20,554	82,833	
Air-bridges*	7,102	789	7,891	7,891	0	6,571	6,571	0	
Lighting	46,345	0	46,345	751	45,594	44,629	755	43,874	
Aircraft abode tax	3,319	0	3,319	-	3,319	3,546	32	3,514	
Aircraft de-icing services*	0	31,908	31,908	2,068	29,840	27,957	870	27,087	
Commercial use of apron	44,633	0	44,633	-	44,633	47,913	-	47,913	
Usage of the CUTE system	64,289	0	64,289	3,882	60,407	61,022	3,756	57,266	
Service on special request *	15,718	74,108	89,826	605	89,221	84,341	658	83,683	
Renting of advertisement space	46,374	0	46,374	-	46,374	31,670	-	31,670	
Public services	114,999	0	114,999	654	114,345	119,465	875	118,590	
Cargo-custom services*	0	108,604	108,604	507	108,097	94,927	297	94,630	
DCS services*	0	0	-	-	-	-	-	-	
Lost and found services *	0	806	806	806	0	828	828	-	
Use of parking lots	37,601	0	37,601	450	37,151	30,877	171	30,706	
Other services *	6,603	1,772	8,375	486	7,889	9,592	333	9,259	
I Total services in foreign market	2,073,940	457,058	2,530,998	200,051	2,330,947	2,326,034	184,818	2,141,216	

Revenue from services realized by foreign companies that were registered in the Republic of Serbia as a "branch", are recorded in the books as income from domestic customers. Since the physical scope of services of specified branches is recorded in the Company as a physical volume of services of foreign companies, said revenue in Note 6 and 7, are shown in the way they are recorded in accounting, and also in a separate column as revenues from sales of goods and services from registered branches, for insight in the amount and participation of these revenues, which are recorded as revenues generated in the domestic market, but the essence is that the origin of these revenues is the foreign market.

7. REVENUES FROM SALE OF SERVICES IN FOREIGN MARKET WITH REVENUES OF GROUND HANDLING SERVICES	I-IX 2016					I-IX 2015			
	Revenues of Airport Operator	Revenues of Ground Handling	Total revenues of Airport (w/o for.buyer branches)	Revenues from for. buyer branches	Revenues with foreign buyer branches	Total revenues of Airport (w/o for.buyer branches)	Revenues from for. buyer branches	Revenues with foreign buyer branches	
	1	2	3	4 (2+3)	5	6 (4-5)	7	8	9(7-8)
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
Passenger service*	1,201,744	39,120	1,240,864	77,947	1,318,811	1,181,151	72,672	1,253,823	
Security fee	265,347	0	265,347	15,463	280,810	261,780	14,813	276,593	
Landing	487,048	0	487,048	28,884	515,932	476,073	25,287	501,360	
Aircraft handling *	0	514,024	514,024	37,828	551,852	554,446	36,346	590,792	
Infrastructure	320,573	0	320,573	21,829	342,402	320,064	20,554	340,618	
Air-bridges*	129,262	14,364	143,626	7,891	151,517	141,136	6,571	147,707	
Lighting	49,983	0	49,983	751	50,734	50,489	755	51,244	
Aircraft abode tax	20,488	0	20,488	-	20,488	20,618	32	20,650	
Aircraft de-icing services*	0	26,469	26,469	2,068	28,537	19,481	870	20,351	
Usage of the CUTE system	67,508	0	67,508	3,882	71,390	66,606	3,756	70,362	
Service on special request *	2,002	19,881	21,883	605	22,488	23,281	658	23,939	
Renting of advertisement space	1,115	0	1,115	-	1,115	0	0	0	
Public services	5,160	0	5,160	654	5,814	929	875	1,804	
Cargo-custom services*	0	9,168	9,168	507	9,675	10,306	297	10,603	
Consulting services	0	0	0	-	-	12,096	0	12,096	
DCS services*	0	18,359	18,359	-	18,359	24,021	0	24,021	
Lost and found services *	0	12,969	12,969	806	13,775	14,975	828	15,803	
Other services *	6,577	4,719	11,296	936	12,232	12,488	504	12,992	
II Total services in foreign market	2,556,807	659,073	3,215,880	200,051	3,415,931	3,189,940	184,818	3,374,758	
III Total revenues from the sale of products and services (I+II)	4,630,747	1,116,131	5,746,878		5,746,878	5,515,974		5,515,974	

8. REVENUES FROM SALE OF SERVICES PER GEOGRAPH. REGION	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Serbia without branches	2,330,947	2,141,216
Germany (Lufthansa+Germanwings+European+Air Berlin)	471,942	461,855
Montenegro (Montenegro +other buyers MN)	417,038	407,320
Austria (Austrian Airlines branch +Niki)	199,651	183,803
Switzerland (Swiss Air)	261,675	276,987
Russia (Aeroflot)	261,111	252,948
Turkey (Turkish +Pegasus+Mondial+Corendon Airlines+OnurAir+Freebird+Atlas Jet)	356,165	402,588
Iran (Iran Air)	3,003	7,613
Italy (Al Italia)	118,012	118,709
Abu Dhabi (Etihad Air branch +Etihad Airways)	118,024	110,833
Hungary (Wiz air)	481,252	489,250
Romania (Tarom)	36,408	29,006
Tunisia (Tunis Air)	27,794	29,147
Greece (Aegean)	102,322	78,184
England (Easyjet)	53,980	69,062
Norway (Norwegian)	81,460	61,325
Polland (Polskie linie+LOT)	56,204	33,443
Dubai (Fly Dubai)	63,971	54,495
Qatar (Qatar Airways)	75,019	67,926
Spain (Swift Air + Vueling)	56,941	54,659
Other foreign buyers	173,959	185,605
	5,746,878	5,515,974

9. OTHER BUSINESS REVENUES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Revenues from lease to domestic legal persons	700,026	625,492
Revenues from lease to foreign legal persons	5,184	12,091
	705,210	637,583

10. PURCHASE VALUE OF SOLD GOODS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Purchase value of sold retail goods	574	379
Purchase value of sold kerosene - re-export	51,089	67,549
	51,663	67,928

11. COSTS OF MATERIAL	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Costs of production material (basic materials, tools and inventory, working and official clothing and footwear)	77,626	43,204
Overhead costs of material (office material)	8,534	11,832
Costs of spare parts	29,354	16,235
Costs of tools and inventory	13,607	18,395
	129,121	89,666

12. COSTS OF FUEL AND ENERGY	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Costs of gasoline and diesel fuel	45,580	48,200
Costs of oil fuel for heating	11,289	22,364
Costs of electric energy	130,380	131,401
	187,249	201,965

13. COSTS OF SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Gross salaries and salary reimbursements - employees	1,201,118	973,923
Gross salaries and salary reimburs. - management	22,216	23,286
Taxes and contributions at the cost of employer	218,977	178,501
Costs of reimburs. Per service contract and royalties	319	85
Costs of reimbursement for youth organizations etc.	413,693	407,835
Costs of reimburs.for members of SB,SA, rev.committee	6,109	6,202
Transport of employees	48,052	41,356
Costs of business trip	4,056	7,005
Terminal wages and jubilee bonuses	802	630
Difference for payment to the budget of RS, based on the Law on the reduction of public sector wages	109,984	94,127
Premiums for voluntary pension insurance	63,790	-
Solidarity allowance (newborns, treatment, natural disasters etc.)	11,543	6,231
Compensation on Contracts for professional development	5,615	1,493
Other personal expenditures	1,828	-
	2,108,102	1,740,674

14. COSTS OF PRODUCTION SERVICES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Costs of engagement of employees through OZB for:		
- aircraft ground handling	-	25,232
-guarding etc.	-	23,559
IT services on passenger and baggage check-in	36,481	50,488
Costs of phone and other PTT services	19,033	17,097
Costs of maintenance services	94,750	101,945
Lease costs	30,127	25,496
Advertising costs	28,482	1,160
Costs of catering services of tenants-(re-invoiced to airlines)	1,204	1,708
Costs of utilities	22,966	20,954
Costs of other production services	6,008	5,050
	239,051	272,689

15. AMORTIZATION COSTS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Amortization costs for intangible assets	16,579	12,602
Amortization costs for property	325,698	308,184
Amortization costs for equipment	300,755	251,419
	643,032	572,205

16. COSTS OF LONG-TERM RESERVING	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Costs of reserving for litigations	8,800	8,000
	8,800	8,000

17. INTANGIBLE COSTS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Costs of occupational health Air Serbia	7,932	7,051
Costs of cleaning services	38,485	37,482
Costs of engagement of OZB employees for:		
-technical support maintenance	-	4,505
-administration jobs (economic and legal)	-	17,294
Costs of other non-production services	58,032	36,295
Costs of representation	2,954	3,916
Costs of insurance	16,166	17,850
Costs of payment system	4,037	4,130
Membership	7,739	5,811
Property tax and other reimbursements	59,895	60,155
Other intangible costs	17,869	10,987
	213,109	205,476

18. INTEREST INCOME	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Interest in term deposits in RSD	26,015	65,148
Interest for RSD deposits in current accounts	2,473	24,557
Interest in term deposits in foreign currency	39,357	35,567
Interest for foreign currency in current accounts	3,996	7,735
Interest on housing loans	688	865
Камате по судским решењима	4,121	512
Interest on court decisions	76,650	134,384

The decline in interest revenues on dinar assets was a result of declining state of the amount of time and "a vista" local currency funds in reported current period compared to the same period previous year, as well as a significant drop in interest rates in both time and 'a vista' funds.

19. POSITIVE EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Revenues from realized exchange rate differences	58,348	79,674
Revenues from non-realized exchange rate differences	13,057	9,827
Revenues from effects of contracted currency clause (realized)	64	168
Revenues from effects of contracted currency clause (non-realized)	2,641	-
	74,110	89,669

20. INTEREST EXPENDITURES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Interest for long-term EIB loan	29,197	31,877
Default interest in the country	168	368
Interest for untimely paid public revenues	1,721	2,815
	31,086	35,060

21. NEGATIVE EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Negative exchange rate differences-realized	29,862	61,271
Negative exchange rate differences- non-realized	11,681	29,181
Expenditures from effects of contr. currency clause-realized	20	529
Expenditures from effects of contr. currency clause-non-realized	-	1,991
	41,563	92,972

22. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Value adjustment of receivables:		
- from natural persons for housing loans (cancellation of impairment on collection basis)	384	9,557
	384	9,557

23. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Impairment of receivables from housing loans	-	-
Value adjustment of receivables from buyers	204,126	2,074,444
	204,126	2,074,444

24. OTHER REVENUES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Revenues from sale of equipment and materials	207	898
Revenues of collected, corrected receivables from buyers	223	1,912,924
Revenues from cancel.of reser.for litigations and emp.benefits	32,573	289
Revenues from indemnity from legal and natural persons	8,186	2,242
Revenues from charged court costs	225	362
Revenues of previous years	1,071	1,599
Positive effects of contracted revaluation	19	2
Other non-mentioned revenues	226	74
	42,730	1,918,390

Revenue realized in the period I-IX 2016, on the position "other revenues" in the amount of RSD 42,730 thousand is significantly lower compared to realized other revenues in the previous year (RSD 1,918,390 thousand), which in the largest part is a result of payment of the second and last debt instalment, that Public Debt Administration of the Republic of Serbia has taken over, for corrected and uncollected receivables from 2012 and 2013. As above receivables are fully settled on 31.03.2015 and in the balance of receivables from buyers on 31.12.2015 there is no more significant amount of outstanding corrected receivables (Note 64 – credit risk), in business operations of 2016 there is no longer expected significant level of realized revenues on the position "other revenues". Stated revenue was extraordinary, and one-time revenue in 2015, due to which, in order to perceive reality and comparability of operations results should be excluded from 2015, when analyzing the Company's business operation in the period I-IX 2016, compared to the period I-IX 2015.

25. OTHER EXPENDITURES	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Loss from sale and write-off of equipment	688	81
Loss from sale and write-off of biological resources	15	5
Losses from direct write-offs	-	211
Litigation expenses	202	946
Costs fro humanitarian, health and scientific purposes	11,835	9,439
Expenditures of previous years	582	7,571
Other non-mentioned expenditures	5,362	953
Expenditures for trade unions	4,500	4,150
	23,184	23,356

26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES

a) Components of profit tax	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Period tax expenditure	294,099	379,038
Correction of period tax expenditure	-	-
Period tax expenditure after correction	294,099	379,038
Deferred period tax expenditure	174,698	37,857
Deferred period tax revenue	-	-
Correction of period deferred tax revenue	-	-
	468,797	416,895
Effective tax rate	28.89%	16.71%

b) Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate	I-IX 2016	I-IX 2015
	in 000 RSD	in 000 RSD
Profit before tax	2,823,011	2,994,484
Profit tax calculated at rate of 15%	423,451	449,172
Tax effect of expenditures not acknowledged in tax balance	15,503	116,557
Correction in tax effects of amortization expenditure not acknowledged in tax balance	-	-
Tax credit for investment in fixed assets of the previous years	(144,855)	(186,691)
Correction of using tax credits from previous years	-	-
Period tax expenditure	294,099	379,038

v) Achieved, unused and unrecognized tax credit (TC)					in 000 RSD	
	Year of expiry	Amount of transferred TC	Correction of TC	Used TC	Outstanding TC for transfer	
Year of origination of tax credit		from 2015		in 2016	30.09.2016	
2012	2022	32,304	0	32,304	-	
2013	2023	184,137	0	112,551	71,586	
Balance of tax credit (TC)		216,441	0	144,855	71,586	

26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES (Cont'd.)

Changes on account of deferred tax liabilities and deferred tax assets as of 31.03.2016 and as of 31.12.2015 are shown in the following table:

in 000 RSD

<i>g) Deferred tax assets (deferred tax liabilities) 2015</i>	01.01.2015	Recognized in other gains & losses 2015	Recognized in income sheet 2015	31.12.2015
Long-term assets				
Intangible assets, property, plant, equipment and investment property	(276,056)	-	8,981	(267,075)
Long-term liabilities				
Provision for compensations and other employee benefits	7,039	(1,343)	10,840	16,536
Provision for litigations	-	-	17,312	17,312
Short-term liabilities				
Taxes, contributions and other levies	665	-	(479)	186
Other				
Unused tax losses	-	-	-	-
Unused tax credits	237,201	-	(92,468)	144,733
	(31,151)	(1,343)	(55,814)	(88,308)

<i>g) Deferred tax assets (deferred tax liabilities) 2016</i>	01.01.2016	Recognized in other gains & losses I-VI 2016	Recognized in income sheet I-VI 2016	30.06.2016
Long-term assets				
Intangible assets, property, plant, equipment and investment property	(267,075)	-	12,713	(254,362)
Long-term liabilities				
Provision for compensations and other employee benefits	16,536	-	(194)	16,342
Provision for litigations	17,312	-	(4,855)	12,457
Short-term liabilities				
Taxes, contributions and other levies	186	-	4	190
Other				
Unused tax losses	-	-	-	-
Unused tax credits	144,733	-	(84,497)	60,236
	(88,308)	-	(76,829)	(165,137)

26. PROFIT TAX AND DEFERRED PERIOD TAX REVENUES AND EXPENDITURES (Cont'd.)

Balance of recognized deferred tax assets as of 30.09.2016 amounts to RSD 90,081 thousand, of which RSD 60,237 thousand relates to the recognition of the remaining planned amount of the use of transferred tax credit in 2016. Other recognized deferred tax assets as of 30.09.2016 is done based on the applicable corporate income tax rate of 15% on the balance of the provisions for retirement provisions for jubilee benefits, provisions for litigation and on the balance of unpaid public revenues, as the same relate to temporary differences that will be recognized in tax period in which the same are paid. The balance of recognized deferred tax liabilities as of 30.09.2016 amounts to RSD 353,087 thousand.

After application of the requirements of IAS 12 that is offsetting of deferred tax assets and deferred tax liabilities on the balancing date, the balance of deferred tax liabilities as of 30.09.2016 amounts to RSD 263,006 thousand (31.12.2015 RSD 88,308 thousand).

Effects from changes in deferred tax assets and liabilities in relation to the initial balance, in the amount of RSD 174,698 thousand, are recognized at the expense of the period deferred tax expenditures.

27. PROFIT PER SHARE	I-VI 2016	I-VI 2015
	in 000 RSD	in 000 RSD
Net profit for owners	2,354,214	2,577,589
Net profit correction	-	-
Net profit after correction	2,354,214	2,577,589
Average weighted number of shares	34,289,350	34,289,350
Basic earnings per share <u>in RSD</u>	68.66	75.17

28. INTANGIBLE ASSETS

in 000 RSD

DESCRIPTION	30.09.2016	31.12.2015
Purchaser value		
Initial balance	102,871	35,289
Procurements during the year	8,196	67,582
Alienation, removal from inventory and sale	-	-
Final balance	111,067	102,871
Value correction		
Initial balance	22,348	9,366
Amortization in the current year	16,579	12,982
Alienation, removal from inventory and sale	-	-
Final balance	38,927	22,348
Net present value	72,140	80,523

Total investment into intangible assets in the amount of RSD 8,196 thousand refers to procurement of application software for designing and project development.

29. PROPERTY, PLANT AND EQUIPMENT											in 000 RSD
DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total-property, plants and equipment	Biological resources - livestock		
Purchase value											
Initial balance, 01.01.2015	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165		
Initial balance correction based on estimate	-										
Balance on 01.01.2015 after correction	9,120,668	10,102,565	2,320,426	21,467	3,619	5,768	31,265	21,605,778	165		
Purchaser during the year	-	-	495,154	-	-	693,953	-	693,953	-		
Transfer from current investments	-	184,331	(2,978)	-	-	(679,485)	-	-	-		
Alienation, disbursement and sale	-	(42)		-	-			(3,020)	(5)		
Other	-			-	-		1,782	1,782			
Assets fair value estimation											
Revaluation revenues	-	-	-	4,606	-	-	-	4,606	-		
Revaluation expenditures	-	-	-	-	-	-	-	-	(40)		
Final balance, 31.12.2015	9,120,668	10,286,854	2,812,602	26,073	3,619	20,236	33,047	22,303,099	120		
Value correction											
Initial balance, 01.01.2015	-392	-	4,268	-	-	-	15,812	20,080	-		
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-		
Balance on 01.01.2015 after correction	-	-	4,268	-	-	-	15,812	20,080	-		
Amortization in the current year	-	428,134	326,762	-	-	-	-	754,896	-		
Alienation, disbursement and sale	-	(25)	(956)	-	-	-	-	(981)	-		
Final balance, 31.12.2015	-	428,109	330,074	-	-	-	15,812	773,995	-		
Net current value, 31.12.2015	9,120,668	9,858,745	2,482,528	26,073	3,619	20,236	17,235	21,529,104	120		
Net current value, 31.12.2014	9,120,668	10,102,565	2,316,158	21,467	3,619	5,768	15,453	21,585,698	165		

Total investments in the period I-IX 2015 amount to RSD 693,953 thousand. In reported period RSD 679,485 thousand is activated, of which for equipment RSD 495,154 thousand (De/anti-icing vehicles in the amount of RSD 129,800 thousand, one bus RSD 30,424 thousand, electric tractors in the amount of RSD 12,338 thousand, equipment for aircraft removal RSD 17,343 thousand, perimeter protection system in the amount of RSD 82,290 thousand, x-ray device in the amount of RSD 11,316 thousand, liquid explosive detectors in the amount of RSD 9,990 thousand, GPUs in the amount of RSD 13,450 thousand, computer equipment in the amount of RSD 72,995 thousand and other equipment in the amount of RSD 26,494 thousand, increase of the value of 5 air-bridges in the amount of RSD 46,626 thousand, increase of the value of airfield lighting system in the amount of RSD 25,550 thousand, increase of the value of fire alarm system RSD 8,634 thousand, increase of the value of telephone switchboard in the amount of RSD 6,904 thousand), while to construction facilities refer RSD 184,331 thousand (increase of the value of buildings of Terminal 1 and Terminal 2 by RSD 101,178 thousand, runway and apron by RSD 27,562 thousand and activation of D security check-in point in the amount of RSD 55,591 thousand). Balance of the investments in progress as of 31.12.2015 amounts to RSD 20,236 thousand (balance on 31.12.2014 was RSD 5,768 thousand)

29. PROPERTY, PLANT AND EQUIPMENT	in 000 RSD									
	DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Investments in progress	Advances	Total-property, plants and equipment	Biological resources - livestock
Purchase value										
Initial balance, 01.01.2016	9,120,668	10,286,854	2,812,602	26,073	3,619	20,236	33,047	22,303,099	120	
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-	
Balance on 01.01.2016 after correction	9,120,668	10,286,854	2,812,602	26,073	3,619	20,236	33,047	22,303,099	120	
Purchaser during the year	-	-	-	-	-	1,016,018	-	1,016,018	-	
Transfer from current investments	16,852	107,147	575,814	-	-	(699,813)	-	-	-	
Alienation, disbursement and sale	-	-	(3,648)	-	-	-	-	(3,648)	(15)	
Other	-	-	-	-	-	-	76,858	76,858	-	
Assets fair value estimation										
Revaluation revenues	-	-	-	-	-	-	-	-	-	
Revaluation expenditures	-	-	-	-	-	-	-	-	-	
Final balance, 30.09.2016	9,137,520	10,394,001	3,384,768	26,073	3,619	336,441	109,905	23,392,327	105	
Value correction										
Initial balance, 01.01.2016	-	428,109	330,074	-	-	-	15,812	773,995	-	
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-	
Balance on 01.01.2016 after correction	-	428,109	330,074	-	-	-	15,812	773,995	-	
Amortization in the current year	-	325,698	300,755	-	-	-	-	626,453	-	
Alienation, disbursement and sale	-	-	(2,353)	-	-	-	-	(2,353)	-	
Final balance, 30.09.2016	-	753,807	628,476	-	-	-	15,812	1,398,095	-	
Net current value, 30.09.2016	9,137,520	9,640,194	2,756,292	26,073	3,619	336,441	94,093	21,994,232	105	
Net current value, 01.01.2016	9,120,668	9,858,745	2,482,528	26,073	3,619	20,236	17,235	21,529,104	120	

Total investments in the period I-IX 2016 amounted to RSD 1,016,018 thousand. In the reported period is activated RSD 699,813 thousand of which relates to equipment RSD 575,814 thousand (X-ray machines RSD 167,930 thousand; computer equipment RSD 143,314 thousand; explosive trace detectors RSD 86,056 thousand; bus RSD 35,770 thousand; belt loaders RSD 26,568 thousand; cameras RSD 22,953 thousand; apron dollies RSD 15,369 thousand; Mobile aircraft air-conditioning unit RSD 13,300 thousand; elevators RSD 12,953 thousand aircraft toilet service unit RSD 10,455 thousand and other equipment RSD 41,146 thousand), increase of the value of buildings in the amount of RSD 107,147 thousand (adaptation of the connecting part T1 and T2 RSD 61,254 thousand, part of the chain-link fence RSD 39,625 thousand and other activation on construction buildings in the amount of RSD 6,268 thousand) and land in the amount of RSD 16,852 thousand.

Balance of investments in progress as of 30.09.2016 amounts to RSD 336,441 thousand, of which to inactivated equipment relates RSD 83,793 thousand (RSD 69,841 thousand for parking lot position ramps and RSD 13,952 thousand for other inactivated equipment). Inactivated works on construction facilities amount to RSD 252,648 thousand (RSD 117,837 thousand for aircraft de/anti-icing pad, RSD 37,335 thousand for field lighting system upgrade; RSD 31,368 thousand for renovation of custom warehouse; RSD 23,321 thousand for road between A and B apron, RSD 21,040 thousand for rehabilitation of concrete gutters on aprons C1 to C6; and RSD 21,747 thousand for other inactivated works on construction facilities). Balance of the investments in progress as of 31.12.2015 amounts to RSD 20,236 thousand.

30. PARTICIPATION IN CAPITAL OF OTHER LEGAL ENTITIES AND OTHER SECURITIES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Privredna banka a.d. Beograd	392	392
<i>Minus: value correc.of partic.in capital of banks in bankruptcy</i>	<i>(392)</i>	<i>(392)</i>
	-	-
<i>Participation in capital of banks in liquidation</i>		
Union banka a.d. Beograd- in liquidation	667	667
Beogradska banka a.d. Beograd- in liquidation	18,988	18,988
Beobanka a.d. Beograd- in liquidation	38	38
	19,693	19,693
<i>Minus: value correc.of partic.in capital of banks in liquidation</i>	<i>(19,693)</i>	<i>(19,693)</i>
	-	-
<i>Participation in capital of foreign legal entities</i>		
Mondial Bodrum - Turkey	358,598	358,598
Societe International de Telecom. Aeronautiques Swisse (SITA)	1	1
<i>Minus: value corr.of particip. in capital of Mondial Bodrum-Turkey</i>	<i>(358,598)</i>	<i>(358,598)</i>
	1	1
	1	1

31. OTHER LONG-TERM FINANCIAL INVESTMENTS	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	6,085	6,161
Long-term time deposits	-	-
Long-term loans to employees	291,963	296,817
Receivables for sold socially owned housing	1,167	1,201
Receivables for purchase of solidarity housing	2,200	2,686
Total gross	301,415	306,865
Current maturities of long-term investments in Societe International de Telecommunications Aeronautiques Swisse (SITA)	(606)	(614)
Current maturities of long-term loans to employees	(7,783)	(15,595)
Adjustment to fair value of long-term loans to employees	(169,677)	(169,778)
	123,349	120,878

Receivables from employees for long-term loans for purchase and tenant purchaser of apartments as of 30.09.2016 amount to RSD 295,330 thousand (including current maturities in the amount of RSD 7,783 thousand). Effects of adjustment to fair value amount to total of RSD 169,936 thousand (RSD 169,677 thousand for the part of long-term receivables from employees and RSD 259 thousand for the part referring to current maturities of long-term receivables). The aforementioned relates to loans to employees for meeting the housing needs granted for a period of 20-40 years. The estimate of the fair value of housing loans as of 31.12.2015 is performed by the Institute for Economic Research Belgrade, by projection of future cash flows from collection of receivables for housing loans using discount rates (built-up method): from 7.5% to 20% depending on whether and in what intervals housing Loans are revalued or contracted with currency clause, whether they have contracted interest rate or are contracted without interest rate.

32. MATERIAL, SPARE PARTS, TOOLS AND SUPPLIES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Basic material	62,862	62,052
Spare parts	17,869	17,738
Tools and supplies	6,734	15,092
Value correction of material and spare parts stock	(62)	(62)
	87,403	94,820

33. GOODS	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Goods in warehouse-kerosene	4,375	12,236
Goods in retail trade	58	65
	4,433	12,301

34. ADVANCES FOR SUPPLIES AND SERVICES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Advances for services in the country	22,644	34,627
Advances for foreign services	1,225	644
Advance value correction	(1,120)	(1,120)
	22,749	34,151

35. BUYERS IN THE COUNTRY	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Total balance of receivables from buyers in the country-gross	910,782	1,228,157
-Value correction of the previous period	(158,890)	(129,497)
-Value correction of the current period	(200,733)	(29,393)
Total balance of value correction	(359,623)	(158,890)
	551,159	1,069,267

Receivables from the buyers in the country on 30.09.2016 in the amount of RSD 910,782 thousand of which to undue receivables refer RSD 473,166 thousand, due receivables up to 30 days RSD 23,226 thousand and due receivables over 30 days RSD 414,390 thousand.

Total value correction of receivables from buyers in the country in the amount of RSD 359,623 thousand mainly relates to impairment of receivables from sued buyers in the amount of RSD 244,288 thousand and other domestic buyers RSD 115,335 thousand.

36. BUYERS ABROAD	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Total balance of receivables from foreign buyers - gross	852,919	657,300
-Value correction of the previous period	(24,658)	(14,373)
-Value correction of the current period	(427)	(10,255)
Total balance of value correction	(25,085)	(24,628)
	827,834	632,672

Receivables from foreign buyers on 30.09.2016 amounted to RSD 852,919 thousand (undue RSD 425,838 thousand, due up to 30 days RSD 165,574 thousand and due over 30 days RSD 261,507 thousand). Total value correction of receivables from foreign buyers in the amount of RSD 25,085 thousand refer to value correction of receivables from sued buyers in the amount of RSD 6,512 thousand and other foreign buyers RSD 18,573 thousand.

37. OTHER RECEIVABLES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Receivables from buyers in the contry for default interest	4,356	3,538
Receivables for interest on term deposits	42,012	53,939
Receivables from employees	2,831	1,398
Other receivables	39,143	35,507
Receivables for overpaid income tax	223,148	-
Total receivables- gross	311,490	94,382
-Value corr.from buyers for default interest of previous years	(467)	(467)
-Value corr.from buyers for default interest of the current year	(2,966)	-
-Value corr.from employees of the earlier peiod	(832)	(788)
Value corr.from employees of the current period	-	(44)
-Value corr.of other receivables	(2,452)	(2,452)
Total balance of value correction	(6,717)	(3,751)
	304,773	90,631

38. SHORT-TERM CREDITS AND LOANS IN THE COUNTRY	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Short-term loans to employees (wint. stores, heat. means - 6 months)	41,501	77,841
	41,501	77,841

39. OTHER SHORT-TERM FINANCIAL INVESTMENTS	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Short-term time deposits	3,883,685	3,783,133
Current maturities of loans given to employees	7,783	15,595
Curr.maturities of long-term investments in Societe International de Telecomm.Aeronautiques Swisse (SITA)	606	614
	3,892,074	3,799,342
Adjustment to fair value of loans given to employees	(259)	(543)
	3,891,815	3,798,799

Short-term time deposits with balance on 30.09.2016 are disclosed in the amount of RSD 3,883,685 thousand, and relate to foreign currency and dinar deposits, for the period of six months.

40. CHANGES ON VALUE CORRECTION till 30.09.2016							in 000 RSD
Description of change on value correction	Long-term financial investments (Note 31)	Stock of material and spare parts (Note 32)	Advances for material and services (Note 34)	Receivables from buyers for goods, services and default interest (Notes 35,36,37)	Short-term financial investments (Note 39)	Total	
Initial balance 01.01.2015	210,168	62	1,079	2,654,123	647	2,866,079	
Correction at cost of current period	-	-	41	39,692	-	39,733	
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	
Charged corrected receivables	(9,249)	-	-	(1,946,330)	(512)	(1,956,091)	
Value reconciliation	(31,141)	-	-	(38,688)	408	(69,421)	
Write-off	-	-	-	(521,960)	-	(521,960)	
Exchange rate differences	-	-	-	432	-	432	
Other	-	-	-	-	-	-	
Final balance 31.12.2015	169,778	62	1,120	187,269	543	358,772	
Correcton at cost of current period	-	-	-	204,126	-	204,126	
Devaluation of long-term finan.invest.and securities	-	-	-	-	-	-	
Charged corrected receivables	(101)	-	-	(223)	(284)	(608)	
Value reconciliatoin	-	-	-	-	-	-	
Write-off	-	-	-	-	-	-	
Exchange rate differences	-	-	-	253	-	253	
Other	-	-	-	-	-	-	
Final balance 30.09.2016	169,677	62	1,120	391,425	259	562,543	

41. CASH AND CASH EQUIVALENTS	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Current account - in RSD	269,873	46,539
Current account - in foreign currency	979,241	652,584
Treasury	39	890
Other funds	2,549	4,114
Total cash- balance	1,251,702	704,127

42. PREPAYMENTS AND ACCRUED INCOME	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Prepaid VAT + overpaid VAT	1,658	5,054
Prepaid insurance costs for the future period	11,814	8,836
Prepaid other costs for the future period	31,689	5,939
Calculated and non-invoiced income for the current period	0	6,461
Pre-calculated costs	1,637	96
	46,798	26,386

43. CAPITAL	30.06.2016	31.12.2015
	in 000 RSD	in 000 RSD
Share capital	20,573,610	20,573,610
Reserves	4,120,259	2,842,810
Revaluation reserves	147,998	148,390
Actuarial gains	12,788	12,788
Undistributed profit of earlier years	165	144,356
Undistributed profit of the current year	2,354,214	1,976,030
	27,209,034	25,697,984

44. SHARE CAPITAL

On the basis of the Law on amendments and supplements to the Law on right to free shares and financial compensation realized by the citizens in the privatization process, the Company was obliged to carry out a change of legal form until 30 September 2010 and disclose its capital in shares of a certain nominal value of the based on the adjusted book value of equity. In 2010, on the basis of Resolution of the Government of the Republic of Serbia No.023-448/2010-1, recommendations were made to the Company, to make a selection of the best consultant who will assess the market value of equity and provide assistance in preparing and carrying out the legal changes of the form from a public company into a stock company.

The Government of the Republic of Serbia on 17 June 2010 adopted the Decision No.023-4432/2010 on the legal form of the Company from a public company into a closed joint stock company.

The change is registered at the Business Registers Agency by Decision No. BD 68460/2010 dated 22 June 2010, subscribing capital in total amount of EUR 214,556,965, which on the date of entry was RSD 20,573,610 thousand.

44. SHARE CAPITAL (cont'd.)

In the Central Securities Depository, on 7 July 2010, was registered 34,289,350 shares with a nominal value of RSD 600 per share, which were on 31.12.2010 in the property of the Republic of Serbia.

In accordance with the Law on right to free shares and financial compensation realized by the citizens in the privatization procedure ("Official Gazette" no. 123/07 and 30/10) on 09 December 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103/2010-1, right to transfer 16.85% of the Company ownership acquired citizens of the Republic of Serbia, employees and ex-employees of the Company.

On 21 January 2011, the Company's Assembly adopted the Decision No. 21-2/1 on the conversion of the Company from closed into open joint stock company. The change was registered at the Business Registers Agency by Decision No. BD 765/2011 dated 24 January 2011.

The capital structure after the transfer of ownership of the data from the Central Securities Depository and Clearing House on 25 January 2011, was as follows:

<i>Share capital 25.01.2011 (transition to open joint-stock company)</i>	Value in 000 RSD	Number of shares	% of particip.
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and ex-employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
	20,573,610	34,289,350	100.00%

The capital structure on 30.09.2016 and 31.12.2015 was the following:

Shareholder	30.09.2016			31.12.2015		
	Value in thousand RSD	Number of shares	% particip.	Value in thousand RSD	Number of shares	% particip.
Republic of Serbia	17,106,320	28,510,533	83.15%	17,106,319	28,510,532	83.15%
Domestic and foreign natural persons	2,043,638	3,406,063	9.93%	2,048,446	3,414,076	9.96%
Domestic and foreign legal entities	668,180	1,113,633	3.25%	707,642	1,179,404	3.44%
Custody entities	755,473	1,259,121	3.67%	711,203	1,185,338	3.46%
	20,573,610	34,289,350	100.00%	20,573,610	34,289,350	100.00%

45.OTHER CAPITAL COMPONENTS	Reserves	Revaluations reserves based on revaluation of property, plant and equipment	Actuarial gains
Balance on 01.01.2015	1,534,430	148,569	5,177
Legal reserves	-	-	-
Statutory reserves	1,308,380	-	-
Revaluation reserves for land	-	-	-
Revaluation reserves for buildings	-	-	-
Revaluation reserves for equipment	-	-	-
The decrease in revaluation reserves for equipment	-	(179)	-
Actuarial gains on reserves for retirement benefits	-	-	8,954
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	(1,343)
Balance on 31.12.2015	2,842,810	148,390	12,788
Legal reserves	-	-	-
Statutory reserves	1,277,449	-	-
Revaluation reserves for land	-	-	-
Revaluation reserves for buildings	-	-	-
Revaluation reserves for equipment	-	-	-
The decrease in revaluation reserves for equipment	-	(392)	-
Actuarial gains on reserves for retirement benefits	-	-	-
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	-
Balance on 30.09.2016	4,120,259	147,998	12,788

Reserves are created in accordance with the Company's Articles of Association.

46. NON-DISTRIBUTED PROFIT	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Initial balance 01.01.	2,120,386	2,695,507
Initial balance correction	-	144,353
Corrected initial balance 01.01.	2,120,386	2,839,860
Distribution of undistributed profit for dividend	(750,937)	(1,333,170)
Transfer to statutory reserves	(1,277,449)	(1,308,380)
Participation of employees in profit distribution	(92,000)	(53,957)
Net profit of the current period	2,354,214	3,291,026
Net profit correction	-	-
Total net profit of the current period	2,354,214	3,291,026
Decision on distribution of interim dividend	0	1,314,996
Undistributed profit of the current period	2,354,214	1,976,030
Profit of the previous years, resulting from transfer of revaluation reserves into profit at selling fixed assets in the current year	165	3
Correction of undistributed profit from earlier period	0	144,353
Total undistributed profit of earlier years	165	144,356
Undistributed profit	2,354,379	2,120,386

At the regular session of the Assembly of the Company on 27.06.2016 is made Decision on the distribution of the total undistributed profit as of 01.01.2016 in the amount of RSD 2,120,386 thousand as follows:

- Gross dividend RSD 750,937 thousand;
- Company reserves RSD 1,277,449 thousand;
- Participation of employees in the profit RSD 92,000 thousand.

Amount of distributed profit for gross dividend and participation of employees in the profit is paid out in full in the reported period.

Total undistributed profit on 30.09.2016 in the amount of RSD 2,354,379 thousand is mostly the result of the realized net profit in the period I-IX 2016 in the amount of RSD 2,354,214 thousand.

47. LONG-TERM RESERVES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Reserves for terminal pays for employees	41,270	41,934
Reserves for jubilee bonuses	66,560	68,305
Reserves for litigations	89,846	114,781
	197,676	225,020

48. CHANGES ON LONG-TERM RESERVES

Changes in long-term provisions for retirement benefits, jubilee awards and litigations in the period I-IX of 2016, compared to 31.12.2015 are shown in the following table:

CHANGES IN RESERVES	in 000 RSD			
	Terminal wages	Jubilee bonuses	Total	Litigations
Balance on 01.01.2015	46,924	64,313	111,237	74,090
Reserves during the year	7,189	13,055	20,244	53,000
Actuarial gains	(8,954)	(3,797)	(12,751)	-
Cancellation during the year	(64)	(33)	(97)	(498)
Pay off during the year	(3,161)	(5,233)	(8,394)	(11,811)
Balance on 31.12.2015	41,934	68,305	110,239	114,781
Balance on 01.01.2016	41,934	68,305	110,239	114,781
Reserves during the current year	0	0	0	8,800
Actuarial gains	-	-	-	-
Cancellation during the current year	-	(1)	(1)	(32,572)
Pay off during the year	(664)	(1,744)	(2,408)	(1,163)
Balance on 30.09.2016	41,270	66,560	107,830	89,846

49. THE ASSUMPTIONS USED WHEN MAKING CALCULATION OF RESERVES FOR RETIREMENT BENEFITS AND JUBILEE BONUSES AND CALCULATION OF RESERVES

<i>a) The assumptions used when making calculation of reserves for retirement benefits and jubilee bonuses</i>	2016	2015
Discount rate	-	5.50%
Estimated growth rate of average earnings	-	2.00%
Fluctuation percentage	-	3.00%
Amount of average net earning in XI/2015	-	76,360
Total number of employees on 31.12.		1253
Number of retired workers who received terminal pay at retirement		11

<i>b) The calculation of the reserves for employee benefits as of 31.12.2015</i>	Retirement benefits	Jubilee bonuses
	in 000 RSD	in 000 RSD
1. Reserves on 31.12.2014	46,924	64,313
2. Interest expense	2,581	3,537
3. The cost of current work	4,608	9,518
4. The cost of past work	-	-
5. Actuarial (gain) /loss	(8,954)	(3,797)
6. Cancellation of provisions during 2015 in the business books of the Company	(3,225)	(5,266)
7. The total net change in the amount reserved in 2015 (1+2+3+4+5+6)	(4,990)	3,992
8 Balance of reserving on 31.12. 2015 (1+7)	41,934	68,305

50. LONG-TERM LOANS	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Abroad	842,678	894,174
Current maturities	(39,019)	(101,380)
	803,659	792,794

51. LONG-TERM LOANS	Annual interest rate	Date of maturity	Remaining amount 30.09.2016 (EUR)	30.09.2016	31.12.2015
				in 000 RSD	in 000 RSD
<u>Long-term loans abroad</u>					
European Investment Bank	4,07-5,16%	2025.r.	6,814,314.58	842,678	894,174
Total long-term loans (a+b)			6,814,314.58	842,678	894,174
Current maturities of long-term loans:			-315,524.19	-39,019	-101,380
			6,498,790.39	803,659	792,794

Long-term loans abroad reported on 30.09.2016 in the amount of RSD 842,678 thousand (EUR 6,814,314.58, of which in 2016 mature for payment EUR 315,524.19 or RSD 39,019 thousand), relate to the remaining obligations under the Agreement on financing the project of urgent rehabilitation of transport concluded on 13.12.2001 between the EIB and the Republic of Serbia. The said contract, the Company was granted a loan in the amount of 13,000,000 euros for investment and rehabilitation of airport infrastructure. The loan was granted with a repayment period up to 2025, with an interest rate of 5.16% for the first tranche of 3,000,000.00 EUR, 4.85% for the second tranche of 3,000,000.00 Euros and 4.07% for the third tranche of 7,000,000.00 EUR.

Repayment of the first tranche of the loan shall be made in 31 equal semi-annual instalments starting from 05.12.2007; the second tranche is repayable in 30 equal semi-annual instalments starting from 20.02.2009, while the third tranche began to be repaid from 20.06.2010 in 32 instalments.

<i>receivables from long-term loans</i>	Principle		Non-booked interest	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
up to one year	39,019	101,380	14,468	38,563
from one year up to two years	102,770	101,380	34,456	33,990
from two years up to three	102,770	101,380	29,821	29,418
from three years up to four	102,770	101,380	25,185	24,845
from four years up to five	102,770	101,380	20,550	20,272
from five years up to ten years	392,579	387,274	39,647	39,111
over ten years	-	-	-	-
	842,678	894,174	164,127	186,199

52. OTHER SHORT-TERM FINANCIAL LIABILITIES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
<i>Current maturities</i>		
Long-term loan EIB	39,019	101,380
Other long-term liabilities-financial leasing	-	-
	39,019	101,380

53. RECEIVED ADVANCES, DEPOSITS AND SECURITY	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Advances received from domestic buyers	43,244	32,983
Advances received from foreign buyers	14,864	13,025
Subscriptions from domestic buyers	6,642	5,470
Subscriptions from foreign buyers	72,522	10,883
	137,272	62,361

54. SUPPLIERS IN THE COUNTRY	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Suppliers in the country-for services	77,431	95,434
Suppliers in the country-for investments in progress	19,950	9,962
Suppliers in the country-for equipment	14,327	99,087
	111,708	204,483

55. SUPPLIERS ABROAD	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Suppliers abroad-for services	3,605	10,916
Suppliers abroad-for equipment	-	-
	3,605	10,916

56. OTHER LIABILITIES FROM OPERATION	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Liabilities for charged purchase on behalf of other companies	16,828	24,846
Other liabilities from operation	1,905	538
	18,733	25,384

57. OTHER SHORT-TERM LIABILITIES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Liabilities for salaries	15	-
Liabilities for interest	-	21,884
Liabilities for dividend of 2015	3	-
Liabilities for interim dividend of 2015	-	814,997
Liabilities arising from participation in the profits-gross	3	3
Other short-term liabilities	23,752	21,341
	23,773	858,225

58. LIABILITIES FOR VAT	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Liabilities for VAT	68,016	25,809
	68,016	25,809

59. LIABILITIES FOR OTHER TAXES, CONTR. AND OTHER LEVIES	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Liabilities for income tax	57,472	59,744
Correction of liabilities for income tax from 2010-2014	-	35,106
Liabilities for taxes, customs duty and other levies	720	720
Taxes, contributions and other levies	7,691	1,046
	65,883	96,616

60. LIABILITIES FOR INCOME TAX - structure	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Balance on 01.01. of the current year	94,850	458,336
Correction of income tax	0	35,106
Correction of initial balance	94,850	493,442
Specified income tax liabilities for the current year	294,099	607,090
Correction of income tax liabilities	-	-
Specified income tax liabilities for the current year - total	294,099	607,090
Paid income tax liabilities	(94,850)	(458,336)
Overpaid income tax	223,148	-
Advance payment of income tax in the current year	(459,775)	(547,346)
Liability for payment of income tax	57,472	94,850

61. ACCRUALS AND DEFERRED INCOME	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Accrued expenses for the reporting period	82,517	56,087
Accrued acquisition of equipment	167,930	-
Calculated revenues for the future period	23,082	19,999
Other accruals and deferred income	5,081	6,065
Taxes, contributions and other duties	-	190
	278,610	82,341

62. OFF-BALANCE REGISTER	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Received blank bills - pieces	1,828	1,625
Given blank bills domestic - pieces	13	42
Received guarantees - RSD	292,146	257,732
Received guarantees - foreign currency	181,167	54,632
Received foreign currency collaterals	0	0
Given guarantees - RSD	7,500	7,500
Solidarity funds from employee salaries	625	627
Total off-balance assets and liabilities	481,439	320,491

Dinar received guarantees in the amount of RSD 292,146 thousand mainly relate to guarantees received from suppliers for good performance or guarantee for fault repair within the warranty period. Received foreign currency guarantees in the amount of RSD 181,167 thousand mainly relate to guarantees received from foreign suppliers for good performance, for fault repair within the warranty period or for reimbursement of advance payments as well as to guarantees received from foreign buyers for the safety and timeliness in payment of services.

63. FAIR VALUE OF ASSETS

ASSETS	Accounting value in 000 RSD 30.09.2016	Fair value in 000 RSD 30.09.2016	Accounting value in 000 RSD 31.12.2015	Fair value in 000 RSD 31.12.2015	The hierarchy of fair value- Levels	Valuation techniques and inputs
1	2	3	4	5	6	7
Fixed assets	21,537,625	21,315,118	21,465,560	21,465,560	Level 3	Evaluation of a certified appraiser 31.12.2014
Investment property	26,073	26,073	26,073	26,073	Level 3	Evaluation of a certified appraiser 31.12.2015
Shares in capital of other legal entities	1	1	1	1	Level 2	Management estimates that they are not recoverable- the banks in bankruptcy
Long-term and short-term financial investments- housing loans	123,349	123,349	130,384	130,384	Level 3	Discounting the cash flows as follows: 20% for housing loans which are not revalued; 9% for housing loans that are revalued annually and have an interest rate of 0.5%, 7.5% for housing loans with foreign currency clause and interest rate of 0.5%; 9.25% for housing loans which are revalued every six months and 9.5% for housing loans that are revalued annually
Receivables from buyers	1,378,993	1,378,993	1,701,939	1,701,939	Level 3	Management's estimates of the recoverability in acc.with IAS 39
Other receivables	81,625	81,625	113,395	113,395	Level 3	Management's estimates of the recoverability in acc.with IAS 39

The above table includes only financial resources, because the Company has no financial liabilities that are disclosed at initial recognition at fair value.

64 FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT		30.09.2016			31.12.2015			in 000 RSD
		total	value corr.	net amount	total	value corr.	net amount	
Categories of financial instruments								
Financial assets								
1	Long-term financial investments	671,710	(548,360)	123,350	669,340	(548,461)	120,879	
	- Long-term time deposits	5,479	-	5,479	5,547	-	5,547	
	- Participation in bank capital	20,085	(20,085)	0	20,085	(20,085)	0	
	- Participation in capital of foreign legal entities	358,599	(358,598)	1	358,599	(358,598)	1	
	- Long-term housing loans given to employees	287,547	(169,677)	117,870	285,109	(169,778)	115,331	
2	The receivables stated at nominal value	5,785,618	(391,684)	5,393,934	5,857,022	(187,812)	5,669,210	
	- Receivables from buyers	1,763,701	(384,708)	1,378,993	1,885,457	(183,518)	1,701,939	
	- Short-term financial investments	3,933,575	(259)	3,933,316	3,877,183	(543)	3,876,640	
	- Interest receivables	46,382	(3,433)	42,949	57,828	(467)	57,361	
	- Other receivables	41,960	(3,284)	38,676	36,554	(3,284)	33,270	
3	Cash and cash equivalents	1,251,702	-	1,251,702	704,127	-	704,127	
		7,709,030	(940,044)	6,768,986	7,230,489	(736,273)	6,494,216	
Financial liabilities								
1	- Long-term loans	803,659	0	803,659	792,794	0	792,794	
2	- Current maturities of long-term loans	39,019	-	39,019	101,380	-	101,380	
3	- Current maturities of long-term financial leasing	0	0	0	0	0	0	
4	- Short-term liabilities	134,046	-	134,046	240,783	-	240,783	
		976,724	-	976,724	1,134,957	-	1,134,957	

Basic financial instruments of the Company are cash and cash equivalents, accounts receivable, financial investments that arise directly from the Company operation, as well as long-term loans, liabilities to suppliers and other liabilities which main purpose is the financing of the current operations of the company.

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

Financial risk management objectives

Financial risks include market risk (foreign exchange and interest rate), credit risk and liquidity risk. Financial risks are reviewed on a timely basis and are preferably avoided by reducing the Company's exposure to these risks. The Company does not use any financial instruments to avoid the impact of financial risk to the business operations because such instruments are not widely used, and there is no organized market for such instruments in the Republic of Serbia.

I MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign exchange rates and changes in interest rates. Market risk exposures are examined through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, or in the manner in which the Company operates or measure this risk.

a) Currency risk (foreign exchange risk)

The Company is exposed to foreign currency risk primarily through cash and cash equivalents, accounts receivable from buyers, liabilities from long-term loans, financial leases and liabilities to foreign suppliers.

The Company does not use special financial instruments to protect against risk, considering that in Serbia such instruments are not common.

The stability of the economic environment in which the Company operates, largely depends on the measures of government in the economy, including the establishment of appropriate legal and regulatory framework.

Accounting values of financial resources and liabilities in RSD thousand, disclosed in foreign currency on date of reporting in the Company are the following:

Currency description	Total assets				Total liabilities	
	30.09.2016		31.12.2015		30.09.2016	31.12.2015
	gross	net	gross	net		
EUR	4,558,551	4,363,531	3,904,003	3,709,037	844,529	896,088
USD	587,163	587,163	570,872	570,872	757	6,908
CHF	359	359	356	356	0	0
GBP	478	478	13	13	0	0
Dinar contervalue of assets and liabilities in a currency	5,146,551	4,951,531	4,475,244	4,280,278	845,286	902,996
Value of assets and liabilities in RSD	2,562,478	1,817,455	2,755,245	2,213,938	131,438	231,961
Total	7,709,029	6,768,986	7,230,489	6,494,216	976,724	1,134,957

By the analysis of the currency structure of financial assets and liabilities as of 30.09.2016, along with the balance as of 31.12.2015, it can be concluded that the financial assets contracted with

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

a) Currency risk (foreign exchange risk) (cont'd.)

currency clause are higher than the contracted financial liabilities in foreign currencies. Financial liabilities contracted in foreign currency are generally of long-term nature.

The Company is sensitive mainly to changes in the exchange rate of the euro (EUR) and U.S. Dollar (USD).

The following table presents a sensitivity analysis of the Company to increase and decrease in RSD rate of 10%, in comparison to the foreign currency. The sensitivity analysis includes only outstanding receivables and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in exchange rates. A positive number in the table indicates an increase of the result in the current period when RSD strengthens against the currency in question. In the case of weakening of RSD by 10% compared to the foreign currency, the effect on the current period would be negative.

in 000 RSD

30.09.2016

	EUR effect		USD effect		CHF effect		GBP effect	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit/ (loss)	351,900	-351,900	58,641	-58,641	36	-36	48	-48

in 000 RSD

31.12.2015

	EUR effect		USD effect		CHF effect		GBP effect	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Profit/ (loss)	281,295	-281,295	56,396	-56,396	36	-36	1	-1

b) Risk of interest rate change

The Company is exposed to interest rate risk on assets and liabilities with floating interest rate.

The Company has placed cash and cash equivalents in the group of interest-bearing financial assets with variable interest rates, because it contracted with banks "a vista" interest of variable character, depending on the amount in current accounts and the reference interest rate.

The risk of changes in interest rates on the Company does not represent a significant risk, because the categories of financial instruments that have contractual interest are generally defined with fixed interest rate.

Financial instruments classified by categories of interest and non-interest resources are disclosed in the following summary:

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

b) Risk of interest rate change (cont'd.)

in 000 RSD

Financial assets-net	30.09.2016			31.12.2015		
	total	value corr.	net amount	total	value corr.	net amount
No interest						
Partic.in capital of other legal entities	378,684	(378,683)	1	378,684	(378,683)	1
Receivables from buyers	1,763,701	(384,708)	1,378,993	1,885,457	(183,518)	1,701,939
Interest receiv. and other receivables	88,342	(6,717)	81,625	94,382	(3,751)	90,631
Short-term financial investments	41,501	-	41,501	77,841	-	77,841
No interest total	2,272,228	(770,108)	1,502,120	2,436,364	(565,952)	1,870,412
Fixed interest rate						
Long-term financial invest.	293,026	(169,677)	123,349	290,656	(169,778)	120,878
Short-term financial invest.	3,892,074	(259)	3,891,815	3,799,342	(543)	3,798,799
Fixed-total	4,185,100	(169,936)	4,015,164	4,089,998	(170,321)	3,919,677
Variable interest rate						
Cash and cash equivalents	1,251,702	-	1,251,702	704,127	-	704,127
Variable-total	1,251,702	0	1,251,702	704,127	0	704,127
	7,709,030	(940,044)	6,768,986	7,230,489	(736,273)	6,494,216
Financial liabilities						
No interest						
Liabilities from operation	134,046	0	134,046	240,783	0	240,783
No interest-total	134,046	0	134,046	240,783	0	240,783
Fixed interest rate						
Long-term loans	803,659	0	803,659	792,794	0	792,794
Current maturity of long-term liabilities	39,019	0	39,019	101,380	0	101,380
Fixed-total	842,678	0	842,678	894,174	0	894,174
Variable interest rate						
Current maturity of long-term liabilities	0	0	0	0	0	0
Variable-total	0	0	0	0	0	0
	976,724	0	976,724	1,134,957	0	1,134,957

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

v) Risk of price change

The Company estimates that there is no risk of price change, because financial instruments of the Company are not subject to price change on the market.

The Company does not operate with securities that are subject to price change in securities market. Furthermore, the Company has no turnover of goods subject to price change. The greatest item in turnover of goods is kerosene which has a transit goods treatment.

II CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk, representing the risk that debtors will not be in position to settle their debts in full and in due time, which would result in the financial loss for the Company. The Company's exposure to this risk is limited to the amount of receivables from buyers at the balance sheet date.

The Company performs the reconciliation of assets and liabilities annually, with balance as of 30.11. of the current year, or more times during the year for specific clients, if the need arises. As of 30.09.2016 and on 31.12.2015, as reconciled receivables with our largest buyers.

Structure of receivables from buyers	30.09.2016	share	31.12.2015	share
	in 000 RSD		in 000 RSD	
Air Serbia	340,030	19.28%	722,881	38.34%
Jar Tehnika	206,827	11.73%	204,979	10.87%
Dufry doo	93,694	5.31%	58,646	3.11%
International CG	41,492	2.35%	41,492	2.20%
Air Serbia-Ketering d.o.o.	43,207	2.45%	35,883	1.90%
Aviogenex d.o.o.	50,820	2.88%	44,066	2.34%
Austrian-branch	21,695	1.23%	25,845	1.37%
Other domestic buyers	113,017	6.41%	94,365	5.00%
Total domestic buyers	910,782	51.64%	1,228,157	65.14%
Montenegro Airlines	248,058	14.06%	207,751	11.02%
Wizz Air	100,524	5.70%	140,017	7.43%
Deutsche Lufthansa	61,107	3.46%	46,523	2.47%
Turkish Airlines	37,744	2.14%	34,663	1.84%
Etihad Airlines	54,037	3.06%	33,838	1.79%
Aeroflot	48,253	2.74%	27,268	1.45%
Alitalia	21,433	1.22%	20,596	1.09%
Qatar Airways	10,480	0.59%	16,165	0.86%
Swiss Air	58,284	3.30%	19,357	1.03%
Fly Dubai	32,757	1.86%	14,354	0.76%
Pegasus	19,330	1.10%	10,270	0.54%
Vuleing	15,475	0.88%	1,075	0.06%
Other foreign buyers	145,437	8.25%	85,422	4.53%
Total foreign buyers	852,919	48.36%	657,300	34.86%
Total gross receivab. from domestic and foreign buyer:	1,763,701	100.00%	1,885,457	100.00%
Total value correction	384,708		183,518	
Total net receivables	1,378,993		1,701,939	

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

II CREDIT RISK (Cont'd.)

The Company has large receivables from domestic and foreign buyers on 30.09.2016 (RSD 1,763,701 thousand), so that the credit risk is constantly there. To reduce this risk, the Company regularly monitors the implementation of the collection, analyzes the value of the collection achieved within the contracted period, collection with exceeded contracted period, the balance and age structure of outstanding receivables as per buyers.

The greater the percentage share of individual buyers in total receivables the higher credit risk, especially if these buyers have unstable liquidity and on that basis, exceeded contracted payment deadline.

Receivables from domestic buyers for goods and services on 30.09.2016 in the amount of RSD 910,782 thousand, accounted for 51.64% of total receivables from buyers for goods and services. Total balance of value adjustment of receivables from domestic buyers was RSD 359,623 thousand (charged to results of previous years RSD 158,890 thousand and charged to result of the current year RSD 200,733 thousand), so the net value of receivables from domestic buyers amounts to RSD 551,159 thousand.

Receivables from foreign buyers for goods and services amounted to RSD 852,919 thousand, which makes 48.36% of total receivables for goods and services. Total balance of value adjustment of receivables from foreign buyers is RSD 25,085 thousand (charged to results of previous years RSD 24,658 thousand and charged to results of the current year RSD 427 thousand), so the net value of receivables from foreign buyers amounts to RSD 827,834 thousand.

Age structure of receivables	30.09.2016	share	31.12.2015	share
	in 000 RSD		in 000 RSD	
Undue receivables from buyers - uncorrected	899,004	50.97%	1,453,062	77.07%
Undue receivables from buyers - corrected	0	0.00%	6,868	0.36%
Total undue receivables	899,004	50.97%	1,459,930	77.43%
Due receivables up to 60 days-uncorrected	318,763	18.07%	175,627	9.31%
Due receivables up to 60 days-corrected	0	0.00%	2,494	0.13%
Total due receivables up to 60 days	318,763	18.07%	178,121	9.45%
Due receivables over 60 days-uncorrected	161,226	9.14%	73,250	3.88%
Due receivables from buyers over 60 days-corrected	384,708	21.81%	174,156	9.24%
Total due receivables over 60 days	545,934	30.95%	247,406	13.12%
Total receivables- gross	1,763,701	100.00%	1,885,457	100.00%
Total value correction	384,708		183,518	
Total receivables - net (gross - correction)	1,378,993		1,701,939	

Undue receivables from domestic and foreign buyers for goods and services on 30.09.2016, amount to RSD 899,004 thousand (and on 31.12.2015 amounted to RSD 1,459,930 thousand).

Due receivables from domestic and foreign buyers for goods and services which on 30.09.2016, are not older than 60 days, amount to RSD 318,763 thousand (and on 31.12.2015 they amounted to RSD 178,121 thousand).

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

II CREDIT RISK (Cont'd.)

Due receivables from domestic and foreign buyers for goods and services, on 30.09.2016, older than 60 days, amounted to RSD 545,934 thousand (and on 31.12.2015 they amounted to RSD 247,406 thousand).

Due corrected receivables from domestic and foreign buyers for goods and services older than 60 days as at 30.09.2016 amounted to RSD 384,708 thousand, of which for value correction of receivables of the current period was placed RSD 201,160 thousand, and at the cost of the results of previous years RSD 183,548 thousand (due corrected receivables from domestic and foreign buyers for goods and services older than 60 days on 31.12.2015 amounted to RSD 174,156 thousand).

Due uncorrected receivables from domestic and foreign buyers for goods and services older than 60 days as of 30.09.2016 amounted to RSD 161,226 thousand. These receivables are not corrected due to the assessment of certainty of collection of those receivables.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity is the ability of the Company to settle its liabilities on the terms of their maturity.

The ultimate responsibility for liquidity risk management is on the management of the company, which has established appropriate management system for short-term, medium-term and long-term financing of the Company as well as liquidity management. By continuous monitoring of planned and actual cash flows, the Company maintains adequate cash reserves, and also maintains adequate maturities of financial assets and liabilities.

The following tables present details of outstanding contractual maturities of financial resources. The amounts shown are based on the undiscounted cash flows arising on the basis of financial resources based on the earliest date on which the Company will be able to collect receivables.

Maturities of financial assets	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Up to 30 days	4,421,001	1,558,930
1 - 3 months	135,743	2,440,280
3-12 months	2,158,433	2,319,613
1 - 5 years	9,430	78,527
over 5 years	44,379	96,866
	6,768,986	6,494,216

The average time to collect receivables from customers in the period I-IX 2016 amounted to 69 days (2015: 111 days). For the shortening of the average time to collect receivables from buyers in the period I-IX 2016, compared to 2015 is influenced by regular collection of accounts receivable maturities, by our largest customer Air Serbia, as well as the collection of receivables from 2015 in accordance with the concluded reprograms which define the terms of payment of receivables incurred in 2015 and earlier years.

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

III - LIQUIDITY AND CASH FLOW RISK (cont'd.)

Interest maturity	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Up to 30 days	18,155	4,060
1 - 3 months	-	37,743
3-12 months	28,227	16,025
	46,382	57,828

The stated maturity of interest receivables are contained within disclosure of maturity of financial assets.

The following tables present details of outstanding contractual obligations of the Company. The amounts shown are based on the undiscounted cash flows arising from financial liabilities based on the earliest date on which the Company will be required to settle such obligations.

Maturity of financial liabilities	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Up to 30 days	134,046	240,783
1 - 3 months	39,019	12,199
3-12 months	-	89,181
1 - 5 years	411,079	405,522
over 5 years	392,580	387,272
	976,724	1,134,957

In the total liabilities of the Company the largest share have liabilities based on long-term loans in the amount of RSD 842,678 thousand, of which in 2016 becomes due RSD 39,019 thousand.

Liabilities towards suppliers on 30 September, 2016 are disclosed in the amount of RSD 134,046 thousand (on 31 December 2015: RSD 240,783 thousand). Suppliers do not charge interest on arrears to due liabilities, whereby the Company due liabilities to suppliers, in accordance with the policy of financial risk management, settles within the agreed period. Average time of settlement of liabilities towards suppliers in the period I-IX 2016 is 48 days (48 days in 2015).

Maturities of interest (for loans)	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
Up to 30 days	-	-
1 - 3 months	14,468	4,733
3-12 months	-	33,830
1 - 5 years	110,012	108,524
over 5 years	39,647	39,112
	164,127	186,199

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd.)

Capital risk management

The aim of capital risk management is provision of such a structure of capital that will secure safety in operating, liquidity and solvency, at the same time maximizing profit increase of the owner, through the optimization of debt and equity. In addition to its own capital, which consists of core capital, reserves and undistributed profit, the Company uses the borrowed funds in the form of long-term loans. Free cash flow from current accounts, the Company invests in the form of short-term deposits.

Indicators of indebtedness of the Company as at the end of the reporting current period of 2016 and the end of 2015 are as follows:

	30.09.2016	31.12.2015
	in 000 RSD	in 000 RSD
1 Indebtedness (ADP 432 + ADP 443)	842,678	894,174
2 Cash and cash equivalents (ADP 068)	1,251,702	704,127
I GROSS INDEBTEDNESS (1-2)	(409,024)	190,047
3 Ratio of indebtedness against capital (I/5)	-0.0150	0.0074
4 Short-term financial investments (ADP 062)	3,933,316	3,876,640
II NET INDEBTEDNESS (I-4)	(4,342,340)	(3,686,593)
5 Capital (ADP 401)	27,209,034	25,697,984
6 Ratio of indebtedness against capital (II/5)	-0.1596	-0.1435

65. MANAGEMENT EARNINGS

The Company paid remuneration to key management, including members of the Supervisory Board, the Audit Commission and the General Assembly of Shareholders and Executive directors and Department directors (In the period I-IX 2016: total number of 20; in the period I-IX 2015: 21). In the period I-IX 2016 was paid in the gross amount RSD 29,777 thousand (in the period I-IX 2015: RSD 33,661 thousand).

Management benefits	I-IX 2016		I-IX 2015	
	No.	Amount in 000 RSD	No.	Amount in 000 RSD
Management				
Earnings	11	22,216	12	23,286
Participation in profit distribution		1,452		4,173
Total management	11	23,668	12	27,459
Remuneration to mem. of Supervisory Board	7	4,698	7	4,819
Remuneration to mem. of Audit Commission	1	529	1	476
Remun. to mem. of Shareholders Assembly	1	882	1	907
Total for members of Supervisory Board, Audit Commission and Shareholders Assembly	9	6,109	9	6,202
TOTAL:	20	29,777	21	33,661

66. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may differ from the management interpretation. The management believes that tax liabilities are adequately calculated and recorded.

67. LITIGATION

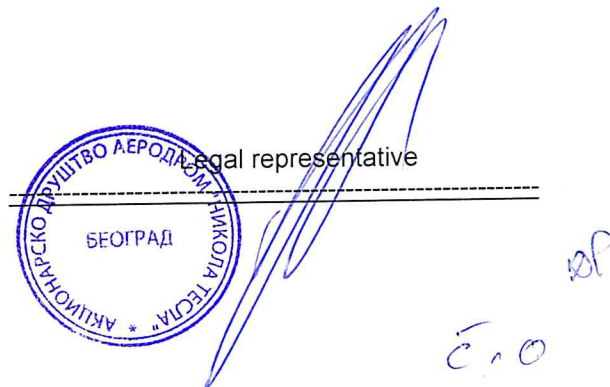
On 30 September, 2016, against the Company there are litigations in the amount of RSD 123,642 thousand (excluding the effects of default interest). Amounts of final losses on litigations can be increased on the basis of default interest up to the completion of the settlement, or until the date of final payment by disputes. On 30 September 2016 the Company has made provisions for potential losses on these litigations in the amount of RSD 89,846 thousand (on 31.12.2015 it was RSD 114,781 thousand) (Notes 47 and 48). According to the assessment of the Company's management on this basis they does not expect additional significant losses in the future period.

68. EVENTS AFTER THE REPORTING PERIOD

In accordance with IAS 10 "Events after the reporting period", we found no existence of other events that may influence or affect the truthfulness and objectivity of the financial statements for the period that ended on 30 September 2016, or would require adjustment of the financial statements.

In Belgrade, 04 November 2016

Legal representative



BEОГРАД

E.O.

SP



**JOINT-STOCK COMPANY BELGRADE
NIKOLA TESLA AIRPORT**

АКЦИОНАРСКО ДРУШТВО
АЕРОДРОМ "НИКОЛА ТЕСЛА"
БЕОГРАД
01 бр. 5924
14. 11. 2016 год.
200

**BUSINESS REPORT FOR THE THIRD QUARTER OF
2016 AND FOR THE PERIOD I-IX 2016**

BELGRADE, NOVEMBER 2016

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1. GENERAL DATA OF THE COMPANY

1	Business name	AD AERODROM Nikola Tesla BEOGRAD
	Head office and address	11180 Belgrade 59
	Register number	07036540
	TIN	100000539
2	web site and e-mail address	www.beg.aero ; kabinet@beg.aero
3	Number and date of the Rescript on Company registration	<p>Registration number: BD 4874/2005 Date of registration: 15.16.2005</p> <p>Registration number:BD91540/2012 Date of registration: 09.07.2012</p> <p>Registration number: BD100187/2012 Date of registration: 20.07.2012</p>
4	Activity (code and description)	5223- Air-traffic services
5	Number of employees	1299 employees on 30.09.2016
6	Core capital value	<u>RSD 20,573,610,000</u> <u>(on 30.09.2016)</u>
7	Name, head office of auditor who revised the last financial statement for 2015	"GRANT THORNTON REVIZIT" d.o.o. Kneginje Zorke 2/1, Beograd
8	Number of issued shares, ISIN number and CFI COD	<u>Number of ordinary shares 34,289,350</u> <u>(on 30.09.2016)</u> <u>CFI code ESVUFR</u> <u>ISIN number RSANTBE11090</u>
9	Organised exchange market on which the shares are exchanged	Beogradska berza ad Beograd, Omladinskih brigada 1, 11070 Novi Beograd

Ten largest shareholders			
S.No.	Name of shareholder	Number of shares	% of share
1)	REPUBLIC OF SERBIA	28,510,533	83,15
2)	KJK FUND II SICAV SIF	441,137	1,29
3)	RAIFFEISEN BANK AD BEOGRAD – CUSTODY ACCOUNT - KS	384.439	1,12
4)	RAIFFEISEN BANK AD – CUSTODY ACCOUNT - KS	193.225	0,56
5)	EAST CAPITAL (LUX) – BALKAN FUND	145,038	0,42
6)	SOCIETE GENERALE BANKA SRBIJA – CUSTODY ACCUNT - FO	126,066	0,37
7)	SOCIETE GENERALE BANKA SRBIJA – CUSTODY ACCUNT - FO	87.344	0,25
8)	UNICREDIT BANK SRBIJA AD – CUSTODY ACCOUNT - KS	82.762	0,24
9)	RAIFFEISEN BANK AD – CUSTODY ACCOUNT - KS	80.000	0,23
10)	DANSKE INVEST TRANS – BALKAN FUN	74.771	0,22

2. MANAGEMENT DATA:

Management members on 30.09.2016

Shareholders' Assembly:		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Vladimir Dimitrijević, Belgrade	Master of Economic Sciences, Executive Director of Public Enterprise „Pošta Srbije“

The Supervisory Board		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Vesna Stanković Jevđević, Belgrade	Bachelor of Economics, Assistant Director General of the Procurement Directorate at the National Bank of Serbia.
2	Mirko Manojlović, Belgrade	Bachelor of Economics, Director – Paracentar d.o.o. Beograd
3	Ljubiša Dejčković, Ćuprija	Master of Electrical Engineering and Telecommunications, Engineer Specialist in the Sector of Investments – Service for automation and telecommunications, PE Elektromreža Srbije
4	Srđan Minić, Belgrade	Bachelor of Economics, Technical support and documentation Engineer, Telekom Srbija
5	Goran Mirković, Belgrade	Economist, Senior Associate for completion of documentation and coordination of monitoring implementation of the contracts in the Institute for Manufacturing Banknotes and Coins of the National Bank of Serbia
6	Petar Jarić, Belgrade	Bachelor of Economics, Director of "PE Office Space Zemun"
7	Dragoslav Stanković, Doljevac	Economist, Jugoistok, Niš

The Executive Board		
No.	Name, surname and place of residence	Education, permanent employment (business name of the company and work position)
1	Saša Vlajsavljević, Belgrade	BSc. Traffic Engineer, JSC Belgrade Nikola Tesla Airport, Chairman of the Executive Board, acting Director General
2	Senka Jelenković, Belgrade	Professor of Italian language and literature, Master Engineer of Organizational Sciences
3	Dejan Milovanović, Prokuplje	Specialist Professional Engineer of Agriculture, JSC Belgrade Nikola Tesla Airport, Executive Director
4	Raša Ristivojević, Belgrade	Bachelor of Economy, JSC Belgrade Nikola Tesla Airport, Executive Director
5	Zoran Stojković, Belgrade	Bachelor of Law, JSC Belgrade Nikola Tesla Airport, Executive Director

2.1. REVIEW OF CORPORATE GOVERNANCE RULES

JSC Belgrade Nikola Tesla Airport, as a member of the Chamber of Commerce of Serbia adopted the *Code of Corporate Governance* that was published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.beg.aero.

The rules of this Code are supplement to the current legislation, so that no provision of the Code abolishes the legal rule that governs the same question differently. Also, the Code does not in any way change the meaning, or proper interpretation of the legal provisions. The Code is within the limits of the law, because it covers matters that are not regulated by law (the so-called Legal vacuum), or is regulated by dispositive legal norms.

The Code contains two types of rules:

- 1) Recommendations - rules that a for-profit corporation has to accept and act upon them, and which can be recongnized in the Code by the use of the word "should";
- 2) proposals - rules that are considered desirable practice in corporate governance, which in the Code can be identified by the use of the words "may," "should," and so on.

The recommendations contained in this Code outline minimum standards for public joint stock companies (members of the Serbian Chamber of Commerce) should accept and act on them, and if they do not do so or do not do so in the manner prescribed by this Code, it is necessary that they provide an explanation for discrepancy done within the statement on implementation of the code of corporate governance in accordance with the Law on companies.

3. AIR TRAFFIC TURNOVER

In the period I-IX 2016 it was achieved total air traffic turnover, as follows:

- 45,229 air movements,
- 3,810,517 passengers and
- 12,475 tons of cargo and mail.

In the period VII-IX 2016 it was achieved total air traffic turnover, as follows:

- 18,073 air movements,
- 1,698,827 passengers and
- 4,093 tons of cargo and mail.

3.1. AIR MOVEMENT TURNOVER

Achieved number of air movements per traffic types in the period I-IX 2016 is shown in the following table.

Number of air movements per traffic types							
Traffic types	Achievem. I-IX 2015	Rebalanc. plan II I-IX 2016	Achievem. I-IX 2016	Index		Particip. I-IX 2015	Particip. I-IX 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	72	72	49	68	68	0.16	0.11
International air traffic-domestic carriers	26,053	25,852	26,409	101	102	57.11	58.39
International air traffic-foreign carriers	19,494	20,026	18,771	96	94	42.73	41.50
TOTAL:	45,619	45,950	45,229	99	98	100.00	100.00

The data from the table indicate total number of air movements in the period from I-IX 2016 amounts to 45,229, which by 1% lower than in the same period 2015 and by 2% lower compared to the number foreseen by the Rebalancing plan II for the period I-IX 2016. The planned number of air movements is determined based on the official schedule of flight timetable.

Within carrier pattern of the total traffic in the period I-IX 2016, the dominant role is of the domestic carriers in international air traffic with 58.39%; then there are foreign carriers in international air traffic with 41.50% and at the end, domestic carriers in domestic air traffic with share of 0.11%.

When observing period I-IX 2016 compared to the same period in 2015, there was a growth in the share of domestic carriers in international air traffic from 57.11% to 58.39% and the fall of foreign carriers in international air traffic from 42.73 % to 41.50% share.

In international air traffic of domestic carriers, in the period I-IX 2016 is achieved total turnover of 26,409 air movements which is by 1% higher compared to the same period previous year and by 2% higher in comparison to the Rebalancing Plan II for the period I-IX 2016.

Number of air movements in international air traffic of domestic carriers							
Air carriers	Achievem. I-IX 2015	Rebalanc. plan II I-IX 2016	Achievem. I-IX 2016	Index		Particip. I-IX 2015	Particip. I-IX 2016
				5(4/2)	6(4/3)		
1	2	3	4	5(4/2)	6(4/3)	7	8
Air Serbia	25,371	25,150	25,816	102	103	97.38	97.75
Others	682	702	593	87	84	2.62	2.25
TOTAL:	26,053	25,852	26,409	101	102	100.00	100.00

Air Serbia has achieved in the period I-IX 2016 in international air traffic 25,816 air movements, which is by 2% higher compared to the same period previous year and by 3% higher compared to Rebalancing plan II for the reporter period.

Air Serbia with 97.75% of share in international air traffic of domestic carriers has a dominant role.

Under other domestic carriers in international air traffic are: Air Pink, Avio Služba, Princ Aviation and Verano Motors with realized 593 air movements, in the period I-IX 2016, participated with 2.25% in the total international air traffic of domestic carriers, which is by 13% lower compared to the achievement in the same period previous year and by 16% lower compared to Rebalancing plan II for the reporting period.

Number of air movements of foreign carriers in international air traffic							
Air carriers	Achievem. I-IX 2015	Rebalanc. plan II I-IX 2016	Achievem. I-IX 2016	Index		Particip. I-IX 2015	Particip. I-IX 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Montenegro Airlines	2,515	2,659	2,429	97	91	12.90	12.94
Lufthansa	2,116	2,199	2,023	96	92	10.85	10.78
Wizz Air	1,983	2,041	2,018	102	99	10.17	10.75
Austrian Airlines	1,406	1,485	1,400	100	94	7.21	7.46
Turkish Airlines	1,332	1,425	1,205	90	85	6.83	6.42
Swiss International	1,125	915	970	86	106	5.77	5.17
Aeroflot	1,088	1,122	1,098	101	98	5.58	5.85
Alitalia	590	558	522	88	94	3.03	2.78
Easy Jet	306	228	222	73	97	1.57	1.18
Etihad Airways	558	573	549	98	96	2.86	2.92
B & H Airlines	20	0	0	0	0	0.10	0.00
LOT	283	476	449	159	94	1.45	2.39
Tarom	456	476	530	116	111	2.34	2.82
Aegean Airlines	494	516	475	96	92	2.53	2.53
Solinair	467	0	0	0	0	2.40	0.00
Qatar Airways	440	575	378	86	66	2.26	2.01
Pegasus Airlines	290	403	318	110	79	1.49	1.69
Flydubai	238	240	264	111	110	1.22	1.41
Tunis Air	144	147	126	88	86	0.74	0.67
Germanwings	26	0	26	100	0	0.13	0.14
Norwegian Air	206	244	272	132	111	1.06	1.45
Raf Avia	422	425	420	100	99	2.16	2.24
Belavia	158	164	162	103	99	0.81	0.86
Aircairo Company	174	179	76	44	42	0.89	0.40
Croatia Airlines	113	116	112	99	97	0.58	0.60
Vueling Airlines	94	97	92	98	95	0.48	0.49
Tap Portugal	14	0	0	0	0	0.07	0.00
Adria Airways	0	0	3	0	0	0.00	0.02
Gazprom	14	0	9	64	0	0.07	0.05
Swiftair Aviation	758	794	750	99	94	3.89	4.00
Swiftair Hellas	116	380	399	344	105	0.60	2.13
Niki Luftfahrt	4	0	7	175	0	0.02	0.04
Atlas Jet	28	0	5	18	0	0.14	0.03
Air Baltic	2	70	2	100	3	0.01	0.01
Bora Jet	17	12	0	0	0	0.09	0.00
Ural Airlines JSC	0	0	92	0	0	0.00	0.49
Corendon Airlines	46	0	0	0	0	0.24	0.00
Elinair	0	0	38	0	0	0.00	0.20
European Air	0	0	40	0	0	0.00	0.21
Others	1,451	1,507	1,290	89	86	7.44	6.87
TOTAL:	19,494	20,026	18,771	96	94	100.00	100.00

In the period I-IX 2016 there were 34 foreign air carriers and 1 domestic air carrier, and in the same period of 2015 there were 35 foreign air carriers and 1 domestic air carrier.

In international traffic of foreign carriers in the period I-IX 2016 it was achieved 18,771 air movements, which is by 4% lower score in comparison with the same period previous year and by 6% lower compared to the Rebalancing Plan II for the reporting period of 2016.

New foreign carriers who started to operate in the period I-IX 2016 compared to the same period previous year are: Adria Airways, Ural Airlines JSC (Moscow), Elinair and European Air (Brussels, Budapest).

Foreign carriers who did not operate in the period I-IX 2016 compared to the same period previous year are: B&H Airlines, Solinair, Tap Portugal, Bora Jet and Corendon Airlines.

In the pattern of foreign carriers in the period I-IX 2016 the most significant roles are of: Montenegro Airlines with 12.94% share, Lufthansa with 10.78% and Wizz Air with 10.75% of share. These three air carriers achieve 34.47% in international air traffic of foreign carriers.

With the share ranging from 7.46% to 4% in this type of air traffic are: Austrian Airlines, Turkish Airlines, Aeroflot, Swiss International, Aeroflot and Swiftair Aviation with total share of 28.90% of the total international air traffic of foreign carriers.

Cargo traffic of express mail in the period I-IX 2016 is carried out by 5 foreign air carriers: Swift Air Hellas, Raf Avia, European Air, Swiftair Aviation and Turkish Airlines.

Low Cost carriers in the period I-IX 2016 are: Wizz Air, Pegasus Airlines, Flydubai, Norwegian Air, EasyJet and Vueling Airlines.

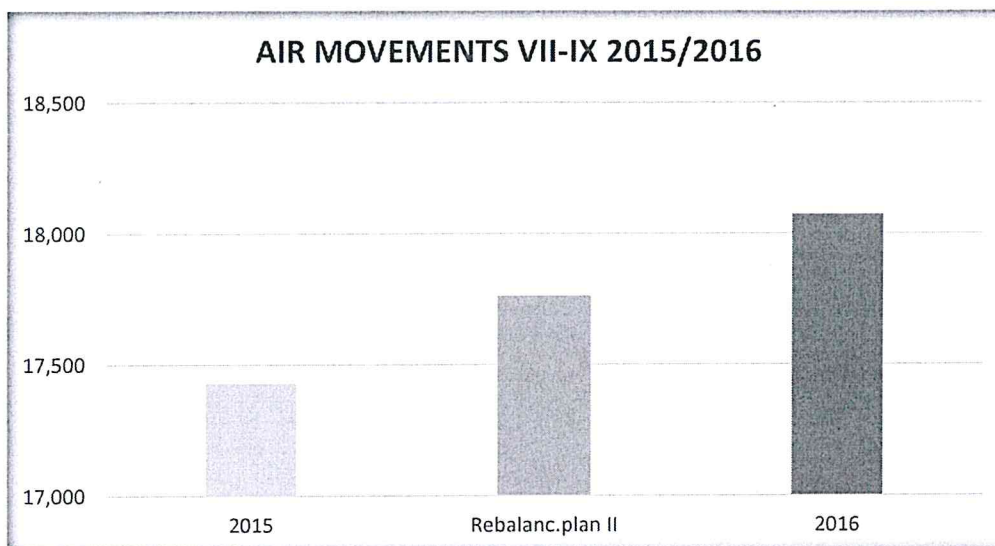
If individual participation of air carriers in total international air traffic is considered (domestic and foreign carriers), in the period I-IX 2016 the dominant role of all carriers is of Air Serbia with 57.14% share.

III QUARTER

Achieved number of air movements per traffic types in the III quarter of 2016 is shown in the following table.

Number of air movements per traffic types							
Traffic types	Achiev. VII-IX 2015	Rebalan. plan II VII-IX 2016	Achiev. VII-IX 2016	Index		Particip. VII-IX 2015	Particip. VII-IX 2016
				5(4/2)	6(4/3)		
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	25	25	15	60	60	0.14	0.08
International air traffic-domestic carriers	10,361	10,265	11,183	108	109	59.44	61.88
International air traffic-foreign carriers	7,044	7,473	6,875	98	92	40.41	38.04
TOTAL:	17,430	17,763	18,073	104	102	100.00	100.00

The data from the table indicate total number of air movements in the III quarter of 2016 amounts to 18,073, which by 4% higher than in the same period 2015 and by 2% higher compared to the number foreseen by the Rebalancing plan II for the period VII-IX 2016.



Within carrier pattern of the total traffic in the III quarter of 2016, the dominant role is of the domestic carriers in international air traffic with 61.88%; then there are foreign carriers in international air traffic with 38.04% and at the end, domestic carriers in domestic air traffic with share of 0.08%.

In international air traffic of domestic carriers, in the III quarter of 2016 is achieved total turnover of 11,183 air movements which is by 8% higher compared to the same period previous year and by 9% higher in comparison to the Rebalancing Plan II for the III quarter of 2016.

Number of air movements in international air traffic of domestic carriers							
Air carriers	Achiev. VII-IX 2015	Rebalan. plan II VII-IX 2016	Achiev. VII-IX 2016	Index		Particip. VII-IX 2015	Particip. VII-IX 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Air Serbia	10,131	10,029	10,970	108	109	97.78	98.10
Others	230	236	213	93	90	2.22	1.90
TOTAL:	10,361	10,265	11,183	108	109	100.00	100.00

Air Serbia in the III quarter of 2016 made 10,970 airline operations, which is 8% higher than in the same period of the previous year and 9% higher compared to the rebalancing plan II in the III quarter of 2016, so that it accounted for 98.10% of international air traffic of domestic carriers.

In international air traffic of foreign carriers in the III quarter of 2016, it was achieved 6,875 air movements, which is by 2% less than the realization of the III quarter of the previous year and 8% less than in the Rebalancing plan II in the III quarter of 2016.

Foreign carriers that operated in the III quarter of 2016 and did not operate in the III quarter 2015 are: Polskie linie LOT, Adria Airways, Ural Airlines, Elinair and European Air. If we consider individual participation of the carriers in the total international air traffic (domestic and foreign carriers), realized in the period VII-IX 2016, the largest share has carrier Air Serbia with 60.75%.

3.2. PASSENGER TURNOVER

In the period I-IX 2016 a total passenger turnover of 3,810,517 was achieved, which is by 1% higher than in the same period in 2015 and by 3% lower in comparison with the Rebalancing Plan II for the period I-IX 2016.

Passenger turnover per traffic types							
Traffic type	Achievem. I-IX 2015	Rebalanc. plan II I-IX 2016	Achievem. I-IX 2016	Index		Particip. I-IX 2015	Particip. I-IX 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	70	100	73	104	73	0.00	0.00
International air traffic-domestic carriers	2,077,200	2,144,228	2,114,267	102	99	55.12	55.49
International air traffic-foreign carriers	1,691,158	1,768,158	1,696,177	100	96	44.88	44.51
TOTAL:	3,768,428	3,912,486	3,810,517	101	97	100.00	100.00

The greatest participation in passenger turnover per air traffic types for the period I-IX 2016 is of domestic carriers in international air traffic with 55.49%, then foreign carriers in international air traffic with 44.51%.

The number of the passengers transported by domestic carriers in international air traffic in the period I-IX 2016 is by 2% higher compared to the same period last year, and by 1% lower compared to the Rebalancing Plan II for I-IX 2016.

The number of the passengers transported by foreign carriers in international air traffic for the period I-IX 2016 is at the same level compared to the same period previous year and by 4% lower in comparison to the Rebalancing Plan II for the same period 2016.

Passenger turnover in international air traffic per carriers with the highest number of passengers						
Ser.No.	Air carriers	Achiev. I-IX 2015	Achiev. I-IX 2016	Index	Achiev. Share I-IX 2015	Achiev. Share I-IX 2016
1	2	3	4	5(4/3)	6	7
1	Air Serbia	2,075,487	2,112,735	102	55.08	55.45
2	Wizz Air	309,976	319,824	103	8.23	8.39
3	Lufthansa	225,814	218,786	97	5.99	5.74
4	Montenegro Airlines	207,625	209,958	101	5.51	5.51
5	Swiss International	153,867	142,418	93	4.08	3.74
6	Others	795,589	806,723	101	21.11	21.17
	TOTAL:	3,768,358	3,810,444	101	100.00	100.00

In the total number of passengers in international air traffic in the period I-IX 2016, the largest share is of Air Serbia with 55.45% followed by: Wizz Air (8.39), Lufthansa (5.74%), Montenegro Airlines (5.51%) and Swiss International (3.74%).

Passenger turnover of Air Serbi in international air traffic per destin. with greatest number of passengers				
Ser.No.	Air carriers	Achiev. I-IX 2015	Achiev. I-IX 2016	Index
1	2	3	4	5(4/3)
1	Zurich	118,733	138,441	116.60
2	Paris	126,243	121,785	96.47
3	Montenegro	105,227	109,949	104.49
4	Tivat	88,014	91,767	104.26
5	Moscow	102,818	89,571	87.12
6	Other destinations	1,534,452	1,561,222	101.74
TOTAL:		2,075,487	2,112,735	101.79

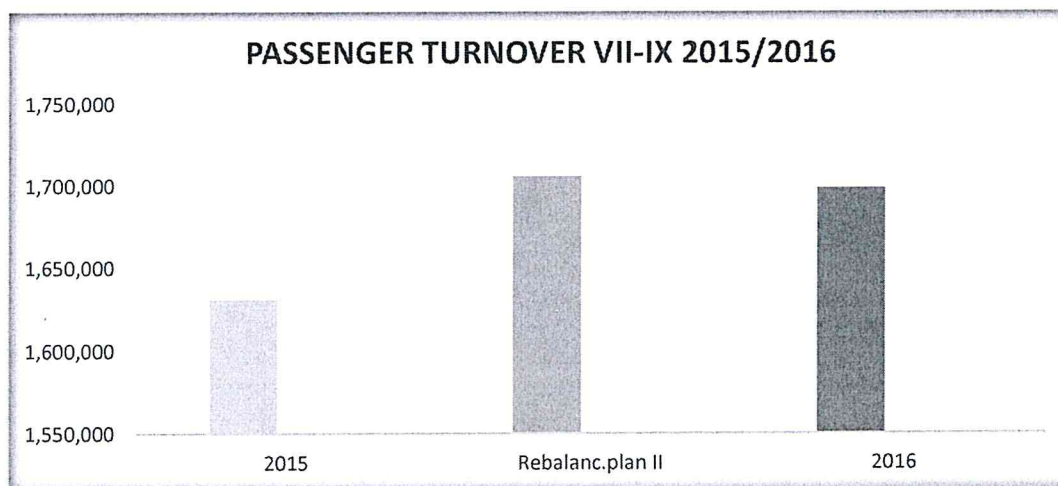
III QUARTER

Planned and achieved passenger turnover in III quarter of 2016 as well as comparable data on achieved turnover in the same period 2015, are shown in the following table.

Passenger turnover per traffic types

Traffic type	Achievem. VII-IX 2015	Rebalanc. Plan II VII-IX	Achievement VII-IX 2016	Index		Particip. VII-IX 2015	Particip. VII-IX 2015
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	23	36	31	135	86	0.00	0.00
International air traffic-domestic carriers	931,722	967,750	1,003,019	108	104	57.13	59.04
International air traffic-foreign carriers	699,194	738,194	695,777	100	94	42.87	40.96
TOTAL:	1,630,939	1,705,980	1,698,827	104	100	100.00	100.00

On the basis of the data presented it can be concluded that the traffic of passengers in the period VII-IX 2016 increased by 4% compared to the realization for the same period in 2015 and amounted to 1,698,827 passengers, which is at the same level compare to Rebalancing Plan II for the same period 2016.



The greatest participation in achieved passenger traffic in the period VII-IX 2016, by types of air traffic, have domestic carriers in international air traffic with 59.04% share, followed by foreign carriers in international air traffic with 40.96%.

Number of passengers carried by domestic carrier in international air traffic in III quarter of 2016, is 8% higher compared to the realization in the same period of the previous year and 4% higher compared to the Rebalancing plan II in the same period 2016.

Number of passengers carried by the foreign carrier in international air traffic in the period VII-IX 2016 is at the same level compared to realization for the same period last year and 6% lower than in the Rebalancing plan II for the same period 2016.

3.3. CARGO TURNOVER

In period I-IX 2016, cargo turnover was achieved in the amount of 12,476 tons, which is by 17% higher than in the same period of the previous year and 8% higher compared to the Rebalancing Plan II for the same period 2016.

Cargo and mail turnover in tons							
Traffic type	Achievem. I-IX 2015	Rebalanc. plan II I-IX 2016	Achievem. I-IX 2016	Index		Particip. I-IX 2015	Particip. I-IX 2016
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air traffic	0	0	4	0	0	0.00	0.03
International air traffic-domestic carriers	2,620	3,026	3,186	122	105	24.54	25.54
International air traffic-foreign carriers	8,055	8,489	9,286	115	109	75.46	74.43
TOTAL:	10,675	11,515	12,476	117	108	100.00	100.00

In international air traffic of domestic airline, cargo and mail traffic in the period I-IX 2016 was by 22% higher than the turnover for the same period of the previous year and 5% higher than in the Rebalancing Plan II for the same period 2016.

In international air traffic foreign carrier cargo and mail traffic in the period I-IX 2016 was 15% higher than the turnover for the same period of the previous year and by 9% higher than in the Rebalancing Plan II for the same period 2016.

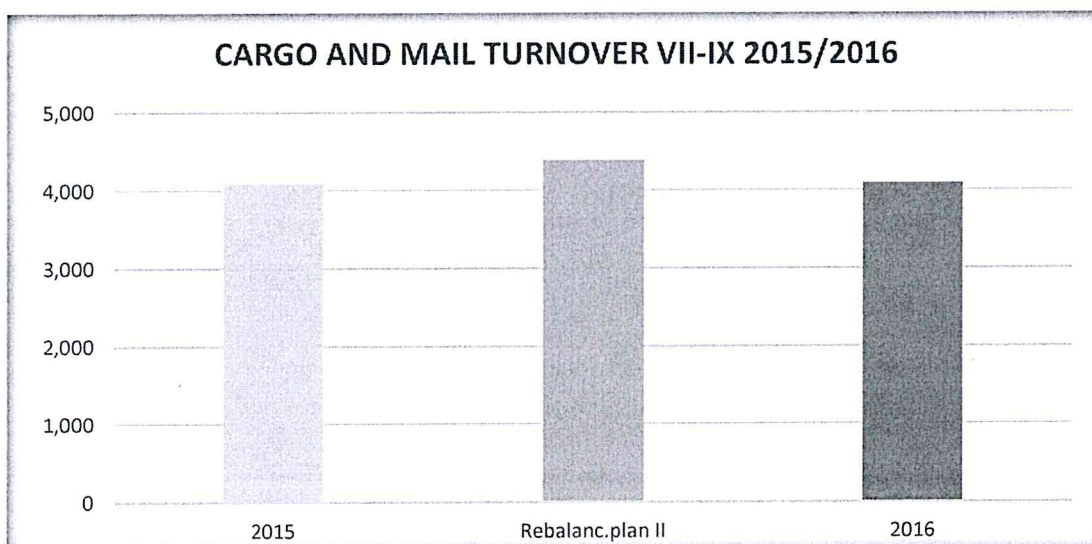
III QUARTER

In III quarter 2016 the turnover of cargo and mail of 4,093 tons, which is at the same level as in the previous year for the reference period and by 7% lower compared to the Rebalancing Plan II for the same period 2016.

Cargo and mail turnover in tons

Traffic type	Achievem. VII-IX 2015	Rebalanc. Plan II VII-IX 2016	Achievement VII-IX 2016	Index		Particip. VII-IX 2015	Particip. VII-IX 2016
				5(4/2)	6(4/3)		
1	2	3	4			7	8
Domestic air traffic	0	0	0	0	0	0.00	0.00
International air traffic- domestic carriers	874	1,001	1,285	147	128	21.36	31.40
International air traffic- foreign carriers	3,217	3,382	2,808	87	83	78.64	68.60
TOTAL:	4,091	4,383	4,093	100	93	100.00	100.00

In international air traffic of domestic carriers, cargo and mail traffic in III quarter of 2016 increased by 47% compared to the turnover for the same period last year and is 28% higher than in the Rebalancing Plan II for the same period 2016.



In international air traffic of foreign carriers, cargo and mail traffic in III quarter of 2016 decreased by 13% compared to the same period last year and by 17% compared to the Rebalancing Plan II for the same period 2016.

PHYSICAL VOLUME OF TRAFFIC									
Type of traffic	Achievement I-IX 2015		Rebalancing plan I-IX 2016		Achievement I-IX 2016		Index		
	Share		Share		Share				
2	2		3		4		5(4/2)6(4/3)		
Domestic traffic									
Air movements	72	0	72	0	49	0	68	68	
Passengers	70	0	100	0	73	0	104	73	
Air goods and mail (tons)	0	0	0	0	4	0	0	0	
International traffic- domestic carriers									
Air movements	26,053	57	25,852	56	26,409	58	101	102	
Passengers	2,077,200	55	2,144,228	55	2,114,267	55	102	99	
Air goods and mail (tons)	2,620	25	3,026	26	3,186	26	122	105	
International traffic- foreign carriers									
Air movements	19,494	43	20,026	44	18,771	42	96	94	
Passengers	1,691,158	45	1,768,158	45	1,696,177	45	100	96	
Goods and mail (air+ truck) (tons)	8,055	75	8,489	74	9,286	74	115	109	
Total									
Air movements	45,619	100	45,950	100	45,229	100	99	98	
Passengers	3,768,428	100	3,912,486	100	3,810,517	100	101	97	
Goods and mail air+truck (tons)	10,675	100	11,515	100	12,476	100	117	108	

4. REVENUES AND EXPENDITURES

The Company performs business activity as single business segment. Accordingly, revenues and expenditures are disclosed at company level.

4.1. REVENUES

In the period I-IX 2016 JSC Belgrade Nikola Tesla Airport achieved the total revenue in amount of RSD 6,703,096,590. Thus achieved total revenue is 20% lower in comparison to the achieved revenues in the same period of the previous year and 7% lower in relation to the Rebalancing Plan II for the same period 2016.

The pattern of the achieved revenues for I-IX 2016 is shown in the table **Revenue pattern by service types**.

In the pattern of achieved revenues for the period I-IX 2016 **business revenues** have the greatest participation amounting to RSD 6,509,222,407 which is 97% in the total revenues. Thus achieved revenues are 5% higher than the same in the same period of the previous year and 6% lower in relation to Rebalancing Plan II for the same period 2016.

Within business revenues, revenues generated by providing **air services** (landing, handling, lighting, infrastructure, air-bridges, aircraft abode) in the period I-IX 2016 amount to RSD 2,068,036,179 which is 31% of the total revenues. These revenues are at the same level compared to the same period last year and by 6% lower in relation to Rebalancing Plan II for I-IX 2016.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 2,957,497,630 for I-IX 2016, which is 44% of the total achieved revenues and are higher as compared with the revenues from passenger service and security fees in the same period of the previous year by 7% and are lower by 4% in relation to Rebalancing Plan II for same period 2016.

In the period I-IX 2016 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 117,772,815 and are by 12% higher than revenues achieved on this basis in the same period of the previous year and lower by 6% compared to Rebalancing Plan II for the same period 2016.

In the period I-IX 2016 the revenues from **other services** are 3% higher than in the same period of the previous year and they are by 8% lower in relation to Rebalancing Plan II for I-IX 2016, and were achieved in the amount of RSD 603,571,071. Such achieved from other services mostly refer to: CUTE revenues, public utilities, services on special request, aircraft de/anti-icing and advertising space.

The revenues from sales of goods mainly refer to the revenues from the sale of kerosene and in the period I-IX 2016 it was sold 1,037 tons and the most significant buyer is Cargo Agent-Navigator with share of 71%. Realized revenue from the sale of goods (domestic and foreign) for the period I-IX 2016 amount to RSD 56,904,778 and is lower by 22% in comparison to the same period of 2015 and by 53% lower compared to Rebalancing Plan II for the reporting period.

The main reason for the decrease in revenue from sales of goods-kerosene in the period I-IX 2016 compared to the same period of the previous year is the change in business policy of carriers, i.e. orientation towards other suppliers, which resulted in fewer customers and therefore a small amount of the sold kerosene.

In the period I-IX 2016 from the **lease of business premises** there is achieved revenue of RSD 705,439,933 which is by 11% higher than in the same period 2015, and by 8% lower compared to Rebalancing Plan II for the same period 2016. The greatest portion of these revenues refers to lease of business premises to Dufry d.o.o. Company.

Financial revenues (group 66) in the period I-IX 2016 are disclosed in amount of RSD 150,759,971 and are lower by 33% in comparison to the same period of the previous year.

In the pattern of financial revenues for I-IX 2016 the greatest part refers to interest revenues in the amount of RSD 76,649,486 and to realized, positive foreign exchange differences in the amount of RSD 58,412,389. The reason for the reduction in financial income compared to the same period last year, is the decline in interest income from RSD and foreign currency funds, as well as a decline in interest rates on both the term and the "a vista" funds.

Other revenues (group 67 and 68) in the period I-IX 2016 were achieved in the amount of RSD 43,114,213 and are significantly lower in comparison to the same period of the previous year.

The main buyers from the point of participation in sales revenues in the period I-IX 2016 are: Air Serbia, Dufry d.o.o., Wizz Air, Deutsch Lufthansa and Montenegro Airlines.

REVENUE PATTERN I-IX 2016/2015							
Ser. No.	Type of service	Description	Realization I-IX 2015	Rebalancing Plan I-IX 2016	Realization I-IX 2016	INDEX	
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	Air services domestic carriers						
	614000+614004+614300+614302+614303+614304	Landing	141,412,498	145,568,169	144,222,512	102	99
	614010+614014+614310+614312+614313+614314	Lighting	43,874,431	45,737,001	45,593,992	104	100
	614030+614034+614330+614332+614333+614334	Handling	150,027,655	154,684,607	156,019,092	104	101
	614040+614042+614043+614044	Infrastructure	82,833,145	87,457,426	85,958,040	104	98
	614050	Air-bridges	0	0	0	0	0
	614020+614024+614320+614323+614324	Aircraft abode tax	3,513,804	3,631,734	3,318,682	94	91
I	Total air services (domestic carriers):		421,661,533	437,078,938	435,112,318	103	100
	Air services foreign carriers						
	615010+615011+615012+615013+615014	Landing	501,360,394	537,069,095	515,932,349	103	96
	615020+615021+615022+615023+615024	Handling	590,792,262	631,383,779	551,851,999	93	87
	615030+615031+615032+615033+615034	Lighting	51,243,992	56,275,969	50,733,382	99	90
	615040+615042+615043+615044	Infrastructure	340,618,315	364,093,401	342,401,453	101	94
	615060+615062	Air-bridges	147,707,122	157,603,705	151,516,915	103	96
	615000+615001+615002+615003+615004	Aircraft abode tax	20,649,669	22,218,650	20,487,763	99	92
II	Total air services (foreign carriers):		1,652,371,753	1,768,644,597	1,632,923,861	99	92
I+II	Total air services		2,074,033,287	2,205,723,535	2,068,036,179	100	94
	Passenger service						
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	15,413	18,160	13,971	91	77
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./l.t.	879,461,164	1,011,173,351	1,001,288,833	114	99
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for car.	1,256,108,839	1,413,821,369	1,318,810,567	105	93
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	617,596,481	667,921,738	637,384,259	103	95
III	Total passenger service		2,753,181,897	3,092,934,618	2,957,497,630	107	96
I+II+III	Total air services and passenger service		4,827,215,184	5,298,658,153	5,025,533,809	104	95
	CCW services						
	612500+612510	CCW services dom. market	94,629,715	113,658,051	108,097,432	114	95
	613300 +613310 (foreign)	CCW services for. market	10,602,731	11,424,472	9,675,383	91	85
IV	Total CCW services		105,232,446	125,082,524	117,772,815	112	94
V	Total services in air traffic (I to IV):		4,932,447,629	5,423,740,677	5,143,306,625	104	95
	Other services						
1	614360+615100+615102	DCS services	24,021,335	26,101,829	18,359,199	76	70
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	107,622,112	121,370,615	111,728,286	104	92
3	614130+614131+615072+615071	VIP Lounge	3,723,852	4,237,805	4,694,055	126	111
4	614140+614142+615090+615092	CUTE (dom + for)	127,627,852	139,811,185	131,797,592	103	94
5	615080+614380	Lost and found	15,803,424	16,848,427	13,774,615	87	82
6	6146+615120+615400+615401	Public utilities	120,686,114	130,891,687	120,159,224	100	92
7	614820+615170	Catering ser. Business Club	1,022	1,012	0	0	0
8	614870+615810	Advertising space	31,670,497	51,739,584	47,489,307	150	92
9	614883	Commer.use of apron	47,912,938	52,245,506	44,632,696	93	85
10	614160+614164+615110+615114	Aircraft de-icing service	47,437,988	46,963,608	58,376,597	123	124
11	Other non-mentioned services dom + foreign		57,019,430	63,091,901	52,559,500	92	83
VI	Other services (1 to 11):		583,526,562	653,303,160	603,571,071	103	92
VII	Total 61 - Revenues from sale of services (V+VI)		5,515,974,191	6,077,043,836	5,746,877,696	104	95
	Revenues from sale of goods:						
VIII	60 - Revenues from sale of kerosene + goods		73,362,233	120,803,439	56,904,778	78	47
IX	Total (60+61) Revenues from sale (VII+VIII)		5,589,336,424	6,197,847,276	5,803,782,474	104	94
X	64 и 65 - Renting of office space		637,582,547	763,853,559	705,439,933	111	92
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	6,226,918,971	6,961,700,834	6,509,222,407	105	94
XII	66 - FINANCIAL REVENUES		224,052,443	210,065,434	150,759,971	67	72
1	interest		134,383,755	134,686,758	76,649,486	57	57
2	exchange rate differences -realised		79,841,792	75,378,676	58,412,389	73	77
3	exchange rate differences -non-realised		9,826,896	0	15,698,095	160	0
XIII	67 и 68 OTHER REVENUES		1,927,947,320	22,323,041	43,114,213	2	193
XIV	Total revenues (XI+XII+XIII)		8,378,918,734	7,194,089,309	6,703,096,590	80	93

III QUARTER

Report on business operations for the III quarter and the period I-IX of 2016

In the period VII-IX 2016 JSC Belgrade Nikola Tesla Airport achieved the **total revenue** in amount of **RSD 2,619,877,139**. Thus achieved total revenue is 3% higher in comparison to the achieved revenues in the same period of the previous year and 1% lower in relation to the Rebalancing Plan II for the same period 2016.

In the pattern of achieved revenues for the period VII-IX 2016 **business revenues** have the greatest participation amounting to RSD 2,588,865,746 and are 3% higher than the same in the same period of the previous year and 1% higher in relation to Rebalancing Plan II for the same period 2016.

Within business revenues, revenues generated by providing **air services** in the period VII-IX 2016 amount to RSD 769,635,608. These revenues are lower than the same in the period last year by 1% and lower by 10% in relation to Rebalancing Plan II for the same period 2016.

Revenues from **passenger service and security fees** were achieved in the amount of RSD 1,273,473,202 for the period VII-IX 2016, and are higher as compared with the revenues from passenger service and security fees in the same period of the previous year by 10% and are lower by 6% in relation to Rebalancing Plan II for the same period 2016.

In the period VII-IX 2016 the revenues from **service rendering in cargo-customs warehouse** were achieved in the amount of RSD 40,136,677 and are by 6% higher than revenues achieved on this basis in the same period of the previous year and lower by 16% in relation to Rebalancing Plan II for the same period 2016.

In the period VII-IX 2016 the revenues from **other services** are 10% lower than in the same period of the previous year and they are by 5% lower in relation to Rebalancing Plan II for the same period 2016, and were achieved in the amount of RSD 206,993,675. The largest share in these revenues relate to: revenues from CUTE, services on special request- work order, public utilities etc.

The revenues from sales of goods for the period VII-IX 2016 amount to RSD 851,125 and are considerably lower compared to the same period previous year.

In the period VII-IX 2016 from the **lease of business premises** there is achieved revenue of RSD 297,775,459 which is by 12% higher than in the same period 2015, and by 17% higher compared to Rebalancing Plan II for the same period. The greatest portion of these revenues refers to lease of business premises to Dufry d.o.o. Company.

Financial revenues (group 66) in the period VII-IX 2016 are disclosed in amount of RSD 24,447,669 and are lower by 44% in comparison to the same period of the previous year, because non-realized foreign exchange differences and interests in the period VII-IX 2016 are considerably lower compared to the same period VII-IX 2015. In the pattern of financial revenues for VII-IX 2016 the greatest part refers to interest revenues in the amount of RSD 23,243,818.

Other revenues (group 67 and 68) in the period VII-IX 2016 were achieved in the amount of RSD 6,563,724.

REVENUE PATTERN VII-IX 2016/2015

Ser. No.	Type of service	Description	Realization VII- IX 2015	Rebalancing Plan VII-IX 2016	Realization VII-IX 2016	INDEX	
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	Air services domestic carriers						
	614000+614004+614300+614302+614303+614304	Landing	55,386,623	56,268,311	59,940,640	108	107
	614010+614014+614310+614312+614313+614314	Lighting	16,594,148	17,679,303	17,983,044	108	102
	614030+614034+614330+614332+614333+614334	Handling	59,132,128	59,792,203	64,794,582	110	108
	614040+614042+614043+614044	Infrastructure	32,668,738	33,806,028	35,734,501	109	106
	614050	Air-bridges	0	0	0	0	0
	614020+614024+614320+614323+614324	Aircraft abode tax	1,100,180	1,403,820	1,005,498	91	72
I	Total air services (domestic carriers):		164,881,817	168,949,666	179,458,265	109	106
	Air services foreign carriers						
	615010+615011+615012+615013+615014	Landing	186,422,287	207,600,129	191,980,514	103	92
	615020+615021+615022+615023+615024	Handling	217,101,444	244,056,780	188,498,576	87	77
	615030+615031+615032+615033+615034	Lighting	17,994,944	21,753,064	18,162,077	101	83
	615040+615042+615043+615044	Infrastructure	125,485,315	140,737,640	127,244,176	101	90
	615060+615062	Air-bridges	54,936,059	60,920,559	56,090,679	102	92
	615000+615001+615002+615003+615004	Aircraft abode tax	8,090,031	8,588,456	8,201,321	101	95
II	Total air services (foreign carriers):		610,030,080	683,856,629	590,177,343	97	86
I+II	Total air services		774,911,897	852,806,295	769,635,608	99	90
	Passenger service						
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	5,960	7,920	0	0	0
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./i.t.	377,549,464	440,968,604	444,471,164	118	101
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for.car.	517,866,344	616,561,775	545,792,163	105	89
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	265,417,323	291,277,966	283,209,875	107	97
III	Total passenger service		1,160,839,090	1,348,816,264	1,273,473,202	110	94
I+II+III	Total air services and passenger service		1,935,750,987	2,201,422,559	2,043,108,810	106	93
	CCW services						
	612500+612510	CCW services dom. market	34,453,545	43,259,920	37,021,331	107	86
	613300 +613310 (foreign)	CCW services for. market	3,552,114	4,348,322	3,115,346	88	72
IV	Total CCW services		38,005,659	47,608,242	40,136,677	106	84
V	Total services in air traffic (I to IV):		1,973,756,646	2,249,030,801	2,083,245,487	106	93
	Other services						
1	614360+615100+615102	DCS services	10,187,476	8,700,610	5,093,976	50	59
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	67,036,106	40,456,872	42,593,621	64	105
3	614130+614131+615072+615071	VIP Lounge	947,761	1,412,602	2,004,241	211	142
4	614140+614142+615090+615092	CUTE (dom + for)	54,620,175	46,603,728	58,119,598	106	125
5	615080+614380	Lost and found	7,336,795	5,616,142	6,480,207	88	115
6	6146+615120+615400+615401	Public utilities	40,067,046	43,630,562	40,086,270	100	92
7	614820+615170	Catering ser. Business Club	0	337	0	0	0
8	614870+615810	Advertising space	15,150,593	17,246,528	15,949,824	105	92
9	614883	Commer.use of apron	17,029,520	17,415,169	19,361,128	114	111
10	614160+614164+615110+615114	Aircraft de-icing service	0	15,654,536	0	0	0
11	Other non-mentioned services dom + foreign		17,555,997	21,030,634	17,304,809	99	82
VI	Other services (1 to 11):		229,931,468	217,767,720	206,993,675	90	95
VII	Total 61 - Revenues from sale of services (V+VI)		2,203,688,114	2,466,798,521	2,290,239,162	104	93
	Revenues from sale of goods:						
VIII	60 - Revenues from sale of kerosene + goods		38,825,876	-152,918,423	851,125	2	-1
IX	Total (60+61) Revenues from sale (VII+VIII)		2,242,513,990	2,313,880,098	2,291,090,287	102	99
X	64 и 65 - Renting of office space		265,036,506	254,617,853	297,775,459	112	117
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	2,507,550,496	2,568,497,951	2,588,865,746	103	101
XII	66 - FINANCIAL REVENUES		43,759,308	70,021,811	24,447,669	56	35
1	interest		32,135,918	44,895,586	23,243,818	72	52
2	exchange rate differences -realised		5,090,644	25,126,225	4,957,279	97	20
3	exchange rate differences -non-realised		6,532,746	0	-3,753,428	-57	0
XIII	67 и 68 OTHER REVENUES		1,654,746	7,441,014	6,583,724	397	88
XIV	Total revenues (XI+XII+XIII)		2,552,964,551	2,645,960,776	2,619,877,139	103	99

4.2. EXPENDITURES

In the period I-IX 2016 **total expenditures** were achieved in the amount of RSD **3,880,085,653**. Thus achieved expenditures are 28% lower than the expenditures achieved in the same period of the previous year and 22% lower than the figures in the Rebalancing Plan II for I-IX 2016.

The purchase value of sold goods (group 50) almost completely refers to the purchase value of the sold kerosene. **Purchase value of sold kerosene** is RSD 51,089,040 which is by 24% lower than in the same period of the previous year and 55% lower in comparison to Rebalancing Plan II for I-IX 2016.

The main reason for reducing the cost of kerosene in the period I-IX 2016 compared to the same period of the previous year is the change in business policy of air carriers, and orientation towards other suppliers, which resulted in a smaller number of customers, and therefore the need for purchase of kerosene decreased.

The costs of material and energy (group 51) for the period I-IX 2016 amount to RSD 316,369,916 and participate in total expenditure with 8% and mostly refer to: costs of electrical power, costs of basic material, costs of fuel for freight vehicles, spare parts for investment maintenance of fixed assets, etc. Such realized costs of material are higher by 8% compared to the same period previous year.

Within total expenditures one of the largest amounts refer to the **costs of salaries, reimbursements and other personal expenditures** (group 52), amounting for the period I-IX 2016 RSD 2,108,101,661 which is by 21% higher compared to the same period last year. It should be noted that the change in the structure of ways of engaging employees in the Company had effect in increase of the cost of reimbursements and salaries, and at the same time in reduction of costs of production services and intangible costs.

Namely, in the period I-IX 2015 in the category of costs of production services and intangible costs (group of accounts 53 and 55) on the basis of the costs of persons engaged through OZB Komerc was spent RSD 70,590,577.57, which is not the case in the same period of 2016.

With transfer of employees from OZB Komerc into the status of employees in ANT these expenses are in the category of costs of salaries, benefits and other personal expenditures increased by related taxes and contributions stipulated by law.

In addition to above mentioned, to increase in the cost of salaries, benefits and other personal expenditures partly influenced the number of employees.

As on the global level occurred deterioration of security situation and the need to raise the maximum level of safety of service users and employees at the Airport Nikola Tesla Belgrade, the Company accordingly hired the required number of employees; i.e. the number of employees is increased by 89 in the period I-IX 2016 compared to the same period of 2015.

The costs of salaries of employees (gross I account groups 520 and 521) at Belgrade Nikola Tesla Airport amount to RSD 1,442,310,980 while costs for persons engaged through Youth organizations (Fan, Beograd, Knez, Medijator and Europa- account 524000) amount to RSD 274,482,877.

Group 52 apart from salaries includes also reimbursements by contracts (service contracts), reimbursements per temporary and occasional jobs, contracts for additional work, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport of employees, costs of trips, joint assistance and jubilee bonuses, etc.).

The costs of production services (group 53) which for the period I-IX 2016 amount to RSD 239,051,431 are lower by 12% higher compared to the same period last year.

Pattern of the costs of production services includes:

- **Costs of transport services** in the period I-IX 2016 amounted to RSD 55,523,871 are by 40% lower than in the same period of the previous year. Transportation costs primarily relate to: the cost of information and passenger check-in, ITT monthly support for passengers and baggage check-in, and others;
- **The costs of maintenance services** in the period I-IX 2016 amount to RSD 94,750,339 and are lower by 7% compared to the same period 2015 due to considerable increase of costs of maintenance of other fixed assets;
- **The costs of lease** in the period I-IX 2016 amount to RSD 30,127,331 and mainly refer to lease of business premises by legal entities, lease of licences and network and server infrastructure;
- **The costs of advertising** in the period I-IX 2016 amount to RSD 28,482,151 and are considerably higher compared to the same period previous year, due to organizing important sports events in the Republic of Serbia and needs of sponsorship thereof and for the general social support to development of sports culture;
- **The costs of other services** which in the period I-IX 2016 amount to RSD 30,167,739 mostly referring to the costs of water, drainage, utilities and the other and are lower by 41% compared to the same period 2015.

It should be noted that the above reduction in expenses for other services in 2016 compared to 2015 is directly related to changes in the structure of ways of engaging employees in the company in 2016. Engagement of persons in favour of permanent employees has influenced the increase in the cost of wages and salaries and at the same time the reduction in costs of production services on that basis.

The costs of **amortization and reserving** (group 54) for the period I-IX 2016 amounted to RSD 651,832,234, and are higher by 12% compared to the same period last year while they are higher by 3% compared to Rebalancing Plan II for the period I-IX 2016.

Amortization expenses in the period I-IX 2016 amounted to RSD 643,032,234, and are increased by 12% compared to the same period of the previous year and by 7% compared to Rebalancing Plan II for I-IX 2016, this increase of amortization expenses was primarily a result of activation of equipment procured in the period I-IX 2016.

The cost of long-term provisions in the period I-IX 2016 amounted to RSD 8,800,000.

Intangible costs (group 55) for the period I-IX 2016 amount to RSD 213,109,255 and are higher by 4% compared to the same period last year. The growth in intangible costs mainly was due to the need for development of Detailed regulation plan for the complex of Belgrade Nikola Tesla Airport in the amount of RSD 9,586,472, as well as other types of assessments in the amount of RSD 3,482,500.

Pattern of intangible costs (group 55) include:

- **The costs of non-production services** in the period I-IX 2016 are realized in the amount of RSD 104,448,690 and are most significant costs in the group of intangible costs and in most part refer to the costs of the cleaning services in the amount of RSD 38,485,012.
- **The representation costs** which in the period I-IX 2016 amount to RSD 2,953,625 and are lower by 25% compared to the same period 2015, in accordance with orientation of the management to apply saving measures in all segments of business operations not affecting the quality of services of the Company;
- **The costs of insurance premiums** which in the period I-IX 2016 amount to RSD 16,166,285;
- **The costs of payment operations** which in the period I-IX 2016 amount to RSD 4,036,590;
- **The costs of memberships** which in the period I-IX 2016 amount to RSD 7,739,585;

- **Tax costs** which in the period I-IX 2016 amount to RSD 59,894,903, of which the largest part refers to property tax in the amount of RSD 46,195,211;
- **Other intangible costs** which in the period I-IX 2016 amount to RSD 17,869,577.

Financial expenditures (group 56) in period I-IX 2016 are disclosed in the amount of RSD 72,648,525 and are 43% lower than in the same period of the previous year.

In the pattern of financial expenditures, the largest share is of negative foreign exchange differences in the amount RSD 41,543,191 and realized interest expenditures in the amount of RSD 31,085,721. Such realized negative foreign exchange differences are lower by 54% compared to the same period last year, and interest expenditures are lower by 11% compared to the same period last year. Those interest expenditures mainly relate to interest on long-term borrowings (EIB - reconstruction of Terminal).

Realized foreign exchange losses in the period I-IX 2016 were realized in the amount of RSD 29,882,257 and accounted for 41% of the total financial expenditures pattern. Thus achieved realized foreign exchange losses are lower compared to the same period of the previous year by 52%. The reason for this decrease in realized foreign exchange losses were fluctuations in the exchange rate between the moment of invoicing and payment.

Unrealized foreign exchange losses in the period I-IX 2016 were achieved in the amount of RSD 11,680,548 and accounted for 16% of total financial expenditures pattern. Thus achieved unrealized foreign exchange losses are higher than in the same period of the previous year by 63%. The reason for this increase in unrealized foreign exchange losses are large oscillations in exchange rate in the reporting period (01.01.2015 euro amounted to RSD 120.9583, while on 30.09.2015 Euro was RSD 119.7491), and in 2016 (01.01.2016 Euro was RSD 121.6261 and on 30.09.2016 it was RSD 123.2929).

Other expenditures (group 57, 58) in period I-IX 2016 were achieved in the amount of RSD 227,310,045 while in the same period last year they were RSD 2,097,799,591. Such a large difference occurred mainly because value correction of domestic buyers in the period I-IX 2015 mostly referred to receivables from the buyer, Air Serbia, while in the same period of 2016 the payment from Air Serbia is regular, i.e. Air Serbia regularly settles its obligations as per value date.

Main suppliers from the point of turnover in the period I-IX 2016 are: OZ Europa PTZ (RSD 168,263,582.02), Vojvodinaput a.d. (RSD 127,496,558.75), Analysis (RSD 103,266,695), Macchina security (RSD 95,911,968) etc.

EXPENDITURE PATTERN I-IX 2016/2015						
Acc.	Account name	Realization I-IX 2015	Rebalancing Plan II I-IX 2016	Realization I-IX 2016	Index	
1	2	3	4	5	6 (5/3)	7 (5/4)
50	PURCHASE VALUE OF SOLD GOODS	67,927,813	113,671,705	51,662,587	76	45
501	PURCHASE VALUE OF SOLD GOODS	67,927,813	113,671,705	51,662,587	76	45
51	COSTS OF MATERIALS AND ENERGY	291,631,994	612,962,598	316,369,916	108	52
511	COSTS OF MATERIALS FOR PRODUCTION	43,204,244	208,050,011	77,626,073	180	37
512	COSTS OF OVERHEADS	11,832,116	25,875,000	8,534,167	72	33
513	COSTS OF FUEL AND ENERGY	201,965,369	243,750,000	187,248,913	93	77
514	COSTS OF SPARE PARTS	16,234,803	96,456,091	29,353,405	181	30
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	18,395,463	38,831,497	13,607,358	74	35
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	1,740,673,699	2,195,013,979	2,108,101,661	121	96
520	SALARIES AND REIMBURSEMENTS-GROSS	997,209,317	1,302,082,176	1,223,334,165	123	94
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	178,501,019	231,351,860	218,976,816	123	95
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	84,549	79,138	319,532	378	404
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	407,834,784	406,107,769	413,693,133	101	102
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	6,201,923	6,153,220	6,108,503	98	99
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	150,842,107	249,239,816	245,669,513	163	99
53	COSTS OF PRODUCTION SERVICES	272,689,045	666,422,554	239,051,431	88	36
531	COSTS OF TRANSPORTATION SERVICES	92,962,352	65,991,966	55,523,871	60	84
532	COSTS OF MAINTENANCE SERVICES	101,944,550	448,540,399	94,750,339	93	21
533	COSTS OF LEASE	25,495,855	56,256,708	30,127,331	118	54
535	COSTS OF ADVERTISING	1,160,000	53,306,100	28,482,151	2455	53
539	COSTS OF OTHER SERVICES	51,126,287	42,327,381	30,167,739	59	71
54	COSTS OF AMORTIZATION AND RESERVES	580,204,850	632,625,000	651,832,234	112	103
540	COSTS OF AMORTISATION	572,204,850	600,000,000	643,032,234	112	107
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	8,000,000	32,625,000	8,800,000	110	27
55	INTANGIBLE COSTS	205,475,970	604,757,187	213,109,255	104	35
550	COSTS OF NON-PRODUCTION SERVICES	102,626,817	480,934,069	104,448,690	102	22
551	COSTS OF REPRESENTATION	3,916,178	6,693,233	2,953,625	75	44
552	INSURANCE PREMIUMS	17,849,961	31,149,520	16,166,285	91	52
553	COSTS OF PAYMENT SYSTEM	4,129,863	4,415,309	4,036,590	98	91
554	COSTS OF MEMBERSHIPS	5,811,388	6,025,589	7,739,585	133	128
555	COSTS OF TAXES	60,155,322	57,769,572	59,894,903	100	104
559	OTHER INTANGIBLE COSTS	10,986,443	17,769,895	17,869,577	163	101
I	BUSINESS EXPENDITURES	3,158,603,372	4,825,453,024	3,580,127,083	113	74
56	FINANCIAL EXPENDITURES	128,031,529	51,258,051	72,648,525	57	142
562	INTEREST EXPENDITURES	35,059,556	33,687,982	31,085,721	89	92
563	NEGATIVE EXCHANGE RATE DIFFERENCES	90,452,221	17,226,119	41,543,191	46	241
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	2,519,751	343,950	19,614	1	6
II	FINANCIAL EXPENDITURES	128,031,529	51,258,051	72,648,525	57	142
57	OTHER EXPENDITURES	23,356,151	18,618,304	23,184,256	99	125
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	81,153	75,959	688,219	848	906
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	5,000	4,680	15,000	300	321
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	0	0	347	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	211,405	190,265	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	23,058,592	18,347,400	22,480,691	97	123
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	2,074,443,440	77,501,114	204,125,789	10	263
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITES AVAILABLE FOR SAL	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	2,074,443,440	77,501,114	204,125,789	10	263
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	2,097,799,591	96,119,418	227,310,045	11	236
	TOTAL EXPENDITURES	5,384,434,492	4,972,830,493	3,880,085,653	72	78

III QUARTER

In the period VII-IX 2016 **total expenditures** were achieved in the amount of RSD 1,419,309,206. Thus achieved expenditures are 31% lower than the expenditures achieved in the same period of the previous year and 3% lower than the figures in the Rebalancing Plan II for VII-IX 2016.

The purchase value of sold goods (group 50) in the period VII-IX 2016 amount to RSD 428,712 and are considerably lower compared to the same period previous year. **Purchase value of sold kerosene** is RSD 215,793.

The costs of material and energy (group 51) for the period VII-IX 2016 amount to RSD 112,904,723 and participate in total expenditure with 8% and mostly refer to: costs of electrical power, official clothing and footwear, spare parts for current maintenance of fixed assets, etc. Such material costs are higher by 22% compared to the same period last year. The reason for this increase is necessary purchase of the official clothing and footwear which use is prescribed by law.

Within total expenditures one of the largest amounts refer to the **costs of salaries, reimbursements and other personal expenditures** (group 52), amounting for the period VII-IX 2016 RSD 688,788,499 which is by 10% higher compared to the same period last year.

The costs of salaries of employees (gross I account groups 520 and 521) at Belgrade Nikola Tesla Airport amount to RSD 470,570,117 while costs for persons engaged through Youth organizations (youth organizations Fan, Beograd, Knez, Medijator and Europa- account 524000) amount to RSD 81,262,929.

Group 52 apart from salaries includes also reimbursements by contracts (service contracts), reimbursements per temporary and occasional jobs, contracts for additional work, reimbursements for the members of the Supervisory board and members of the Assembly of Shareholders and other personal expenditures (transport of employees, costs of trips, joint assistance and jubilee bonuses, etc.).

In the **costs of production services** (group 53) which for the period VII-IX 2016 amount to RSD 70,653,707 and they are by 33% lower compared to the same period last year. Significant cost saving on production services was achieved primarily on cost of information and passenger check-in, as well as on monthly ITT support to passenger and baggage check-in. The cost of information and passenger check-in and the cost of monthly ITT support to passenger and baggage check-in in the period VII-IX 2016 decreased by 73% compared to the same period last year.

Pattern of the costs of production services includes:

- **The costs of transport services** in the period VII-IX 2016 amount to RSD 18,677,177 and in the most part refer to: the costs of information and passenger check-in services, then monthly support of ITT for passenger and baggage check-in etc.;
- **The costs of maintenance services** in the period VII-IX 2016 amount to RSD 26,613,201 and are lower by 31% compared to the same period 2015 due to considerable decrease of costs of maintenance of other fixed assets;
- **The costs of lease** in the period VII-IX 2016 amount to RSD 7,120,705 and mainly refer to lease of business premises by legal entities, lease of licences and network and server infrastructure.
- **The costs of advertising** in the period VII-IX 2016 amount to RSD 7,309,268 and are considerably higher compared to the same period previous year, due to organizing important sports events in the Republic of Serbia and needs of sponsorship thereof and for the general social support to development of sports culture;
- **The costs of other services** which in the period VII-IX 2016 amount to RSD 10,933,357 mostly referring to the costs of water, drainage, utilities etc.

The costs of **amortization and reserving** (group 54) for the period VII-IX 2016 amounted to RSD 232,939,645, and are higher by 18% compared to the same period last year and by 10% compared to Rebalancing Plan II for the period VII-IX 2016, due to activation of fixed assets being in preparation in the previous period.

Intangible costs (group 55) for the period VII-IX 2016 amount to RSD 85,239,215 and are higher by 36% compared to the same period last year.

Pattern of intangible costs (group 55) include:

- **The costs of non-production services** in the period VII-IX 2016 are realized in the amount of RSD 48,070,947 and are most significant costs in the group of intangible costs and in most part refer to the costs of the cleaning services in the amount of RSD 13,654,074.
- **The representation costs** which in the period VII-IX 2016 amount to RSD 1,000,342;
- **The costs of insurance premiums** which in the period VII-IX 2016 amount to RSD 4,056,910;
- **The costs of payment operations** which in the period VII-IX 2016 amount to RSD 1,327,735;
- **The costs of memberships** which in the period VII-IX 2016 amount to RSD 1,776,118;
- **Tax costs** which in the period VII-IX 2016 amount to RSD 20,276,061;
- **Other intangible costs** which in the period VII-IX 2016 amount to RSD 8,731,102.

Financial expenditures (group 56) in period VII-IX 2016 are disclosed in the amount of RSD 18,154,816 and are 63% lower than in the same period of the previous year.

In the pattern of financial expenditures, the largest participation have realized interest expenditures amounting to RSD 9,445,880, followed by realized negative exchange differences amounting to RSD 8,940,800.

Other expenditures (group 57, 58) in period VII-IX 2016 were achieved in the amount of RSD 210,199,890 while in the same period last year they were RSD 882,673,848. Such a significant difference arose because the value correction of domestic buyers during the period VII-IX 2015 related mainly to uncollected receivables from domestic buyers, while the collection of receivables from domestic buyers in the period VII-IX 2016 is regular, that is, as per value date.

EXPENDITURE PATTERN VII-IX 2016/2016

Acc.	Account name	Realization VII- IX 2015	Rebalancing plan II VII-IX 2016	Realization VII-IX 2016	Index	
					6a (5a/3a)	7a (5a/4a)
1	2	3a	4a	5a	6a (5a/3a)	7a (5a/4a)
50	PURCHASE VALUE OF SOLD GOODS	35,624,841	-144,360,597	428,712	1	0
501	PURCHASE VALUE OF SOLD GOODS	35,624,841	-144,360,597	428,712	1	0
51	COSTS OF MATERIALS AND ENERGY	92,463,413	210,687,866	112,904,723	122	54
511	COSTS OF MATERIALS FOR PRODUCTION	12,000,812	73,262,004	28,489,290	237	39
512	COSTS OF OVERHEADS	3,022,855	7,200,000	4,564,454	151	63
513	COSTS OF FUEL AND ENERGY	64,987,756	81,250,000	59,963,140	92	74
514	COSTS OF SPARE PARTS	6,246,887	35,792,030	14,919,210	239	42
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	6,205,103	13,183,832	4,968,630	80	38
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	627,939,028	928,192,016	688,788,499	110	74
520	SALARIES AND REIMBURSEMENTS-GROSS	371,778,121	597,884,443	399,126,477	107	67
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	66,548,850	106,230,925	71,443,640	107	67
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	50,633	26,379	0	0	0
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	133,714,369	135,369,256	136,480,222	102	101
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	1,915,529	2,051,073	1,916,311	100	93
529	OTHER PERSONAL EXPENDITURES AND REIMBRSEMENTS	53,931,527	86,629,939	79,821,849	148	92
53	COSTS OF PRODUCTION SERVICES	106,006,752	149,403,351	70,653,707	67	47
531	COSTS OF TRANSPORTATION SERVICES	47,810,845	21,697,322	18,677,177	39	86
532	COSTS OF MAINTENANCE SERVICES	38,469,727	80,263,466	26,613,201	69	33
533	COSTS OF LEASE	8,111,384	11,252,236	7,120,705	88	63
535	COSTS OF ADVERTISING	580,000	21,018,700	7,309,268	1260	35
539	COSTS OF OTHER SERVICES	11,034,796	15,171,627	10,933,357	99	72
54	COSTS OF AMORTIZATION AND RESERVES	197,394,392	210,875,000	232,939,645	118	110
540	COSTS OF AMORTISATION	197,394,392	200,000,000	226,139,645	115	113
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	0	10,875,000	6,800,000	0	63
55	INTANGIBLE COSTS	62,681,895	243,234,729	85,239,215	136	35
550	COSTS OF NON-PRODUCTION SERVICES	29,790,546	198,950,357	48,070,947	161	24
551	COSTS OF REPRESENTATION	1,140,997	3,231,078	1,000,342	88	31
552	INSURANCE PREMIUMS	4,771,346	10,383,173	4,056,910	85	39
553	COSTS OF PAYMENT SYSTEM	1,557,705	1,471,770	1,327,735	85	90
554	COSTS OF MEMBERSHIPS	1,654,424	2,008,530	1,776,118	107	88
555	COSTS OF TAXES	19,552,203	19,256,524	20,276,061	104	105
559	OTHER INTANGIBLE COSTS	4,214,674	7,933,298	8,731,102	207	110
I	BUSINESS EXPENDITURES	1,122,110,322	1,598,032,365	1,190,954,499	106	75
56	FINANCIAL EXPENDITURES	49,210,088	17,086,017	18,154,816	37	106
562	INTEREST EXPENDITURES	10,743,658	11,229,327	9,445,880	88	84
563	NEGATIVE EXCHANGE RATE DIFFERENCES	36,878,611	5,742,040	8,705,167	24	152
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	1,587,820	114,650	3,769	0	3
II	FINANCIAL EXPENDITURES	49,210,088	17,086,017	18,154,816	37	106
57	OTHER EXPENDITURES	13,455,850	7,456,101	6,080,989	45	82
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	77,607	25,320	688,219	887	2718
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	5,000	1,560	0	0	0
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	0	0	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	211,405	63,422	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	13,161,837	7,365,800	5,392,770	41	73
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	869,217,998	-165,416,295	204,118,901	23	-123
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITIES AVAILABLE FOR SALE	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN.INVESTMENTS	869,217,998	-165,416,295	204,118,901	23	-123
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	882,673,848	-157,960,194	210,199,890	24	-133
	TOTAL EXPENDITURES	2,053,994,258	1,457,158,188	1,419,309,206	69	97

4.3. SALARIES

In the period I-IX 2016 the total sum paid for salaries amounted RSD 1,223,334,165 (gross I), which is 23% higher than in the same period of 2015 and 6% lower in relation to Rebalancing Plan II for the period I-IX of 2016.

Review of paid salaries (gross I) to employees in the period I-IX of the current year is given in the table by months:

SALARIES GROSS I					
Month	Achievement I-IX 2015	Rebalanc. Plan II I-IX 2016	Achievement I-IX 2016	Index	
1	2	3	4	5 (4/2)	6 (4/3)
January	82,761,021	117,366,289	148,211,040	179	126
February	87,524,276	117,366,289	132,265,745	151	113
March	91,590,335	117,366,289	129,326,788	141	110
April	129,472,368	116,782,731	148,264,265	115	127
May	115,027,051	119,760,061	135,787,982	118	113
June	119,056,146	115,556,074	130,351,868	109	113
July	122,633,377	200,878,856	129,865,654	106	65
August	122,264,222	200,878,856	138,429,129	113	69
September	126,880,522	196,126,731	130,831,694	103	67
Total salaries	997,209,317	1,302,082,176	1,223,334,165	123	94

In the period I-IX 2016 average gross I salary amounted to RSD 106,170 and is lower than the last year's by 2%. Average net salary in the Company was RSD 75,576 and is lower than the same for the previous year by 2%.

AVERAGE SALARY GROSS I	
Month	JSC ANT
January	105,591
February	104,648
March	102,322
April	117,572
May	107,438
June	103,172
July	102,611
August	108,951
September	103,226
Average I-IX 2016	106,170
Average I-IX 2015	108,837
I-IX 2016 / I-IX 2015	98

AVERAGE SALARY NET	
Month	JSC ANT
January	75,167
February	74,509
March	72,879
April	83,570
May	76,466
June	73,477
July	73,081
August	77,521
September	73,514
Average I-IX 2016	75,576
Average I-IX 2015	77,434
I-IX 2016 / I-IX 2015	98

4.4. FINANCIAL RESULT I-IX 2016

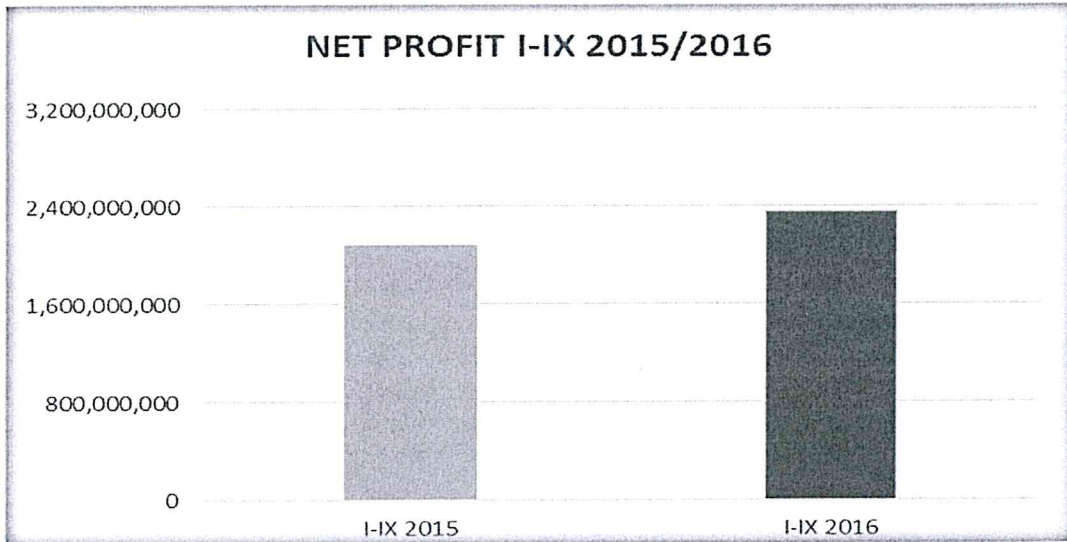
In the period I-IX 2016 was recorded a **gross profit** of the Company in the amount of RSD 2,823,010,937.

FINANCIAL RESULT I-IX 2015/2016						
S.No.	Position	Achievement I-IX 2015	Rebalan.plan II I-IX 2016	Achievement I-IX 2016	Index	
1	2	3	4	5	6(5/3)	7(5/4)
1	Business revenues	6,226,918,971	6,961,700,834	6,509,222,407	105	94
2	Business expenditures	3,158,603,372	4,825,400,265	3,580,127,083	113	74
3	Business profit (1-2)	3,068,315,599	2,136,300,569	2,929,095,324	95	137
4	Financial revenues	224,052,443	210,065,434	150,759,971	67	72
5	Financial expenditures	128,031,529	51,258,051	72,648,525	57	142
6	Financial profit (4-5)	96,020,914	158,807,383	78,111,445	81	49
6a	Financial loss (5-4)					
7	Other revenues	1,927,947,320	22,323,041	43,114,213	2	193
8	Other expenditures	2,097,799,591	96,119,418	227,310,045	11	236
9	Other profit (7-8)					
9a	Other loss (8-7)	169,852,271	73,796,378	184,195,832	108	250
10	Total revenues (1+4+7)	8,378,918,734	7,194,089,309	6,703,096,590	80	93
11	Total expenditures (2+5+8)	5,384,434,492	4,972,777,735	3,880,085,653	72	78
12	Total gross profit (10-11)	2,994,484,241	2,221,311,574	2,823,010,937	94	127
12a	Total gross loss (11-10)					
13	Period tax expenditure	379,038,763		294,099,598	78	0
14	Deferred period tax expenditure	37,857,173		174,697,289	461	0
15	Deferred period tax revenue	0		0		
16	Paid-up personal receiving to employer	500,000,000		0	0	0
17	Net profit	2,077,588,306		2,354,214,050	113	0
17a	Net loss					

Gross profit in the period I-IX 2016 is realized in the amount of RSD 2,823,010,937 and is lower by 6% than the gross profit in the same period of 2015.

It should be emphasized that in the period I-IX of 2015, that is on 31.03.2015 payment was made by the Public Debt Administration of the Republic of Serbia in the amount of RSD 1,897,107,221, of behalf of collection of written-off receivables of the previous years, which influenced increase of the gross profit in 2015.

It is important to emphasize that all realized revenues in the period I-IX 2016 are revenues belonging to the reported period.



After deducting all the legally prescribed taxes Belgrade Nikola Tesla Airport realized net profit for the period I-IX 2016 in the amount of RSD 2,354,214,050, which is by 13% more compared to the same period in 2015.

III QUARTER

In the period VII-IX 2016 a **gross profit** of the Company was recorded in the amount of RSD 1,200,567,933.

FINANCIAL RESULT VII-IX 2015/2016						
S.No.	Position	Achievement VII- IX 2015	Rebalan.plan II VII-IX 2016	Achievement VII-IX 2016	Index	
1	2	3	4	5	6(5/3)	7(5/4)
1	Business revenues	2,507,550,496	2,568,497,951	2,588,865,746	103	101
2	Business expenditures	1,122,110,322	1,597,979,607	1,190,954,499	106	75
3	Business profit (1-2)	1,385,440,175	970,518,344	1,397,911,246	101	144
4	Financial revenues	43,759,308	70,021,811	24,447,669	56	35
5	Financial expenditures	49,210,088	17,086,017	18,154,816	37	106
6	Financial profit (4-5)		52,935,794	6,292,853	0	12
6a	Financial loss (5-4)	5,450,780			0	0
7	Other revenues	1,654,746	7,441,014	6,563,724	397	88
8	Other expenditures	882,673,848	-157,960,194	210,199,890	24	-133
9	Other profit (7-8)		165,401,207		0	0
9a	Other loss (8-7)	881,019,102		203,636,166	23	0
10	Total revenues (1+4+7)	2,552,964,551	2,645,960,776	2,619,877,139	103	99
11	Total expenditures (2+5+8)	2,053,994,258	1,457,105,430	1,419,309,206	69	97
12	Total gross profit (10-11)	498,970,293	1,188,855,346	1,200,567,933	241	101
12a	Total gross loss (11-10)				0	0
13	Period tax expenditure	70,312,866		122,546,689	174	0
14	Deferred period tax expenditure	37,872,523		97,869,118	258	0
15	Deferred period tax revenue	0		0	0	0
16	Paid-up personal receiving to employer	500,000,000		0	0	0
17	Net profit			980,152,125	0	0
17a	Net loss	109,215,096			0	0

Thus disclosed gross profit is higher than the gross profit in the same period previous year by 2.4 times. Period of the third quarter 2016 is the period in which Belgrade Nikola Tesla Airport recorded considerable growth of the physical volume of traffic, and also considerable growth of revenues based on it, which in accordance with orientation of the management to maximum restriction of costs led to exceptional results, with decision to continue with the growth of revenues in the future period too.



In the period VII-IX 2016 is disclosed **net profit** of the Company in the amount of RSD 980,152,125 and is considerably higher compared to the same period last year.

4.5 ECONOMIC PERFORMANCE INDICATORS FOR THE PERIOD I-IX 2016

RATIO ANALYSIS OF COMPANY OPERATIONS FOR THE PERIOD I-IX 2016					
SER.NO.	DESCRIPTION OF RATIO INDICATORS		ADP	RACIO NO FOR I-IX 2015	RACIO NO FOR I-IX 2016
1	LIQUIDITY INDICATORS	Current liquidity ratio (current assets / short-term liabilities)	0043 / 0442	4.36	9.42
		Quick liquidity ratio (current assets - stocks / short-term liabilities)	(0043-0044) / 0442	4.24	9.26
		Cash liquidity ratio (cash and cash equivalents / short-term liabilities)	0068 / 0442	0.42	1.68
		Coefficient of financial stability (fixed assets / core capital + long-term liabilities)	0002 / (0402+0432)	1.01	1.04
2	PROFITABILITY INDICATORS	Net profit margin (net profit / revenue from sale of goods + revenue from sale of services)	1064 / (1002+1009+1017) *100	37.17	36.17
		Gross profit margin (gross profit / revenue from sale of goods + revenue from sale of services)*100 <i>*Gross profit margin provides information how much revenue is left when all costs are settled after the realization of products and services on the market</i>	1058 / (1002+1009+1017) *100	53.57	43.37
		Return on assets (ROA) Net profit / Total assets	1064 / 0071*100	7.56	8.06
3	PRODUCTIVITY INDICATORS	Indebtedness ratio (total liabilities / fixed assets)	(0424+0442) / 0002	0.11	0.08
		Turnover ratio of short-term assets (total revenue / current assets)	ук.нр. / 0043	1.41	0.95
4	EBIT	Ebit (operating revenue-operating expenses)	1001-1018	3,068,315,598.66	2,929,095,324.05
5	EBITDA	Ebitda (operating revenue-operating expenses)+amortization	(1001-1018)+1027	3,640,520,449.09	3,572,127,557.61
6	SOLVENCY RATIO	Solvency ratio (total assets / total liabilities) <i>*Solvency is ability of the Company to pay all its obligations in due time. Company is solvent if ratio is > or = 1</i>	0071 / (0424+0442)	11.38	16.72
7	EBITDA MARGIN	Ebitda margin (ebitda / operating revenues)*100 <i>*It shows the percentage gain in income of the Company not taking into account amortization and financial result</i>	Ебитда / 1001*100	58.46	54.88
8	NET WORKING CAPITAL	Net working capital - NWC (working capital - short-term liabilities)	0043-0442	4,570,838,063.62	6,283,547,976.85

5. REVENUES AND EXPENDITURES OF OU GROUND HANDLING AT BELGRADE NIKOLA TESLA AIRPORT

The starting basis for this report is the Regulation on airports ground handling services (Official Gazette of the Republic of Serbia No. 61/2015 - hereinafter referred to as the Regulation).

According to the Regulation on the provision of ground handling services at airports, Belgrade Nikola Tesla Airport is responsible for accounting records of the business activities of the airport operator and the activity of providing ground handling services so as to ensure complete separation of accounts specified activities.

Rules define the types of services that Ground Handling provides to third parties are as follows:

- 1) Ground handling of aircraft on apron;
- 2) Ground handling of hold baggage;
- 3) Supply of aircraft with fuel and lubricants;

4) Ground handling of mail and goods, in part related to the physical handling at arrival, departure or transfer between the (cargo) terminal and the aircraft.

5.1. GROUND HANDLING REVENUES

Ground handling in the period I-IX 2016 realized a total income in the amount of RSD 1,117,502,718, which is 17% of the total revenues of the Company and it is by 10% lower than in the Rebalancing Plan II of GH for the period I-IX 2016.

Realized revenues of GH in the period I-IX 2016, from air services are:

- Revenues from handling of domestic companies aircraft in I-IX 2016 were realized in the amount of RSD 156,019,092, which represents 100% of the realized revenues of ANT on this basis for the mentioned period 2016, and are 1% higher in relation to the Rebalancing plan II for the period I-IX 2016;
- Revenues from handling of foreign companies aircraft in I-IX 2016 were realized in the amount of RSD 551,851,999, which represents 100% of the realized revenues of ANT on this basis for the mentioned period 2016, and are 13% lower in relation to the Rebalancing plan II for the period I-IX 2016;
- Revenues from air bridges in the period I-IX 2016 were realized in the amount of RSD 15,153,267, which represents 10% of the revenues of ANT on this basis for the mentioned period 2016, and are 4% lower compared to the Rebalancing plan II for the period I-IX 2016.

Total revenue of air services in the period I-IX 2016 is realized in the amount of RSD 723,024,359, which is 35% of the total revenues of ANT on this basis, while it is 10% lower than the amount of Rebalancing Plan II for air services of GH for the period I-IX 2016.

Realized revenues of GH in the period I-IX 2016 from the passenger service are:

- Revenue from passenger services of domestic airlines in the period I-IX 2016 was recorded in the amount of RSD 43,279,865, which represents 4% of the revenues of ANT on this basis for the mentioned period 2016, and it is 30% lower compared the Rebalancing plan II for the period I-IX 2016. Realized revenue of GH in the period of I-IX 2016 from passenger service of domestic airlines refers fully to:
 - Revenue from PRM services (passengers with reduced mobility)- domestic
 - Revenue from BRS services (passenger and baggage reconciliation)- domestic;

- Revenue from passenger service of foreign airlines in I-IX 2016 was recorded in the amount of RSD 41,064,676, which represents 3% of the revenues of ANT on this basis for the mentioned period 2016, and is

20% lower compared the Rebalancing plan II for the period I-IX 2016. Realized revenue of GH in the period of I-IX 2016 from passenger service of foreign airlines refers fully to:

- Revenue from PRM services (passengers with reduced mobility)- foreign
- Revenue from BRS services (passenger and baggage reconciliation)- foreign;

Realized revenues of GH in the period I-IX 2016 from CCW services are:

- Total revenue from CCW services (domestic + foreign) in the period I-IX 2016 was recorded in the amount of RSD 117,772,815, which represents 100% of the revenues of ANT on this basis for the mentioned period 2016 and is by 6% lower compared to Rebalancing Plan II for the period I-IX 2016;

Realized revenue from other services of GH in the period I-IX 2016 are:

- Revenues from DCS services in the amount of RSD 18,359,199 which is 100% of the revenues generated from DCS services of ANT for the period I-IX 2016;
- Revenues from services on special request – work-order in the amount of RSD 93,988,922, which is 84% of the revenue generated from services on special request – work-order of ANT for the period I-IX 2016;
- Revenues from Lost and Found services in the amount of RSD 13,774,615, which is 100% of the revenues generated from Lost and Found of ANT for the period I-IX 2016;
- Revenues from aircraft de-icing services in the amount of RSD 58,376,597, which is 100% of the revenues generated from aircraft de-icing services of ANT for the period I-IX 2016.

Total operating revenues achieved on the basis of services provided by GH, at ANT in the period I-IX 2016 amounted to RSD 1,116,131,096 and make 17% of the realized business revenue of ANT for 2016, while it is 10% lower compared to Rebalancing Plan II for the revenue of GH for mentioned period.

Financial revenues are achieved in the amount of RSD 48,027 for the period I-IX 2016 and refer to realized and unrealized foreign exchange differences.

Other revenues were realized in the amount of RSD 1,323,595 for the period I-IX 2016, and mainly refer to revenues from compensation for damages from legal and natural persons and from sale of secondary raw materials.

REVENUE PATTERN OF GH I-IX 2016

Ser. No.	Type of service	Description	Realization ANT I-IX 2016	Rebalance. GH I-IX 2016	Realization GH I-IX 2016	INDEX	
						7 (6/4)	8 (6/5)
1	2	3	4	5	6	7 (6/4)	8 (6/5)
	Air services domestic carriers						
	614000+614004+614300+614302+614303+614304	Landing	144,222,512	0	0	0.00	0.00
	614010+614014+614310+614312+614313+614314	Lighting	45,593,992	0	0	0.00	0.00
	614030+614034+614330+614332+614333+614334	Handling	156,019,092	154,684,607	156,019,092	100.00	100.86
	614040+614042+614043+614044	Infrastructure	85,958,040	0	0	0.00	0.00
	614050	Air-bridges	0	0	0	0.00	0.00
	614020+614024+614320+614323+614324	Aircraft abode tax	3,318,682	0	0	0.00	0.00
I	Total air services (domestic carriers):		435,112,318	164,684,607	156,019,092	35.86	100.86
						0.00	0.00
	Air services foreign carriers					0.00	0.00
	615010+615011+615012+615013+615014	Landing	515,932,349	0	0	100.00	0.00
	615020+615021+615022+615023+615024	Handling	551,851,999	631,383,779	551,851,999	100.00	87.40
	615030+615031+615032+615033+615034	Lighting	50,733,382	0	0	0.00	0.00
	615040+615042+615043+615044	Infrastructure	342,401,453	0	0	0.00	0.00
	615050+615052	Air-bridges	151,516,915	15,760,370	15,153,267	10.00	96.15
	615000+615001+615002+615003+615004	Aircraft abode tax	20,487,763	0	0	0.00	0.00
II	Total air services (foreign carriers):		1,632,923,861	647,144,149	567,005,287	34.72	87.62
I+II	Total air services		2,068,036,180	801,828,756	723,024,369	34.96	90.17
						0.00	0.00
	Passenger service					0.00	0.00
	614400+614404 - domestic carriers - domestic traffic	Passenger service d.c./d.t.	13,971	0	0	0.00	0.00
	614181+614182+614183+614190(BRS and PRM)+614410+614412+614413+614414	Passenger service d.c./l.t.	1,001,288,833	61,645,296	43,279,865	4.32	70.21
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger service for.car.	1,318,810,567	51,311,988	41,064,676	3.11	80.03
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fees	637,384,259	0	0	0.00	0.00
						0.00	0.00
III	Total passenger service		2,957,497,630	112,957,284	84,344,541	2.85	74.67
I+II+III	Total air services and passenger service		5,025,533,810	914,786,040	807,368,900	16.07	88.26
						0.00	0.00
	CCW services					0.00	0.00
	612500+612610	CCW services dom. market	108,097,432	113,658,051	108,097,432	100.00	95.11
	613300 +613310 (foreign)	CCW services for. market	9,675,383	11,424,472	9,675,383	100.00	84.69
IV	Total CCW services		117,772,815	125,082,524	117,772,815	100.00	94.16
V	Total services in air traffic (I to IV):		5,143,306,625	1,039,868,564	925,141,716	17.99	88.97
						0.00	0.00
	Other services					0.00	0.00
1	614360+615100+615102	DCS services	18,359,199	26,101,829	18,359,199	100.00	70.34
2	614110+614112+614115+614116+614170+614173+614180+614391+615872+615877+615891+615892+615895	Special request - work order	111,728,286	109,439,469	93,988,922	84.12	86.88
3	614130+614131+615072+615071	VIP Lounge	4,694,055	0	0	0.00	0.00
4	614140+614142+615090+615092	CUTE (dom + for)	131,797,592	0	0	0.00	0.00
5	615080+614380	Lost and found	13,774,615	16,848,427	13,774,615	100.00	81.76
6	6146+615120+615400+615401	Public utilities	120,159,224	0	0	0.00	0.00
7	614820+615170	Catering ser. Business Club	0	0	0	0.00	0.00
8	614870+615810	Advertising space	47,489,307	0	0	0.00	0.00
9	614883	Commer.use of apron	44,632,696	0	0	0.00	0.00
10	614160+614164+615110+615114	Aircraft de-icing service	58,376,597	46,963,608	58,376,597	100.00	124.30
11	Other non-mentioned services dom + foreign		52,559,500	7,855,432	6,490,048	12.35	82.62
VI	Other services (1 to 11):		603,671,071	207,208,767	190,989,380	31.64	92.17
VII	Total 61 - Revenues from sale of services (V+VI)		5,746,877,696	1,247,077,330	1,116,131,096	19.42	89.60
						0.00	0.00
	Revenues from sale of goods:					0.00	0.00
VIII	60 - Revenues from sale of kerosene + goods		66,904,778	0	0	0.00	0.00
						0.00	0.00
IX	Total (60+61) Revenues from sale (VII+VIII)		5,803,782,474	1,247,077,330	1,116,131,096	19.23	89.50
						0.00	0.00
X	64 и 65 - Renting of office space		706,439,933	0	0	0.00	0.00
						0.00	0.00
XI	BUSINESS REVENUES (IX+X)	60+61+62+64+65	6,609,222,407	1,247,077,330	1,116,131,096	17.15	89.50
						0.00	0.00
XII	66 - FINANCIAL REVENUES		150,769,970	0	48,027	0.03	0.00
1	interest		76,649,486	0	0	0.00	0.00
2	exchange rate differences -realised		56,412,389	0	19,705	0.03	0.00
3	exchange rate differences -non-realised		15,698,095	0	28,323	0.18	0.00
XIII	67 и 68 OTHER REVENUES		43,114,213	69,564	1,323,695	3.07	2,222.16
						0.00	0.00
XIV	Total revenues (XI+XII+XIII)		6,703,096,590	1,247,136,894	1,117,502,718	16.67	89.61

5.2. EXPENDITURES OF OU GROUND HANDLING

In the period I-IX 2016, **total expenditures** of GH are in the amount of RSD **1,040,594,116**, which represents 27% of realized expenditure of ANT on this basis for the mentioned period 2016, and 8% is lower compared to the Rebalancing plan for period I-IX 2016.

Realized **cost of materials and energy** (group 51) in the period I-IX 2016 amounted to RSD 83,663,696 and participate in total expenditures of GH with 8% and mostly relate to: consumed basic material, the consumption of electricity, fuel for weight vehicles etc. Thus realized costs of materials and energy make up 26% of total realized expenditures of ANT, and are 50% lower than the total expenditures projected by Rebalancing Plan.

Within the total expenditure, the largest amount relates to the **expenses of salaries, benefits and other employee benefits** (group 52) for the period I-IX 2016 that amount to RSD 785,912,885, which makes up 37% compared to the expenditures of ANT, and are 20% higher than expenditures projected by Rebalancing Plan for the period I-IX 2016. We point out that under the costs of salaries, benefits and other employee benefits groups 520 and 521 are increased for the amount of RSD 58,879,418 for the costs of services provided by financial, commercial and legal department to GH.

Actual costs of production services (group 53) in the period I-IX 2016 were realized in the amount of RSD 35,084,919 and account for 15% of actually realized expenditures of ANT in the period I-IX 2016.

The structure of the realized costs of production services are:

- Transportation costs realized in the period I-IX 2016 amounted to RSD 21,762,052 and make 39% of realized expenditures of ANT;
- Realized costs of maintenance for the period I-IX 2016 amounted to RSD 7,050,475 and make 7% of the expenses of ANT;
- Realized costs of lease for the period I-IX 2016 amounted to RSD 1,120,870 and make 4% of the expenses of ANT.

We point out that the costs of lease of GH towards ANT, which are foreseen by Rebalancing Plan for 2016, are arranged by key achievements, as follows, i.e. for: costs of electricity (15.36%), the cost for water, sewer and utilities (15.36%), property tax (5.87%), amortization on real estate of ANT (0.13%), which is in total the amount of RSD 66,777,357. The above amount reduced the costs of AO on behalf of the planned lease of GH toward AO.

- The generated advertising expenses amounted to RSD 86,688.
- Realized costs of other services in the period I-IX 2016 amounted to RSD 5,064,836, and make 17% of the realized expenditure of ANT in the same period.

Actual cost of amortization and provisions (group 54) in the period I-IX 2016 amounted to RSD 111,683,896 and make 17% of the expenses of ANT on the same basis for the same period.

Actual intangible costs (account group 55) in the period I-IX 2016 amounted to RSD 18,863,305, and make 9% of the realized expenses of ANT in the same period.

The structure generated intangible costs (group 55) are:

- Costs of non-production services (RSD 4,777,485)
- Representation expenses (RSD 228,033)
- Costs of insurance premiums (RSD 5,922,443)
- Costs of payment operations (RSD 747,299)
- Costs of membership fees (RSD 2,395,886)
- Tax costs (RSD 2,970,335)
- Other intangible costs (RSD 1,821,824)

Total operating expenditures achieved on the basis of services provided by GH, at ANT in the period I-IX 2016 amounted to RSD 1,035,208,701 and make 29% of the realized business expenditures of ANT for 2016, while they are by 9% lower than business expenditures of GH stipulated by Rebalancing Plan for that period.

Other expenditures were realized in the amount of RSD 5,385,416 for the period I-IX 2016 and largely relate to devaluation of domestic buyers.

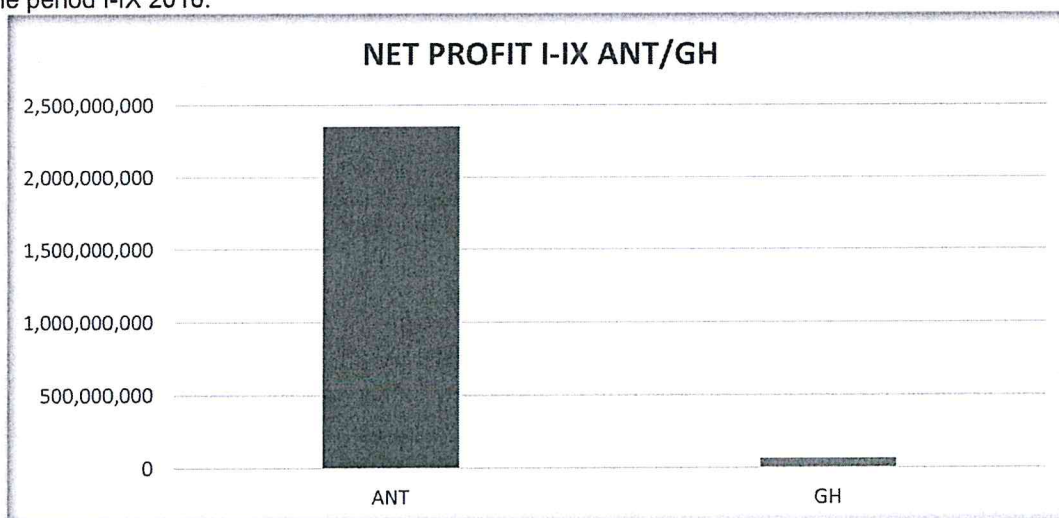
EXPENDITURE PATTERN OF GH I-IX 2016

Acc.	Account name	Realization ANT I-IX 2016	Rebalanc. GH I-IX 2016	Realization GH I-IX 2016	Index	
1	2	3	4	5	6 (5/3)	7 (5/4)
50	PURCHASE VALUE OF SOLD GOODS	51,662,587	21,085	0	0	0
501	PURCHASE VALUE OF SOLD GOODS	51,662,587	21,085	0	0	0
51	COSTS OF MATERIALS AND ENERGY	316,369,916	166,765,459	83,663,696	26	50
511	COSTS OF MATERIALS FOR PRODUCTION	77,626,073	66,308,683	23,678,482	31	36
512	COSTS OF OVERHEADS	8,534,167	13,151,909	4,006,791	47	30
513	COSTS OF FUEL AND ENERGY	187,248,913	52,108,875	47,277,885	25	91
514	COSTS OF SPARE PARTS	29,353,405	24,555,367	7,922,484	27	32
515	COSTS OF ONE-TIME WRITE-OFF OF TOOLS AND INVENTORY	13,607,358	10,640,625	776,053	6	7
52	SALARIES, REIMBURSEMENTS AND OTHER PERSONAL EXPENDITURES	2,108,101,661	657,424,012	785,912,885	37	120
520	SALARIES AND REIMBURSEMENTS-GROSS	1,223,334,165	330,354,875	431,987,394	35	131
521	TAXES AND CONTRIBUTIONS AT THE COST OF EMPLOYER	218,976,816	57,233,026	77,325,744	35	135
522	REIMBURSEMENT FOR SERVICE CONTRACTS-GROSS	319,532	0	0	0	0
524	COSTS OF REIMBURSEMENTS PER TEMPORARY AND OCCASIONAL JOBS-GROSS	413,693,133	211,949,324	215,120,137	52	101
525	REIMBURSEMENT FOR NATURAL PERSONS BY OTHER CONTRACTS-GROSS	0	0	0	0	0
526	REIMBURSEMENT TO DIRECTOR, I.E. MEMBERS OF MANAG. AND SUPERV. BODIES-GROSS	6,108,503	709,011	725,950	12	102
529	OTHER PERSONAL EXPENDITURES AND REIMBURSEMENTS	245,669,513	57,177,776	60,753,661	25	106
53	COSTS OF PRODUCTION SERVICES	239,051,431	146,417,751	35,084,919	15	24
531	COSTS OF TRANSPORTATION SERVICES	55,523,871	28,362,467	21,762,052	39	77
532	COSTS OF MAINTENANCE SERVICES	94,750,339	47,138,271	7,050,475	7	15
533	COSTS OF LEASE	30,127,331	68,015,061	1,120,870	4	2
535	COSTS OF ADVERTISING	28,482,151	84,375	86,688	0	103
539	COSTS OF OTHER SERVICES	30,167,739	2,817,578	5,064,836	17	180
54	COSTS OF AMORTIZATION AND RESERVES	651,832,234	82,327,402	111,683,896	17	136
540	COSTS OF AMORTISATION	643,032,234	81,877,402	111,562,456	17	136
544	PROVISIONS FOR COSTS OF RESTR.	0	0	0	0	0
545	RESERVES FOR REIMBURSEMENTS TO EMPLOYEES	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	8,800,000	450,000	121,440	1	27
55	INTANGIBLE COSTS	213,109,255	82,041,281	18,863,305	9	23
550	COSTS OF NON-PRODUCTION SERVICES	104,448,690	68,428,577	4,777,485	5	7
551	COSTS OF REPRESENTATION	2,953,625	213,693	228,033	8	107
552	INSURANCE PREMIUMS	16,166,285	9,360,000	5,922,443	37	63
553	COSTS OF PAYMENT SYSTEM	4,036,590	792,018	747,299	19	94
554	COSTS OF MEMBERSHIPS	7,739,585	1,879,914	2,395,886	31	127
555	COSTS OF TAXES	59,894,903	0	2,970,335	5	0
559	OTHER INTANGIBLE COSTS	17,869,577	1,367,080	1,821,824	10	133
I	BUSINESS EXPENDITURES	3,580,127,083	1,134,996,992	1,035,208,701	29	91
56	FINANCIAL EXPENDITURES	72,648,525	0	0	0	0
562	INTEREST EXPENDITURES	31,085,721	0	0	0	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	41,543,191	0	0	0	0
564	EXPENDITURE OF EXCHANGE CLAUSE RISK	19,614	0	0	0	0
II	FINANCIAL EXPENDITURES	72,648,525	0	0	0	0
57	OTHER EXPENDITURES	23,184,256	1,600,500	1,576,750	7	99
570	LOSSES BASED ON WRITE-OFFS AND SALE OF PROPERTY AND EQUIPMENT	688,219	0	0	0	0
571	LOSSES BASED ON WRITE-OFFS AND SALE OF BIOLOGICAL RESOURCES	15,000	0	0	0	0
574	LOSSES	0	0	0	0	0
575	CONTRACTED RISK PROTECTION NOT SHOWN AS REVALUATION RESERVE	347	0	0	0	0
576	DIRECT WRITE-OFF OF RECEIVABLES	0	0	0	0	0
577	DISPOSAL - REMOVAL FROM INVENTORY	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	22,480,691	1,600,500	1,576,750	7	99
58	EXPENDITURE ON IMPAIRMENT OF ASSETS	204,125,789	0	3,808,666	2	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-TERM FIN. INVESTMENTS AND OTHER SECURITIES AVAILABLE FOR SALE	0	0	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-TERM FIN INVESTMENTS	204,125,789	0	3,808,666	2	0
589	IMPAIRMENT OF OTHER ASSETS	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
III	OTHER EXPENDITURES	227,310,045	1,600,500	5,385,416	2	336
	TOTAL EXPENDITURES	3,880,085,653	1,136,597,492	1,040,594,116	27	92

5.3. FINANCIAL RESULT OF GROUND HANDLING

FINANCIAL RESULT OF GH I-IX 2015/2016						
S.No.	Position	Achieve. ANT I-IX 2016	Rebalanc(II)GH I-IX 2016	Achieve. GH I-IX 2016	Index	
1	2	3	4	5	6(5/3)	7(5/4)
1	Business revenues	6,509,222,407	1,247,077,330	1,116,131,096	17	89
2	Business expenditures	3,580,127,083	1,134,996,992	1,035,208,701	29	91
3	Business profit (1-2)	2,929,095,324	112,080,339	80,922,395	3	72
					0	0
4	Financial revenues	150,759,970	0	48,027	0	0
5	Financial expenditures	72,648,525	0	0	0	0
6	Financial profit (4-5)	78,111,445	0	48,027	0	0
6a	Financial loss (5-4)					
					0	0
7	Other revenues	43,114,213	59,564	1,323,595	3	2,222
8	Other expenditures	227,310,045	1,600,500	5,385,416	2	336
9	Other profit (7-8)					
9a	Other loss (8-7)	184,195,832	1,540,937	4,061,821	2	264
					0	0
10	Total revenues (1+4+7)	6,703,096,590	1,247,136,894	1,117,502,718	17	90
11	Total expenditures (2+5+8)	3,880,085,653	1,136,597,492	1,040,594,116	27	92
					0	0
12	Total gross profit (10-11)	2,823,010,937	110,539,402	76,908,602	3	70
12a	Total gross loss (11-10)					
					0	0
13	Period tax expenditure	294,099,598		11,536,290	4	0
14	Deferred period tax expenditure	174,697,289		0	0	0
15	Deferred period tax revenue	0		0	0	0
16	Paid-up personal receiving to employer	0		0	0	0
17	Net profit	2,354,214,050		65,372,311	3	0
17a	Net loss					

From above tables it can be concluded that Ground Handling for the period I-IX 2016 realized total revenues in the amount of RSD 1,117,502,718, total expenditures in the amount of RSD 1,040,594,116 which resulted in gross profit in the amount of RSD 76,908,602. Such disclosed gross profit of GH represents 3% of the total generated gross profit of ANT and is 30% lower than the gross profit anticipated by the Rebalancing Plan for the period I-IX 2016.



OU Ground Handling in the period I-IX 2016 realized net profit in the amount RSD 65,372,311 which is 3% of the total realized net profit of ANT.

6. INFORMATION ON INVESTMENTS FOR PROTECTION OF ENVIRONMENT

Joint Stock Company Belgrade Nikola Tesla Airport is actively involved in solving the problems of environmental pollution and raising the environmental awareness of all employees and other persons he has direct and indirect contact with.

7. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES IN THE PERIOD I-IX 2016

Purchase of two belt conveyors - electric elevators

- Purpose: increase of the capacity and quality of services provided to airlines in aircraft handling at loading and unloading of baggage, cargo and mail.
- Value: 12,953,032.00 RSD without VAT
- Supplier: *Vecar Viljuškari d.o.o.*, public contract number 17-167/2015 of 20.10.2015.
- Status: elevators have been delivered and are in operation since 17.02.2016.

Start of implementation of automated passengers and baggage reconciliation system – BRS on flights of foreign airlines

- Purpose: To raise the level of service, safety, security and cost-effectiveness both to customers and airport in the process of passengers and baggage reconciliation.
- From 01.03.2016 system is in operation and full implementation for all the airlines operating from Belgrade Nikola Tesla Airport.
- With introduction of the system is made reorganization of the technological process of work at the same time with creating conditions for more regular flow of traffic and reduction of costs related to baggage handling.
- In the course of implementing the new system, training was organized for 132 employed in the Ground Handling Department, who directly apply automated system for passengers and baggage reconciliation.

Procurement of 50 pieces of baggage apron dollies

- Purpose: To increase the capacity and quality of services provided to airlines in aircraft handling during loading and unloading of baggage, cargo and mail.
- Value: 15,368,850.00 RSD without VAT
- Supplier: CENTUM doo, Public procurement contract No.17-22/2016 dated 17.02.2016.
- Status: baggage dollies are delivered on 14th and 20.04.2016 and are in operation from 21.04.2016.

Purchase of four belt conveyors - electric elevators

- **Purpose:** increase of the capacity and quality of services provided to airlines in aircraft handling at loading and unloading of baggage, cargo and mail.
- Value: 26,568,000.00 RSD without VAT
- Supplier: *Centum d.o.o.*, public contract number 17-20/2016 dated 17.02.2016.
- Status: elevators have been delivered and are in operation since 04.05.2016.

Purchase of one aircraft toilet service unit

- Purpose: To increase the capacity and quality of services provided to airlines in aircraft handling when servicing aircraft toilets.
- Value: 10,455,000.00 RSD without VAT
- Supplier: *Centum* doo, Public procurement contract No. 17-21/2016 dated 17.02.2016.
- Status: Unit is delivered and is operational since 06.05.2016.

Training and examination for extension of a training certificate for professional firefighters

In the period March-April in the Fire & Rescue Service was carried out training and examination for extension of a certificate of training for the professional firefighters. The said training and passing of the exam confirmed that staff are trained and maintenance of the airport fire category is at the highest level. Confirmation of training and preparedness of the Fire & Rescue Service was confirmed also by the inspectors CAD after completion of examinations which was also noted in the Minutes.

Purchase of fire truck 8x8

Public procurement procedure fire truck 8x8 with an extended extinguishing arm and expert assessment of the bids received is in progress. The purchase of the said fire truck will contribute to determining the readiness of the Fire & Rescue Service for maintenance of fire category of the airport and the smooth operation of overseas flights with aircraft that are in the 8th or 9th fire category.

Training of employees in the field of security screening

- In accordance with the regulations in the field of aviation security, Belgrade Nikola Tesla Airport is obliged to conduct training in the field of aviation security i.e. to provide adequate initial, periodic and additional training. Employees must successfully complete the appropriate training before being authorized to independently apply security screening. Training is conducted according to the curriculum approved by the Civil Aviation Directorate of the Republic of Serbia. OU Security started with training for operators of x-ray security screening sector and security guards sector such as:
 - Training and refresher training for persons carrying out security screening of cabin baggage, hold baggage, cargo and mail.
 - Training and refresher training for persons conducting security screening of passengers, persons who are not passengers and goods they carry.
 - Training and refresher training for security screening and control of access of persons who are not passengers and vehicles they are driving.
 - Training on the importance of security screening in aviation.
- Estimated value of PP 3,600,000.00 RSD
- Supplier: The contract (per lots) concluded on 14. 03.2016 with company Jugoskan d.o.o.
- Status: Planned implementation period is: March - December (in groups of 10 trainees, with a break during the summer season, June, July, August).

Explosive traces detector, 18 pieces

- Purpose: Belgrade Nikola Tesla Airport was by Decision of the Civil Aviation Directorate of the Republic of Serbia No. 5/0-01-0044/2014-0055 of 26.08.2015 given order to take urgent measures and in shortest possible time carry out procurement and installation of explosives trace detectors (ETD) .

Equipment must meet standards ECAC Doc 30 Part II, and be on the list of ECAC Common Evaluation Process for Equipment. It is planned to purchase a total of 18 devices, which will be installed at passengers and hand baggage security screening points and at the security check points for control of persons who are not passengers and their belongings. ANT is required to examine by these devices on a basis of random sample 10-20% of passengers and their hand baggage on each flight, i.e. security check point.

The purchase of this equipment will also meet TCA standards related to announced flights to USA.

- Estimated value: 94,500,000.00 RSD
- Supplier: Contract concluded on 16.03.2016 with the company Analysis d.o.o. Planned equipment delivery in May.
- Status: Realized: on 17.05.2016.

"Upgrade" of existing explosives detectors ION SCAN 500DT, 2 pieces (9.2.)

- Purpose: X-ray Security Screening Sector has initiated procurement for the upgrade of existing explosives detectors ION SCAN 500DT, produced in 2011, no longer in the list of ECAC-reference devices, which will by software upgrades be on the abovementioned list again.
- Estimated value: 1,250,000.00 RSD
- Supplier: The contract concluded: with the company Jugoskan d.o.o.
- Status: Realized: on 18 April 2016

Shooting training

- Purpose: Training in handling firearms and shooting for workers of security guards sector.
- Estimated value: 2,650,000.00 RSD
- Supplier: Contract award decision: 04.03.2016. Contract concluded on 01.08.2016.
- Status: The planned period of implementation of service: till end of July 2017.

X-ray devices for hand baggage and screening of transfer cargo and mail

- Purpose: X-ray security screening sector presently for security screening in waiting rooms – gates, uses also x-ray units in standard 1, which are borrowed from Boarder Police Station. Procurement is initiated for 4 x-ray units in standard 2 (3 for hand baggage and 1 for cargo).
- Estimated value: 33,500,000.00 RSD. Contract concluded: on 29.01.2016.
- Status: X-rays supplied: on 15.04.2016.

Aircraft de/anti-icing pad

- **Purpose:** The technical documentation provides construction of an aircraft de/anti-icing pad together with associated installations and facilities. Planned surface of the pad together with service road and parking for vehicles will be about 20,500 m². Construction of aircraft de/anti-icing pad includes:

- the extension of taxiway "F" to taxiway "B"
- aircraft de/anti-icing pad being performed simultaneously at two positions for aircraft code-letter "C", the maximum wing span 36 m, or in one position for aircraft of wing maximum span 65 m and a waiting position (two position of aircraft code letters "C" for waiting for treatment or one position for aircraft code-letter "E" to wait for treatment).
- the service road with two lanes in width by 4m, parking for vehicles from which aircraft de/anti-icing is done and space for the installation and station (prefabricated container to accommodate people operating vehicles for aircraft de/anti-icing and performing aircraft de/anti-icing treatment).

The purpose of construction aircraft de/anti-icing pad is to reduce the time to take off, as the newly planned pad would be located close to the threshold 12 of the runway, i.e. aircraft anti-icing time is extended (holdover time).

Changing the place of aircraft de/anti-icing operations to newly planned pad enables better management of parking positions on aprons, with a smaller possibility of delaying scheduled traffic.

- **Status: Development of technical documentation:** on 29.01.2016 Ministry of construction, transport and infrastructure issued building permit for extension of taxiway F and construction of de/anti-icing pad, and on 17.02.2016 Serbia and Montenegro air traffic services, SMATSA, submitted a positive opinion on documentation.

The Directorate of Civil Aviation of the Republic of Serbia on 03.15.2016 passed a Decision approving the project for carrying out the extension of the taxiway F and building aircraft de/anti-pad. On 27.06.2016 the Ministry of Internal Affairs of the Republic of Serbia, Sector for emergency situations has given consent to the technical documentation regarding the foreseen fire protection measures.

- **Execution of works:** On 22.02.2016 Bid opening session was completed. The following bids were submitted:

By contract award decision of 01.03.2016, public procurement contract was awarded to the Tenderer Energoprojekt. Tenderers Planum and Vojvodinaput Pančevo forwarded requests for protection of rights.

By Decision dated 5.4.2016, the Commission for Protection of Rights in Public Procurement Procedures rejected the request submitted by AD Planum and accepted request of the tenderer Vovodinaput Pančevo.

According to the decision of the Republic Commission, the Public Procurement Contract for execution of works on construction of aircraft de/anti-icing pad is awarded to the group of tenderers Vojvodinaput Pancevo, Strabag and Elgra Vision on 11.04.2016.

Group of the tenderers consisting of Energoprojekt niskogradnja i Energoprojekt oprema filed a request for protection of the rights which was rejected by Decision on 26.05.2016 by the Republic Commission.

On 06.06.2016 is concluded contract on execution of works on the construction of aircraft de/anti-icing pad between Belgrade Nikola Tesla Airport and a group of tenderers Vojvodinaput Pancevo, Strabag and Elgra Vision in the amount of 538,941,391.35 RSD, excluding VAT.

Acting as project supervisors are Mašinoprojekt Koprivica and Institut za puteve (Institute for Roads). The contract for the service of expert supervision of works is concluded with the Institute for Roads. The technical inspection of the works performed is delegated to Civil Engineering Faculty of the University of Belgrade.

Ministry of Interior, Border Police Station has given its consent for the execution of works in the area of border crossing.

From the Civil Aviation Directorate are obtained appropriate approvals for the organization of execution of works and placed fence.

The contractor and suppliers of the service of project and expert supervision were introduced into the job on 20.06.2016.

The execution of works according to the agreed schedule is in progress. The contractual deadline for the works is 16.11.2016. Most of the work has been completed and submitted in accordance with the schedule. In the course of works technical inspection of the facility is carried out. Completed functional units will be subject to technical inspection in order to have a positive report of the commission on the technical inspection of the facility in shortest possible time after the construction of the pad. The expected deadline for completion of works is 01.11.2016.

Technical documentation for upgrade of finger hall C

- **Purpose:** The technical documentation will provide for the upgrade of finger hall C, the total area of 11,000 m² gross. Upgrading of building is planned for the area of the expanded part of apron C, from the parking position C6 to parking position C10. It is anticipated that the new facility's height is GF + 1. Upgrade of finger hall C is of major importance for increasing the terminal capacity. In addition to increase of technological capacities, there will be increase of the area intended for commercial facilities too. Larger commercial offer will lead to increase of the revenue of non-aviation services. Primarily, the idea is that after the construction of this space the same is offered to adequate commercial facilities such as restaurants, duty free and duty paid shops and other facilities that are specifically applicable for this type of space.

- **Status:** The project for building permit is developed and submitted to us. Consultations with the Ministry of construction, transportation and infrastructure are in progress related to technical supervision of the project.

Construction of D security check point facility

- **Purpose:** Technical documentation provides for construction of D check point facility of 340 m². Facility is made in two segments- closed part for X-ray control access and opened for control of vehicles and equipment. Construction of D check point is essential to raise security of the border crossing to an appropriate level and to improve security control of persons and vehicles on the security check point D.

By improving operational technologies in check point D, in addition to the above mentioned security aspects, the very movement of persons and vehicles into security restricted area will accelerate and improved. One of the conditions for implementation of One Stop Security concept is improvement of work technology on check-point D, by which adoption the level of service of the Belgrade Nikola Tesla Airport will be in accordance with modern airports in EU and USA.

- **Status:** Approval of Emergency Situations Sector in terms of implemented measures for fire protection is delivered on 21.01.2016. On 02.03.2016 the Ministry of Construction, Transport and Infrastructure, has made a decision that JSC Belgrade Nikola Tesla Airport is allowed the use of executed works on the construction of D security check point. Realization of the subject investment is completed.

Restoration of the murals in Terminal 1

- **Purpose:** The existing murals in Terminal 1 are over 30 years old and are in poor condition. Both murals are located indoors, one on the upper floor in a public area, and the other above the main entrance to Terminal 1. The murals were created when the Terminal 1 and have not been restored. The restoration of the mural "Flight of Icarus and Daedalus to the universe" of the artist Milos Bukinca in Terminal 1 began, and the restoration of the mural of artist Zuke Džumhura is in progress. During the later adaptation of the whole Terminal 1 it is planned installation of dedicated light for these murals.

- **Status:** The works on restoration of the murals on the upper floor of Terminal 1 are completed.

Implementation of the new CUPPS software platform

- **Purpose:** Belgrade Nikola Tesla Airport with companies Asseco SEE and Travsys BV in October 2015 started the project of implementation of new CUPPS (Common Use Passenger Processing System) and CUSS (Common Use Self Service) platform that will replace the existing SITA CUTE (Common Use Terminal Equipment) and CUSS platform. CUPPS and CUSS is a technological platform that provides terminal access to various information systems, airlines, and systems for the registration of passengers to control the boarding of passengers and baggage, as well as to control the load of the aircraft whose use is essential in the process of ground handling. The platform also allows self-registration for the flight via cuss kiosks at the 2 kiosks that are currently in use at the Airport.

That platform enables users of airport services (airlines) to use on it their own systems for aircraft, passengers and goods handling, and also allows planning and rationalization of airport resources (check in counters, gates, transfer counter, etc.).

Implementation of the platform is completed, and Minutes on takeover of the system is signed on 03.03.2016.

- Value: RSD 66,818,933.17, VAT excluded
- Supplier: Group of Tenderers – ASSECO SEE D.O.O., Belgrade and Travsys BV, Holland

Video wall for video surveillance and flight schedule display system

• **Purpose:** By this purchase is planned replacement of existing video wall in the main security center. Video wall located in the main security center was purchased in 2005 and after so many years of continuous operation it was necessary to replace it to avoid its malfunction which would prevent monitoring of video surveillance cameras. As this is a video wall that must be in operation without interruption, any irregularity would question the compatibility of work with safety procedures of the Company.

- Value: 8,699,702.00 RSD without VAT
- Supplier: Oblak tehnologije d.o.o

Storage and licenses for IP video surveillance system

• **Purpose:** For the realization of the project of new video surveillance system it is necessary to provide the quality part of the system for storage and viewing of images generated by the cameras. IP video surveillance system enables that all data passing through the system are in digital format and can be easily placed on storage systems which are information systems for data storage. This system enables quality cancelling, sorting and search of video footage, as well as their safety and preservation within the legal deadlines. Licences for the system enable connection of server - storage systems with IP cameras so that recording of video content on data storage system would be in function. Procurement is necessary for realization of the new IP video surveillance system from the point of view that without licenses and storage system, there is no function of storage and archive of images as well as connection of IP cameras to the rest of the system.

- **Status:** Delivery and installation completed.
- Value: RSD 19,885,511.95 excluding VAT,
Supplier: TELEGROUP.

Video surveillance cameras

• **Purpose:** The video surveillance system is a key airport security system. As part of the implementation of the new system of video surveillance, based on digital IP technology it is necessary to provide appropriate cameras that also work on IP technology so that they can be integrated into the new system of video surveillance. Procurement is especially necessary because the existing analogue type camera, which does not include IP technology and cannot be integrated into a modern IP video surveillance system.

- Value: 21,698,322.00 RSD without VAT.
- Supplier: DBS Konsel

Extending Microsoft licenses (true-up)

• **Purpose:** With this procurement has been extended, or purchases an additional number of Microsoft licenses. The need to purchase additional licenses occurs due to the increased number of users on a computer network, or an increase in the number of workstations (desktop and notebook) as well as the number of servers the information systems of airport corporate computer network work on. The increase in the number of users means the increase of necessary licenses for the operating system and Office packages for workstations. Increase of the number of information systems involves increase of the number of licenses for operating systems for servers and databases.

- Value: 10,349,765.30 RSD without VAT.
- Supplier: E-SMART SYSTEMS.

Standard IT equipment - according to the plan for 2015

- **Purpose:** By planned procurement is continued the process of modernization of IT equipment in use, which started by procurements from previous years. The purchase of above equipment provides more efficient, more comfortable and better work of employees. Obsolete and worn out equipment will be out of use which enables to maintain the level of quality and reliability of equipment. Also, as a result of expansion of the airport the procurement of equipment covers new positions for which the need occur and serving of all the extended and new business processes in everyday business is made possible. The new equipment adequately provides IT support in automation and handling all the processes that are taking place. The procurement includes computers, printers, multifunctional devices and uninterrupted power supply units.
- **Status:** Procurement is organized in 4 lots, all contracts are signed and realized in the first quarter.
- **Value:** Total value of all four contracts (all four lots): RSD 14,375,709.00, VAT excluded.
- **Suppliers:** Direct Link, Oblak tehnologije, EnelPS and Asseco.

Development of mobile applications for the iOS platform

- **Purpose:** As one of the most common platform on which mobile devices operate the airport is developed a mobile application for the iOS platform in order to facilitate finding the information requested by the passengers, visitors and all users interested in specific information. The mobile application is one of the main sources of information for interested users and it was necessary to create the same so that the users could reach the requested information as quickly as possible. In the application it is possible to track departures and arrivals, they can get information on how to get to the airport, where you can buy, and you can view the airport maps, it is possible to obtain information about the airlines, car rental agencies and the like.
- **Value:** 321,138.00 RSD without VAT.
- **Supplier:** Smart Data Analytics IP.

Equipment and software for upgrading check-in counters

- **Purpose:** The purchase planned equipping of new premises for the registration of passengers. Supply includes the necessary computer equipment and software to equip the new check-in counters and other facilities that are planned within the new premises, which is being prepared through the project for expansion of airport capacity.

Primarily, it foresees purchase of licenses and equipment for CUTE system which is used as a common technological platform for access to the various DCS (Departure Control System) systems for the registration of passengers. The new check-in counters, as well as those who currently in use at T1 and T2, will be equipped with CUTE equipment which will enable on the new check-in counters too automated passenger registration process through various DCS systems.

- **Status:** The Minutes on takeover of the equipment is signed on 01.04.2016.
- **Value:** RSD 9,844,296.00, VAT excluded.
- **Supplier:** NEPO SYSTEM d.o.o.

Upgrade of mobile application

• **Purpose:** As one of the most common platforms on which mobile devices operate, the airport developed a mobile application for the *Android* platform. The mobile application is one of the main sources of information for interested users and it was necessary to create the same so that the users could as quickly as possible reach the requested information. In the application it is possible to track departures and arrivals, get information on how to get to the airport, where you can buy, and you can also view the airport map, obtain information about the airlines, car rental agencies and so on.

Upgrading of the application provided for removal of identified functional and design deficiencies.

Existing functionality is expanded and upgrade in sections:

- Web Check-In
- Rent-a-Car
- Airlines
- Taxi cab
- Maps of the airport - replacement of the old ones and adding new maps, display optimization

In addition to these standard functionalities are added by upgrade the following functionalities:

- Monitoring of flights - the ability to select an option to monitor specific flight
- Seasonal timetable - with the ability to search by airlines, from-to date, destination. Display of flights per day in the week when there is a specific flight
- Business Clubs
- The interface of the Serbian Cyrillic

• **Status:** The Minutes on qualitative acceptance of works is to be signed. The application is published and available for download on the Play Store.

• **Value:** 280,000.00 RSD without VAT.

• **Supplier:** Smart Data Analytics IP.

Standard IT equipment - according to the plan for 2016

• **Purpose:** By foreseen procurement continues process of modernization of IT equipment in use, which started with procurements from previous years. The purchase of above equipment will provide more efficient, more comfortable and better work of employees. From the use is excluded obsolete and worn out equipment and equipment will be renewed which enables to maintain the level of quality and reliability of equipment. Also, as a result of expansion of the airport, purchase of equipment will cover new positions for which a need has arisen and it is possible to serve all the extended and new business processes in everyday business.

The new equipment adequately provides IT support in automation and handling of all the processes that are taking place. It is foreseen procurement of computers, printers, multifunction devices, computers for thin clients and ID card printers. This procurement will round up many year planned modernization of IT equipment, and is particularly important to emphasize that the new identification card printer will be such that the ID card printing on it will satisfy the most demanding safety requirements prescribed by TSA.

- **Status:** Goods delivered per all lots.

II Phase of perimeter protection

- **Purpose:** This capital investment represents the second phase of works to protect the perimeter of the Belgrade Nikola Tesla Airport. A second phase is planned protection all along the fence by quadruple protection system, which builds on the first phase of perimeter protection. System is designed in a way that is fully adapted to protect the perimeter of the Belgrade Nikola Tesla Airport. Perimeter Intrusion Detection System that is installed on the fence allows first intrusion warning by allowing detection of any fence climbing activity and locates a place of entry in all weather conditions. This information is further passed to the CCTV system which activates specific cameras, allowing visual verification and monitoring of intruders. With a system that is installed in the first phase an effective perimeter security system will be provided that will prevent potential intruders to reach their target unnoticed within the secured zone.

- **Value:** RSD 119,649,200.00 VAT excluded.
- **Status:** Macchina Security.

Ramps for parking positions

- **Purpose:** Parking systems provide full control of parking lots: provide information on the number of free and occupied parking places in real time, control the billing system, accelerate the flow of vehicles and improve the efficiency of utilization of the parking lot. These systems facilitate the process of parking and increase the level of safety of vehicles and people on the parking lot. Planned parking systems consist of several different components, such as ramps, gates, tollbooths, indicators of vacancies, the notification panel for users and management software. This system combines all the parking spaces at the Belgrade Nikola Tesla Airport in a single system, which allows centralized local or remote management, ensuring optimum parking capacity utilization.

- **Value:** RSD 14,913,450.00 VAT excluded.
- **Supplier:** Macchina Security.

Information securing service and maintaining of the continuity of operations of internal services of Nikola Tesla Airport

- **Purpose:** this project provides information of commercial significance, as well as the smooth operation of the internal services in case of a disaster (rain, floods, electrical shock, etc.). Maintaining operation continuity of internal services is a key part of the business because it is, in variety of natural disasters, necessary to keep all business information and ensure the continuity of internal services. Proper storage of business data and the realization of the smooth functioning of business services precisely represent a form of prevention of data and services protection in case of incidents.

By this project Airport secures its information and stores them in a safe place, while the internal services operate continuously.

- **Value:** RSD 11,898,000.00 VAT excluded.
- **Supplier:** Eunet.

Monitors for IDS with accessories

• **Purpose:** By this investment is planned purchase of monitors and panels with accessories for IDS system (Information Display System), which will at the airport increase the number of units for display of information and allow the use up of the functionality of the new IDS system. IDS is a system for displaying a variety of information to passengers, employees and other users of airport services through workstations, as well as through the monitors and the panels (video walls) which are arranged within terminal building.

This investment will also enable equipping of new passenger check-in counters with monitors after the reconstruction of Terminal 1 and the connecting part, and setting up additional information monitors and at the designated locations.

In this way the further utilization of the functionality of the new IDS system will be enables, which in addition to information about flight schedule enable viewing various multimedia content, commercial content (commercials, campaigns, promotions), information for emergency needs (integration with fire alarm systems, evacuation systems) and so on. In Appendix No. 2 there is a layout of set monitors and panels in the airport building.

- **Value:** 13,507,320.00 RSD excluding VAT
- **Supplier:** E-PORT Solution System, Belgrade
- **Status:** Equipment delivered, Minutes signed on 10.06.2016.

CUTE equipment

• **Purpose:** Procurement involved renewal of the part of CUTE (CUPPS) equipment installed in Terminal 2 and Terminal 1. CUTE (CUPPS) equipment that is currently in use is implemented at the airport in 2012 and for a period of 3 years has been the subject of maintenance under the warranty conditions of the manufacturer. The extension of this type of maintenance is provided through the purchase and signing a contract for the implementation of the new CUTE (CUPPS) system.

One part of the CUTE (CUPPS) equipment, which is in use at the airport, has malfunctions which repair is not included in the maintenance under the manufacturer's warranty conditions. Given the age of the device and increased level of exploitation, due to increase in the volume of traffic, it was necessary to replace part of equipment the order to prevent the possibility of frequent breakdowns that can threaten the very process of passengers and baggage handling.

Also it should be noted that due to advancements in technology of registration of passengers and baggage there was a need for devices that support new technologies.

- **Status:** Contract signed, delivery time 45 days (21.08.2016)
- **Value:** 12,275,550.00 RSD without VAT.
- **Supplier:** ASSECO SEE d.o.o.

Service of improvement of intranet portal functionality

- **Purpose:** The procurement foresees improvement and automation of the following:
 - Improvement of internal portal, which should provide more advanced functionality and space (site) for each of the departments within which employees from each of the department could share and work on documents as well as many other features.
 - Development of application solution for public procurement, which will cover and automate all the processes that are taking place in relation to public procurements.
 - Development of application solution for the registry office that will cover and automate all processes that take place within our archives and in filling, flow and submission of documents to be processed daily.

Implementation of this project should provide to employees a central point of exchange of documentation and obtaining information and documents that are used in everyday business. In addition, the introduction of automation and the use of electronic documents, in the process of public procurement and registry office, would significantly save paper, toner and wear of devices, as well as staff time that is spent on copying data that are already in the system.

- **Status:** Contract signed on 06.06.2016. Preparation of the solution is in progress.
- **Value:** 5,883,500.00 RSD without VAT.
- **Supplier:** E-Smart Systems d.o.o.

Investment "Rehabilitation of concrete gutters on apron C from C1 to C6"

- **Purpose:** Inspecting the existing concrete gutter on apron C from parking positions C1 to C6 was found that the corresponding concrete pipe has burst and that it does not perform its basic function drainage of storm water. It also leads to the breaking off of the concrete parts on the surface of the gutter which represents FOD on the manoeuvring areas. It is necessary to replace it in order to ensure adequate drainage, prevent further wash-out of the lower layers and the deterioration of the pavement structure, as well as eliminate the occurrence of FOD zone.
- **Value:** Execution of works is RSD 21,323,971.00
- **Supplier:** GP "PLANUM" AD
- **Status:** Execution of works on rehabilitation of concrete gutters is completed.

Investment "Development of complete technical documentation for the reconstruction of the apron "B" and connection "H"

- **Purpose:** Apron B and connection H which is located along the apron are in poor condition in terms of damage pavement. During a survey of the situation in 2012 and 2015, it was determined that the subject of maneuvering area according to the criterion regarding the pavement condition index value is to be reconstructed in order to lead to a satisfactory state. This measure is necessary because of the extension of the same century pavement, reduce the risk of FOD, and raising the level of customer service. Technical documentation is the first stage envisaged by the Law on Planning and Construction.
- **Status:** Public procurement procedure is carried out according to Plan from 2015, but there were no tenders. Procurement is cancelled due to lack of tenders.

Investment "Calorimeters"

- **Purpose:** For the purpose of more quality and accurate monitoring of thermal energy consumption, it is planned installation of calorimeters on each heating branch. This would enable more precise calculation of consumption among all users at Nikola Tesla Airport. Procurement was carried out under procurement plan of 2015.
- **Value:** RSD 3,788659.51
- **Supplier:** „ENING-ENERGETIKA INŽENJERING“ d.o.o. Beograd
- **Status:** Realization of the contract is in progress.

Investment "Construction of perimeter fence"

- **Purpose:** Continuation of works on the rehabilitation of the existing fence along the perimeter of the airport in order to increase the level of security and alignment of features with the new regulations.
- **Status:** The contract for execution of works is signed with representatives of the consortium company ELGRA VISION. After obtaining the consent of the Directorate of Civil Aviation to work organization project, the preparations for works started at the end of March 2016. Execution of works is in the final stage.

Investment "Development of detailed design of runway end safety area (RESA)"

- **Purpose:** The subject of making technical documentation is construction of the runway end safety area (RESA - RUNWAY END SAFETY AREA) in front of the threshold 12 of the runway of Belgrade Nikola Tesla Airport. Procurement was carried out under procurement plan of 2015.
- **Value:** RSD 1,500,000.00
- **Supplier:** „Institut za puteve“ a.d. Beograd
- **Status:** Realization is in progress.

Investment "Standing public water fountains"

- **Purpose:** To raise the quality of service to passengers in the transit zone it is planned to set up two standing water fountains. Procurement was carried out under procurement plan of 2015.
- **Supplier:** "Awua still group" d.o.o. Beograd
- **Status:** Standing public fountains have been delivered and placed in the transit zone - A and C corridors.

The investment "Rehabilitation of Sorting Area T1"

- **Purpose:** Due to the procurement of a new baggage transport system it is necessary to adapt the space of the old sorting area to functionally follow up the new system solutions. The procurement planned flooring replacement works, treatment of openings, air conditioning and, if necessary, strengthening of the structure.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investments.

The investment "Execution of works on reconstruction of facilities for fuel storage and refuelling"

- **Purpose:** Based on the project of pre-existing condition and proposal of measures for the rehabilitation of the fuel tank, it is planned to carry out works on the rehabilitation of facilities for storage and refuelling at the airport Nikola Tesla. Execution of works is necessary for obtaining a use permit.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment.

Investment "Preparation of project documentation with technical inspection for rehabilitation and renovation of the pedestrian underpass between the arrival area of terminal 2 and the parking lot."

- **Purpose:** Pedestrian underpass between the building of Terminal 2 and parking lot is extensively used by the passengers and meters and greeters. The plan is to renovate the underpass with advertising space in accordance with the new trends and technical solutions.
- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investments.

Investment "Development of technical documentation" with the technical inspection of reconstruction of perimeter fence."

- **Purpose:** The last phase of works on rehabilitation of the existing fence along the perimeter of the Airport in order to increase the level of security and align features with the new regulations.
- **Status:** Public procurement was launched on the basis of a decision of the Supervisory Board on Investment. Contract on development of technical documentation is signed. Preparations for implementation of the contract are in progress.

Investment "Service of implementation of the system for remote monitoring and control of consumption of de-icing fluid on vehicles"

- **Purpose:** Implementation of DTS systems with integrated collection, processing and distributing of data. The system provides a simplified principle of recording operations with increased level of safety and quality of service intended for the users of airport services.

- **Status:** Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment.

Lease, agreements and contracts with airlines

- **29.01.2016** – Reduction of lease fee for office space in Terminal 1 in the amount of 50% of the monthly fee under the contract No. 14-15/2015 dated 26.03.2015. Reduction of lease fee is effective as of the invoice for January 2016 and will apply to the utilization of funds invested in the maintenance of the roof surfaces of the building of Terminal 1. 50% of calculated lease fee to be paid by transfer and 50% is compensated by works performed, according to the company "Air Serbia" invoice.
- **29.01.2016** – Conclusion of the Annex B to the standard Ground Handling Agreement concluded with company Air Serbia (Annex B20.13 No 11-3/2016 dated 11.02.2016);
- **04.03.2016** – made up Agreement 10-5/2016 of the debt repayment of the company "Airport Catering" in the amount of RSD 5,000,000.00, divided into 5 instalments with payment starting from 07.03.2016 to 07.07.2016.
- **10.03.2016** - given consent to an agreement on the repayment of debt of the company "Air Serbia" under Protocol No. 10-6/2016, signed on 15.03.2016;
- **15.03.2016** – made up Agreement 10-6/2016 of the repayment of debt of the company "Air Serbia" in the amount of RSD 701,632,615.37, divided into monthly instalments that will be paid in the period from 17.02.2016 to 31.12.2016.
- **17.03.2016** - Termination of the contract on the provision of ground handling services to company "WIZZ AIR". Termination entered into force on 16 June 2016 where ground handling services company were taken over by company "Sky Partner".
- **23.03.2016** - Conclusion of the Agreement on access to the centralized infrastructure concluded with "Euro Jet Flight services doo Beograd" (No. 08-7/2016 dated 23.03.2016)
- **13.04.2016** – made up Protocol. 10-11/2016 on the repayment of debt of company "Montenegro Airlines" in the amount of EUR 1,254,523.02, it was agreed that 12 instalments will be settled by the company in the period from 15.04.2016 to 25.09.2016;
- **20.04.2016** - opened commercial space JP "Pošta Srbije" on the upper floor of Terminal 2;
- **01.04.2016** - Conclusion of Annex B 16.0 to standard Ground Handling Agreement concluded with the company "Montenegro Airlines" (Annex B16.0 No. 11-6/2016 of 08.04.2016);
- **30.05.2016** - Conclusion of the Annex B 1.0 to standard Ground Handling Agreement concluded with "Ellinair" (SGHA No. 11-7/2016 of 30.05.2016)
- **17-19.06.2016** - visit of the Chinese President where ANT participated in the subject event.
- **23.06.2016** – Company Air Serbia began intercontinental flights to North America, NYC
- **01.07.2016** - Came into force amendment to the Price List of lease of business premises with the date of application from 01.07.2016, which replaced Price List of lease of business premises No. 33-101/2 of 19.04.2016. The reason for amendment to Price List is the new item 1.7. which relates to the lease fee with common expenses in the amount of 34.60 euros per square meter for newly built office space in the connecting part of Terminal 1. Price is expressed without VAT on a monthly basis. The calculation is done according to the middle exchange rate of NBS valid on the date of tax liability. The suggested price of leasing office space in the newly built connecting part of Terminal 1 is at the level of lease fee for office space in Terminal 2. By the reconstruction of the connecting part of Terminal 1 there is an increase in the surface area and the quality of office space. The basic concept is the modernization of the part of the building with the use of modern materials in the interior, new equipment and new design of space with the visual opening of facade. Due to constant changes of certain functions of space in the previous period, in the connecting part of Terminal 1, with the use of different architectural - interior solutions, which have influenced also the traffic technology and realization of offer of the airport commercial facilities, it was decided to proceed with the preparation of architectural - technological solutions of the connecting area of Terminal 1.

Construction works were completed and craft works are in the final stage. The Supervisory Board at the meeting held on 03.06.2016 passed the Decision number 33-157/1 adopting Price List of lease of business premises No. 33-157/2 of 03.06.2016, with the date of application of 01.07.2016;

- **05.07.2016** - held a meeting with representatives of LH Group (Lufthansa, Swiss, Austrian Airlines). As a result of negotiations new contracts were signed with companies from LH Group (Lufthansa, Swiss, Austrian Airlines) during the month of October 2016;
- **26.08.2016** - concluded Agreement No.10-23/2016 on the regulation of mutual relations on the basis of installed equipment for electronic communications Telenor and payment of debt in the amount of RSD 3,380,231.48 in four monthly instalments, starting repayment from 15.09.2016 until 01.12.2016. years;
- **31.08.2016** - concluded Protocol No. 10-25/2016 on the regulation of due obligations totalling RSD 5,356,117.88 on the basis of leasing office space of the Lessee ZUA Lilly Drogerie in three monthly instalments, with the start of repayment from 01.09.2016 to 01.11.2016.

Training of employees in the Employees Training Centre

Staff who indirectly affects the safety of air traffic must be trained in a Training Centre authorized by DCA and must have certificates of training (Article 187, Law on Air Transport ("Official Gazette of RS", No.73/2010, 57/2011 and 93/2012). In accordance with the above mentioned Training Centre is authorized by DCA for training of staff performing the following professional tasks in aviation:

- Aircraft, passengers and goods ground handling at the airport;
- Fire & Rescue protection;
- Transport of Dangerous Goods in air traffic;
- Control of correctness of aircraft movement area, airport facilities and installations;
- Supply of aircraft by fuel.

Under staff performing jobs of aircraft, passengers and baggage handling are understood the following job profiles:

- Traffic Coordinator (**airport Duty Manager**);
- Traffic Dispatcher (**traffic dispatcher and Flight coordination**);
- Apron dispatcher (**ramp agent**);
- Controller of aircraft, passengers and baggage handling (**supervisor of aircraft, passengers and baggage ground handling, inspector of final checks of aircraft de/anti-icing, stockman in bonded cargo warehouse**);
- Aircraft Balancer;
- Airport equipment operator (**driver and operator of traction units, passenger stairs, elevators, cargo loaders, water truck tanks, aircraft toilet service units, aircraft de/anti-icing units, air bridges, passengers apron buses, passengers and crew vans etc.**);
- Generator operator (**operator of the GPU and Air Starter**);
- Marshaller (**driver of special purpose vehicle Follow me, aircraft ground communications operator**);
- The airport host or hostess aviation port (**ground stewardesses/stewards, passengers and baggage agents, passengers and baggage registration supervisors**).

Number of trainees in the period 01.01.2016 – 30.09.2016:

	ANT	Third parties
Traffic dispatcher	6	
Aircraft Balancer		1
Stewardess (cat. 1)	47	4
Stewardess (cat. 2)	15	
Supervisor of aircraft handling control (cat. 1)	6	1
Traffic Coordinator	2	3
Marshaller (level 1)	2	3
Marshaller (level 2)		3
Airport equipment operator (level 1)	152	
Generator Operator	5	
Aircraft cargo loading foreman	24	
Aircraft cargo loading worker	67	
Baggage sorting worker	12	
Cargo loading worker in Cargo Warehouse	4	
Winter maintenance service		4
Maneuvering areas safety controller	14	3

Under the staff that performs fire - rescue protection are understood the following job profiles:

- Commander;
- Professional fireman (**fire and rescue unit and fire prevention ward**);
- Support staff (**employed primarily on other jobs**);
- Instructor (**instructors of practical training**).

Number of trainings in the period 1.1.2016 – 30.09.2016:

	ANT	Third parties
Professional fireman	64	
Support staff	22	2
Training in fire protection	51	5

Under the staff that performs job of transport of dangerous goods in air traffic are understood:

- Staff Category 1 - the sender or the person who takes over the responsibility of the sender;
- Staff Category 2 - staff engaged in preparing packages of dangerous goods;
- Staff Category 3 - staff that performs processing of dangerous goods;
- Staff Category 4 - staff performing processing of cargo and mail (dangerous goods excluded);
- Staff Category 5 - staff that performs handling and storage of cargo and mail;
- Staff Category 6 - staff performing **acceptance of dangerous goods**;
- Staff Category 7 - staff that performing acceptance of goods and mail (dangerous goods excluded);
- Staff Category 8 - staff performing ground **handling of cargo, mail and baggage**;
- Staff Category 9 - Staff who are engaged in passenger handling (**ground stewardesses / stewards, agents of passengers and baggage registration, supervisors of passenger and baggage registration**);
- Staff category 10 - **Aircraft Balancer and supervisor of aircraft, passenger and goods ground handling**;
- Staff Category 12 - Staff who are engaged in **x-ray security screening of passengers and baggage, cargo and mail**.

Number of trainees in the period 01.01.2016 – 30.09.2016:

	ANT	Third parties
Transport of dangerous goods in air traffic, cat. 7	7	
Transport of dangerous goods in air traffic, cat. 10	24	7
Transport of dangerous goods in air traffic, cat. 6	1	
Transport of dangerous goods in air traffic, cat. 9	56	18
Transport of dangerous goods in air traffic, cat. 5 and 8	145	17

Under those performing the tasks of controlling the correctness of the aircraft movement area, airport facilities and installations are understood job profiles of the **Controller of correctness of aircraft movement area, airport facilities and installations**.

Under the staff performing supply of aircraft with fuel are understood following job profiles:

- Fueller (**refueller driver and fuel operator**);
- Fueller Assistant;
- Stockman (**fuel stock-keeper**).

Number of trainees in the period 01.01.2016 – 30.09.2016:

ANT

Stockman	3
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In addition to these trainings all persons performing jobs within Security Restricted Area (employed and engaged at ANT, as well as third parties) are obliged to pass training of air traffic safety:

- Basics of air traffic safety;
- Independent vehicle/equipment operation in the SRA 1;
- Independent vehicle/equipment operation in the SRA.

Number of trainees in the period 01.01.2016 – 30.09.2016:

	ANT	Third parties
Basics of air traffic safety	113	51
Independent vehicle/equipment operation in the SRA 1	6	11
Independent vehicle/equipment operation in the SRA 2	72	51

By signing of Air Transport Agreement between the Government of the Republic of Serbia and the Government of the United States of America (USA) and establishment of direct flights between the two countries, our employees have undergone training in provision of services to passengers with reduced mobility:

- *PRM Training ACAA;*
- *Skills workshop ACAA.*

Number of trainees in the period 01.01.2016 – 30.09.2016:

	ANT
<i>PRM Training ACAA</i>	40
<i>Skills workshop ACAA</i>	55

In addition to these trainings prescribed by national legislation the Training Centre performs a large number of **internal trainings** prescribed by internal training programs (in accordance with international ICAO and IATA standards) according to job requirements at the airport and by airlines. It should also be noted that such trainings cannot be obtained in any other existing training centre in our country, while their realization through centres abroad is first of all expensive and of questionable character because of its applicability (trainings are designed to jobs and real working conditions). Internal trainings carried out within the Training Centre of JSC Belgrade Nikola Tesla Airport:

- The foreman of cargo transshipment
- The foreman of baggage sorting area
- Transport worker - transshipment of cargo on aircraft / baggage sorting / cargo transshipment in BCW.

Recruitment and Selection

In the period from 01.01.2016 to 30.09.2016, in the Human Resources Management Department and OU Human Resources (after coming into force of the new Rule book on internal organization and sistematization of work positions in JSC BNTA) has been organized and conducted:

- 27 internal recruitments and selections, during which 268 candidates were invited for an interview, and selected 65 candidates for training and redeployment;
- 44 external recruitments and selections, during which 198 candidates were invited for an interview, and selected 168 candidates for training and engagement.

Committee obtaining approval for new employment and further engagement with the users of public funds

JSC Belgrade Nikola Tesla Airport records growth in passenger numbers of over 30% in 2014 compared to 2013, and in 2015 trend of growth in passenger numbers continued.

By signing of the Air Transport Agreement between the Government of the Republic of Serbia and the Government of the United States of America (USA), which will allow the establishment of direct overseas flights, the possibility of further expansion of air traffic of the Republic of Serbia is opened.

JSC Belgrade Nikola Tesla Airport, in accordance with the Regulation on the procedure for obtaining approval for new employment and further engagement with the users of public funds ("Official Gazette of RS", No. 113/13, 21/14, 66/14, 118/14 and 22/15) (hereinafter: Regulation), and for reasons of increased workload and improvement of the business, from the that Committee obtaining approval for new employment and further engagement with the users of public funds obtained the approval to increase of the number of employees and engaged persons as follows:

- By conclusion of the Committee approval for new employment and further engagement with the users of public funds 51 No. 112-15916/2014 dated 23 December 2014, JSC Belgrade Nikola Tesla Airport has received approval for employment of 200 employees for a definite period of time;
- Conclusion of the Committee 51 number: 112-1197/2015-2 dated 13 February 2015 approved employment of another 198 employees for a definite period of time;
- The conclusion of the Committee 51 No: 112-3176/2015 of 23 March 2015, approved employment of another 200 employees for a definite period of time;
- Conclusion of the Committee 51 number: 112-3628/2015-1 of 01 April 2015, gave approval for the extension of the validity of approval for persons engaged by Committee's Conclusion 51 Number: 112-15916/2014 dated 23 December 2014;
- Conclusion of the Committee 51 number 112-6977/2015-1 of 30 June 2015 approved for a total of 803 people employed for a definite period of time and 65 persons engaged for professional development and training;
- Conclusion of the Committee 51 number 112-11232/2015 of 19 October 2015 approved employment of 33 persons for an indefinite period of time;
- Conclusion of the Committee 51 number 112-11662/2015 of 3 November 2015, approved employment of another 7 persons for an indefinite period of time;
- Conclusion of the Committee 51 number 112-11662/2015-1 of 3 November 2015, approved a total of 831 persons, of which 802 are employees for a definite period of time and 29 engaged on other grounds (for professional development and training in accordance with the Article 201 of the Labour Law).

- Conclusion of the Committee 51 number 112-14077/2015-1 of 29 December 2015 is extended previously given approval by Conclusion of the Committee 51 No. 112-11662/2015-1 of 3 November 2015.
- Conclusion of the Committee 51 number 112-2596/2016 of 23 March 2016 approved employment of two persons for an indefinite period of time.
- Conclusion of the Committee 51 number 112-2596/2016-1 of 23 March 2016 approved employment of 60 persons of which 20 on the basis of the contract of temporary and occasional jobs and 40 persons engaged through youth organizations;
- Conclusion of the Committee 51 number 112-4351/2016 dated 5 May 2016, was approved employment for an indefinite period of time for 3 persons;
- Conclusion of the Committee 51 number 112-4351/2016-1 dated 5 May 2016, the approval was given for the extension of engagements for a total of 831 persons, of which 802 employed for a definite period of time and 29 engaged on other grounds (like professional development and training according to Article 201 of the Labour Law);
- Conclusion of the Committee 51 number 112-7589/2016 dated 26 August 2016, was approved employment for an indefinite period of time for 9 persons;

Number of employees in JSC Belgrade Nikola Tesla Airport, under a contract of employment for a definite or indefinite period of time as of 30.09.2016, amounts to 1299.

Start of SERBIA AIR flights to JFK, USA, A330-200

On 23.06.2016 is successfully realized the first flight of AIR SERBIA, flight number JU500 for JFK, USA aircraft type A330-200, registration YU-ARA from our airport. The plan is to fly five times a week on route BEG-JFK-BEG. Engaged ground handling services have successfully realized ground handling of all to date flights. Development of operation procedures, additional staff training, and supervision by line managers are some of the extra activities that preceded the successful realization of the subject flights.

Termination of Ground Handling Agreement with airline WIZZ AIR

WIZZ AIR has informed JSC Belgrade Nikola Tesla Airport that it terminates Ground Handling Agreement, and that their new company service provider will be company SKY PARTNER. Company for rendering of ground handling services SKY PARTNER, based on agreement with airline WIZZ AIR, started operations on handling of WIZZ AIR flights on 16.06.2016.

Training regarding handling of passengers of PRM category (Passengers with reduced mobility) - Passengers with disabilities or limited mobility (May - June 2016)

- Purpose: 40 employees were trained in handling PRM passengers in accordance with the necessary regulations, and in connection with the introduction of flights to the United States.

Creation and modification of reports from AMS system, setup of reports for automatically sending to operational services

- Purpose: Monitoring of performance processes that are in the competence of Sector TGH, analysis of necessary resources;
- Status: Reports on First/last bag, number of online registered passengers, baggage weight, report on special categories of passengers.

Training on the importance of ensuring security in aviation - AVSEC, organized by the Civil Aviation Directorate (June 2016)

- From Ground Handling 6 employees successfully completed training about the importance of aviation security for modules:
 - Passenger and baggage reconciliation;
 - Protection of aviation.
- Purpose: Compliance with legal regulations in the field of air transport.

Analysis of counters for season 2016 and winter 2016-2017 (July - September)

- Purpose: Analysis of available capacities and adjustment of the plan for using counters with ASGS. Breakdown of counters by airlines for each day separately (Monday-Sunday) based on the flight schedule for S16 and W2016-2017, spotting the critical period, communication with flight coordination in order to harmonize times of departure of air carriers;

Realized purchase of narrow wheelchair for transporting PRM passengers through aircraft (September 2016)

Purchased two narrow wheelchairs, enabling more comfortable transport of passengers through passenger cabin.

Purpose: Rendering of PRM passenger services.

Purchase of two dedicated vans (September 2016)

Van Intended for aircraft cleaning service:

- Purpose: To increase the capacity and quality of services provided to airlines in maintaining cleanliness of the aircraft
- Value: RSD 2,533,205.00 without VAT
- Supplier: Reno Sava doo, Public Procurement Contract number 17-73/2016 of 18.05.2016.
- Status: The van was delivered on 18.07.2016. In use from 03.08.2016.

Van dedicated for passengers with reduced mobility:

- Purpose: To increase the capacity and quality of services provided to airlines during transport of passengers with reduced mobility.

- Value: RSD 3,270,948.33 without VAT
- Supplier: Reno Sava doo, Public procurement contract number 17-72/2016 of 18.05.2016.
- Status: The van was delivered on 18.07.2016. It is in use from 02.09.2016. Invoices are delivered on 19.07.2016 and recorded in the archives on 20.07.2016. Payment is 15 days from the date of receipt (03.08. or 04.08.2016).

Purchase of mobile aircraft air-conditioning unit (August 2016)

- Purpose: To increase the capacity and quality of services provided to airlines in air-conditioning of aircraft
- Value: 13,300,000.00 RSD without VAT
- Supplier: *Europlast* d.o.o., Public procurement contract number 17-19/2016 of 17.02.2016.
- Status: Air-conditioning unit is delivered on 05.08.2016.

Renewal and signing of new contracts for Ground Handling

- Lufthansa group - continued business cooperation with group of companies Lufthansa, Austrian Airlines, SWISS International
- New companies - IsraAir, Arkia, DHL

Explosive inhibiting containers, 8 pcs.

- Purpose: It is justified by the need for an increased level of security arisen by displacement of security restricted zone, which is now closer to the aircraft. It is foreseen to put trash and items that are not subject to security screening into the containers. In this way, is reduced risk of potentially hazardous explosive waste (which could not be recognized as such), and the unexamined seemingly unsuspecting items which can be explosives.
- Estimated value: 2,700,000.00 RSD
- Supplier: Contract concluded on 17.05.2016 with company Jugoscan d.o.o.
- Status: Realized on 03.06.2016.

Cabins for explosive trace detectors, 12 pieces

- Purpose: With planned procurement of explosive trace detectors, which will be installed at passengers and hand baggage security screening check points and and at the security check points for control of persons who are not passengers and their belongings it is necessary to provide also cabins which will protect these devices. Cabins can also be used for manual examination of passengers. Procurement published on 29.03.2016.
- Estimated value: 1,800,000.00 RSD
- Supplier: Contract concluded on 26.05.2016 with company DOMKO d.o.o.
- Status: Realized on 25.07.2016.

Protection against ionizing radiation training course

- Purpose: X-ray security screening sector, while performing basic activities of x-ray screening use x-ray devices emitting ionizing radiation.
To obtain a license to conduct such activities for the airport Nikola Tesla, it is necessary among other things to meet the following criteria:

It is necessary to submit to Serbian radiation protection and nuclear safety agency a certificate of competency to work with sources of ionizing radiation and implement measures for protection against ionizing radiation for all operators. X-ray security screening sector trained in the past a number of operators, but there are about another 80 operators to be trained. Procurement published: on 30.03.2016

- Estimated value: 1,100,000.00 RSD
- Supplier: Contract concluded on 30.05.2016 with company Institut za nuklearne nauke „Vinča“, Centar za permanentno obrazovanje.
- Status: Realized on 23.09.2016.

Walk Through Metal Detectors, 4 pieces

- Purpose: X-ray security screening sector needs walk through metal detectors in standard 2, for the new security check points.

Belgrade Nikola Tesla Airport has 4 (four) walk through metal detectors in standard 1, which cannot be upgraded. Walk through metal detectors will be in standard 2, and with improvements such as:

- A larger number of localization detection zones;
- The smaller dimensions of the door;
- Walk through counter;
- Ability to set up the camera;
- High level of adaptation during installation (no influence of external factors on the operation of the door).

Procurement published on 08.03.2016

- Estimated value: 7,000,000.00 RSD
- Supplier: Contract concluded on 20.05.2016 with company Jugoscan d.o.o.
- Status: Realized on 15.07.2016.

Belt stanchions

- Purpose: Based on the National programme for aviation security it is necessary to deny access to passengers and to persons who are not passengers to equipment used for security screening. Restricting access is possible by placing the belt stanchions which represent an appropriate barrier and prevent access to X-ray devices and containers for the disposal of prohibited items. CAD by Decision No. 5/4-03-0014/2015 of 04.08.2015 ordered ANT to place a physical barrier in all waiting rooms, which will protect passengers and their cabin baggage from unauthorized interference from the point they are security screened. The simplest barrier that would not affect the appearance and functionality of the waiting rooms stanchions. X-ray security screening sector for security screening uses in total 19 X-ray devices in 12-gates waiting rooms. Length of the system (X-ray device + input rollers + output rollers) is 6-9 m, which means that it takes 80 belt stanchions. Procurement published: on 25.03. 2016
Bids opening: on 06.04.2016

- Estimated value: 1,500,000.00 RSD
- Supplier: Contract concluded on 10.05.2016 with company „Texhomerkur“ d.o.o.
- Status: Realized on 03.06.2016.

X-ray Devices 6040

- Purpose: X-ray security screening sector presently for security screening in waiting rooms – gates, uses also x-ray units in standard 1, which are borrowed from Boarder Police Station. Procurement is initiated for 4 x-ray units in standard 2 for hand baggage, so that when procurements are completed in the first half of 2016, x-ray devices in standard 1 will no longer be used in waiting rooms – gates. Bargaining is scheduled for: 22.04.2016.
- Estimated value: 30,000,000.00 RSD
- Supplier: Contract award decision filed on 20.05.2016 – Smiths Heimann GmbH
- Status: Planned period of realization: October 2016.

Tray repositioning system in gates

- Purpose: X-ray screening sector in June 2016 completed the acquisition of 7 (seven) tray repositioning systems in gates, for seven X-ray machines 6040-2 is, which are acquired for security screening in gates. These systems are necessary for placement of belongings of passengers during security screening in gates. With the systems we have procured 140 trays for liquid screening in X-ray devices. Procurement published on 05.04.2016
- Estimated value: 8,000,000.00 RSD
- Supplier: The contract concluded on 20.05.2016 with company "Centum" d.o.o.
- Status: Realized on 29.08.2016

X-ray device in standard 3

- X-ray screening sector in June 2016 completed the acquisition of "X-ray device in standard 3" for screening of hold baggage in Terminal 2. This is procurement for the year 2016. Until strengthening of the floor joists is completed in place where mentioned device should be installed in Terminal 2, island 300, X-ray screening sector will use it to check suspicious transfer baggage, and for operators' training, because it differs significantly from the X-ray devices in standard 2, which are now in operation at ANT. Procurement published on 22.04.2016
- Estimated value: 168,750,000.00 RSD
- Supplier: Contract award decision filed on 03.06.2016 – Smiths Heimann GmbH

Explosive trace detectors, 20 pieces

- Purpose: Based on the letter of the Ministry of Interior, number 01-6524 /16 of 02 August 2016, the order of the Civil Aviation Directorate number 110-05-0080/2016-0002 of 03. August 2016 and the letter of the of Civil Aviation Directorate No. 110 -05-0080/2016-0006 of 17 August 2016 and regarding introduction of additional measures concerning aviation security, it is necessary to procure 20 explosives trace detectors. The equipment will be used for security screening of persons, goods and baggage, in the same way as when passengers enter in to security restricted area. In order to achieve a higher degree of protection of people and property from possible terrorist acts at the entrances to the terminals of Belgrade Nikola Tesla Airport is necessary to take measures of X-ray security screening of persons, goods and baggage they carry with themselves. JSC Belgrade Nikola Tesla Airport is obliged to carry out by these devices, by random sampling, inspection of 10-20% of passengers and their hand luggage on each flight, as well as to inspect persons who are not passengers (employees) and things they carry with themselves. The device helps to detect the presence of explosives in baggage, personal belongings, goods and mail, as well as on the very person and thus prevent its entry into the security restricted area or in airport terminals. Purchased explosive trace detectors must meet standards of ECAC Doc. 30 Part II, and be on the list of ECAC Common Evaluation Process for Security Equipment.

Acquisition of a total of 20 devices is planned, which will be installed at the entrances of the terminal building and at the official security check points of JSC Belgrade Nikola Tesla Airport. JN published 16.09.2016.

- Estimated value: RSD 94,500,000.00
- Status: Tender opening: on 17.10.2016.

Walk Through Metal Detectors, 4 pieces

- Purpose: X-ray security screening sector needs walk through metal detectors in standard 2, for the new security check points. It is necessary to acquire 6 (six) wals through metal detectors for security screening of passengers in waiting rooms.

Belgrade Nikola Tesla Airport has 4 (four) walk through metal detectors in standard 1, which cannot be upgraded. Walk through metal detectors will be in standard 2, and with improvements such as:

- A larger number of localization detection zones;
- The smaller dimensions of the door;
- Walk through counter;
- Ability to set up the camera;
- High level of adaptation during installation (no influence of external factors on the operation of the door).

Walk through metal detectors will also be placed on position D2, where only manual inspection is carried out at the moment. One Walk through metal detector will serve as a spare unit in case of failure of any of the used ones, in order not to reduce capacity of waiting rooms and slow down flow of passengers, employees and third parties. Procurement published on 30.09.2016.

- Estimated value: 11,000,000.00 RSD
- Status: Tender opening on 07.11.2016.

Procurement of office containers for employees and parking kiosk

- Purpose: Containers are necessary for the purpose of opening temporary jobs in the open air (building sites in the security restricted zone). It is necessary to provide space during at the fire training area for the preparation of exercises (2 pieces for security guards; 2 pieces for rescue&fire service). Due to the lack of commercial space on the air side, it is necessary to obtain 5 containers, primarily for the needs of airlines. It is necessary to provide working space for the Head of Service and stay at the workplace of Marshalls. Parking P3 is in the commercial offer of ANT, but there is no adequate infrastructure to enable quality job performance. Submitted by X-ray security sector to Public Procurement Division for their opinion and publication.
- Estimated value: RSD 6,600,000.00. Public Procurement procedure is suspended as none of the tenders were acceptable.
- Status: Tender dossier for renewed procedure of public procurement submitted to the officer for public procurements for its opinion and publication.

Procurement of raw materials for the production of ID cards

Purpose: Raw material is necessary for making of airport passes for authorities and organizations who perform their activity at the border crossing, i.e. airport. Procurement published: 31.03.2016.

Estimated value: 761,200.00 RSD

Status: Bids opening: 04.05.2016. Contract signed on 01.07.2016. Realized on 10.07.2016.

Renovation of the ground floor of Terminal 1 and a connecting part

• **Purpose:** Expansion of traffic capacity and commercialization of space in Terminal 1 and the connecting part in order to improve quality of service. Arrangement includes the dismantling of existing commercial space on the ground floor of Terminal 1 and the connecting part (counters, travel agencies, shops and restaurants) and a complete renovation and equipping of the space with new, modern, interior design solutions. This position provides also for arranging space for baggage claim area in Terminal 1, which includes dismantling of equipment for sorting and transfer of baggage, and complete renovation and equipping of the space. Development of technical documentation on 18.02.2016 is provided Decision of the Civil Aviation Directorate approving documentation: Study- Technology exploitation of the Connecting part (excerpt from the preliminary design for renovation of the ground floor hall of Terminal 1 and Connecting part).

Execution of works on 21.01.2016, a decision was made on the award of a public contract for execution of works on the renovation of the Connecting part to group of tenderers W. D. Concord West, Interfast and Dabicom. An appeal was filed by the tenderer Morava In, to which the reply was forwarded to the Republic Commission for Protection of Rights in Public Procurement Procedures on 05.02.2016. Commission by Decision dated 12.02.2016 rejected the request for protection of rights as unfounded.

- Estimated value: RSD 53,499,079.18, excluding VAT.
- Supplier: On 29.02.2016 signed contract with the group of tenderers W.D. Concord West, Interfast and Dabicom for execution of works on reconstruction of the connecting part of Belgrade Nikola Tesla Airport.
- **Status:** Works on implementation of the subject investment are completed on 17.05.2016. Civil Aviation Directorate of the Republic of Serbia by Decision dated 20.06.2016 approved use of the facility of connecting part between Terminal 1 and Terminal 2. Implementation of the subject investment is completed.

Reconstruction of existing and construction of new route of heating pipeline

• **Purpose:** Existing district heating network in the section from canteen to the substation in the building of Terminal 2 is over 25 years old and partially goes under the terminal building. Leaks in this part of the route would jeopardize the stability of the building and rehabilitation alone would be extremely difficult to implement. For this reason and because of the age of installation, it is necessary to dislocate heating pipeline passing below Terminal and the Connecting part between Terminal 1 and Terminal 2.

Installation of pre-insulated pipes will lead to a reduction in heat losses in the network, as well as hot water losses (which has already been largely achieved by the construction of new primary hot water pipeline branch from the boiler room to the canteen restaurant). Also, for the planned extension of finger hall "C" as well as aircraft de/anti-icing pad, it is necessary to provide for a new branch of heating pipeline (from connection to terminal 2) as the capacities of the substation in Terminal 2 are used up.

Development of technical documentation obtained approval of the Ministry of Interior of the Republic of Serbia, Sector for emergency management to technical documentation in terms of fire protection measures, on 24.05.2016.

Execution of works on 29.02.2016. Bid opening procedure was conducted. On 08.04.2016 is made Decision to suspend public procurement procedure, as it was not obtained any acceptable tender.

Tenderer Dabicom sent on 22.06.2016 request to the Republic commission for protection of rights in public procurement procedures, to which was sent reply by Belgrade Nikola Tesla Airport on 27.04.2016. On 28.06.2016 Republic commission for protection of rights rejected request of the Tenderer as unfounded.

- Supplier: Konvar d.o.o.
- Status: New public procurement carried out No.36/2016 OP. Tender opening held on 12.09.2016. Contract award decision made on 03.10.2016. Deadline for complaint expires on 13.10.2016.

Making of Pre-Feasibility Study with General Design

- **Purpose:** Valid planning documentation, on the basis of which it is possible to plan new facilities, buildings and infrastructure in the area of Nikola Tesla Airport dates back to 1989. Airport Nikola Tesla has already reached and met most of the capacities provided for in that planning documentation, and is disabled to develop further in accordance with the new modern trends in the airline industry, as well as to follow the significant increase in the number of aircraft movements and the number of handled passengers and goods. Preparation of preliminary feasibility study with the general design will enable to start legal procedures for the adoption of new planning documents, which will itself facilitate the development of the airport in several phases over the next 30 years.
- **Status:** In progress is elimination of the objections made by the Audit Committee. Their opinion on PFS and GD is given by the technical advisor on the position of strategy consulting for further development of Airport Nikola Tesla. By the end of October 2016 will a meeting be held in the Ministry of Construction and Infrastructure on the subject of the findings of the Audit Committee and elimination of objections. Parallel to the actual process in connection with the PFS and the GD, launched the procurement of services drafting of detailed regulation plan for the area of Belgrade Nikola Tesla Airport. Dana 12.09.2016 was completed early public review of the Study Plan for detailed regulation drafted by the PMU mentioned. Receipt and consideration of complaints is in progress, received during and after the early public inspection.
- **Supplier:** On 31.05.2016 concluded contract with the JUP "Urban Planning Institute of Belgrade".

Road that will connect the apron A and apron B

- **Purpose:** The road that will connect the apron A and apron B is intended for movement of vehicles and equipment for aircraft, handling as well as for movement of official vehicles to technical facilities and heating plant. The new road will allow movement of official vehicles without entering the area which is under the responsibility of the airport traffic control, i.e. without crossing lines of aircraft movements and movements of official vehicles and equipment for aircraft ground handling.
- **Status: Development of technical documentation:** On 18.02.2016 the Decision is obtained from the Civil Aviation Directorate approving the feasibility study with preliminary design for the construction of road. Review Committee on 17.03.2016 approved the feasibility study and preliminary design.

On 25.05.2016 issued Decision on construction permit. Ministry of Interior of the Republic of Serbia, Sector for emergency management on 29.06.2016 issued Decision giving approval to technical documentation in terms of fire protection measures. Execution of works on 26.05.2016 conducted bids opening procedure.

- Estimated value: RSD 19,833,528.62 VAT excluded.
- Supplier: The contract was awarded to the group of bidders Vojvodinaput Pancevo and Strabag. The value of the Contract on public procurement of works signed on 10.06.2016. Contract with expert supervision services by company Mase was signed on 10.06.2016 after the completion of the public procurement procedure.
 - On 24.06.2016, the contractor and expert supervisor are introduced into the business.
 - On 19.08.2016 the contractor submitted notification on completion of the works.
 - On 06.09.2016 Civil Aviation Directorate issued Decision that works are executed in compliance with approved documentation.
 - On 07.09.2016 Commission for technical inspection issued Report on technical inspection with proposal to issue use permit.
 - The road is in use from 07.09.2016.

Preparation of the study analysis of Nikola Tesla Airport capacities

- Purpose: The study should indicate the necessary technological and technical capacities of airport infrastructure, technology of work, and capacity utilization at peak load. To this end, the service provider will carry out comprehensive survey of airport processes and conduct the necessary analysis of the collected data. After the completion of the analysis the service provider will through the study indicate which capacities can be brought into line with the standards using existing resources, which are the weak points of airport processes with suggestions for their improvement, as well as the conclusions regarding the further development of airport capacity and traffic forecast.
- Status: On 07.04.2016 Republic Commission for Protection of Rights in Public Procurement Procedures passed the Decision, rejecting request of the bidder Ove Arup & Partners International Limited as unfounded.
On 07.14.2016 is delivered decision of the Republic Commission rejecting the request of bidder Dornier. The deadline for development of the Study is 6 months.
The initial meeting with EGIS was held on 23.08.2016.
- Supplier: On 08.08.2016 signed Contract No. 17-104 with EGIS d.o.o., Belgrade and EGIS AVIA, France.

Renovation of the Cargo Warehouse

- Purpose: Due to the significant increase in the total volume of cargo traffic in 2015, preparations for the establishment of traffic with the United States, the poor state of workspace and other cargo warehouse space, there is a need for investment in renovation of workspaces and associated installations, as well as the handling operations space and surface areas.
- Value: RSD 34,543,940 VAT excluded.

- Supplier: Contract is awarded to tenderer Morava In, signed on 09.06.2016.
- Status: On 28.04.2016 conducted the procedure of bids opening. Works are completed of the subject investment. Handover of executed works is in progress.

Procurement of Visual Docking Guidance System

- Purpose: By installation of the system in the parking position A6-A10 aircraft acceptance system is completed and upgraded at all contact positions. Procurement and installation of aircraft visual guidance docking system (VDGS) allows technical assistance to the pilot when parking aircraft, increasing the level of safety in the realization of the critical operations and shortens the engagement of marshallers, Follow Me vehicle and aircraft parking time.

In addition to the basic information that the system displays to the crew of the aircraft such as parking positions designation, the position of the aircraft relative to the center line / parking position stop point and speed of entry of the aircraft into position, there is an option of system display of specific information relevant to employees in the operational center of the airport. Those information are primarily related to restrictions on the parking of aircraft at adjacent positions, if the system is automatically aware of the irregularity, which in turn increases the level of safety and reduces the likelihood of errors due to human factor.

- Value: RSD 21,775,350 VAT excluded.
- Supplier: Contract is awarded to group of tenderers Elgra Vision and MC Corona. Contract concluded on 15.06.2016.
- Status: Prepared tender documentation for the purchase of aircraft visual guidance docking system. Tender opening was conducted on 01.04.2016. By Decision on 12.05.2016. Installation of system equipment is in progress.

New fire base

- Purpose: According to the inspection reports of CAD, the existing capacity to accommodate fire and rescue equipment, vehicles and personnel are at a very low level and requires the urgent intervention to improve the accommodation of the service and the equipment they use. In order to solve the acute problem and find solid and long-term solution for this functional unit of the airport, it is concluded that there is a need for construction of a new fire center, in a location that is provided by planned act of DUP Airport "Belgrade". On 23.05.2016 public procurement procedure is conducted for development of the preliminary design of the fire base.

- Value: RSD 390,000 VAT excluded
- Supplier: On 09.06.2016 signed contract with Studio Simić
- Status: Through the central information system of unified procedures for issuing building permits, is prepared request for the issuance of location conditions on 23.08.2016, and forwarded to the competent authority.

Development of technical documentation for the reconstruction and expansion of finger hall A (A6-A10)

- Purpose: Due to the increased number of passengers, and to allow the smooth flow of traffic in peak hour when all contact positions are occupied, it is necessary to ensure the reconstruction and expansion of fingerskog hall A, in the part from A6-A10 and a separate waiting area that only be used by departing

passengers transported to the open positions. Ratio of the number of gates and parking positions indicates a problem of insufficient number of gates, and the possible bottleneck in handling passengers. By applying modern interior solutions and modern equipment, the level of services to passengers will be raised to a higher level, and this part of the facility in all respects will be incorporated into the concept of terminal technology.

- Status: Contract No. 17-09/2016 concluded on 01.27.2016. Conceptual design delivered on 08.03.2016. The procedure to obtain locational conditions started on 24.04.2016. Locational conditions obtained on 18.08.2016. The preliminary design is handed over to us on 12.09.2016. Preliminary design and feasibility study submitted to the audit MCTI for the revision on 30.09.2016.

New boiler room

- Purpose: The existing boiler room supplies thermal energy to facilities at the complex Aerodrom Nikola Tesla and is old more than 40 years.

Boiler room capacity is 47.9 MW, of which a large part is unused, as boiler TPK- 20 MW is for many years out of order. On boilers were repeatedly carried out repairs in different degrees and reduced operating parameters, indicating a low operating reliability of boilers. Due to the deterioration of boilers, equipment and devices, malfunctions are frequent during the heating season.

Since there is a need for connection of new consumers to the existing heating system, it is necessary to reconstruct and improve the system, or build a new energy block.

- Status: Public procurement procedure completed. Decision on award of contract made on 05.10.2016. Selected tenderer „Kolssing“ d.o.o. Deadline for complaints expires on 15.10.2016.

Adaptation of the terminal building

- Purpose: To support commercialization of space in Terminal 1, it is necessary to carry out certain works on the renovation of this area. By this renovation a new, more modern, more representative area will be provided that will be easier and more effective to use for commercial purposes.

- Status: Public procurement procedure is in progress. Opening of bids was conducted on 28.09.2016. Expert evaluation of bids is in progress.

Reinforcement of floor structure

- Purpose: As the existing structure is not designed for additional loads in order to allow for installation of a new X-ray machine for baggage screening it is necessary to develop technical documentation to verify load capacity and carry out reinforcement of the structure. Based on the prepared technical documentation the works on the reinforcement of the structure will then be carried out.

- Status: The public procurement procedure is in progress. Bids opening was conducted on 27.09.2016. Expert evaluation of bids is in progress.

Development of technical documentation for adaptation of the passengers check-in area

- Purpose: As a result of the increasing number of passengers, there is a need for increasing the number of check-in counters for departing passengers. Increasing the capacity of the check-in area has for its purpose facilitation of uninterrupted traffic flow at peak times.

Adaptation of existing space on the ground floor of Terminal 1 is planned in order to relieve the existing check-in counters in Terminal 1 and Terminal 2.

In addition, it provides for the development of space for the purposes of setting up a new system for registration in the hall and a transport system in the baggage sorting area.

The concept of spatial planning will be harmonized with the modern trends in passenger terminals and will contain the most modern solutions in the field of air industry.

- Supplier: Contract with Mašinoprojekt kopring is concluded on 11.08.2016.
- Status: The procedure of opening of bids was conducted 11.07.2016. Preliminary design is completed.

Execution of works on adaptation of the passengers check-in area

• **Purpose:** As a result of the increasing number of passengers, there is a need for increasing the number of check-in counters for departing passengers. Increasing the capacity of the check-in area has for its purpose facilitation of uninterrupted traffic flow at peak times.

Adaptation of existing space on the ground floor of Terminal 1 is planned in order to relieve the existing check-in counters in Terminal 1 and Terminal 2.

In addition, it provides for the development of space for the purposes of setting up a new system for registration in the hall and a transport system in the baggage sorting area.

The concept of spatial planning will be harmonized with the modern trends in passenger terminals and will contain the most modern solutions in the field of air industry.

- Status: Tender dossier is being prepared.

Development of technical documentation for upgrade of apron A

• Purpose: Due to the increase in the number of passengers and airline operations, there was a need for expansion and improvement of existing facilities.

• Status: Made the preliminary design for the extension of apron A, based on which on 05.08.2016 are provided location requirements of MCTI.

Next step was further implementation of the job and on 27.09.2016 is signed decision on investment for the service of technical documentation development to obtain necessary permits and approvals of competent institutions for the purpose of building a new apron.

Investment “Segment doors for baggage make-up areas”

• Purpose: Public procurement conducted, selected the most favourable Tenderer and signed contract No. 18-8/2016 with contractor in the value of RSD 1,924,340.00. The procurement foresees replacement of industrial doors on make-up areas – total 4 doors. Replacement is done due to the obsolescence of the doors and for requirements of work in special conditions.

• Status: Dismantling of old doors and installation of new doors are planned by the beginning of May 2016. Doors are prepared and put into operation on 27 June after which final payment is made thus fulfilling the contract.

Investment "Development of investment and technical documentation of reconstruction analysis and construction of manoeuvring areas at Belgrade Nikola Tesla Airport"

- Purpose: Documentation includes the analysis of alternative solutions to improve the condition of runway pavement structure. The proposed alternative solutions depend on the approved project period (up to 5 or 25 years) and on the solutions of pavement structure (flexible, rigid or a combination). Analysis, in addition to pavement structure, includes traffic analysis, cost-benefit and risk management. Based on the obtained data decision will be made on further strategy of maintaining the existing runway.
- Status: Public procurement is carried out according to plan from 2015. After opening of tenders The examination of documentation is done and decision is made on contract award. One of the tenderers filed a Request for protection of tenderers' rights. The case is now with the Commission for protection of tenderers' rights..

Investment "Supply of mud and fuel oil pump"

- **Purpose:** Acquisition of new pumps as replacement of existing worn-out pumps. The accuracy of these pumps is essential for the correct and reliable operation of fuel oil installations and rainwater drainage.
- **Status:** Repeated public procurement procedure is in progress.

Investment "Replacement of DG4 with UPS and diesel support generator"

- Purpose: Provision of reliable and safe operation of critical consumers supplied from TS TERMINAL 2
- Status: The public procurement procedure was conducted. The contract for the procurement of goods was signed with a group of bidders VITREUM DOO Belgrade, TEHNIOUNION-EXIM, Sremska Kamenica, and TEHNOLINK DOO Čenej on 09.06.2016. Value of the contract VAT included, amounts to 113,061,600.00 RSD. The preparation phase of development of technical documentation and conditions for delivery and works is in final stage after which is expected arrangement of delivery and building in.

Investment "Baggage handling system"

- Purpose: Includes the purchase of the transport system in the location-connecting part between T1 and T2 and T1, equipping with baggage check-in counters, collector belts, conveying belts, baggage scanning devices, central system of supervision and management. It understands assembly-disassembly work, setting and commissioning of the complete system through a phased implementation.
- Status: Public procurement launched and published on the website on 04.04.2016. Public opening of bids is scheduled for 10.05.2016. Contract was signed with a group of bidders PREMAR SERVICES AG, Zug, Switzerland, and PROFLUSS GmbH, Leichlingen, Germany in the amount of 6,299,985.50 euros without VAT. The contract was filed in the archives of Airport on 15.06.2016. Currently preparation and coordination of all the activities that precede the installation of the transport system take place. Realization is expected in late 2016 or early 2017.

Investment "Works on improving lighting system of connection D"

- Purpose: Public procurement is carried out to increase the safety and capacity of the connection D and taxiway A in LVP conditions. The purchase planned improvement of the lighting system in order to increase the overall safety of the traffic in low visibility conditions on the taxiway D and in the zone intersecting taxiway A and taxiway D.
- Status: Public procurement procedure is completed. Contract for execution of works is signed on 02.06.2016 with „ELGRAD VISION“ d.o.o. Belgrade. Value of the contract VAT included amounts to RSD 44,801,808.00. Works are executed on 13.10.2016. Taxiway D is in operational use for operations in the conditions as per requirements.

Investment "Rehabilitation of the roof of the tank R8"

- Purpose: Fresh R8 is the largest reservoir for storage of jet fuel at the airport, with a total volume of 500 m³. Due to the deterioration of the material there is curving of roof rack and roof cladding. The purchase of "Rehabilitation of the roof of the tank R8", foresees a development of technical documentation (project for execution of works and as-built design) and works on the replacement of the entire roof - complete support structure and a tin roof cladding.
- Status: Public procurement was launched on the basis of a decision of the Supervisory Board on Investment.

Activities related to the work of Operations Division

- First that is important is that we in this period had many state visits, and thus also the flights that fall into these categories (HEAD, STATE AND VIP). There were 121 flights in the period January -October. These were by now perhaps the greatest state visits in the history (Biden, President of China ...);
- Second, we had 98 ad-hoc (charter) cargo flights, in addition to regular 1669 flights in the same period;
- Third, made a two-way gate A6 which in many ways brings income to the Company by charging air-bridge in both directions;
- Fourth, since the existence of the airport there was no gate A10, which is made on the initiative and the idea of OD, which also brings profit to ANT from the use of the very gate (ANT increased capacity) to charge of air-bridge A10 in both directions;
- Fifth, done optimization (remarking) of aircraft parking on apron C (remarking of 3 positions for wide-body aircraft) for aircraft of larger wingspan, and now instead of three parking positions occupied by large wide-body aircraft it occupies two positions as they are under angle. By this guidance of aircraft under angle we also put into operation position C5A which was closed before;
- Sixth, apron of general aviation is also remarked for aircraft with larger wingspan than it was before, optimization of aircraft parking;
- Seventh, positions on apron B are remarked for aircraft with larger wingspan, again optimization of parking;
- Eighth, introduced RIDs displays on ANT apron. They increased security by shortening time by one third in low visibility conditions (CAT IIIb), aircraft that are in the approach reduce unnecessary delays in the declaration of the category, reduce redundant communication on apron between operational services and clear status at any time, on weather conditions on the apron of ANT;
- Ninth, bought a new apron bus for transport of passengers in July and currently are in the process of procurement two vehicles for the FOLLOW ME service;

- Tenth, reduced the number of delayed departures from ANT, more regular traffic and reduced number of delay codes related to work of ANT services and ANT capacity.
- Since the beginning of the year there are 10 new employees in the division due to the job requirements.

Audit:

- Austrian Airlines, 01.02.2016;
- SWISS, 30.03.2016;
- Etihad, 04 - 07.04.2016;
- Air Berlin, 13.04.2016;
- Turkish Airlines, 05.10.2016.

Completed training of internal auditors by the certification house Bureau Veritas in period 10-12.08.2016.godine.

7.1. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES AFTER THE PERIOD I-IX 2016

JSC Belgrade Nikola Tesla Airport, in accordance with the Regulation on the procedure for obtaining approval for new employment and further engagement with the users of public funds ("Official Gazette of RS", No. 113/13, 21/14, 66/14, 118/14 and 22/15) (hereinafter: Regulation), and for reasons of increased workload and to improve the business operations, obtained from the Commission for obtaining approvals for new employment and further engagement with the users of public funds, to increase the number of employees and persons engaged by work contract as follows:

- Conclusion of the Commission 51 number 112-6105/2016-1 of 30 June 2016, approval was given for the extension of engagements for a total of 684 persons of which 258 hired under contracts for temporary and occasional jobs, over 424 persons engaged through youth organizations and 2 persons on the basis of service contract. Received approval is valid for a period from 07.01.2016 to 31.10.2016.
- Submitting a new request to the Commission for obtaining approval for new employment and further engagement with the users of public funds dated 04.10.2016 we expressed the need to extend the previously obtained approval.
- Conclusion of the Commission 51 number 112-7589/2016-1 dated 26 August 2016, the approval was given for the engagement of 1009 people, of which extension of the engagement for 802 employees for a limited period of time, the approval for the new 178 persons and 29 persons engaged on other grounds (for professional development and training in accordance with Article 201 of the Labour Act). The approval is valid for a period from 01.09.2016 to 31.12.2016.

Professional development and training

In September 2016 was announced public invitation for engagement of candidates for the professional development and training on jobs of traffic, construction, economic, legal, organizational and profession, the profession in the field of civil aviation security.

A total of 26 candidates has applied for, whose applications are handled by OU Human Resources. Of the total number of applicants, 10 candidates fulfilled requirements, while procedure preceding conclusion of the contract on professional development and training for 9 candidates is in progress.

In the period August - September in X-ray screening division is conducted operator training for protection against ionizing radiation, after which is obtained Decision of the Agency for Radiation Protection and Nuclear Safety to extend the license for performing radiation activity and the decision for the use of ionizing radiation.

In September was done the certification of operators in X-ray screening division and security guards for jobs of access control, surveillance and patrols and vehicle screening. Certification was conducted by the Civil Aviation Directorate.

Inspections were made on 27.09 and 28.09.2016 of fulfilment of conditions for extension of the licenses for conducting security screening at Belgrade Nikola Tesla Airport by the Civil Aviation Directorate. The final report is expected.

Conducted procedure of procurement of firefighting protective equipment and contracts signed by lots as follows:

- Fire suit
 - The estimated value of 7,000,000.00 RSD;
- Fire-fighting equipment -miscellaneous
 - The estimated value of 3,250,000.00 RSD;
- Fire trousers and shirts
 - The estimated value of 2,300,000.00 RSD;
- Fire-fighting gloves and hoods
 - Estimated value 800.000,00 RSD.

Conducted procedure of procurement of fire-fighting foam. The estimated value is 4,500,000.00 RSD.

Investment "Transformer station remote monitoring system"

- Purpose: To improve the reliability and security of electricity supply to consumers at the airport complex, it is necessary to collect and present in one place all the relevant information from the substation at the complex of the airport, i.e. introduce a system of remote monitoring and management of substations from one place, where the state of the electrical energy system of substations will be monitored by electrician on duty 24 hours a day, 365 days a year. For reliable operation of the plant is very important to get timely information and react to disturbances in substations, i.e. monitor and control system from one place. For this purpose it is planned to introduce a system for monitoring and control of substations from duty energy centre, room at Electro Service (DEC).
- Status: Public procurement was launched on the basis of a decision of the Supervisory Board on Investment. Public tender opening was conducted on 10.10.2016. After contracting process, implementation of the job will be started.

Investment "Service of public lighting adaptation"

- Purpose: In order to increase the quality of lighting and reduce power consumption at the airport complex, it is necessary to adapt the part of public lighting, entrance road in front of Terminal 2 of the parking lot of the police and Rent-a-car agencies, parking in front of the Connecting part and Terminal 1 (used by Rent a car

agencies) and an access road from the city (gate of the building of new area control SMATSA) to the Terminal 1.

- Status: Public procurement was launched on the basis of a decision of the Supervisory Board on Investment. Public tender opening was conducted on 16.10.2016. After contracting process, implementation of the job will be started.

Road that will connect the apron A and apron B

- Status: On 03.10.2016 with Ministry of transportation, construction and infrastructure is registered request for issuance of use permit.

Investment "Machines for works on maintenance of lighting system"

- Purpose: Purchase of dedicated machines for execution of works on pavement structure for maintenance of field lighting system.
- Status: Public procurement was launched on the basis of a Decision of the Supervisory Board on Investment. The procurement procedure is in progress.

New fire base

- Status: On 10.10.2016 obtained locational conditions by MTCl.

Preparation of the study analysis of Nikola Tesla Airport capacities

- Status: In the period 03.10 – 07.10.2016 expert team of EGIS made a first round of field collection of data at ANT. Until the end of October is expected report on made analysis and estimations.

Investment "Building a fence around the perimeter, Phase 4"

- Purpose: Continuation of work on the replacement of the existing fence along the perimeter of the airport in order to increase the level of safety and harmonization of the characteristics of the fence with the new regulations. The last, 4th stage, ending replacing the old fence around the entire complex of Airport Nikola Tesla.
- Status: Public procurement is planned after the rebalancing plan of September 2016. The decision of the Supervisory Board approved the capital investment.

Investment "ULD stocks - stand for the acceptance of aircraft containers and pallets"

- Purpose: The equipment is used for storing aircraft pallets and containers. Procurement is implemented at the request of OU Ground Handling. The need to purchase new stocks is due to the increased volume of traffic and the obsolescence of existing ones.

- Status: Public procurement is planned after the rebalancing plan of September 2016. Decision of the Director-General approved the capital investment.

Investment "Chiller for server room"

- Purpose: Server room is air-conditioned with one chiller as the primary system and two split air-conditioning units that are placed as support in case of failure of the primary system. Getting another chiller raises the level of reliability of air conditioning system. This establishes a parallel connection between the two chillers so that in the case of malfunction or failure of one, the other takes over the function.
- Status: Public procurement is planned after the rebalancing plan of September 2016. The decision of supervisory board approved the capital investment.

Investment "Replacing the fence on the parking lots P5, P6, P7 and fence around TC35/10"

- Purpose: The purpose of uniformity of fence and improvement of functionality of parking lots, replacement of the fence is foreseen. Setting up a new fence will improve the visual appearance of the approach to airport terminals from directions of New Belgrade and Surčin.
- Status: Public procurement is planned after the rebalancing plan of September 2016. The decision of supervisory board approved the capital investment.

The investment "Works on reconstruction of the facility roof and replacement of garden drainage of the Restaurant Borik"

- Purpose: Due to problems in the use of the facility (leaking roof and water retention in the garden), provided the works on the replacement of the roof cover and replace the drainage system gases. Given that the building is leased, the works are scheduled to be completed in the period until the love garden.
- Status: Public procurement is planned after the rebalancing plan of September 2016. The supervisory board approved the capital investment.

Investment "Replacement of the access control door "

- Purpose: The purchase is intended to replace the access control door in all waiting areas at the airport Nikola Tesla, in order to increase security measures.
- Status: Public procurement is planned after the rebalancing plan of September 2016. Decision of the Director-General approved the capital investment.

Investment "Adaptation of toilets"

- Purpose: Toilet in transit at Dufry bars (at the waiting room A1) is one of the toilets, which are mostly used at the airport. The toilet has also shower cabins. In front of the toilet is currently hall. The entrance is next to Dufry cafe. As the changes in the appearance of Free Shop, cafes and shops nearby are planned, the plan is to carry out adaptation of toilets. Adaptation consists of changes in the entrance (entrance from the transit hall C) and changes to the interior of the toilets.

- Status: Public procurement is planned after the rebalancing plan of September 2016. The supervisory board approved the capital investment.

Investment "Replacement of the internal distribution of storm water drainage in T2"

- Purpose: During the reconstruction of Terminal 2, distribution of storm water drainage located in the suspended ceiling of the central part of the terminal has not been replaced. Over time there has been a material deterioration and the occurrence of a leak during precipitation. The plan is to replace the internal distribution.
- Status: Public procurement is planned after the rebalancing plan of September 2016. Decision of the Director-General approved the capital investment.

Investment "Vehicles for winter maintenance of aprons and maneuvering areas"

- Purpose: The purpose of this project is to improve existing technology of work, through the purchase of machinery to support the maintenance of maneuvering areas in winter conditions and remove snow from the maneuvering area, as well as maintenance in regular conditions. The aim of this investment project is the acquisition of multifunctional device with connections and the following features and functions: transport of freight, atmospheric residue, materials, equipment, etc., transshipment of cargo, materials, equipment, cleaning of atmospheric precipitation (snow), preventive chemical action on the maneuvering area to prevent occurrence of ice in winter conditions.
- Status: Public procurement was launched on the basis of a decision of the Supervisory Board of Investments.

Investment "Segment doors"

- Purpose: Public procurement is conducted for the acquisition and installation of automatic garage doors at the site of the future reconstructed baggage sorting area of Terminal 1. Public procurement is estimated at 2,500,000.00 RSD without VAT. For the investment procurement there is a decision about investment filed on 24.08.2016 as well as the approval of the Supervisory Board of the decision.
- Status: Public procurement was launched on the basis of a decision of the Supervisory Board of Investments.

Investment "Supply of passenger cars for the apron"

- Purpose: passenger vehicles used to support operations in handling the aircraft, apron management and operational services for maintenance of Belgrade Nikola Tesla Airport. The aim of this project is the purchase of passenger vehicles to be used on the maneuvering area.
- Status: Public procurement was launched on the basis of a decision of the Supervisory Board of Investments.

Monitors for IDS with accessories (plan 2016)

- Purpose: This investment venture is planned to purchase monitors and panels with accessories for system IDS (Information Display System), which will be at the airport to increase the number of units to display information and allow the use of the functionality of the new IDS system. IDS is a system for displaying a variety of information to passengers, employees and other users of airport services through workstations, as well as through monitors and the panel s(video walls) which are arranged ainthe terminal building.

Those investments will enable the equipping with monitors of new check-in counters after the reconstruction of Terminal 1 and the connecting part; setting up additional information monitors and the panels to the designated locations, and replacement of monitors on the existing positions with monitors of new generation of better quality and size. This will on existing positions ensure better visibility of content/information in the monitor as new monitors are larger ensuring that all positions in which the monitors are placed give the same quality of display of the content / information.

This way will enable additional utilization of the functionality of the new IDS system, which in addition to information about flights enables also presentation of variou multimedia contents, commercial content (commercials, campaigns, promotions), information for emergency needs (integration with fire alarm systems, evacuation systems) and etc. In Annex No. 2 is the schedule of set monitors panels and in the airport building.

- Value: 17,499,418.00 RSD VAT excluded
- Supplier: KING ICT, Belgrade and KING ICT, Zagreb
- Status: The report of the expert evaluation of bids signed on 27.10.2016.

Expansion and upgrading of information system for passengers and baggage reconciliation - BRS

- Purpose: Purchase of the baggage reconciliation system enables passenger and baggage reconciliation at Belgrade Airport.

The subject of expansion and upgrading of information system for passengers and baggage reconciliation (BRS) is development and implementation of new functionality in BRS (Travsys TBRS version 1.0.1.0) system which is in use at the airport. New functionality of BRS system should allow for verification to the hand-held readers of BRS system, by the users of the system, that the baggage passed security screening.

For countries that are not members of the EU, security screening is mandatory for inbound transfer baggage). After security screening, baggage is marked with the label „SECURITY CHECKED“. The label, if any, means that the worker can load baggage, i.e. can not load, if there is no label.

For the purpose of automation of this process it is necessary to allow on the handheld readers of BRS system, an additional window with the question: "Is the baggage checked?" and offered answers "YES" and "NO". If the answer is "YES", the system should display the following message "OK TO LOAD" i.e. "NOT OK TO LOAD", including the alarm sound.

In order to implement the specified functionality it is necessary to meet the following minimum requirements, not being limited to the same:

- Allow the marking and adding of the cities (states) the baggage security screening is necessary for
- Enable checks on handheld readers whether for transfer baggage from the departing airports security screening is necessary
- Additional window on the software of handheld readers with a question: "Is the baggage checked?" with offered answers" YES "and" NO "on the basis of which further displays "OK TO LOAD", i.e. „NOT OK TO LOAD“
- Additional instructions and reports relating to the above baggage security screening.
- Value: 1,912,390.00 RSD without VAT
- Supplier: a group of bidders Asseco SEE doo and TRAVSYS BV, Contract No. 17-89/2015 of 04.10.2016.

Lease and meetings with airlines

- 15.09.2016 – Started charging of rendered services to airline Montenegro Airlines, due to debts that the company has towards the Airport Nikola Tesla
- 30.09.2016 - the company Israir began with a series of charter flights on the line Belgrade – Tel Aviv.
- 16.10.2016 - the company Arkia Airlines began with a series of charter flights on the line Belgrade – Tel Aviv.

Planned - audit:

- TAROM, 17.11.2016;
- ECAC, November 2017.

8. DESCRIPTION OF MOST SIGNIFICANT RISKS AND UNCERTAINTIES FOR THE PERIOD I-IX 2016

If JSC Belgrade Nikola Tesla Airport does not obtain the approval of the Commission for obtaining approval for new employment and further engagement with users of public funds, the functioning of the Airport would be significantly affected, i.e. Airport would not be able to perform its core business. In case of non receipt of the approval of the Commission, JSC Belgrade Nikola Tesla Airport would have to cancel employment contracts to persons employed for temporary and occasional jobs or engaged through youth organizations. Received approval for all engaged persons is valid till 31.10.2016. The loss of such a large number of people would definitely affect the business operations.

Risk 1: Non-distribution of incoming messages for load distribution planning in aircraft of Lufthansa Group.
Potential cause: Inability of reception of incoming messages send to us by the company service for centralized planning of aircraft loading due to poor quality of equipment provided by Lufthansa.
Potential consequences: Lack of adequate preparation for aircraft ground handling, which led to work under pressure to meet the timeframes of aircraft handling.

Risk 2: The non-renewal, or failure to sign new Ground Handling Agreements of JSC BNTA with other airlines.
Potential cause: the possibility that SKY PARTNER offers lower charges of services than JSC Belgrade Nikola Tesla Airport.
Potential consequences: loss of income of JSC Belgrade Nikola Tesla Airport and outflow of employees transferring to SKY PARTNER, due to the loss of Ground Handling Agreements with other airlines.

Completion of the works on renovation of the connecting part between Terminal 1 and 2, which is a segment of the future Terminal 2b. where it is expected additional app.1200 square meters, of which more than 350 m² is a commercial space. Renovation of the connecting part was done due to the new need for better functioning and organization of the airport and contributes to:

- Better organization and space utilization
- Increased of revenue from commercial facilities and advertising
- Transparency and accessibility for passengers
- More modern and more contemporary look and sense of space
- Increasing energy efficiency

Strengthening of other ground handling service providers with the possibility of losing some of the services users, airlines.

Strengthening of airports in the region (Niš, Skopje, Pristina, Zagreb) that may affect the outflow of the part of passengers and thus as a result consideration of the airlines to shift part of the operations to other locations.

Interest of the company ANA (All Nippon Airways) for potential charter flights to Belgrade.

Internal risks:

- Saturation of projected airport capacity in terms of number of passengers, commercial content for which demand is growing, as well as parking positions,
- Deterioration of the part of existing infrastructure (part of the maneuvering areas, part of the terminal capacity, part of the primary hot water network, the primary lines of water supply and sewage systems which are more than 40 years old, facility for accommodation of the Fire & Rescue Service is unsuitable for that purpose),
- Unresolved property relations of the land plots and buildings in the immediate neighbouring environment of the airport, on the locations foreseen for the potential expansion of the airport system.

External risks:

- Limitation of development under the existing obsolete and outdated planning act until adoption of a new planning document.
- Growing competition from international airports in neighboring countries,
- Inadequate connection with both the downtown of the City of Belgrade, as well as the broader region of Serbia, having in mind the growth in the number of passengers and introduction of direct flights to the United States,
- The need for continuous improvement of security measures, and consequently increase of the cost,
- The expansion of other airports in Serbia and potential divert of the part of traffic flows, increasing competition at the local level,
- A small number of Tenderers who are licensed for development of technical documentation i.e. construction of facilities for which a building permit is issued by the Ministry (for airports for public air transportation),
- Seasonality and fluctuation in demand, which can be a challenge in planning future capacities.

In the period I-IX 2016, there was a risk that due to a defect of one of the three main airport fire trucks Airport can not accept aircraft of the fire category 8, and 9.

The spread of terrorist organizations as well as increase of the number of terrorist attacks which as their target increasingly choose airports, indicated to the necessity of increased vigilance and security control at the Airport Nikola Tesla. In the area where there is no x-ray security screening - public area of the airport, of great importance is existence of video surveillance and frequent patrols of the security service.

On the basis of a risk assessment by the security authorities it is recommended to introduce additional security measures including both procurement of new equipment and devices, and engagement of a larger number of persons to be trained to work on above devices.

Those additional security measures include a procedure that can not be completed in a short period of time, which may cause vulnerability of security system at the airport.

9. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Due to market risks, which influence on financial instruments, the management of the Company vigilantly monitors risky developments and take precautionary measures for risk management.

9.1. MARKET RISK

When analysing the market and its impact on the Company's operations, primarily on the financial instruments, the Company perceives risks of changes in foreign exchange rates (currency risk) risks of changes in interest rates, and the risk of changes in prices of services.

a) Currency risk

The analysis of the assets and resources of the Company on 30.09.2016, primarily of cash and cash equivalents, receivables from buyers, liabilities from long-term loans, financial leasing and the like can be said that the Company is exposed to foreign exchange risk.

By detailed analysis of the currency structure of financial assets and liabilities as of 30.09.2016 can be concluded that the funds are contracted with currency clause and that exceed the agreed financial obligations in the currency. Financial liabilities contracted in currencies are generally long-term nature. Based on the above facts it follows that JSC Belgrade Nikola Tesla Airport does not operate with a high exposure to currency risk.

b) Risk of interest rate change

Risk of change of interest rate does not represent significant risk for the Company. Financial instruments with contracted interest are mainly defined with fixed interest rate.

9.2. CREDIT RISK

The Company estimates that the greatest of the risks affecting financial instruments is credit risk. The Company has huge receivables of domestic and foreign buyers and the credit risk permanently exists. In order to diminish this risk, the Company monitors charging realisation on regular basis. It analyses value of collection in the currencies, that is, in contracted terms, delays in payment default and monitoring of outstanding receivables.

9.3. LIQUIDITY RISK AND CASH FLOW

Management of liquidity risk demands special attention of the Management of the Company. Therefore the Management has established business policy mostly based on financing from own resources. Borrowed funds are mostly long-term resources and short-term obligations can be covered from short-term receivables.

10. MAJOR ACTIVITIES OF THE COMPANY WITH RELATED PARTIES

JSC Airport Nikola Tesla Belgrade has no related parties.

10.1. Existence of branches

JSC Belgrade Nikola Tesla Airport does not have branches within the Company.

Belgrade, November 2016

Chairman of the Executive Board

Acting Director General
Saša Vlasić



Finance Department Director

D. Pejović
Dobriša Pejović

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STATEMENT

Hereby we state that, according to our best knowledge, the Quarterly report for the third quarter, which contains data for the first nine months of the business year 2016 is drafted in line with appropriate international standards of financial reporting and that it shows true and impartial data on property, obligations, financial position and operating, profits and losses, cash flows and changes on the capital of the Company.

Acting Director General

Saša Vlaisavljević

Finance Director

Dobriła Pejović



Head of Accountancy

Zorka Latinović

C.O.