



QUARTERLY FINANCIAL REPORT

OF THE GROUP ĐURO ĐAKOVIĆ AND
COMPANY ĐURO ĐAKOVIĆ GROUP PLC.

I - IX 2016



ĐURO ĐAKOVIĆ

QUARTERLY
FINANCIAL
REPORT OF
THE GROUP
ĐURO ĐAKOVIĆ
AND COMPANY
ĐURO ĐAKOVIĆ
GROUP PLC,
I – IX 2016

On behalf of the
Management Board

Tomislav Mazal, LLB

President of the
Management Board

Marko Bogdanović, B.Sc. Eng.

Member of the
Management Board

In Slavonski Brod,
28 October 2016



Construction of the biomass cogeneration plant BE-TO Sisak



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Construction of crude oil storage tanks



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| Management Report



Cargo wagon type Zacns



1. Introduction

1.1. General information about the Company and the Group

Company Đuro Đaković Group Plc., as a parent company, has majority shares in 4 (over 50% of votes in the General Assembly) and minority shares in two companies.

Although Group members are legally independent, they are under the control of the parent company in accordance with the Companies Act.

Group Đuro Đaković



1.2. Management

The Management of Đuro Đaković Group Plc. has two members:

- **Tomislav Mazal**, President of the Management Board
- **Marko Bogdanović**, Member of the Management Board

1.3. Supervisory Committee

In accordance with the Articles of Incorporation, the Supervisory Committee has seven members. Five members are selected at the General Assembly, one is appointed by the State Property Management Administration [DUUDI], and one in accordance with the Labour Act. In keeping with the provisions of the Companies Act and the Articles of Incorporation of Đuro Đaković Group Plc. the General Assembly decides on the matters of appointment and recall of the Supervisory Committee.

The following Supervisory Committee members were appointed at the General Assembly of the Company held on 29 June 2015:

- **Vjekoslav Leko**, chairman
- **Domagoj Bartek**, member
- **Vjekoslav Galzina**, member
- **Igor Žonja**, member
- **Miroslav Karamarković**, member
- **Milan Stanić**, member
- **Blaženka Luketić**, member

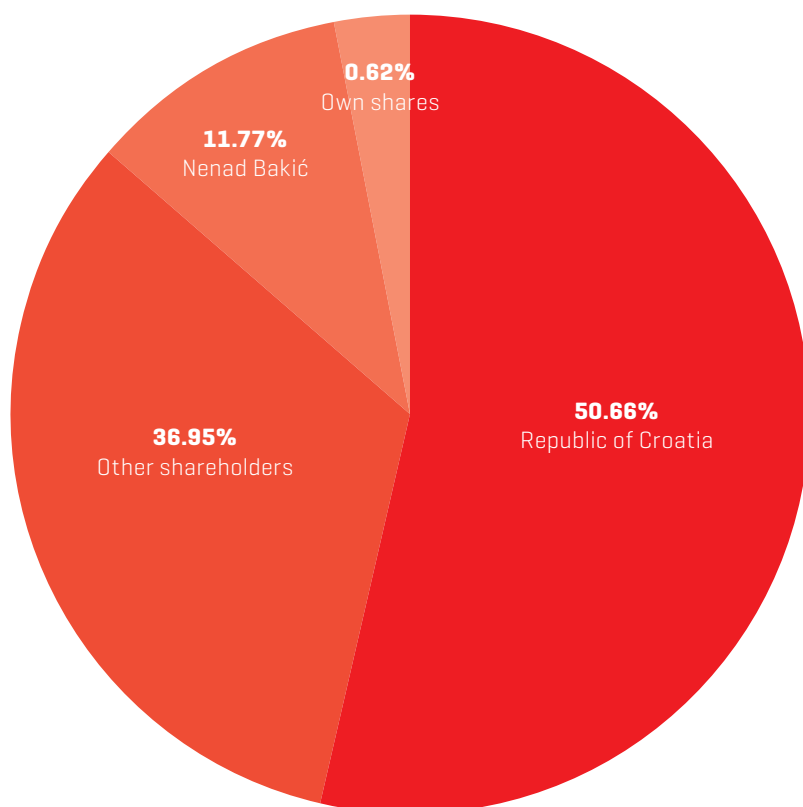
1.4. Share capital and ownership structure of Đuro Đaković Group Plc.

The share capital of the Company is HRK 151,933,680.00 and consists of 7,596,684 regular shares, each having the nominal value of HRK 20.00. Each share comes with the same set of rights. All Company's shareholders have voting rights, with the number of their votes in the General Assembly corresponding to the number of shares in their possession.

Ownership structure of Đuro Đaković Group Plc. on 30 September 2016

Shareholder	Number of shares	Capital	% share in the capital
STATE PROPERTY MANAGEMENT ADMINISTRATION [0/1] / REPUBLIC OF CROATIA [1/1]	3,079,233	61,584,660	40.53
BAKIĆ NENAD [1/1]	894,124	17,882,480	11.77
STATE PROPERTY MANAGEMENT ADMINISTRATION [0/1] / CROATIAN PENSION INSURANCE INSTITUTE [HZMO] [1/1]	660,000	13,200,000	8.69
ADDIKO BANK D.D./ PBZ CO OMF - B CATEGORY [1/1]	288,740	5,774,800	3.80
PBZ D.D./PBZ-SP	210,291	4,205,820	2.77
STATE PROPERTY MANAGEMENT ADMINISTRATION [0/1] / STATE AGENCY FOR DEPOSIT INSURANCE AND BANK RESOLUTION [1/1]	104,771	2,095,420	1.38
INTERKAPITAL VRIJEDNOSNI PAPIRI D.O.O./JOINT CUSTODY ACCOUNT FOR DF	57,803	1,156,060	0.76
ĐURO ĐAKOVIĆ GROUP PLC. [1/1]	46,993	939,860	0.62
ERSTE & STEIERMARKISCHE BANK D.D./ JOINT CUSTODY ACCOUNT FOR CROATIAN PHYSICAL PERSONS	43,094	861,880	0.57
ENVOX D.O.O.	22,500	450,000	0.30
OTP BANKA D.D./INS683	21,230	424,600	0.29
OTP BANKA D.D./INE805	20,649	412,980	0.28
Small shareholders [others]	2,147,256	42,945,120	28.24
Total	7,596,684	151,933,680	100

Ownership structure of Đuro Đaković Group Plc.:



On 30 September 2016, a total of 6,369 shareholders were registered in the Book of Shareholders of Đuro Đaković Group Plc., i.e. 811 shareholders more than on 30 September 2015.

Companies in majority ownership of Đuro Đaković Group Plc.: (In HRK)

Company	Subscribed capital	Subscribed capital of the parent company	% ownership of parent company
ĐĐ Industrijska rješenja d.d.	30,453,900	29,517,600	96.93
ĐĐ Specijalna vozila d.d.	160,351,200	160,086,800	99.83
ĐĐ Strojna obrada d.o.o.	11,624,000	11,624,000	100
ĐĐ Energetika i infrastruktura d.o.o.	31,728,000	30,952,200	97.55
Total	234,157,100	232,180,600	99.16%

2. Description of products and services

Group Đuro Đaković is characterised by diversified industrial portfolio placed by the Group through the business market segments of Defence, Transport, Industry and Energetics.

2.1. Defence

The business segment Defence is the main Croatian supplier of tanks and combat vehicles, as well as a provider of complete support during the life cycle and all manners of maintenance for the products from its portfolio.

Products and services

- production of armoured modular vehicles AMV 8x8, of open architecture, adjusted to clients' specific demands, including integration of weapon systems and the accompanying special equipment selected by the customer;
- maintenance of AMV 8x8 vehicles,
- development, production and/or integration of new, NATO interoperable systems of new generation, projected for the enhancement of the existing M-84/T-72 tanks and/or integration of new tanks

2.2. Transport

Products and services

- production of cargo cars for various types of goods. The company uses contemporary methods of design and it is equipped for independent development of new types of cars, including the capability of adjustment of the existing cars to the specific needs of the clients (custom-design).
- servicing and maintenance of cargo cars, as well as production of railway wagon components.

2.3. Industry and energetics

The business segment of Industry and energetics offers and performs engineering services: planning, designing and project management, procurement, construction and putting into operation plants, their maintenance and service, as well as making and mounting parts and components. We offer services and we perform works in the fields of:



- Industrial plants for oil and gas
- Chemical and petrochemical industry
- Energy plants
- Food industry
- Cement industry
- Metallurgy

Tank M-84

Apart from the stated above, Đuro Đaković participated in a significant number of projects in Croatia in terms of construction, provision of services and maintenance of metal bridge constructions, viaducts and overpasses, and with the development of the petrochemical industry, the company also participated in the construction of petrochemical plants in the region of South-eastern Europe (Sisak, Rijeka, Bosanski Brod). Today Đuro Đaković offers services of installation of new equipment into oil refineries, as well as reconstruction of existing plants.

Products and services

- services of constructing and mounting electric power plants, petrochemical and industrial plants,
- construction of metal bridges, steel constructions and high rise objects (viaducts, overpasses etc.) and of accompanying infrastructure.

3. Operation of group

Đuro Đaković January-September 2016

Group Đuro Đaković concluded the third quarter 2016 with a HRK 395,000 profit after taxation, which is the second consecutive quarter in which the group realized operating profit. In January-September 2016, total operating revenue was HRK 441.7 mn, total positive EBITDA HRK 14.4 mn, and total loss HRK 10.4 mn.

In comparison with the same period last year, operating revenue increased by HRK 115,2 mn [35,3% increase], EBITDA is higher by HRK 30,8 mn and total loss decreased by HRK 30,3 mn [74,4% reduction].

In comparison with the operating plan for 2016, the group Đuro Đaković failed to realize the plan only in the Defence segment. Namely, contracts on the delivery of armoured vehicles concluded with the Finish principal, Patria Land Systems, worth EUR 26 mn for third markets, with the beginning of production scheduled for the third quarter 2016, have been delayed at principal's request.

Insufficient utilization of production capacities in the most profitable segment of Group operations resulted in the operating results falling short of the plan.

Realized revenue was HRK 7.2 mn lower [1.6% lower revenue], realized EBITDA HRK 15.3 mn lower and results HRK 10 mn lower than planned.

Since both the production and realization of contracts on the delivery of armoured vehicles have been delayed until 2017, the Group's results will not meet the expectations from early 2016.

Đuro Đaković Specijalna vozila d.d. accounts for the total loss of the Group. The company realized a HRK 12 mn loss, attributed to insufficient capacity utilization in the first half of the year. The company still improved its capacity utilization in the third quarter and consequently reduced its total loss from the first half of the year. Capacity utilization in period January-September was 66.81%, and no further losses are anticipated in the company due to its signed contracts and production plan.

The results of companies from the Industry and energetics segment exceeded expectations owing to the restructuring measures in place as of November 2014. All companies in this segment realized a positive EBITDA and total results better than anticipated.

The effects of restructuring are most evident in the strong change of the structure of the Group's expenses and significant reduction of share of expenses by unit of revenue.

Although material expenses are higher than in the same period last year, their share in operating revenue is actually lower [material expenses increased by 31.13%], clearly

indicating improved utilization of raw materials and materials owing to investment in machinery modernization.

The Group likewise realized significant savings on the costs of human resources, which decreased by 8.28%. In 2016, the number of employees increased by 109 mostly due to the significant increase in contract values, mostly on large-scale investment projects – construction of two oil tanks, the Čiovo bridge and two cogeneration power plants.

Reservations and other operating expenses decreased by HRK 5,9 mn.

Other operating expenses increased by HRK 42.2 mn, primarily owing to higher reservations based on construction contracts in compliance with MRS 11. The increase in these expenses was anticipated owing to the greater number of large-scale investment contracts concluded this than last year (investors: HEP, JANAF, INA).

Depreciation costs are higher owing to asset investments over the past couple of periods (depreciation increased by HRK 2.9 mn).

Based on the above, the group Đuro Đaković may be concluded to have realized most of its business goals for the first nine months of 2016. Positive results realized in two consecutive quarters prove that the Group managed to put a stop to its years of loss generation and that no programs have negative results. In the next period, the Management will focus on key goals intended to complete the restructuring process.

The Management will mainly focus on market appearance, to be realized through the conclusion of planned contracts which will improve the utilization of production capacities, and financial restructuring, i.e. the creation of economically sounder sources of operating funds.

4. Significant events in the 3rd quarter 2016

12/07/2016 INVITATION TO THE GENERAL ASSEMBLY – In keeping with Article 56 of the Articles of Incorporation of Đuro Đaković Group Plc. and Decision of Company Management to convoke the General Assembly, dated 11 July 2016, in connection with Article 277 of the Companies Act, Company Management issued the invitation to the GENERAL ASSEMBLY OF ĐURO ĐAKOVIĆ Group Plc., Slavonski Brod, Dr. Mile Budaka 1. to be held at 1 p.m. on 31 August 2016 (Wednesday), in Slavonski Brod, Dr. Mile Budaka 1management building, great conference hall

29/08/2016 On 26 August 2016, Osijek Commercial court, permanent office in Slavonski Brod, adopted the decision to enter status change reflecting the acquisition of company Slobodna zona Đuro Đaković – Slavonski Brod d.o.o., Dr. Mile Budaka 1, Slavonski Brod, tax ID no.: 10882941608, as an acquired company, by Đuro Đaković Strojna obrada d.o.o., Dr. Mile Budaka 1, Slavonski Brod, tax ID no.: 60314119747, as the acquiring company.

All legal consequences of the described status change entered into force and effect on the date of their entry into the register of companies, 26 August 2016, whereby the two companies, Đuro Đaković – Slavonski Brod d.o.o. and Đuro Đaković Strojna obrada d.o.o. continued to do business as Đuro Đaković Strojna obrada d.o.o.

31/08/2016 The General Assembly of the Company was held in Slavonski Brod on 31 August 2016. Decisions adopted at the Assembly are as follows:

1. Management report on Company operation and standing in 2015 was adopted
2. Report of the Supervisory Committee on supervision conducted in 2015 was adopted
3. Auditor's report for 2015 was adopted
4. Decision to adopt annual financial reports for 2015, namely:
 - 4.1. Basic financial reports for ĐĐ Group Plc. – parent company and
 - 4.2. Consolidated financial report for the Group – was adopted
5. Decision on the distribution of profits for 2015 was adopted
6. Decision to accept the final report of Company Management for 2015 was adopted
7. Decision to accept the final report of the Supervisory Committee Management for 2015 was adopted
8. Decision on the selection of audit agency to audit financial reports for the business year 2016 was adopted

9. Decision to dismiss the Chairwoman of the General Assembly from duty following the expiry of her term of office was adopted
10. Decision to reappoint the Chairwoman of the General Assembly for a new term was adopted
11. Decision to change the name of the Company was adopted
12. Decision to amend the Articles of Incorporation of the Company was adopted

19/09/2016 Notification of contract conclusion: Đuro Đaković Industrijska rješenja d.d., member of the group Đuro Đaković, executed the contract on the production and delivery of two mill mantles worth HRK 5.9 mn with principal Christian Pfeiffer from Germany, on 19 September 2016.

The delivery of the finished products is planned in mid 2017, with the final destination being cement factory Ivano in Ukraine.

20/09/2016 Notification of change of company name: Commercial court in Osijek, permanent office in Slavonski Brod, effected the entry of the change of company Đuro Đaković Holding public limited company in the register of companies with Decision no. Tt-16/6764-2, dated 19 September 2016 to:

full name: ĐURO ĐAKOVIĆ GRUPA dioničko društvo

abbreviated: ĐURO ĐAKOVIĆ GRUPA d.d.

in English: ĐURO ĐAKOVIĆ GROUP Plc.

With the entry of the above change into the register of companies on 19 September 2016, company Đuro Đaković Holding d.d. continued doing business as

Đuro Đaković Group Plc.

5. Significant events following the end of the 3rd quarter

04/10/2016 Notification of contract conclusion:

Đuro Đaković Specijalna vozila d.d., member of the group Đuro Đaković, signed the contract on the production of special Zacns series cistern wagons worth HRK 54 mn with a French principal on 3 October 2016. The wagons will be delivered at the end of the first and beginning of the second quarter 2017 and are a sign of continued successful cooperation with the French principal.

Zacns type wagons are 4-axle cistern wagons, heat insulated and constructed for the transportation of the calcium carbonate emulsion in all temperatures. The wagon is designed, manufactured and equipped in compliance with the latest European standards, first presented at the international trade fair for transport technology InnoTrans held in Berlin in late September 2016.

This project reaffirms that Đuro Đaković Specijalna vozila d.d. was justified in relying on own development and the production of special purpose and design wagons using special new generation materials and technological equipment with which the company integrated its production processes.

6. Share

The shares of Đuro Đaković Group Plc. (designation DDJH-R-A) are listed on the Zagreb Stock Exchange (ZSE) and traded on a regular basis. A total of 7,596,684 shares with the nominal value of HRK 20.00 have been issued.

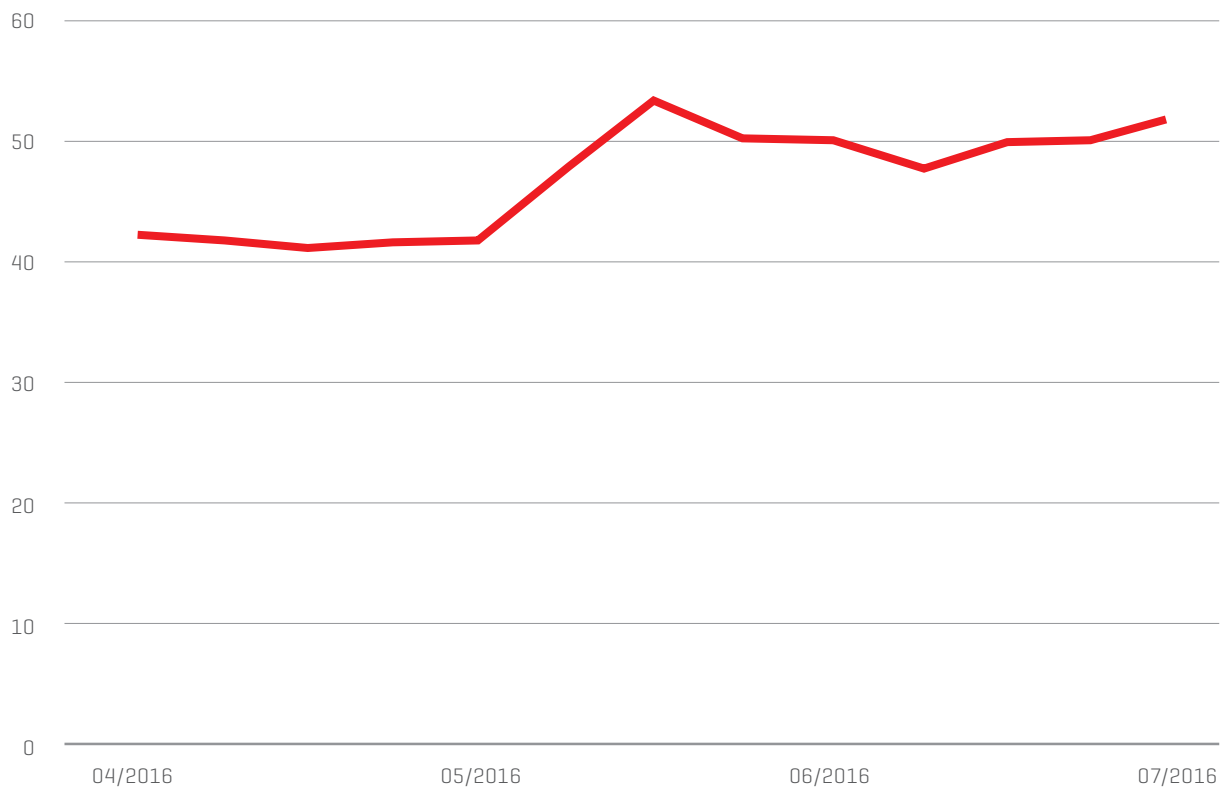
The third quarter 2016 brought a decrease in the intensity of trading in the shares of Đuro Đaković Group Plc., both in the sense of realized traffic and share price volatility.

The total volume of trading in the quarter was HRK 8,012,660, which is 38% less than in the previous quarter. The average share price was HRK 47.98, which is a 24.3% increase, i.e. an increase of HRK 9.37.

A total of 167,008 shares have been traded. The lowest average share price of HRK 40.96 was recorded on 5 July and the highest average share price of HRK 54.10 on 12 August.

The closing average share price on 30 September 2016 was HRK 51.19.

Share price fluctuations (average price of share DDJH-R-A)



7. Expectations until close of 2016

Having realized a positive result in two consecutive quarters, the main business goal in the remainder of the year is the continuation of the positive trends. Since the planned jobs in the Defence segment have been delayed, and the jobs from this segment are the most profitable in the Group, the expectations from early 2016 will have to be revised.

The status in the book of contracts leads us to expect optimum utilization of production capacities in the remainder of the year. The status of potential jobs and anticipated invitations for tenders are indicative of good utilization of production capacities in the next period.

Contracted jobs

On 30 September 2016, the group Đuro Đaković had HRK 558.8 mn worth of signed contracts. Since the group is currently participating at several large-scale invitations for tenders, the volume of contracted jobs is expected to increase by the close of 2016.

Overview of the largest contracts in amounts remaining for realization:

Market segment	Investor/Project	Contract value in HRK 000
DEFENCE	military assortment	213,152
TRANSPORT	freight wagons	157,203
INDUSTRY AND ENERGETICS	JANAF d.d. / "Omišalj"	87,608
INDUSTRY AND ENERGETICS	HEP d.d. / "BE TO Sisak"	20,683
INDUSTRY AND ENERGETICS	HEP d.d. / "BE TO Osijek"	19,700
INDUSTRY AND ENERGETICS	Viadukt d.d. / "Most Čiovo"	4,958
INDUSTRY AND ENERGETICS	Christian Pfeiffer / mill mantle	5,905
INDUSTRY AND ENERGETICS	smaller contracts total	20,801
ĐĐ STROJNA OBRADA	smaller orders total	19,000
ĐĐ ENERGETIKA I INFRASTRUKTURA	smaller contracts total	9,785
Total contracted		558,795

Financial restructuring

In the past periods, high losses resulted in an exceptionally unfavourable structure of the sources of operating funds in the balance sheet (total capital negative). One of the primary focuses of the group Đuro Đaković in the next period will be the improvement of the sources of funding.

The restructuring plan initiated in late 2014 envisaged the issuance of shares having the total value of HRK 194,224,080.00. Since only HRK 87,192,320.00 worth of shares have been registered, the registered amount clearly failed to sufficiently improve the sources of funding of the group Đuro Đaković.

The results of restructuring measures conducted over the last two years justify the intent of the Management to improve the sources of operating funds by collecting fresh capital on the market.

Although the expectations from early 2016 had to be revised, operation in 2016 will be a cornerstone due to the completion of the restructuring process and the consequent creation of conditions for long-term stable and sustainable operation of the entire group Đuro Đaković.

8. Other matters

8.1. Product and production development

The development and/or introduction of new products developed either by own efforts or in cooperation with business partners, as well as the adoption of new manufacturing technologies, is an integral part of the long-term business policy of the group Đuro Đaković.

8.2. Exposure to risks and risk management

The Company monitors exchange rate, interest rate, credit and liquidity risks in an attempt to curtail their potential influence on the Company's financial exposure.

Under the current Group management system, some of the companies are monitored against major contract realization risks, especially material and equipment costs and costs of external services.

The Company makes use of mortgages, promissory notes and other payment securities of relevance for risk assessment.

8.3. Human resources

On 30 September 2016 members of the group Đuro Đaković had a total of 954 employees.

8.4. Management systems

We are continuously striving to raise the quality of our products, the satisfaction of our customers and all the interested parties, paying special attention to environmental protection, health and safety at work, and energy consumption, as verified by management system certificates [EN ISO 9001, EN ISO 14001 and BS OHSAS 18001] obtained by all constituent companies of the ĐĐ Group. Activities intended to have the energy management system certified under the ISO 50001 norm are underway. The companies also have all the required specialist certificates for the processes they engage in and which are required in their line of business, as well as for any products for which such certificates are required by the market.

Delivery and
installation of
equipment at the
Vukanovec Gas
Field Facility



II Analysis of Operating Results of Đuro Đaković Group Plc. and Members of Group ĐĐ



Armoured wheeled vehicle Patria



1. Key indicators

In January-September 2016, the group Đuro Đaković realized the total operating revenue of HRK 441.7 mn and positive EBITDA in the amount of HRK 14.4 mn, i.e. EBITDA margin of 3.28%. It is worth noting that the EBITDA was HRK 30.8 mn higher than in 2015.

Key indicators January-September 2016

The total revenue

for I - IX 2016 was HRK 115.2 mn **(35.3% increase)** higher than in the same period last year

EBITDA I - IX positive

HRK 14.4 mn - EBITDA margin 3.28%

EBITDA I - IX

was by HRK 30.8 mn higher than in the same period last year. **In Q3 realized profit after taxation was HRK 395,000**

Structure of losses

I - IX 2016: insufficient level of utilization of capacities of ĐĐ Specijalna vozila - **HRK -12 mn**

25.5% share of export

in total operating revenue

HRK 6.3 mn reduction in human resource

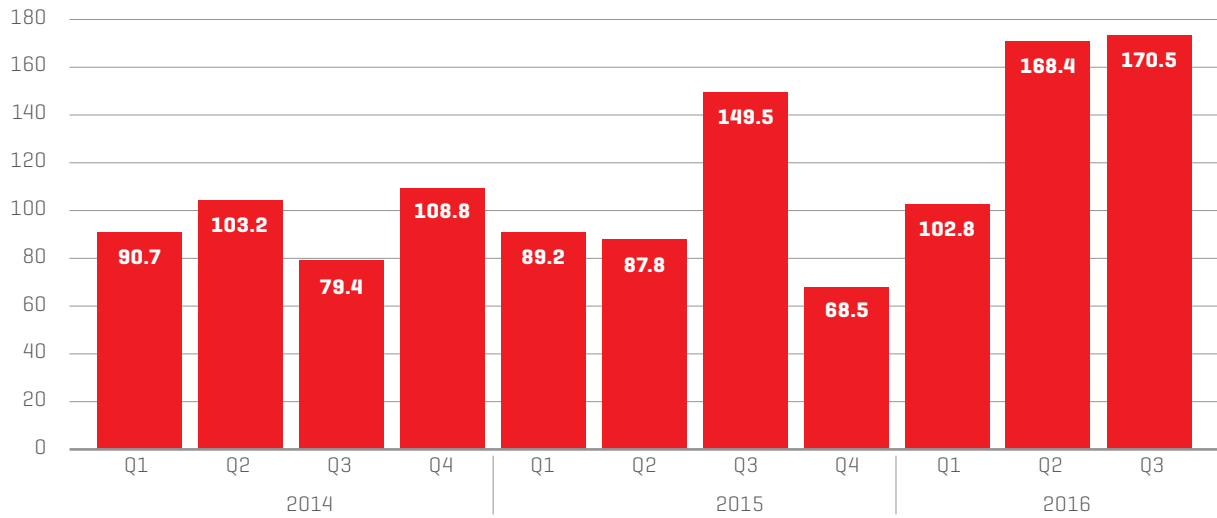
expenses in comparison with 2015 (8.3%)

Unfavourable sources of funding

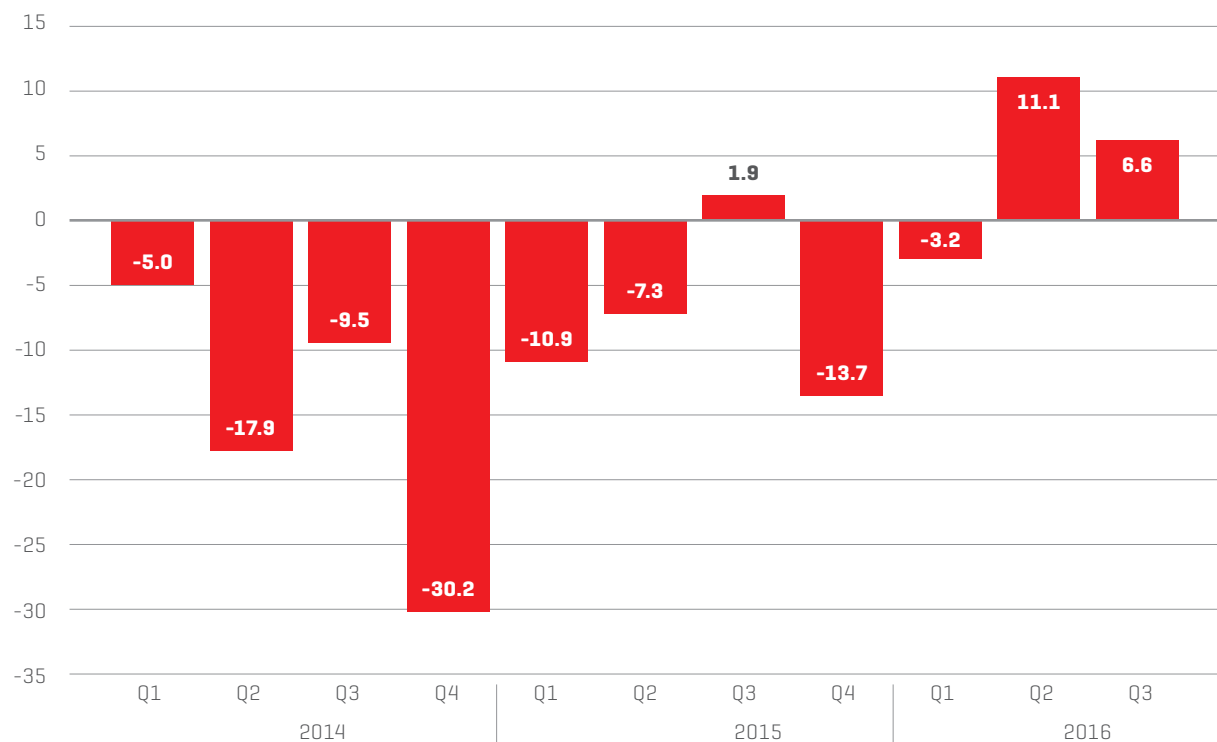
- total net capital - HRK -9.9 mn

Overview of operating revenue and EBITDA fluctuations by quarters for 2014, 2015 and 2016.

Operating revenue fluctuations in mn HRK



EBITDA fluctuations in mn HRK



In the third quarter, the Group realized higher revenue than in the preceding years, positive EBITDA two quarters in a row, and positive EBITDA in January-September 2016.

Key indicators I - IX 2015 / I - IX 2016

Revenue, EBITDA, EBIT (in mn HRK)

DD GRUPA	I - IX 2015.	I - IX 2016.
OPERATING REVENUE	326.5	441.7
EBITDA	-16.4	14.4
EBITDA [%]	-5.02%	3.26%
EBIT	-31.2	-3.2
EBIT [%]	-9.56%	-0.72%

Equity ratio (in mn HRK)

	30/09/2015	30/09/2016
own capital	23,505	-9,962
own sources	4.27%	-1.70%
long-term liabilities	264,117	248,906
short-term liabilities	262,439	347,169
external sources	95.73%	101.70%
Total liabilities	550,061	586,113

Working capital (in mn HRK)

Working capital	30/09/2015	30/09/2016
stocks	89,784	120,709
receivables from buyers	101,800	126,438
cash	56,692	28,975
liabilities towards suppliers	153,312	134,448
short-term liabilities towards financial institutions	62,806	119,952
working capital	32,158	21,722
other receivables	20,349	32,646
other current assets	569	830
other short-term liabilities	41,166	57,442
accrued expenses and deferred revenue	5,154	35,328
net working capital	6,756	-37,572



Construction
of heat
accumulator and
reconstructing
the heating
system of the
thermal power
plant -TE- TO
Zagreb

Production of
renewable energy
components

The Group improved all EBIT and EBITDA margin-related indicators, which are significantly better than in the same period last year.

While the working capital of the Group is at the level of the preceding period, its net working capital is lower.

Simultaneously, the losses resulted in the poor makeup of the sources of funds, due to which the Group has no own funds in the sources. The ratio of long-term and short-term liabilities is similar to the ratio stated in the last period.

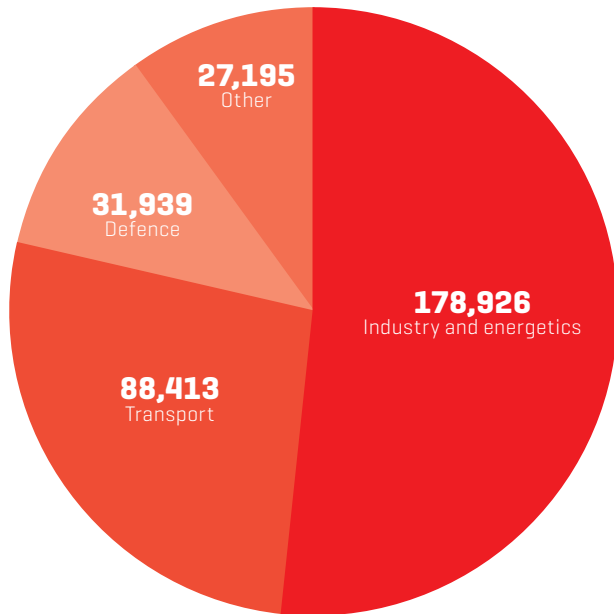


2. Revenue structure

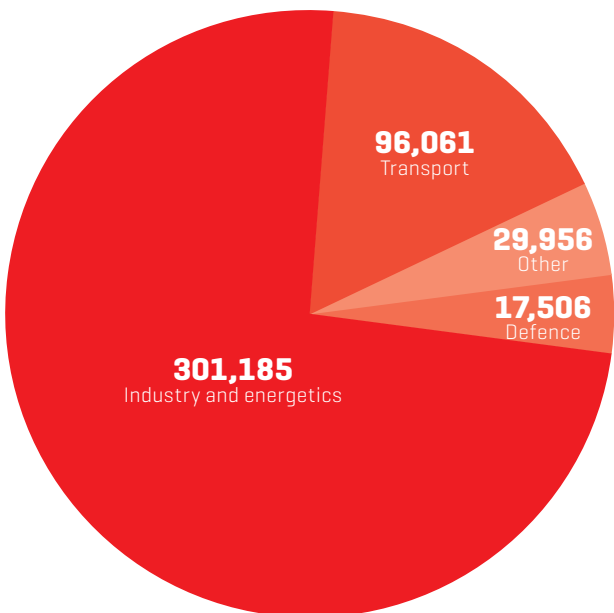
In January-September 2016, the ĐĐ Group continued the trend of significant increase in revenue in comparison with the previous periods. The greatest revenue increase occurred in the Industry and energetics and Transport segments, with the Defence segments reporting decreasing revenues.

Overview of revenue structure and export structure in January-September 2015/2016

Revenue structure I-IX 2015 (in 000 HRK)



Revenue structure I-IX 2016 (in 000 HRK)



The share of revenue in the Defence segment dropped from 9.78% in January-September 2015 to 3.96% in January-September 2016, which was anticipated owing to the delay of the beginning of production under previously signed contracts.

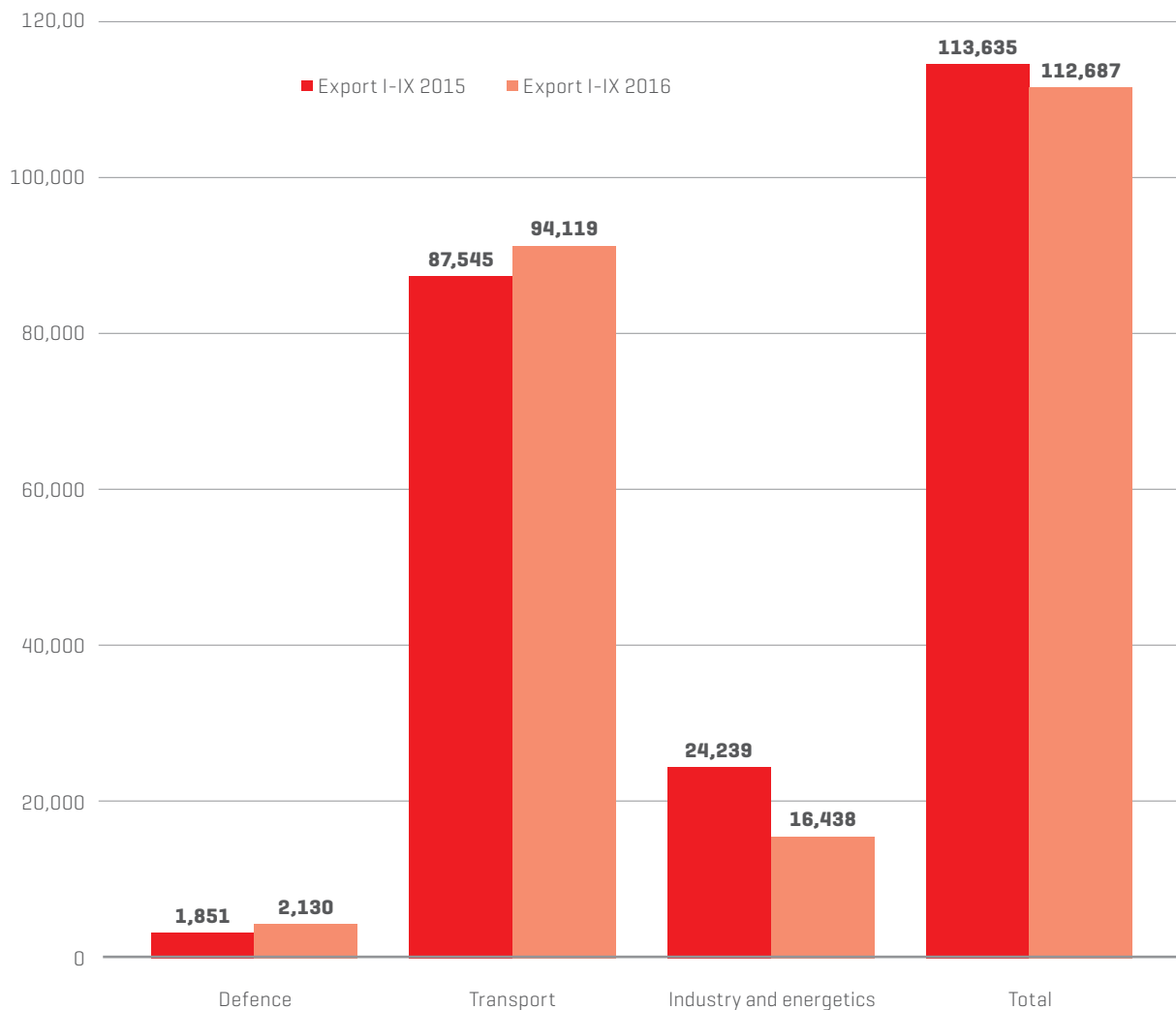
The Transport segment managed to increase revenue in the third quarter 2016, i.e. its revenue is HRK 7.7 mn [8,65%] higher than in the same period last year.

In January-September 2016, the revenue of the Industry and energetics segment was HRK 122 mn higher than in 2015 [68.33% increase] and its share in total revenue increased to 38.19%.

The increase is mostly due to work on large-scale projects (investors: HEP, INA, JANAF).

Total export reached 2015 levels mostly owing to the higher volume of freight wagon deliveries in the Transport segment. The Sales plan anticipates export to exceed 2015 levels by end of 2016.

Overview of export by market segments (in 000 HRK)



3. Cash flow

Minimum reduction in total net cash flow due to increased business activity in January-September 2016. [in 000 kn]

	I - IX 2015	I - IX 2016
profit	-40,854	-10,458
change in cash flow from business activities	-68,159	-107,536
net cash flow from business activities	-109,013	-117,994
net cash flow from investments	-14,051	-14,020
net cash flow from financial activities	72,948	123,555
Total net cash flow	-50,116	-8,459
cash and equivalents at the beginning of the period	53,240	37,434
total increase in cash flow	-50,116	-8,459
Cash and equivalents at the end of the period	3,124	28,975

4. Assets

Owing to the end of the investment cycle, the assets of the Group are higher than in the same period last year. The next table provides a basic overview of total fixed assets.

Basic overview of total fixed assets [in 000 HRK]

Asset type	30/09/2015	30/09/2016
intangible assets	25,239	25,565
tangible assets	174,122	204,725
tangible assets in preparation	47,692	30,555
other fixed assets	10,783	9,983
total fixed tangible assets	257,836	270,828



Cargo wagon type Uacns

5. Human resources

The total number of employees on 30/09/2016 was 954. The number of employees increased by 109 in comparison with the same period last year.

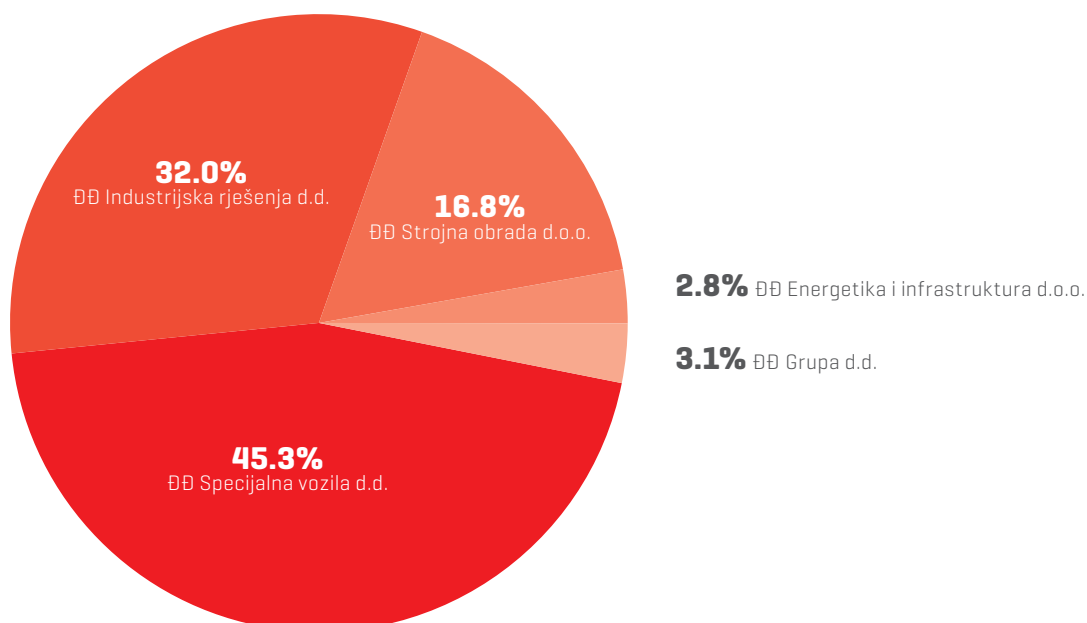
Due to pending large-scale projects, the Group hired temporary employees.

While company ĐĐ Specijalna vozila boasts the largest number of employees (45.8% of the Group's workforce), company ĐĐ Industrijska rješenja recorded the greatest increase of the number of employees in comparison with last year levels.

Structure and number of employees on 30/09/2015 / 30/09/2016

Company	number of employees Q3 2015	number of employees Q3 2016
ĐĐ Specijalna vozila d.d.	412	432
ĐĐ Industrijska rješenja d.d.	235	305
ĐĐ Strojna obrada d.o.o.	132	160
ĐĐ Energetika i infrastruktura d.o.o.	27	27
Slobodna zona ĐĐ d.o.o.	9	0
ĐĐ Grupa d.d.	30	30
Total	845	954

Note: the 2015 data for ĐĐ Industrijska rješenja are collective data for ĐĐ Inženjering, ĐĐ Elektromont and ĐĐ Proizvodnja opreme



Spherical tank for storage
of liquid oil gas



6. Notes

6.1. Profit and loss account

The profit and loss account is an overview of financial results of operation of Đuro Đaković Group Plc. and members of the group Đuro Đaković realized in 1 January-30 September 2016.

6.1.1. Profit and loss account of Đuro Đaković Group Plc.

Item	Realized I - IX 2015	Realized I - IX 2016
Operating revenue	144,933,952	262,607,879
Operating expenses	136,661,173	261,454,538
Results from business activities	8,272,779	1,153,341
Financial revenue	9,242,440	9,819,455
Financial expenses	3,073,161	6,933,170
Results from financial activities	6,169,279	2,886,285
Total revenue	154,176,392	272,427,335
Total expenses	139,734,334	268,387,709
Profit before taxation	14,442,058	4,039,626
Loss before taxation		
Profit tax		
Profit after taxation	14,442,058	4,039,626
Loss after taxation		
Profit / Loss in fiscal year	14,442,058	4,039,626

6.1.2. Revenue

In January-September 2016, Đuro Đaković Group Plc. realized the total revenue of HRK 272,427,335, which is HRK 118,250,943 or 76.70% more than in the same period last year, when the total revenue was HRK 154,176,392.

Operating revenue realized in January-September 2016 is HRK 262,607,879, corresponding to 96.40% of total revenue. In comparison with the previous year, operating revenue increased by 81.19% or HRK 117,673,927.

Revenue from realization amounts to HRK 254,190,542, while the remaining HRK 8,417,337 pertain to other revenue from the main line of business. In the same period last year, the total revenue from realization was HRK 116,516,706, while other revenue from the main line of business accounted for HRK 28,417,246.

In January-September 2016, HRK 9,819,455 of financial revenue were realized, accounting for 3.60% of total revenue. Financial revenue consists of interests and exchange rate differentials, and is by HRK 577,015 or 6.24% higher than in the same period last year.

6.1.3. Expenses

In January-September 2016, HRK 268,387,709 of total expenses were realized, which is HRK 128,653,375 or 92.07% more than in the same period last year.

Operating expenses realized in January-September 2016 amount to HRK 261,454,538 which is HRK 124,793,365 or 91.32% more than in the same period last year. Operating expenses account for 97.42% of total expenses.

Financial expenses amount to HRK 6,933,170, which is HRK 3,860,009 or 125.60% more than in the same period last year. Financial expenses account for 2.58% of total expenses, and consist of interests and exchange rate differentials by loans.

6.1.4. Profit and loss account of group Đuro Đaković [in HRK]

Item	Realized I - IX 2015	Realized I - IX 2016
Operating revenue	326,473,062	441,708,176
Operating expenses	357,650,391	444,920,310
Results from business activities	-31,177,329	-3,212,133
Financial revenue	1,069,623	6,097,914
Financial expenses	10,746,721	13,343,877
Results from financial activities	-9,677,098	-7,245,963
Total revenue	327,542,685	447,806,090
Total expenses	368,397,112	458,264,187
Profit before taxation		
Loss before taxation	-40,854,427	-10,458,097
Profit tax		
Profit after taxation		
Loss after taxation	-40,854,427	-10,458,097
Profit / Loss in fiscal year	-40,854,427	-10,458,097

6.1.5. Revenue

Total consolidated revenue of companies forming the group Đuro Đaković realized in January-September 2016 amounts to HRK 447,806,090, which is HRK 120,263,405 or 36.72% more than in the same period last year, when the total revenue was HRK 327,542,685.

Operating revenue realized in January-September 2016 amounts to HRK 441,708,176 or 98.64% of total revenue. Operating revenue is 35.30% or HRK 115,235,114 higher than last year.

Revenue from realization amounts to HRK 426,367,784, while the remaining HRK 15,340,392 pertains to other revenue from the main line of business. In the same period last year, total revenue from realization amounted to HRK 314,231,143, while other revenue from the main line of business accounted for HRK 12,241,919.

In January-September 2016 revenue from sale on the Croatian market totalled to HRK 313,681,160, i.e. 73.57% of the revenue from sale. 26.43% or HRK 112,686,624 of revenue from realization was realized abroad.

Financial revenue realized in January-September 2016 amounts to HRK 6,097,914, i.e. 1.36% of total revenue, which is HRK 5,028,291 or 470.10% more than last year. Financial revenue consists of interests and exchange rate differentials.

6.1.6. Expenses

Total consolidated expenses realized in January-September 2016 amount to HRK 458,264,187, which is HRK 89,867,075 or 24.39% more than in the same period last year.

Operating expenses realized in January-September 2016 amount to HRK 444,920,310 which is by HRK 87,269,919 or 24.40% more than in the same period last year. Operating expenses account for 97.09% of total expenses.

Financial expenses realized in January-September 2016 amount to HRK 13,343,877, which is by HRK 2,597,156 or 24.17% more than in the same period last year. Financial expenses account for 2.91% of total expenses, and consist of interests and exchange rate differentials by loans.

6.2. Balance sheet

The balance sheet of Đuro Đaković Group Plc. and group Đuro Đaković indicates resources available on 30 September 2016, results of business activities realized in previous years, financial standing, liquidity, ability to settle liabilities and finance assets from own or external sources.

6.2.1. Balance sheet of Đuro Đaković Group Plc.

Assets of Đuro Đaković Group Plc.

Total assets of Đuro Đaković Group Plc. were worth HRK 509,879,269 on 30 September 2016, which is HRK 104,989,509 more than on 31 December 2015.

Assets are structured as follows:

ĐĐ Grupa d.d.	31/12/2015		30/09/2016	
Fixed assets	168,328,656	41.57%	166,962,717	32.75%
- tangible and intangible assets	110,794,380	65.82%	109,598,462	65.64%
- financial assets and receivables	57,534,276	34.18%	57,364,256	34.36%
Current assets	218,162,537	53.88%	337,288,566	66.15%
Paid deferred expenses				
and calculated revenue	18,398,567	4.54%	5,627,986	1.10%
Total	404,889,760	100.00%	509,879,269	100.00%

Fixed assets were worth HRK 166,962,717 on 30 September 2016, accounting for 32.75% of total assets, which is HRK 1.365.939 kuna or 0.81% less than last year.

Current assets account for 66.15% of total assets and were worth HRK 337,288,566 on 30 September 2016, which is HRK 119,126,029 or 54.60% more than in the same period last year.

Liabilities of Đuro Đaković Group Plc.

Total liabilities of ĐURO ĐAKOVIĆ Grupe d.d. on 30 September 2016 amount to HRK 509,879,269, which is HRK 104,989,509 more than on 31 December 2015.

Liabilities are structured as follows:

ĐĐ Grupa d.d.	31/12/2015		30/09/2016	
Capital and reserves	173,428,139	42.83%	177,467,766	34.81%
Long-term reservations	15,301	0.00%	15,301	0.00%
Long-term liabilities	139,476,090	34.45%	143,635,570	28.17%
Short-term liabilities	91,970,230	22.71%	158,384,316	31.06%
Accrued expenses and deferred revenue		0.00%	30,376,317	5.96%
Total	404,889,760	100.00%	509,879,269	100.00%

Capital and reserves amounted to HRK 177,467,766 on 30 September 2016, accounting for 34.81% of total liabilities, and consisting of HRK 151,933,680 of subscribed capital, HRK 12,257,035 of capital reserves, HRK 939,860 of reserves for own shares [deductible item], HRK 9,237,425 of retained profit/loss brought forward, and HRK 4,039,626 of current year profit.

Long-term reservations amount to HRK 15,301 and pertain to old-age pension, severance pay and similar reservations.

Long-term liabilities amount to HRK 143,635,570 on 30 September 2016, accounting for 28.17% of total liabilities, which is HRK 4,159,480 or 2.98% more than last year.

Short-term liabilities stated in the balance sheet amounted to HRK 158,384,316 on 30 September 2016, accounting for 31,06% of total liabilities, which is HRK 66,414,086 or 72.21% more than last year.

6.2.2. Balance sheet of group Đuro Đaković

Assets of group Đuro Đaković

Total assets of group Đuro Đaković were worth HRK 586,113,515 on 30 September 2016, which is HRK 76,447,183 or 15.00% more than on 31 December 2015.

Assets are structured as follows:

Group ĐĐ	31/12/2015		30/09/2016	
Fixed assets	276,240,761	54.20%	270,827,295	46.21%
- tangible and intangible assets	265,718,955	96.19%	260,844,964	96.31%
- financial assets and receivables	10,521,806	3.81%	9,982,331	3.69%
Current assets	214,946,236	42.17%	309,598,029	52.82%
Paid deferred expenses				
and calculated revenue	18,479,335	3.63%	5,688,191	0.97%
Total	509,666,332	100.00%	586,113,515	100.00%

Fixed assets were worth HRK 270,827,295 on 30 September 2016, accounting for 46.21% of total assets, which is HRK 5,413,466 or 1.96% less than last year.

Current assets accounted for 52.82% of total assets and were worth HRK 309,598,029 on 30 September 2016, which is HRK 94,651,793 or 44.04% more than last year.

Liabilities of group Đuro Đaković

Total liabilities of group Đuro Đaković amounted to HRK 586,113,515 on 30 September 2016, which is HRK 76,447,183 or 15.00% more than on 31 December 2015.

Liabilities are structured as follows:

Group ĐĐ	31/12/2015		30/09/2016	
Capital and reserves	496,132	0.10%	-9,961,965	-1.70%
Long-term reservations	15,549,651	3.05%	10,330,378	1.76%
Long-term liabilities	239,700,129	47.03%	238,575,589	40.70%
Short-term liabilities	249,289,114	48.91%	311,841,331	53.20%
Accrued expenses and deferred revenue	4,631,306	0.91%	35,328,182	6.03%
Total	509,666,332	100.00%	586,113,515	100.00%

Capital and reserves amounted to HRK -9,961,965 on 30 September 2016, which is -1.70% of total liabilities, and consist of HRK 151,933,680 of subscribed capital, HRK 15,686,933 of capital reserves, HRK 939,860 of reserves for own shares (deductible item), HRK 162,035,249 of loss brought forward and HRK 10,346,851 of loss. Minority interest in capital, reserves, profit and loss is HRK -5,200,478.

Long-term reservations amounted to HRK 10,330,378 or 1.76% of total liabilities on 30 September 2016, and pertain to old-age pension, severance pay and similar reservations.

Long-term liabilities amounted to HRK 238,575,589 or 40.70% of total liabilities on 30 September 2016, which is HRK 1,124,540 or 0.47% less than last year.

Short-term liabilities stated in the balance sheet amounted to HRK 311,841,331 or 53.20% of total liabilities on 30 September 2016, which is HRK 62,552,217 or 25.09% more than last year.

Accrued expenses and deferred revenue stated in the balance sheet amounted to HRK 35,328,182 or 6.03% of total liabilities on 30 September 2016, which is HRK 30,696,876 or 662.81% more than last year.

Trial assembly of bridge structure sections for Mainland - Čiovo island bridge



Quarterly financial report of entrepreneur TFI-POD

Reporting period: 1/1/2016 to 9/30/2016

Appendix 1

Reporting period: 1/1/2016 to 9/30/2016

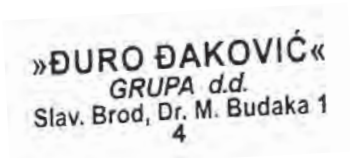
Quarterly financial report of entrepreneur TFI-POD

Registration number [MB]	3635112		
Identification number of subject [MBS]	05002378		
Personal identification number [OIB]	58828286397		
Issuer company:	ĐURO ĐAKOVIĆ Grupa d.d.		
Postal code and place	35000	SLAVONSKI BROD	
Street and number	Dr. MILE BUDAKA 1		
E-mail address:	uprava@duro-dakovic.com		
Internet address:	www.duro-dakovic.com		
Code and name of comune/town	396	SLAVONSKI BROD	
Code and county name	12	BRODSKO POSAVSKA	Number of employees 30 [at quarter end]
Consolidated statement	NO	NKD/NWC code:	7010
Subsidiaries subject to consolidation [according to IFRS]:	Residence	Registration number:	
Book keeping service:			
Contact person:	POSAVAC SLAVEN [fill in only surname and name of contact person]		
Phone number:	035/446 256	Fax: 035/444 108	
E-mail address:	uprava @duro-dakovic.com		
Surname and name	MAZAL TOMISLAV [authorised person for representation]		

Disclosure documents:

1. Financial statements [balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements]
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements

M.P.



[signed by authorised person for representation]

BALANCE SHEET

as on day September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period	Current period
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	168,328,656	166,962,717
I INTANGIBLE ASSETS (004 do 009)	003	38,188	26,291
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005		
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009	38,188	26,291
II PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	110,756,192	109,572,171
1. Land	011	7,222,038	7,222,038
2. Buildings	012	26,891,772	29,549,539
3. Plant and equipment	013		
4. Tools, working inventory and transportation assets	014	16,726,950	45,872,068
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		
7. Tangible assets in progress	017	59,857,454	26,870,547
8. Other tangible assets	018		
9. Investment in real-estate	019	57,978	57,978
III NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	53,907,005	54,113,844
1. Share in related parties	021	48,668,721	49,068,721
2. Loans to related parties	022	4,236,124	4,236,124
3. Participating interests (shares)	023	505,862	505,862
4. Loans to companies with participating interest	024		
5. Investments in securities	025		
6. Loans, deposits, etc.	026	458,248	265,704
7. Other non-current financial assets	027	38,050	37,433
8. Equity-accounted investments	028		
IV RECEIVABLES (030 do 032)	029	3,627,271	3,250,412
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	3,627,271	3,250,412
3. Other receivables	032		
V DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	218,162,537	337,288,566
I INVENTORIES (036 do 042)	035	1,322,906	1,322,906
1. Raw materials and supplies	036	1,886	1,886
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	1,321,020	1,321,020
5. Advances for inventories	040		
6. Long term assets held for sale	041		
7. Biological assets	042		
II RECEIVABLES (044 do 049)	043	119,183,560	181,194,421
1. Receivables from related parties	044	74,964,261	83,022,116
2. Receivables from end-customers	045	38,269,110	73,940,416
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	110,122	110,338
5. Receivables from government and other institutions	048	1,499,236	1,148,197
6. Other receivables	049	4,340,831	22,973,355
III CURRENT FINANCIAL ASSETS (051 do 057)	050	90,917,232	139,403,869
1. Share in related parties	051		
2. Loans to related parties	052	90,567,232	138,703,869
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	350,000	700,000
7. Other financial assets	057		
IV CASH AND CASH EQUIVALENTS	058	6,738,839	15,367,370
D) PREPAYMENTS AND ACCRUED INCOME	059	18,398,567	5,627,986
E) TOTAL ASSETS (001+002+034+059)	060	404,889,760	509,879,269
F) OFF BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	173,428,140	177,467,766
I SUBSCRIBED SHARE CAPITAL	063	151,933,680	151,933,680
II CAPITAL RESERVES	064	12,257,035	12,257,035
III RESERVES FROM PROFIT (066+067-068+069+070)	065	0	0
1. Legal reserves	066		
2. Reserve for own shares	067	939,960	939,960
3. Treasury shares and shares (deductible items)	068	939,960	939,960
4. Statutory reserves	069		
5. Other reserves	070		
IV REVALUATION RESERVES	071		
V RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	3,654,052	9,237,425
1. Retained earnings	073	3,654,052	9,237,425
2. Loss carried forward	074		
VI NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	5,583,373	4,039,626
1. Net profit for the period	076	5,583,373	4,039,626
2. Net loss for the period	077		
VII MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	15,301	15,301
1. Provisions for pensions, severance pay and similar liabilities	080	15,301	15,301
2. Provisions for tax liabilities	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 do 092)	083	139,476,090	143,635,570
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	133,735,648	138,069,302
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091	5,740,442	5,566,269
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	91,970,229	158,384,316
1. Liabilities to related parties	094	2,281,416	62,282,059
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	7,753,746	17,452,123
4. Liabilities for advances	097	20,432,508	13,162,073
5. Trade payables	098	60,604,651	64,846,774
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	295,288	278,502
9. Taxes, contributions and similar liabilities	102	575,292	315,463
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	27,328	47,321
E) ACCRUED EXPENSES AND DEFERRED INCOME	106		30,376,317
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	404,889,760	509,879,269
G) OFF BALANCE SHEET ITEMS	108		
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

PROFIT AND LOSS ACCOUNT

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
I OPERATING INCOME [112 do 113]	111	144,933,952	83,146,149	262,607,879	94,627,551
1. Rendering of services	112	116,516,706	70,236,255	254,190,542	92,530,067
2. Other operating income	113	28,417,246	12,909,894	8,417,337	2,097,484
II OPERATING COSTS [115+116+120+124+125+126+129+130]	114	136,661,173	73,593,352	261,454,538	94,168,293
1. Change in inventories of work in progress	115				
2. Material expenses [117 do 119]	116	117,161,704	70,791,936	201,240,501	75,609,655
a) Costs of raw materials	117	2,553,252	1,072,029	1,077,077	156,488
b) Cost of goods sold	118	109,179,909	66,992,544	195,382,368	74,068,065
c) Other material expenses	119	5,428,543	2,727,363	4,781,057	1,385,102
3. Employee benefits expenses [121 do 123]	120	4,887,369	1,578,325	4,460,278	1,444,465
a) Net salaries	121	2,688,458	807,426	2,455,524	795,064
b) Tax and contributions from salary expenses	122	1,447,631	527,541	1,322,205	428,111
c) Contributions on salary	123	751,280	243,358	682,548	221,290
4. Depreciation and amortisation	124	2,745,167	1,223,091	5,014,041	2,157,975
5. Other expenses	125	7,350,237		50,556,601	14,947,021
6. Write down of assets [127+128]	126	0	0	157	0
a) non-current assets [except financial assets]	127				
b) current assets [except financial assets]	128			157	
7. Provisions	129				
8. Other operating costs	130	4,516,696		182,961	9,177
III FINANCIAL INCOME [132 do 136]	131	9,242,440	2,883,406	9,819,455	5,039,670
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	8,949,259	2,713,171	6,885,512	2,569,890
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	293,181	170,235	2,933,943	2,469,780
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains [income] from financial assets	135				
5. Other financial income	136				
IV FINANCIAL EXPENSES [138 do 141]	137	3,073,161	1,252,301	6,933,170	2,728,603
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	637	51	69	17
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	3,072,524	1,252,250	6,933,101	2,728,586
3. Unrealised losses [expenses] from financial assets	140				
4. Other financial expenses	141				
V SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII EXTRAORDINARY - OTHER INCOME	144				
VIII EXTRAORDINARY - OTHER EXPENSES	145				
IX TOTAL INCOME [111+131+144]	146	154,176,392	86,029,555	272,427,335	99,667,221
X TOTAL EXPENSES [114+137+143+145]	147	139,734,334	74,845,653	268,387,709	96,896,896
XI PROFIT OR LOSS BEFORE TAXES [146-147]	148	14,442,058	11,183,902	4,039,626	2,770,325
1. Profit before taxes [146-147]	149	14,442,058	11,183,902	4,039,626	2,770,325
2. Loss before taxes [147-146]	150				
XII TAXATION	151				
XII PROFIT OR LOSS FOR THE PERIOD [148-151]	152	14,442,058	11,183,902	4,039,626	2,770,325
1. Profit for the period [149-151]	153	14,442,058	11,183,902	4,039,626	2,770,325
2. Loss for the period [151-148]	154			0	0
ADDITION TO PROFIT AND LOSS ACCOUNT [only for consolidated financial statements]					
XIV PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME [only for IFRS adopters]					
I PROFIT OR LOSS FOR THE PERIOD [=152]	157	14,442,058	11,183,902	4,039,626	2,770,325
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES [159 TO 165]	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD [158 TO 166]	167	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD [157+167]	168	14,442,058	11,183,902	4,039,626	2,770,325
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME [only for consolidated financial statements]					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

CASH FLOW STATEMENT - Indirect method

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period	Current period
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before taxes	001	5,583,373	4,039,626
2. Amortization	002	3,765,417	5,014,041
3. Increase of current liabilities	003	5,756,292	87,092,026
4. Decrease of receivables	004		
5. Decrease of inventories	005		
6. Other increase of cash flow	006	611,255	206,854
I Total increase in cash flow from operating activities (001 to 006)	007	15,716,337	96,352,547
1. Decrease of current liabilities	008		
2. Increase of receivables	009	92,885,398	97,726,916
3. Increase of inventories	010		
4. Other decrease of cash flow	011		
II Total decrease in cash flow from operating activities (008 to 011)	012	92,885,398	97,726,916
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	77,169,061	1,374,369
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015	21,954,194	
2. Cash inflows from sale of equity and debt financial instruments	016		2,697,433
3. Interest receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III Total cash inflows from investing activities(015 to 019)	020	21,954,194	2,697,433
1. Cash outflows for purchase of long - term tangible and intangible assets	021	39,262,867	6,515,567
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investing activities	023		
IV Total cash outflows from investing activities (021 to 023)	024	39,262,867	6,515,567
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	17,308,673	3,818,134
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028	120,618,387	38,014,013
3. Other cash inflows from financing activities	029	91,324,166	189,004
V Total cash inflows from financing activities (027 to 029)	030	211,942,553	38,203,017
1. Cash outflows for repayment of loans and bonds	031	32,063,824	23,981,984
2. Dividends paid	032		
3. Cash outflows for finance lease	033	145,139	
4. Cash outflows for purchase of own stocks	034	106,713,407	
5. Other cash outflows from financing activities	035	20,584,024	400,000
VI Total cash outflows from financing activities (031 to 035)	036	159,506,394	24,381,984
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	52,436,159	13,821,033
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows (013-014 + 025-026 + 037-038)	039	0	8,628,530
Total decreases of cash flows (014-013 + 026-025 + 038-037)	040	42,041,575	0
Cash and cash equivalents at the beginning of period	041	48,780,414	6,738,839
Decrease in cash and cash equivalents	042		
Increase in cash and cash equivalents	043	42,041,575	8,628,530
Cash and cash equivalents at the end of period	044	6,738,839	15,367,369

STATEMENT OF CHANGES IN EQUITY

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous year	Current year
1. Subscribed share capital	001	151,933,680	151,933,680
2. Capital reserves	002	12,257,035	12,257,035
3. Reserves from profit	003		
4. Retained earnings or loss carried forward	004	3,654,052	9,237,425
5. Net profit or loss for the period	005	5,583,373	4,039,626
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	173,428,140	177,467,766
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	5,583,373	4,039,626
17. Total increase or decrease of equity (AOP 011 to 016)	017	5,583,373	4,039,626
17 a. Attributable to majority owners	018		
17 b. Attributable to minority interest	019		

Quarterly financial report of entrepreneur TFI-POD

Reporting period: 1/1/2016 to 9/30/2016

Appendix 1

Reporting period: 1/1/2016 to 9/30/2016

Quarterly financial report of entrepreneur TFI-POD

Registration number [MB]	3635112		
Identification number of subject [MBS]	05002378		
Personal identification number [OIB]	58828286397		
Issuer company:	ĐURO ĐAKOVIĆ Grupa d.d.		
Postal code and place	35000	SLAVONSKI BROD	
Street and number	Dr. MILE BUDAKA 1		
E-mail address:	uprava@duro-dakovic.com		
Internet address:	www.duro-dakovic.com		
Code and name of comune/town	396	SLAVONSKI BROD	
Code and county name	12	BRODSKO POSAVSKA	Number of employees [at quarter end] 954
Consolidated statement	YES	NKD/NWC code:	7010
Subsidiaries subject to consolidation [according to IFRS]:	Residence	Registration number:	
ĐURO ĐAKOVIĆ Specijalna vozila d.d.	Dr. Mile Budaka 1, Slavonski Brod	3386066	
ĐURO ĐAKOVIĆ Industrijska rješenja d.d.	Dr. Mile Budaka 1, Slavonski Brod	3411281	
ĐURO ĐAKOVIĆ Strojna obrada d.o.o.	Dr. Mile Budaka 1, Slavonski Brod	1648527	
ĐURO ĐAKOVIĆ Energetika i infrastruktura d.o.o.	Dr. Mile Budaka 1, Slavonski Brod	0288527	

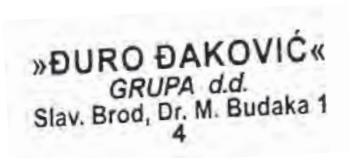
Book keeping service:

Contact person:	POSAVAC SLAVEN [fill in only surname and name of contact person]		
Phone number:	035/446 256	Fax:	035/444 108
E-mail address:	uprava @duro-dakovic.com		
Surname and name	MAZAL TOMISLAV [authorised person for representation]		

Disclosure documents:

1. Financial statements [balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements]
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements

M.P.



[signed by authorised person for representation]

CONSOLIDATED BALANCE SHEET

as on day September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period	Current period
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	276,240,761	270,827,295
I INTANGIBLE ASSETS (004 do 009)	003	25,425,886	25,564,719
1. Expenditure for development	004	6,883,374	7,861,842
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	3,889,144	3,079,656
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008	14,607,850	14,588,737
6. Other intangible assets	009	45,518	34,484
II PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	240,293,069	235,280,245
1. Land	011	15,472,391	15,472,390
2. Buildings	012	101,740,982	102,635,560
3. Plant and equipment	013	33,715,854	34,012,221
4. Tools, working inventory and transportation assets	014	20,038,054	48,796,785
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	434,698	219,203
7. Tangible assets in progress	017	65,242,278	30,554,748
8. Other tangible assets	018		8,252
9. Investment in real-estate	019	3,648,812	3,581,086
III NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	1,455,795	1,984,293
1. Share in related parties	021		
2. Loans to related parties	022		
3. Participating interests (shares)	023	794,422	797,402
4. Loans to companies with participating interest	024		
5. Investments in securities	025	87,808	87,808
6. Loans, deposits, etc.	026	535,515	1,061,650
7. Other non-current financial assets	027	38,050	37,433
8. Equity-accounted investments	028		
IV RECEIVABLES (030 do 032)	029	9,066,011	7,998,038
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031	8,772,054	7,904,155
3. Other receivables	032	293,957	93,883
V DEFERRED TAX ASSET	033		
C) CURRENT ASSETS (035+043+050+058)	034	214,946,236	309,598,029
I INVENTORIES (036 do 042)	035	96,017,061	120,709,006
1. Raw materials and supplies	036	33,258,822	53,531,031
2. Production in progress	037	46,599,471	46,821,040
3. Finished products	038	11,700,238	12,273,886
4. Merchandise	039	1,817,068	1,321,020
5. Advances for inventories	040	2,641,462	6,762,029
6. Long term assets held for sale	041		
7. Biological assets	042		
II RECEIVABLES (044 do 049)	043	80,609,971	159,083,892
1. Receivables from related parties	044		
2. Receivables from end-customers	045	72,220,727	126,438,141
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	163,993	202,865
5. Receivables from government and other institutions	048	3,107,355	4,301,499
6. Other receivables	049	5,117,896	28,141,387
III CURRENT FINANCIAL ASSETS (051 do 057)	050	884,770	830,000
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	754,770	700,000
7. Other financial assets	057	130,000	130,000
IV CASH AND CASH EQUIVALENTS	058	37,434,434	28,975,131
D) PREPAYMENTS AND ACCRUED INCOME	059	18,479,335	5,688,191
E) TOTAL ASSETS (001+002+034+059)	060	509,666,332	586,113,515
F) OFF BALANCE SHEET ITEMS	061	149,966,185	174,206,344

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	496,132	-9,961,965
I SUBSCRIBED SHARE CAPITAL	063	151,933,680	151,933,680
II CAPITAL RESERVES	064	15,686,933	15,686,933
III RESERVES FROM PROFIT (066+067-068+069+070)	065	0	0
1. Legal reserves	066		
2. Reserve for own shares	067	939,960	939,960
3. Treasury shares and shares (deductible items)	068	939,960	939,960
4. Statutory reserves	069		
5. Other reserves	070		
IV REVALUATION RESERVES	071		
V RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-95,048,722	-162,035,249
1. Retained earnings	073		
2. Loss carried forward	074	95,048,722	162,035,249
VI NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	-67,864,446	-10,346,851
1. Net profit for the period	076		
2. Net loss for the period	077	67,864,446	10,346,851
VII MINORITY INTEREST	078	-4,211,313	-5,200,478
B) PROVISIONS (080 do 082)	079	15,549,651	10,330,378
1. Provisions for pensions, severance pay and similar liabilities	080	2,409,776	2,409,776
2. Provisions for tax liabilities	081		
3. Other provisions	082	13,139,875	7,920,602
C) NON-CURRENT LIABILITIES (084 do 092)	083	239,700,129	238,575,589
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	227,773,962	227,021,051
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091	11,926,167	11,554,538
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	249,289,114	311,841,331
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	74,610,730	119,951,635
4. Liabilities for advances	097	48,880,943	46,478,621
5. Trade payables	098	111,294,466	134,448,195
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	6,339,171	5,416,537
9. Taxes, contributions and similar liabilities	102	7,593,919	5,115,012
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	569,885	431,331
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	4,631,306	35,328,182
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	509,666,332	586,113,515
G) OFF BALANCE SHEET ITEMS	108	149,966,185	174,206,344
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	4,707,445	-4,761,487
2. Attributable to minority interest	110	-4,211,313	-5,200,478

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
I OPERATING INCOME [112 do 113]	111	326,473,062	149,528,278	441,708,176	170,462,499
1. Rendering of services	112	314,231,143	145,136,498	426,367,784	168,583,306
2. Other operating income	113	12,241,919	4,391,780	15,340,392	1,879,193
II OPERATING COSTS [115+116+120+124+125+126+129+130]	114	357,650,391	153,063,176	444,920,310	170,318,262
1. Change in inventories of work in progress	115	12,953,434	12,234,444	-1,683,007	2,606,910
2. Material expenses [117 do 119]	116	221,751,243	105,329,488	290,781,323	115,973,021
a) Costs of raw materials	117	104,701,401	31,665,146	116,883,773	52,271,959
b) Cost of goods sold	118	84,948,613	60,840,896	122,212,107	33,653,777
c) Other material expenses	119	32,101,229	12,823,446	51,685,443	30,047,285
3. Employee benefits expenses [121 do 123]	120	76,293,488	23,693,248	69,972,381	24,320,014
a) Net salaries	121	49,482,681	15,046,593	44,357,878	15,411,260
b) Tax and contributions from salary expenses	122	16,547,693	5,346,429	15,483,058	5,400,148
c) Contributions on salary	123	10,263,114	3,300,226	10,131,445	3,508,606
4. Depreciation and amortisation	124	14,790,493	5,395,090	17,667,325	6,436,471
5. Other expenses	125	24,047,046	1,207,528	66,257,305	20,757,091
6. Write down of assets [127+128]	126	3,063	0	5,147	3,071
a) non-current assets [except financial assets]	127				
b) current assets [except financial assets]	128	3,063		5,147	3,071
7. Provisions	129	1,205,031			
8. Other operating costs	130	6,606,593	5,203,378	1,919,835	221,684
III FINANCIAL INCOME [132 do 136]	131	1,069,623	254,971	6,097,914	5,212,031
1. Interest, foreign exchange differences, dividends and similar income from related parties	132				
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	1,055,272	245,041	6,041,463	5,159,217
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains [income] from financial assets	135				
5. Other financial income	136	14,351	9,930	56,451	52,814
IV FINANCIAL EXPENSES [138 do 141]	137	10,746,721	3,614,179	13,343,877	4,960,928
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	10,744,936	3,614,178	13,343,729	4,960,780
3. Unrealised losses [expenses] from financial assets	140				
4. Other financial expenses	141	1,785	1	148	148
V SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII EXTRAORDINARY - OTHER INCOME	144				
VIII EXTRAORDINARY - OTHER EXPENSES	145				
IX TOTAL INCOME [111+131+144]	146	327,542,685	149,783,249	447,806,090	175,674,530
X TOTAL EXPENSES [114+137+143+145]	147	368,397,112	156,677,355	458,264,187	175,279,190
XI PROFIT OR LOSS BEFORE TAXES [146-147]	148	-40,854,427	-6,894,106	-10,458,097	395,340
1. Profit before taxes [146-147]	149	0	0	0	395,340
2. Loss before taxes [147-146]	150	40,854,427	6,894,106	10,458,097	0
XII TAXATION	151				
XII PROFIT OR LOSS FOR THE PERIOD [148-151]	152	-40,854,427	-6,894,106	-10,458,097	395,340
1. Profit for the period [149-151]	153	0	0	0	395,340
2. Loss for the period [151-148]	154	40,854,427	6,894,106	10,458,097	0
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I PROFIT OR LOSS FOR THE PERIOD (=152)	157	-40,854,427	-6,894,106	-10,458,097	395,340
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES [159 TO 165]	158	0	0	0	0
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-valuation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
III TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD [158 TO 166]	167	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD [157+167]	168	-40,854,427	-6,894,106	-10,458,097	395,340
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	-39,856,165	-6,540,588	-10,346,851	541,893
2. Attributable to minority interest	170	-998,262	-353,518	-111,246	-146,553

CONSOLIDATE CASH FLOW STATEMENT - Indirect method

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous period	Current period
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before taxes	001	-63,863,597	-10,458,097
2. Amortization	002	19,903,894	17,667,325
3. Increase of current liabilities	003		89,582,279
4. Decrease of receivables	004		
5. Decrease of inventories	005	3,206,619	
6. Other increase of cash flow	006	3,853,833	
I Total increase in cash flow from operating activities (001 to 006)	007	-36,899,251	96,791,508
1. Decrease of current liabilities	008	11,900,638	
2. Increase of receivables	009	10,297,817	185,946,583
3. Increase of inventories	010		24,170,770
4. Other decrease of cash flow	011	2,488,593	4,669,011
II Total decrease in cash flow from operating activities (008 to 011)	012	24,687,048	214,786,364
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	61,586,299	117,994,856
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015	23,436,182	338,877
2. Cash inflows from sale of equity and debt financial instruments	016		
3. Interest receipts	017		1,019
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III Total cash inflows from investing activities (015 to 019)	020	23,436,182	339,896
1. Cash outflows for purchase of long - term tangible and intangible assets	021	55,511,482	14,359,869
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investing activities	023		
IV Total cash outflows from investing activities (021 to 023)	024	55,511,482	14,359,869
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	32,075,300	14,019,973
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028	178,688,696	160,145,877
3. Other cash inflows from financing activities	029	89,144,369	188,993
V Total cash inflows from financing activities (027 to 029)	030	267,833,065	160,334,870
1. Cash outflows for repayment of loans and bonds	031	168,850,543	36,343,439
2. Dividends paid	032		
3. Cash outflows for finance lease	033	458,342	35,904
4. Cash outflows for purchase of own stocks	034		
5. Other cash outflows from financing activities	035	20,667,852	400,000
VI Total cash outflows from financing activities (031 to 035)	036	189,976,737	36,779,343
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	77,856,328	123,555,527
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows (013-014 + 025-026 + 037-038)	039	0	0
Total decreases of cash flows (014-013 + 026-025 + 038-037)	040	15,805,271	8,459,303
Cash and cash equivalents at the beginning of period	041	53,239,705	37,434,434
Decrease in cash and cash equivalents	042		8,459,303
Increase in cash and cash equivalents	043	15,805,271	
Cash and cash equivalents at the end of period	044	37,434,434	28,975,131

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for period January 1, 2016 to September 30, 2016 / Company: ĐURO ĐAKOVIĆ Grupa d.d.

Position	AOP	Previous year	Current year
1. Subscribed share capital	001	151,933,680	151,933,680
2. Capital reserves	002	15,686,933	15,686,933
3. Reserves from profit	003		
4. Retained earnings or loss carried forward	004	-95,048,722	-162,035,249
5. Net profit or loss for the period	005	-72,075,759	-15,547,329
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	496,132	-9,961,965
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	-67,864,446	-10,346,851
17. Total increase or decrease of equity (AOP 011 to 016)	017	-67,864,446	-10,346,851
17 a. Attributable to majority owners	018	4,707,445	-4,761,487
17 b. Attributable to minority interest	019	-4,211,313	-5,200,478

**STATEMENT OF PERSONS ACCOUNTABLE FOR COMPOSING
NON-CONSOLIDATING AND CONSOLIDATED FINANCIAL REPORTS
OF ĐURO ĐAKOVIĆ Group Plc.**

FOR THE PERIOD 1 January 2016 - 30 September 2016

**In line with the Capital Market Act, Article 403 (Official Gazette no. 88/08; 146/08;
74/09; 54/13; 159/13; 18/15; 110/15) Management Board of ĐURO ĐAKOVIĆ Group Plc.,
Dr. Mile Budaka 1, Slavonski Brod states:**

The Management Board of Đuro Đaković Group Plc. is obligated to secure that non-consolidated and consolidated financial reports for the period I - IX of 2016 are composed in line with the Accounting Act and also in line with international standards of financial reporting. The management boards of companies which are in the system of Đuro Đaković Group Plc. and which are subject to consolidation, are responsible for those companies' financial reports.

According to our best knowledge, the presented financial reports provide a wholesome and truthful display of assets and liabilities, profit and loss, financial position and business activities of Đuro Đaković Group Plc. and the companies included in the consolidation as a whole.

The financial reports for the period I - IX 2016 have not been revised.

Signed on behalf of the Management Board:

Tomislav Mazal, LLB, President of the Management Board

Marko Bogdanović, B.Sc., Member of the Management Board

In Slavonski Brod, 28 October 2016

**»ĐURO ĐAKOVIĆ«
GRUPA d.d.
Slav. Brod, Dr. M. Budaka 1
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ĐURO ĐAKOVIĆ