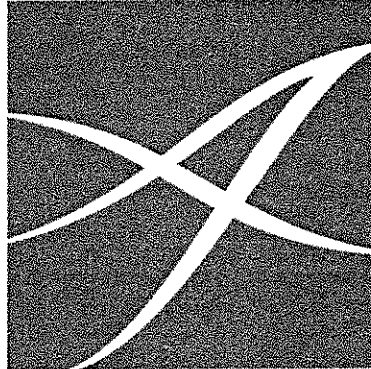


JOINT-STOCK COMPANY BELGRADE NIKOLA TESLA AIRPORT



In accordance with Article 53 of the Capital Market Act (Official Gazette of RS No. 31/2011, 112/2015 and 108/2016) and in accordance with the Regulations on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies ("Official Gazette of RS No.14/2012, 5/2015 and 24/2017), Joint Stock Company Belgrade Nikola Tesla Airport announces:

**REPORT FOR THE THIRD QUARTER OF 2018 CONTAINING
ALSO DATA**

FOR THE PERIOD I-IX 2018



Content

1. FINANCIAL STATEMENTS 30 SEPTEMBER 2018

1. INCOME SHEET for the period I-IX 2018;
2. BALANCE SHEET on 30 September 2018;
3. REPORT ON OTHER RESULTS for the period I-IX 2018;
4. STATEMENT ON CHANGES IN CAPITAL for the period I-IX 2018;
5. CASH FLOW STATEMENT for the period I-IX 2018; and
6. NOTES TO THE FINANCIAL STATEMENTS with 30 September 2018.

2. Report on company operations for the third quarter of 2018 and for the period I-IX 2018.

3. Statement

FINANCIAL STATEMENTS September 30, 2018

1. INCOME SHEET for the period I-IX 2018
2. BALANCE SHEET on September 30, 2018
3. REPORT ON OTHER RESULTS for the period I-IX 2018
4. STATEMENT ON CHANGES IN CAPITAL for the period I-IX 2018
5. CASH FLOW STATEMENT for the period I-IX 2018
6. NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

on October 22, 2018

FINANCIAL STATEMENTS September 30, 2018

INCOME SHEET

in the period from January 1 to September 30, 2018

INCOME SHEET							
for the period from 01/01/2018 until 30/09/2018							
- in thousand RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01/07-30/09/2018)	Cumulative (01/01-30/09/2018)	Quarter (01/07-30/09/2017)	Cumulative (01/01-30/09/2017)
1	2	3	4	5	6	7	8
REVENUES OF REGULAR BUSINESS							
60 to 65, except 62 & 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		3,291,327	8,015,788	2,864,944	7,195,346
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007+ 1008)	1002	5	4,183	5,103	466	10,887
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. Revenues from sale of goods to other related parties in foreign markets	1006					
604	5. Revenues from sale of goods in domestic market	1007	5	4,183	5,103	466	10,887
605	6. Revenues from sale of goods in foreign markets	1008	5	0	0	0	0
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	2945849	7,206,969	2,548,489	6,421,039
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 com.and subsidiaries in foreign markets	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 markets	1013					
614	5. Revenues from sale of products and services to other related parties in domestic market	1014	6	1,319,476	3,024,428	1,082,148	2,723,211
615	6. Revenues from sale of products and services in foreign markets	1015	7	1,626,373	4,182,541	1,466,341	3,697,828
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		0	0	0	0
65	IV OTHER OPERATING REVENUES	1017	9	341,295	803,716	315,989	763,420

FINANCIAL STATEMENTS September 30, 2018

INCOME SHEET (continued)

in the period from January 1 to September 30, 2018

INCOME SHEET							
for the period from 01/01/2018 until 30/09/2018							
- in thousand RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01/07-30/09/2018)	Cumulative (01/01-30/09/2018)	Quarter (01/07-30/09/2017)	Cumulative (01/01-30/09/2017)
1	2	3	4	5	6	7	8
EXPENDITURES OF REGULAR BUSINESS							
50 to 55, except 62 & 63	B. OPERATING EXPENDITURES (1019 – 1020 – 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028 + 1029) ≥ 0	1018		1,585,305	4,573,602	1,240,629	3,816,487
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	4,073	4,671	377	14,636
62	II. revenues from activation of use of own products and goods	1020		0		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 except 513	V. COSTS OF MATERIALS	1023	11	49,139	168,559	44,824	140,605
513	VI. COSTS OF FUEL AND ENERGY	1024	12	70,074	210,442	62,207	202,682
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	13	885,668	2,674,119	740,770	2,246,005
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	127,420	334,230	78,716	282,459
540	IX. AMORTISATION COSTS	1027	15	318,171	860,564	211,904	578,302
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	15a	5,000	5,000	3,000	8,370
55	XI. INTANGIBLE COSTS	1029	16	125,760	316,017	98,831	343,428
	V. OPERATING PROFIT (1001 – 1018) ≥ 0	1030		1,706,022	3,442,186	1,624,315	3,378,859
	G. OPERATING LOSS (1018 – 1001) ≥ 0	1031					
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		40,174	102,170	37,725	116,719
66 except 662, 663 & 664	I. FINANCIAL REVENUES FROM RELATED PARTIES AND OTHER FINANCIAL REVENUES (1034 + 1035 + 1036 + 1037)	1033		0	0	0	0
660	1. Financial revenues from parent company and subsidiaries	1034					
661	2. Financial revenues from other related parties	1035					
665	3. Revenues from participation in profit of associated legal entities and joint ventures	1036					
669	4. Other financial revenues	1037					
662	II. INTEREST REVENUE (FROM THIRD PARTIES)	1038	17	15,207	53,175	21,694	69,118
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	18	24,967	48,995	16,031	47,601

FINANCIAL STATEMENTS September 30, 2018

INCOME SHEET (continued)
in the period from January 1 to September 30, 2018

INCOME SHEET							
for the period from 01/01/2018 until 30/09/2018							
- in thousand RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01/07-30/09/2018)	Cumulative (01/01-30/09/2018)	Quarter (01/07-30/09/2017)	Cumulative (01/01-30/09/2017)
1	2	3	4	5	6	7	8
56	D. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		10,370	53,075	73,121	237,324
56 except 562, 563 & 564	I. FINANCIAL EXPENDITURES FROM RELATED PARTIES RELATION AND OTHER FIN. EXPENDITURES (1042 + 1043 + 1044 + 1045)	1041		0	0	0	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. INTEREST EXPENDITURES (TOWARD THIRD PERSONS)	1046	19	3,118	19,229	8,001	27,002
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG. EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	20	7,252	33,846	65,120	210,322
	E. PROFIT FROM FINANCING(1032 – 1040)	1048		29,804	49,095	0	0
	Ž. LOSS FROM FINANCING(1040 – 1032)	1049				35,396	120,605
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME SHEET	1050	21	7,488	8,390	1,950	2,913
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME SHEET	1051	22	-11,452	29,211	19,701	44,739
67 & 68, except 683 & 685	J. OTHER REVENUES	1052	23	7,937	19,363	5,246	14,326
57 & 58, except 583 & 585	K. OTHER EXPENDITURES	1053	24	166,782	186,945	19,443	34,173
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054		1,595,921	3,302,878	1,556,971	3,196,581

FINANCIAL STATEMENTS September 30, 2018

INCOME SHEET (continued)

in the period from January 1 to September 30, 2018

INCOME SHEET							
for the period from 01/01/2018 until 30/09/2018							
- in thousand RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year		Previous year	
				Quarter (01/07-30/09/2018)	Cumulative (01/01-30/09/2018)	Quarter (01/07-30/09/2017)	Cumulative (01/01-30/09/2017)
1	2	3	4	5	6	7	8
	L. OPERATING LOSS BEFORE TAX (1031 – 1030 + 1049 – 1048 + 1051 – 1050 + 1053 – 1052)	1055					
69-59	M. NET INCOME FROM DISCONTINUED OPERATIONS, THE EFFECT OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1056		0	0	-88	553
59-69	N. NET LOSS FROM DISCONTINUED OPERATIONS, EXPENSES CHANGE IN ACCOUNTING POLICIES AND CORRECTIONS FROM PREVIOUS PERIOD	1057	25	16,548	28,659	0	0
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	1,579,373	3,274,219	1,556,883	3,197,134
	O. LOSS BEFORE TAX (1055 – 1054 + 1057 – 1056)	1059					
	p. PROFIT TAX						
721	I. INCOME TAX EXPENDITURE	1060	26	238,263	488,196	230,598	446,245
part 722	II. DEFERRED TAX EXPENDITURE	1061	27	1,538	10,010	20,895	58,268
part 722	III. DEFERRED INCOME TAX	1062	27	0	0	0	0
723	R. EARNINGS PAID BY EMPLOYER	1063					
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	28	1,339,572	2,776,013	1,305,390	2,692,621
	T. NET LOSS (1059 – 1058 + 1060 + 1061 – 1062)	1065					
	I NET INCOME OF MINORITY SHAREHOLDERS	1066					
	II NET INCOME OF THE MAJORITY OWNER	1067					
	III PROFIT PER SHARE		28				
	1. Basic earning per share	1068					
	2. Reduced (diluted) earning per share	1069					
6	TOTAL REVENUES			3,352,575	8,151,445	2,910,225	7,331,162
5	TOTAL EXPENDITURES			1,773,203	4,877,227	1,353,342	4,134,028

FINANCIAL STATEMENTS September 30, 2018

BALANCE SHEET on September 30, 2018

BALANCE SHEET						
On 30/09/2018						
- in thousand RSD -						
Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year 30/09/2018	Previous year Final balance 31/12/2017	Initial balance 01/01/2017
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		27,012,903	25,480,013	0
1	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0008 + 0009)	3	29	280,520	173,389	0
010 & part 019	1. Investment in development	4				
011, 012 & part 019	2. Concessions, patents, licences, trade marks, software and other rights	5	29	133,521	105,963	
013 & part 019	3. Goodwill	6				
014 & part 019	4. Other intangible assets	7				
015 & part 019	5. Intangible assets in progress	8		144,013	59,941	
016 & part 019	6. Advances for intangible assets	9		2,986	7,485	
2	II. REAL ESTATES, PLANTS AND EQUIPMENT (0011 + 0012 + 0013 + 0014 + 0015 + 0016 + 0017 + 0018)	10	29	26,565,415	25,128,977	0
020, 021 & part 029	1. Land	11	29	9,943,377	9,437,117	
022 & part 029	2. Buildings	12	29	10,917,235	10,177,454	
023 & part 029	3. Plant and equipment	13	29	5,436,659	5,119,779	
024 & part 029	Investment property	14	29	29,516	29,516	
025 & part 029	5. Other property, plants and equipment	15	29	3,619	3,619	
026 & part 029	6. Property, plants, equipment in progress	16	29	235,009	349,493	
027 & part 029	7. Investments in some else's property, plant and equipment	17				
028 & part 029	8. Advances for property, plants and equipment	18	29	0	11,999	
3	III. BIOLOGICAL RESOURCES (0020 + 0021 + 0022 + 0023)	19		123	123	0
030, 031 & part 039	1. Forests and perennial plants	20				
032 & part 039	2. Livestock unit	21	29	123	123	
037 & part 039	3. Biological resources in progress	22				
038 & part 039	4. Advances for biological resources	23				
04. except 047	IV. LONG-TERM FINANCIAL INVESTMENTS (0025 + 0026 + 0027 + 0028 + 0029 + 0030 + 0031 + 0032 + 0033)	24		129,054	136,261	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 held to maturity	32				
048 & part 049	9. Other long-term financial investments	33	31	129,053	136,260	

FINANCIAL STATEMENTS September 30, 2018

BALANCE SHEET on September 30, 2018 (continued)

BALANCE SHEET						
On 30/09/2018						
- in thousand RSD -						
Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year 30/09/2018	Previous year Final balance 31/12/2017	Initial balance 01/01/2017
1	2	3	4	5	6	7
	ASSETS					
5	V. LONG-TERM RECEIVABLES (0035 + 0036 + 0037 + 0038 + 0039 + 0040 + 0041)	34		37,791	41,263	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	31	37,791	41,263	
288	V. DEFERRED TAX ASSETS	42				
	G. TURNOVER ASSETS					
	(0044 + 0051 + 0059 + 0060 + 0061 + 0062 + 0068 + 0069 + 0070)	43		8,012,743	6,566,562	0
Class 1	I STOCKS (0045 + 0046 + 0047 + 0048 + 0049 + 0050)	44		223,762	133,226	0
10	1. Material, spare parts, tools and small inventory	45	32	158,354	93,771	
11	2. Unfinished production and unfinished services	46				
12	3. Ready products	47				
13	4. Goods	48	33	4,848	4,863	
14	5. Non-current assets intended for sale	49				
15	6. Advances paid for stock and services	50	34	60,560	34,592	
20	II RECEIVABLES FROM SALE (0052 + 0053 + 0054 + 0055 + 0056 + 0057 + 0058)	51		1,512,000	1,118,684	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	460,432	426,265	
205 & part 209	6. Buyers abroad	57	36	1,051,568	692,419	
206 & part 209	7. Other receivables from sale	58				
21	III RECEIVABLES FROM SPECIFIC OPERATIONS	59				
22	IV OTHER RECEIVABLES	60	37	81,443	81,537	
236	V FINANCIAL ASSETS AT FAIR VALUE THROUGH INCOME SHEET	61				
23 except 236 & 237	VI SHORT-TERM FINANCIAL INVESTMENTS (0063 + 0064 + 0065 + 0066 + 0067)	62		1,725,890	2,760,377	0
230 & part 239	1. Short-term loans and invest.- parent companies and subsidiaries	63				
231 & part 239	2. Short-term loans and invest.- other related parties	64				
232 & part 239	3. Short-term credits and loans in the country	65	38	47,393	80,386	
233 & part 239	4. Short-term credits and loans abroad	66				
234, 235, 238 & part 239	5. Other short-term financial investments	67	39	1,678,497	2,679,991	
24	VII CASH AND CASH EQUIVALENTS	68	41	4,416,804	2,386,010	
27	VIII VALUE ADDED TAX	69				0
28 except 28B	IX PREPAYMENTS AND ACCRUED INCOME	70	42	52,844	86,728	
	D. TOTAL ASSETS = BUSINESS ASSETS (0001 + 0002 + 0042 + 0043)	71		35,025,646	32,046,575	0
88	D. OFF-BALANCE SHEET ASSETS	72	62	750,104	668,417	

FINANCIAL STATEMENTS September 30, 2018

BALANCE SHEET on September 30, 2018 (continued)

BALANCE SHEET							
On 30/09/2018							
- in thousand RSD -							
Group of accounts - account	POSITION	ADP	Note No.	Amount			
				Current year 30/09/2018	Previous year Final balance 31/12/2017	Initial balance 01/01/2017	
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	30,734,668	29,708,442	0	
30	I CORE CAPITAL (0403 + 0404 + 0405 + 0406 + 0407 + 0408 + 0409 + 0410)	402		21,264,303	20,573,610		
300	1. Share capital	403	44	21,015,678	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 capital	408					
306	7. Share issue premium	409		248,625			
309	8. Other core capital	410		0			
31	II NON-PAID UP SUSCRIBED CAPITAL	411					
047 and 237	III REPURCHASED OWN SHARES	412		265,417			
32	IV RESERVES	413	45	6,356,456	5,254,126		
330	V. REVALUATION RESERVES BASED ON THE REVALUATION OF INTANGIBLE PROPERTY, PLANT AND EQUIPMENT	414	45	580,946	596,114		
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	17,482	17,482		
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	2,780,898	3,267,110	0	
340	1. Non-distributed profit of previous years	418	46	4,885	1,436		
341	2. Non-distributed profit of the current year	419	46	2,776,013	3,265,674		
	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		798,560	802,690	0	
40	I LONG -TERM RESERVES (0426 + 0427 + 0428 + 0429 + 0430 + 0431)	425	47;48	224,090	227,955	0	
400	1. Reserves for cost within guarantee period	426					
401	2. Reserves for restoration of natural resources	427					
403	3. Reserves for restructuring costs	428					
404	4. Provisions for retirement and other employee benefits	429	47;48;49	125,014	131,379		
405	5. Reserves for litigations	430	47;48;49	99,076	96,576		
402 and 409	6. Other long-term reserves	431					
41	II LONG-TERM LIABILITIES (0433 + 0434 + 0435 + 0436 + 0437 + 0438 + 0439 + 0440)	432		574,470	574,735	0	
410	1. Liabilities that may be converted into capital	433		0			
411	2. Liabilities toward parent companies and subsidiaries	434		0			
412	3. Liabilities toward other related parties	435		0			

FINANCIAL STATEMENTS September 30, 2018

BALANCE SHEET on September 30, 2018 (continued)

BALANCE SHEET						
On 30/09/2018						
- in thousand RSD -						
Group of accounts - account	POSITION	ADP	Note No.	Amount		
				Current year 30/09/2018	Previous year Final balance 31/12/2017	Initial balance 01/01/2017
1	2	3	4	5	6	7
	LIABILITIES					
413	4. Liabilities from securities for a period longer than one year	436		0		
414	5. long-term credits and loans in the country	437		0		
415	6. long-term credits and loans abroad	438	50;51	574,470	574,735	
416	7. Liabilities based on financial leasing	439		0		
419	8. Other long-term liabilities	440		0	0	0
498	V. DEFERRED TAX LIABILITIES	441	27	466,263	456,253	
42 to 49 (except 498)	G. SHORT-TERM LIABILITIES (0443 + 0450 + 0451 + 0459 + 0460 + 0461 + 0462)	442		3,026,155	1,079,190	0
42	I SHORT-TERM FINANCIAL OBLIGATIONS (0444 + 0445 + 0446 + 0447 + 0448 + 0449)	443		37,476	98,752	0
420	1. Short-term loans from parent company 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 & 429	6. Other short-term financial obligations	449	52	37,476	98,752	
430	II RECEIVED PREPAYMENTS, DEPOSITS AND BAILS	450	53	228,617	124,908	
43 except 430	III BUSINESS LIABILITIES (0452 + 0453 + 0454 + 0455 + 0456 + 0457 + 0458)	451		221,750	522,262	0
431	1. Suppliers - parent comp. and subsidiaries in the country	452				
432	2. Suppliers - parent comp. and subsidiaries abroad	453				
433	3. Suppliers -other related in the country	454				
434	4. Suppliers -other related abroad	455				
435	5. Suppliers in the country	456	54	187,883	401,299	
436	6. Suppliers abroad	457	55	6,673	6,398	
439	7. Other liabilities from operation	458	56	27,194	114,565	
44, 45 & 46	IV OTHER SHORT-TERM LIABILITIES	459	57	2,130,912	152,802	
47	V LIABILITIES FROM VALUE ADDED TAX	460	58	114,939	1,339	
48	VI LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	461	59; 60	132,775	15,490	
49 except 498	VII ACCRUALS AND DEFERRED INCOME	462	61	159,686	163,637	
	D. LOSS OVER CAPITAL (0412 + 0416 + 0421 - 0420 - 0417 - 0415 - 0414 - 0413 - 0411 - 0402) ≥ 0 = (0441 + 0424 + 0442 - 0071) ≥ 0	463		0	0	
	D. TOTAL LIABILITIES (0424 + 0442 + 0441 + 0401 - 0463) ≥ 0	464		35,025,646	32,046,575	0
89	E. OFF-BALANCE SHEET LIABILITIES	465	62	750,104	668,417	

FINANCIAL STATEMENTS September 30, 2018

REPORT ON OTHER RESULTS in the period from January 1 to September 30, 2018

CONSOLIDATED FINANCIAL STATEMENTS								
for the period from 01/01/2018 until 30/09/2018								
- in thousand RSD -								
Group accounts, account	POSITION	ADP	Notes No	Amount				
				Current year		Previous year		
				Quarter (01/07-30/09/2018)	Cumulative (01/01-30/09/2018)	Quarter (01/07-30/09/2017)	Cumulative (01/01-30/09/2017)	
1	2	3	4	5	6	7	8	
	A. NET RESULTS FROM OPERATIONS							
	I. NET PROFIT (ADP 1064)	2001	28	1,339,572	2,776,013	1,305,390	2,692,621	
	II. NET LOSS (ADP 1065)	2002						
	B. OTHER COMPREHENSIVE PROFITS AND LOSS							
	a) Items that will not be reclassified in income sheet in future periods							
	1. Changes in revaluation of intangible assets, property, plant and equipment							
330	a) increase in revaluation reserves	2003						
	b) decrease in revaluation reserves	2004		0		0		
	2. Actuarial gains and losses on defined benefit plans							
331	a) gains	2005						
	b) losses	2006						
	3. Gains and losses on investment in equity capital instruments							
332	a) gains	2007						
	b) losses	2008						
	4. Gains or losses on shares in other comprehensive profit or losses of associated companies							
333	a) gains	2009						
	b) losses	2010						
	a) 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	
	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	0	0	
	III. TAX ON OTHER COMPREHENSIVE PROFIT OF 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	0	0	
	B. TOTAL NET COMPREHENSIVE RESULT OF THE PERIOD							
	I. TOTAL NET COMPREHENSIVE PROFIT (2001 - 2002 + 2022 - 2023) ≥ 0	2024		1,339,572	2,776,013	1,305,390	2,692,621	
	II. TOTAL NET COMPREHENSIVE LOSS (2002 - 2001 + 2023 - 2022) ≥ 0	2025		0	0	0	0	
	G. TOTAL NET COMPREHENSIVE PROFIT OF LOSS (2027 + 2028) = ADP 2024 ≥ 0 or ADP 2025 > 0	2026		1,339,572	2,776,013	1,305,390	2,692,621	
	1. Attributable to majority owners of capital	2027						
	2. Attributable to owners who do not have control	2028						

JSC BELGRADE NIKOLA TESLA AIRPORT

FINANCIAL STATEMENTS September 30, 2018

STATEMENT ON CHANGES IN CAPITAL in the period from 01/01 to 30/09/2018

No.	DESCRIPTION	Capital components										Components of other equity										Less than above capital ADP			
		ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP	ADP		ADP	ADP	ADP
Opening balance on 01/01/2017		401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
1	a) debit balance account	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
	b) credit balance account	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
Correction of materially significant errors and changes of accounting policies																									
2	a) corrections on the debit side of the account	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) corrections on the credit side of the account	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Updated opening balance on 01/01/2017		401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
3	a) corrected debit balance of account [1a + 2a - 2b] ≥ 0	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) corrected credit balance of account [1b - 2a - 2b] ≥ 0	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Changes in the previous 2017																									
4	a) turnover on the debit side of the account	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) turnover on the credit side of the account	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Balance at the end of previous year on 31/12/2017		401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
5	a) debit balance of account [3a + 4a - 4b] ≥ 0	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) credit balance of account [3b - 4a - 4b] ≥ 0	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Correction of materially significant errors and changes of accounting policies																									
6	a) corrections on the debit side of the account	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) corrections on the credit side of the account	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Corrected opening balance on 01/01/2018		401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
7	a) corrected debit balance of account [5a + 6a - 6b] ≥ 0	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) corrected credit balance of account [5b - 6a - 6b] ≥ 0	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Changes in the current 2018																									
8	a) turnover on the debit side of the account	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) turnover on the credit side of the account	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427
Balance at the end of the current year on 30/09/2018		401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424
9	a) debit balance of account [7a + 8a - 8b] ≥ 0	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426
	b) credit balance of account [7b - 8a - 8b] ≥ 0	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427

FINANCIAL STATEMENTS September 30, 2018

CASH FLOW STATEMENT
 for the period from 01/01 until 30/09/2018

CASH FLOW STATEMENT				
in the period from 01/01/2018 until 30/09/2018				
- in thousand RSD -				
Position	ADP	Note No.	Amount	
			Current year	Previous year
1	2	3	4	5
A. CASH FLOW FROM BUSINESS ACTIVITY				
I. Cash inflow from business activities (1 to 3)	3001		8,772,953	8,068,103
1. Sale and received advance payments	3002		7,845,477	7,134,912
2. Interest received from business activity	3003		2,388	22,455
3. Other inflows from regular operations	3004		925,088	910,736
II. Cash outflow from business activities (1 to 5)	3005		5,008,043	4,152,868
1. Payments for suppliers and given advance payments	3006		1,359,193	1,187,777
2. Salaries, salary compensations and other personal expenses	3007		2,653,579	2,220,456
3. Paid interest	3008		18,008	21,488
4. Income tax	3009		370,552	248,006
5. Payment from other public revenues	3010		606,711	475,141
III. Net cash inflow from business activities (I-II)	3011		3,764,910	3,915,235
IV. Net cash outflow from business activities (II-I)	3012			
B. CASH FLOW FROM INVESTMENT ACTIVITY				
I. Cash inflow from investment activities (1 to 5)	3013		1,140,706	1,455,259
1. Sale of shares and portions (net inflows)	3014		0	0
2. Sale of intangible investments, properties, plants, equipment and biological agencies	3015		32,985	1,424
3. Other financial investments (net inflows)	3016		1,049,780	1,379,932
4. Interest received from investment activity	3017		57,941	73,903
5. Dividend received	3018		0	0
II. Cash outflow from investment activities (1 to 3)	3019		2,614,897	2,450,052
1. Purchase of shares and portions (net outflows)	3020		735,456	0
2. Purchase of intangible investments, properties, plants, equipment and biological agencies	3021		1,879,441	2,450,052
3. Other financial investments (net outflows)	3022		0	0
III. Cash net inflow from investment activities (I-II)	3023			
IV. Cash net outflow from investment activities (II-I)	3024		1,474,191	994,793

FINANCIAL STATEMENTS September 30, 2018

CASH FLOW STATEMENT (cont'd)
 for the period from 01/01 until 30/09/2018

CASH FLOW STATEMENT				
in the period from 01/01/2018 until 30/09/2018				
- in thousand RSD -				
Position	ADP	Note No.	Amount	
			Current year	Previous year
1	2	3	4	5
V. CASH FLOW FROM FINANCING ACTIVITY				
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		261,102	1,820,269
1. Redemption of own shares and portions	3032		0	0
2. Long-term loans (outflows)	3033		61,102	63,094
3. Short-term loans (outflows)	3034		0	0
4. Other liabilities (outflows)	3035		0	0
5. Financial leasing	3036		0	0
6. Paid-up dividends	3037		200,000	1,757,175
III. Cash net inflow from financing activities (I-II)	3038		0	0
IV. Cash net outflow from financing activities (II-I)	3039		261,102	1,820,269
G. OVERALL CASH INFLOW (3001 + 3013 + 3025)	3040		9,913,659	9,523,362
D. OVERALL CASH OUTFLOW (3005 + 3019 + 3031)	3041		7,884,042	8,423,189
Đ. OVERALL CASH INFLOW (3040 – 3041)	3042		2,029,617	1,100,173
E. OVERALL CASH OUTFLOW (3041 – 3040)	3043			
Ž. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	3044		2,386,010	740,102
Z. POSITIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3045		14,042	4,535
I. NEGATIVE EXCHANGE RATE DIFFERENCES FROM CASH CONVERSION	3046		12,865	32,842
J. CASH AT THE END OF ACCOUNTING PERIOD	3047		4,416,804	1,811,968
(3042 – 3043 + 3044 + 3045 – 3046)				

JSC BELGRADE NIKOLA TESLA AIRPORT

NOTES TO THE FINANCIAL STATEMENTS
30 September 2018

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 the 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 Beograd.

The Government of the 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 Joint Stock Company Airport Nikola Tesla Belgrade.

By the Rescript of the Registers Agency No: BD 7651/2011 dated on 24/01/2011, the Joint Stock Company Airport Nikola Tesla Belgrade was registered in Business Registers Agency as an open joint stock company.

<i>Head-office</i>	11180 Belgrade 59, Serbia
<i>Register 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 JSC Airport Nikola Tesla Belgrade is classified as a large legal person.

1.2. Number of employees and engaged persons

On Balance Sheet date on 30 September, 2018 the Company had 2. 506 engaged workers of which 1,677 employees of the Company including 1,181 permanent employees, 496 employees on a definite period of time, 504 workers engaged through youth organizations and 325 engaged in temporary and occasional jobs (on 31 December 2017 there were 2,382 engaged workers: 1,715 employees, of which 1,206 permanent employees, 509 employees for a definite period of time, 374 workers engaged through youth organizations and 293 engaged in temporary and occasional jobs).

In I-IX 2018, the average number of employees engaged by the Company at the end of each month was 2,410 of which average number of employees of the Company is 1,702 (1,194 permanent employees, 508 employees for a definite period of time), 415 workers engaged through youth organizations, averagely 293 engaged in temporary and occasional jobs (during 2017 there were on average 2,067 employees: 1,408 employees, of which 1,042 permanent employees, 366 employees for a definite period of time, 393 workers engaged through youth organizations and 266 engaged in temporary and occasional jobs).

NOTES TO FINANCIAL STATEMENTS September 30, 2018

1. FOUNDING AND OPERATION OF THE COMPANY (cont'd)**1.3. Management structure**

The Company has established two-tier corporate 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's work. The Shareholder in possession of 1% of ordinary shares (35,026 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 Supervisory Board of the Company assigns the Executive directors.

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 the Republic of Serbia.

On 09/12/2010 the Government of the Republic Serbia made the Decision No. 023-9103/2010-1, by which citizens of the 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, the 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.

1.5. Selection of concessionaire

On 05/01/2018 the Decision on the best Bid in the procedure for the granting of a concession for the financing, development through the construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and the performance of the activity of airport operator which was registered with the Ministry of Construction, Traffic and Infrastructure under the number: 023-00-1/2018-12 dated 05/01/2018 and with ANT under the number: GD 111/2018 dated 05/01/2018. The best bidder selected is VINCI AIRPORTS, France.

The Concession Agreement for the financing, development through the construction and reconstruction, maintenance and management of the infrastructure of JSC Airport Nikola Tesla Belgrade and the performance of the activity of airport operator at Airport Nikola Tesla Belgrade between the Government as a representative of the Republic of Serbia, the Joint Stock Company Aerodrom Nikola Tesla Belgrade, "VINCI AIRPORTS Serbia" and "Vinci Airports SAS, France was signed on March 22, 2018.

2. BASIS FOR COMPOSITION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD**2.1. Basis for composition and presentation of financial statements**

The financial statements for the period I-IX 2018 are prepared in a manner and in accordance with the legislation, also applied for preparation of annual financial statements for 2017 and which is completely stated in the Note 2 to the Financial statement for the year of 2017.

The financial statement for the period I-IX 2018 are approved on the meeting of the Supervisory Board of the Company on 24/10/2018.

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 leasing period.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 there 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.

Expenditures 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 assets and liabilities in foreign currencies

Transactions incurred in foreign currencies are converted into dinars at the middle exchange rates established on the Interbank Exchange Market, valid at the transaction date.

Transactions denominated in foreign currencies on the date of the balance sheet are converted into dinars at the middle exchange rates established on the Interbank Exchange Market, valid at that date.

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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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

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

Middle 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	30/09/2018	31/12/2017
Middle exchange rate of NBS:	Value in RSD	
EUR	118.4179	118.4727
USD	101.6899	99.1155
CHF	104.1036	101.2847
GBP	133.0239	133.4302

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 the bank on the date of financial statements preparation is presented in the following table:

Description	30/09/2018	31/12/2017
Contracted exchange rate:	Value in RSD	
EUR - for EIB loan	118.7732	118.8281

3.4. Intangible investment

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

3.5. Property, plants, equipment, biological resources

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

After initial recognition, property, plant and equipment (except tools and inventory for which purchase price model is implemented) 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 is carried out 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. Up to the amounts of 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 31/12/2016.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd)**3.5. Property, plants, equipment, biological resources (cont'd)**

Tools and supplies, whose useful life is longer than one year are from 01/01/2016 recognized as fixed assets notwithstanding their individual purchase cost. These assets are amortized according to the estimated useful life.

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

3.6. Amortisation

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 relevant period I-IX 2018, as well as the rate of amortization calculated based on the useful life of the assets applied in 2017 are given in the following table:

DESCRIPTION	2018	2017
Buildings	%	%
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 - 25,00	5,00 - 25,00
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	5- 50,00	5- 50,00
Equipment for PTT and TV	7,14 - 50,00	7,14 - 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	10- 50,00	10- 50,00
Furniture and equipment for general purpose	4- 50,00	4- 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	20,00 - 100,00	20,00 - 100,00
Intangible investments	%	%
Software and licences	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, to assess the value of investment property as on 31/12/2017. In the report on assessment, the fair value of the investment property is determined by the weight of probability of estimated value using the replacement cost method and the yield method.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 September 30, 2018, 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, whichever 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 by allocation of price differences, calculated on an average basis between the purchase cost of realized goods and supplies in stock at the end of the year.

Charging to other expenses inventory value correction is done in cases where it is determined that it is necessary to resume the 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 income tax expense and deferred income 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 tax credits.

The Law on Corporate Income Tax of the Republic of Serbia does not envisage that any tax losses of the current period may 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 relating to tax credit provides that taxpayers who have until December 31, 2013 acquired the right to a tax incentive under Art. 48. of the previous law and expressed information in Tax balance and Tax return for 2013 may exercise that right up to the deadline and in the manner provided by that previous 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 2018, the earliest previous tax period from which they can use unused tax credit is the tax account or PK form in 2008. The company has completely utilised tax credit until and including its utilisation in 2017.

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 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 financial statement 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd)**3.10. Taxes and contributions (cont'd)***Deferred income tax (cont'd)*

Deferred tax is accounted in balance sheet, except when it refers to the positions accounted directly in the equity, in which case deferred tax is allocated within equity.

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 of 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 the 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 the Collective Bargaining 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 to assess provisions for retirement benefits and jubilee awards on 31 December 2017. The assumptions used for the actuarial calculation and changes in provisions in the current period are disclosed in Note 49.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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. Financial expenses are recognized immediately in the income statement, except if directly attributable to assets being qualified for use, in which case they are capitalized in accordance with the general policy of the Company's borrowing costs.

Instalments of 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 of consumption economic benefits from the leased asset.

In the event that lease incentives are granted, those are included in the operational leasing and are recognized as a liability. The total 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 initial recognition 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 of initially recognized liabilities, 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 related period, and presented within other short-term liabilities and accruals and deferred income.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd)**3.15. The capital, reserves and payment of profits (dividends)**

The core capital consists of the nominal value of the issued shares and issue premium.

Other components of the capital include:

- Repurchased own shares
- 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 there 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. Preview of important 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 receivables and liabilities at the financial statements 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 the 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd)**3.17. Preview of important accounting estimates (cont'd)****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 relevant period ended on September 30, 2018 in the amount of about RSD 86.056 thousand (and for the period ended on 30 September 2017: RSD 57.830 thousand).

3.17.2. Correction of values of uncollectable receivables

Value correction for receivables older than 60 days, is calculated based on the estimated losses due to customer inability to fulfil the obligations. Estimation is based on the ageing 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 also includes assumptions about future customer behaviour and the resulting future collections. The 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 advisers.

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 favourable 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

3. PREVIEW OF IMPORTANT ACCOUNTING POLICIES (cont'd)**3.17. Preview of important accounting estimates (cont'd)****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 2018, 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 and on the realised business results is compiled Income Sheet for the period I- IX 2018 in which financial results of the airport operator's activities and activities of ground handling services are shown separately, as follows:

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 01/01/2018 until 30/09/2018

- in thousand RSD -

Group of accounts - account	POSITION	ADP	Note No.	Amount			Previous year		
				Current year			Airport operator (01/01-30/09/2017)	Ground handling (01/01-30/09/2017)	Total Airport (01/01-30/09/2017)
				AIRPORT OPERATOR (01/01-30/09/2018)	GROUND HANDLING (01/01-30/09/2018)	Total AIRPORT (01/01-30/09/2018)			
1	2	3	4	5	6	7(5+6)	8	9	10(8+9)
	REVENUES OF REGULAR BUSINESS								
60 to 65, except 62 & 63	A. OPERATING REVENUES (1002 + 1009 + 1016 + 1017)	1001		6,516,136	1,499,652	8,015,788	6,017,863	1,177,483	7,195,346
60	I REVENUES FROM SALE OF GOODS (1003 + 1004 + 1005 + 1006 + 1007 + 1008)	1002	5	5,103	0	5,103	10,887	0	10,887
604	5. Revenues from sale of goods in domestic market	1007	5	5,103	0	5,103	10,887	0	10,887
605	6. Revenues from sale of goods in foreign markets	1008	5	0	0	0	0	0	0
61	II REVENUES FROM SALE OF PRODUCTS AND SERVICES (1010 + 1011 + 1012 + 1013 + 1014 + 1015)	1009	6,7,8	5,707,317	1,499,652	7,206,969	5,243,556	1,177,483	6,421,039
614	5. Revenues from sale of products and services to other related parties in domestic	1014	6	2,269,887	754,541	3,024,428	2,194,435	528,776	2,723,211
615	6. Revenues from sale of products and services in foreign markets	1015	7	3,437,430	745,111	4,182,541	3,049,121	648,707	3,697,828
64	III REVENUES FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS ETC.	1016		0	0	0	0	0	0
65	IV OTHER OPERATING REVENUES	1017	9	803,716	0	803,716	763,420	0	763,420
	EXPENDITURES OF REGULAR BUSINESS								
50 to 55, except 62 & 63	B. OPERATING EXPENDITURES (1019 - 1020 - 1021 + 1022 + 1023 + 1024 + 1025 + 1026 + 1027 + 1028 + 1029) ≥ 0	1018		3,232,653	1,340,949	4,573,602	2,761,975	1,054,512	3,816,487
50	I. PURCHASE VALUE OF SOLD GOODS	1019	10	4,671	0	4,671	14,636	0	14,636
51 except 51a	V. COSTS OF MATERIALS	1023	11	99,443	69,116	168,559	77,056	63,549	140,605
513	VI. COSTS OF FUEL AND ENERGY	1024	12	157,364	53,078	210,442	143,357	59,325	202,682
52	VII. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	1025	13	1,582,333	1,091,786	2,674,119	1,495,559	750,446	2,246,005
53	VIII. COSTS OF PRODUCTION SERVICES	1026	14	306,292	27,938	334,230	244,462	37,997	282,459
540	IX. AMORTISATION COSTS	1027	15	784,803	75,761	860,564	477,728	100,574	578,302
541 to 549	X. COSTS OF LONG-TERM RESERVING	1028	15a	5,000	0	5,000	8,255	115	8,370
55	XI. INTANGIBLE COSTS	1029	16	292,747	23,270	316,017	300,922	42,506	343,428
	V. OPERATING PROFIT (1001 - 1018) ≥ 0	1030		3,283,483	158,703	3,442,186	3,255,888	122,971	3,378,859

NOTES TO FINANCIAL STATEMENTS September 30, 2018

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 01/01/2018 until 30/09/2018										
- in thousand RSD -										
Group of accounts - account	POSITION	ADP	Note No.	Amount			Previous year			
				Current year			Airport operator (01/01-30/09/2017)	Ground handling (01/01-30/09/2017)	Total Airport (01/01-30/09/2017)	
				AIRPORT OPERATOR (01/01-30/09/2018)	GROUND HANDLING (01/01-30/09/2018)	Total AIRPORT (01/01-30/09/2018)				
1	2	3	4	5	6	7(5+6)	8	9	10(8+9)	
66	D. FINANCIAL REVENUES (1033 + 1038 + 1039)	1032		101,681	489	102,170	116,288	431	116,719	
662	II. INTEREST REVENUE (FROM THIRD PARTIES)	1038	17	53,175	0	53,175	69,118	0	69,118	
663 and 664	III. FOREIGN EXCHANGE GAINS AND POS.EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1039	18	48,506	489	48,995	47,170	431	47,601	
56	Ø. FINANCIAL EXPENDITURES (1041 + 1046 + 1047)	1040		52,494	581	53,075	232,101	5,223	237,324	
562	II. INTEREST EXPENDITURES (TOWARD THIRD PERSONS)	1046	19	19,229	0	19,229	27,002	0	27,002	
563 and 564	III. FOREIGN EXCHANGE LOSSES AND NEG.EFFECTS OF CURRENCY CLAUSE (TOWARD THIRD PARTIES)	1047	20	33,265	581	33,846	205,099	5,223	210,322	
	E. PROFIT FROM FINANCING(1032 – 1040)	1048		49,187	-92	49,095	0	0	0	
	Z. LOSS FROM FINANCING(1040 – 1032)	1049		0	0	0	115,813	4,792	120,605	
683 and 685	Z. REVENUES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME SHEET	1050	21	8,390	0	8,390	2,913	0	2,913	
583 and 585	I. EXPENDITURES FROM VALUATION ADJUSTMENTS OF OTHER ASSETS CARRIED AT FAIR VALUE THROUGH INCOME SHEET	1051	22	29,211	0	29,211	44,739	0	44,739	
67 & 68, except 683 & 685	J. OTHER REVENUES	1052	23	18,346	1,017	19,363	11,762	2,564	14,326	
57 & 58, except 583 & 585	K. OTHER EXPENDITURES	1053	24	186,309	636	186,945	30,089	4,084	34,173	
	L. OPERATING PROFIT BEFORE TAX (1030 – 1031 + 1048 – 1049 + 1050 – 1051 + 1052 – 1053)	1054		3,143,886	158,992	3,302,878	3,079,922	116,659	3,196,581	
69-59	M. NET PROFIT FROM CORRECTION OF MISTAKS FROM PREVIOUS YEARS	1057	25	0	0	0	553	0	553	
59-69	M. NET LOSS FROM CORRECTION OF MISTAKS FROM PREVIOUS YEARS	1057	25	28,212	447	28,659	0	0	0	
	NJ. PROFIT BEFORE TAX (1054 – 1055 + 1056 – 1057)	1058	26	3,115,674	158,545	3,274,219	3,080,475	116,659	3,197,134	
	p. PROFIT TAX									
721	I. INCOME TAX EXPENDITURE	1060	26	464,414	23,782	488,196	428,746	17,499	446,245	
part 722	II. DEFERRED TAX EXPENDITURE	1061	27	10,010	0	10,010	58,268	0	58,268	
part 722	III. DEFERRED INCOME TAX	1062	27	0	0	0	0	0	0	
	S. NET PROFIT (1058 – 1059 – 1060 – 1061 + 1062)	1064	28	2,641,250	134,763	2,776,013	2,593,461	99,160	2,692,621	
6	TOTAL REVENUES (1001+1032+1050+1052)			6,650,287	1,501,158	8,151,445	6,150,684	1,180,478	7,331,162	
5	TOTAL EXPENDITURES (1018+1040+1051+1053)			3,534,613	1,342,613	4,877,227	3,070,209	1,063,819	4,134,028	

NOTES TO FINANCIAL STATEMENTS September 30, 2018

5. REVENUES FROM SALE OF GOODS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Revenues from sale of beverages in catering facilities	1,263	1,129
Revenues from sale of fuel in domestic market	0	0
Revenues from sale of crude oil	3,840	9,758
Revenues from sale of goods in domestic market	5,103	10,887
Revenues from sale of goods - kerosene (re-export)	0	0
Revenues from sale of fuel in foreign market	0	0
Revenues from sale of goods in foreign market	0	0
	5,103	10,887

REVENUES FROM THE SALE OF SERVICES of the Airport in domestic and foreign markets in the period I- IX 2018 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 DOMESTIC MARKET WITH REVENUES OF GROUND HANDLING SERVICES	I-IX 2018					I-IX 2017				
	Revenues of airport operator	Revenues of ground-handling	Total revenues of Airport (with for. buyer branches)	Revenues from foreign buyer branches	Revenues without foreign buyer branches	Revenues of airport operator	Revenues of ground-handling	Total revenues of Airport (with for. buyer branches)	Revenues from foreign buyer branches	Revenues without foreign buyer branches
	1	2	3 (2+3)	4	5 (4-5)	6	7	8 (7+8)	9	10 (9-10)
	in 000 RSD					in 000 RSD				
Passenger service *	834,653	34,730	869,383	80,631	788,752	1,024,516	45,267	1,069,783	78,192	991,591
Security fee	475,058	0	475,058	21,466	453,592	493,693	0	493,693	20,481	473,212
Landing	174,137	0	174,137	23,487	150,650	175,221	0	175,221	25,606	149,615
Aircraft handling *	-	489,241	489,241	32,012	457,229	-	185,246	185,246	29,435	155,811
Infrastructure	274,953	0	274,953	20,224	254,729	106,595	0	106,595	20,360	86,235
Air-bridges *	56,072	6,259	62,331	3,170	59,161	5,197	578	5,775	5,765	10
Lighting	40,494	0	40,494	1,038	39,456	45,310	0	45,310	692	44,618
Aircraft abode tax	4,170	0	4,170	248	3,922	4,132	0	4,132	29	4,103
Aircraft de-icing services *	0	42,040	42,040	6,388	35,652	0	70,654	70,654	3,839	66,815
Commercial use of apron	45,916	0	45,916	-	45,916	48,232	0	48,232	-	48,232
Usage of the CUTE system	47,725	0	47,725	4,005	43,720	64,244	0	64,244	3,931	60,313
Services on special request *	6,019	56,371	62,390	102	62,288	5,762	103,488	109,250	450	108,800
Renting of advertisement space	35,109	0	35,109	-	35,109	50,989	0	50,989	-	50,989
Public services	114,736	0	114,736	659	114,077	117,878	0	117,878	741	117,137
Cargo-custom services *	0	120,599	120,599	766	119,833	0	120,489	120,489	565	119,924
DCS services *	0	0	-	-	-	0	0	-	-	-
Lost and found services *	0	1,152	1,152	1,095	57	0	1,020	1,020	1,020	0
Use of parking lots	146,354	0	146,354	759	145,595	45,973	0	45,973	484	45,489
Other services *	14,491	4,149	18,640	396	18,244	6,693	2,034	8,727	382	8,345
Total services in domestic market	2,269,887	754,541	3,024,428	196,446	2,827,982	2,194,435	528,776	2,723,211	191,972	2,531,239

Revenue from services realized by foreign companies that were registered in the Republic of Serbia as a "branch", are recorded in the books in line with legislation 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 are shown in Note 6 and 7 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.

NOTES TO FINANCIAL STATEMENTS September 30, 2018

7. REVENUES FROM SALE OF SERVICES IN FOREIGN MARKET

7. REVENUES FROM SALE OF SERVICES IN DOMESTIC MARKET WITH REVENUES OF GROUND HANDLING SERVICES	I-IX 2018					I-IX 2017					
	Revenues of airport operator	Revenues of ground-handling	Total revenues of Airport (w/o for. buyer branches)	Revenues from foreign buyer branches	Revenues with foreign buyer branches	Revenues of airport operator	Revenues of ground-handling	Total revenues of Airport (w/o for. buyer branches)	Revenues from foreign buyer branches	Revenues with foreign buyer branches	
	1	2	3	4 (2+3)	5	6 (4+5)	2	3	4 (2+3)	5	6 (4+5)
	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	in 000 RSD	in 000 RSD
Passenger service *	1,685,705	56,807	1,742,512	80,631	1,823,143	1,427,153	46,666	1,473,819	78,192	1,552,011	
Security fee	482,224	0	482,224	21,466	503,690	418,116	0	418,116	20,481	438,597	
Landing	578,762	0	578,762	23,487	602,249	538,840	0	538,840	25,606	564,446	
Aircraft handling *	0	546,828	546,828	32,012	578,840	0	482,922	482,922	29,435	512,357	
Infrastructure	377,779	0	377,779	20,224	398,003	349,711	0	349,711	20,360	370,071	
Air-bridges *	141,587	16,095	157,682	3,170	160,852	141,889	15,765	157,654	5,765	163,419	
Lighting	59,853	0	59,853	1,038	60,891	55,523	0	55,523	692	56,215	
Aircraft abode tax	12,085	0	12,085	248	12,333	23,317	0	23,317	29	23,346	
Aircraft de-icing services *	0	51,177	51,177	6,388	57,565	0	45,318	45,318	3,839	49,157	
Usage of the CUTE system	86,000	0	86,000	4,005	90,005	80,173	0	80,173	3,931	84,104	
Services on special request *	4,954	25,788	30,742	102	30,844	5,366	15,450	20,816	450	21,266	
Renting of advertisement space	92	0	92	-	92	0	0	0	-	-	
Public services	850	0	850	659	1,509	825	0	825	741	1,566	
Cargo-custom services *	0	10,495	10,495	766	11,261	0	9,128	9,128	565	9,693	
Consulting services	0	0	0	-	-	0	0	0	-	-	
DCS services *	0	18,396	18,396	-	18,396	0	14,512	14,512	-	14,512	
Lost and found services *	0	14,668	14,668	1,095	15,763	0	13,825	13,825	1,020	14,845	
Use of parking lots	63	0	63	759	822	9	0	9	484	493	
Other services *	7,476	4,857	12,333	396	12,729	8,199	5,121	13,320	382	13,702	
II Total services in foreign market	3,437,430	745,111	4,182,541	196,446	4,378,987	3,049,121	648,707	3,697,828	191,972	3,889,800	
III Total revenues from the sale of products and services (I+II)	5,707,317	1,499,652	7,206,969	-	7,206,969	5,243,556	1,177,483	6,421,039	-	6,421,039	

NOTES TO FINANCIAL STATEMENTS September 30, 2018

8. Revenues from sale of <u>services per geograph.region</u>	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Serbia	2,828,086	2,531,239
Germany (Lufthansa+Eurowings +Europi.+Air Berlin+Eurojet)	519,278	537,883
Montenegro (Montenegro+other buyers in MN)	396,781	415,431
Austria (branch of Austrian Airlines +Niki)	194,476	190,431
Switzerland (Swis Air)	271,175	265,675
Russia (Aeroflot)	286,932	288,950
Turkey (Turkish +Pegasus+Atlas Global)	503,147	556,459
Spain (Swift Air)	30,077	29,801
Italy (Al italia)	125,426	123,284
Abu Dhabi (branch Etihad Air+Etihad Air)	169,560	127,351
Hungary (Wiz Air)	638,337	559,336
Romania (Tarom)	46,454	42,346
Tunisia (Tunis Air)	41,118	36,027
Greece (Aegean+Ellin Air)	102,817	88,346
England (Easyjet)	89,475	58,560
Norway (Norwegian)	88,060	82,818
Poland (Polskie linie LOT)	100,292	81,651
Dubai (Fly Dubai)	40,280	84,145
Qatar (Qatar Airways)	134,935	85,433
Israel (El Al Israel + Israil Airlines+Arkia)	88,653	121,186
Other foreign buyers	511,610	114,687
	7,206,969	6,421,039

Revenues from sale <u>of services per buyers</u>	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Air Serbia - Serbia	2,214,992	2,077,418
Deutsche Lufthansa - Germany	457,931	472,320
Montenegro Airlines - Montenegro	392,160	406,605
Branch of Austrian Airlines - Austria	194,476	190,431
Swiss International Airlines - Switzerland	271,175	265,675
Turkish Airlines - Turkey	332,081	298,968
Aeroflot - Russia	286,932	288,950
Polskie linie LOT - Poland	100,292	81,651
Alitalia Societa Aerea Italiana S.R.L. - Italy	125,426	123,284
Swift Air Aviation - Spain	30,077	29,801
European Air - Germany	39,287	35,748
Norwegian Air - Norway	88,060	82,818
Easyjet - England	89,475	58,560
Wizz Air+branch (Hungary)	638,337	559,336
Tarom Romanian Air Transport - Romania	46,454	42,346
Pegasus Airlines - Turkey	90,998	76,373
Tunis Air - Tunisia	41,118	36,027
Fly Dubai - Dubai	40,280	84,145
Aegean airlines - Greece	92,428	72,908
Atlas Global - Turkey	71,556	90,559
Qatar Airways Q.C.S. - Qatar	134,935	85,433
Etihad Airways PJSC + branch Etihad Airways PJSC - Abu Dhabi	169,560	127,351
NIS AD - Serbia	43,909	43,241
JAT Technica - Serbia	5,399	13,866
Parking service - Serbia	11,137	19,241
Alma Quatro - Serbia	1,017	14,689
Dufry doo Belgrade - Serbia	40,280	36,682
Israil Airlines - Israel	56,443	80,586
Other domestic buyers - Serbia	511,352	326,102
Other foreign buyers	589,402	299,925
	7,206,969	6,421,039

NOTES TO FINANCIAL STATEMENTS September 30, 2018

9. OTHER BUSINESS REVENUES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Revenues from lease to domestic legal persons	795,217	757,407
Revenues from lease to foreign legal persons	8,499	6,013
	803,716	763,420

10. PURCHASE VALUE OF SOLD GOODS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Purchase value of sold retail goods	816	854
Purchase value of sold kerosene - re-export	-	-
Purchase value of sold crude oil	3,855	13,782
Purchase value of sold fuel	-	-
	4,671	14,636

11. COSTS OF MATERIALS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Costs of production material (basic materials, tools and inventory, working and official clothing and footwear)	104,219	103,303
Overhead costs of material (office material)	18,565	15,639
Costs of spare parts	45,775	21,625
Costs of tools and inventory	-	38
	168,559	140,605

12. COSTS OF FUEL AND ENERGY	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Costs of gasoline and diesel fuel	54,672	51,877
Costs of oil fuel for heating	15,964	18,697
Costs of electric energy	139,806	132,108
	210,442	202,682

13. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Gross salaries and salary reimbursements - employees	1,519,460	1,245,059
Gross salaries and salary reimbursements - management	31,900	28,544
Taxes and contributions at cost of employer	277,694	227,975
Costs of reimburs. per service contract and royalties	293	264
Costs of reimbursement for youth organisations etc.	485,698	473,709
Costs of reimburs. for member of SB, SA, rev. committee	7,125	6,589
Transport of employees	93,144	54,944
Costs of business trip	15,045	10,320
Terminal wages and jubilee bonuses	1,933	2,460
Difference for payment to the budget of RS, based on the Law on reduction of public sector wages	138,628	113,714
Premiums for voluntary pension insurance	87,875	67,616
New Year presents for children of employees - not subject to tax	-	-
Compensation on Contracts for professional development	490	3,399
Solidarity allowance (newborns, treatment, natural disasters etc.)	14,834	11,412
Other personal expenditures	-	-
	2,674,119	2,246,005

NOTES TO FINANCIAL STATEMENTS September 30, 2018

14. COSTS OF PRODUCTION SERVICES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
IT services on passenger and baggage check-in	30,387	30,668
Costs of phone and other PTT services	19,847	16,132
Costs of maintenance services	145,225	116,662
Lease costs	28,946	29,806
Advertising costs	75,727	54,680
Costs of catering services of tenants - (re-invoiced to airlines)	3,067	1,363
Costs of utilities	23,669	29,093
Costs of production services	7,362	4,055
	334,230	282,459

15. AMORTISATION COSTS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Amortisation costs for intangible investments	45,864	34,043
Amortisation costs for property	282,464	247,631
Amortisation costs for equipment	532,236	296,628
	860,564	578,302

15 a COSTS OF LONG-TERM RESERVING	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Costs of reserving for terminal wages	-	-
Costs of reserving for jubilee awards	-	-
Costs of reserving for litigations	5,000	8,370
	5,000	8,370

16. INTANGIBLE COSTS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Costs of health services	12,678	13,071
Costs of cleaning services	29,565	45,001
Costs of consulting services	20,165	82,017
Costs of different kinds of assessments	35,708	35,591
Costs of professional development	24,293	16,558
Costs of services for the current accounting software	10,441	11,924
Costs of other non-production services	42,690	15,300
Costs of representation	7,148	4,005
Costs of insurance	34,301	25,223
Costs of payment system	5,046	4,021
Memberships	3,827	3,802
Property tax and other reimbursements	66,129	60,875
Other intangible costs	24,026	26,040
	316,017	343,428

NOTES TO FINANCIAL STATEMENTS September 30, 2018

17. INTEREST INCOME	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Interest in term deposits in RSD	19,262	23,781
Interest for RSD deposits in current accounts	1,015	1,531
Interest in term deposits in foreign currency	28,163	41,300
Interest for foreign currency deposits in current accounts	2,383	1,779
Interest on housing loans	1,626	678
Interests upon court decisions	718	49
Interest on arrears for untimely payment of buyers	8	-
	53,175	69,118

18. POSITIVE EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECTS OF CURRENCY CLAUSE TOWARD THIRD PARTIES)	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Revenues from realized exchange rate differences	30,461	18,510
Revenues from non-realized exchange rate differences	18,409	29,053
Revenues from effects of contracted currency clause (realized)	119	38
Revenues from effects of contracted currency clause (non-realized)	6	-
	48,995	47,601

19. INTEREST EXPENDITURES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Interests for long-term EIB loan	16,779	25,252
Default interest in the country	2,271	1,746
Interest for untimely paid public revenues	179	4
	19,229	27,002

20. NEGATIVE EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECTS OF CURRENCY CLAUSE	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Negative exchange rate differences-realized	33,393	143,304
Negative exchange rate differences - non-realized	2	60,420
Expenditures from effects of contr. currency clause - realised	368	155
Expenditures from effects of contr. currency clause - non-realised	83	6,443
	33,846	210,322

21. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Value adjustment of receivables:	-	-
- from buyers for services	77	-
- from buyers for interests	-	-
- from natural persons for housing loans (cancellation of impairment on collection basis and change of payment term)	8,309	2,913
Other non-mentioned revenues	4	-
	8,390	2,913

NOTES TO FINANCIAL STATEMENTS September 30, 2018

22. EXPENDITURES FROM VALUE ADJUSTMENT OF OTHER ASSETS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Impairment of receivables from housing loans	5,444	3,549
Value adjustment of receivables from buyers 30/09/2018	22,211	37,850
Value adjustment of receivables from employees	9	-
Costs from val.corr. of receiv. for serv.and interest	1,547	3,340
Other expenditures from impairment	-	-
	29,211	44,739

23. OTHER REVENUES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Revenues from sale of equipment and materials	6,550	762
Revenues of collected, corrected receivables from buyers	13	1,703
Revenues from cancel.of reserv. for litigations and empl.benefits	2,513	-
Revenues from indemnity from legal and natural persons	5,567	7,343
Revenues from charged court costs	1,925	528
Positive effects of contracted revaluation	3	10
Other non-mentioned revenues	2,792	3,980
	19,363	14,326

24. OTHER EXPENDITURES	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Loss from transfer of land free of charge to other legal entities according to the re-division project; carrying out the changes in cadaster plan and change of the area during creation of DCP	157,423	-
Loss from sale and write-off of equipment	607	2,652
Costs from carried deficits (extraord.inventory 31/08/2018)	2,449	-
Expenditures from direct write-off	75	2,021
Expenditures of materials per inventory	-	-
Litigation costs	754	2,170
Costs for humanitarian, health and scientific purposes	21,131	22,282
Other non-mentioned expenditures	753	1,297
Expenditures from trade unions	3,753	3,751
	186,945	34,173

25. NET PROFIT - LOSS FROM CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Subsequently established revenues from previous years	77	1,858
Expenditures-cancellation of higher estimated stimulations for buyers 31/12/2017 in comparison to approved stimulations	5,657	-
Total established revenues from previous years	5,734	1,858
Subsequently established expenditures from previous years	13,420	1,305
Expenditures-cancellation of commenced investments (extraor.inventory)	18,549	-
Expenditures-from lower estimated stimulations for buyers 31/12/2017 in comparison to approved stimulations	2,424	-
Total established expenditures from previous years	34,393	1,305
NET PROFIT - LOSS from correction of mistakes from previous periods	(28,659)	553

NOTES TO FINANCIAL STATEMENTS September 30, 2018

26. PROFIT TAX

26. PROFIT TAX		
<u>a) Components of profit tax</u>	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Period tax expenditure	488,196	446,245
Correction of period tax expenditure	-	-
Period tax expenditure after correction	488,196	446,245
Deferred period tax expenditure	10,010	58,268
Deferred income tax	-	-
Correction of deferred income tax	-	-
	498,206	504,513
Effective tax rate	15.22%	15.78%

<u>b) Reconciliation of profit tax and product of result from operation before tax and prescribed tax rate</u>	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Profit before tax	3,274,219	3,197,134
Profit tax calculated at rate of 15%	491,133	479,570
Tax effect of expenditures not acknowledged in tax balance	8,482	7,349
Correction in tax effect of amortisation expenditures not acknowledged in tax balance	(11,419)	(17,938)
Tax credit for investment in fixed assets of previous years	-	(22,736)
Correction of using tax credits from previous years	-	-
Period tax expenditure	488,196	446,245

<u>v) Achieved, unused and unrecognised tax credit (TC)</u>					
				in 000 RSD	
Year of recognition of tax credit	Year of expiry	Amount of transferred TC	Correction of TC	Used TC	Outstanding TC for transfer
		from 2017		in 2018	30/09/2018
2012	2022	-	0	-	-
2013	2023	-	0	-	-
Balance of tax credit		-	0	-	-

NOTES TO FINANCIAL STATEMENTS September 30, 2018

27. DEFERRED PERIOD TAX REVENUES AND EXPENDITURES

Changes on account of deferred tax liabilities and deferred tax assets as of 31/12/2017 and as of 30/09/2018 are shown in the following table:

in 000 RSD

<u>a) Deferred tax assets (deferred tax liabilities) 2017</u>	01/01/2017	Recognised in other gains & losses I-XII 2017	Recognised in income sheet I-XII 2017	31/12/2017
Long-term assets				
Intangible assets, property, plant, equipment and investment property	(426,918)	-	(65,387)	(492,305)
Long-term liabilities				
Provisions for retirement and other employee benefits	19,547	-	160	19,707
Provisions for litigations	12,075	-	2,412	14,487
Short-term liabilities				
Liabilities for taxes, contributions and fees	198	-	42	240
Calculated, but not paid employee earnings, art 9, paragraph 2 of the Law	2,079	-	(461)	1,618
Unused tax credits	22,736	-	(22,736)	-
	(370,283)	-	(85,970)	(456,253)

<u>b) Deferred tax assets (deferred tax liabilities) 2018</u>	01/01/2018	Recognised in other gains & losses I-IX 2018	Recognised in income sheet I-IX 2018	30/09/2018
Long-term assets				
Intangible assets, property, plant, equipment and investment property	(492,305)	-	(10,406)	(502,711)
Long-term liabilities				
Provisions for retirement and other employee benefits	19,707	-	(955)	18,752
Provisions for litigations	14,487	-	375	14,862
Short-term liabilities				
Liabilities for taxes, contributions and fees	240	-	33	273
Calculated, but not paid employee earnings, art 9, paragraph 2 of the Law	1,618	-	943	2,561
Other				
	(456,253)	-	(10,010)	(466,263)

NOTES TO FINANCIAL STATEMENTS September 30, 2018

DEFERRED PERIOD TAX REVENUES AND EXPENDITURES (cont'd)

Balance of recognized deferred tax assets as of 30/09/2018 amounts RSD 36.448 thousand and all refers to deferred tax assets on 30/09/2018 calculated with 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 well as for the amount of unpaid and recognized expenditures for employees' salaries from article 9, paragraph 2 of the Law on corporate income tax, 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 30/09/2018 amounts to RSD 502.711 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 30/09/2018 amounts to RSD 466.263 thousand (on 31/12/2017 RSD 456.253 thousand).

Effects from changes in deferred tax assets and liabilities in relation to the initial balance, in the amount of RSD 10,010 thousand, are recorded at the account of the deferred period tax expenditures.

28. PROFIT PER SHARE	I-IX 2018	I-IX 2017
	in 000 RSD	in 000 RSD
Net profit for owners	2,776,013	2,692,621
Net profit correction	-	-
Net profit after correction	2,776,013	2,692,621
Averaged weighted number of shares	35,026,129	34,289,350
Basic earnings per share in RSD	79.26	78.53

29.a. INTANGIBLE ASSETS

	in 000 RSD	
DESCRIPTION	30/09/2018	31/12/2017
Purchase value		
Initial balance,	260,952	187,042
Procurements during the year	147,669	80,702
Advances for intangible investment	2,987	7,485
Alienation, removal from inventory and sale	-	(6,792)
Other	9,824	
Final balance	421,432	268,437
Value correction		
Initial balance	95,048	51,312
Amortisation in current year	45,864	44,252
Alienation, removal from inventory and sale	-	(516)
Value correction of advanced payments	-	-
Final balance	140,912	95,048
Net present value	280,520	173,389

Total investment into intangible assets in the relevant period of 2018 amounts RSD 147.669 thousand. In the period I-IX 2018 the intangible investment was activated in the amount of RSD 73,422 thousand. The balance of intangible investment under preparation on 30/09/2018 amounted RSD 144,013 thousand (on 31/12/2017 it amounted RSD 59.941 thousand).

NOTES TO FINANCIAL STATEMENTS September 30, 2018

29.b. PROPERTY, PLANTS, EQUIPMENT, BIOLOGICAL RESOURCES 2017									
DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Current investments	Advances	Total-property, plants and equipment	Biological resources - Basic livestock unit
Purchase value									
Initial balance 01/01/2017	9,416,290	9,678,995	3,105,354	26,525	3,619	1,188,102	136,319	23,555,204	145
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-
Balance on 01/01/2017 after correction	9,416,290	9,678,995	3,105,354	26,525	3,619	1,188,102	136,319	23,555,204	145
Procurements during the year	-	-	-	-	-	2,530,288	-	2,530,288	48
Transfer from current investments	20,827	847,517	2,497,626	-	-	(3,365,970)	-	-	-
Alienation, disbursement and sale	-	(15,154)	(23,646)	-	-	(2,927)	(108,508)	(41,727)	(80)
Other	-	-	-	-	-	-	-	-	-
Assets fair value estimation									
Revaluation reserves	-	-	-	-	-	-	-	-	-
Reduction on account of revaluation reserves	-	-	-	2,991	-	-	-	-	11
Revaluation revenues	-	-	-	-	-	-	2,991	2,991	(1)
Revaluation expenditures	-	-	-	-	-	-	-	-	-
Reduction of present value for amort. accumulation	-	-	-	-	-	-	-	-	-
Final balance 31/12/2017	9,437,117	10,511,358	5,579,334	29,516	3,619	349,493	27,811	25,938,248	123
Value correction									
Initial balance 01/01/2017	-	-	4,330	-	-	-	15,812	20,142	-
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-
Balance on 01/01/2017 after correction	-	-	4,330	-	-	-	15,812	20,142	-
Amortisation in current year	-	346,048	458,177	-	-	-	-	804,225	-
Alienation, disbursement and sale	-	(12,144)	(2,952)	-	-	-	-	(15,096)	-
Cancellation of property value per fair value of the property 31/12/2017	-	-	-	-	-	-	-	-	-
Value correction of advanced payments	-	-	-	-	-	-	-	-	-
Final balance 31/12/2017	-	333,904	459,555	-	-	-	15,812	809,271	-
Net present value, 31/12/2017	9,437,117	10,177,454	5,119,779	29,516	3,619	349,493	11,999	25,128,977	123
Net present value, 01/01/2017	9,416,290	9,678,995	3,101,024	26,525	3,619	1,188,102	120,507	23,535,062	145

Total investment into property, plants and equipment in the period I-XII 2017 amounts RSD 2.530.288 thousand.

In the reported period RSD 3.365,970 thousand of property, plants and equipment is activated, as follows: for land in the amount of RSD 20.827 thousand; construction and increase of construction facility value in the amount of RSD 847.517 thousand and equipment in the amount of RSD 2.497.626 thousand. Ongoing investments from previous years in the amount of RSD 2.927 thousand were annulled.

Balance of non-activated investments, i.e. ongoing investments on 31/12/2017 amount RSD 349,493 thousand. An estimation of fair value of investment real estate was performed on 31/12/2017. The effects of the assessment are shown in the table:

NOTES TO FINANCIAL STATEMENTS September 30, 2018

29.c. PROPERTY, PLANTS, EQUIPMENT, BIOLOGICAL RESOURCES 2018 (cont'd)										in 000 RSD
DESCRIPTION	Land	Buildings	Equipment	Investment property	Other property, plants and equipment	Current investments	Advances	Total property, plants and equipment	Biological resources - Basic livestock unit	
Purchase value										
Initial balance 01/01/2018	9,437,117	10,511,358	5,579,334	29,516	3,619	349,493	27,811	25,938,248	123	
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-	
Balance on 01/01/2017 after correction	9,437,117	10,511,358	5,579,334	29,516	3,619	349,493	27,811	25,938,248	123	
Procurements during the year	-	-	-	-	-	2,492,858	-	2,492,858	-	
Transfer from current investments	672,609	1,022,703	883,657	-	-	(2,578,969)	-	-	-	
Alienation, disbursement and sale	(166,349)	(1,190)	(42,296)	-	-	(18,549)	(11,999)	(228,384)	-	
Other	-	-	-	-	-	(9,824)	-	(21,823)	-	
Assets fair value estimation										
Final balance 30/09/2018	9,943,377	11,532,871	6,420,695	29,516	3,619	235,009	15,812	28,180,899	123	
Value correction										
Initial balance 01/01/2018	-	333,904	459,555	-	-	-	15,812	809,271	-	
Initial balance correction based on estimate	-	-	-	-	-	-	-	-	-	
Balance on 01/01/2018 after correction	-	333,904	459,555	-	-	-	15,812	809,271	-	
Amortisation in current year	-	282,464	532,236	-	-	-	-	814,700	-	
Alienation, disbursement and sale	-	(732)	(7,755)	-	-	-	-	(8,487)	-	
Final balance 30/09/2018	-	615,636	984,036	-	-	-	15,812	1,615,484	-	
Net present value, 30/09/2018	9,943,377	10,917,235	5,436,659	29,516	3,619	235,009	-	26,565,415	123	
Net present value, 01/01/2018	9,437,117	10,177,454	5,119,779	29,516	3,619	349,493	11,999	25,128,977	123	

Total investment in real estate, plants and equipment in the period I-IX 2018 amount RSD 2,492,858 thousand (of which RSD 1,160,732 thousand is at the cost of increase of the capital).

In the reported period RSD 2,578,969 thousand for property, plants and equipment is activated, as follows: land in the amount of RSD 672,609 thousand (increase of land capital in the amount of RSD 423,555 thousand and procurement of land in the amount of RSD 249,054 thousand), construction facility in the amount of RSD 1,022,703 thousand (increase of the capital of the garage and car park RSD 737,177 thousand, of new facilities and increase of the capital of the existing facilities in the amount of RSD 285,526 thousand) and equipment in the amount of RSD 883,657 thousand.

Balance of non-activated investments, i.e. ongoing investments on 30/09/2018 amount RSD 235,009 thousand.

The last estimation of fair value of real estate, plants and equipment by an authorised appraiser was carried out on 31/12/2016 and of investment real estate on 31/12/2017.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

30. SHARES IN CAPITAL OF OTHER LEGAL ENTITIES AND OTHER SECURITIES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Privredna banka a.d. Belgrade	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. Belgrade - in liquidation	667	667
Beogradska banka a.d. Belgrade - in liquidation	18,988	18,988
Beobanka a.d. Belgrade - in liquidation	38	38
	19,693	19,693
Minus: value correc.of partic. in capital of banks in liquidation	(19,693)	(19,693)
	-	-
<i>Participation in capital of foreign legal entities</i>		
Mondial Bodrum - Turkey	358,598	358,598
Societe International de Telecommun. Aeronautiques Swisse (SITA)	1	1
Minus: value corr.of particip. in capital of Mondial Bodrum - Turkey	(358,598)	(358,598)
	1	1
	1	1

31.a. OTHER LONG-TERM FINANCIAL INVESTMENTS	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Membership in Societe International de Telecommunications Aeronautiques Swisse (SITA)	5,397	5,261
Long-term loans to employees	230,232	254,174
Receivables for sold socially owned housing	304	881
Receivables for purchase of solidarity housing	1,995	2,169
Total gross	237,928	262,485
Current maturities of long-term investments in SITA	(654)	(638)
Current maturities of long-term loans to employees	(2,689)	(12,005)
Adjustment of fair value of long-term loans to employees	(105,532)	(113,582)
	129,053	136,260

Receivables from employees for long-term loans for purchase and tenant purchaser of apartments as of 30/09/2018 amount to RSD 232.531 thousand ((including current maturities in the amount of RSD 2,689 thousand). Effects of adjustment to fair value amount to total of RSD 105.618 thousand (RSD 105.532 thousand for the part of long-term receivables from employees and RSD 86 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 31/12/2017 is performed by a certified assessor by projection of future cash flows from collection of receivables for housing loans using discount rates: from 5,0% to 18%, 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.

31 b. OTHER LONG-TERM RECEIVABLES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Receivables from buyers based on an Agreement on debt rescheduling	37,791	41,263
	37,791	41,263

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

32. MATERIAL, SPARE PARTS, TOOLS AND SUPPLIES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Basic material	53,233	67,392
Spare parts	42,174	22,003
Tools and supplies	63,057	5,382
Value correction of material and spare parts stock	(110)	(1,006)
	158,354	93,771

33. CARGO	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Goods in warehouse-kerosene	4,738	4,754
Goods in retail trade	110	109
	4,848	4,863

34. ADVANCES PAID FOR STOCK AND SERVICES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Advances for services in the country	75,614	33,086
Advances for foreign services	2,685	1,506
Advance value correction	(17,739)	-
	60,560	34,592

35. BUYERS IN THE COUNTRY	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Total balance of receivables from buyers in the country-gross	714,685	658,159
-Value correction of the previous period	(231,434)	(231,744)
-Value correction of the current period	(22,819)	(150)
Total balance of value correction	(254,253)	(231,894)
	460,432	426,265

Receivables from the buyers in the country on 30/09/2018 amount RSD 714.685 thousand, of which to undue receivables refer RSD 413.749 thousand, due receivables up to 60 days RSD 19.334 thousand and due receivables over 60 days RSD 281.602 thousand.

Total value correction of receivables from buyers in the country in the amount of RSD 254.253 thousand mainly relates to value correction of receivables from sued domestic buyers in the amount of RSD 212.191 thousand and other domestic buyers RSD 42.062 thousand.

36. BUYERS ABROAD	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Total balance of receivables from foreign buyers-gross	1,062,506	703,301
-Value correction of the previous period	(10,938)	(10,290)
-Value correction of the previous period	-	(592)
Total balance of value correction	(10,938)	(10,882)
	1,051,568	692,419

Receivables from foreign buyers on 30/09/2018 amount RSD 1.062.506 thousand (undue receivables RSD 627.499 thousand, due receivables up to 60 days RSD 236.436 thousand and due receivables over 60 days RSD 198.571 thousand). Total value correction of receivables from foreign buyers in the amount of RSD 10.938 thousand relates to value correction of receivables from sued domestic buyers in the amount of RSD 6.153 thousand and other foreign buyers RSD 4.785 thousand.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

37. OTHER RECEIVABLES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Receivables from buyers in the country for default interest	8,066	4,909
Receivables for interest on term deposit and deposit on call	14,071	31,281
Receivables from employees	2,123	1,837
Other receivables	61,350	46,733
Receivables for overpaid income tax	-	-
Total receivables - gross	85,610	84,760
- Value corr.from buyers for default interest of previous years	(294)	(276)
- Value corr.from buyers for default interest of the current year	(940)	(18)
-Value correction of the earlier period	(570)	(570)
-Value correction of the current period	(4)	-
- Value corr.of other receivables	(2,359)	(2,359)
Total balance of value correction	(4,167)	(3,223)
	81,443	81,537

38. SHORT-TERM CREDITS AND LOANS IN THE COUNTRY	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Short-term loans to employees (wint .stores, heating means - 6 mon	47,393	80,386
	47,393	80,386

39. OTHER SHORT-TERM FINANCIAL INVESTMENTS	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Short-term time deposits	1,675,240	2,667,692
Current maturities of long-term housing loans to employees	2,689	12,005
Current maturities of long-term investment in SITA	654	638
	1,678,583	2,680,335
Adjustment of fair value of current maturities of housing loans to employees	(86)	(344)
	1,678,497	2,679,991

Short-term time deposits with balance on 30/09/2018 are disclosed in the amount of RSD 1,675,240 thousand, and relate to foreign currency and dinar deposits, for the period of six months.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

40. CHANGES ON VALUE CORRECTION till 30/09/2018						in 000 RSD
Description of change on value correction	Long-term financial investments (Note 31)	Stock material and spare parts (Note 32)	Advances for materials and services (Note 34)	Receivabl. from buyers for goods, services and default interest (Notes 35, 36, 37)	Short-term financial investments (Notes 38)	Total
Initial balance 01/01/2017	138,400	62	-	294,592	464	433,518
Correction at cost of current period	-	944	-	760	-	1,704
Devaluation of long-term finan.invest. and securities	-	-	-	-	-	-
Charged corrected receivables	(1,512)	-	-	(1,721)	(332)	(3,565)
Value reconciliation	(16,362)	-	-	(30,747)	256	(46,853)
Write-off	(6,944)	-	-	(16,064)	(44)	(23,052)
Exchange rate differences	-	-	-	(821)	-	(821)
Other	-	-	-	-	-	-
Final balance 31/12/2017	113,582	1,006	-	245,999	344	360,931
Correction at cost of current and previous periods	-	-	17,739	23,764	-	41,503
Devaluation of long-term finan.invest. and securities	-	-	-	-	-	-
Charged corrected receivables	(95)	-	-	(13)	(205)	(313)
Value reconciliation	-	-	-	-	-	-
Write-off (cancel.of val. corr for hous.loans due to transf to curr	(7,955)	(944)	-	(460)	(53)	(9,412)
Exchange rate differences	-	-	-	68	-	68
Other	-	48	-	-	-	48
Final balance 30/09/2018	105,532	110	17,739	269,358	86	392,825

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

41. CASH AND CASH EQUIVALENTS	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Current account - in RSD	365,240	144,108
Current account - in foreign currency	4,045,219	2,238,882
Treasury	53	113
Other funds	6,292	2,907
Total cash-balance	4,416,804	2,386,010

42. PREPAYMENTS AND ACCRUED INCOME	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Prepaid VAT + overpaid VAT	2,693	15,731
Prepaid insurance costs for the future period	15,756	27,221
Prepaid other costs for the future period Consult.services for the fut	0	0
Prepaid other costs for the future period	31,098	21,217
Calculated and non-invoiced revenues for the current period	0	22,464
Other accruals	3,297	95
	52,844	86,728

43. CAPITAL	30/09/2018	Changes on capital I-IX 2018	31/12/2017
	in 000 RSD	in 000 RSD	in 000 RSD
Share capital (1st issue shares)	20,573,610	-	20,573,610
Share capital (2nd issue shares)	72,313	72,313	-
Share capital (3rd issue shares)	282,543	282,543	-
Share capital (4th issue shares)	87,212	87,212	-
Share capital (Total 1st to 4th issue shares)	21,015,678	442,068	20,573,610
Issue premium (2nd issue shares)	109,580	109,580	-
Issue premium (3rd issue shares)	454,634	454,634	-
Issue premium (4th issue shares)	154,450	154,450	-
Issue premium (Repurchase of own shares)	(470,039)	(470,039)	-
Total issue premium	248,625	248,625	-
Total core capital	21,264,303	690,693	20,573,610
Repurchased own shares	(265,417)	(265,417)	-
Reserves	6,356,456	1,102,330	5,254,126
Revaluation reserves	580,946	(15,168)	596,114
Actuarial gains	17,482	-	17,482
Undistributed profit 2017 (Transfer of rev.reser.in profit, for alienation of fix.assets)	-	(1,436)	1,436
Undistributed profit from operation for 2017)	-	(3,265,674)	3,265,674
Undistr.profit 2018 (Transfer of rev.reser.in profit, for alienation of fix.assets)	4,885	4,885	-
Undistributed profit from operation for the current 2018	2,776,013	2,776,013	-
	30,734,668	1,026,226	29,708,442

On 29/08/2018, JSC Belgrade Nikola Tesla Airport repurchased 442,361 own shares from dissenting shareholders, at price of RSD 1,662.57 per share (totally RSD 735,456 thousand).

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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 carrying 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.

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 thousand 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%

In the period I-IX 2018, the Republic of Serbia (RoS) increased the capital through in-kind contribution of market value in the amount of RSD 1,160.732 thousand (land in the amount of RSD 423,555 thousand and real estate - garage and car park in the amount of RSD 737,177 thousand).

Based on the afore-mentioned increase of the capital RoS registered the second, third and fourth issue of shares and thus increased share capital of the Company by 736,779 ordinary shares of single nominal value of RSD 600.00 and total value of RSD 442,068 thousand.

The share capital structure and amount on 30/09/2018 and 31/12/2017 was as following:

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

44. SHARE CAPITAL (cont'd)

Shareholder	30/09/2018			31/12/2017		
	Value in thousand RSD	Number of shares	% of particip.	Value in thousand RSD	Number of shares	% of particip.
Republic of Serbia	17,548,391	29,247,317	83.50%	17,106,323	28,510,538	83.15%
Domestic and foreign natural persons	1,989,103	3,315,172	9.46%	1,978,846	3,298,077	9.62%
Domestic and foreign legal persons	653,232	1,088,720	3.11%	792,416	1,320,694	3.85%
Custody entities	824,952	1,374,920	3.93%	696,025	1,160,041	3.38%
	21,015,678	35,026,129	100.00%	20,573,610	34,289,350	100.00%

45. OTHER COMPONENTS OF THE CAPITAL	Reserves	Revaluation reserves based on the revaluation of property, plant and equipment	Actuarial gains
Balance on 01/01/2017	4,120,259	601,827	16,590
Legal reserves	-	-	-
Statutory reserves	1,133,867	-	-
Revaluation reserves for land	-	-	-
Revaluation reserves for buildings	-	-	-
Revaluation reserves for equipment	-	-	-
Decrease of revaluation reserves based on estimation	-	-	-
Decrease of revaluation reserves based on alienation of supplies	-	(5,713)	-
Actuarial gains on reserves for retirement benefits	-	-	892
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	-
Balance on 31/12/2017	5,254,126	596,114	17,482
Legal reserves	-	-	-
Statutory reserves	1,102,330	-	-
Revaluation reserves for land	-	-	-
Revaluation reserves for buildings	-	-	-
Revaluation reserves for equipment	-	-	-
Decrease of revaluation reserves based on estimation	-	-	-
Decrease of revaluation reserves based on alienation of supplies	-	(15,168)	-
Actuarial gains on reserves for retirement benefits	-	-	-
Recognition of DTL (deferred tax liabilities) charged to revaluation reserves	-	-	-
Balance on 30/09/2018	6,356,456	580,946	17,482

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

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

46. NON-DISTRIBUTED PROFIT	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Initial balance 01/01	3,267,110	1,775,235
Correction of initial balance	-	-
Corrected initial balance 01/01	3,267,110	1,775,235
Distribution of undistributed profit for dividend	(1,964,780)	(503,368)
Transfer to statutory reserves	(1,102,330)	(1,133,867)
Participation of employees in profit distribution	(200,000)	(138,000)
Net profit of the current period	2,776,013	3,265,674
Net profit correction	-	-
Total net profit of the current period	2,776,013	3,265,674
Decision on distribution of interim dividend	0	0
Undistributed profit of the current period	2,776,013	3,265,674
Profit of the previous years, resulting from transfer of revaluation reserves into profit at selling fixed assets in the current year	4,885	1,436
Correction of undistributed profit of earlier period	0	0
Total undistributed profit of earlier years	4,885	1,436
Undistributed profit	2,780,898	3,267,110

Total balance of undistributed profit on 30/09/2018 in the amount of RSD 2.780.898 thousand is a result of the realized net profit from the current period, i.e. I-IX 2018 in the amount of RSD 2.776.013 thousand, increased for RSD 4,885 thousand on the bases of transfer of revaluation reserves into revenue for alienated fixed assets within the relevant period. Undistributed profit from the previous year, 2017 in the amount of RSD 3,267,110 thousand, was completely distributed by the Decision of the Shareholders Assembly of the Company from 28/06/2018 (RSD 1,964,780 thousand for the dividend of the RoS and other shareholders; RSD 1,102,330 thousand for statutory reserves and RSD 200,000 thousand for the participation of employees in the profit).

47. LONG-TERM RESERVES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Reserves for terminal wages	45,175	48,021
Reserves for jubilee awards	79,839	83,358
Provisions for litigations	99,076	96,576
	224,090	227,955

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

48. CHANGES ON LONG-TERM RESERVES

Changes in long-term provisions for retirement benefits, jubilee awards and litigations in the period I-IX of 2018, compared to 31/12/2017 are shown in the following table:

CHANGES ON LONG-TERM RESERVES	Terminal wages	Jubilee bonuses	Total	Litigations
Balance on 01/01/2017	42,946	82,890	125,836	80,496
Reserves during the year	7,644	12,289	19,933	20,010
Actuarial gains	(892)	-	(892)	-
Cancellation during the year	-	-	-	-
Pay-off during the year	(1,677)	(11,821)	(13,498)	(3,930)
Balance on 31/12/2017	48,021	83,358	131,379	96,576
Balance on 01/01/2018	48,021	83,358	131,379	96,576
Reserves during the year	0	0	0	5,000
Actuarial gains	-	-	-	-
Cancellation during the year	(13)	-	(13)	(2,500)
Pay-off during the year	(2,833)	(3,519)	(6,352)	-
Balance on 30/09/2018	45,175	79,839	125,014	99,076

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>	2017	2016
Discount rate	4.50%	4.50%
Estimated growth rate of average earnings	1.00%	1.00%
Fluctuation percentage	1.50%	1.50%
Amount of the net earning XI/.....	73,724	73,724
Total number of employees on 31/12	1323	1323
Number of retired workers who received terminal wage at retirement	5	5

<i>b) The calculation of the reserves for employee benefits on 31/12/2017</i>	in 000 RSD	
	Retirement bonuses	Jubilee bonuses
	in 000 RSD	in 000 RSD
1. Reserves on 31/12/2016	42,946	82,890
2. Interest expense	1,933	3,730
3. Cost of current work	5,711	10,304
4. Cost of past work	-	-
5. Actuarial (gain)/loss	(892)	(1,745)
6. Cancellation of provisions during 2017 in the business books of the Company	(1,677)	(11,821)
7. Total net change in the amount reserved in 2017 (1+2+3+4+5+6)	5,075	468
8. Balance of reserving on 31/12/ 2017 (1+7)	48,021	83,358

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

50. LONG-TERM LOANS	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Abroad	611,946	673,487
Current maturities	(37,476)	(98,752)
	574,470	574,735

51. LONG-TERM LOANS	Annual interest rates	Date of maturity	Remaining amount 30/09/2018 (EUR)	30/09/2018	31/12/2017
				in 000 RSD	in 000 RSD
<u>Long-term credits abroad</u>					
European Investment Bank	4,07-5,16%	2025	5,152,217.79	611,946	673,487
Total long-term credits (a+b)			5,152,217.79	611,946	673,487
Current maturities of long-term credits:			-315,524.19	-37,476	-98,752
			4,836,693.60	574,470	574,735

Long-term loans abroad reported on 30/09/2018 in the amount of RSD 611.946 thousand (EUR 5.152.217,79, of which in 2018 it is due for payment EUR 315.524,19 or RSD 37.476 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. Under the said contract, the Company was granted a loan in the amount of EUR 13.000.000 for investment and rehabilitation of the 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 EUR 3,000,000.00 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.

Receivable maturity from long-term loans	Principle		Non-booked interest	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD	in 000 RSD	in 000 RSD
up to one year	37,476	98,752	10,596	28,655
one to two years	98,706	98,752	24,189	24,201
two to three years	98,706	98,752	19,737	19,746
three to four years	98,706	98,752	15,285	15,292
four to five years	98,706	98,752	10,833	10,838
five to ten years	179,646	179,727	11,962	11,967
over ten years	-	-	-	-
	611,946	673,487	92,602	110,699

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

52. OTHER SHORT-TERM FINANCIAL LIABILITIES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Current maturities of long-term loan EIN	37,476	98,752
	37,476	98,752

53. RECEIVED ADVANCES, DEPOSITS AND BAILS	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Advances received from domestic buyers	58,339	59,692
Advances received from foreign buyers	14,496	14,361
Subscriptions from domestic buyers	9,566	12,676
Subscriptions from foreign buyers	146,216	38,179
	228,617	124,908

54. SUPPLIERS IN THE COUNTRY	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Suppliers in the country-for services	128,705	179,830
Suppliers in the country- for investments in progress	28,375	106,986
Suppliers in the country-for equipment	30,803	114,483
	187,883	401,299

55. SUPPLIERS ABROAD	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Suppliers abroad-for services	6,673	6,398
Suppliers abroad-for equipment	-	-
	6,673	6,398

56. OTHER LIABILITIES FROM OPERATION	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Liabilities for charged purchase on behalf of other companies	24,992	14,699
Other liabilities from operation	2,202	582
Other liabilities from operation-factoring	-	99,284
	27,194	114,565

57. OTHER SHORT-TERM LIABILITIES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Liabilities from salaries	124,684	110,141
Liabilities from participation in the profits-gross	-	-
Liabilities for dividend of RoS-gross	1,633,654	-
Liabilities from gross dividend of other shareholders for 2017	331,126	-
Other short-term liabilities	41,448	42,661
	2,130,912	152,802

58. Liabilities for VAT	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Liabilities for VAT	114,939	1,339
	114,939	1,339

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

59. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Liabilities for income tax	120,371	2,728
Correction of liabilities for income tax from prev.years	0	0
Liabilities for taxes, custom duties and other levies	494	717
Taxes, contributions and other levies	11,910	12,045
	132,775	15,490

60. LIABILITIES FOR INCOME TAX - structure	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Balance on 01/01 of the current year	2,728	0
Correction of income tax	0	0
Corrected initial balance	2,728	0
Specified income tax liabilities for the current year	488,196	529,000
Correction of income tax liabilities	-	-
Specified income tax liabilities for the current year-total	488,196	529,000
Paid income tax liabilities	(2,728)	(287,360)
Pre-payment of income tax	-	(238,912)
Advance payment of income tax until 31/12	(367,825)	-
Liabilities for income tax	120,371	2,728

61. ACCRUALS AND DEFERRED INCOME	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Accrued expenses for the reporting period	118,182	73,788
Calculated costs for ongoing investments	9,400	17,052
Calculated revenues for the future period	2	12,631
Other accruals and deferred income	32,102	11,418
Other accruals and deferred income(calc.discounts to buyers)	-	48,534
Taxes, contributions and other levies	0	214
	159,686	163,637

62. OFF-BALANCE REGISER	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Received blank bills - piece	1,033	1,925
Given blank bills domestic - pieces	21	20
Received guarantees - RSD	629,035	499,382
Received guarantees - foreign currency	115,946	163,911
Given guarantees - RSD	4,500	4,500
Given guarantees - foreign currency	-	-
Solidarity funds from employee salaries	622	622
Total off-balance assets and liabilities	750,104	668,417

Received guarantees in Dinars in the amount of RSD 629.035 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 115.946 thousand mainly relate to guarantees received from foreign suppliers for good performance, for fault repair within the warranty period or for recovery of advance payments.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

63. FAIR VALUE OF ASSETS

ASSETS	Accounting value in 000 RSD 30/09/2018	Fair value in 000 RSD 30/09/2018	Accounting value in 000 RSD 31/12/2017	Fair value in 000 RSD 31/12/2017	Hierarchy of fair value- Levels	Valuation techniques and inputs
1	2	3	4	5	6	7
Fixed assets	26,300,890	26,300,890	24,737,969	24,737,969	Level 3	Assessment was carried out by certified assessor with balance on 31/12/2016 (the Institute for economic research-Belgrade). During assessment of the property the following methodology were used: for apartments - methodology of direct price comparison; for properties of specific purpose, functionally connected and used for business activity - cost method, i.e. substitution method, for the objects built in recent years-construction costs; for older buildings-experience method depending on construction type and level of equipment. Equipment is assessed by market method and by a method of substitution of amortised value. For the equipment of with reliably indicated market value by direct comparison with achieved sale prices in the market, assessment is made by market method, i.e. by a method of direct price comparison;
Investment property	29,516	29,516	29,516	29,516	Level 3	Assessment of a certified assessor 31/12/2017 (the Institute for economic research-Belgrade)
Participation in capital of other legal persons	1	1	1	1	Level 2	Estimation the management is that they are not refundable-banks in bankruptcy
Long-term and short-term financial investments - housing loans	126,913	126,913	143,298	143,298	Level 3	Assessment of a certified actuary with a balance on 31/12/2017 - Discounting of cash flows as follows: 18% for housing loans which are not being revalued ; 6% for housing loans with value adjusted annually and with interest rate 0,5%, 5,0% for housing loans with currency clause and interest rate 0,5%; 6,25% for housing loans with value adjusted semi-annually and 6,5% for housing loans with value adjusted annually
Other long-term receivables	37,791	37,791	41,263	41,263	Level 3	Estimation of collectibility by management according to IAS 39
Receivables from buyers	1,512,000	1,512,000	1,118,684	1,118,164	Level 3	Estimation of collectibility by management according to IAS 39
Other receivables	81,443	81,443	81,537	81,537	Level 3	Estimation of collectibility by management according to IAS 39

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

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Financial instrument categories	30/09/2018		31/12/2017		in 000 RSD	
	Total	val.correction	net amount	Total		val.correction
Financial assets						
1 Long term investments	551,060	(484,215)	166,845	669,789	(492,265)	177,524
- Long-term time deposits	4,743	-	4,743	4,623	-	4,623
- 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 to employees	229,842	(105,532)	124,310	245,219	(113,582)	131,637
- Other long-term receivables	37,791	-	37,791	41,263	-	41,263
2 Receivables expressed at nominal value	3,588,777	(269,444)	3,319,333	4,206,941	(246,343)	3,960,598
- Receivables from buyers	1,777,191	(265,191)	1,512,000	1,361,460	(242,776)	1,118,684
- Short-term financial investments	1,725,976	(86)	1,725,890	2,760,721	(344)	2,760,377
- Receivables for interests	22,137	(1,234)	20,903	36,190	(294)	35,896
- Other receivables	63,473	(2,933)	60,540	48,570	(2,929)	45,641
3 Cash and cash equivalents	4,416,804	-	4,416,804	2,386,010	-	2,386,010
	8,656,641	(753,659)	7,902,982	7,262,740	(738,608)	6,524,132
Financial liabilities						
1 - Long-term loans	574,470	-	574,470	574,735	-	574,735
2 - Current maturities of I-term loans	37,476	-	37,476	98,752	-	98,752
3 - Curr. maturities of I-term fin. lease	-	-	-	-	-	-
4 - Short-term liabilities	221,750	-	221,750	522,262	-	522,262
	833,696	-	833,696	1,195,749	-	1,195,749

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.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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

Financial risk management objectives

Financial risks include market risk (foreign exchange, interest rate and price change risk), 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 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, short-term financial investments, accounts receivable from buyers, liabilities from long-term loans 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 in common use.

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:

in 000 RSD

Currency description	<u>Total assets</u>				<u>Total liabilities</u>	
	30/09/2018		31/12/2017		30/09/2018	31/12/2017
	gross	net	gross	net		
EUR	6,505,475	6,384,752	4,553,475	4,425,444	618,618	677,644
USD	494,860	494,860	477,141	477,141	0	134
CHF	329	329	320	320	0	0
GBP	93	93	630	630	0	1,069
Total dinar counter-val. of assets and liab. stated in for. currency	7,000,757	6,880,034	5,031,566	4,903,535	618,618	678,847
Value of assets and liab. stated in dinars	1,655,884	1,022,947	2,231,174	1,620,597	215,078	516,902
Total	8,656,641	7,902,981	7,262,740	6,524,132	833,696	1,195,749

By analysis of the currency structure of financial assets and liabilities as of 30/09/2018, along with the balance as of 31/12/2017, it can be concluded that

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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

30/09/2018

Changes	EUR influence		USD influence		CHF influence		GBP influence	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Gain/loss	576,613	-576,613	49,486	-49,486	33	-33	9	-9

in 000 RSD

31/12/2017

Changes	EUR influence		USD influence		CHF influence		GBP influence	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Gain/loss	374,780	-374,780	47,701	-47,701	32	-32	-44	44

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:

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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	30/09/2018			31/12/2017		
	Total	val.correction	net amount	Total	val.correction	net amount
Non-interest						
Share in capital of oth.leg.entities	378,684	(378,683)	1	378,684	(378,683)	1
Other long-term receivables	37,791	-	37,791	41,263	-	41,263
Receivables from buyers	1,777,191	(265,191)	1,512,000	1,361,460	(242,776)	1,118,684
Receivables for interests and oth.receiveiv.	85,610	(4,167)	81,443	84,760	(3,223)	81,537
Short-term fin. invest.	47,393	-	47,393	80,386	-	80,386
Non-interest-total	2,326,669	(648,041)	1,678,628	1,946,553	(624,682)	1,321,871
Fixed interest rate						
Long term fin.investments	234,585	(105,532)	129,053	249,842	(113,582)	136,260
Short term fin.investments	1,678,583	(86)	1,678,497	2,680,335	(344)	2,679,991
Fixed-total	1,913,168	(105,618)	1,807,550	2,930,177	(113,926)	2,816,251
Floating interest rate						
Cash and cash equiv.	4,416,804	-	4,416,804	2,386,010	-	2,386,010
Floating-total	4,416,804	0	4,416,804	2,386,010	0	2,386,010
	8,656,641	(753,659)	7,902,982	7,262,740	(738,608)	6,524,132
Financial liabilities						
Non-interest						
Liabilities from operation	221,750	0	221,750	522,262	0	522,262
Non-interest-total	221,750	0	221,750	522,262	0	522,262
Fixed interest rate						
Long-term loans	574,470	0	574,470	574,735	0	574,735
Current maturities of long-t. liab.	37,476	0	37,476	98,752	0	98,752
Fixed-total	611,946	0	611,946	673,487	0	673,487
Floating interest rate						
Current maturities of long-t. liab.	0	0	0	0	0	0
Floating-total	0	0	0	0	0	0
	833,696	0	833,696	1,195,749	0	1,195,749

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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.

Structure of receivables from buyers	30/09/2018	participa	31/12/2017	participat
	in 000 RSD	tion	in 000 RSD	ion
Air Serbia	239,333	13.47%	204,823	15.04%
Jat Tehnika	115,084	6.48%	126,106	9.26%
Duffy doo	108,034	6.08%	70,508	5.18%
International CG	41,492	2.33%	41,492	3.05%
Air Serbia-Catering ltd	41,270	2.32%	36,794	2.70%
Aviogenex ltd.	50,820	2.86%	50,820	3.73%
Austrian-branch	25,158	1.42%	27,908	2.05%
Other domestic buyers	93,494	5.26%	99,708	7.32%
Total domestic buyers	714,685	40.21%	658,159	48.34%
Montenegro Airlines	58,571	3.30%	42,272	3.10%
Wizz Air	155,869	8.77%	120,188	8.83%
Deutsche Lufthansa	88,467	4.98%	84,053	6.17%
Turkish Airlines	37,447	2.11%	38,100	2.80%
Ethiad Airlines	64,216	3.61%	28,220	2.07%
Aeroflot	42,532	2.39%	33,290	2.45%
Allitalia	45,272	2.55%	51,853	3.81%
Qatar Airways	21,062	1.19%	24,236	1.78%
Swiss Air	49,818	2.80%	25,372	1.86%
Fly Dubai	30,326	1.71%	24,529	1.80%
Pegasus	16,966	0.95%	11,545	0.85%
LOT Polskie Linie	21,093	1.19%	14,525	1.07%
Other foreign buyers	430,867	24.24%	205,118	15.07%
Total foreign buyers	1,062,506	59.79%	703,301	51.66%
Total gross receivables from domestic and foreign buy	1,777,191	100.00%	1,361,460	100.00%
Total value correction	265,191		242,776	
Total net receivables	1,512,000		1,118,684	

Gross receivables from domestic and foreign buyers on 30/09/2018 amount RSD 1.777.191 thousand (RSD 1.361.460 thousand on 31/12/2017), so the credit risk remains constant. To reduce this risk, the Company regularly monitors the realisation of the collection, analyses 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 the buyers with great share in the balance of receivables also have unstable liquidity and on that basis, exceeded contracted payment deadline.

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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

II - CREDIT RISK (cont'd)

Receivables from domestic buyers for goods and services on 30/09/2018 in the amount of RSD 714,685 thousand, accounted for 40,21% of total receivables from buyers for goods and services. Total balance of value adjustment of receivables from domestic buyers was RSD 254,253 thousand (RSD 231.434 thousand charged to results of previous years and RSD 22,819 thousand charged to results of the current period), so the net value of receivables from domestic buyers amounts to RSD 460.432 thousand.

Receivables from foreign buyers for goods and services amounted to RSD 1,062,506 thousand, which makes 59,79% of total receivables for goods and services. Total balance of value adjustment of receivables from foreign buyers was RSD 10,938 thousand (all charged to results of previous years), so the net value of receivables from foreign buyers amounts to RSD 1.051.568 thousand.

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. The Company made reconciliation of its assets and liabilities on 30/06/2018.

The Company has reconciled receivables with buyers on 30/06/2018 for 57,10% of receivables. Out of 42,90% of non-reconciled receivables of domestic clients on 30/06/2018, 2,58% refers to undisputed receivables and 40,32% to OIS without response (of which 13,91% refers to sued clients with no answer to OIS).

As for foreign client receivables, the Company reconciled 38,92% of foreign receivables as of 30/06/2018. Unreconciled receivables mainly refer to receivables with sent and not responded OIS. On 31/08/2018, receivables with Air Serbia and Montenegro Airlines were reconciled.

Age structure of receivables	30/09/2018	participation	31/12/2017	participation
	in 000 RSD		in 000 RSD	
Undue receivables from buyers-uncorrected	1,041,248	58.59%	812,675	59.69%
Undue receivables from buyers-corrected	0	0.00%	0	0.00%
Total undue receivables	1,041,248	58.59%	812,675	59.69%
Due receivables up to 60 days-uncorrected	255,770	14.39%	155,573	11.43%
Due receivables up to 69 days-corrected	0	0.00%	0	0.00%
Total due receivables up to 60 days	255,770	14.39%	155,573	11.43%
Due receivables over 60 days-uncorrected	214,982	12.10%	150,436	11.05%
Due receivables over 60 days-corrected	265,191	14.92%	242,776	17.83%
Total due receivables over 60 days	480,173	27.02%	393,212	28.88%
Total receivables-gross	1,777,191	100.00%	1,361,460	100.00%
Total value correction	265,191		242,776	
Total receivables - net (gross-correction)	1,512,000		1,118,684	

Undue receivables from domestic and foreign buyers for goods and services, on 30/09/2018, amounted to RSD 1.041.248 thousand (and on 31/12/2017 they amounted to RSD 812.675 thousand).

Due receivables from domestic and foreign buyers for goods and services, on 30/09/2018 not older than 60 days, amounted to RSD 255.770 thousand (and on 31/12/2017 they amounted to RSD 155.573 thousand).

Due receivables from domestic and foreign buyers for goods and services, that on 30/09/2018 were older than 60 days, amounted to RSD 480.173 thousand (and on 31/12/2017 they amounted to RSD 393.212 thousand).

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

64. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT (cont'd)**II - CREDIT RISK (cont'd)**

Due corrected receivables from domestic and foreign buyers for goods and services older than 60 days as on 30/09/2018 amounted to RSD 265.191 thousand, of which RSD 242.372 thousand is at the cost of value correction of receivables from previous years and RSD 22.819 thousand is at the cost of value correction of the current period (due corrected receivables from domestic and foreign buyers for goods and services older than 60 days on 31/12/2017 amounted to RSD 242,776 thousand).

Due uncorrected receivables from domestic and foreign buyers for goods and services older than 60 days, on 30/09/2018, amounted to RSD 214.982 thousand (and on 31/12/2017 they amounted to RSD 150.436 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.

Maturity of financial assets	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Less than 30 days	5,999,329	3,552,969
1 - 3 months	1,706,837	2,742,254
3-12 months	17,811	51,385
1 - 5 years	57,946	51,157
over five years	121,059	126,367
	7,902,982	6,524,132

The average time to collect receivables from customers in the period I-IX 2018 amounted to 50 days (2017: 48 days).

Maturity of receivables for interests	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Less than 30 days	22,137	6,889
1 - 3 months	-	29,301
3-12 months	0	0
	22,137	36,190

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

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

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

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

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

Maturity of financial liabilities	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Less than 30 days	221,750	522,262
1 - 3 months	37,476	11,883
3-12 months	-	86,869
1 - 5 years	394,825	470,760
over five years	179,645	103,975
	833,696	1,195,749

In the total liabilities of the Company the largest share have liabilities based on long-term loans in the amount of RSD 611.946 thousand, of which in 2018 becomes due RSD 37.476 thousand.

Liabilities towards suppliers on 30 IX 2018 are expressed in the amount of RSD 221.750 (on December 31, 2017: RSD 522,262 thousand). Suppliers do not charge interest on arrears to due liabilities, whereby the Company, in accordance with the policy of financial risk management, settles due liabilities to suppliers within the agreed period. Average time of settlement of liabilities towards suppliers in the period I-IX 2018 is 47 days (in 2017 it was 40 days).

Maturity of liabilities for interests (for loans)	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
Less than 30 days	-	-
1 - 3 months	0	3,458
3-12 months	10,596	25,197
1 - 5 years	70,044	70,077
over five years	11,962	11,967
	92,602	110,699

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 2018 and the end of 2017 were as follows:

	30/09/2018	31/12/2017
	in 000 RSD	in 000 RSD
1 Indebtedness (ADP 432 + ADP 443)	611,946	673,487
2 Cash and cash equivalents (ADP 068)	4,416,804	2,386,010
I GROSS INDEBTEDNESS (1-2)	(3,804,858)	(1,712,523)
3 Ratio indebtedness/capital (I/5)	-0.1238	-0.0576
4 Short-term financial investment (ADP 062)	1,725,890	2,760,377
II NET INDEBTEDNESS (I - 4)	(5,530,748)	(4,472,900)
5 Capital (ADP 401)	30,734,668	29,708,442
6 Ratio indebtedness/capital (II/5)	-0.1800	-0.1506

NOTES TO THE FINANCIAL STATEMENTS September 30, 2018

65. MANAGEMENT EARNINGS

The Company paid remuneration (salaries and contributions) to key management, including members of the Supervisory Board, members of the Audit Commission and the General Assembly of Shareholders and Executive directors and Department directors (on 30/09/2018: 23 members; on 30/09/2017: 25 member). In the period I-IX 2018 RSD 40,447 thousand was paid in the gross amount (in the period I-IX 2017: RSD 36,979 thousand).

Management earnings	30/09/2018	I-IX 2018	30/09/2017	I-IX 2017
Management	Number	Amount in 000 RSD	Number	Amount in 000 RSD
Earnings	14	31,900	16	28,544
Participation in profit distribution		1,422		1,846
Total management	14	33,322	16	30,390
Compensations to members of the Supervisory Board	7	5,371	7	5,136
Compensations to members of the Commission for Revision and the Shareholders Assembly	1	798	1	548
Compensations to members of the Shareholders Assembly	1	956	1	905
Total for members of the Supervisory Board, the Commission for Revision and the Shareholders Assembly.	9	7,125	9	6,589
TOTAL:	23	40,447	25	36,979

66. 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. The management believes that tax liabilities are adequately calculated and recorded.

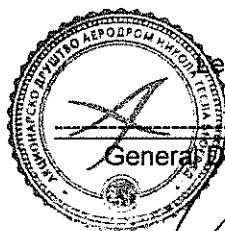
67. LITIGATIONS

On September 30, 2018, against the Company there are litigations in the amount of RSD 123.378 thousand (excluding the effects of default interest). Amounts of final losses on litigations can be increased based on default interest up to the completion of the settlement, or until the date of final payment by disputes. On September 30 2018 the Company has made provisions for potential losses on these litigations in the amount of RSD 99.076 thousand (on 31/12/2017 it was RSD 96,576 thousand) (Notes 47 and 48). According to the assessment of the Company's management on this basis, they do 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 evidence of other events that may influence or affect the truthfulness and objectivity of the financial statements for the period that ended on September 30 2017, or would require adjustment of the financial statements.

In Belgrade, 22 October 2018

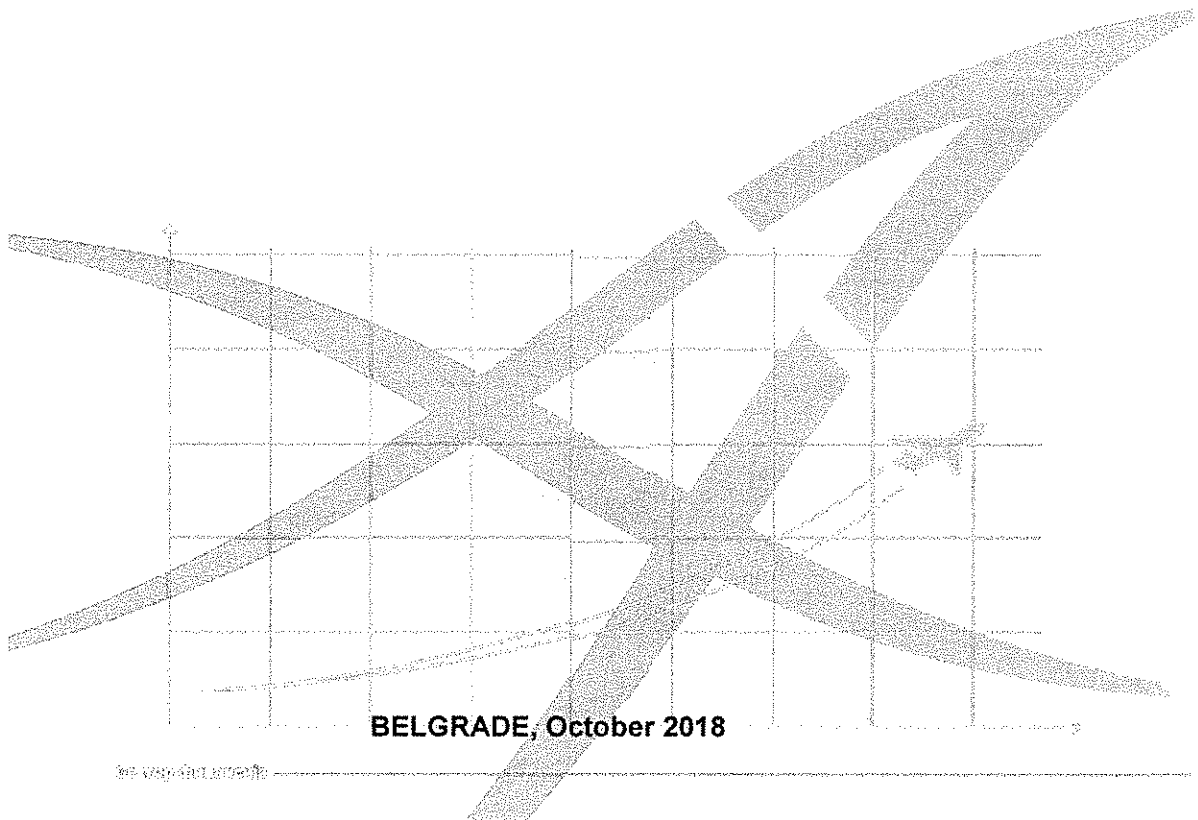


Legal representative

General Director, Saša Vlaisavljević

**JOINT STOCK COMPANY
BELGRADE NIKOLA TESLA AIRPORT**

**BUSINESS REPORT FOR THE THIRD QUARTER OF 2018 AND
FOR THE PERIOD
I – IX 2018**



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BEK 17/2018-10-18/1000/18

1. GENERAL DATA OF THE COMPANY

Business name		JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
1	Head office and address	Belgrade, 11180 Belgrade 59
	Register no.	07036540
	TIN	100000539
2	web site and e-mail address	www.beg.aero ; kabinet.abnt@beg.aero
3	Number and date of the Rescript on Company registration	Registration number: BD 4874/2005 Date of registration: 15/06/2005 Registration number: BD 91540/2012 Date of registration: 09/07/2012 Registration number: BD 100187/2012 Date of registration: 20/07/2012
4	Activity (code and description)	5223 - Air- traffic services
5	Number of employees	1677 employees on 30/09/2018,
6	Core capital value	RSD 21.264.302.590 (on 30/09/2018)
7	Name, head office of auditor who revised the last financial statement for 2017	„IEF“ d.o.o. Bulevar Mihajla Pupina 106/I, Belgrade
8	Number of issued shares, ISIN number and CFI COD	Number of ordinary shares 35.026.129 (on 30/09/2018) CFI code ESVUFR ISIN number RSANTBE 11090
9	Organised exchange market on which the shares are exchanged	Beogradska berza ad Beograd, Omladinskih brigada 1, 11070 Novi Beograd

www.beg.aero

Ten largest shareholders on 30/09/2018

No.	Name of shareholder	Number of shares	% of share
1	REPUBLIC OF SERBIA	29,247,317	83.50
2	VOJVODJANSKA BANKA AD NOVI SAD JOINT ACCOUNT	443.666	1.27
3	JSC BELGRADE NIKOLA TESLA AIRPORT	442.361	1.26
4	SOCIETE GENERALE BANK SERBIA CUSTODY ACC - FO	426.677	1.22
5	SOCIETE GENERALE BANK SERBIA CUSTODY ACC - FO	161.722	0.46
6	EAST CAPITAL – EAST CAPITAL BALK	115.438	0.33
7	KERAMIKA JOVANOVIC DOO	106.013	0.30
8	CONVEST A.D. NOVI SAD-JOINT ACCOUNT	98.468	0.28
9	RAIFFEISEN BANKA AD-KASTODI RN-KS	62.000	0.18
10	POLUNIN DISCOVERY FUNDS	58.516	0.17

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2. MANAGEMENT DATA

Management members on 30/09/2018:

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

The Supervisory Board:		
No.	Name, surname and place of residence	Education, current 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. Belgrade
3	Ljubiša Dejković, Čuprija	Master of Electrical Engineering and Telecommunications, Head of telecommunication projects in the Sector of Investments – PE Elektromreža Srbije
4	Srđan Minić, Belgrade	Bachelor of Economics, Technical support and documentation Engineer, Telekom Srbija
5	Goran Mirković, Belgrade	Master of Economy, Independent Associate for control and analysis of capacity usage, Institute for Manufacture of Banknotes and Coins of the National Bank of Serbia
6	Petar Jarić, Belgrade	Bachelor of Economics, Deputy of Director - National Employment Service
7	Dragoslav Stanković, Doljevac	Professional manager, Officer for customer care in Elektro distribucija Niš, office in Doljevac

The Executive Board:		
No.	Name, surname and place of residence	Education, current employment (business name of the company and work position)
1	Saša Vlaisavljević, Belgrade	Bachelor of Science, Engineering, Chief Executive, General Director of JSC Airport Nikola Tesla Belgrade
2	Senka Jelenković, Belgrade	Professor of Italian language and literature, Master Engineer of Organizational Sciences, Executive Director in JSC Airport Nikola Tesla Belgrade
3	Žarko Suvačarov, Belgrade	Specialist Professional Traffic Engineer, Executive Director, JSC Belgrade Nikola Tesla Airport
4	Raša Ristivojević, Belgrade	Bachelor of Economy, Executive Director, JSC Belgrade Nikola Tesla Airport
5	Zoran Stojković, Belgrade	Bachelor of Law, Executive Director, JSC Belgrade Nikola Tesla Airport

2.1. REVIEW OF CORPORATE GOVERNANCE RULES

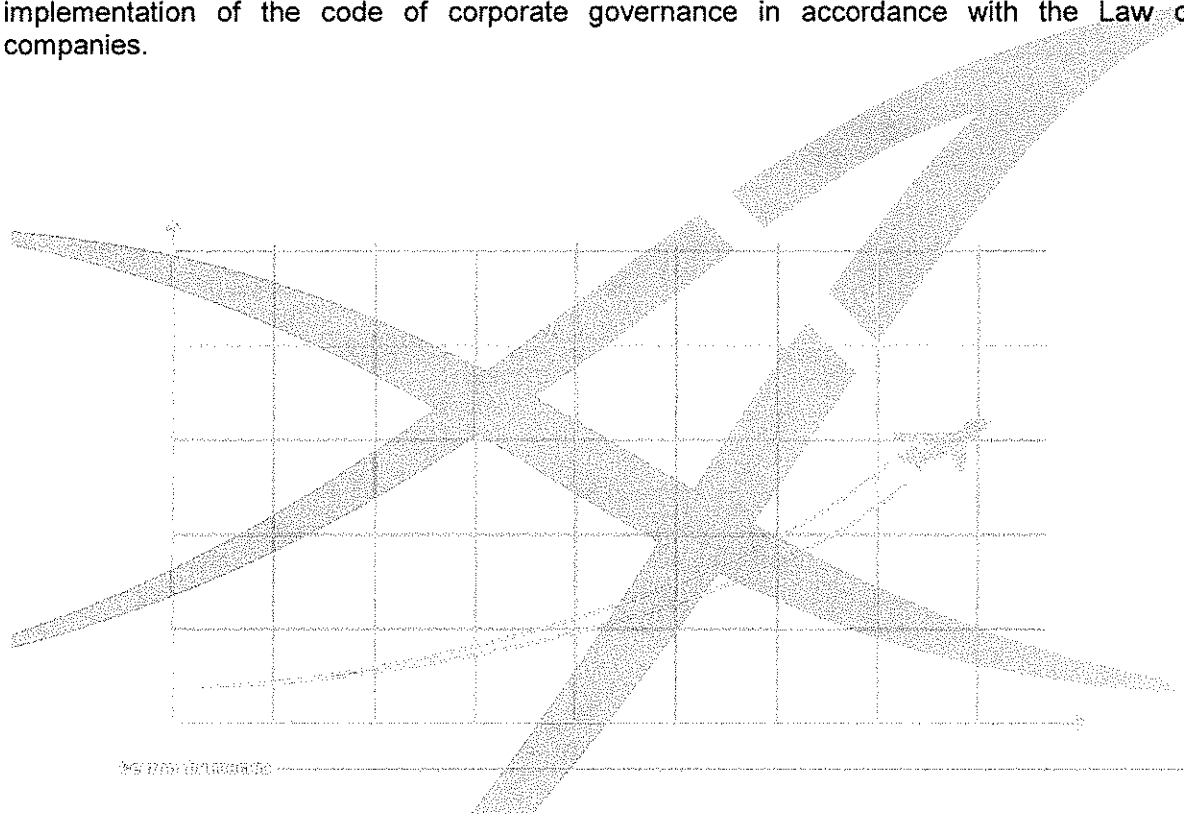
JSC Belgrade Nikola Tesla Airport, as a member of the Chamber of Commerce of Serbia adopted the *Code of Corporate Governance* that was published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.beg.aero.

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 recognized 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 use of the words "may," "should," and so on.

The recommendations contained in this Code outline minimum standards which 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 2018 it was achieved total air traffic turnover, as follows:

- 46,528 air movements;
- 4,401,027 passengers and
- 18,817 tons of cargo and mail.

In the period VII-IX 2018 it was achieved total air traffic turnover, as follows:

- 18,673 air movements;
- 1,937,275 passengers and
- 6,958 tons of cargo and mail.

3.1. AIR MOVEMENT TURNOVER

Achieved number of air movements per traffic types in the period I-IX 2018 is shown in the following table:

Number of air movements per air-traffic types							
Air-traffic types	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index		Participation I-IX 2017	Participation I-IX 2018
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air-traffic	35	43	18	51	42	0.08	0.04
International air-traffic-domestic carriers	25,049	24,863	24,172	96	97	55.33	51.95
International air-traffic-foreign carriers	20,185	21,065	22,338	111	106	44.59	48.01
TOTAL:	45,269	45,971	46,528	103	101	100.00	100.00

The data from the table indicate total number of air movements in the period from I-IX 2018, which is higher by 3% than last year in the same period and 1% higher than the one prescribed in the Rebalancing plan IV for the period I-IX 2018.

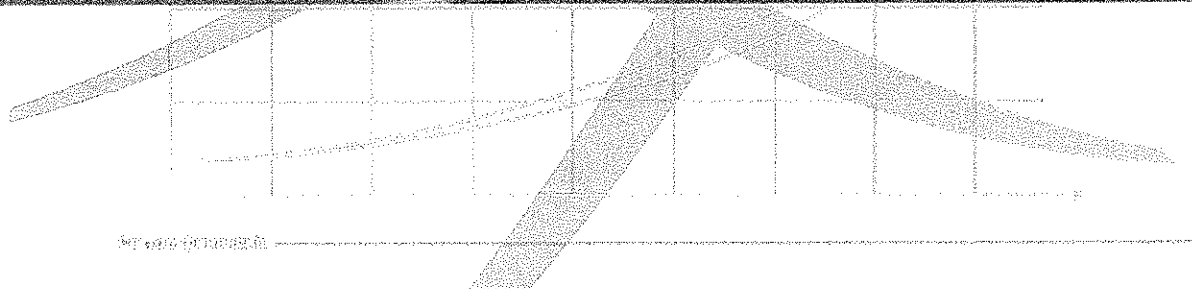
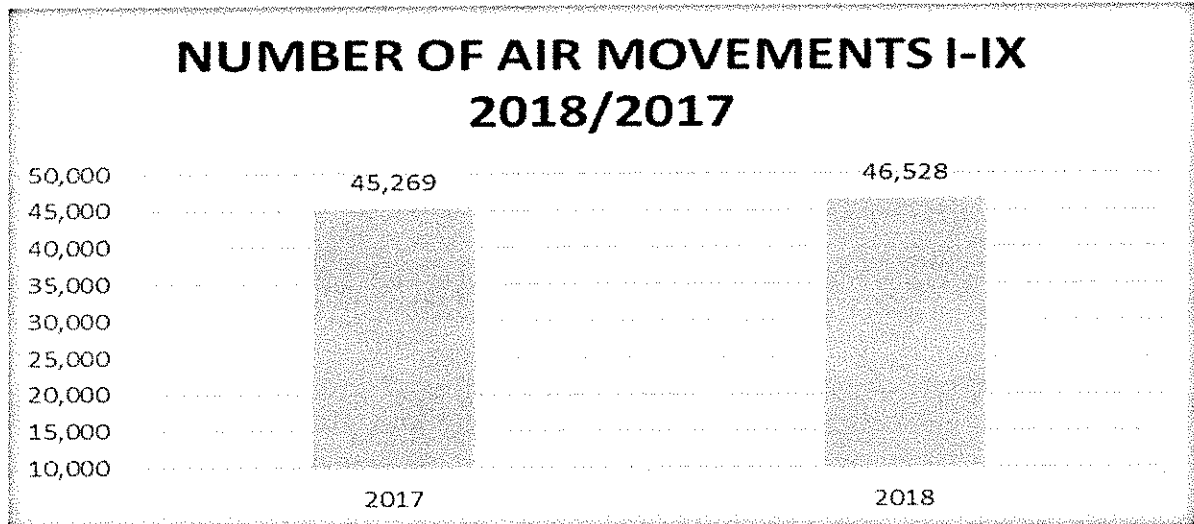
Within carrier pattern of the total traffic in the period I-IX 2018 the domestic carriers in international air traffic have a dominant role with 51.95%, followed by foreign carriers in international air traffic with 48.01% and at the end domestic carriers in domestic air traffic with 0.04% share.

In comparison to the last year, there was fall in the share of domestic carrier in international air traffic by 3.38% and growth in share of foreign carriers in international air traffic by 3.42%.

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In international air traffic of domestic carriers total turnover of 24,172 air movements is achieved which is by 4% lower compared to the same period of the previous year and by 3% lower in comparison to the Rebalancing Plan IV for the period I-IX 2018.

The domestic carriers in international air traffic are the following: Air Serbia, Avio Služba, Princ Aviation and Air Pink.



Number of air-movements in international air-traffic of foreign carriers

Carriers	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index		Participation I-IX 2017	Participation I-IX 2018
				5(4/2)	6(4/3)		
1	2	3	4			7	8
Montenegro Airlines	2,315	2,324	2,395	103	103	11.47	10.72
Lufthansa	2,068	2,061	2,116	102	103	10.25	9.47
Wizz Air	2,551	2,622	2,885	113	110	12.64	12.92
Austrian Airlines	1,343	1,339	1,378	103	103	6.65	6.17
Turkish Airlines	1,163	1,149	1,185	102	103	5.76	5.30
Swiss International	975	1,000	1,036	106	104	4.83	4.64
Aeroflot	1,089	1,089	1,094	100	100	5.40	4.90
Alitalia	540	558	544	101	97	2.68	2.44
Easyjet	226	220	276	122	125	1.12	1.24
Easyjet UK	0	0	32	0	0	0.00	0.14
Etihad Airways	547	548	669	122	122	2.71	2.99
Polskie Linie LOT	579	515	690	119	134	2.87	3.09
Tarom	574	612	633	110	103	2.84	2.83
Aegean Airlines	384	384	350	91	91	1.90	1.57
Qatar Airways	364	532	548	151	103	1.80	2.45
Pegasus Airlines	312	314	326	104	104	1.55	1.46
Flydubai	304	556	546	180	98	1.51	2.44
Tunis Air	150	148	166	111	112	0.74	0.74
Germanwings	14	14	0	0	0	0.07	0.00
Norwegian Air	264	282	290	110	103	1.31	1.30
Belavia	168	166	216	129	130	0.83	0.97
Aircairo Company	178	172	248	139	144	0.88	1.11
Croatia Airlines	120	117	113	94	97	0.59	0.51
Vueling Airlines	78	78	138	177	177	0.39	0.62
Adria Airways	4	0	0	0	0	0.02	0.00
Gazprom	10	10	7	70	70	0.05	0.03
Swiftair Aviation	746	740	729	98	99	3.70	3.26
Swiftair Hellas	376	372	374	99	101	1.86	1.67
Air Horizont Ltd.	1	0	0	0	0	0.00	0.00
Arkia	151	177	139	92	79	0.75	0.62
Atlasglobal Airlines	454	556	334	74	60	2.25	1.50
Freebird Airlines	8	8	6	75	75	0.04	0.03
Israir Airlines	276	256	198	72	77	1.37	0.89
Iran Air	0	0	119	0	0	0.00	0.53
Sun Express	15	15	15	100	100	0.07	0.07
Transavia Airlines	140	384	367	262	96	0.69	1.64
Al Masria Universal	0	0	40	0	0	0.00	0.18
Red Wings Airways	0	0	58	0	0	0.00	0.26
CSA	2	0	0	0	0	0.01	0.00
Darwin Airlines SA	2	0	0	0	0	0.01	0.00
Hainan Airlines	10	70	157	1,570	224	0.05	0.70
Qeshn Air	0	0	22	0	0	0.00	0.10
Bora Jet	2	0	0	0	0	0.01	0.00
Corendon Airlines	4	0	0	0	0	0.02	0.00
Elinair	64	64	26	41	41	0.32	0.12
European Air	384	380	385	100	101	1.90	1.72
Other	1,230	1,233	1,488	121	121	6.09	6.66
TOTAL:	20,185	21,065	22,338	111	106	100.00	100.00

In the period I-IX of 2018 we present the most significant foreign air carriers (39 foreign air carriers)

In international air traffic of foreign carriers in the period I-IX 2018 total turnover of 22,338 air movements is achieved which is by 11% higher compared to the same period of the previous year and by 6% higher in comparison to the Rebalancing Plan IV for the period I-IX 2018.

In the pattern of foreign carriers in the period I-IX 2018 the most significant roles based on number of air-movements are of Wizz Air with 12.92% of share, then Montenegro Airlines with 10.72% and Lufthansa with 9.47% of share. These three air carriers achieve 33.11% in international air traffic of foreign carriers.

With the share ranging from 6.17% to 3.26% in this type of air traffic there are: Austrian Airlines (6.17%), Turkish Airlines (5.30%), Aeroflot (4.90%), Swiss International (4.64%), Swift Air (3.26%), with total share of 24.27%.

Scheduled **Cargo transport** of express mail in the period I-IX 2018 was carried out by 4 (four) foreign carriers: Turkish Airlines, Swiftair Aviation, European Air Transporter Leipzig GmbH and Swiftair Hellas.

The most important **Low cost carriers** in the period I-IX 2018 are: Easyjet, Flydubai, Norwegian Air Shuttle, Wizz Air, Vueling, Transavia, Pegasus Air, Red Wings and Eurowings.

III quarter

The achieved number of air movements per air traffic type in the third quarter of 2018 is disclosed in the table.

Number of air movements per air-traffic types							
Air-traffic types	Achievement VII-IX 2017	Rebalancing Plan III VII-IX 2018	Achievement VII-IX 2018	Index		Participation VII-IX 2017	Participation VII-IX 2018
				5(4/2)	6(4/3)		
1	2	3	4			7	8
Domestic air-traffic	8	16	6	75	38	0.04	0.03
International air-traffic-domestic carriers	10,301	10,371	10,149	99	98	57.19	54.35
International air-traffic-foreign carriers	7,702	7,915	8,518	111	108	42.76	45.62
TOTAL:	18,011	18,302	18,673	104	102	100.00	100.00

Data from the table show that total achieved number of air movements in the third quarter of 2018 amount 18,673 and that it is higher by 4% than in the same period of 2017 and by 2% higher in comparison to the Rebalancing Business Plan IV in the second quarter of 2018.

Within carrier pattern of the total traffic in the third quarter 2018 the largest share is of domestic carriers in international air traffic with 54.35%, followed by foreign carriers in

international air traffic with 45.62% and at the end domestic carriers in domestic air traffic with 0.03% share.

In international air traffic of domestic carriers in the third quarter of 2018 turnover of 10,149 air movements is achieved which is by 1% lower compared to achievement of the same period of the previous year and by 2% lower in comparison to the Rebalancing Plan IV for the third quarter of 2018.

In international air traffic of foreign carriers in the third quarter of 2018 total turnover of 8,518 air movements is achieved, which is by 11% higher compared to the same period of the previous year and by 8% lower in comparison to the Rebalancing Plan IV for the third quarter of 2018.

Foreign carriers that started operating in the second quarter of 2018 are the following: Al Masria Universal, Easyjet UK, Ellinair, Qeshm Airlines and Red Wings Airlines.

3.2. PASSENGER TURNOVER

In the period I-IX 2018 a total passenger turnover of 4,401,027 passengers was achieved, which represent an increase of 6% in comparison to the same period in 2017 and it is 1% lower than in the Rebalancing Plan IV for the period I-IX 2018.

Passenger turnover per air-traffic types							
Air-traffic types	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index		Participation I-IX 2017	Participation I-IX 2018
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air-traffic	78	78	27	35	35	0.00	0.00
International air-traffic-domestic carriers	2,148,449	1,965,639	2,042,757	95	104	51.76	46.42
International air-traffic-foreign carriers	2,002,067	2,501,559	2,358,243	118	94	48.24	53.58
TOTAL:	4,150,594	4,467,276	4,401,027	106	99	100.00	100.00

The greatest participation in passenger turnover per air traffic types for the period I-IX 2018 is of foreign carriers in international air traffic with 53.58%, then domestic carriers in international air traffic with 46.42%.

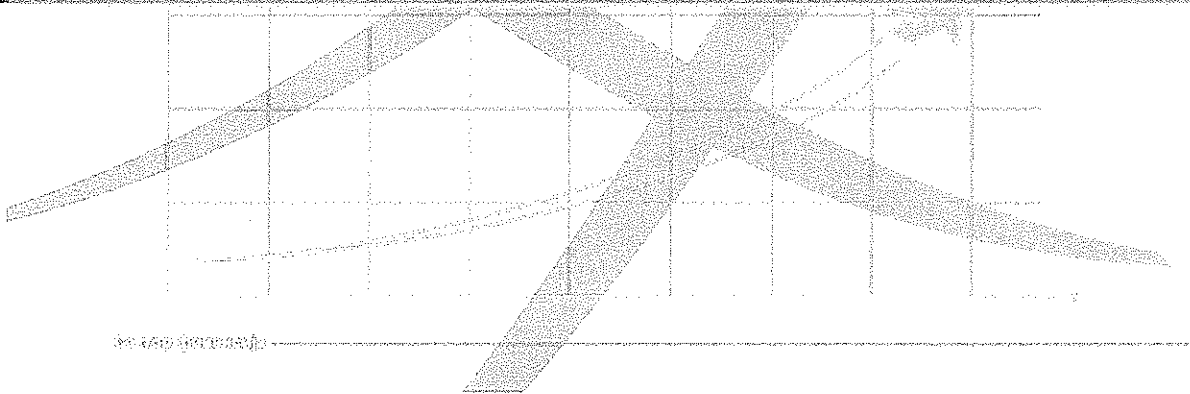
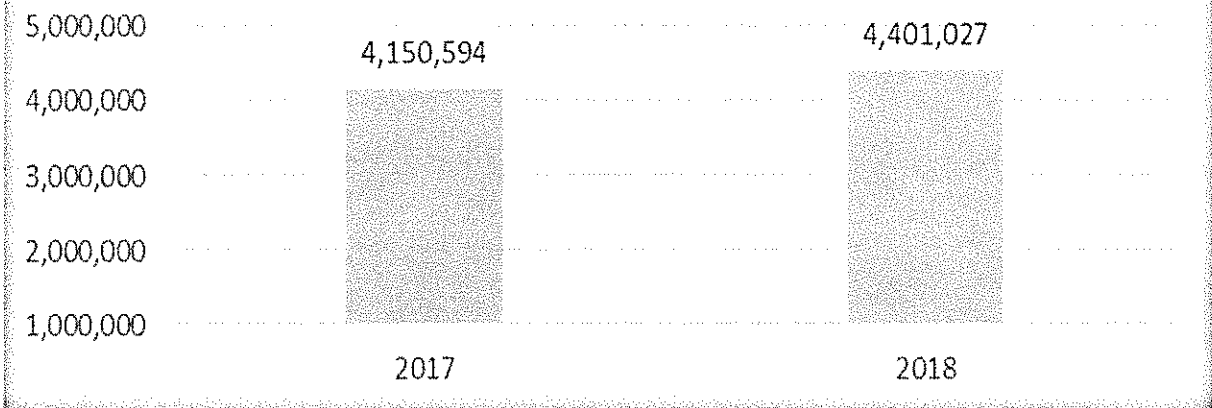
The number of passengers transported by domestic carriers in international traffic in the period I-IX 2018 is lower by 5% than in the same period last year and by 4% higher compared to the Rebalancing Plan IV for I-IX 2018.

The number of the passengers transported by foreign carriers in international air traffic is by 18% higher compared to the same period last year, and by 6% lower compared to the Rebalancing Plan IV for I-IX 2018.

BY AIR COMPANY



PASSENGER TURNOVER I-IX 2018/2017



III quarter

Planned and realized passenger traffic in the third quarter of 2018, as well as comparative data on realized turnover in the same period of 2017 are shown in the table review.

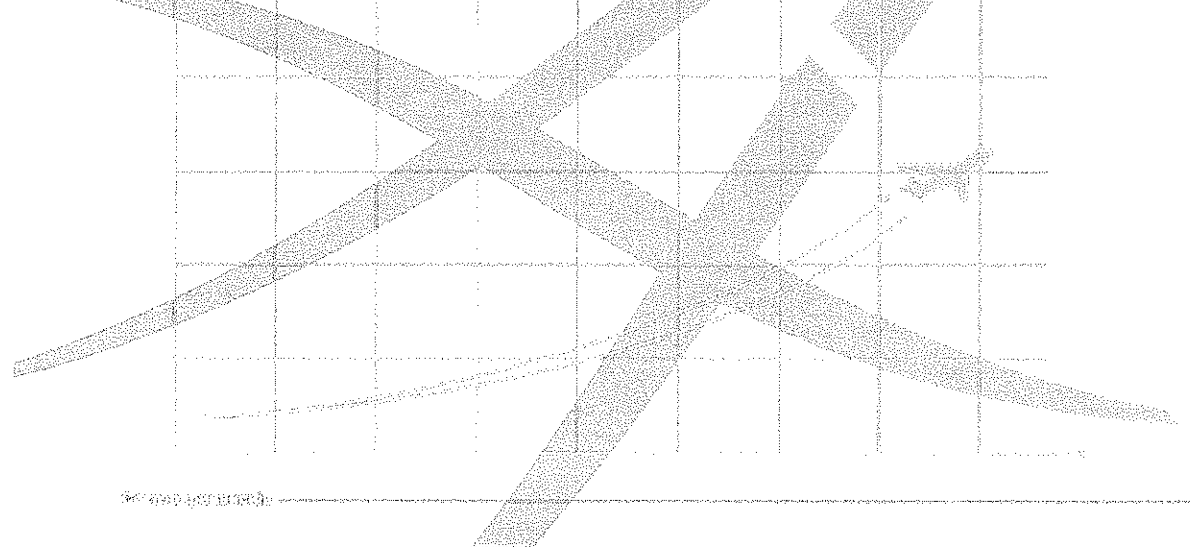
Passenger turnover per air-traffic types							
Air-traffic types	Achieveme nt VII-IX 2017	Rebalancing Plan III VII- IX 2018	Achieveme nt VII-IX 2018	Index		Particip ation VII-IX	Particip ation VII-IX
	1	2	3	4	5(4/2) 6(4/3)	7	8
Domestic air-traffic	14	14	19	136	136	0.00	0.00
International air-traffic- domestic carriers	999,744	936,244	966,596	97	103	54.37	49.89
International air-traffic- foreign carriers	838,943	1,070,443	970,660	116	91	45.63	50.10
TOTAL:	1,838,701	2,006,701	1,937,275	105	97	100.00	100.00

Based on the data presented, it can be concluded that the passenger traffic in the third quarter of 2018 is 5% higher than in the same period of 2017 and is 1,937,275 passengers, which is by 3% less compared to the Rebalancing Plan IV for 2018.

The greatest participation in passenger turnover per air traffic types for the third quarter of 2018 is of foreign carriers in international air traffic with 50.10%, then domestic carriers in international air traffic with 49.89%.

The number of the passengers transported by domestic carriers in international air traffic in the third quarter of 2018 is 3% lower than in the same period last year and by 3% higher compared to the Rebalancing Plan IV for the third quarter of 2018.

The number of the passengers transported by foreign carriers in international air traffic in the third quarter of 2018 is by 16% higher compared to the same period of the previous year, and by 9% lower compared to the Rebalancing Plan IV for the same period 2018.

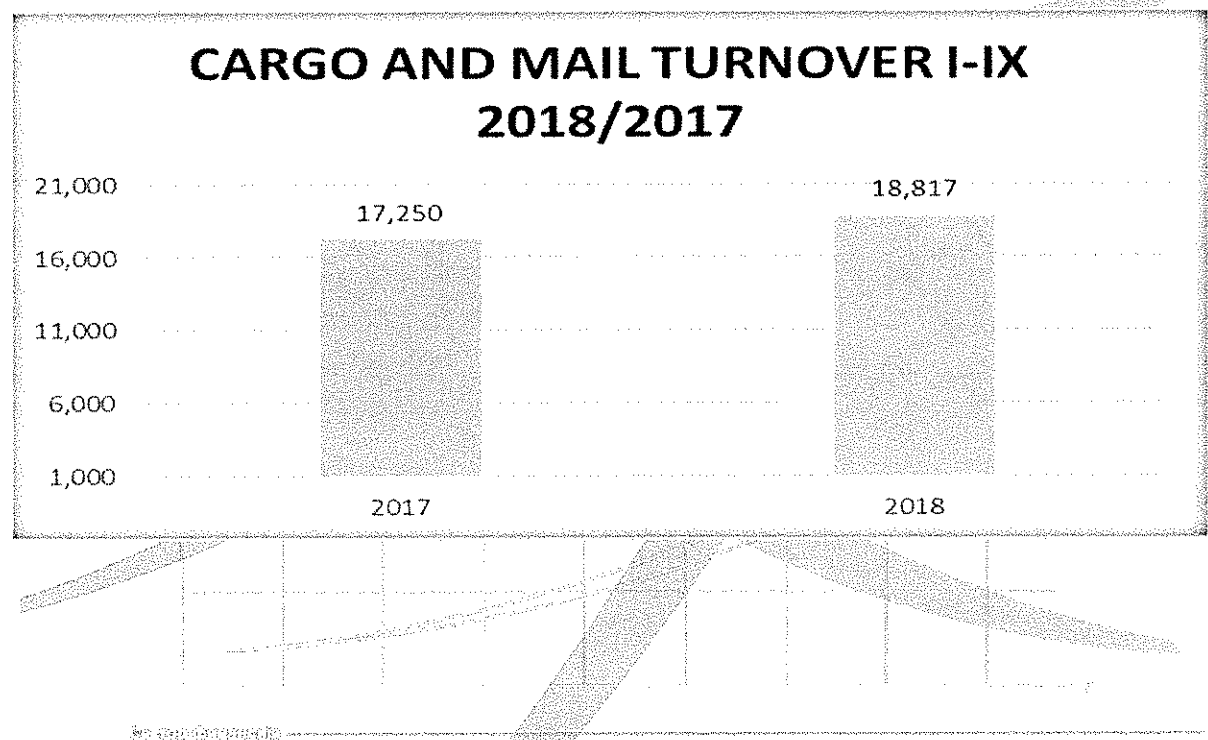


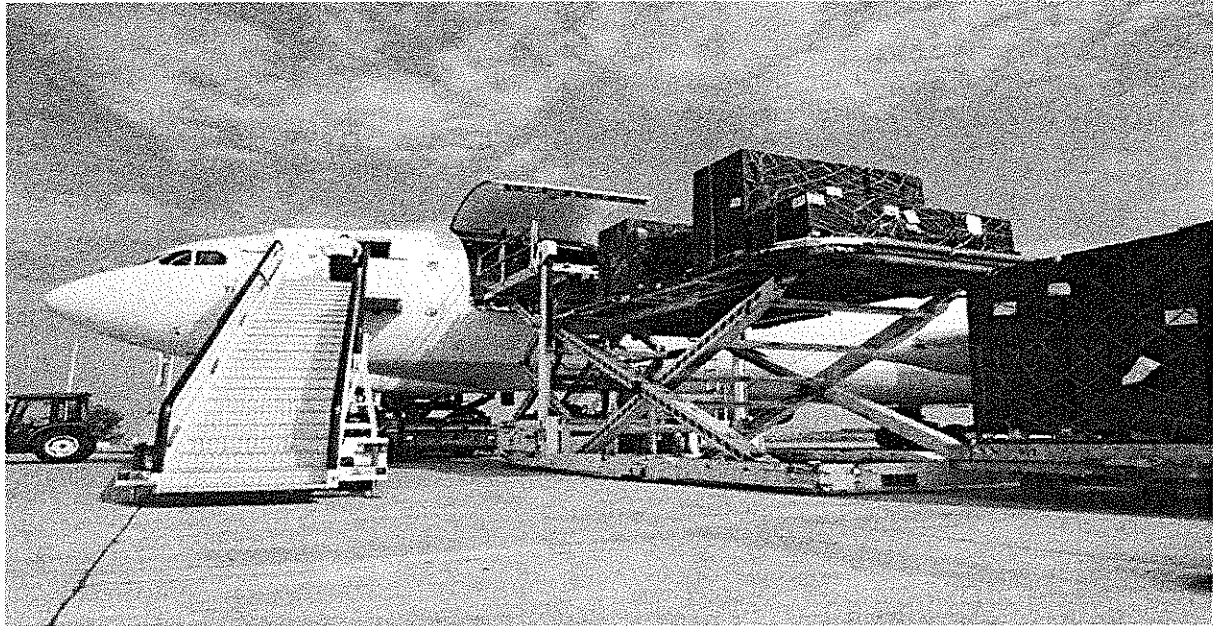
3.3. CARGO AND MAIL TURNOVER

In the period I-IX 2018 total cargo and mail turnover of 18,817 tons is achieved which is by 9% higher compared to the same period of the previous year and by 14% lower in comparison to the Rebalancing Plan IV for the period I-IX 2018.

In international air traffic of domestic carriers, cargo and mail turnover in the period I-IX 2018 was 3% higher than the turnover for the same period of 2017 and by 2% lower than in the Rebalancing Plan IV for the period I-IX 2018, while in international air traffic of foreign carriers, achievement in the period I-IX 2018 was 11% higher than in the same period of the previous year and by 18% lower than in the Rebalancing Plan IV for the period I-IX 2018.

Cargo and mail turnover (with truck transport) in tons							
Air-traffic types	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index		Participation I-IX 2017	Participation I-IX 2018
				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	4,932	5,221	5,103	103	98	28.59	27.12
International air-traffic-foreign carriers	12,318	16,641	13,714	111	82	71.41	72.88
TOTAL:	17,250	21,862	18,817	109	86	100.00	100.00





III quarter

In the third quarter of 2018 total cargo and mail turnover of 6,958 tons is achieved which is by 2% higher compared to the subject period of the previous year and is at by 32% lower in comparison to the Rebalancing Plan IV for the third quarter of 2018.

Cargo and mail turnover (with truck transport) in tons							
Air-traffic types	Achievement VII-IX 2017	Rebalancing Plan III VII-IX 2018	Achievement VII-IX 2018	Index		Participation VII-IX	Participation VII-IX
1	2	3	4	5(4/2)	6(4/3)	7	8
Domestic air-traffic	0	0	0	0	0	0.00	0.00
International air-traffic-domestic carriers	1,730	1,825	1,871	108	103	25.27	26.89
International air-traffic-foreign carriers	5,115	8,353	5,087	99	61	74.73	73.11
TOTAL:	6,845	10,178	6,958	102	68	100.00	100.00

In international air traffic of domestic carriers, cargo and mail turnover in the third quarter of 2018 was 8% higher than the achieved turnover for the same period of previous year and by 3% higher than in the Rebalancing Plan II for the third quarter of 2018.

In international air traffic of foreign carriers, cargo and mail turnover in the third quarter of 2018 was 1% lower than the achievement for the same period of previous year and by 39% lower than in the Rebalancing Plan IV for the third quarter of 2018.

On average through:

PHYSICAL VOLUME OF AIR TRAFFIC

Air-traffic types	Achievement I-IX 2017		Rebalancing Plan IV I-IX 2018		Achievement I-IX 2018		Index	
	1	2	3	4	5(4/2)	6(4/3)		
		Participation	Participation	Participation				
Domestic air-traffic								
Air movements	35	0	43	0	18	0	51	42
Passengers	78	0	78	0	27	0	35	35
Cargo and mail air+truck (t)	0	0	0	0	0	0	0	0
International air-traffic - domestic carriers								
Air movements	25,049	55	24,863	54	24,172	52	96	97
Passengers	2,148,449	52	1,965,639	44	2,042,757	46	95	104
Cargo and mail air+truck (t)	4,932	29	5,221	24	5,103	27	103	98
International air-traffic - foreign carriers								
Air movements	20,185	45	21,065	46	22,338	48	111	106
Passengers	2,002,067	48	2,501,559	56	2,358,243	54	118	94
Cargo and mail air+truck (t)	12,318	71	16,641	76	13,714	73	111	82
Total								
Air movements	45,269	100	45,971	100	46,528	100	103	101
Passengers	4,150,594	100	4,467,276	100	4,401,027	100	106	99
Cargo and mail air+truck (t)	17,250	100	21,862	100	18,817	100	109	86

* - not applicable

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 2018 JSC Belgrade Nikola Tesla Airport achieved the **total revenue** in the amount of **RSD 8,151,445,283**. Thus achieved total revenue is 11% higher in comparison to the achieved revenues in the same period of the previous year and 1% lower in relation to the Rebalancing Plan IV for the period I-IX 2018.

The pattern of the achieved revenues for I-IX 2018 is shown in the table **Revenue pattern by service types**.

In the pattern of achieved revenues for the period I-IX 2018 **business revenues** have the greatest participation amounting to RSD 8,015,787,318 which is 98% of the total revenues. Thus achieved business revenues are 11% higher than the same in the same period of the previous year and 1% lower in relation to Rebalancing Plan IV for the period I-IX 2018.

Part of business revenues generated by providing **air services** in the amount of **RSD 2,786,408,528** makes 35% of the total revenues. These revenues are 31% higher than in the same period of the previous year, while they are by 10% higher than it is predicted in the Rebalancing Plan IV for the period I-IX 2018.

Within revenues from air services – domestic air carriers in the period I-IX 2018 the highest growth is recorded in section of:

- ground handling;
- infrastructure, as well as
- use of air-bridges.

Revenues from passenger service and security fees are realised in the amount of RSD 3,569,177,454 for the period I-IX 2018, which makes 45% of totally achieved revenues. Thus achieved revenues from passenger service and security fees are 3% higher than the same in the same period of the previous year and 4% lower in relation to Rebalancing Plan IV for the period I-IX 2018.

Within revenues from passenger service, there is increase of 17% from passenger service-foreign air carriers in relation to the same period previous year.

In the period I-IX 2018 revenues from **rendering services in cargo-customs warehouse** were achieved in the amount of **RSD 131,093,511**. Such realized revenues from services in cargo-customs warehouse are higher by 1% than revenues on this basis in the same period last year.

In the period I-IX 2018 revenues from **other expenditures** were achieved in the amount of **RSD 720,289,442**. Such realized revenues from other services are higher by 2% than revenues on this basis in the same period last year.

Revenues from the sale of goods are realized in the amount of RSD 5,102,606.

In the period I-IX 2018 revenue from **lease of business facilities** amounts **RSD 803,715,777** and it is 5% higher than in the same period of the previous year. The most part of these revenues refers to lease of business facilities to Dufry Ltd.

Financial revenues in the period I-IX 2018 amount **RSD 102,170,477** and they are 12% lower than in the same period of the previous year.

This decrease of financial expenditures in the period I-IX 2018 in comparison to the same period of the last year partly resulted from decrease of interest rates and partly from the fall of RSD exchange rate for Euro (1EUR on 30/09/2018 equalled RSD 118.4179, while on 30/09/2017 it was RSD 119.3659).

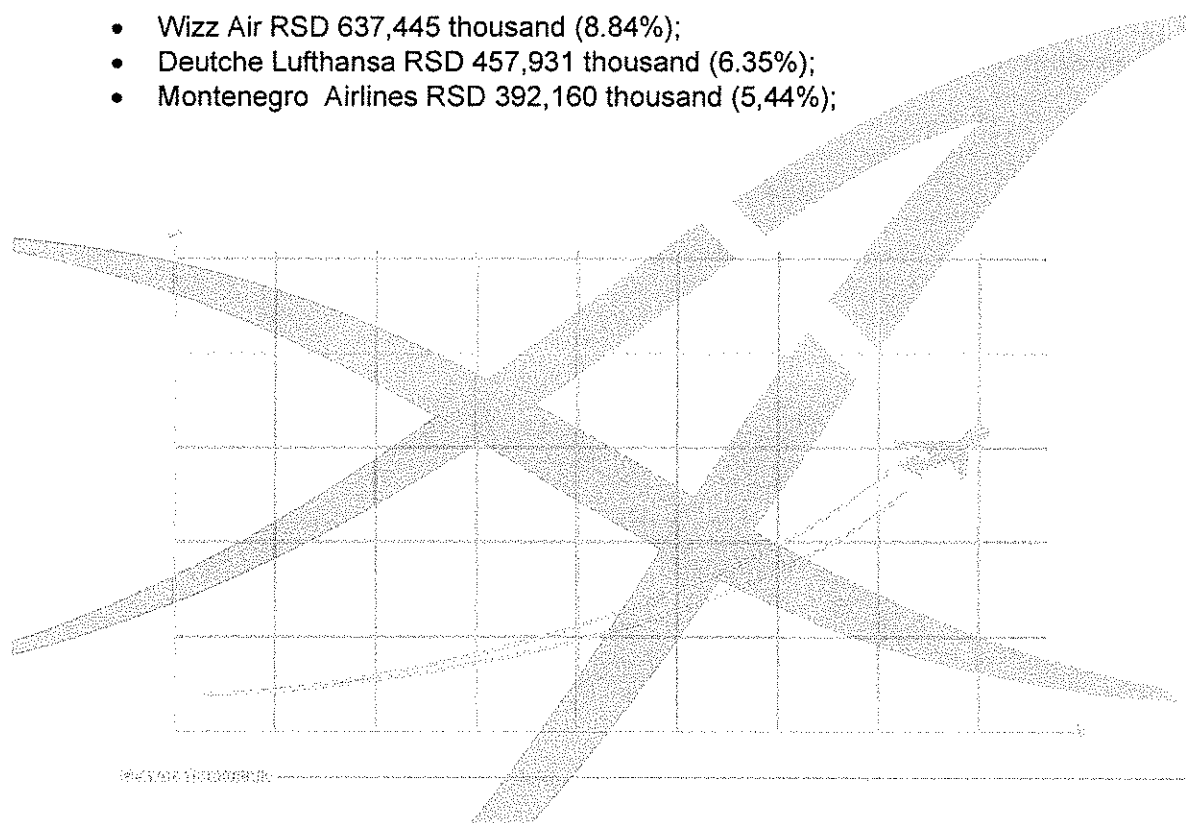
The pattern of financial revenues for I-IX 2018 is composed of:

- revenues from the interest amount RSD 53.175.029 and they participate with 52% in the pattern of total financial revenues.
- revenues from exchange rate differences - realised in the amount of RSD 30,579,995 and participate with 30% in the pattern of total financial revenues;
- revenues from exchange rate differences - non-realised in the amount of RSD 18,415,454 and participate with 18% in the pattern of total financial revenues.

Other revenues in the period I-IX 2018 in the amount **RSD 33,487,488** and they are 75% higher than in the same period of the previous year.

Major foreign buyers in terms of their participation in revenues from sale in the period I-IX 2018 are:

- Wizz Air RSD 637,445 thousand (8.84%);
- Deutsche Lufthansa RSD 457,931 thousand (6.35%);
- Montenegro Airlines RSD 392,160 thousand (5.44%);



REVENUE PATTERN							
No.	Service type	Service description	Achievement I-X 2017	Rebalancing Plan IV I-X 2018	Achievement I-X 2018	Indices	
1	2	3	4	5	6	7(6/4)	8(6/5)
	Air services of domestic carrier						
	614000+614004+614300+614302+614303+614304	Landing	149,614,709	153,399,030	150,649,752	101	98
	614010+614014+614310+614312+614313+614314	Lighting	44,617,883	46,462,651	39,455,928	88	85
	614030+614034+614330+614332+614333+614334	GH	155,810,750	458,887,437	457,228,535	293	100
	614040+614042+614043+614044	Infrastructure	86,234,757	88,310,842	254,728,639	295	288
	614050	Air-bridges	10,388	9,587	67,201,534	646,926	700,956
	614020+614024+614320+614323+614324	Aircraft abode revenue	4,103,473	4,462,857	3,975,598	97	89
	Total air services (domestic carrier):		440,391,960	761,532,404	973,239,986	221	130
	Air services of foreign carrier						
	615010+615011+615012+615013+615014	Landing	564,446,215	589,214,760	602,249,065	107	102
	615020+615021+615022+615023+615024	GH	512,356,920	533,976,185	578,840,626	113	108
	615030+615031+615032+615033+615034	Lighting	56,214,695	60,492,075	60,891,026	108	101
	615040+615042+615043+615044	Infrastructure	370,071,234	399,452,528	398,002,774	108	100
	615060+615062	Air-bridges	163,419,015	170,441,388	160,852,105	98	94
	615000+615001+615002+615003+615004	Aircraft abode revenue	23,345,734	24,601,655	12,332,947	53	50
	Total air services (international carrier):		1,689,863,812	1,778,178,692	1,813,168,642	107	102
	Total air services		2,130,245,773	2,529,710,997	2,786,408,628	131	110
	Passenger service						
	614400+614404 - domestic carriers - domestic air-traffic	Passenger service d.o.l.c.	872	848	0	0	0
	614181+614182+614183+614190+614192(BRS and PRM)+614410+614412+614413+614414	Passenger service d.at/i.at	991,590,248	925,230,523	788,751,549	80	85
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger serv. inter.carriers	1,552,010,767	1,790,267,813	1,823,143,439	117	102
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fee	911,809,295	994,903,436	957,282,466	105	96
	Total passenger service		3,456,411,182	3,710,402,620	3,669,177,454	103	96
	Total air services and passenger service		6,586,656,956	6,240,113,617	6,356,686,982	114	102
	CCW service						
	614500+614510	CCW service dom.market	119,923,238	131,080,043	119,832,792	100	91
	615300 +615310 (foreign)	CCW service intemat. market	9,692,905	14,638,785	11,260,719	116	77
	Total CCW services		129,616,143	146,698,828	131,093,511	101	90
	Total services related to air traffic (I to IV):		6,716,273,098	6,386,812,446	6,488,678,493	113	102
	Other services						
1	614360+615100+615102	DCS services	14,512,498	14,370,917	19,321,278	133	134
2	614110+614112+614115+614116+614170+614173+614180+614184+614391+615872+615873+615874+615875+615876+615877+615891+615892+615895	Work order	130,066,134	129,226,038	93,143,065	72	72
3	614130+614131+615071+615072	VIP lounge	5,107,250	5,103,609	5,092,499	100	100
4	614140+614142+615090+615092	CUTE (dom.+intl)	144,417,319	144,936,706	133,724,183	93	92
5	614380+615090	Lost and found	14,844,988	14,626,044	15,819,837	107	108
6	6146+615120+615400+615401	Public services	118,702,789	118,640,692	115,586,801	97	97
7	614820+615170	Catering services business class	182,615	164,354	198,029	108	120
8	614870+615810	Advertising space	50,988,733	54,484,264	35,200,734	69	65
9	614883	Commercial usage of the apron	48,231,362	48,097,051	45,915,669	95	95
10	614160+614163+614164+615110+615112+615113+615114	Aircraft de-icing services	115,972,405	104,375,164	93,217,433	80	89
11	614860+614861+614865+614866+614867+614868+615880+615885+615887+615898	Parking space	45,981,535	136,786,915	146,417,176	318	107
12	Other non-mentioned services dom+intl		16,758,085	16,489,400	16,652,738	99	101
	Other services (1 to 11):		705,765,714	787,301,152	720,289,442	102	91
	Total 61 - Revenues from sale of services (V+VI)		6,421,038,813	7,173,113,698	7,206,968,936	112	100
	Revenues from sale of goods						
	60 - Revenues from sale of kerosene + goods		10,887,292	46,376,348	6,102,606	47	11
	Total (60+61) REVENUES FROM SALE (VII+VIII)		6,431,926,105	7,219,489,946	7,212,071,542	112	100
	64 & 65 - Lease of business premises		763,419,520	892,770,360	803,716,777	106	90
	OPERATING REVENUES (IX+X)		7,195,345,624	8,112,260,296	8,016,787,318	111	99
	66 - FINANCIAL REVENUES						
1	Interest		69,118,464	58,613,917	53,175,029	77	91
2	exchange rate differences - realised		18,547,605	15,824,031	30,579,995	163	193
3	exchange rate differences - non-realised		29,052,945	0	18,415,454	63	0
	67, 68 and 69 OTHER REVENUES		19,097,149	23,012,640	33,487,488	175	146
	Total revenues (XI+XII+XIII)		7,331,161,787	8,209,710,883	8,161,446,283	111	99

III quarter

In the period VII-IX 2018 JSC Belgrade Nikola Tesla Airport achieved the **total revenue** in the amount of **RSD 3,352,575,289**. Thus achieved total revenue is 15% higher in comparison to the achieved revenues in the same period of the previous year and 1% higher in relation to the Rebalancing Plan IV for the period VII-IX 2018.

The pattern of the achieved revenues for VII-IX 2018 is shown in the table **Revenue pattern by service types**.

In the pattern of achieved revenues for the period VII-IX 2018 **business revenues** have the greatest participation amounting to **RSD 3,291,326,360** which is 98% of the total revenues. Thus achieved business revenues are 15% higher than in the same period of the previous year and 1% higher in relation to Rebalancing Plan IV for the period VII-IX 2018.

Part of business revenues generated by providing **air services** in the amount of **RSD 1,102,181,785** makes 33% of the total revenues. These revenues are higher by 35% in relation to the same period previous year.

Within revenues from air services – domestic air carriers in the period VII-IX 2018 the highest growth is recorded in section of:

- ground handling;
- infrastructure, as well as
- use of air-bridges.

Revenues from passenger service and security fees are realised in the amount of RSD 1,522,784,733 for the period VII-IX 2018, which makes 46% of totally achieved revenues. Such revenues from passenger services and security fees increased by 4% compared to the same period of the previous year.

In the income from the passenger service, we have a revenue growth of 14% of the passenger service-foreign airlines compared to the same period of the previous year.

In the period VII-IX 2018 revenues from **rendering services in cargo-customs warehouse** were achieved in the amount of **RSD 45,713,448**. The realized revenues from services in the cargo warehouse increased by 7% compared to the same period of the previous year.

In the period VII-IX 2018 revenues from **other expenditures** were achieved in the amount of **RSD 275,169,341**. Such revenues from other services increased by 26% compared to the same period last year.

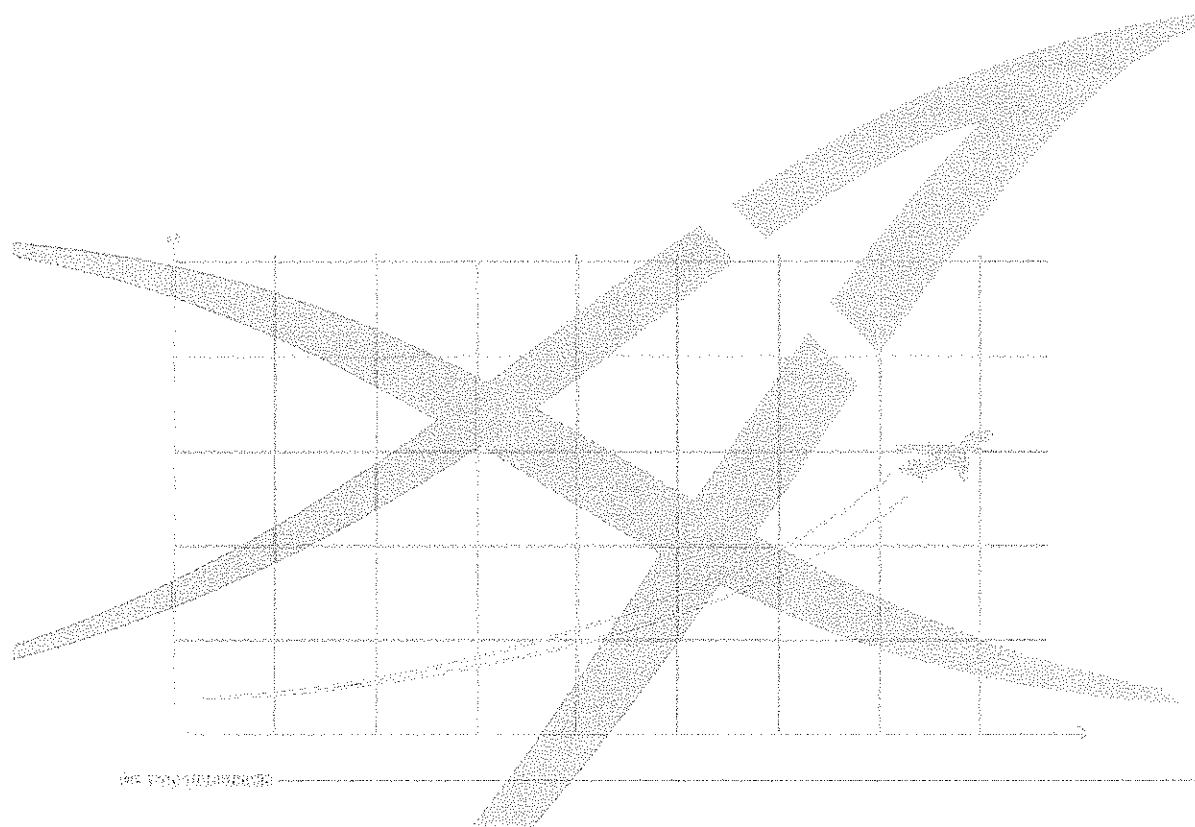
Revenues from the sale of goods are realized in the amount of RSD 4,182,752.

In the period VII-VI 2018 revenue from **lease of business facilities** amounts **RSD 341,294,300** and it is 8% higher than in the same period of the previous year. The most part of these revenues refers to lease of business facilities to Dufry Ltd.

Financial revenues in the period VII-IX 2018 amount **RSD 40,174,115** and they are 6% higher than in the same period of the previous year.

Belgrade Nikola Tesla Airport

Other revenues in the period VII-IX 2018 amount RSD 21,074,814 and they are 2.8 times higher than in the same period of the previous year.



REVENUE PATTERN

No.	Service type	Service description	Achievement VII-IX 2017	Rebalancing Plan IV VII-IX 2018	Achievement VII-IX 2018	Indices	
						7(6/4)	8(6/3)
1	2	3	4	5	6	7(6/4)	8(6/3)
	Air services of domestic carrier						
	614000+614004+614300+614302+614303+614304	Landing	61,288,147	61,072,400	66,820,895	109	109
	614010+614014+614310+614312+614313+614314	Lighting	17,009,926	18,498,067	16,073,930	94	87
	614030+614034+614330+614332+614333+614334	GH	62,935,399	182,695,792	197,369,137	314	108
	614040+614042+614043+614044	Infrastructure	34,788,019	35,158,991	112,045,142	322	319
	614050	Air-bridges	0	3,817	30,680,918	0	803,818
	614020+614024+614320+614323+614324	Aircraft abode revenue	1,910,817	1,776,787	1,853,828	97	104
I	Total air services (domestic carrier):		177,832,306	299,205,854	424,843,860	239	142
	Air services of foreign carrier						
	615010+615011+615012+615013+615014	Landing	215,110,971	234,582,707	224,552,653	104	96
	615020+615021+615022+615023+615024	GH	191,023,550	212,590,701	219,976,182	115	103
	615030+615031+615032+615033+615034	Lighting	20,395,082	24,063,570	23,055,145	113	96
	615040+615042+615043+615044	Infrastructure	141,043,855	159,033,109	149,638,312	106	94
	615060+615062	Air-bridges	62,791,268	67,857,435	57,572,364	92	85
	615000+615001+615002+615003+615004	Aircraft abode revenue	9,571,179	9,794,600	2,543,279	27	26
II	Total air services (international carrier):		639,935,905	707,942,121	677,337,935	106	98
I+II	Total air services		817,868,213	1,007,147,974	1,102,181,785	135	109
	Passenger service						
	614400+614404 - domestic carriers - domestic air-traffic	Passenger service d.c/i.c.	0	374	0	0	0
	614181+614182+614183+614189+614192(BRS and PRM)+614410+614412+614413+614414	Passenger service d.at/atl.	422,506,204	407,590,539	370,221,838	88	91
	616160+616162+616200+616210+616212+616213+616214+616215+616862+616864+616896-PRM	Passenger serv. inter.carriers	641,162,189	788,664,235	732,850,152	114	93
	614420+614430+614432+614433+614434+616230+616232+616233+616234	Security fee	405,554,384	438,283,452	419,712,744	103	96
III	Total passenger service		1,469,222,777	1,634,538,699	1,622,784,733	104	93
I+II+III	Total air services and passenger service		2,287,090,990	2,641,686,674	2,624,966,518	115	99
	CCW service						
	614500+614510	CCW service dom.market	39,561,750	49,046,673	42,224,109	107	86
	616300 +616310 (foreign)	CCW service Internat. market	3,263,436	5,476,281	3,489,339	107	64
IV	Total CCW services		42,825,186	54,522,953	45,713,448	107	84
V	Total services related to air traffic (I to IV):		2,329,916,176	2,696,211,627	2,670,679,966	115	99
	Other services						
1	614360+615100+615102	DCS services	6,576,710	4,790,306	9,208,901	140	192
2	614110+614112+614115+614116+614170+614173+614180+614184+614391+615872+615873+615874+615875+615876+615877+615891+615892+615895	Work order	49,045,974	43,075,346	41,744,439	85	97
3	614130+614131+615071+615072	VIP lounge	1,415,164	1,701,203	1,905,877	135	112
4	614140+614142+615090+615092	CUTE (dom. intl)	62,332,046	48,312,235	57,034,078	92	118
5	614380+615080	Lost and found	7,215,637	4,875,348	7,524,326	104	154
6	6146+615120+615400+615401	Public services	35,040,228	39,546,897	36,491,679	104	92
7	614820+615170	Catering services business class	181,890	54,785	84,250	46	154
8	614870+615810	Advertising space	16,150,207	18,161,421	12,752,938	79	70
9	614883	Commercial usage of the apron	18,758,921	16,032,350	19,174,038	102	120
10	614160+614163+614164+615110+615112+615113+615114	Aircraft de-icing services	0	34,791,721	0	0	0
11	614860+614861+614865+614866+614867+614868+615880+615885+615887+615888	Parking space	14,769,062	45,595,638	82,789,283	561	182
12	Other non-mentioned services dom+intl		7,086,631	5,496,467	6,459,532	91	118
VI	Other services (1 to 11):		218,672,470	262,433,717	275,169,341	126	106
VII	Total 61 - Revenues from sale of services (V+VI)		2,548,488,646	2,958,645,244	2,945,849,308	116	100
	Revenues from sale of goods						
VIII	60 - Revenues from sale of kerosene + goods		466,300	16,458,783	4,182,752	897	27
IX	Total (60+61) REVENUES FROM SALE (VII+VIII)		2,548,954,946	2,974,104,027	2,950,032,060	116	99
X	64 & 65 - Lease of business premises		315,988,444	297,590,117	341,294,300	108	115
XI	OPERATING REVENUES (IX+X)	60+61+62+64+65	2,864,943,390	3,271,694,144	3,291,326,360	115	101
XII	66 - FINANCIAL REVENUES		37,724,616	24,812,649	40,174,115	106	162
1	interest		21,694,186	19,537,972	15,207,146	70	78
2	exchange rate differences - realised		3,763,312	5,274,677	25,334,150	673	480
3	exchange rate differences - non-realised		12,267,018	0	-367,182	-3	0
XIII	67, 68 and 69 OTHER REVENUES		7,566,964	7,670,880	21,074,814	279	275
XIV	Total revenues (XI+XII+XIII)		2,910,224,869	3,304,177,673	3,362,675,289	115	101

4.2. EXPENDITURES

In the period I-IX 2018 **total expenditures** were achieved in the amount of **RSD 4,877,226,686**. Thus realised revenues are 18% higher than in the same period of the previous year, while they are by 1% lower than it is predicted in the Rebalancing Plan IV for the period I-IX 2018.

Purchase value of sold goods (group 50) in the period I-IX 2018 amount **RSD 4,670,661** and they mostly refer to purchase value of sold heating oil in the referent period.

Costs of material and energy (group 51) in the period I-IX 2018 amount **RSD 379,000,788** and they are 10% higher then in the same period of 2017. The costs of material and energy participate in total expenditure with 8% and mostly refer to:

- Electricity consumption costs which are 6% higher than the costs on the same basis for the period I-IX of 2017;
- costs for the consumed basic material, which are lower by 2% compared to the costs on the same basis for the period I-IX I-VI of 2017;
- costs for spent spare parts for the current maintenance of fixed assets and are higher by four times compared to the same period of the previous year etc.

Hugest amount within total expenditures refers to the **costs of salaries, reimbursements and other personal expenditures (group 52)** amounting for the period I-IX 2018 **RSD 2,674,118,654** and they are 19% higher than in the same period of the previous year.

Change of number of employees (taking over of 340 employees from Air Serbia for OU Ground handling) and employment manner pattern of employees in the Company on the account of permanently employees affected on increase of the costs of salaries and reimbursements.

The **costs of salaries of employees (gross II - groups 520 and 521)** in Airport Nikola Tesla amount **RSD 1,829,053,691**, while **costs of persons engaged through youth organisations** (account 524000) amount **RSD 274,791,969** (youth organisations Fan, Beograd, Knez, Medijator and Europa).

Apart from salaries, the group 52 also includes reimbursements per temporary and occasional jobs, reimbursements for members of governing and supervisory bodies, reimbursements by contracts (service contracts), other personal expenditures (transportation costs for employees, costs of business trips, joint assistance and jubilee bonuses, etc.).

The **costs of production services (group 53)** in the period I-IX 2018 amount **RSD 334,230,173** and they are 18% higher then in the same period of the previous year.

The pattern of **cost of production services** consists of:

- **costs of transportation services** in the period I-IX 2018 amount **RSD 50,234,124** and they are 7% higher then in the same period of the previous year. They mostly refer to costs of information and passenger check-in, monthly ITT support for passenger and baggage registration and other;
- **costs of maintenance services** which in the period I-IX 2018 amount **RSD 145,225,302** and they are 24% higher than in the same period of the previous year mostly because of the significant increase of costs of the maintenance of other fixed assets.

- **the costs of lease** in the period I-IX 2018 amount **RSD 28,945,806** and they are 3% higher than in the same period of the previous year. They mostly refer to renting of business facilities of legal persons;
- **the costs of advertising** amount **RSD 75,726,608**;
- **the costs of other services** mostly refers to costs of watering, sewage, achieved in the amount of **RSD 34,098,333** and they are 1% lower than in the same period of the previous year.

The costs of amortisation and reserves (group 54) in the period I-IX 2018 amount **RSD 865,564,148** and they are 48% higher than in the same period of the previous year, due to significant increase of costs of amortisation.

The increase in depreciation costs in the period I-IX I-VI of 2018 was the result of the activation of a significant number of fixed assets in the second half of 2017 and 2018, and consequently a significant increase in depreciation costs occurred.

Intangible costs (group 55) in the period I-IX 2018 are disclosed in the amount of **RSD 316,017,413** and they are 8% lower than in the same period of the previous year.

The pattern of intangible costs (group 55) consists of:

- **the costs of non-productive services** are the most significant in the group of intangible costs and are achieved in the amount of **RSD 175,540,268** mostly referring to costs of other types of assessments and cleaning;
- **the costs of representations** (RSD 7,147,595);
- **the costs of insurance premiums** (RSD 34,300,968);
- **the costs of money transfers** (RSD 5,045,637);
- **the costs of membership fees** (RSD 3,827,047);
- **the costs of taxes** (RSD 66,129,339) and
- **the other intangible costs** (RSD 24,026,559).

Financial expenditures (group 56) in the period I-IX 2018 are disclosed in the amount of **RSD 53,075,252** and they are significantly lower than in the same period of the previous year.

Decrease of financial expenditures in the period I-IX 2018 resulted mostly from decrease of negative, non-realised exchange rate differences-deposits, time deposits, i.e. from fall of RSD exchange rate for Euro (1EUR on 30/09/2018 equalled RSD 118.4179, while on 30/09/2017 it was RSD 119.3659).

The pattern of financial expenditures for I-IX 2018 is composed of:

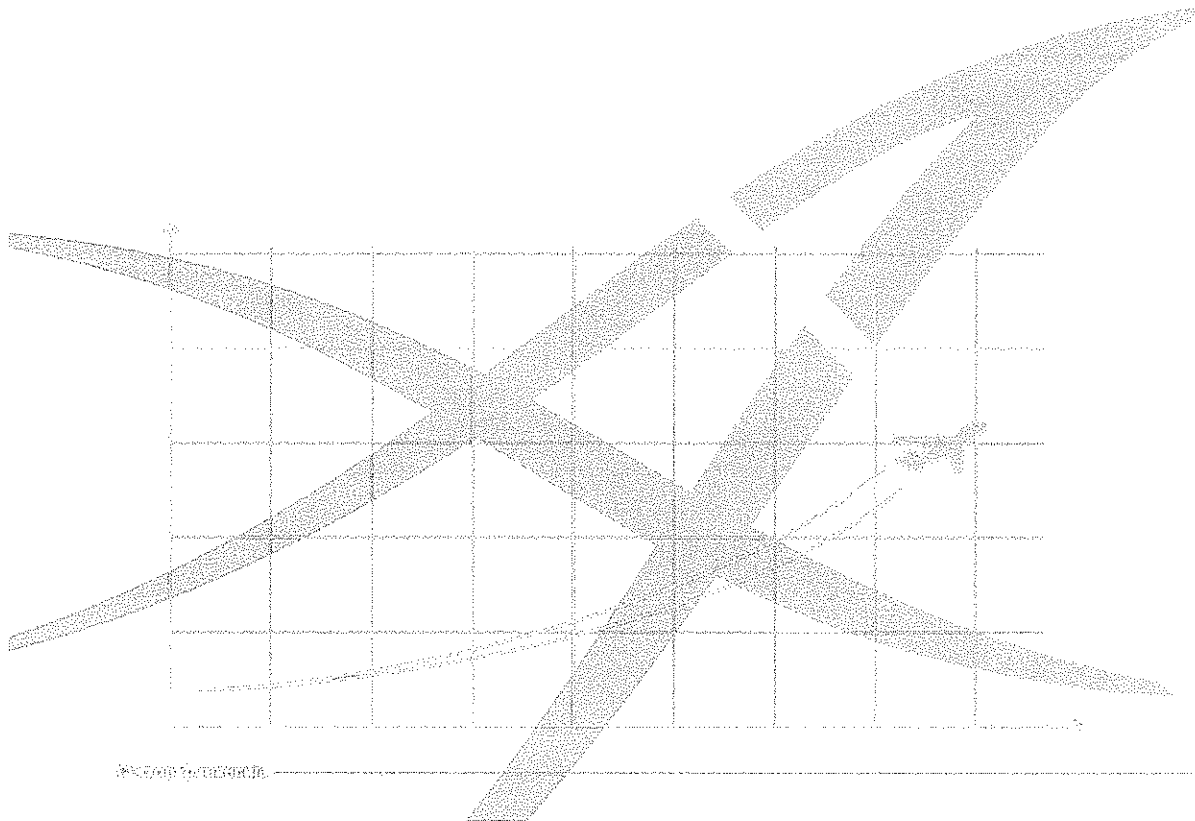
- **revenues from exchange rate differences - realised** in the amount of **RSD 33,760,894** and they participate with 64% in the pattern of total financial revenues;
- **expenditures from the interest** in the amount of **RSD 19,229,240** and they participate with 36% in the pattern of total financial expenditures. They mostly refer to interest from long-term loans liabilities (EIB - reconstruction of the Terminal building).

- **revenues from negative exchange rate differences - non-realised** in the amount of **RSD 85,119**.

Other expenditures (group 57, 58 and 59) in the period I-IX 2018 are realized in the amount of **250,549,597 RSD** and are by three times higher in relation to the same period last year, and are mostly related to the costs of transfer of land without compensation (157,422,975 RSD) as part of the Project of parceling / re-placement, land-use change according to the DCP, where the conversion of the right to use the property into ownership right was made, and certain parcels were intended for the road, partly transfer was made to other legal entities within the airport complex.

The main suppliers in terms of turnover in the period I-IX 2018 are:

- Enetel solutions d.o.o. RSD 262,791 thousand;
- OZ EUROPA PTZ RSD 178,860 thousand;
- JP Elektroprivreda Srbije RSD 166,106 thousand and other.



EXPENDITURE STRUCTURE I-IX 2018 / 2017

Account 1	Account name	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	INDICES	
					6(5/3)	7(5/4)
f	2	3	4	5	6(5/3)	7(5/4)
50	PURCHASE VALUE OF SOLD GOODS	14,636,256	39,780,000	4,670,661	32	12
501	PURCHASE VALUE OF SOLD GOODS	14,636,256	39,780,000	4,670,661	32	12
51	COSTS OF MATERIAL AND ENERGY	343,287,035	443,916,702	379,000,788	110	86
511	COSTS OF MAKING MATERIAL	103,303,093	120,634,108	103,884,641	101	86
512	COSTS OF OVERHEAD MATERIALS	15,638,332	11,437,110	18,565,419	119	162
513	COSTS OF FUEL AND ENERGY	202,682,329	251,250,000	210,441,479	104	84
514	COSTS OF SPARE PARTS	21,625,280	57,577,287	45,774,920	212	80
515	COSTS OF SINGLE WRITE-OFF OF TOOLS AND INVENTORY	38,000	3,018,197	334,330	880	11
52	COSTS OF SALARIES, COMPENSATIONS AND OTHER PERSONAL EXPENSES	2,246,004,871	2,471,964,864	2,674,118,654	119	108
520	COSTS OF SALARIES, SALARY COMPENSATIONS (GROSS)	1,273,603,456	1,454,618,193	1,551,360,196	122	107
521	COSTS OF SALARY TAXES, CONTRIBUTIONS AND COMPENSATIONS - EMPLOYER	227,975,031	261,525,749	277,693,495	122	106
522	COSTS OF COMPENSATIONS FOR SERVICE CONTRACTS - GROSS	263,585	237,227	292,936	111	123
524	COSTS OF COMPENSATIONS FOR TEMPORARY AND OCCASIONAL JOBS - GROSS	473,709,320	472,070,151	485,698,224	103	103
525	COMPENSATION TO NATURAL PERSONS FOR OTHER CONTRACTS - GROSS	0	0	0	0	0
526	COMPENSATION TO DIRECTOR, I.E. MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES	6,588,967	6,513,550	7,124,889	108	109
529	OTHER PERSONAL EXPENDITURES AND COMPENSATIONS	263,864,512	276,989,994	351,948,913	133	127
53	COSTS OF PRODUCTION SERVICES	282,489,086	571,980,232	334,230,173	118	58
531	COSTS OF TRANSPORTATION SERVICES	46,832,488	45,407,158	50,234,124	107	111
532	COSTS OF MAINTENANCE SERVICES	116,662,269	353,522,082	145,225,302	124	41
533	COST OF LEASE	29,806,007	37,585,967	28,945,606	97	77
535	ADVERTISING COSTS	54,880,309	83,018,411	75,726,608	138	91
539	COSTS OF OTHER SERVICES	34,477,983	52,446,614	34,098,333	99	65
54	COSTS OF AMORTISATION AND RESERVES	586,872,042	630,142,500	865,664,148	148	137
540	AMORTISATION COSTS	578,302,042	622,500,000	860,564,148	149	138
545	RESERVES FOR EMPLOYEE COMPENSATION	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	8,370,000	7,642,500	5,000,000	60	65
55	INTANGIBLE COSTS	343,427,864	646,141,862	316,017,413	92	49
550	COSTS OF NON-PRODUCTION SERVICES	219,461,625	524,960,323	175,540,269	80	33
551	COSTS OF REPRESENTATION	4,004,835	9,086,866	7,147,595	178	79
552	COSTS OF INSURANCE PREMIUMS	25,222,642	30,575,852	34,300,968	136	112
553	COSTS OF PAYMENT SYSTEM	4,021,272	3,962,650	5,045,637	125	127
554	COSTS OF MEMBERSHIPS	3,802,408	3,690,571	3,827,047	101	104
555	COSTS OF TAXES	60,875,369	56,815,745	66,129,339	109	116
559	OTHER INTANGIBLE COSTS	26,039,514	17,029,935	24,026,659	92	141
I	OPERATING EXPENDITURES	3,816,486,924	4,803,916,161	4,573,601,836	120	95
56	FINANCIAL EXPENDITURES	237,324,393	71,731,942	53,076,252	22	74
562	INTEREST EXPENDITURES	27,002,544	26,719,204	19,229,240	71	72
563	NEGATIVE EXCHANGE RATE DIFFERENCES	203,723,746	44,965,440	33,394,531	16	74
564	EXPENDITURES FOR EFFECTS OF CURRENCY CLAUSE	6,598,014	47,298	451,481	7	955
II	FINANCIAL EXPENDITURES	237,324,393	71,731,942	53,076,252	22	74
567	OTHER EXPENDITURES	34,173,171	36,922,788	186,364,986	545	505
570	LOSSES FROM EXPENDITURES AND SALE OF INTANGIBLE INVESTMENT IN REAL ESTATES AND	2,571,612	4,074,171	158,029,680	6145	3879
571	LOSS FROM WRITE-OFF AND SALE OF BIOLOGICAL RESOURCES	80,000	72,000	0	0	0
574	DEFICIT	581	2,441	2,449,356	421416	100344
575	CONTRACTED RISK PROTECTION NOT PRESENTED AS REV.RESERVE	6,462	5,815	444	7	8
576	EXPENDITURES FROM DIRECT WRITE-OFF OF RECEIVABLES	2,021,353	1,819,217	75,000	4	4
577	WRITE-OFF	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	29,493,164	30,949,143	25,810,506	88	83
58	EXPENDITURES FROM PROPERTY IMPAIRMENT	44,738,216	0	29,791,071	67	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-T. FIN. INVEST AND OTHER SECURITIES FOR SALE	3,487,309	0	5,248,605	151	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-T. FIN. INVEST	41,250,906	0	23,961,994	58	0
589	IMPAIRMENT OF OTHER PROPERTY	0	0	580,472	0	0
59	EXPENDITURES OF PREVIOUS YEARS	1,305,150	0	34,393,540	2635	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
592	EXPENDITURES FROM ERROR CORR. FROM. PREV. YEARS MATERIALLY INSIGNIFICANT	1,305,150	0	34,393,540	2635	0
III	OTHER EXPENDITURES	80,216,636	36,922,788	250,549,597	312	679
	TOTAL EXPENDITURES	4,134,027,764	4,912,570,980	4,877,226,686	118	99

III quarter

In the period VII-IX 2018 **total expenditures** were achieved in the amount of **RSD 1,773,203,123**. Thus realised revenues are 31% higher than in the same period of the previous year, while they are by 6% higher than it is predicted in the Rebalancing Plan IV for the period VII-IX 2018.

Purchase value of sold goods (group 50) in the period VII-IX 2018 amount **RSD 4,072,453** and they mostly refer to purchase value of sold heating oil in the referent period.

Costs of material and energy (group 51) in the period VII-IX 2018 amount **RSD 119,213,223** and they are 11% higher than in the same period of 2017. The costs of material and energy participate in total expenditure with 7% and mostly refer to:

Electricity consumption costs which are 12% higher than the costs on the same basis for the period VII-IX of 2017;

- cost of worn working clothes and footwear, which is 51% higher than the costs for the same period for the period VII-IX 2017;

- costs for spent fuel for terrestrial vehicles and higher by 19% in relation to the costs on the same basis for the period VII-IX 2017 and others.

Hugest amount within total expenditures refers to the **costs of salaries, reimbursements and other personal expenditures (group 52)** amounting for the period VII-IX 2018 **RSD 885,667,495** and they are 20% higher than in the same period of the previous year, while they are 7% higher than in the Rebalancing Plan IV for the period VII-IX 2018. Change of number of employees (taking over of 340 employees from Air Serbia for OU Ground handling) and employment manner pattern of employees in the Company on the account of permanently employees affected on increase of the costs of salaries and reimbursements.

The costs of salaries of employees (gross II - groups 520 and 521) in Airport Nikola Tesla amount **RSD 594,918,136**, while costs of persons engaged through youth organisations (account 524000) amount **RSD 100,167,074** (youth organisations Fan, Beograd, Knez, Medijator and Europa).

Apart from salaries, the group 52 also includes reimbursements per temporary and occasional jobs, reimbursements for members of governing and supervisory bodies, reimbursements by contracts (service contracts), other personal expenditures (transportation costs for employees, costs of business trips, joint assistance and jubilee bonuses, etc.).

The costs of production services (group 53) in the period VII-IX 2018 amount **RSD 127,419,827** and they are 62% higher than in the same period of the previous year.

The pattern of cost of production services consists of:

- costs of transportation services in the period VII-IX 2018 amount **RSD 19,223,768** and they are 13% higher than in the same period of the previous year. They mostly refer to costs of information and passenger check-in, monthly ITT support for passenger and baggage registration and other;
- the costs of maintenance services in the period VII-IX 2018 amount **RSD 59,603,688** and they are twice higher than in the same period of the previous year. Most of them relate to the costs of services in the maintenance of other fixed assets;

- the costs of lease in the period VII-IX 2018 amount RSD 9,498,275 and they are 23% lower than in the same period of the previous year. They mostly refer to renting of business facilities of legal persons;
- the costs of advertising amount RSD 24,038,007;
- the costs of other services mostly refers to costs of watering, sewage, achieved in the amount of RSD 15,056,089 and they are 5% higher than in the same period of the previous year.

The costs of amortisation and reserves (group 54) in the period VII-IX 2018 amount RSD 323,171,246 and they are 50% higher than in the same period of the previous year.

The increase in the depreciation costs in the period VII-IX 2018 resulted from the activation of a significant number of fixed assets, consequently a significant increase in depreciation costs occurred.

Intangible costs (group 55) in the period VII-IX 2018 are achieved in the amount of RSD 125,760,735 and they are 27% higher than in the same period of the previous year.

The pattern of intangible costs consists of:

- the costs of non-productive services are the most significant in the group of intangible costs and are achieved in the amount of RSD 81,563,042 mostly referring to costs of other types of other non-productive services and costs of DATA room services;
- the costs of representations (RSD 569,084);
- the costs of insurance premiums (RSD 11,485,136);
- the costs of money transfers (RSD 1,921,422);
- the costs of membership fees (RSD 555,000);
- the costs of taxes (RSD 22,502,215) and
- the other intangible costs (RSD 7,164,837).

Financial expenditures (group 56) in the period VII-IX 2018 are disclosed in the amount of RSD 10,370,134 and they are significantly lower than in the same period of the previous year.

Decrease of financial expenditures in the period VII-IX 2018 resulted mostly from decrease of negative, non-realised exchange rate differences, time deposits, i.e. from fall of RSD exchange rate for Euro (1EUR on 30/09/2018 equalled RSD 118.4179, while on 30/09/2017 it was RSD 119.3659).

Other expenditures (group 57, 58 and 59) in the period VII-IX 2018 were realized in the amount of RSD 177,528,010 and were significantly higher compared to the same period last year, mainly due to the loss suffered by the sale of plant and equipment and an increase in expenditures based on expenditures from previous years.

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EXPENDITURE PATTERN I-IX 2018 / 2017

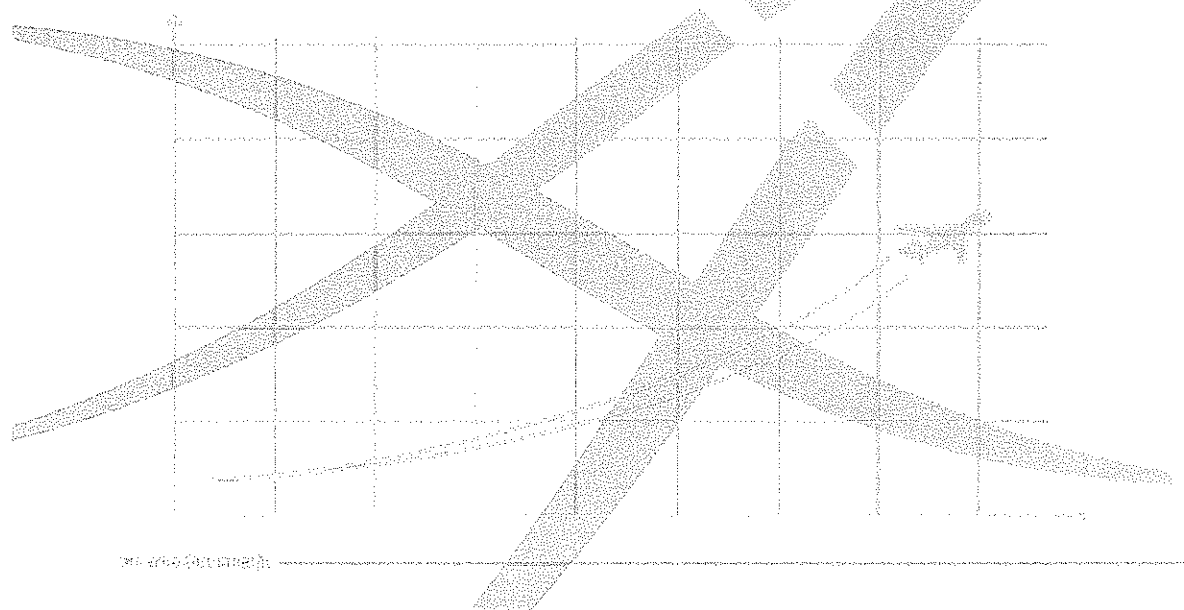
Account 1	Account name 2	Achievement VII-IX 2017 3	Rebalancing Plan IV VII-IX 2018 4	Achievement VI-IX 2018 5	INDICES	
					6(5/3)	7(5/4)
60	PURCHASE VALUE OF SOLD GOODS	377,413	13,260,000	4,072,453	1,079	31
501	PURCHASE VALUE OF SOLD GOODS	377,413	13,260,000	4,072,453	1,079	31
51	COSTS OF MATERIAL AND ENERGY	107,031,489	147,352,234	119,213,223	111	81
511	COSTS OF MAKING MATERIAL	27,892,412	39,091,369	34,502,789	124	88
512	COSTS OF OVERHEAD MATERIALS	4,264,396	4,312,370	5,217,583	122	121
513	COSTS OF FUEL AND ENERGY	62,207,705	83,750,000	70,073,626	113	84
514	COSTS OF SPARE PARTS	12,628,978	19,192,429	9,156,208	73	48
515	COSTS OF SINGLE WRITE-OFF OF TOOLS AND INVENTORY	38,000	1,006,066	263,018	692	26
62	COSTS OF SALARIES, COMPENSATIONS AND OTHER PERSONAL EXPENSES	740,770,012	823,984,956	885,667,496	120	107
520	COSTS OF SALARIES, SALARY COMPENSATIONS (GROSS)	419,812,928	484,872,731	504,595,770	120	104
521	COSTS OF SALARY TAXES, CONTRIBUTIONS AND COMPENSATIONS - EMPLOYER	75,146,511	87,175,250	90,322,366	120	104
522	COSTS OF COMPENSATIONS FOR SERVICE CONTRACTS - GROSS	55,696	79,076	92,544	166	117
524	COSTS OF COMPENSATIONS FOR TEMPORARY AND OCCASIONAL JOBS - GROSS	157,548,608	157,356,717	171,375,242	109	109
525	COMPENSATION TO NATURAL PERSONS FOR OTHER CONTRACTS - GROSS	0	0	0	0	0
526	COMPENSATION TO DIRECTOR, I.E. MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES	2,210,756	2,171,183	2,336,629	106	108
529	OTHER PERSONAL EXPENDITURES AND COMPENSATIONS	85,995,513	92,329,958	116,944,945	136	127
63	COSTS OF PRODUCTION SERVICES	78,716,468	217,392,577	127,419,827	162	59
531	COSTS OF TRANSPORTATION SERVICES	16,987,467	15,365,719	19,223,768	113	125
532	COSTS OF MAINTENANCE SERVICES	28,754,145	123,398,194	59,603,688	207	48
533	COST OF LEASE	12,292,125	12,328,656	9,498,275	77	77
535	ADVERTISING COSTS	6,398,505	47,672,804	24,038,007	376	50
539	COSTS OF OTHER SERVICES	14,284,226	18,607,205	15,056,089	105	81
64	COSTS OF AMORTISATION AND RESERVES	214,903,461	210,047,500	323,171,246	150	154
540	AMORTISATION COSTS	211,903,461	207,500,000	318,171,246	150	153
545	RESERVES FOR EMPLOYEE COMPENSATION	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	3,000,000	2,547,500	5,000,000	167	196
65	INTANGIBLE COSTS	98,830,454	218,253,196	125,768,738	127	57
550	COSTS OF NON-PRODUCTION SERVICES	61,625,148	176,865,927	81,563,042	132	46
551	COSTS OF REPRESENTATION	2,316,652	3,028,995	569,084	25	19
552	COSTS OF INSURANCE PREMIUMS	7,919,646	10,191,884	11,465,136	145	113
553	COSTS OF PAYMENT SYSTEM	1,067,911	1,320,883	1,921,422	180	145
554	COSTS OF MEMBERSHIPS	2,421,444	1,230,190	555,000	23	45
555	COSTS OF TAXES	20,657,444	18,938,582	22,502,215	109	119
559	OTHER INTANGIBLE COSTS	2,822,209	5,676,645	7,164,837	254	126
I	OPERATING EXPENDITURES	1,240,629,296	1,631,290,373	1,585,304,979	128	97
66	FINANCIAL EXPENDITURES	73,121,801	23,910,647	10,370,134	14	43
562	INTEREST EXPENDITURES	8,001,430	8,806,401	3,117,927	39	35
563	NEGATIVE EXCHANGE RATE DIFFERENCES	62,704,321	14,988,480	7,714,524	12	51
564	EXPENDITURES FOR EFFECTS OF CURRENCY CLAUSE	2,416,051	15,766	-462,318	-19	-2932
II	FINANCIAL EXPENDITURES	73,121,801	23,910,647	10,370,134	14	43
57	OTHER EXPENDITURES	19,442,916	19,757,596	166,782,922	858	844
570	LOSSES FROM EXPENDITURES AND SALE OF INTANGIBLE INVESTMENT IN REAL ESTATES AND	0	1,358,057	157,492,571	0	11697
571	LOSS FROM WRITE-OFF AND SALE OF BIOLOGICAL RESOURCES	0	24,000	0	0	0
574	DEFICIT	0	814	2,449,356	0	301031
575	CONTRACTED RISK PROTECTION NOT PRESENTED AS REV.RESERVE	6,462	1,938	444	7	23
576	EXPENDITURES FROM DIRECT WRITE-OFF OF RECEIVABLES	2,021,353	606,408	75,000	4	12
577	WRITE-OFF	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	17,415,101	17,766,381	6,765,551	39	38
58	EXPENDITURES FROM PROPERTY IMPAIRMENT	19,699,793	0	-11,462,327	-58	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-T. FIN.INVST AND OTHER SECURITIES FOR SALE	2,618,531	0	4,364,958	167	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-T. FIN. INVEST	17,081,262	0	-15,817,285	-93	0
589	IMPAIRMENT OF OTHER PROPERTY	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	448,240	0	22,197,416	4,952	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
592	EXPENDITURES FROM ERROR CORR. FROM. PREV.YEARS MATERIALLY INSIGNIFICANT	448,240	0	22,197,416	4,952	0
III	OTHER EXPENDITURES	39,690,949	19,757,596	177,528,010	448	899
	TOTAL EXPENDITURES	1,363,342,048	1,674,958,616	1,773,203,123	131	106

4.3. SALARIES

In the period I-IX 2018 the total amount of **RSD 1,551,360,196 (gross I)** was paid for salaries. It is 22% higher than in the same period 2017 and 7% higher than the planned figures for the period I-IX 2018.

SALARIES GROSS I					
Month	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index	
				5(4/2)	6(4/3)
1	2	3	4		
January	141,135,782	161,624,244	195,534,606	139	121
February	136,689,966	161,624,244	170,052,384	124	105
March	156,678,124	161,624,244	165,271,379	105	102
April	141,617,053	161,624,244	176,921,236	125	109
May	140,344,009	161,624,244	172,701,107	123	107
June	137,367,769	161,624,244	166,283,714	121	103
July	137,263,594	161,624,244	166,982,390	122	103
August	144,345,988	161,624,244	174,762,398	121	108
September	138,161,173	161,624,244	162,850,981	118	101
Total salaries:	1,273,603,458	1,454,618,193	1,551,360,196	122	107

In the period I-IX 2018 salaries of employees are paid off per individual work contracts.



In the period I-IX of the current year the **average Gross I salary** in the Company amounted **RSD 104,464** and it is lower than in the previous year by 5%. In the period I-IX 2018 the **average net salary** in the Company amounted **RSD 74,724** and it is 4% lower than in the same period last year.

AVERAGE GROSS I SALARIES		AVERAGE NET SALARIES	
Month	AD ANT	Month	AD ANT
January	117,542 дин.	January	83,895 дин.
February	102,386 дин.	February	73,273 дин.
March	99,964 дин.	March	71,575 дин.
April	106,880 дин.	April	76,423 дин.
May	104,341 дин.	May	74,643 дин.
June	101,158 дин.	June	72,412 дин.
July	101,736 дин.	July	72,786 дин.
August	106,653 дин.	August	76,257 дин.
September	99,514 дин.	September	71,249 дин.
Average I-IX 2018	104,464 дин.	Average I-IX 2018	74,724 дин.
Average I-IX 2017	109,540 дин.	Average I-IX 2017	77,970 дин.
I-IX 2018/I-IX 2017	95	I-IX 2018/I-IX 2017	96

Average number of employees and engaged persons

AVERAGE NUMBER OF EMPLOYEES FOR THE PERIOD						
Period	Determined	Undeterm.	Total	Youth org	Temp/occas	Total:
Average I-III 2018	515	1203	1718	365	287	2370
Average I-VI 2018	512	1200	1712	381	283	2375
Average I-IX 2018	508	1194	1702	415	293	2410

As per Appendix 1

4.4. FINANCIAL RESULT

In the period I-IX 2018 **gross profit** of the Company was achieved in the amount of **RSD 3,274,218,598**.

Thus expressed gross profit is 2% higher than gross profit in the same period in 2017 and by 1% lower than gross profit planned in the Rebalancing Plan IV for 2018.

FINANCIAL RESULT						
No.	Position	Achievement I-IX 2017	Rebalancing Plan IV I-IX 2018	Achievement I-IX 2018	Index	
1	2	3	4	5	6(5/3)	7(5/4)
1	Operating revenues	7,195,345,624	8,112,260,295	8,015,787,318	111	99
2	Operating expenditures	3,816,486,924	4,803,916,161	4,573,601,836	120	95
3	Business profit (1-2)	3,378,858,700	3,308,344,134	3,442,185,482	102	104
4	Financial revenues	116,719,014	74,437,948	102,170,477	88	137
5	Financial expenditures	237,324,303	71,731,942	53,075,252	22	74
6	Financial profit (4-5)		2,706,006	49,095,225	0	1,814
6a	Financial loss (5-4)	120,605,290			0	0
7	Other revenues	19,097,149	23,012,640	33,487,488	175	146
8	Other expenditures	80,216,536	36,922,788	250,549,597	312	679
9	Other profit (7-8)					
9a	Other loss (8-7)	61,119,387	13,910,147	217,062,109	355	1,560
10	Total revenues (1+4+7)	7,331,161,787	8,209,710,883	8,151,445,283	111	99
11	Total expenditures (2+5+8)	4,134,027,764	4,912,570,890	4,877,226,686	118	99
12	Total gross profit (10-11)	3,197,134,023	3,297,139,993	3,274,218,598	102	99
12a	Total gross loss (11-10)					
13	Period tax expenditure	446,244,780	470,503,304	488,195,932	109	104
14	Deferred period tax expenditure	58,268,250	74,640,000	10,009,200	17	13
15	Deferred income tax					
16	Earnings paid by employer					
17	Net profit	2,692,620,993	2,751,996,690	2,776,013,465	103	101

In the period I-IX 2018 **gross profit** of the Company was disclosed in the amount of **RSD 2,776,013,465**. Thus expressed net profit is 3% higher than gross profit in the same period 2017 and by 1% higher than net profit planned in the Rebalancing Plan IV for 2018.

30.09.2018

III quarter

In the period VII-IX 2018 **gross profit** of the Company was achieved in the amount of **RSD 1,579,372,166**.

Thus expressed gross profit is 1% higher than gross profit in the same period in 2017 and by 3% lower than gross profit planned in the Rebalancing Plan IV for 2018.

FINANCIAL RESULT						
No.	Position	Achievement VII-IX 2017	Rebalancing Plan IV VII-IX 2018	Achievement VII-IX 2018	Индекс	
1	2	3	4	5	6(5/3)	6(5/4)
1	Operating revenues	2,864,943,390	3,271,694,144	3,291,326,360	115	101
2	Operating expenditures	1,240,629,298	1,631,290,373	1,585,304,979	128	97
3	Business profit (1-2)	1,624,314,092	1,640,403,771	1,706,021,382	105	104
4	Financial revenues	37,724,516	24,812,649	40,174,115	106	162
5	Financial expenditures	73,121,801	23,910,647	10,370,134	14	43
6	Financial profit (4-5)		902,002	29,803,981	0	3,304
6a	Financial loss (5-4)	35,397,286			0	0
7	Other revenues	7,556,964	7,670,880	21,074,814	279	275
8	Other expenditures	39,590,949	19,757,596	177,528,010	448	899
9	Other profit (7-8)					
9a	Other loss (8-7)	32,033,985	12,086,716	156,453,197	488	1,294
10	Total revenues (1+4+7)	2,910,224,869	3,304,177,673	3,352,575,289	115	101
11	Total expenditures (2+5+8)	1,353,342,048	1,674,958,616	1,773,203,123	131	106
12	Total gross profit (10-11)	1,556,882,821	1,629,219,057	1,579,372,166	101	97
12a	Total gross loss (11-10)					
13	Period tax expenditure	230,598,172	156,834,435	238,262,704	103	152
14	Deferred period tax expenditure	20,894,824	24,880,000	1,537,126	7	6
15	Deferred income tax					
16	Earnings paid by employer					
17	Net profit	1,305,389,825	1,447,504,623	1,339,572,336	103	93

In the period VII-IX 2018 **gross profit** of the Company was disclosed in the amount of **RSD 1,339,572,336**. Thus expressed net profit is 3% higher than gross profit in the same period in 2017 and by 7% lower than net profit planned in the Rebalancing Plan IV for 2018.

5. OU GROUND HANDLING IN BELGRADE NIKOLA TESLA AIRPORT

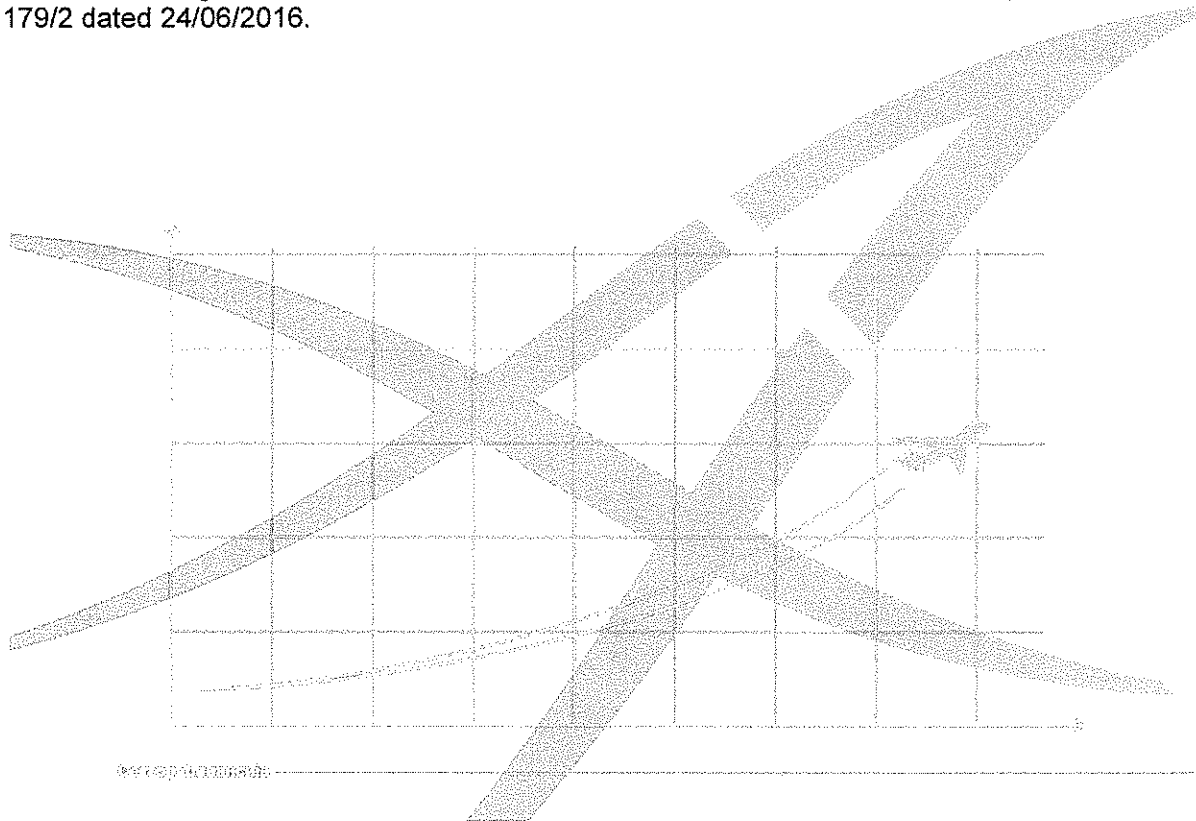
According to the Regulation on the provision of ground handling services at airports (Official Gazette of the Republic of Serbia no. 61/2015-hereinafter the Regulation) Belgrade Nikola Tesla Airport drew up the Business plan of OU Ground handling within ANT, no. 33-179/2 dated on 24/06/2016.

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.

The Regulation defines the types of services that Ground Handling provides to third parties as follows:

- 1) Aircraft ground handling 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.

Determination of achieved revenues and expenditures in the period I-IV 2018 of the OU Ground handling is in accordance with the Business plan of OU Ground handling ANT no. 33-179/2 dated 24/06/2016.



5.1. REVENUES OF OU GROUND-HANDLING

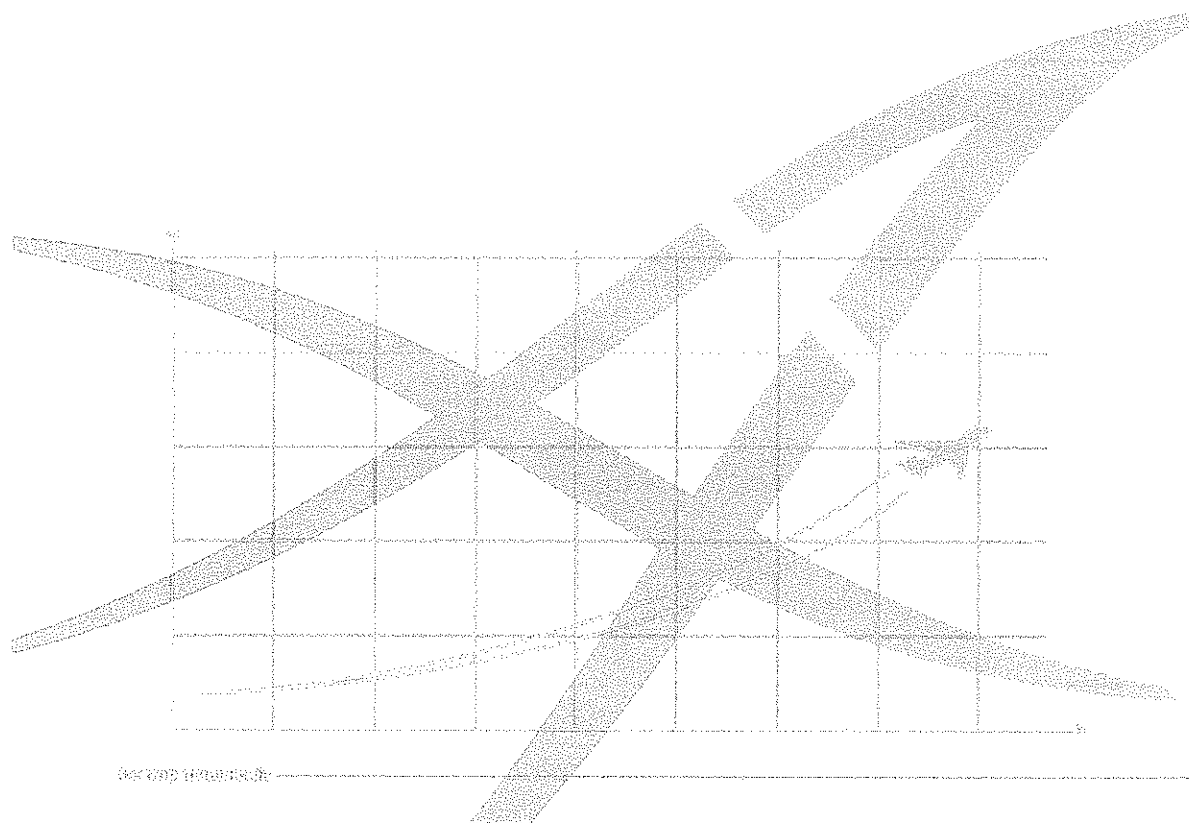
OU Ground handling in the period I-IX 2018 has achieved the **total revenue** in the amount of RSD 1,501,158,063, which is 18% of total revenues at the level of the Company.

Total realised business revenues based on services provided by OU GH in ANT in the period I-IX 2018 amount RSD 1,499,651,625 and participates with 19% in the realised business revenues of ANT for 2018.

Within operating revenues, the largest share of 71% consists of revenues from air services, which amounted to RSD 1,059,226,721, share of revenues from other services in the amount of RSD 217,794,353 and participate with 14%, revenues from CCM services in the amount of RSD 131,093,511 and make up 9% of operating revenue, and revenues from passenger services in the amount of RSD 91,537,039 and account for 6% of operating revenue in the period I-IX 2018.

Financial revenues are realised in the amount of RSD 489,279 for the period I-IX 2018 and they refer to realised exchange rate differences.

Other revenues are realised in the amount of RSD 1,017,159 for the period I-IX 2018 and they mostly refer to revenues from profit from sale of equipment.



REVENUE PATTERN

No.	Service type	Service description	Achievement GH I-X 2017	Achievement I-X 2018	Achievement GH I-X 2018	Indices	Share
1	2	3	4	5	6	7(6/4)	8(6/5)
	Air services of domestic carrier						
	614000+614004+614300+614302+614303+614304	Landing	0	150,649,752	0	0	0
	614010+614014+614310+614312+614313+614314	Lighting	0	39,455,928	0	0	0
	614030+614034+614330+614332+614333+614334	GH	155,810,750	457,228,535	457,228,535	293	100
	614040+614042+614043+614044	Infrastructure	0	254,728,639	0	0	0
	614050	Air-bridges	1,039	67,201,534	7,062,415	679,876	11
	614020+614024+614320+614323+614324	Aircraft abode revenue	0	3,975,598	0	0	0
I	Total air services (domestic carrier):		156,811,789	973,238,986	464,290,950	298	48
	Air services of foreign carrier						
	615010+615011+615012+615013+615014	Landing	0	602,249,065	0	0	0
	615020+615021+615022+615023+615024	GH	512,356,920	578,840,626	578,840,626	113	100
	615030+615031+615032+615033+615034	Lighting	0	60,891,026	0	0	0
	615040+615042+615043+615044	Infrastructure	0	398,002,774	0	0	0
	615060+615062	Air-bridges	16,341,902	160,852,105	16,095,146	98	10
	615000+615001+615002+615003+615004	Aircraft abode revenue	0	12,332,947	0	0	0
II	Total air services (international carrier):		528,698,821	1,813,168,542	594,935,772	113	33
I+II	Total air services		684,610,611	2,786,408,528	1,069,226,721	168	38
	Passenger service						
	614400+614404 - domestic carriers - domestic air-traffic	Passenger service d.c./i.c.	0	0	0	0	0
	614181+614182+614183+614190+614192(BRS and PRM)+614410+614412+614413+614414	Passenger service d.at/i.at.	43,224,786	788,751,549	32,371,619	75	4
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615896-PRM	Passenger serv. inter.carriers	48,708,839	1,823,143,439	59,165,419	121	3
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fee	0	957,282,466	0	0	0
III	Total passenger service		91,933,625	3,669,177,464	91,637,039	100	3
I+II+III	Total air services and passenger service		776,444,236	6,365,586,982	1,160,763,760	148	18
	CCW service						
	614500+614510	CCW service dom.market	119,923,238	119,832,792	120,598,790	101	101
	615300 +615310 (foreign)	CCW service internat. market	9,692,905	11,260,719	10,494,721	108	93
IV	Total CCW services		129,616,143	131,093,511	131,093,511	101	100
V	Total services related to air traffic (I to IV):		906,060,379	6,486,679,493	1,281,867,271	141	20
	Other services						
1	614380+615100+615102	DCS services	14,512,498	19,321,278	19,321,278	133	100
2	614110+614112+614115+614116+614170+614173+614180+614184+614391+615872+615873+615874+615875+615876+615877+615891+615892+615895	Work order	118,937,574	93,143,065	82,167,761	69	88
3	614130+614131+615071+615072	VIP lounge	0	5,092,499	0	0	0
4	614140+614142+615090+615092	CUTE (dom.+intl)	0	133,724,183	0	0	0
5	614380+615080	Lost and found	14,844,988	15,819,837	15,819,837	107	100
6	6146+615120+615400+615401	Public services	0	115,586,801	0	0	0
7	614820+615170	Catering services business class	0	198,029	0	0	0
8	614870+615810	Advertising space	0	35,200,734	0	0	0
9	614883	Commercial usage of the apron	0	45,915,669	0	0	0
10	614160+614163+614164+615110+615112+615113+615114	Aircraft de-icing services	115,972,405	93,217,433	93,217,433	80	100
11	614860+614861+614865+614866+614867+614868+615880+615885+615887+615888	Parking space	0	146,417,176	0	0	0
12	Other non-mentioned services dom+intl		7,155,212	16,652,738	7,268,044	102	44
VI	Other services (1 to 11):		271,422,678	720,289,442	217,794,353	80	30
VII	Total 61 - Revenues from sale of services (V+VI)		1,177,483,057	7,206,968,935	1,499,661,625	127	21
	Revenues from sale of goods						
VIII	60 - Revenues from sale of kerosene + goods		0	6,102,606	0	0	0
IX	Total (60+61) REVENUES FROM SALE (VII+VIII)		1,177,483,057	7,212,071,542	1,499,661,625	127	21
X	64 & 65 - Lease of business premises		0	803,715,777	0	0	0
XI	OPERATING REVENUES (IX+X)	60+61+62+64+65	1,177,483,057	8,016,787,318	1,499,661,625	127	19
XII	66 - FINANCIAL REVENUES		431,018	102,170,477	489,279	114	0
1	interest		0	53,175,029	0	0	0
2	exchange rate differences - realised		430,795	30,579,995	489,279	114	2
3	exchange rate differences - non-realised		223	18,415,454	0	0	0
XIII	67, 68 and 69 OTHER REVENUES		2,564,052	33,487,488	1,017,159	40	3
XIV	Total revenues (XI+XII+XIII)		1,180,478,127	8,151,446,283	1,501,168,063	127	18

III quarter

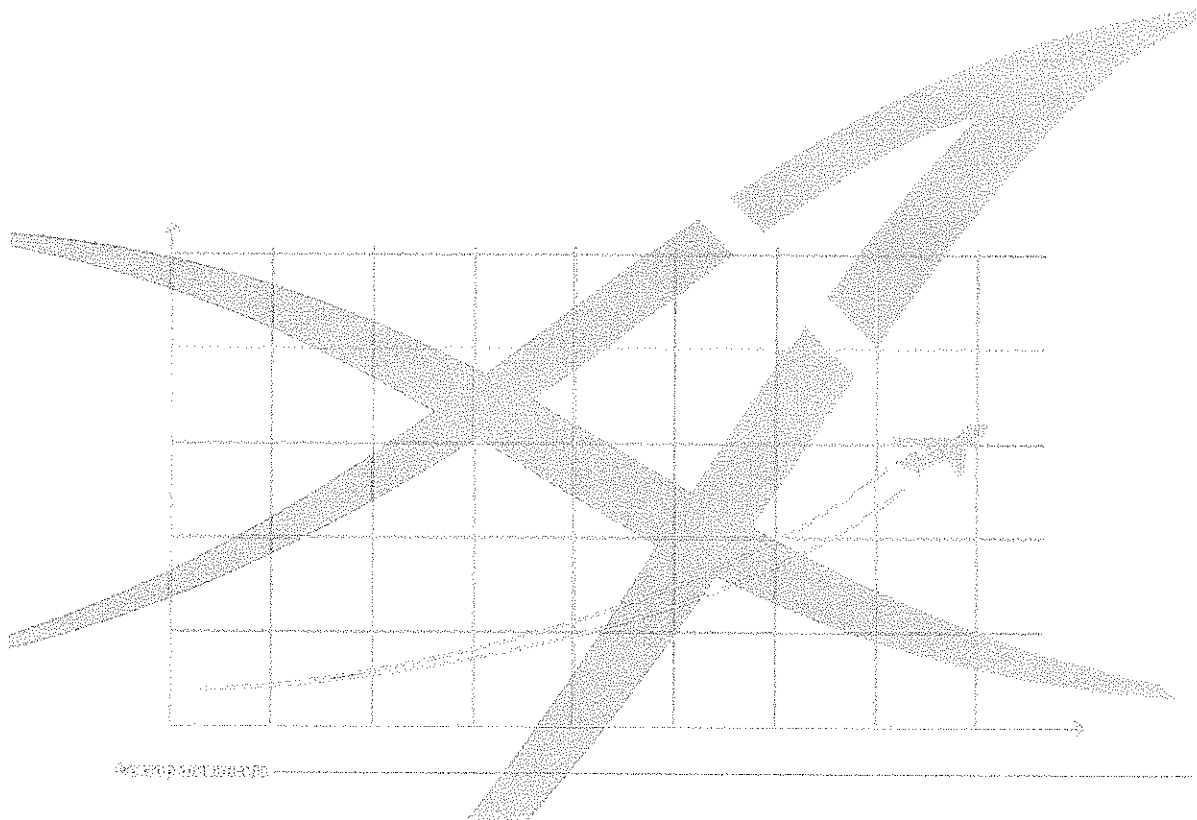
OU Ground handling in the period VII-IX 2018 has achieved the **total revenue** in the amount of RSD 569,976,144, which is 17% of total revenues at the level of the Company.

Total realised business revenues based on services provided by OU GH in ANT in the period VII-IX 2018 amount RSD 568,775,194 and participates with 17% in the realised business revenues of ANT for 2018.

Within operating revenues, the largest share of 75% consists of revenues from air services, which amounted to RSD 426,521,473, share of revenues from other services in the amount of RSD 56,564,227 and participate with 10%, revenues from CCM services in the amount of RSD 45,713,448 and make up 8% of operating revenue, and revenues from passenger services in the amount of RSD 39,976,046 and account for 7% of operating revenue in the period VII-IX 2018.

Financial revenues are realised in the amount of RSD 220,974 for the period VII-IX 2018 and they refer to realised exchange rate differences.

Other revenues are realised in the amount of RSD 979,976 for the period VII-IX 2018 and they mostly refer to revenues from profit from sale of equipment.



REVENUE PATTERN

No.	Service type	Service description	Achievement GH VII-IX 2017	Achievement VII-IX 2018	Achievement GH VII-IX 2018	Indices	Share
1	2	3	4	5	6	7(6/4)	8(6/5)
	Air services of domestic carrier						
	614000+614004+614300+614302+614303+614304	Landing	0	66,820,895	0	0	0
	614010+614014+614310+614312+614313+614314	Lighting	0	16,073,930	0	0	0
	614030+614034+614330+614332+614333+614334	GH	62,935,399	197,369,137	197,369,137	314	100
	614040+614042+614043+614044	Infrastructure	0	112,045,142	0	0	0
	614050	Air-bridges	0	30,680,918	3,188,084	0	10
	614020+614024+614320+614323+614324	Aircraft abode revenue	0	1,853,828	0	0	0
	Total air services (domestic carrier):		62,935,399	424,843,850	200,557,221	319	47
	Air services of foreign carrier						
	615010+615011+615012+615013+615014	Landing	0	224,552,653	0	0	0
	615020+615021+615022+615023+615024	GH	191,023,550	219,976,182	219,976,182	115	100
	615030+615031+615032+615033+615034	Lighting	0	23,055,145	0	0	0
	615040+615042+615043+615044	Infrastructure	0	149,638,312	0	0	0
	615060+615062	Air-bridges	6,279,127	57,572,364	5,988,070	95	10
	615000+615001+615002+615003+615004	Aircraft abode revenue	0	2,543,279	0	0	0
	Total air services (international carrier):		197,302,677	677,337,935	226,964,252	115	33
I+II	Total air services		260,238,076	1,102,181,785	426,521,473	164	39
	Passenger service						
	614400+614404 - domestic carriers - domestic air-traffic	Passenger service d.o.f.c.	0	0	0	0	0
	614181+614182+614183+614190+614192(BRS and PRM)+614410+614412+614413+614414	Passenger service d.a/atl.	19,151,393	370,221,838	15,349,792	80	4
	615150+615152+615200+615210+615212+615213+615214+615215+615862+615864+615886-PRM	Passenger serv. inter.carriers	20,151,409	732,850,152	24,626,254	122	3
	614420+614430+614432+614433+614434+615230+615232+615233+615234	Security fee	0	419,712,744	0	0	0
III	Total passenger service		39,302,802	1,622,784,733	39,976,046	102	3
I+II+III	Total air services and passenger service		299,540,878	2,624,966,518	466,497,519	156	18
	CCW service						
	614500+614510	CCW service dom.market	39,561,750	42,224,109	42,409,410	107	100
	615300 +615310 (foreign)	CCW service internat. market	3,263,436	3,489,339	3,304,038	101	95
IV	Total CCW services		42,825,186	45,713,448	45,713,448	107	100
V	Total services related to air traffic (I to IV):		342,366,064	2,670,679,966	512,210,967	150	19
	Other services						
1	614360+615100+615102	DCS services	6,576,710	9,208,901	9,208,901	140	100
2	614110+614112+614115+614116+614170+614173+614180+614184+614391+615872+615873+615874+615875+615876+615877+615891+615892+615895	Work order	43,744,244	41,744,439	36,943,306	84	88
3	614130+614131+615071+615072	VIP lounge	0	1,995,877	0	0	0
4	614140+614142+615090+615092	CUTE (dom.+intl)	0	57,034,078	0	0	0
5	614380+615080	Lost and found	7,215,637	7,524,326	8,081,852	112	107
6	6146+615120+615400+615401	Public services	0	36,491,679	0	0	0
7	614820+615170	Catering services business class	0	84,250	0	0	0
8	614670+615810	Advertising space	0	12,752,938	0	0	0
9	614683	Commercial usage of the apron	0	19,174,038	0	0	0
10	614160+614163+614164+615110+615112+615113+615114	Aircraft de-icing services	0	0	0	0	0
11	614860+614861+614865+614866+614867+614868+615080+615885+615887+615888	Parking space	0	62,789,283	0	0	0
12	Other non-mentioned services dom+intl		2,679,074	6,459,532	2,330,168	87	36
VI	Other services (1 to 11):		60,216,666	275,169,341	56,564,227	94	21
VII	Total 61 - Revenues from sale of services (V+VI)		402,581,730	2,945,849,308	568,775,194	141	19
	Revenues from sale of goods						
VIII	60 - Revenues from sale of kerosene + goods		0	4,182,752	0	0	0
IX	Total (60+61) REVENUES FROM SALE (VII+VIII)		402,581,730	2,950,032,060	568,775,194	141	19
X	64 & 65 - Lease of business premises		0	341,294,300	0	0	0
XI	OPERATING REVENUES (IX+X)		402,581,730	3,291,326,360	568,775,194	141	17
XII	66 - FINANCIAL REVENUES						
1	interest		80,421	40,174,116	220,974	276	1
2	exchange rate differences - realised		0	15,207,146	0	0	0
3	exchange rate differences - non-realised		80,198	25,334,150	220,974	276	1
XIII	67, 68 and 69 OTHER REVENUES		223	-367,182	0	0	0
XIV	Total revenues (XI+XII+XIII)		403,998,939	3,352,676,289	569,976,144	141	17

5.2. EXPENDITURES OF OU GROUND-HANDLING

In the period I-IX 2018 **total expenditures** of GH were achieved in the amount of RSD 1,342,613,334, which represents 28% of realised expenditures of ANT on this bases for the relevant period of 2018.

Total realised business expenditures based on services provided by OU GH in ANT in the period I-IX 2018 amount RSD 1,340,949,106 and participates with 29% in the realised business expenditures of ANT for 2018.

Within operating expenditures there are the following expenditures:

-the highest share of 81% are costs incurred on the basis of costs of salaries, fees and other personal expenses in the amount of RSD 1,091,785,686;

The change in the number of employees (the takeover of 340 employees from Air Serbia for the needs of OU Ground Handling) influenced the increase in the costs of wages and salaries, by 45% compared to the same period of the previous year.-the costs of material and energy make 9% of the costs within operating expenditures and they amount RSD 122,194,060,

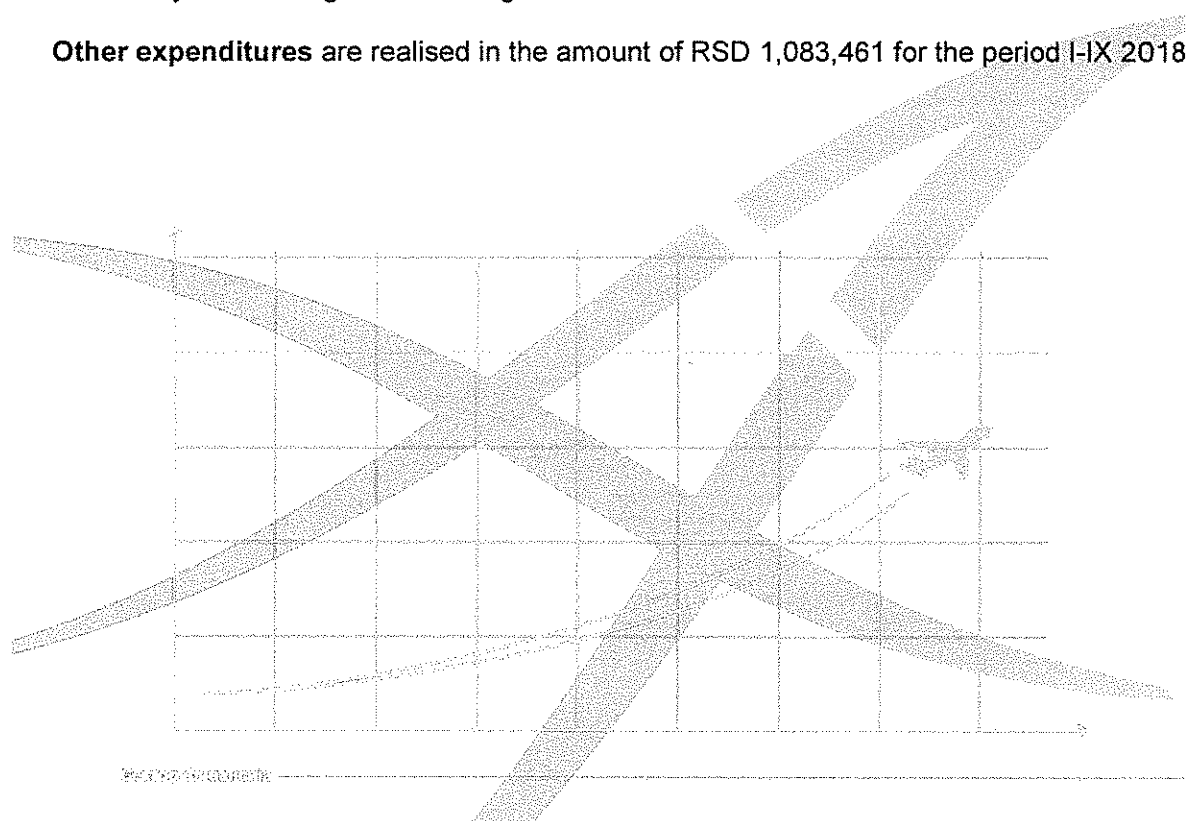
-the costs of amortisation and reserving amount RSD 75,761,285 and they represent 6% of operating expenditures of OU GH,

- costs of production services (RSD 27,937,858) and

- intangible costs (RSD 23,270,218).

Financial expenditures are realised in the amount of RSD 580,767 for the period I-IX 2018 and they refer to negative exchange rate differences.

Other expenditures are realised in the amount of RSD 1,083,461 for the period I-IX 2018.



EXPENDITURE PATTERN GH

Account 1	Account name	Achievement GH I-IX 2017	Achievement I-IX 2018	Achievement GH I-IX 2018	INDICES	SHARE
1	2	3	4	5	6(5/3)	7(5/4)
50	PURCHASE VALUE OF SOLD GOODS	0	4,670,661	0	0	0
501	PURCHASE VALUE OF SOLD GOODS	0	4,670,661	0	0	0
51	COSTS OF MATERIAL AND ENERGY	122,874,178	378,000,788	122,194,060	99	32
511	COSTS OF MAKING MATERIAL	55,910,231	103,884,641	53,922,746	96	52
512	COSTS OF OVERHEAD MATERIALS	2,732,161	18,565,419	4,090,415	183	27
513	COSTS OF FUEL AND ENERGY	59,325,169	210,441,479	53,077,837	89	25
514	COSTS OF SPARE PARTS	4,868,617	45,774,920	10,203,063	210	22
515	COSTS OF SINGLE WRITE-OFF OF TOOLS AND INVENTORY	38,000	334,330	0	0	0
52	COSTS OF SALARIES, COMPENSATIONS AND OTHER PERSONAL EXPENSES	750,445,451	2,674,118,654	1,091,785,688	145	41
520	COSTS OF SALARIES, SALARY COMPENSATIONS (GROSS)	400,220,863	1,551,360,196	609,021,289	152	39
521	COSTS OF SALARY TAXES, CONTRIBUTIONS AND COMPENSATIONS - EMPLOYER	71,639,539	277,693,495	109,015,876	152	39
522	COSTS OF COMPENSATIONS FOR SERVICE CONTRACTS - GROSS	0	292,936	0	0	0
524	COSTS OF COMPENSATIONS FOR TEMPORARY AND OCCASIONAL JOBS - GROSS	207,182,002	485,698,224	233,149,519	113	48
525	COMPENSATION TO NATURAL PERSONS FOR OTHER CONTRACTS - GROSS	0	0	0	0	0
526	COMPENSATION TO DIRECTOR, I.E. MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES	783,820	7,124,889	593,503	76	8
529	OTHER PERSONAL EXPENDITURES AND COMPENSATIONS	70,619,227	351,948,913	140,005,499	198	40
53	COSTS OF PRODUCTION SERVICES	37,997,320	334,230,173	27,937,858	74	8
531	COSTS OF TRANSPORTATION SERVICES	18,485,749	50,234,124	16,706,959	90	33
532	COSTS OF MAINTENANCE SERVICES	13,430,615	145,225,302	6,673,869	50	5
533	COST OF LEASE	0	28,945,806	0	0	0
535	ADVERTISING COSTS	768,110	75,726,608	0	0	0
539	COSTS OF OTHER SERVICES	5,334,846	34,098,333	4,557,030	85	13
54	COSTS OF AMORTISATION AND RESERVES	100,689,136	865,664,148	75,761,285	75	9
540	AMORTISATION COSTS	100,573,630	860,564,148	75,761,285	75	9
545	RESERVES FOR EMPLOYEE COMPENSATION	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	115,506	5,000,000	0	0	0
55	INTANGIBLE COSTS	42,505,614	316,017,413	23,270,218	55	7
550	COSTS OF NON-PRODUCTION SERVICES	25,868,640	175,540,268	5,979,761	23	3
551	COSTS OF REPRESENTATION	302,703	7,147,595	7,660	3	0
552	COSTS OF INSURANCE PREMIUMS	7,574,134	34,300,968	9,525,832	126	28
553	COSTS OF PAYMENT SYSTEM	357,930	5,045,637	365,047	102	7
554	COSTS OF MEMBERSHIPS	644,752	3,827,047	321,080	50	8
555	COSTS OF TAXES	4,938,876	66,129,339	7,070,838	143	11
559	OTHER INTANGIBLE COSTS	2,818,577	24,026,559	0	0	0
I	OPERATING EXPENDITURES	1,054,511,899	4,673,601,836	1,340,949,106	127	29
56	FINANCIAL EXPENDITURES	5,222,433	53,075,252	580,767	11	1
562	INTEREST EXPENDITURES	0	19,228,240	0	0	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	5,222,433	33,394,531	580,767	11	2
564	EXPENDITURES FOR EFFECTS OF CURRENCY CLAUSE	0	451,481	0	0	0
II	FINANCIAL EXPENDITURES	5,222,433	53,075,252	580,767	11	1
57	OTHER EXPENDITURES	4,084,522	186,364,986	635,404	16	0
570	LOSSES FROM EXPENDITURES AND SALE OF INTANGIBLE INVESTMENT IN REAL ESTATES AND	1,034,228	158,029,680	38,018	4	0
571	LOSS FROM WRITE-OFF AND SALE OF BIOLOGICAL RESOURCES	0	0	0	0	0
574	DEFICIT	0	2,449,356	285,749	0	12
575	CONTRACTED RISK PROTECTION NOT PRESENTED AS REV.RESERVE	0	444	0	0	0
576	EXPENDITURES FROM DIRECT WRITE-OFF OF RECEIVABLES	0	75,000	0	0	0
577	WRITE-OFF	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	3,050,294	25,810,506	312,637	10	1
58	EXPENDITURES FROM PROPERTY IMPAIRMENT	0	29,791,071	0	0	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-T. FIN.INVST AND OTHER SECURITIES FOR SALE	0	5,248,605	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-T. FIN. INVEST	0	23,961,994	0	0	0
589	IMPAIRMENT OF OTHER PROPERTY	0	560,472	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	34,393,540	447,057	0	1
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
592	EXPENDITURES FROM ERROR CORR. FROM. PREV. YEARS MATERIALLY INSIGNIFICANT	0	34,393,540	447,057	0	1
III	OTHER EXPENDITURES	4,084,522	250,549,597	1,083,461	27	0
	TOTAL EXPENDITURES	1,063,618,654	4,877,226,686	1,342,613,334	126	28

III quarter

In the period VII-IX 2018 **total expenditures** of GH were achieved in the amount of RSD 435,788,177, which represents 25% of realised expenditures of ANT on this bases for the relevant period of 2018.

Total realised business expenditures based on services provided by OU GH in ANT in the period VII-IX 2018 amount RSD 435,750,554 and participates with 27% in the realised business expenditures of ANT for 2018.

Within operating expenditures there are the following expenditures:

- the highest share of 81% are costs incurred on the basis of costs of salaries, fees and other personal expenses in the amount of RSD 354,351,988;
The change in the number of employees (the takeover of 340 employees from Air Serbia for the needs of OU Ground Handling) influenced the increase in the costs of wages and salaries, by 41% compared to the same period of the previous year.
- the costs of material and energy make 8% of the costs within operating expenditures and they amount RSD 35,489,823,
- the costs of amortisation and reserving amount RSD 25,125,791 and they represent 6% of operating expenditures of OU GH,
- costs of production services (RSD 12,887,769) and
- intangible costs (RSD 7,895,183).

Financial expenditures are realised in the amount of RSD 82,751 for the period VII-IX 2018 and they refer to negative exchange rate differences.



Image: Ground Handling

EXPENDITURE PATTERN GH

Account 1	Account name	Achievement GH 2017	Achievement VII-IX 2018	Achievement GH 2018	ИНДЕКСИ	УЧЕШЉЕ
1	2	3	4	5	6(5/3)	7(5/4)
50	PURCHASE VALUE OF SOLD GOODS	0	4,072,453	0	0	0
501	PURCHASE VALUE OF SOLD GOODS	0	4,072,453	0	0	0
61	COSTS OF MATERIAL AND ENERGY	33,856,381	119,213,223	35,489,823	105	30
511	COSTS OF MAKING MATERIAL	11,639,253	34,502,769	10,869,353	93	32
512	COSTS OF OVERHEAD MATERIALS	1,169,397	5,217,583	3,293,609	282	63
513	COSTS OF FUEL AND ENERGY	17,455,861	70,073,626	19,718,737	113	28
514	COSTS OF SPARE PARTS	3,553,870	9,156,208	1,608,123	45	18
515	COSTS OF SINGLE WRITE-OFF OF TOOLS AND INVENTORY	38,000	263,018	0	0	0
62	COSTS OF SALARIES, COMPENSATIONS AND OTHER PERSONAL EXPENSES	252,089,396	885,667,495	354,351,988	141	40
520	COSTS OF SALARIES, SALARY COMPENSATIONS (GROSS)	131,303,640	504,595,770	192,575,877	147	38
521	COSTS OF SALARY TAXES, CONTRIBUTIONS AND COMPENSATIONS - EMPLOYER	23,503,349	90,322,366	34,470,808	147	38
522	COSTS OF COMPENSATIONS FOR SERVICE CONTRACTS - GROSS	0	92,544	0	0	0
524	COSTS OF COMPENSATIONS FOR TEMPORARY AND OCCASIONAL JOBS - GROSS	74,441,495	171,375,242	81,145,433	109	47
525	COMPENSATION TO NATURAL PERSONS FOR OTHER CONTRACTS - GROSS	0	0	0	0	0
526	COMPENSATION TO DIRECTOR, I.E. MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES	281,905	2,336,629	194,641	69	8
529	OTHER PERSONAL EXPENDITURES AND COMPENSATIONS	22,559,007	116,944,945	45,965,228	204	39
63	COSTS OF PRODUCTION SERVICES	19,465,691	127,419,827	12,887,769	66	10
531	COSTS OF TRANSPORTATION SERVICES	7,366,126	19,223,768	7,771,761	106	40
532	COSTS OF MAINTENANCE SERVICES	9,722,020	59,603,688	3,447,169	36	6
533	COST OF LEASE	-537,432	9,498,275	0	0	0
535	ADVERTISING COSTS	766,110	24,038,007	0	0	0
539	COSTS OF OTHER SERVICES	2,148,767	15,058,089	1,668,838	78	11
64	COSTS OF AMORTISATION AND RESERVES	34,577,286	323,171,246	25,125,791	73	8
540	AMORTISATION COSTS	34,461,780	318,171,246	25,125,791	73	8
545	RESERVES FOR EMPLOYEE COMPENSATION	0	0	0	0	0
549	OTHER LONG-TERM RESERVES	115,506	5,000,000	0	0	0
55	INTANGIBLE COSTS	12,789,019	125,760,735	7,895,183	62	8
550	COSTS OF NON-PRODUCTION SERVICES	8,638,194	81,563,042	1,854,808	21	2
551	COSTS OF REPRESENTATION	153,246	569,084	0	0	0
552	COSTS OF INSURANCE PREMIUMS	1,834,337	11,485,136	3,401,684	186	30
553	COSTS OF PAYMENT SYSTEM	112,862	1,921,422	117,909	104	6
554	COSTS OF MEMBERSHIPS	184,471	555,000	-75,547	-41	-14
555	COSTS OF TAXES	1,616,634	22,502,215	2,596,870	161	12
559	OTHER INTANGIBLE COSTS	249,275	7,164,637	0	0	0
I	OPERATING EXPENDITURES	362,777,673	1,585,304,978	435,750,554	124	27
56	FINANCIAL EXPENDITURES	4,118,899	10,370,134	82,751	2	1
562	INTEREST EXPENDITURES	0	3,117,927	0	0	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	4,118,899	7,714,524	82,751	2	1
564	EXPENDITURES FOR EFFECTS OF CURRENCY CLAUSE	0	-462,318	0	0	0
II	FINANCIAL EXPENDITURES	4,118,899	10,370,134	82,751	2	1
57	OTHER EXPENDITURES	2,233,126	166,782,922	-56,091	-3	0
570	LOSSES FROM EXPENDITURES AND SALE OF INTANGIBLE INVESTMENT IN REAL ESTATES AND	0	157,492,571	21,289	0	0
571	LOSS FROM WRITE-OFF AND SALE OF BIOLOGICAL RESOURCES	0	0	0	0	0
574	DEFICIT	0	2,449,356	285,749	0	12
575	CONTRACTED RISK PROTECTION NOT PRESENTED AS REV.RESERVE	0	444	0	0	0
576	EXPENDITURES FROM DIRECT WRITE-OFF OF RECEIVABLES	0	75,000	0	0	0
577	WRITE-OFF	0	0	0	0	0
579	OTHER NON-MENTIONED EXPENDITURES	2,233,126	6,765,551	-363,109	-16	-5
58	EXPENDITURES FROM PROPERTY IMPAIRMENT	0	-11,452,327	0	0	0
582	IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT	0	0	0	0	0
583	IMPAIRMENT OF LONG-T. FIN.INVST.AND OTHER SECURITIES FOR SALE	0	4,364,958	0	0	0
585	IMPAIRMENT OF RECEIVABLES OF SHORT-T. FIN. INVEST	0	-15,817,285	0	0	0
589	IMPAIRMENT OF OTHER PROPERTY	0	0	0	0	0
59	EXPENDITURES OF PREVIOUS YEARS	0	22,197,416	10,963	0	0
591	EXPENDITURES OF PREVIOUS YEARS	0	0	0	0	0
592	EXPENDITURES FROM ERROR CORR. FROM PREV.YEARS MATERIALLY INSIGNIFICANT	0	22,197,416	10,963	0	0
III	OTHER EXPENDITURES	2,233,126	177,528,010	-45,128	-2	0
	TOTAL EXPENDITURES	369,129,899	1,773,203,123	435,788,177	121	26

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5.3. FINANCIAL RESULT OF OU GROUND HANDLING

From the above tables it can be concluded that for the period I-IX 2018 Ground Handling realized total revenues in the amount of RSD 1,501,158,063, total expenditures in the amount of RSD 1,342,613,334 which resulted in **gross profit** in the amount of RSD 158,544,729.

FINANCIAL RESULT						
No.	Position	Achievement GH I-IX 2017	Achievement ANT I-IX 2018	Achievement GH I-IX 2018	Index	Participation
1	2	3	4	5	6(5/3)	7(5/4)
1	Operating revenues	1,177,483,057	8,015,787,318	1,499,651,625	127	19
2	Operating expenditures	1,054,511,699	4,573,601,836	1,340,949,106	127	29
3	Business profit (1-2)	122,971,358	3,442,185,482	158,702,519	129	5
4	Financial revenues	431,018	102,170,477	489,279	114	0
5	Financial expenditures	5,222,433	53,075,252	580,767	11	1
6	Financial profit (4-5)		49,095,225			0
6a	Financial loss (5-4)	4,791,415		91,487	2	
7	Other revenues	2,564,052	33,487,488	1,017,159	40	3
8	Other expenditures	4,084,522	250,549,597	1,083,461	27	0
9	Other profit (7-8)					
9a	Other loss (8-7)	1,520,470	217,062,109	66,302	4	0
10	Total revenues (1+4+7)	1,180,478,127	8,151,445,283	1,501,158,063	127	18
11	Total expenditures (2+5+8)	1,063,818,654	4,877,226,686	1,342,613,334	126	28
12	Total gross profit (10-11)	116,659,473	3,274,218,598	158,544,729	136	5
12a	Total gross loss (11-10)					
13	Period tax expenditure	17,499,000	488,195,932	23,781,709	136	5
14	Deferred period tax expenditure		10,009,200			
15	Deferred income tax					
16	Earnings paid by employer					
17	Net profit	99,160,473	2,776,013,466	134,763,020	136	5

OU Ground Handling in the period I-IX 2018 realized a net profit in the amount of RSD 134,763,020.

III quarter

From the above tables it can be concluded that for the period I-IX 2018 Ground Handling realized total revenues in the amount of RSD 569,976,144, total expenditures in the amount of RSD 435,788,177 which resulted in **gross profit** in the amount of RSD 134,187,967.

FINANCIAL RESULT						
No.	Position	Achievement GH VII-IX 2017	Achievement ANT VII-IX 2018	Achievement GH VII-IX 2018	Индекс 6(5/3)	Учешће 7(5/4)
1	2	3	4	5	6(5/3)	7(5/4)
1	Operating revenues	402,581,730	3,291,326,360	568,775,194	141	17
2	Operating expenditures	352,777,673	1,585,304,979	435,750,554	124	27
3	Business profit (1-2)	49,804,056	1,706,021,382	133,024,640	267	8
4	Financial revenues	80,421	40,174,115	220,974	275	1
5	Financial expenditures	4,118,899	10,370,134	82,751	2	1
6	Financial profit (4-5)		29,803,981	138,223		0
6a	Financial loss (5-4)	4,038,478			0	
7	Other revenues	1,336,789	21,074,814	979,976	73	5
8	Other expenditures	2,233,126	177,528,010	-45,128	-2	0
9	Other profit (7-8)			934,848		
9a	Other loss (8-7)	896,338	156,453,197		0	0
10	Total revenues (1+4+7)	403,998,939	3,352,575,289	569,976,144	141	17
11	Total expenditures (2+5+8)	359,129,699	1,773,203,123	435,788,177	121	25
12	Total gross profit (10-11)	44,869,240	1,579,372,166	134,187,967	299	8
12a	Total gross loss (11-10)					
13	Period tax expenditure	6,730,465	238,262,704	20,191,522	300	8
14	Deferred period tax expenditure		1,537,126			0
15	Deferred income tax					
16	Earnings paid by employer					
17	Net profit	38,138,775	1,339,572,336	113,996,444	299	9

OU Ground Handling in the period VII-IX 2018 realized a net profit in the amount of RSD 113,996,444.

Source: ground handling

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 ANT has direct and indirect contact with.

Monitoring of land and groundwater at the location of JSC Belgrade Nikola Tesla Airport

In the procedure of public procurement, a contract was concluded on July 16, 2018 with the bidder Institute for Occupational Safety and Health, Novi Sad, up to 30,000,000.00 RSD excluding VAT.

By reviewing the obtained results, the following could be stated:

- Sampling and laboratory analysis of soil and groundwater was done in the period July-August 2018;
- Soil samples were taken from 73 locations (with more depths of 0.5-5.0m), the number is not yet final, as some results are still pending;
- In almost 50% of the soil samples (158), the presence of organic pollutants (pollutants) in concentrations above the maximum limit value (GMV) was observed;
- In only 3 samples at two locations (from depths of 0.5 and 1.0m), the presence of C10-C40 hydrocarbons in concentrations above the remediation values (RV) was determined;
- In 322 samples the presence of inorganic pollutants in concentrations above GMV, most commonly cobalt and cadmium (increased nickel concentrations were not considered), was observed;
- In all samples of soil concentrations of inorganic pollutants did not exceed remedial values;
- 12 samples of groundwater were taken and analyzed in total;
- In 2 samples of groundwater, the values of lead, copper, chromium, nickel, zinc and arsenic exceeded RV, while in one sample the copper concentrations were above RV and
- In all of the samples of groundwater, the concentration of organic pollutants did not exceed RV.

Bearing in mind the results of the test, ANT, as an entity responsible for the protection of soil and groundwater at the complex, organized land and groundwater surveys in locations where there is a suspected contamination, on the basis of the obtained results, in the following period, remove sources of pollution where that's necessary.

Equipment for proper handling of dangerous goods and hazardous waste

The procurement procedure is in progress to procure equipment for the proper handling of dangerous goods and hazardous waste, which must be stored in accordance with legally prescribed conditions, as well as handling dangerous substances that must be carried out in such a way as to avoid any unwanted possible incident. Equipment should be procured to prevent any handling in work processes that can cause unwanted effects on human health and the environment, which will harmonize the work processes with the legislation regulating the handling of dangerous goods and hazardous waste.

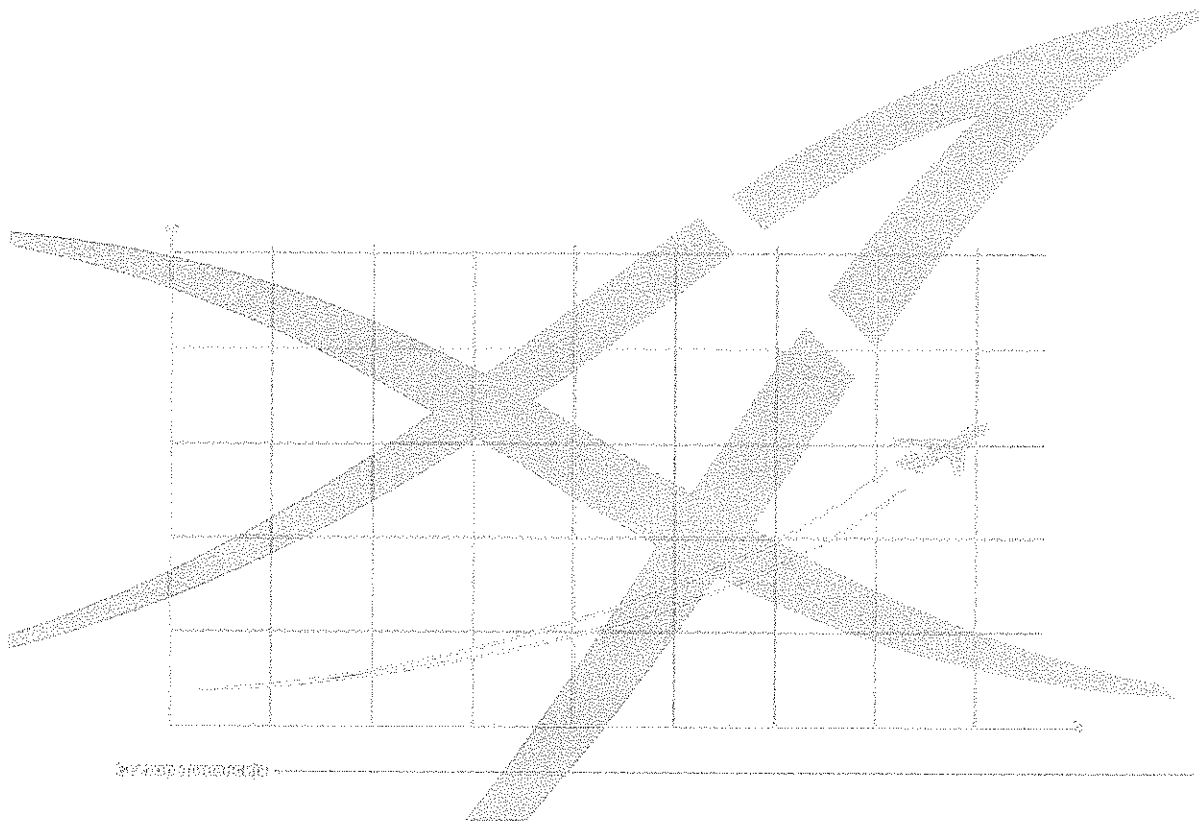
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Removal of waste material containing asbestos

Procedures for procurement of replacement of roof coverings and removal of waste material containing asbestos in accordance with the environmental legislation in order to improve the health conditions of use of facilities are in progress.

Cleaning service for oily concrete surfaces

Procurement procedure for removal of deposits of oily material on concrete surfaces is under way in order to reduce the negative impact on the environment in accordance with the regulations that regulate this area.



7. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES IN THE PERIOD I-IX 2018 ГОДИНЕ

The following text describes all significant occurrences which happened at the Airport Nikola Tesla Belgrade in the period I-IX 2018:

- French company VINCI, on March 22, 2018 signed an Agreement on concession of Belgrade Nikola Tesla Airport for a period of 25 years.
- From 10.03.2018 Iranian state airline Iran Air started flights on the Belgrade-Tehran route, with A320 aircraft, twice a week.
- Mahan Air started with flights on March 20, 2018 with A310, and regular flights will start from 04.06.2018, twice a week, on the route Belgrade - Tehran.
- Qeshm Air started on March 19, 2018. with A320, and will continue flights from 31.05.2018 twice a week, on the Belgrade-Tehran route.
- Transavia has increased frequency on the route Belgrade - Amsterdam with flights 6 times a week from 26.02.2018 which practically doubled the number of flights with B737-800.
- From 01.05.2018 (six months from the entry into force of the Lease Agreement), the effects of favorable conditions for leasing shall apply to the lessee "Dufry", MGN 2, in the amount of EUR 2.50 per each outgoing international passenger;
- On 15.05. to May 16, 2018 at 00 hours the handover of two parking lots was carried out, as follows: parking P1 and public parking garage, between JSC Belgrade Nikola Tesla Airport and JKP Parking Service Belgrade based on which further management was transferred to JSC Belgrade Nikola Tesla Airport, which of business strategic significance. In accordance with the subject amendment dated 16.05.2018 the new price list of parking places and short-term stops came into force. By taking over parking lot P1 and public parking garage from JKP Parking Service Belgrade, new conditions and ways of using parking spaces have been created, and accordingly a proposal of the new Price list has been prepared. During the development of a new Price List for parking places and short-term stops, business partners and employees of business partners were specially taken care of (business and legal entities that are connected with JSC Belgrade Nikola Tesla Airport and have a need for the use of parking space).
- Easyjet airline opened the line for Basel on July 31, 2018 three times a week and Berlin on 10.08.2018 four times a week;
- Russian airline Red Wings has opened a line to Moscow Domodedovo, on June 26, 2018, three times a week.

For the facility Other buildings-Restaurant "Borik", area 533.36 m², cp 3739/1 CM Surcin, on 25/ 01 /2018 the Ministry of construction, traffic and infrastructure of the Republic of Serbia adopted the final Legalisation decision number: 354-00-00025/2017-09; Owned property right in favor of ANT.

For the facility of technical maintenance department, the area of 704 m², cp 3739/1 KO Surčin, on March 8, 2018, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia passed the Final Decision on legalization number: 354-00-00044 / 2017-09. The title was registered to ANT;

Belgrade, 30.09.2018.

For the facility Parking lot P 2.1, area 1200 m2, cp 3739/1 KO Surčin, on 05.03.2018, MGSI RS passed the final decision on legalization (number 354-00-00793 / 2017-09). The title was registered to ANT;

For the facility Parking lot P4, area 3153 m2, cp 3739/1 KO Surčin, on January 25, 2018, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia passed the final decision on legalization number: 354-00-00023 / 2017-09; registered ownership rights in favor of ANT.

For the facility Parking lot P6, area 2600 m2, cp 3739/1 KO Surčin, on 05.03.2018, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia finally adopted the Decision on legalization number: 354-00-00734 / 2017-09. The title was registered to ANT;

For the facility Parking lot P7, area 4460 m2, cp 3739/1 KO Surčin, on January 25, 2018, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia finally adopted the Decision on legalization number: 354-00-00022 / 2017-09; Registered ownership right in favour of ANT.

For the facility Parking lot P8, with handling area of 4000m2, cp 3739/1 KO Surčin, on 25.01.2018. The Ministry of Construction, Transport and Infrastructure of the Republic of Serbia passed the Final Decision on legalization number: 354-00-00026 / 2017-09; Registered ownership right in favour of ANT.

For the facility Parking lot P10, area 3950 m2, cp 3739/1 KO Surčin, on January 25, 2018, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia adopted the final Decision on legalization number: 354-00-00027 / 2017-09; Registered ownership right in favour of ANT.

For the building of Annex to Terminal 1, with an area of approximately 24870 m2 basically, kp 3739/1 KO Surčin and a part of 3745 KO Surčin, the Ministry of Construction, Transport and Infrastructure of the Republic of Serbia passed a decision on legalization number 354-00-00328 / 2017-09 of 04/25/2017. Waiting room A10 legalized - issued a decision on legalization number 354-00-00096 / 2018-09 of 10.05.2018. The title was registered to ANT;

For the building of the Barracks for urea, area of 320 m2, kp 3739/1 KO Surcin, on 03. / 05 / / 2018, the Ministry of Construction, Traffic and Infrastructure of the Republic of Serbia adopted final Legalization decision number: 354-00-00087 / 2018-09. Gross area from the legalization decision is 289.02 m2. The title was registered to ANT;

For the facility Weather observatory building, area 150 m2, cp 3739/1 CM Surcin, on 03/ /05 /2018 the Ministry of construction, traffic and infrastructure of the Republic of Serbia adopted finalthe Legalisation decision number: 354-00-00085/2018-09. Gross area from the legalisation decision is 146.07 m2. The title was registered to ANT;

For the facility Upholstery workshop, area 40 m2, cp 3739/1 CM Surcin, on 03/ /05 /2018 the Ministry of construction, traffic and infrastructure of the Republic of Serbia adopted the final Legalisation decision number: 354-00-00089/2018-09. Gross area from the legalisation decision is 39.60 m2. The title was registered to ANT;

For the building Air traffic building - Garage for de-icing, kp 3739/1 KO Surčin, registration of ownership rights in favor of ANT was carried out in RGZ SKN Surčin based on the decision of

RGZ number 952-02-20-200 / 2017 of 05.06.2018. on the surface of 628 m2. The title was registered to ANT;

For the building Air Traffic Building - Firefighting garage for equipment, area of 1432.12 m2, kp 3739/1 KO Surčin, in the RGZ SKN Surčin, registration of the ownership right in favor of the ANT was made based on the decision of RGZ number 952-02-20-200 / 2017 of 06/05/2018. year, on an area of 1158 m2. The title was registered to ANT;

For the building Air Traffic Building - Auxillary building, area 418 m2, kp 3739/1 KO Surcin, in the RGZ SKN Surčin, registration of the ownership right in favor of the ANT was carried out based on the decision of RGZ number 952-02-20-200 / 2017 of 05.06.2018, on the surface of 418 m2. The title was registered to ANT;

For the object Fire water pool R-264, area 13 m2, kp 3739/1 KO Surčin was registered in RGZ SKN Surčin registration of property right in favor of ANT based on the decision RGZ number 952-02-20-200 / 2017 of 05.06. 2018, on the surface of 13 m2. The title was registered to ANT;

For the facility – aircraft handling drivers, area 401.86 m2, kp 3739/1 KO Surcin, in the RGZ SKN Surčin, registration of ownership rights in favor of the ANT was carried out based on the decision of RGZ number 952-02-20-200 / 2017 of 05.06.2018. The title was registered to ANT;

For the building - crematorium building, area 30.45 m2, kp 3739/1 KO Surčin, the registration of ownership rights in favor of ANT was carried out in RGZ SKN Surčin based on the decision of RGZ number 952-02-20-200 / 2017 of 05.06.2018. The title was registered to ANT;

For the construction facility for dogs, measuring 83.43 m2, kp 3739/1 KO Surcin, in the RGZ SKN Surčin, registration of ownership rights in favor of the ANT was made based on the decision of RGZ number 952-02-20-200 / 2017 of 05.06.2018. The title was registered to ANT;

The Government of the Republic of Serbia, on January 31, passed Conclusion 05 No. 464-910 / 2018 by which it agreed that the immovable property in the ownership of the Republic of Serbia, as follows: cad. plots No. 3733, 3735/1, 3750/1, 3750/6, 3750/7, 3750/9, 3750/11, 3750/13, 3750/16, 3995/3, 3996/3, 3997/3, 3998/3, 3999/3, 4140/1, 4263/1, 4264/1, 4264/2, 4265, 4266/1, 4267/1, 4267/3, 4268/1, 4268/6, 4269/2, 4272/1, 4275/6, KO Surčin, is entered as contribution in kind of the Republic of Serbia into the company JSC Belgrade Nikola Tesla Airport, in order to increase the basic capital of the company through non-monetary stakes.

Assembly of JSC Belgrade Nikola Tesla Airport at its extraordinary 19th session, held on March 20, 2018, decided to increase the basic capital based on the new contributions in kind of the shareholder - the Republic of Serbia and issue ordinary shares to the Republic of Serbia on behalf of its contributions in kind.

By the decision of the Republic Geodetic Authority - Real Estate Cadastre Office Surčin no. 952-02-4-895 / 2018 of 24.04.2018 the registration of the ownership right in favor of JSC Belgrade Nikola Tesla Airport is allowed on the cadastral plot no. 3733, 3735/1, 3750/1, 3750/6, 3750/7, 3750/9, 3750/11, 3750/13, 3750/16, 3995/3, 3996/3, 3997/3, 3998/3, 3999/3, 4140/1, 4263/1, 4264/1, 4264/2, 4265, 4266/1, 4267/1, 4267/3, 4268/1, 4268/6, 4269/2, 4272/1, 4275/6, in the list of immovable property number 2348 KO Surčin.

The Government of the Republic of Serbia, on 01.03.2018 made a Conclusion 05 Number: 464-1883-/ 2018 by which it agreed that the immovable property owned by the Republic of Serbia, facilities "buildings no. 26, building Public garage-Public parking garage "and

7600/12233 ideal parts of the facility "facility no. 41, Parking lot", on cad.plot number 3739/1, registered in RE list No. 6519, KO Surčin, be entered as contribution in kind of the Republic of Serbia, to JSC Belgrade Nikola Tesla Airport, for the purpose of increasing the share capital.

Assembly of JSC Belgrade Nikola Tesla Airport at the extraordinary 20th session, held on 06.06.2018 made a decision to increase the basic capital on the basis of contribution in kind of the Republic of Serbia, which consists of the ownership right on the following real estate:

1. The building registered as building no. 26, building Public garage - Public parking garage, number of storeys: g.f. +3, the building has a permit for use, on the cad.plot no. 3739/1, registered in RE List No. 6519 CM Surcin.
2. 7600/12233 ideal parts of the building inscribed as facility no. 41 Parking lot, the facility has an approval for use, on the cadastral plot no. 3739/1, registered in RE list No. 6519 CM Surcin.

After the completion of the capital increase procedure, ANT became the owner of Public Parking Garage and Parking facilities.

The Government of the Republic of Serbia on 26/07/2018 made the Conclusion 05 number: 464-7181 / 2018-1, which agreed that the immovable property is owned by the Republic of Serbia, as follows: cad.plot no. 3429/1, 3431/1, 3430/1, 4150/8, 4150/16, 4277/6, 4141/1, 4142/1, 4143/1, 4275/7, 4275/9, 4272/3, 4272 / 4, 4268/5, 4268/9, 3750/18, 3750/19, 4112/4, 4112/5 and 3756/3 KO Surčin entered as contribution in kind of the Republic of Serbia into the company JSC Belgrade Nikola Tesla Airport, in order to increase the basic capital of the company by contribution in kind.

Assembly of JSC Belgrade Nikola Tesla Airport held an extraordinary 23rd session, on 14.08.2018. On the same day, it decided to increase the basic capital based on the new contribution in kind of the shareholder - the Republic of Serbia and issue ordinary shares to the Republic of Serbia in the name of the contribution.

After the completion of the capital increase procedure, the ANT became the owner of the following plots: 3429/1, 3431/1, 3430/1, 4150/8, 4150/16, 4277/6, 4141/1, 4142/1, 4143 / 1, 4275/7, 4275/9, 4272/3, 4272/4, 4268/5, 4268/9, 3750/18, 3750/19, 4112/4, 4112/5 and 3756/3 KO Surčin.

The Government of the Republic of Serbia, on 01.03.2018 made a Conclusion 05 Number: 464-1891 / 2018, deciding to alienate from the public property without compensation, in the procedure of expropriation, cadastral plot No. 4107/1, 4107/2, 4110/1, 4110/2, registered in Real Estate List no. 1165 KO Surčin and cadastral plots no. 4111/1, 4111/3, 4112/1, 4112/2, registered in List of real estate number 6412 KO Surčin, in favor of JSC Belgrade Nikola Tesla Airport.

The Government of the Republic of Serbia, on March 22, 2018 made a Conclusion 05 Number: 464-2698 / 2018, deciding to dispose of publicly owned land, by means of a direct negotiation, building land which is cad.plot No. 4111/2 KO Surčin, total area of 1 a 4 m², registered in the Real Estate List No. 6657 KO Surčin for the purpose of resolving property relations in order to realize the project of concession for financing, development through construction and reconstruction, maintenance and management of infrastructure of JSC Belgrade Nikola Tesla Airport and performing the activities of the airport operator, in favor of JSC Belgrade Nikola Tesla Airport, for a total purchase price of 416,000.00 RSD.

After the conclusion of the contract with the Republic Property Directorate, ANT became the owner of cad. plot 4111/2 KO Surčin.

By the decision of the Republic Geodetic Authority, Real Estate Cadastre Agency Surcin number 952-02-20-223-3256/2018 of 06.08.2018, the registration of the ownership right in favor of JSC Belgrade Nikola Tesla Airport is permitted on the following facilities:

1. Parking lot P 2.1, No. 31 on cadastral plot No.3739/1
2. Parking lot P 8, No. 32 on cadastral plot No.3739/1
3. Technical maintenance department facility with boiler room, , No. 4 on cadastral plot No.3739/27
4. Part of air traffic building – Part of apron „B“ (upgrade) and taxiway „L“, No. 1 on cadastral plot No.3739/29
5. Other facilities – Facility of a technical base - Fire brigade, No. 20 on cadastral plot No. 3739/33
6. Road traffic building part - Perimeter road, No.21 on cadastral plot No.3739/33
7. Parking lot P 9 ahead of barracks, No. 1 on cadastral plot No.3739/36
8. Parking lot P 4, broj 4 on cadastral plot No.3739/37
9. Road traffic facility - Traffic lane - part of the Surčin road, No. 1 on cadastral plot No.3739/38
10. Road traffic building part - Airport Road, No. 1 on cadastral plot No.3739/45

The Government of the Republic of Serbia, after the implementation of the project of reparcelling in the cadastre, on 09.08.2018 made a Conclusion no. 464-7663/2018, which gives consent to delete the right to use of JSC Belgrade Nikola Tesla Airport from plots intended for other users. Also, the Supervisory Board of the Company by decision No. DNO-316/2018 dated 08.08.2018 agreed to delete the right to use of JSC Belgrade Nikola Tesla Airport from the same plots. By the decision of RGZ - SKN Surčin 952-02-4-223-23843 / 2018 of 24.08.2018 The Government conclusion was implemented and public property of the Republic of Serbia was registered on the above plots.

The Ministry of Construction, Transport and Infrastructure of the Republic of Serbia, on 12.07.2018 made a Decision ROP-MGSI-11950-IUPH-2/2018, No. 354-04-01369 / 2018-14, allowing the use of completed works on the extension of the F- taxiway and the construction of aircraft de-icing and anti-icing pad with ground floor hall for placement of de/icing fluid tank, a ground floor container facility with office space and a substation assembly. On the basis of the aforementioned, the Decision of the Republic Geodetic Authority, the Cadastre of Real Estate Surcin No. 952-02-18-223-566 / 2018 dated 10.09.2018 was adopted, by which ANT is entered as the owner of the listed facilities.

The Government of the Republic of Serbia on 14/09/2018 made the Conclusion 05 number: 464-8586 / 2018 by which it was decided that the construction land publicly owned by the RS cad. plot 3742/11 KO Surcin, area 62 m², registered in LN 6657 KO Surcin is disposed in direct negotiation in favor of ANT, since it forms part of the concession location, at the total purchase price of 235.600,00 RSD.

The ANT and the Republic Property Directorate concluded on September 21, 2018 contract on the sale of cad. plot number 3742/11, certified by the notary public, Katarina Pavićević, under the number OPU 1810-2018.

Prefabricated containers for employees with space for accommodation aircraft handling equipment

- **Purpose:** The initiative for the implementation of the project was undertaken with the aim of creating a unique space for the accommodation of employees in operational services, as well as the formation of handling and parking spaces for vehicles and space for the disposal of equipment used for aircraft handling purposes.

The total area of the two facilities is about 1,700m², and the interior is equipped with modern office furniture, tea kitchens and shower cabins, which enables employees in the operational services who work continuously 24 hours a day, adequate comfort and working conditions. The accommodation capacity of the facilities is 230 people.

The realization of this project enabled the liberation and more adequate operational and commercial exploitation of the space in the terminal facility, which was previously used for accommodation of employees in operational services.

- **Status:** Works on the construction of prefabricated container facilities for employees with space for the accommodation of equipment for aircraft handling were completed on March 5, 2018.

Arrangement of Terminal 2

- **Purpose:** Nikola Tesla Belgrade Airport is continuously improving its offer to passengers and other users of airport services, and as a logical continuation of the arrangement of the Terminal 1 registration hall, which was completed in 2017, the Terminal 2 registration hall has been upgraded. The works involved improvement of the visual identity, space designation and enabling the automation of the registration of passengers and baggage. A reorganization of the existing commercial space has been completed and new commercial facilities have been added - bank and airline companies counters.

- **Status:** Subject works on arrangement of Terminal 2 were completed on 30.05.2018.

Arrangement of the parking lot P10

- **Purpose:** The project envisages the execution of works on the arrangement of the parking lot P10, in the zone near the Red building. The existing parking lot will be divided into two independent, functional units, total area around 3950m² and planned capacity of up to 180 parking spaces. It is envisaged that around 1850 m² of parking area is intended for parking vehicles of employees, and approximately 2100 m² of parking area will be for TAXI vehicles.

By realization of this project TAXI vehicles are moved from the parking lot P9 to the part of parking lot P10 to better organize and regulate their work and avoid crowds that are currently being created in front of the Terminal.

- **Status:** Execution of works was completed on 23 August 2018.

Construction of sidewalk

- **Purpose:** The project is being implemented in order to raise the level of safety of road users, primarily pedestrians, in the public zone of the airport complex, and in accordance with the Decision of the City Administration of the City of Belgrade - the Secretariat for Transport. The construction of the sidewalk on the former regional road R266 is planned to be carried out in the zone of Nikola Tesla Airport, Belgrade, with a total length of 950m. The works will include the establishment of a stop for public transport vehicles, vehicles for the transport of employees, and the formation of positions for TAXI vehicles on hold.
- **Status:** Execution of works was completed on 19 September 2018.

Enforcement of floor construction

- **Purpose:** The reinforcement of the floor construction is planned to allow the installation of a new X-ray device for baggage screening, which is significantly larger than the existing one. Considering that the existing floor structure of the Terminal 2 facility is not designed for additional load, a technical documentation will be prepared which will provide for load capacity verification and reinforcement of the floor structure and all other additional load-bearing structural elements. As per developed technical documentation and obtaining of necessary approvals for execution of works from competent authorities, works are being executed on installation of additional structure elements and adjustment of the existing ones.
- **Status:** Upon the award of the Public Procurement Contract and the obtained documents of the competent authorities for the execution of works, the group of contractors in which the carrier of the business is Ras Engineering execute works. Works are completed on the construction of elements for reinforcement of the structure and returning to the function of installations that were displaced during construction works. Connection of the new and existing construction is in progress and the restoration of the area to its original condition.

The expected completion of works is in October 2018.

Creation of technical documentation and execution of works on the formation of positions for charging with the electrical energy of the aircraft service assets

- **Purpose:** The increase in the number of funds for the service of electrically powered aircraft used at the airport has caused the need to ensure that their batteries are supplied in the appropriate place. For this reason, technical documentation has been prepared for arranging and equipping a site that would provide suitable conditions for parking vehicles and electric equipment during the recharge of batteries with two shelters of a covered site with a total of 11 parking spaces.
- **Status:** The works were completed on September 12, 2018.

Network construction

Development of technical documentation and execution of works on the formation of positions for charging of the aircraft service units with the electrical energy

- **Purpose:** The increase in the number of service units of electrically powered aircraft used at the airport has caused the need to ensure that their batteries are supplied in the appropriate place. For this reason, technical documentation has been prepared for arranging and equipping a site that would provide suitable conditions for parking vehicles and electric equipment during the recharge of batteries with two shelters of a covered site with a total of 11 parking spaces.
- **Status:** All works are completed on 12 September 2018.

Improving the security control of passport check points

- **Purpose:** These works include the installation of electro-operated sliding doors (10 doors in Terminal 2 and 4 doors in Terminal 1), with appropriate control devices, on the passages between cabins from which passport control of departing passengers is carried out. The works were carried out in accordance with the request of the Ministry of Internal Affairs in order to improve the security control of passenger flows on passport check points and improve efficiency.
- **Status:** The works on improving the security control of passport check points were completed on June 10, 2018.

Installation of smoking cabins

- **Purpose:** In order to satisfy the requirements of passenger- smokers as well as to comply with the regulations on the prohibition of smoking in public buildings, part of the space in the requested part of Terminal 2 - Finger halls C, at the waiting rooms "C 3-4" is adapted, by creating a space from the part of the finger hall of about 30m² and equipment for ventilation and furniture in order to enable smokers to consume tobacco products.
- **Status:** Following the award of the Public Procurement Contract, works on the assembly of the smoking room are performed by Energoprojekt Industrija from Belgrade. Execution of works is in progress, completion is expected in the first half of October 2018.

Implementation of the system for reports, analysis and analytics

- **Purpose:** JSC Nikola Tesla Airport has a large number of information systems, both standard and those specific to airport operations. Individually, all these solutions have their role in business processes, they collect data, process them, store them, add value to them, generate information, generate reports and indicators that are used in everyday business and decision making.

In every organization with a large number of databases, there is a need for an "umbrella" solution that will consolidate the relevant data in one place, thus creating a new database from

which reports and analysis of a comprehensive company profile will be generated and which will be the basis for management decision-making.

By implementing the reporting, analysis and analytics system, the airport can achieve many benefits when it comes to better resource planning and possible modification or introduction of new processes that can lead to cost savings and revenue increases. By monitoring the key performance indicators (KPIs) provided by the system, the necessary information is provided for process optimization, planning and decision making based on real and timely information within individual organizational units and management.

Implementation of the information system for reports, analysis and analytics has been realised. Putting the system into full-scale work is related to the SAP ERP system implementation project.

- **Value:** RSD 29,897,750.00, VAT excluded
- **Supplier:** *Comtrade System Integration doo* with subcontractor *Printer IT Solutions and Services doo*, per Contract no. UJNV-83/2017 dated 06/10/2017

Service of maintenance and integration of human resources monitoring and analysis system in the business information system

- **Purpose:** The purpose of the procurement is to maintain the aforementioned system, as well as integration with the SAP ERP business information system, the implementation of which is in progress.

Human Resource Monitoring and Analysis System is a portal that, integrated with the business information system SAP ERP, enables the automation of personnel-related processes in the enterprise. This primarily relates to the possibility for employees to use employees' services on their own and, through them, have the possibility to create requests for absences, have insight into the team calendar, input information for promotion, the ability to review and update their own profile etc. On the other hand, human resource management services are enabled processes for managing work performance, talent management and the successor planning process.

Implementation of the system for monitoring and analysis of human resources is realized. Commissioning of the system is related to the project of implementation of SAP ERP system.

Value: RSD 24,480,820.00, VAT excluded

Supplier: Sapiens Solutions d.o.o, pursuant to the Contract no. UJNV-14/2018 dated 27/02/2018

Procurement of the equipment for passenger and baggage self check-in

- **Purpose:** *IATA StB initiative (FAST TRAVEL PROGRAM, Simplifying the Business, IATA)* is aiming to enable service users self check-in per individual travel phases. The subject of the procurement is equipment for passenger and baggage self check-in in accordance with *IATA StB initiative* and within the indicated procurement of applicative software, service of system implementation, support and maintenance.

The equipment and software for passenger self check-in - *Common Use Self Service (CUSS)* represents information platform which enables using of common infrastructure, i.e. CUSS counter, to which several different applications of air-carriers can be implemented for passenger self check-in.

➤ The equipment and software *Self Service Bag Drop (SSBD)* represents information platform which enables passengers to automatically checks-in their baggage and drop it at the counters with this service.

BY 702/01/2018/001

Maintenance and procurement of licenses for business information system - SAP ERPC

- **Purpose:** of the project is procurement of maintenance of existing and extracting additional licenses in order to ensure business continuity, provide the latest versions of the software and in order to meet the deadlines of the SAP ERP Implementation Project and the implementation of the SAP HR portal. In addition to the above-mentioned subject of procurement, all the software database extensions are necessary for the acquisition of new licenses. Enterprise Resource Planning system (ERP) represents a platform of integrated applications which provides integration and optimisation of operating processes. For the work of this software purchased by ANT in May 2017 and whose implementation is in progress, it is necessary to provide appropriate licenses, and then pay regular maintenance every year.

The need for additional licenses was announced by purchasing the SAP HR Portal solution that was procured as a separate project in relation to the SAP ERP solution implementation project. This project uses the existing licenses that ANT already has, but also a number of licenses specific to this module. The second part of the need emerged after the detailed SAP ERP project implementation plan was developed, but also due to the increased workload and the number of employees who will be future users.

SAP ERP business information system licenses were delivered within the agreed time, and the support and maintenance of licenses (existing and additional) was initiated by signing the contract, or by signing the handover record.

- **Value:** RSD 29,918,215.55, VAT excluded
- **Supplier:** S&T d.o.o., per Contract no. UJNV-64/2018 dated 16/08/2018

Active network equipment - Part 1 - Active network equipment

- **Purpose:** The subject of the contract is procurement of active network equipment of the computer and communication network of Belgrade Nikola Tesla Airport. The renewal of the existing equipment of the computer and communication network by this purchaser has been completed. Due to obsolete equipment and technical and technological weaknesses in the capacity of existing equipment, it was necessary to carry out modernization of equipment, all in order to support new more modern capacities, services and features that modern technologies can provide.

Implementation of active network equipment is in progress, and the agreed deadline for realization is 30 days.

- **Value:** 10,949,160.00 RSD without VAT
- **Supplier:** DBS Konsel Security Service., Under Contract no. UJNV-8/2018 of February 21, 2018.

Active network equipment - Part 2 - Optimizing access to server infrastructure

- **Purpose:** The subject of the contract is procurement of server equipment of the computer and communication network of Belgrade Nikola Tesla Airport. The aforementioned procurement foresees that all business information services of the Airport are optimized and accelerated in a way that modern technologies allow. This means that access to services by users will be done in a faster and more efficient way, and that the services themselves will be more reliable and accessible for users.

Optimization of access to server infrastructure is completed within agreed deadline and is put into operation.

- **Value:** RSD 8,988,200.00, VAT excluded

- **Supplier:** *DBS Konsel Security Service*, pursuant to the Contract no. UJNV-9/2018 dated 21/02/2018.

Active network equipment - part 3 - Telecommunication and installation work on the network for X-ray devices

- **Purpose:** The subject of the contract is execution of works on X-ray devices networking. Nikola Tesla Airport owns X-ray devices, which are control and scan baggage and goods of the users of airport services. For security reasons and security procedures, X-ray devices must be networked in a single computer-communication system so that they are independent of other systems. In this way, a separate communication network is formed, which is totally independent of other networks. Thanks to a unique X-ray communication network, all information and data collected from all X-ray devices will be available to the central computer, which is controlled and managed by X-ray security service.

The work on X-ray devices networking is completed within agreed deadline and the new network is put into operation.

- **Value:** RSD 6,948,400.00, VAT excluded
- **Supplier:** *DBS Konsel Security Service*, pursuant to the Contract no. UJNV-10/2018 dated 21/02/2018.

Information system for protection against complex and targeted threats

- **Purpose:** The subject of the contract is the procurement of an information system for protection against complex and targeted threats. It is necessary to protect applications that are exposed to Internet, or external influences, from DOS / DDos attacks, in order to preserve the functioning of information systems. The envisaged information system must enable traffic analysis and, based on traffic characteristics, have the ability to learn and recognize malicious use of traffic, as well as to automatically define the rules for eliminating the threat. DOS / DDos attacks are a significant threat to corporations, and they make computing and information systems inaccessible by shutting down servers, a computer network, and even end-user systems and devices with useless content and information, which leads to the fact that certain business services are inaccessible for end users. The information system for protection against complex and targeted threats monitors and purifies traffic and has a rapid response to changes in the techniques used by the attack. The system itself has the ability to fine-tune and modify detection and filtering depending on the threat itself, which is an additional level of protection.

The procurement envisaged improves the protection of the computer and communication network, as well as the business information systems, in order to preserve the functioning of the information system service.

Implementation of the information system for protection against complex and targeted threats is completed within agreed deadline and information system is put into operation.

- **Value:** RSD 12,712,980.60, VAT excluded
- **Supplier:** *Digit*, under Contract No. UJNV-21/2018 dated 08/03/2018

08/03/2018

Bar code readers and auxiliary equipment for passenger and baggage reconciliation

- **Purpose:** The subject of the contract is procurement of new bar code readers and auxiliary equipment for baggage reconciliation system. Bar code reader represents a tool for operators from Ground handling and it is used for reading bar codes of baggage, i.e. it is an entrance point of the system for baggage reconciliation.

Considering that the number of passengers have increased since the implementation of the baggage reconciliation system and the first procurement of bar code readers, the initial setting of the bar code readers in use has no more capacity to fulfil in full measure the existing needs and the request of Ground handling is a quantity of bar code readers that cannot be provided at the moment. Beside increased number of passengers, a part of the devices which have been used for many years, does no longer satisfies high criteria for service availability, thus it is necessary to procure additional devices.

Procurement of these new devices provides stable operation of the baggage reconciliation system, which is exceptionally important for airport operations, and it provides significant improvement of work of operators on the devices of new generation.

- **Value:** RSD 6.143.020,00, VAT excluded
- **Supplier:** Alba Tehnologije, per contract no. UJNV-6/2018 dated 01/02/2018

Extension of the system for access control and evacuation

- **Purpose:** Subject of the contract is extension of access control and evacuation system. The procurement expands the existing access control system, the evacuation system and the record of working time, in a way that will connect and network existing equipment, purchased through the extension of Finger Halls A and C and the first phase of the extension of the access control system, the evacuation system and the system for recording work time into a single centralized system.

The second phase of access control should cover all locations that were not covered by the procurement of the extension of Finger Halls A and C and the first phase of the upgrade of the access control and evacuation system, as well as extend the time recording system with the installation of additional reading devices and advanced functionality.

The first phase covered locations that ANTB was required to cover under the TSA (Transportation Security Administration) in order to raise the level of security to a higher level and to meet the safety requirements that were one of the conditions for the authorization to continue for now flights to USA. The first phase procured equipment and connected all readers of access control systems and evacuation modules to SiPass server and necessary licenses were purchased, as well as software for production of identification passes (badges).

By deciding that the A side (gate A6 to A10) is not to be reconstructed, and in the first phase of the extension of the access control system and the evacuation system these locations were not included due to the planned reconstruction, all the above gates, air bridges, finger halls and waiting rooms are left uncovered by the system for access control and evacuation system. In order to fulfill all the security conditions and implement access control systems and the evacuation system completely, it is necessary to cover all listed locations as well as those identified by the OU Security as areas that must be covered in accordance with the above.

This procurement also envisages the purchase of handheld readers (HH - Hand Held devices) needed for employees to be identified at any time on the apron, when entering gates or restrictive areas. When entering gates, security workers will have the ability to read all information about the person entering the area, such as whether he is authorized to access that location, if he is the authorized escort, may he bring in the tool, etc.

In this way, an identification pass (the badge) will be made to which the ANTB should obtain the CAD approval. This is another important requirement for the system to be fully operational. HH devices will be connected to the SiPass server database from which they will have all the data necessary for controlling entry into restrictive areas and checking the persons moving in the same.

An integral part of this procurement will be the obligation of the system's suppliers to develop as-built design. OU ITT, OU Logistics and OU Security will work on a project for works that must be approved by the Border Police, so that the works can be carried out without interruption.

By covering all controlled areas, the system will define the right of access of all employees in accordance with the permit issued by the Border Police and the elements on the badge that are defined in accordance with the OU Security requirement. The system will record in logs all the readings by areas which will significantly improve the security, as well as the control of movement and control of the entry / exit of the person in controlled areas.

The evacuation system as part of the access control system will integrate with the fire protection system, thus enabling these two systems to communicate and forward alarms about the incidents caused by the activation of the evacuation system, as well as whether the cause of the incident is fake activation of the module or not. Integration of these two systems will not only increase the efficiency in detecting the resulting causes, but also the safety in the evacuation areas.

The working time-record system implemented during the first phase is also linked to the presence control system, and this acquisition requires the acquisition of additional licenses as well as terminals in order to read staff more quickly at locations where the concentration of employees is large as well as installation to new locations for which the need arose.

The airport as a company that rationalizes costs in all segments, increasing profits through rational consideration of needs and investing and introducing various information systems that aim to create opportunities for increasing revenue through advertising and exchange of digital content, introduces systems that rationalize costs identified as priorities in rationalization. One of the systems is a Smart Building Management System (BMS). This system is in the phase of developing a technical specification and one of the systems to be integrated is precisely the access control system with all its modules. By integrating the access control system into the smart building management system, smart and optimal control of all consumers will be enabled, for example, in gates, so that all lights, air conditioning and other consumers will automatically switch on and off via information from the access control system in such a way that opening of gates will activate all the mentioned consumers of electricity and in this way will control the consumption of electricity by minimizing it, which will directly increase the lifetime of expensive equipment exploitation and reduce maintenance costs.

Extension of the system for access control and evacuation is in progress.

Value: RSD 39,813,537.50, VAT excluded

Supplier: Smart Building Technologies, per Contract No. UJNV-25/2018 dated 13/03/2018

Extension and Expansion of Microsoft Licenses (True-Up and SA - Software Assurance) **- Part 1 - Extension and Extension of Microsoft Licenses (SA - Software Assurance)**

Purpose: The contract subject is renewal and extension of Microsoft licences as the valid contract expired in February 2018.

The realization of this acquisition has ensured that Microsoft licenses are renewed on time. If we stopped paying the three-year SA, we would be left with the last version of the software we bought. Moreover, we would have to buy all new versions per regular prices, i.e. per model

where we pay the licence (LIC model) and maintenance (SA model). In that case, licences are more expensive as they are paid per LIC/SA model, while in case of regular renewal of the licence we pay only SA model. ANTB is obliged to monitor the newest of all versions of operative systems due to new information systems under implementation and due to security corporative network proposed by Microsoft and in accordance with the Act on Information Security. For that reason the newest versions are necessary as that is the condition of all suppliers of the system for implementation of new and upgrade of the existing information systems. If we do not renew the contract for Microsoft licences we will not be able to implement the systems planned in this year and if we do not sign a new contract in time the value of the planned procurement for licence extension will increase by 30%.

Microsoft licenses are not solely related to licenses for servers and workstations, but also for databases and other Microsoft platforms:

1. Microfot Exchange Server - E-mail server ANTB
2. SQL Sever - All systems on an ANTB that require a database use SQL database
3. Microsoft Skype for Bussines Server - Communication server
4. Microsoft Office - Word, Excell, Outlook, etc.
5. Microsoft Share Point - An internal portal in which the electronic office module is implemented
6. Microsoft Visio - application for drawing diagrams, processes, etc.
7. Microsoft Project-application for planning and tracking projects and creating a curriculum
8. Microsoft Wsus Server - a server for installing security patches on the corporate network
9. Microsoft System Center - server to monitor, control, and report on the status of all servers and workstations in the ANTB corporate network.

Value: USD 790,473.43, VAT excluded

Supplier: E- Smart Systems, per Contract No. UJNV-11/2018 dated 21/02/2018

Extension and expansion of Microsoft licenses (true-up and SA - Software Assurance) - Part 2 - Extension and expansion of Microsoft LICENSES OF CLOUD AZURE PLATFORM

Purpose: The subject of the contract is the extension and expansion of Microsoft cloud azure. The subject of this procurement is expansion of the existing licences through which additional licences will be paid as well as the Azure prescription for the next three years for a spare copy of all critical servers in ANTB would be paid in order to provide continual operation of all servers in the Server room at remote location. Disaster Recovery (DR) is necessary for operation of all servers and services in ANTB in case the servers and services in the Server room break operation. DR is one of the important operation segments and all issues in regard with the concession process where connected with the question whether we have DR location and which solution is implemented. Payment will be realised in three equal annual instalments.

Value: USD 295,711.40, VAT excluded

Supplier: E- Smart Systems, per Contract No. UJNV-34/2018 dated 22/03/2018

IT equipment - Lot 1 - Equipment for SAP ERP

- **Purpose:** The subject of this procurement which includes a new central equipment (servers, storage and licences for virtual platform) for operation of a new SAP ERP solution in accordance with SAP requirement that the infrastructure must be certified for SAP. The central equipment must have such characteristics and capacities necessary to meet hardware requirements of SAP ERP solution, considering that for appropriate operation and upgrade of SAP solution three environments (development, testing and

production) with the same characteristics are necessary. For their operation a resilient and large hardware environment is required.

- **Value:** RSD 40,847,001.00, VAT excluded
- **Supplier:** Serbian Business Systems, under Contract No. UJNV-20/2018 dated 07/03/2018

IT equipment - lot 2 - Data storage system and equipment and backup system for video surveillance and integration with the existing system

Purpose: The subject of the contract is procurement, which is envisaged to provide system and equipment for data storage and backup video surveillance and integration with the existing system. Such a system must include the following equipment:

- Tape library for data storage and backup
- Server for organizing data and installing HSM software with the following technical characteristics
- The offered HSM software, which must enable the organizing and long storage of a large number of files, depending on the number of accesses, will be automatically, by the pre-defined policy, placed on the appropriate media defined by the policies.

The above must be purchased so that within the existing video surveillance system, the video can be stored for a longer period of time. With available resources, it is currently possible to store and view videos not older than two months, which meets the prescribed minimum of 30 days. By implementing this solution, the airport predicted that the minimum period of video recording would be 12 months, which would allow the availability of video for a longer period of time, ensuring that eventual incident situations can be reviewed and much later after the event itself, which can be of great importance and contribution to situations when needed.

Value: RSD 17,928,000.00, VAT excluded

Supplier: EWE COMP and NEPO SISTEM, per Contract no. UJNV-23/2018 dated 09/03/2018

IT equipment – Lot 3 - desktop (All in one) computers

- **Purpose:** The subject of the contract is the purchase of desktop (All in One) computers. Based on the stated needs of all organizational units for the aforementioned equipment and in order to ensure that business processes are performed in an optimal, effective and appropriate manner, it is necessary to provide the specified equipment and cover all the defined positions that participate in business processes with the appropriate computers.

Increasing the number of employees and positions requiring a computer is one of the main reasons why there is a need to purchase new computers.

New computer and information systems and service to be purchased, amended and extended, as well as those in use require new information equipment with technical characteristics that comply with all technically and technologically demanding systems and services. This replacement of existing obsolete computers, which is still in widespread use, is another of the main reasons why there is a need for the purchase of new computers.

By procurement of these computers we will remove possible difficulties in operation and make basic preconditions for unimpeded operation with new computer and information systems and services.

Procurement of the indicated equipment would ensure more efficient, more comfort operation of higher quality. With this procurement obsolete and deteriorated equipment is replaced and equipment quality and reliability level are maintained.

Value: RSD 11,399,220.00, VAT excluded

Supplier: Oblak Tehnologije, per contract no. UJNV-18/2018 dated 06/03/2018

IT equipment - lot 4 - Mobile and tablet devices

- **Purpose:** Based on the stated needs of all organizational units for the mentioned equipment and in order to ensure that business processes are performed in an optimal, effective and appropriate manner, it is necessary to provide the said equipment and provide it to all employees who need the appropriate telephone for daily communication and mobility in work itself. Mobility implies availability of services such as e-mail, internet and remote access to airport systems and services, even when employees are out of office space. Efficient and timely performance of all tasks requiring access to these systems and services, regardless of the current location of employees, requires the use of appropriate smart phones.

By increasing the number of employees, based on the Rules on Mobile Telephony, the number of mobile phone applications that need to be provided increases. Also, the aforementioned Rulebook foresees the possibility of replacing a mobile phone after a certain period of use due to technical and technological obsolescence.

The aforementioned procurement foresees to provide mobile devices and / or tablets for employees, which will meet the technical requirements of the employees' work requirements.

Value: RSD 6,415,623.00, VAT excluded

Supplier: Informatika AD, per contract no. UJNV-24/2018 dated 09/03/2018

IT equipment - lot 5 - Printers, photocopiers and multifunctional devices

- **Purpose:** The subject of the contract is procurement for the provision of printers, photocopiers and multifunctional devices, which would ensure more efficient, more comfortable and quality work of employees.

The purchase of printers, multifunctional devices and photocopiers is necessary due to the age and weariness of existing devices and the incompatibility with new operating systems, and it is necessary to replace existing old devices with new ones. This ensures the possibility of complete functionality in working with the latest computer and information systems and services. This procurement would provide equipment that would replace the old and worn equipment in use, which increases the reliability and quality in the realization of business tasks. In addition, the cost of consumables (toners, ribbons and cartridges) is reduced, as they are cheaper for new devices, as well as maintenance costs, as the frequency of failures in older devices is higher.

Value: RSD 5,840,036.00, VAT excluded

Supplier: Malex - City Copy Service, under Contract no. UJNV-22/2018 of 08.03.2018.

IT equipment - lot 6 - Audio and video equipment

- **Purpose:** The subject of the contract is procurement of audio and video equipment, among which are: speakers, projectors, televisions, cameras, audioreceivers and other, thus continuing the process of modernization of audio and video equipment in use, initiated by previous procurement, as well as equipping new positions.

Replacing an audio system in representative showrooms involves replacing existing obsolete equipment as well as replacing old worn audio installations. Replacing the audio system involves the replacement of audio components in rack cabinets, as well as the purchase of

new components that we did not have in the audio system so far. This improves the sound quality and provides new possibilities for processing and managing sound. This would contribute to ensuring that the coverage of representative lounges with a higher quality sound level at all levels. By replacing worn-out installations and installing newer generation installations ensures that the sound quality be preserved during transmission and the reduction of interference produced by various sources from the environment. Representative lounges are places where important press conferences and presentations are often held, and for this reason the audio system is an important item that should be maintained at the highest level of quality.

For representative lounges, it is necessary to replace the video system and to carry out replacement of old and worn installations. The purchase includes the replacement of TVs, video players and other video equipment. Replacing worn-out installations and installing newer generation installations ensures that image quality is maintained during transmission and interference produced by various sources from the environment reduced. This procurement would eliminate possible problems in representative lounges, which are direct consequence primarily of the deterioration of equipment and installations.

Procurement of new wall and ceiling loudspeakers should replace existing obsolete speakers, in airport areas which were not included in some of the equipment procurement. Since they are speakers that have not been replaced for a great number of years, many of them have a significant deviation from the defined radiation characteristics due to the wear of the parts involved in the production of sound. Over time, many speakers have suffered minor or greater damage. All of the aforementioned causes distortion of sound and, as a consequence, the listener has the incomprehensibility of the broadcasted content. Replacing the old speakers would contribute to ensuring coverage with a higher quality sound of a uniform level, high level of intelligibility in all parts that need to be covered with sound.

Value: RSD 3,975,784.00, VAT excluded

Supplier: Oblak Tehnologije, per contract no. UJNV-16/2018 dated 06/03/2018

IT equipment - lot 7 – Notebook computers

Purpose: The subject of the contract is the purchase of Notebook computers. In order to create opportunities for introducing new trends, applications and software, and facilitating the holding of sessions and other events taking place in representative lounges and possibly other locations, and in order to provide mobility of equipping training classrooms within the training center, equipping of defined classrooms for workshops for SAP ERP (there are 3 designated locations for SAP ERP workshops), there is a need for the purchase of portable notebooks, which creates opportunities for the development of these business processes as well as their improvement of yielding to the efficiency, transparency and facilitate the training, holding of meetings and other events.

Value: RSD 2,93,261.00, VAT excluded

Supplier: Informatika AD, per contract no. UJNV-26/2018 dated 14/03/2018

IT equipment - Lot 8 - Spare parts for computers and electronics

Purpose: The subject of the contract is the procurement of spare parts for computers and electronics. ANTB as a huge and socially responsible company should take steps toward computer literacy and support to institutes performing responsible jobs such as schools, hospitals and help them to carry out their jobs in a more qualitatively and improved manner.

Thus the better image of the airport is spread - as a company ready to support and the one that contributes improvement of work in schools and hospitals and likewise institutions.

Procurement of 10 standard desktop computers with OS is planned for the purpose of donation to institutions in need of help with provision of information equipment and with the purpose of improvement of information conditions in these institutions.

Value: RSD 2,967,234.00, VAT excluded

Supplier: Informatika AD, per contract no. UJNV-27/2018 dated 14/03/2018

IT equipment - lot 9 - Donation computers

Purpose: The subject of the contract is purchase of computers for donation. ANTB as a huge and socially responsible company should take steps toward computer literacy and support to institutes performing responsible jobs such as schools, hospitals and help them to carry out their jobs in a more qualitatively and improved manner. Thus the better image of the airport is spread - as a company ready to support and the one that contributes improvement of work in schools and hospitals and likewise institutions.

Procurement of 10 standard desktop computers with OS is planned for the purpose of donation to institutions in need of help with provision of information equipment and with the purpose of improvement of information conditions in these institutions.

Value: RSD 2,973,880.00, VAT excluded

Supplier: Informatika AD, per contract no. UJNV-29/2018 dated 14/03/2018

IT equipment - lot 10 - UPS devices

Purpose: The subject of the contract is procurement for the provision of UPS devices having main task to provide uninterrupted power supply for consumers at the Airport, where the majority of consumers are personal computers with associated equipment, as well as other systems in which the problem of regular power supply can cause serious consequences, security, financial or functional. UPS devices are used inter alia to provide uninterrupted power supply for active network equipment, access control systems and evacuation systems, as well as other systems whose parts can shut down in the event of a power cuts from the city network, which may lead to interruptions in one section or entire system, as well as the inability of the system users work because of unavailability of the system. This procurement envisages equipping all hubs with UPS devices where there is currently no protection as well as replacement of UPS devices in hubs where the existing ones do not perform the intended function as they are worn out.

Because of steady increase in the number of consumers, in order to avoid any inconvenience due to lack of power supply, it is necessary to provide additional UPS devices.

Value: RSD 1,485,000.00, VAT excluded

Supplier: Oblak Tehnologije, per contract no. UJNV-17/2018 dated 06/03/2018

Computer equipment - partition 11 - Thin client computers

• **Purpose:** The subject of the contract is the procurement of thin client computers. By switching from the old system to display the operating flight schedule to the new one, there was a need to purchase new equipment to replace old devices. Previous procurement has provided a number of thin clients to cover a certain part of existing positions. As the pricelist of communication services foresees the possibility for third parties to provide an operational flight schedule with renting of a thin client computer, it is necessary to provide them to adequately

respond to the requirements for this service and equipment, and which renting increases the profit of the airport from non-airport services. Also, based on the stated needs of all organizational units for the mentioned equipment, in order to ensure that business processes are performed in an optimal, effective and appropriate manner it is necessary to provide the specified equipment. Organizational units of airports that have needs for displaying flight schedules and setting up thin client computers, in order to organize optimal business processes, may additionally request the specified equipment. This procurement envisages the purchase of an additional number of thin clients to cover the remaining existing positions, new positions that should be equipped as well as provide a number of them for leasing by third parties.

Value: RSD 988,880.00, VAT excluded

Supplier: Informatika AD, per contract no. UJNV-28/2018 dated 14/03/2018

Works on extension of the service of DATA video surveillance centre

Purpose: Expansion of the DATA Centre service for IP surveillance includes adding new racks, pulling out telecommunication installations and power cables, and connecting with the main system room of the Airport. Existing video surveillance consists of an IP camera, a data recording system, and a storage system for recorded material. Given that the purchased equipment for the IP video surveillance system meets all the technical and technological standards that the video surveillance system should have, it is necessary to improve and expand the services of the existing DATA Center for IP video surveillance. In order for the correct and uninterrupted operation of the IP video surveillance service to take place, it is necessary to raise the conditions of the DATA video surveillance center to the highest level. In this regard, it is necessary to establish a reliable and secure IT infrastructure and the ability to terminate the service to a minimum. This means that high-level equipment that guarantees stable operation and full functionality must be provided for the equipment of the IP video surveillance system, with adequate microclimate conditions and redundancy of cable connection and power supply. In addition to the network and computer infrastructure, in the DATA Center for video surveillance it is also necessary to provide a system of uninterruptible power supply, cooling and heat removal system, which will provide adequate temperature and humidity, then internal redundant cabling, storage cabinets, as well as system for fire protection.

Value: RSD 9,630,726.00, VAT excluded

Supplier: Telegroup d.o.o, per contract no. UJNV-40/2018 dated 25/05/2018

Improvement of telecommunication system and contact centre

- **Purpose:** Under the advancement of the telecommunication system and contact center, the switching of the existing platform of the telephone exchange to the virtualized platform is meant, which significantly improves the reliability of the system. Switching to virtual infrastructure significantly reduces costs, as a centralized telephony administration system is obtained. The improvement of the telecommunication system also means expanding and improving the functionalities that the modern digital telephone exchange can provide, as well as the procurement of telephones as end devices in the telecommunication system. The digital automatic telephone exchange, that is, the telecommunication system, is used for the needs of communication of employees, for providing the service of the contact center, as well as for providing the service of access and use of fixed telephony to third parties at the Nikola Tesla Airport Belgrade.

The improvement of the telecommunication system was necessary due to the obsolescence of the server environment and application software of the existing system, conditioned by the

significant advances in the field of digital telecommunications. The new hardware and software platform ensured stable operation of the telecommunication system and contact centre, its functions were improved and telecommunication system capacity was expanded to the entire complex of the airport.

- **Value:** RSD 9,653,865.00, VAT excluded
- **Supplier:** Algotech d.o.o, per contract no. UJNV-62/2018 dated 11/07/2018

Training of employees in the Training Centre

Staff who indirectly affects the safety of air traffic must be trained in a Training Centre authorized by CAD and must have certificates of training (Article 187 of the Air Traffic Law ("Official Gazette of RS" nos.73/2010, 57/2011 and 93/2012). In accordance with the stated, the Employees Training Centre is authorised by DCA for training of employees performing the following experts' jobs:

1. aircraft, passenger and cargo handling on the airport;
2. fire-rescuing;
3. transport of dangerous goods in air traffic;
4. safety control of surfaces for aircraft maneuvering, of airport facilities and installations;
5. Aircraft fuel supply
6. Training of aircraft staff on air traffic security

Under staff performing aircraft, passenger and cargo handling the following staff is considered:

1. Traffic coordinator (Airport duty manager);
2. (Traffic dispatcher (traffic dispatcher and Flight coordinator);
3. (ramp dispatcher);
4. controller of ground handling operations (aircraft, passenger and cargo handling supervisor, inspector of final check of aircraft de-icing/anti-icing, cargo loading worker in Cargo Warehouse);
5. aircraft balancer;
6. airport equipment operator (driver and operator of tugging equipment, airport escalators, cargo loaders, water cisterns, aircraft toilet servicing vehicles, de-icing/anti-icing vehicles, air bridges, passenger shuttle buses, passenger and staff van etc.);
7. generator operator (operator of Air Ground Power Units);
8. marshaller (driver of Follow me vehicle, operator of ground communication with aircraft);
9. host or hostess at the airport (ground stewards/stewardess, passenger and baggage check-in agents, passenger and baggage supervisors).

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	third persons
Steward/-ess (level 1)	175	1
Steward/-ess (level 2)	12	-
Ground handling controller (category 1)	23	-
Ground handling controller (category 3)	19	3
Marshaller (level 1)	9	1

Airport equipment operator (level 1)	116	-
Generator operator	27	-
Foreman of the sorting area	17	-
Foreman of cargo transshipment	48	-
Worker on hold baggage, mail and cargo handling at airport	145	-

Under staff performing fire-rescue operations the following are considered:

1. Commander;
2. Professional fire-rescuer (fire-rescue unit and fire prevention section);
3. support staff (primarily employed on other duties);
4. instructor (practical training instructors).

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	third persons
Professional fire-fighter	64	-
Support staff	28	-
Support staff - practice	35	-
Fire-rescuer	44	-

Under employees performing transport of dangerous goods in air traffic the following is considered:

1. Category 1 staff - a sender or a person undertaking senders liability;
2. Category 2 staff - staff preparing parcels with dangerous materials;
3. Category 3 staff - staff processing dangerous materials;
4. Category 4 staff - staff processing cargo and mail (excluding dangerous materials);
5. Category 5 staff - staff performing handling and warehousing of cargo and mail;
6. Category 6 staff - staff performing reception of dangerous materials;
7. Category 7 staff - staff performing reception of cargo and mail (excluding dangerous materials);
8. Category 8 staff - staff performing handling of cargo and mail and baggage;
9. Category 9 staff - staff performing passenger handling (ground steward-ess, passenger and baggage check-in, passenger and baggage registration supervisors);
10. Category 10 staff - aircraft balances and aircraft handling supervisor
11. Category 12 staff - staff performing passenger, baggage, cargo and mail X-screening.

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Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	third persons
Transport of dangerous goods in air traffic, cat. 7	16	-
Transport of dangerous goods in air traffic, cat. 10	62	12
Transport of dangerous goods in air traffic, cat. 9	122	13
Transport of dangerous goods in air traffic, cat. 8	37	14
Transport of dangerous goods in air traffic, cat. 5 and 8	249	13
Transport of dangerous goods in air traffic, cat. 12/ module 19	75	19

Under staff performing safety control of maneuvering area, aircraft facilities and installations is considered Maneuvering areas, airport facilities and installations safety controller.

Under staff performing aircraft fuel supply operations the following are considered:

1. Loader (cistern driver and fuel operator);
2. support operator;
3. storekeeper (fuel storekeeper).

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	third persons
Storekeeper	1	-
Loader	-	-

Under staff performing security screening at the airport the following staff categories are considered:

1. State body staff at the airport;
2. Persons other than passengers, allowed to move without company in SRA or have access to critical facilities, infrastructure and systems;
3. Persons performing X-screening of persons;
4. Persons performing X-screening of hand baggage and other items that checked persons carry;
5. Persons performing X-screening of hold baggage;
6. Persons performing X-screening of cargo and mail;
7. Persons performing X-screening of mail and materials of air-carriers, in-flight supplies and airport supplies;
8. Persons performing security check of vehicles;
9. Persons performing control of access to the airport, surveillance and patrols;
10. Persons performing aircraft protection;
11. Persons performing passenger and baggage reconciliation;
12. Persons performing security control of cargo and mail, by methods other than X-ray screening or have access to cargo and mail identified for air transport;
13. Persons performing security control of mail and materials of air-carriers, in-flight supplies and airport supplies by methods other than X-ray screening.
14. Supervisor;
15. Head officers of security affairs;
16. Instructors;

17. Staff responsible for response to emergency situations.

Training certificate for employees performing X-ray screening is issued for the following categories:

- Persons performing security check of vehicles;
- Persons performing access control, surveillance and patrols;
- Persons performing X-screening of people;
- Persons performing X-screening of hand baggage and other items that checked persons have with;
- Persons performing X-screening of hold baggage;
- Persons performing X-screening of cargo and mail;
- Persons performing X-screening of mail and materials of air-carriers, in-flight supplies and airport supplies;

For other staff who, in line with the National aviation security programme, must be undergone appropriate security training the training certificate are issued.

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	third persons
Security awareness training	769	137
Module 3 - Basic refreshment training for security check	179	19
Module 4 - X-ray screening of persons	72	18
Module 4 - Additional training QPS (training for operation on X-ray screener for screening of persons)	12	-
Module 5 - X-ray screening of cabbing baggage and items carried on board	16	-
Module 5 - additional training CONV5, CONV6, CONV7	-	3
Module 6 - X-screening of hold baggage	7	-
Module 7 - X-screening of cargo and mail	1	-
Module 7 - Additional training	7	-
Module 8 - X-screening of materials and mail of air-carriers, in-flight supplies and airport supplies	10	-
Module 9 - Check of vehicles	38	-
Module 10 - Access control, surveillance and patrol	21	-
Module 13 - passenger and baggage reconciliation	120	-
Module 14- Security control of cargo and mail by methods other than X-ray screening	13	-
Module 15- Security control of materials and mail of air-carriers, in-flight supplies and airport supplies by methods other than X-ray screening	4	16
Module 17 - Special training of supervisors	10	-
Модул 18- Special training of security managers	1	-
Module 20 - Treating persons of unacceptable behaviour	47	-

Apart from the listed trainings prescribed by the national regulations the Employee training centre also performs a great number of **internal trainings** prescribed by internal training programmes (in line with international *ICAO* and *IATA* standards) according to employment needs of the airport and requests of air-carriers. Furthermore, it is necessary to notice that these trainings are not organised in any other existing training centre in our country, while their rendering through foreign training centres is above all very expensive and their implementation is arguable (our trainings are real working conditions and position-driven). Internal trainings which are performed within the Employee Training Centre in AD Airport Nikola Tesla Belgrade;

- ✓ Foreman of cargo transshipment
- ✓ Foreman of the sorting area
- ✓ Transport worker - cargo transshipment into aircraft / baggage sorting / transshipment in CCW.

Beside the listed trainings, all persons performing jobs within SRA (employees and persons engaged in ANT, as well as third persons) must be undergone the training on Aviation security:

1. Basics of air traffic safety;
2. Independent operation of vehicle/equipment in SRA 1;
3. Independent operation of vehicle/equipment in SRA 2;

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	Third persons
Basics of air traffic safety;	266	16
Independent operation of vehicle/equipment in SRA 1	7	-
Independent operation of vehicle/equipment in SRA 2	89	54

In accordance with the Law on Air Traffic, employees at the airport engaged in the field of monitoring and suppression of the presence of birds and other animals undergo trainings.

Number of trained persons in the period 01/01/2018 – 30/09/2018:

	ANT	Third persons
Worker on suppression of the presence of birds and other animals at the airport	9	-

In accordance with the Law on air traffic, the Centre for professional development is subject to inspection and audits of the Civil aviation directorate.

The Centre for professional development is also subject to external audits of air-carriers.

Number of inspections/audits in the period 01/01/2018 – 30/09/2018:

	CAD	Foreign CAD	Companies
Inspections	6	1	15

The Centre for professional development also organizes professional visits of the pupils of the Aviation Academy and students of the Faculty of transport and traffic engineering.

Number of visits in the period 01/01/2018 – 30/09/2018:

	Aviation Academy	Faculty of transport and traffic engineering
Visits	3	-

Interior equipment

In the public procurement procedure, a framework agreement was concluded on January 29, 2018 with the bidder EUROSALON FABRIKA DOO BEOGRAD for lot 2 - Desks and office cabinets up to 2,000,000.00 RSD without VAT.

Annual maintenance of facilities at the airport complex is planned - equipping of working and public spaces, replacement of worn out furniture in order to improve the working conditions of employees and provide services to users at ANTB.

Equipment and tools for maintenance of park surfaces on the complex of ANT-Tools for maintenance of park surfaces

In the public procurement procedure, on May 30, 2018 the contract was concluded with the tenderer "Alpinastar doo" in the amount of 86,216.32 RSD, VAT excluded.

Purchase order is concluded for a period of one year or until the consumption of funds, depending on which of these two conditions is comes first.

Implementation of systematic disinfection, disinsection and pest control

The Purchaser of service is JSC Belgrade Nikola Tesla Airport, provider of service „EKO SISTEM CO DOO“. The purchase order was concluded on 31/05/2018 for the total amount of RSD 298,000.00 VAT excluded. Purchase order is concluded for a period of one year or until the consumption of funds.

Consultancy services of chemical adviser in the preparation of supporting documents for registration in the chemicals register

The purchase order was concluded on 06/03/2018 for the amount of RSD 60,000.00 VAT excluded. Purchase order is concluded for a period of one year or until the consumption of funds.

Beograd, 12.10.2018.

Sampling of drinking water, wastewater, laboratory testing of microbiological and physical and chemical properties

The service provider is the "Institute for Public Health of Serbia", Dr Milan Jovanović Batut. The work order was concluded on 16/03/2018 for an approximate amount of RSD 400,000.00 excluding VAT. It is concluded for a period of one year or up to the expenditure of the above mentioned funds.

Consumables for cleaning, paper products, chemical agents for cleaning of terminal and bags

Lot 3 - mats and tracks, framework agreement, value of 450,000.00 RSD without VAT, with company ARS NOVA d.o.o.

Consumables for cleaning, paper products, chemical agents for cleaning of terminal and bags

Lot 1 – chemical agents for cleaning of aircraft, sanitary premises and terminals, value of 1,300,000.00 RSD excluding VAT, with company MASTER CLEAN EXPRESS d.o.o.

Consumables for cleaning, paper products, chemical agents for cleaning of terminal and bags

Lot 2 - jumbo towels and jumbo toilet paper, value 4,000,000.00 RSD excluding VAT, with company Meta Product d.o.o.

Consumables for cleaning, paper products, chemical agents for cleaning of terminal and bags

Folding towels and foldable toilet paper, value 4,350,000.00 RSD excluding VAT, with company Meta Product d.o.o.

Spare parts and equipment for the video surveillance system

The public procurement procedure was concluded on March 8, 2018 Contracts for lot 1 - Equipment for monitoring logs on video surveillance system in the amount of 5,498,302.12 RSD excluding VAT and for lot 2 - Equipment and spare parts for video surveillance system in the amount of 944,524.40 RSD excluding VAT with the bidder TELEGROUP DOO BEOGRAD. The deadline for delivery of goods in both lots is 30 days from the date of delivery of the written order by the Purchaser.

The use of this system enables the automation of the work of the services that are at ANT dealing with the control and management of the video surveillance system. The designed solution provides control of access rights to the video surveillance system at the level of the INDIGOVISION Control Center application, records each activity of users over data and protects the IT environment from unauthorized use.

Strana 74 od 74

Central equipment for the public address system

In the period 01.01.2018. - 01.04.2018. works on the replacement of central equipment on the public address system have been completed. The contract is concluded with the bidder SMART BUILDING TECHNOLOGIES DOO, the total realized value is 23.732.744,40 dinars. The procurement was carried out by OJ ITT and the monitoring of the execution of the contract and the maintenance of the system is within the competence of OJ Logistics.

The work involved replacing all central units of the system, replacing all the equipment that was installed in 2005 on ANTB and which could no longer respond to user requests. Siemens - Novigo equipment is installed, which makes the entire system centralized and control of the system from the central location is enabled. The system has the ability to integrate with all other technical protection systems and is currently connected to the fire alarm system.

Water dispensers

In the public procurement procedure, a contract was concluded on April 20, 2018 with the bidder LA FANTANA DOO BELGRADE for the amount up to 1,800,000.00 RSD without VAT. Delivery of goods will take place successively according to needs on an annual basis.

Works on disassembly and installation of textile and vinyl floor coverings with delivery of materials

In the procedure of public procurement, a contract was concluded on February 12, 2018 with the bidder INFORMA DOO BEOGRAD for the amount up to 3,000,000.00 RSD without VAT. Realization is planned annually for the needs of arranging and maintaining public, lounge, public and office space at ANTB.

Purchase car park equipment

In the public procurement procedure, a contract with the bidder JKP PARKING SERVIS was concluded for an amount up to 13,789,780.95 RSD without VAT. Conclusion of the Government of the RS No. 464-1883 / 2018 of 01.03.2018 gave consent that real estate owned by the Republic of Serbia - the existing infrastructure facilities, the Public Garage Building and the Parking Facility will be entered as contribution in kind of the Republic of Serbia to the company JSC Belgrade Nikola Tesla Airport. The takeover of the aforementioned facilities entails the necessity of purchasing equipment from the JKP Parking Servis, which will enable smooth functioning of the parking lots P1.1, P1.2, P2 and the Parking Garage. Realization of the complete project will result in a significant increase in ANTB revenue.

Office supplies

In the procedure of public procurement, framework agreements for lot 1 - Photocopier paper were awarded to the amount up to 4,000,000.00 dinars without VAT and lot 2 - Tabulas for the amount up to 3,400,000 RSD without VAT, to the bidder MEHANOPRINT DOO. For lot 4 - Toners, a framework agreement was awarded for an amount of up to 7,650,000.00 RSD excluding VAT to the group of bidders whose leader is IVAĐO DOO BEOGRAD-ZEMUN.

MEHANOPRINT DOO

Coffee and beverage for the kitchenettes on ANT

In the procedure of public procurement, framework agreement is awarded for lot 2- coffee and beverages for requirements of kitchenettes a the complex of ANT. The purchaser amount is 1,900,000.00 RSD excluding VAT, with company TIM 99 D...O.

Framework Agreement for Lot 1- espresso coffee for requirements of kitchenettes a the complex of ANT, value 400,000.00 RSD excluding VAT. Agreement is at the stage of signing, with company ARCADIA TEAM d.o.o.

Coffee machine servicing

In the procedure of public procurement, the Purchase Order for the aforementioned procurement is awarded in the value of 280,000.00 RSD excluding VAT. The contract is in the phase of signing with the company Tax free d.o.o.

Ceiling tiles wash service in Terminal 2

In the procedure of public procurement, the contract was awarded to the bidder BFS SERVICE DOO BEOGRAD in the amount of 1.962.900,00 dinars excluding VAT. The deadline for execution is 60 days from the date of entry into the business.

The service will include the disassembly of metal ceilings (60x60 cm) at Terminal 2, their washing and assembly, which will improve the aesthetic and visual effect on ANTB.

Works on upholstery and window blinds

In the procedure of public procurement, contracts were awarded to the bidder PODIUM GROUP DOO BELGRADE for lot 1 - Change of soft furniture coatings up to 1,800,000.00 RSD without VAT and lot 2 – Upholstery of worn out seats in vehicles and machinery up to 800,000.00 RSD without VAT.

Upholstery works at Nikola Tesla Airport are planned for the maintenance of terminal and other facilities on an annual basis and will be performed successively according to the needs created

Maintenance of CSNU systems

In the procedure of public procurement, the contract was awarded to the bidder IMP AUTOMATIKA DOO BEOGRAD in the amount of RSD 4,789,450.00 excluding VAT. Realization involves the provision of weekly and monthly maintenance and repair services of the central monitoring and management system as well as the replacement of equipment as needed on an annual basis.

Radio stations and equipment

During the public procurement procedure, the contract was awarded to the tenderer TELEGROUP DOO BEOGRAD in the amount of 29,910,382.00 RSD excluding VAT. The deadline for the delivery and installation of the equipment is 45 days from the order date. This acquisition extends the digital radio network by adding another repeater to the UHF band, and a sufficient number of UHF, VHF and Air band VHF radio stations are purchased. In this way,

aircraft handling service of Air Serbia separates itself into a special channel which enables quicker and direct communication between the services.

Maintenance of passenger and van programs

In the public procurement procedure for Lot 1 - Maintenance of FIAT passenger and van program within the warranty period contract was awarded to tenderer AUTO KUĆA KOLE in value of 1,500,000.00 RSD excluding VAT, and for Lot 3 - Maintenance of passenger and van program FIAT, RENAULT, PEUGEOT – 1,750,000.00 RSD excluding VAT.

The realization of the procurement will be carried out with the aim of regular and ongoing maintenance of the fleet on the ANTB.

For Lot 2 - Maintenance of passenger and van program ŠKODA, OPEL, VOLKSWAGEN – 1,750,000.00 RSD and Lot 4 - Maintenance of passenger-cargo program TOYOTA, MITSUBISHI – 1,000,000.00 RSD procedure was repeated and publishing of the same is in progress.

Special towing vehicle (estimated value RSD 7,700,000.00)

In the procedure of public procurement, the contract was awarded to the tenderer INOTO MOTORS DOO BEOGRAD in the amount of 6,150,000.00 RSD excluding VAT. Realization implies delivery of the vehicle.

Successful completion of the professional examination of all workers, which means that we fulfill the requirement of the republican fire protection law on the training of members of the unit.

Fire safety nozzles were delivered to the OU Rescue & Fire Fighting, after which a functional test was carried out, familiarization of all employees with technical characteristics of the same and they were assigned to fire trucks.

Regular servicing of fire extinguishers and hydrants continued according to planned schedule. Also, regular checking of the flap-resistant to the fire continued, as well as the regular control of the smoke exhaust system and the system of overpressure ventilation according to the plan and foreseen schedule.

The Fire Protection Plan is being updated to make changes to the facilities created during 2017 and 2018 due to works carried out in Terminal 1, the Connecting part between Terminals 1 and 2 and Terminal 2, the installation of modular structures at the security check point "D" completion of the de/anti-icing pad etc.

Contracts were signed:

- "Maintenance of fire protection system", Lot 1 - Maintenance of fire-extinguishing system with water-sprinkler", with a group of suppliers consisting of" IPON SYSTEM "d.o.o., Belgrade-Zemun and "Dunex" d.o.o. Belgrade;
- "Maintenance of fire protection system", Lot 3 - Maintenance of fire-extinguishing system with gas-inergen, with supplier "TVI" doo, Belgrade;
- "Maintenance of fire protection system", Lot 4 - Maintenance of anti-fire and fire protection curtains", with the supplier "ELSAT" d.o.o. from Cacak;
- A contract for the service of insulating respiration equipment has been signed and servicing is being performed by the authorized service agency "Drager" Tehnika Beograd;
- A contract for "Firefighting appliances and protective equipment" was signed for Lot 6, as follows:

- Lot 1: Rescue equipment - complete with winch and pull-out system;

- Lot 3: Firefighting suits;
- Lot 4: Fire boots;
- Lot 5: Fire appliances, hoses and fittings;
- Lot 7: Dangerous goods suits;
- Lot 8: Battery powered hydraulic rescue tools.

Battery powered hydraulic rescue tools and firefighting suits are delivered. Delivered equipment from Lots 1,4,5 and 7.

In the period from 15-16 January 2018, a high-level Japanese delegation headed by the Prime Minister of Japan was in an official visit to the Republic of Serbia at the invitation of President Aleksandar Vucic and the Government of the Republic of Serbia. In addition to the official state delegation, there was also a large business delegation. The delegation was welcomed with the highest state honors at the Nikola Tesla Airport Belgrade. The delegation arrived in Belgrade with two state Boeing 747 aircraft.

In the period from 9-10 May 2018, to the official visit to the Republic of Serbia at the invitation of President Aleksandar Vucic and the Government of the Republic of Serbia was came the President of Cyprus with a high state delegation, which was greeted with the highest state honors at JSC Belgrade Nikola Tesla Airport. The delegation arrived in Belgrade by the state aircraft Boing 738 BBJ2.

In the period from 16-21 May 2018, EUROLEAGUE BASKETBALL FINAL FOUR 2018 was held in Belgrade, which included basketball clubs Fenerbahce, CSK Moscow, Zalgiris and Real Madrid. In the mentioned period JSC Belgrade Nikola Tesla Airport accepted 79 flights with passengers who arrived to attend the event. Of the total number: 13 flights were made on wide-board A330-200/300 aircraft of Turkish Airlines and Aeroflot, and only on 21.05.2018 there were 7 such flights. As guests in the unofficial visits during this period were: President and Prime Minister of Lithuania, MIA of Turkey and Minister of Sports of Turkey, then Minister of Sports of Spain and many distinguished guests from the sports world. The entire acceptance and dispatch at JSC Belgrade Nikola Tesla Airport has passed on a high level.

At JSC Belgrade Nikola Tesla Airport from 21.05.2018 to 25.05.2018 internal audit of processes and documentation in accordance with ISO 9001: 2008, ISO 14001: 2004 and OHSAS 18001: 2007 standards has been successfully carried out. The internal audit was carried out within the deadline and in accordance with document KV 02.01 Annual Internal Audit Plan.

In the period from 22-23 May the Balkan Chiefs of Defence Conference was held in Belgrade with the associated members: Turkey and NATO. At JSC Belgrade-Nikola Tesla Airport, participants of the summit were greeted at the highest level.

On 10.06.2018 *Runway Run BEG5K* was held on 5.4km in the organization of the Belgrade Marathon. The race was held in the night, from 01:30 to 04:30 local, due to the inability to use RWY during the day due to traffic.

In the first half of 2018, Safety Audits were carried out, as follows: 21.02.2018 by Tunisair; 05/22/2018 by Etihad Airways (Safety, ERP). Supervision by air carriers resulted in no objections.

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Machines and special devices and vehicles for maintenance of manoeuvring areas

- **Purpose:** The purpose of this project is to improve the existing technology in the area of maintenance of maneuvering surfaces and technological equipment, through the procurement of dedicated and special devices, machinery and equipment to support the maintenance of maneuvering surfaces under regular conditions as well as maintenance of equipment in the technological handling processes.

Status: Procurement realised Lot 1 – Special dedicated vehicle for cleaning of paved and non-paved surfaces the contract was concluded on 18/08/2017 with companies "GRADATIN" d.o.o, with the head office in Novi Sad, for the amount of RSD 36.615.947,30 VAT excluded. Vehicle delivered under invoice No. 218140 dated 05.04.2018 in the amount of 43,168,420.22 including VAT.

Construction of a fence around perimeter, Phase 4

- **Purpose:** Continued works on change of the existing fence alongside the whole perimeter of the Airport for the purpose of increase of security level and adjustment of the characteristics of the fence with new regulations. With this, fourth phase changing of the old fence alongside the whole perimeter of the Airport Nikola Tesla was finished.
- **Status:** Works on replacement of fence completed on 10.02.2018.

Flags and mast – Delivery of mast with installation

- **Purpose:** Purchasing and installing a mast with appropriate flags at the aerodrome complex provides exceptional visual communication representing the identity of the country and its associated company. Considering that JSC ANTB is practically the "Gate of Serbia" and represents the first direct contact of incoming passengers with the country to which they come, it is necessary to present the identity of the country and the company in the best possible way.

Considering the planned height of the 25 meter mast with the associated flags, it can potentially turn into one of the recognizable symbols of JSC ANTB and be visible from the side of the E-75 highway as one of the entry points - the symbol of the City of Belgrade. One of the main reasons for setting up the mast is that it encourages the custom of setting up and observing state features. This shows the respect of the flag as a symbol of Serbian tradition. Setting up state-wide flags of great dimensions in visible places is the practice that exists in many cities in the world.

- **Status:** Public procurement is announced according to procurement plan for 2018 in JNMV NO 6/18. Contract is signed with tenderer bidder "ELGRA VISION" d.o.o. to the amount of 9,250,000.00 RSD excluding VAT.

The public procurement contracted the preparation of technical documentation and the execution of works on the installation of a mast with flags at the airport complex Nikola Tesla Belgrade. The contract was signed on a turnkey basis. Technical documentation is developed and works on installation of mast completed. Final preparations for take over of mast are in progress.

7.1. DESCRIPTION OF ALL SIGNIFICANT OCCURENCES AFTER THE PERIOD I-IX 2018

The following text describes all significant occurrences which happened at the Airport Nikola Tesla Belgrade after the period I-IX 2018:

- Russian airlines Red Wings will launch regular flights on the Belgrade-Moscow route, starting from 02.06.2018, three times a week with the A-320.
- We have sent a request and announcement of the Syrian airline Cham Wings to operate flights in the summer of 2018, starting from 01.06.2018, three times a week, on the Belgrade-Damascus line, with A-320 aircraft. The CAD approval process is in progress.
 - Russian airline Aeroflot is introducing the third flight from the winter schedule 2017/2018;
 - Opening of the Pamaro catering facility on July 26, 2018 on upper floor of Terminal 1, across the gate A6;
 - Opening of the retail store Main Shop Terminal 1, on upper floor of Terminal 1 03.09.2018;
 - Opening of the retail facility LMS C, upper floor of Terminal 2 16.09.2018.

Preparation of the study

• **Purpose:** For cadastral parcels at the Nikola Tesla Airport Complex, Belgrade, which obtained the status of ownership by the Conclusions of the Government of the Republic of Serbia, it is necessary to merge several cadastral parcels in accordance with Article 68 of the Law on planning and construction. In order to implement this change in the Real Estate Cadastre, it is necessary to develop a survey of geodetic works of the merger of the land plot of the same owner. Also, following the process of Zeroing and registration of all maneuvering surfaces and platforms at the Nikola Tesla Airport, there was a need for merging and functional separation of the maneuvering surfaces and the platform into the whole. In order for the Real Estate Cadastre to implement this change, it is necessary to create a survey of geodetic works that will define the boundaries of maneuvering surfaces and platforms separated into functional units. In the end, having in mind that after the registration procedure, the need for recording of the existing registered facility of the air traffic building in order to determine the exact area of the space used and the records and the area in the cadastral operator, it is necessary to perform the architectural and construction recording of the existing building of the Air Transport Department.

• **Status:** A public procurement procedure was conducted in the negotiation process. On 08.10.2018 a contract was signed with PD "ABA GEODETSKA KUCA" d.o.o.

Blinds services

Opening of tenders in the procedure of this public procurement was held on 05.07.2018. A report on the professional evaluation of tenders was prepared.

The procurement is carried out for the purpose of ongoing and interventional maintenance of all facilities and assets on the ANT complex - replacement and repair of striped curtains, venetian blinds and rolo curtains. The framework agreement will be signed for the amount of 3,000,000.00 RSD excluding VAT with company ANKABO d.o.o.

Interior equipment

In the public procurement procedure, a decision was made to award framework agreement was on 03.07.2018 for:

- Lot 1 – Work chairs and club program to company KTITOR d.o.o. in the amount of RSD 4,000,000.00 RSD excluding VAT.
- Lot 2 - Custom furniture ZOMONT d.o.o for the amount of 3,000,000.00 RSD excluding VAT.

Annual maintenance of facilities at the airport complex is planned - equipping of working and public areas, replacement of worn and worn out furniture in order to improve the working conditions of employees and provision of services to users at ANTB.

Service of maintenance of horticulture machines

In the public procurement procedure, on 14.06.2018 a contract was concluded with tenderer „Alpinastar d.o.o.“ for the amount of 446,420.60 RSD excluding VAT. Purchase order is concluded for a period of one year or until consumption of funds, whichever comes first.

Horticulture indoor and outdoor

This procurement is divided into two lots:

- Lot 1 – Horticulture outdoor. Tender opening session was carried out on 04/07/2018. Company that met all required conditions was „Biodekor doo“. Contact conclusion is in progress.
- Lot 2 – Horticulture indoor. Tender opening session was carried out on 04/07/2018. Making of Report on expert evaluation of tenders is in progress.

Maintenance of wells with accompanying electro and hydraulic equipment for the operation of the irrigation system

In the public procurement procedure, on 09.07.2018 a contract is concluded with tenderer. „Hidrogeocentar d.o.o.“ in the amount of 99,960.00. Purchase order is concluded for the period until 15.08.2018 or until consumption of funds.

Loading and disposing of mixed waste

A report on the professional evaluation of the tenders was made for this public procurement. Estimated value of the public procurement is RSD 1,000,000.00. Signing of the Public Procurement Contract is underway.

Container wheels

The purchaser order was concluded on 25/06/2018 for the amount of RSD 35,000.00 VAT excluding. Purchase order is concluded for the period of one year or until consumption of funds.

Maintenance of parking equipment

For this public procurement, the Decision on awarding the Contract with company CROMRO was signed. The signing of the Public Procurement Contract in the amount of RSD 2,000,000.00 is in progress.

Non-refundable magnetic cards for charging and parking control system

The contract with the company NEVKOŠ d.o.o. was concluded for this public procurement in the total amount of RSD 1,236,250.00 excluding VAT.

Lab analyses of sample fuel

Concluded contract on 30.07.2018 with NTC NIS NAFTAGAS DOO NOVI SAD of total value of up to RSD 1,000,000.00.

Loading and disposing of mixed waste

Contract closed 24.07.2018. with VLADO BAUMASCHINEN doo with a total value of up to RSD 1.000.000,00.

Spare parts for water system TORO

Concluded contract on 24.07.2018 with CVETNIK doo a total value of up to RSD 777,930.00.

Consumables for cleaning, paper products, chemical agents for cleaning of terminal and bags per lots

- Lot 1 - Disinfectants and refreshers for toilets: The contract was concluded on August 29, 2018 with HYGIENE SERVICE 2AM doo in the total value of RSD 3,050,000.00;
- Lot 2 - Consumables (cloths, mops, gloves): Contract closed 03.09.2018 with B2M doo in the total value of RSD 1,900,000.00;
- Lot 3 - Disinfectants and disinfectants based on chlorine: Contract closed 03.09.2018 with B2M doo total value of RSD 650,000.00;
- Lot 4 - Dry hand disinfectant: Contract closed 03.09.2018 with MASTER CLEAN EXPRESS doo total value of RSD 580,000.00.

Trainings of employees in the field of security X-ray screening

In accordance with regulations from aviation security field Airport Nikola Tesla Belgrade performs training on aviation security, i.e. appropriate initial, periodic and additional training. Persons must successfully pass the relevant training before they got authorised to independently perform security controls.

The trainings are organized by the Nikola Tesla Airport Training Center in accordance with the curricula approved by the Civil Aviation Directorate of the Republic of Serbia.

Training for the staff of the Security Guards sector was continued in February 2018 and organised by the Employee training centre of the Airport Nikola Tesla Belgrade, namely for the trainings:

- Training for persons performing access control, surveillance and patrols;
- Training for persons who inspect the vehicles

OU X-ray screening continued performing trainings for X-ray screeners as follows:

- The training for persons screening hold baggage, 5 candidates, in June stated their initial training 2018;
- Training for persons screening passengers, non-travelers and things carried, 15 candidates in May and June 2018 – training completed.

In May 2018 a periodic training (refresher training) was carried out for supervisors.

In the period from June to September 2018, training were conducted for persons performing access control, monitoring and patrols, as well as for persons who are inspecting vehicles, for 14 persons.

Also, in the period July, August and September, new employees were admitted to the OU X-ray security screening (55 employees). Initial trainings was also held successively. In July, a certification was carried out for 15 operators for security screening of passengers, non-travelers and things they are carrying, and in September the certification process for another 45 employees in OU X-ray security screening was initiated.

Under car security Camera

A system of cameras for lower part of vehicle represents an additional method for under car security check of vehicle entering restricted area, i.e. in critical parts of the security-restricted area of the Airport. This system significantly enhances quality and comprehensiveness of under car check of vehicle in comparison to the check performed using under car security mirror. The system of cameras records lower part of a vehicle on entrance, no matter is it passenger vehicle, truck, bus or any other type of the vehicle. A permanent record file is created and it is linked to the licence plate number of the vehicle which is subject to check. The obtained record file is analysed by the operator with purpose to discover a prohibited item or its parts which can later be assembled into a prohibited item and used to undermine civil aviation security, endanger personnel or the property of the Airport or other entities which provide aviation services. Saved record file of the lower part of a certain vehicle is then used on each entry of that vehicle in order to determine whether there were any changes and discover prohibited item of parts thereof. The system automatically creates data base of all vehicles checked in this manner.

Public procurement published: 03/10/2017

Estimated value: RSD 32,500.00, VAT excluded

The contract was concluded on 04/12/2017 with the Tenderer MACCHINA SECURITY d.o.o for the amount of RSD 32,286,260.00, VAT excluded.

The goods were delivered on 05/02/2018.

Veterinary preparations

Veterinary preparations for the maintenance of health of official dogs.

PPLV was published on 07/02/2018.

PP estimated value: RSD 280,000.00, VAT excluded

Contract (Purchase Order) concluded with the Bidder "Primavet doo" amounting to 190,827.80 RSD without VAT on March 6, 2018.

The goods were delivered on 26/03/2018.

As regards procurements that relate to OU X-ray screening, the following are initiated:

- - X-ray device with automatic detection of explosives (for transfer baggage for flights to USA)

- Scanner equipment for screening of persons (for gates A2-3, A4-5 and A4aA4b)
- Samples collectors, explosives trace detectors;
- Maintenance of X-ray units;
- Maintenance of ETD devices

Regarding delivered equipment, in March 2018, 60 screen boards were delivered under the UJNM 133/2017 contract. Screens are positioned on all gates as protection of the operator from passenger influence. The Civil Aviation Directorate is notified that the measure has been implemented.

A tender for the procurement of a mobile X-ray vehicle was completed (delivery expected in the third quarter of 2018).

On 02.07.2018 in an official visit to the Republic of Serbia, came the Prime Minister of Norway and the President of Ukraine in their state aircraft: Falcon 2000 and A319. Participants were welcomed at the JSC Belgrade Nikola Tesla Airport at the highest level.

During July 2018, Safety Audit was conducted, as follows: 2-3 July 2018. year by SWISS (SMS, QM, ERP), which resulted in a single remark; 07/10/2018. by Vueling (SMS, QM, ERP) and July 11, 2018. year by Swift Air (SMS) that resulted in no objection.

From 05.07.2018 the Iranian company Mahan Air has changed the type of aircraft it flies to Belgrade and switched to a wide-range A343, which has a version with a capacity of 290 passengers, twice a week. Further, from 05.08.2018 it introduces additional two flights, also with the same type of aircraft, resulting in a weekly frequency of four flights.

On 26.07.2018 the President of Israel with a high state delegation was in the official visit to the Republic of Serbia at the invitation of President Aleksandar Vucic. The delegation was welcomed with the highest state honors at the Nikola Tesla Airport Belgrade. The Israeli President came in private Cessna 525, and left with the regular line of Israeli company Arkia.

In August, Safety Audit was performed by the Chinese company Hainan Airlines, completed on August 7, 2018 without any objection.

In the period from 4th to 6th September 2018, the certification and transition of the quality management and environmental management system according to ISO standards was successfully carried out by the certification company YUQS DOO, as well as the re-certification of the health and safety management system at work OHSAS. With this external check JSC Belgrade Nikola Tesla Airport, has obtained the following certificates:

- ISO 9001: 2015, valid until 15.09.2021;
- ISO 14001: 2015, valid until 15.09.2021;
- OHSAS 18001: 2007, valid until 25.12.2021.

On September 12, 2018 At 04:11 local time, at the Nikola Tesla Airport in Belgrade, the airplane of Egypt Air Company landed, which, due to a technical failure on the main landing gear, was stopped at the runway without the possibility of independent movement. The airport was closed for 6 hours and 50 minutes, in order to safely remove the aircraft from the runway.

From 14-16 September 2018, the Vice-President of India with a high state delegation come to an official visit to the Republic of Serbia at the invitation of President Aleksandar Vucic. The delegation was welcomed with the highest state honors at the Nikola Tesla Airport Belgrade. The delegation arrived by Air India Boeing 747.

On the last day of August, the delivery and installation of security screening scanner equipment (scanner panels) in gates A2-3, A4-5 and A4aA4b were performed.

A vehicle to be used for X-ray traction is delivered, the vehicle is used by the OU Security Guards and X-ray security screening service is used for the purposes mentioned above.

In August, a contract was signed for sample collectors for explosive trace detectors, and in the same month, all 50,000 pieces were delivered.

The Contract for maintenance of explosive trace detectors was signed in September.

Procedures were carried out for:

- Measurement of the ambient equivalent dose, development of the radiation safety and security project (the most favorable bidder is selected and the signature of the contract is expected in early October);
- Training in the field of protection against ionizing radiation (at the end of September the work on the tender documentation started);
- Maintenance of X-ray devices (at the beginning of September the work on the tender documentation started, there is a waiting list of spare parts from the service technician).

In October, delivery of Chinese X-rays from the donation is expected. (X-rays with computer tomography in standard 3, for checked-in baggage).

In September, the procedure for procurement of STEB bags was restarted (purchase of up to 500,000 RSD).

Procurement of towed passenger stairs - 4 pcs

- Purpose: increase of capacity and quality of services provided to air carriers during aircraft handling
- Value: RSD 12,394,973.36, VAT excluded
- Supplier: *EUROPLAST INTERNATIONAL* d.o.o, Public procurement contract no 33/2018 dated 21/03/2018
- Status: The towed passenger stairs were delivered on 15/06/2018.

They will be in operation from half of July 2018.

During the month of April, the relocation of employees in technical ground handling to a new prefabricated facility of 900 square meters.

In OU Passenger ground handling employees undergo training for work on passenger and baggage handling on the following systems: iPort, MACS, Troya, Sabre, SITA, as well as for manual check-in of passengers and baggage. Trainings are organised for the employees that

were transferred from ASGA to the end of optimisation of processes and in order to achieve uninterrupted activities of operational services.

During March, the first flights of the airline Iran Air, Mahan Air and Qeshm Air were made to Tehran, Iran. Development of work procedures, familiarizing employees with the same, supervision by direct superiors are some of the additional activities that preceded the successful realization of the flights in question.

Start of operations of RWZ Red Wings Airlines to DME, Russia, A320

The first flight of *RWZ Red Wings Airlines* from our airport is successfully realized on 26.06.2018, flight number WZ538 to *DME, Moscow Domodedovo*. It is planned to fly three times a week. Additional staff training, supervision by direct managers are some of the additional activities that preceded the successful realisation of the flights in question.

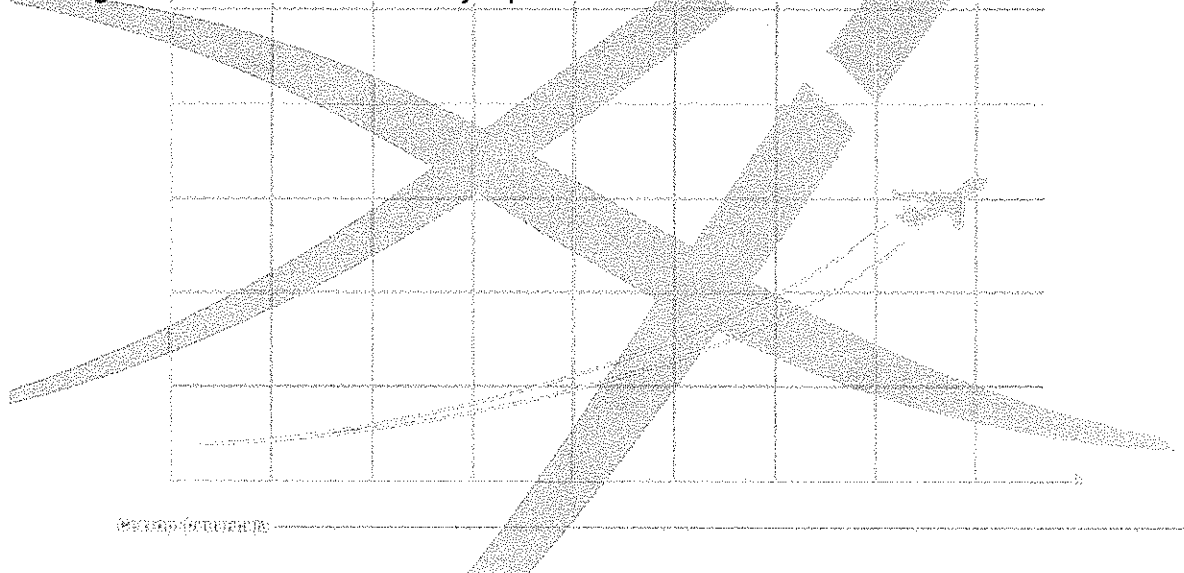
During May and June, in OU Passenger ground handling employees undergo training for work on passenger and baggage handling on the following systems: iPort, Sabre Alitalia particija, Sabre Air Serbia particija, Altea Qatar particija, as well as for manuel registration of passengers and baggage. Trainings were organized in order to optimize processes and for undisturbed functioning of operational services.

Beginning of flights of Easy Jet to Berlin and Basel

Flights are realized seven times a week. During the regular visits of the Regional Representative, satisfaction in the mode of service was expressed.

During the months of July and August, the flights of Mahan Air and Qesh Air were carried out

The activities that preceded the start of the unhindered handling service of these aircraft are trainings for the staff for passengers and baggage check-in from the airport hostesses. With the realization of these flights, a communication system with the Handling Agent Fly Star has been established with which JSC Airport Nikola Tesla has an agreement on providing ground handling services for the carriers they represent.



8. DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD I-IX 2018

In the first half of the year, preparations were made for the start of investments and works are underway to open new facilities of the Lessee "Dufry" d.o.o., ie expansion of the existing main shop for *Duty Free* with the concept "walk-through" which would significantly influence the expected increase in turnover and calculation of lease fee based on percentages according to contractual terms. In the upcoming period, the completion of planned works is expected and the opening of one a catering facility in the A fingers hall and two sales facilities in the A and C finger halls.

According to the unofficial announcement, visas are being introduced for Iranian citizens, and it is therefore expected that there will be a significant drop in the number of passengers on flights from Iranian companies, with a potential reduction in the number of flights.

Israeli Israil Israil is canceling flights during the winter schedule 2018/2019. years. The garage and parking lot at the Belgrade Nikola Tesla Airport were taken over.

Internal risks

- Fulfilled projected airport capacities in terms of number of passengers, commercial offer with rising demand and parking positions;
- Deterioration of the part of the existing infrastructure (part of maneuvering areas, part of capacities of the Terminal building, part of primary heating network, primary branches of the part of the water and sewage system are older than 40 years, fire-rescue facility).

External risks

- Limitation of development in accordance to the existing obsolete Plan until adoption of the new plan;
- Растућа конкуренција од стране међународних аеродрома у земљама у окружењу, као и конкуренција на локалном нивоу;
- Inadequate connectedness with city centre and wider area in Serbia, considering the trend of passenger number increasing and introduction of direct flights to USA and China;
- Requirement for continuing improvement of security measures and consequently increase of expenses;
- Small number of bidder owning licences for drawing up of technical documentation, i.e. facility construction, for which the Ministry issues certificates (for airports for public air-traffic);
- Seasonality and demand fluctuation, which may represent a challenge in future capacity planning.

Regarding the "risk and uncertainty", we would say that there is a great risk to the operational work at airport as we do not have support and maintenance for critical systems over a longer period of time because we do not have signed contracts, which are partially reduced by signing contract on maintenance for the most important central information equipment (data storage system, blade servers, central communication devices), SAP licenses and maintenance of the Information System AODB, FMS, IDS, RMS, BILLING in the third quarter of 2018.

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Service maintenance and integration of human resources monitoring and analysis systems in the business information system are partly or completely related to the implementation of the SAP ERP system, and the success of this project and deadlines is something that affects the realization and the success of these projects.

In the period I-III 2018 there was a risk of spreading of terrorist attacks from 2017, more and more often aiming airports. That indicated necessity of increased vigilance and control at Airport Nikola Tesla Belgrade. In the public area, where security checks are not carried out, great importance is attached to video surveillance and frequent security patrols.

The measures from 2017 on flights to Moscow by the Russian air carrier continues to be implemented (supervision of the provision of passengers and their luggage, in view of the announced possibilities of threats to Russian airborne vessels) as well as the measures applicable to flights to the United States.

With regard to the OU Fire-fighting service, a procedure for selection of a service for breathing apparatus is in progress. Contract is not signed and we are not in position to implement servicing and inspection. At the moment none of brathing apparatuses has certificate on inspection and accuracy which directly affects safety and security of fire and rescue unit members.

The service of the breathing apparatus was performed and the devices were inspected and tested by the authorized servicer of "Drager" breathing apparatus.

As for flights to the United States, TSA representative was in attendance at the end of June, as additional control measures (hand luggage) were introduced in respect of powders. The visit was not of an inspection nature, but rather a familiarization with our work and application of flight measures for the United States as well as the handling of goods and mail to New York. A representative of TSA had no objections.

When it comes to OU R&F, a certain number of firefighters are still lacking for the smooth functioning of the sector, based on the rules on organization of fire protection according to the category of fire threat ("Official Gazette of RS" No. 92/2011) and based on the law on fire protection ("Official Gazette of the Republic of Serbia", No. 111/2009 and 20/2015). Training for firefighter rescuer is underway for three workers, which is insufficient for the smooth functioning of the sector.

The training for three workers was successfully completed and they were assigned to the fire department.

We draw attention to the fact that the job competition for the firefighter rescuer was completed in March 2017 for 30 workers and that to date it has not been fully implemented. The total number of firefighters does not meet the minimum required number of workers for smooth functioning based on the above rules and laws.

An analysis of the required number of employees has been carried out of OU Ground Handling by positions according to the peak week of the summer flight schedule.

The result of the analysis is shown in the table that contains the current number of employees in the OU GH and the number of employees being short of for the implementation of the summer flight schedule for 2018.

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Analysis Summer 2018 – OU GH

Organizational Unit (sector)	Current number of employees	number of employees being short of
PGH	442	58
TGH	518	75
CGH	106	3
Total	1063	139

Table of the number of employees being short of

As a supplement to the table above, we list the number of employees required by organizational units of the lower rank (services):

- PGH: a) passenger handling: 25 employees,
b) sorting area: 33 employees,
- TGH: a) aircraft handling and cargo handling: 47 employees
b) maintenance of the cleanliness of aircraft and official premises: 28 employees,
- CGH: a) cargo loading worker 3, driver 3, transport worker 2. From the available number of employees 2 SEO and 2 cargo loading workers are trained, engaged through Youth Organization and temporary and occasional job contracts which need to be changed and there is a need to train one more cargo loader and SEO, to compensate for the short number of workers per above structure.

If the above mentioned number of employees is not hired, there is a risk of non-fulfillment of contractual obligations towards airlines. The above mentioned employees would be engaged exclusively through the youth cooperative as the basic type of engagement and seasonal increase in the volume of traffic.

9. FINANCIAL INSTRUMENTS AND AIMS OF FINANCIAL RISK MANAGEMENT

Due to market risks influencing financial instrument, the management of the Company monitors in detail movements leading to risks and takes necessary risk management measures.

9.1. MARKET RISK

During analysis of the market and its impact on Company operations, primarily on financial instruments, the Company considers exchange rate changes risks (currency risk), risk of interest rate changes and risk of service price changes.

a) Currency risk (foreign exchange risk)

Considering balance and sources of resources of the Company on 30/09/2018 and primarily cash and cash equivalents, receivables from buyers, liabilities per long-term loans and similar we could say that the Company is not imposed to foreign exchange risks.

By detailed analysis of currency structure of the assets and liabilities on 30/09/2018, we can ascertain that the financial assets are contracted with currency clause and that they are higher than currency financial liabilities. Financial liabilities contracted in foreign currency are generally of long-term nature. Based on the above facts it results that Airport Nikola Tesla Belgrade does not operate with high currency risk.

b) Risk of interest rate change

Risk of interest rate change is not significant risk for the Company. Most of the financial instruments categories contracted with interest are defined with fixed interest rate.

9.2. CREDIT RISK

The company estimates that beside market risks to which financial instruments can be imposed it is also necessary to monitor credit risks. The company has receivables from domestic and foreign buyers so there is credit risk. To reduce this risk, the Company regularly monitors the realisation of the collection, analyses the value of the collection achieved within the contracted period, payment delays and outstanding receivables.

9.3. LIQUIDITY AND CASH FLOW RISK

Liquidity risk management requires special attention of the management of the Company which established business policy mainly based on financing from its own resources. Borrowed resources are mainly long-term resources and short-term liabilities can be covered with long-term receivables.

Observing liquidity indicators, we note that the current and accelerated liquidity ratios are over 2.6, which indicates that the Company is able to settle its current and short-term liabilities within maturity of its own sources.

The average time of collection of receivables is at an average 50 days (49 days in the same period of 2017). It is important to give high priority to collecting matured receivables, provide payment mechanisms with constant monitoring of the balance of receivables and daily update of collections with permitted mechanisms, as indicated by the indicator of the customer turnover ratio, which is 5.5. The average payback time for suppliers is 47 days (35 days in the same period of 2017). We emphasize that the Company settles its current obligations within the agreed deadlines and that the supplier's turnover ratio is 5.8.


10. MAJOR ACTIVITIES OF THE COMPANY WITH RELATED PARTIES

JSC Airport Nikola Tesla does not have any associated persons in terms of the Company Law (Official Gazette of RS nos. 36/2011, 99/2011, 83/2014 and 5/2015, article 62 and accordingly there are no business operations related to associated persons.

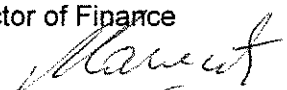
10.1. BRANCHES

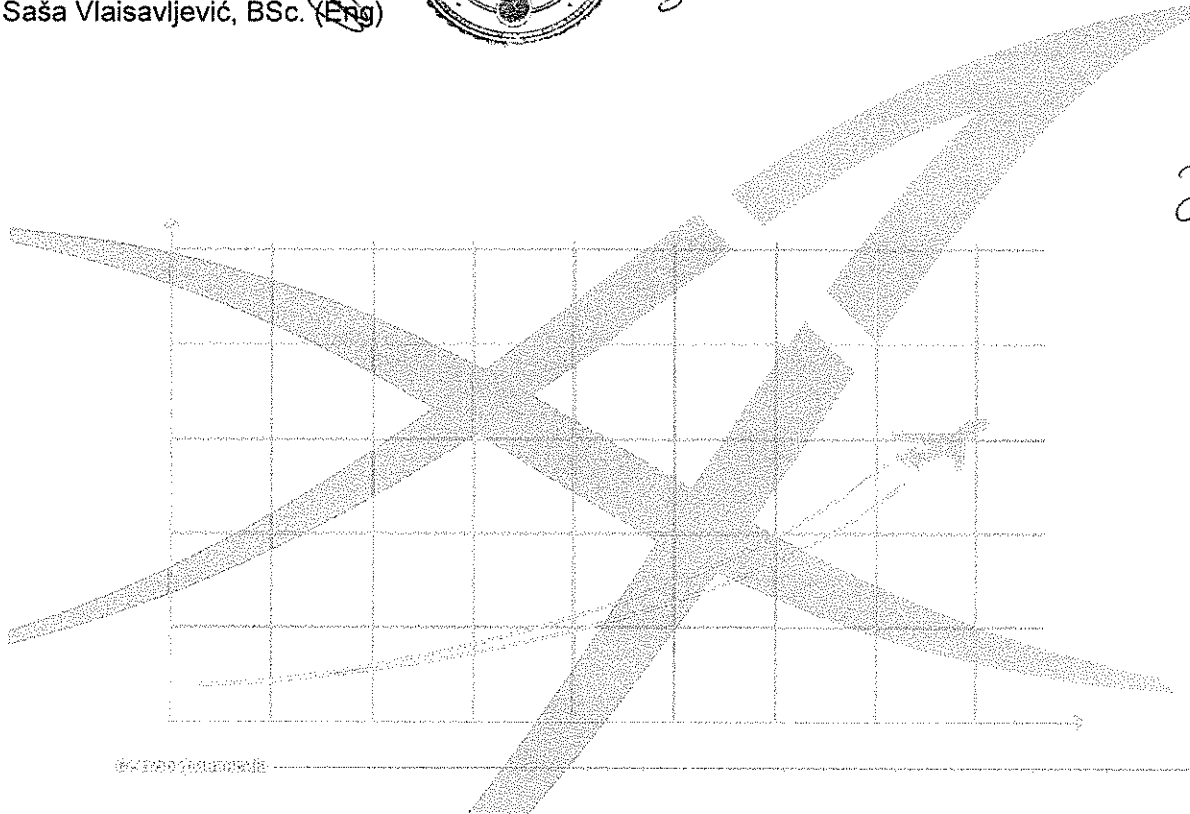
JSC Airport Nikola Tesla does not have any branches within the Company.

Belgrade, October 2018

Chief Executive Officer

Director General
Saša Vlajsavljević, BSc. (Eng)



Director of Finance

3 Dobriša Pejović, BSc (econ).



C.O.

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EXECUTIVE BOARD
Director General
President of the Executive Board**



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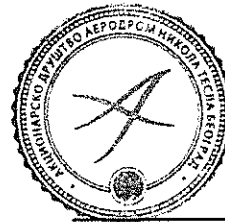
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STATEMENT

Hereby we state that, according to our best knowledge, the Quarterly report for the third quarter 2018, and for the period I-IX 2018, 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.



Director General

Saša Vlasiavljević

Finance Director

Dobriša Pejović

Head of Accountancy

Zorka Latinović

✓
C.O.