

**Consolidated financial results for the  
six months period ended  
30 June 2015  
(unaudited)**



**Granolio**

## General information on Granolio d.d.

GRANOLIO d.d. ("The Company") is a joint-stock company registered with the Commercial Court of Zagreb, Croatia.

The Company's tax number (OIB) is 59064993527, and its registration number (MBS) 080111595. The Company's headquarters is located in Zagreb at Budmanijeva 5.

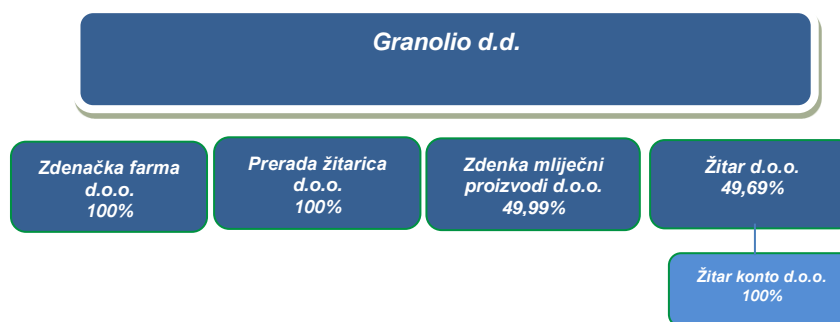
## Subsidiaries

The Company holds 100% of the shares in companies Zdenačka farma d.o.o. and Prerada Žitarica d.o.o.

It has a controlling influence in the decision-making process in Zdenka mliječni proizvodi d.o.o. and Žitar d.o.o. The above companies have been consolidated into the Granolio Group since 2011.

Subsidiary Žitar d.o.o. has founded another company, Žitar konto d.o.o., which is fully owned by it. Žitar konto d.o.o. financial statements are part of the consolidated financial statements.

Organizational structure of the Granolio Group is presented in the chart below:



The Group monitors its business operations through four business segments:

- Milling
- Dairy and cheese production
- Wholesale trade
- Other

Milling is the segment that comprises flour production and sale of flour. This business segment is comprised in the holding company exclusively.

Dairy and cheese production („Dairy“) comprises cheese production and cheese sale realized in the company Zdenka – mliječni proizvodi d.o.o., but also milk production and sale of milk by dairy farms in the companies Zdenačka farma d.o.o. and Žitar d.o.o.

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by the companies Granolio d.d. and Žitar d.o.o.

The segment Other comprises animal feed production (Žitar d.o.o.), pig farming and beef cattle farming (Žitar d.o.o., beef cattle farming in the company Granolio d.d.), and rendering storage of grains, oil crops and other trade goods (Granolio d.d., Žitar d.o.o. and Prerada žitarica d.o.o.).

## Granolio Group's financial indicators for the first half of 2015

HRK '000

	HY 2015	HY 2014	change	
<b>Operating revenue</b>	382,074	355,916	26,158	7%
<b>Operating expenses</b>	375,200	372,742	2,832	1%
<b>EBIT</b>	6,874	(16,826)	23,326	141%
<i>EBIT margin</i>	2%	-5%		
<b>EBITDA</b> (EBIT + depreciation + value adjustments)	22,005	17,316	4,315	25%
<i>EBITDA margin</i>	6%	5%		
<b>Net financial result</b>	(9,503)	(29,082)	19,579	67%
<b>Net result for the period</b>	(2,630)	(45,908)	39,699	94%
<i>Result attributable to the Group</i>	(3,894)	(38,636)	34,762	90%
<i>Minority interest</i>	1,264	(7,272)	8,536	117%

Compared to the same period last year, operating income of the Granolio Group has increased by 7%, that is the result of growth in the milling segment and dairy segment, i.e. cheese production.

In comparison to the same period last year, operating result before financial income and expenses (EBIT) has significantly improved. The reasons for this can be found in EBIT for the first half of 2014 comprising the costs of value adjustment of receivables in the total amount of HRK 18.3 million, while as at 30 June 2015 no indication for assets impairment were identified.

Besides mentioned, EBIT value improved due to decreased depreciation cost in the company Zdenka-mliječni proizvodi. d.o.o. (as a result of adjusting depreciation rates of the company with depreciation rates applied by other Group members), but also due to better operating result in the segment Other (pig farming and beef cattle farming, and animal feed production in Žitar d.o.o.).

The most significant contribution to the total amount of EBITDA in 2015 were realised within the segments: dairy and cheese production (49%) and milling (35%). Wholesale trade segment contributed with 16% to the total consolidated EBITDA value.

Net financial result for 2015 is more favorable in comparison to the same period last year as financial result for 2014 comprises value adjustments of financial assets in the amount of HRK 16.8 million.

## Financial indicators

HRK '000

	30.6.2015	31.12.2014	change	
<b>Net assets (Capital and reserves)</b>	213,164	216,904	(3,740)	-2%
<b>Total debt</b>	<b>505,737</b>	<b>597,063</b>	(91,326)	-15%
<b>Cash and cash equivalents</b>	3,433	3,350	83	2%
<b>Financial assets</b>	26,516	26,183	333	1%
<b>Net debt</b>	<b>475,788</b>	<b>567,530</b>	(91,741)	-16%
<b>Net debt/EBITDA**</b>	8,5	11,1		
* Financial assets are comprised of financial loans, securities and deposits				
** EBITDA for the last 12 months:	56,039	51,350		-

The Group's net debt during the six months period has decreased by HRK 90 million, what was financed out of operating activities.

## Overview of the business operations for the first half of 2015 per business segments

### Segmental report for Granolio Group for the first half year 2015

HRK '000	Milling	Dairy	Wholesale	Other	Non-allocated	TOTAL
Sales revenue	142,077	80,853	120,486	22,086	-	365,502
Other operating income	787	6,203	2,436	2,310	4,836	16,572
COGS	114,818	56,380	110,369	17,239	-	298,806
<b>Gross margin</b>	<b>28,046</b>	<b>30,676</b>	<b>12,553</b>	<b>7,157</b>	<b>4,836</b>	<b>83,268</b>
Staff costs	6,383	7,860	3,381	3,309	-	20,933
Other costs	14,220	11,938	5,546	3,346	5,280	40,330
<b>EBITDA</b>	<b>7,443</b>	<b>10,878</b>	<b>3,626</b>	<b>502</b>	<b>(444)</b>	<b>22,005</b>
<b>EBITDA margin</b>	<b>5%</b>	<b>12%</b>	<b>3%</b>	<b>2%</b>	<b>-9%</b>	<b>6%</b>

Business operations analysis per each business segment is shown below. It is important to remark that part of the operating revenue and operating expense, which contribute to the consolidated value of EBITDA with the negative amount of HRK 0.4 million, is stated as non-allocated as it reflects the final settlement of the holding company's court dispute with the company PZ Osatina.

### Milling

HRK '000	HY 2015	HY 2014	change	
Sales revenue	142,077	103,148	38,928	38%
Other operating income	787	232	555	240%
COGS	114,818	82,115	32,703	40%
<b>Gross margin</b>	<b>28,046</b>	<b>21,265</b>	<b>6,781</b>	<b>32%</b>
Staff costs	6,383	4,450	1,933	43%
Other costs	14,220	9,622	4,598	48%
<b>EBITDA</b>	<b>7,443</b>	<b>7,193</b>	<b>250</b>	<b>3%</b>
<b>EBITDA margin</b>	<b>5%</b>	<b>7%</b>		

Increase of flour sales revenue is the result of the increased quantity of the flour sold. In the first half of 2015 the Group sold 77 thousand tons of flour (HY 2014: 52 thousand tons). Average sales price of flour is lower, that was partially the result of a different structure of flour sales, but also of lower flour prices in the market in general.

In comparison to the same period last year, average value of the basic raw material (wheat) used in production was lower in 2015. However, the spread between the average sales price of flour and the purchase price of wheat used in production is unfavorable due to larger decrease in the sales prices.

### Dairy and cheese production

HRK '000	HY 2015	HY 2014	Change	
Sales revenue	80,853	68,117	12,736	19%
Other operating income	6,203	6,031	173	3%
COGS	56,380	47,126	9,254	20%
<b>Gross margin</b>	<b>30,676</b>	<b>27,022</b>	<b>3,654</b>	<b>14%</b>
Staff costs	7,860	7,531	329	4%
Other costs	11,938	9,105	2,833	31%
<b>EBITDA</b>	<b>10,878</b>	<b>10,386</b>	<b>493</b>	<b>5%</b>
<b>EBITDA margin</b>	<b>12%</b>	<b>14%</b>		

In the dairy and cheese production segment revenue increase is noted in the cheese production part, while in the milk production reported slight revenue decrease despite the production increase (from 4 million kilos in 2014 to 4.5 million kilos in 2015). Reasons for decreased revenue from milk production can be found in the 20% lower sales prices of milk as compared to the same period last year.

### Wholesale trade

HRK '000	HY 2015	HY 2014	change	
Sales revenue	120,486	161,628	(41,142)	-25%
Other operating income	2,436	662	1,774	268%
COGS	110,369	151,701	(41,333)	-27%
<b>Gross margin</b>	<b>12,553</b>	<b>10,589</b>	<b>1,964</b>	<b>19%</b>
Staff costs	3,381	2,402	979	41%
Other costs	5,546	5,703	(157)	-3%
<b>EBITDA</b>	<b>3,626</b>	<b>2,484</b>	<b>1,142</b>	<b>46%</b>
<b>EBITDA margin</b>	<b>3%</b>	<b>2%</b>		

In the first half of 2014 one-off sales of sowing materials in the amount of HRK 40 million incurred and in 2015 sales of sowing materials was realized as usual, through granting loans for sowing. Therefore revenue decrease in HY 2015 is noted in the wholesale trade segment.

Wholesale trade of grains and oil seeds is characterized by extreme seasonality; therefore more significant results are expected in the second half year.

**Other**

HRK '000	HY 2015	HY 2014	change	
Sales revenue	22,086	15,038	7,048	47%
Other operating income	2,310	1,060	1,250	118%
COGS	17,239	12,238	5,001	41%
<b>Gross margin</b>	<b>7,157</b>	<b>3,860</b>	<b>3,296</b>	<b>85%</b>
Staff costs	3,309	3,705	(396)	-11%
Other costs	3,346	2,287	1,059	46%
<b>EBITDA</b>	<b>502</b>	<b>(2,132)</b>	<b>2,634</b>	<b>124%</b>
<b>EBITDA margin</b>	<b>2%</b>	<b>-13%</b>		

Revenue of the segment Other is comprised mainly out of animal feed production income (app. 45%) and pig farming and beef cattle farming (app. 30%), while the remaining part of income relates to rendering services.

Capitalization costs in the amount of HRK 616 thousand incurred in the first half year of 2014. At the end of 2014 the costs were transferred to decrease equity reserves. This cost is not shown in any segment report.

## Separate business results for the first half year of 2015

Separate financial data per each company include also intercompany income and expenses realized within the Granolio Group.

<b>Granolio d.d.</b>			HRK '000	
	<b>HY 2015</b>	<b>HY 2014</b>	<b>change</b>	
<b>Operating revenue</b>	<b>273,100</b>	<b>266,014</b>	<b>7,086</b>	<b>3%</b>
<b>EBITDA</b>	<b>8,494</b>	<b>5,748</b>	<b>2,747</b>	<b>48%</b>
<i>margin %</i>	3%	2%		
<b>EBIT</b>	<b>3,408</b>	<b>(10,889)</b>	<b>14,296</b>	<b>131%</b>
<i>margin %</i>	1%	-4%		
<b>Net financial result</b>	<b>(6,735)</b>	<b>(20,538)</b>	<b>13,803</b>	<b>67%</b>
<b>Net result</b>	<b>(3,327)</b>	<b>(31,427)</b>	<b>28,099</b>	<b>89%</b>
<i>margin %</i>	-1%	-12%		

Compared to the same period last year net result of the company Granolio d.d. for the first half year of 2015 is significantly more favorable.

<b>Zdenka - mliječni proizvodi d.o.o.</b>			HRK '000	
	<b>HY 2015</b>	<b>HY 2014</b>	<b>change</b>	
<b>Operating revenue</b>	<b>71,266</b>	<b>56,735</b>	<b>14,532</b>	<b>26%</b>
<b>EBITDA</b>	<b>8,579</b>	<b>5,175</b>	<b>3,404</b>	<b>66%</b>
<i>margin %</i>	12%	9%		
<b>EBIT</b>	<b>2,612</b>	<b>(4,404)</b>	<b>7,016</b>	<b>159%</b>
<i>margin %</i>	4%	-8%		
<b>Net financial result</b>	<b>(868)</b>	<b>(1,267)</b>	<b>399</b>	<b>31%</b>
<b>Net result</b>	<b>1,744</b>	<b>(5,671)</b>	<b>7,415</b>	<b>131%</b>
<i>margin %</i>	2%	-10%		

Revenue increase was noted in the sales realized on the domestic market. In 2015 Zdenka included in its assortment also the production and sale of long-life milk, which sales resulted with income in the amount of HRK 9 million realized during the first half year of 2015. The most significant revenue increase was noted in the sale of fresh and semi-hard cheeses (total of HRK 6 million) and butter (HRK 2 million). Income increase is the result of increased sales quantity of products, while the average sales prices were lower than in the corresponding period.

Average sales prices of all groups of products were lower than the ones realized in the corresponding period last year. The main portion of export was still realized from trading with Bosnia and Herzegovina, Slovenia and Serbia (app. 80% of total export).



**Žitar d.o.o. (consolidated)**

HRK '000

	HY 2015	HY 2014	change	
<b>Operating revenue</b>	<b>34,808</b>	<b>34,189</b>	<b>618</b>	<b>2%</b>
<b>EBITDA</b>	<b>4,299</b>	<b>3,454</b>	<b>845</b>	<b>24%</b>
<i>margin %</i>	12%	10%		
<b>EBIT</b>	<b>1,880</b>	<b>(2,755)</b>	<b>4,635</b>	<b>168%</b>
<i>margin %</i>	5%	-8%		
<b>Net financial result</b>	<b>(1,101)</b>	<b>(6,062)</b>	<b>4,961</b>	<b>82%</b>
<b>Net result</b>	<b>779</b>	<b>(8,817)</b>	<b>9,596</b>	<b>109%</b>
<i>margin %</i>	2%	-26%		

Net financial result in HY 2014 included the cost of value adjustment of financial assets, therefore costs in HY 2015 were significantly lower. No costs of value adjustments incurred during the first half year of 2015.

**Zdenačka farma d.o.o.**

HRK '000

	HY 2015	HY 2014	change	
<b>Operating revenue</b>	<b>10,328</b>	<b>11,697</b>	<b>(1,369)</b>	<b>-12%</b>
<b>EBITDA</b>	<b>1,190</b>	<b>3,448</b>	<b>(2,258)</b>	<b>-65%</b>
<i>margin %</i>	12%	29%		
<b>EBIT</b>	<b>(263)</b>	<b>1,936</b>	<b>(2,199)</b>	<b>-114%</b>
<i>margin %</i>	-3%	17%		
<b>Net financial result</b>	<b>(795)</b>	<b>(1,106)</b>	<b>311</b>	<b>28%</b>
<b>Net result</b>	<b>(1,058)</b>	<b>830</b>	<b>(1,888)</b>	<b>-227%</b>
<i>margin %</i>	-10%	7%		

During the first 6 months in 2015 total sale of milk from Zdenačka farma d.o.o. was 2.5 million kilos, what is 4% more than during the same period last year. Average sales price realized during the first half year of 2015 was 20% lower than the average sales price realized during the same period last year.

The main causes of EBITDA margin decrease from 29% to 12%.are decrease in sales price of milk and increase in costs (e.g. electricity costs increased as a result of subsequently received invoice for the consumption in previous periods).

**Prerada žitarica d.o.o.**

HRK '000

	<b>HY 2015</b>	<b>HY 2014</b>	<b>promjena</b>	
<b>Operating revenue</b>	<b>457</b>	<b>249</b>	<b>208</b>	<b>84%</b>
<b>EBITDA</b>	<b>(231)</b>	<b>(634)</b>	<b>403</b>	<b>64%</b>
<i>margin %</i>	-50%	-255%		
<b>EBIT</b>	<b>(438)</b>	<b>(840)</b>	<b>402</b>	<b>48%</b>
<i>margin %</i>	-96%	-338%		
<b>Net financial result</b>	<b>(4)</b>	<b>16</b>	<b>(20)</b>	<b>-125%</b>
<b>Net result</b>	<b>(442)</b>	<b>(824)</b>	<b>382</b>	<b>46%</b>
<i>margin %</i>	-97%	-331%		

Prerada žitarica d.o.o. is the company the main activities of which are storage of goods, and storage and drying of grains. More significant turnover is expected to incur in the second half of the year.

**Employees**

In the first half of 2015 the Group employed 467 employees based on man-hour basis (in the first half of 2014: 454 employees).

**Environment**

Regarding the environmental protection, the Company has implemented comprehensive and systematic solutions and established environment-friendly production processes.

**Other**

Supervisory Board has not considered Granolio Group's financial statements for the first half of 2015 for approval, as the Supervisory Board meeting with the approval of the mentioned reports on the meeting agenda is scheduled for 17 September 2015.

**Annex 1.**

Reporting period

1.1.2015

to

30.6.2015

**Quarterly financial report TFI-POD**

Tax number (MB): 01244272

Company registration number: 080111595

Personal identification  
number (OIB): 59064993527

Issuing company: GRANOLIO d.d.

Postal code and place: 10000

Zagreb

Street and house number: BUDMANIJEVA 5

E-mail address: granolio@granolio.hr

Internet address: www.granolio.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 490

Consolidated report: YES

(period end)

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

GRANOLIO D.D. ZAGREB 01244272

ZDENAČKA FARMA D.O.O. VELIKI ZDENCI 02095777

PRERADA ŽITARICA D.O.O. GRUBIŠNO POLJE 02095696

ZDENKA - MLIJEČNI PROIZVODI D.O.O. VELIKI ZDENCI 01623982

ŽITAR D.O.O. DONJI MIHOLJAC 01443119

Bookkeeping service:

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(only surname and name)

Telephone: 01/6320261

Telefaks: 01/6320224

E-mail address: jkordic@granolio.hr

Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

**Balance Sheet**  
as of 30.06.2015.

<b>Company: GRANOLIO d.d.</b>			
Position	AOP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	613.572.262	603.908.079
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	190.426.725	189.444.303
1. Expenditure for development	<b>004</b>		0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.000.000	120.870.064
3. Goodwill	<b>006</b>	60.379.072	60.379.072
4. Advances for purchase of intangible assets	<b>007</b>		0
5. Intangible assets in progress	<b>008</b>		0
6. Other intangible assets	<b>009</b>	10.047.653	8.195.167
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	<b>010</b>	389.305.038	380.301.893
1. Land	<b>011</b>	27.383.150	27.383.163
2. Buildings	<b>012</b>	243.598.112	238.792.531
3. Plant and equipment	<b>013</b>	82.585.815	73.257.911
4. Tools, working inventory and transportation assets	<b>014</b>	89.570	3.460.274
5. Biological assets	<b>015</b>	10.943.371	11.003.769
6. Advances for purchase of tangible assets	<b>016</b>	770.450	876.540
7. Tangible assets in progress	<b>017</b>	21.006.005	22.551.592
8. Other tangible assets	<b>018</b>		85.989
9. Investment in real-estate	<b>019</b>	2.928.565	2.890.124
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	<b>020</b>	32.452.058	32.774.089
1. Share in related parties	<b>021</b>	10.000	10.000
2. Loans to related parties	<b>022</b>	10.852.932	10.738.457
3. Participating interests (shares)	<b>023</b>	20.462.753	20.462.190
4. Loans to companies with participating interest	<b>024</b>		0
5. Investments in securities	<b>025</b>		0
6. Loans, deposits, etc.	<b>026</b>	1.126.373	1.563.442
7. Other non-current financial assets	<b>027</b>		0
8. Equity-accounted investments	<b>028</b>		0
IV. RECEIVABLES (030 do 032)	<b>029</b>	1.388.441	1.387.794
1. Receivables from related parties	<b>030</b>		
2. Receivables arising from sales on credit	<b>031</b>		
3. Other receivables	<b>032</b>	1.388.441	1.387.794
V. DEFERRED TAX ASSET	<b>033</b>		0
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	390.497.241	388.275.978
I. INVENTORIES (036 do 042)	<b>035</b>	143.415.950	79.290.330
1. Raw materials and supplies	<b>036</b>	27.579.932	27.420.557
2. Production in progress	<b>037</b>	12.232.040	17.009.261
3. Finished products	<b>038</b>	15.090.587	17.967.917
4. Merchandise	<b>039</b>	88.479.391	16.865.011
5. Advances for inventories	<b>040</b>	14.000	27.584
6. Long term assets held for sale	<b>041</b>	20.000	0
7. Biological assets	<b>042</b>		0
II. RECEIVABLES (044 do 049)	<b>043</b>	170.986.354	182.159.212
1. Receivables from related parties	<b>044</b>	10.927.051	11.097.106
2. Receivables from end-customers	<b>045</b>	143.899.123	161.268.863
3. Receivables from participating parties	<b>046</b>		0
4. Receivables from employees and members of the company	<b>047</b>	24.342	125.709
5. Receivables from government and other institutions	<b>048</b>	10.726.766	4.813.430
6. Other receivables	<b>049</b>	5.409.072	4.854.104
III. CURRENT FINANCIAL ASSETS (051 do 057)	<b>050</b>	72.745.153	123.393.865
1. Share in related parties	<b>051</b>		0
2. Loans to related parties	<b>052</b>	18.098.353	20.155.809
3. Participating interests (shares)	<b>053</b>		0
4. Loans to companies with participating interest	<b>054</b>		0
5. Investments in securities	<b>055</b>	871.297	1.566.775
6. Loans, deposits, etc.	<b>056</b>	53.775.503	101.671.281
7. Other financial assets	<b>057</b>	0	0
IV. CASH AND CASH EQUIVALENTS	<b>058</b>	3.349.784	3.432.571
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	1.524.823	3.001.586
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.005.594.326	995.185.643
<b>F) OFF BALANCE SHEET ITEMS</b>	<b>061</b>		

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	216.904.285	213.164.283
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>064</b>	85.379.031	84.190.947
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	183.484	183.484
1. Legal reserves	<b>066</b>	183.484	183.484
2. Reserve for own shares	<b>067</b>		
3. Treasury shares and shares (deductible items)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>		
IV. REVALUATION RESERVES	<b>071</b>	67.384.068	65.928.540
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	<b>072</b>	37.480.963	-7.243.281
1. Retained earnings	<b>073</b>	37.480.963	2.018.283
2. Loss carried forward	<b>074</b>		9.261.564
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	-46.269.675	-3.893.931
1. Net profit for the period	<b>076</b>		
2. Net loss for the period	<b>077</b>	46.269.675	3.893.931
VII. MINORITY INTEREST	<b>078</b>	53.729.984	54.982.094
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	249.821	271.761
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>		
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	249.821	271.761
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	175.579.168	143.106.666
1. Liabilities to related parties	<b>084</b>		0
2. Liabilities for loans, deposits, etc.	<b>085</b>	10.955	11.492
3. Liabilities to banks and other financial institutions	<b>086</b>	158.430.216	126.347.649
4. Liabilities for advances	<b>087</b>		0
5. Trade payables	<b>088</b>	291.980	265.390
6. Commitments on securities	<b>089</b>		0
7. Liabilities to companies with participating interest	<b>090</b>		0
8. Other non-current liabilities	<b>091</b>		0
9. Deferred tax liabilities	<b>092</b>	16.846.017	16.482.135
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	597.104.007	623.360.639
1. Liabilities to related parties	<b>094</b>	157.659	6.535.939
2. Liabilities for loans, deposits, etc.	<b>095</b>	0	44.037.594
3. Liabilities to banks and other financial institutions	<b>096</b>	328.819.259	277.290.047
4. Liabilities for advances	<b>097</b>	2.770.586	444.882
5. Trade payables	<b>098</b>	140.326.406	214.231.828
6. Commitments on securities	<b>099</b>	109.802.353	58.050.000
7. Liabilities to companies with participating interest	<b>100</b>		0
8. Liabilities to employees	<b>101</b>	2.128.577	2.275.722
9. Taxes, contributions and similar liabilities	<b>102</b>	7.347.716	13.997.959
10. Liabilities arising from share in the result	<b>103</b>		0
11. Liabilities arising from non-current assets held for sale	<b>104</b>		0
12. Other current liabilities	<b>105</b>	5.751.452	6.496.668
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	15.757.045	15.282.294
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.005.594.326	995.185.643
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>		
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>109</b>	163.174.301	158.182.189
2. Attributable to minority interest	<b>110</b>	53.729.984	54.982.094

**Income statement**  
period 01.01.2015. to 30.06.2015.

Company: GRANOLIO d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 do 113)</b>	<b>111</b>	355.915.726	168.607.516	382.073.433	187.690.303
1. Rendering of services	112	347.654.964	164.292.572	365.501.575	175.881.647
2. Other operating income	113	8.260.762	4.314.944	16.571.858	11.808.656
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	372.742.072	181.866.304	375.199.665	183.719.708
1. Change in inventories of work in progress	115	-11.299.883	-7.887.928	-7.731.295	-3.596.969
2. Material expenses (117 do 119)	116	322.001.598	149.022.270	330.099.651	158.673.713
a) Costs of raw materials	117	145.459.926	83.545.208	193.534.132	98.742.714
b) Cost of goods sold	118	159.019.750	56.385.371	113.002.939	48.271.165
c) Other material expenses	119	17.521.922	9.091.691	23.562.580	11.659.834
3. Employee benefits expenses (121 do 123)	120	18.087.532	9.399.755	20.932.787	10.480.016
a) Net salaries	121	11.411.256	5.883.641	12.823.132	6.430.529
b) Tax and contributions from salary expenses	122	4.163.542	2.145.456	5.051.735	2.522.879
c) Contributions on salary	123	2.512.734	1.370.658	3.057.920	1.526.608
4. Depreciation and amortisation	124	15.879.658	7.841.259	15.131.301	7.537.648
5. Other expenses	125	4.544.281	2.780.834	5.986.219	2.222.927
6. Write down of assets (127+128)	126	18.262.498	18.114.818	171	171
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	18.262.498	18.114.818	171	171
7. Provisions	129	0	0	0	0
8. Other operating costs	130	5.266.388	2.695.296	10.780.831	8.402.202
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	6.308.525	5.149.571	8.863.709	7.738.295
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	0	5.626	0	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	2.546.243	1.469.807	4.753.488	3.628.074
3. Income from investments in associates and joint ventures	134	6.477	6.477	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	3.755.805	3.667.661	4.110.221	4.110.221
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	35.390.157	27.138.374	18.367.459	9.443.113
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	0	0	158.565	158.551
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	17.492.198	9.733.652	18.058.345	9.135.114
3. Unrealised losses (expenses) from financial assets	140	11.526.181	11.523.090	0	0
4. Other financial expenses	141	6.371.778	5.881.632	150.549	149.448
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>	0	0	0	0
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>	0	0	0	0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	0	0	0	0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	0	0	0	0
<b>IX. TOTAL INCOME (111+131+144)</b>	<b>146</b>	362.224.251	173.757.087	390.937.142	195.428.598
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	408.132.229	209.004.678	393.567.124	193.162.821
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	-45.907.978	-35.247.591	-2.629.982	2.265.777
1. Profit before taxes (146-147)	149	0	0	0	2.265.777
2. Loss before taxes (147-146)	150	45.907.978	35.247.591	2.629.982	0
<b>XII. TAXATION</b>	<b>151</b>	0	0	0	0
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-45.907.978	-35.247.591	-2.629.982	2.265.777
1. Profit for the period (149-151)	153	0	0	0	2.265.777
2. Loss for the period (151-148)	154	45.907.978	35.247.591	2.629.982	0
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155	-38.635.878	-29.049.952	-3.893.931	1.391.780
2. Attributable to minority interest	156	-7.272.100	-6.197.639	1.263.949	873.997
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	-45.907.978	-35.247.591	-2.629.982	2.265.777
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	3.204.919	3.204.919	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	3.204.919	3.204.919		
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				
<b>III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)</b>	<b>167</b>	3.204.919	3.204.919	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	-42.703.059	-32.042.672	-2.629.982	2.265.777
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169	-35.430.959	-25.845.033	-3.893.931	1.391.780
2. Attributable to minority interest	170	-7.272.100	-6.197.639	1.263.949	873.997

**Cash flow statement - indirect method**  
**period 01.01.2015. to 30.06.2015.**

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-45.907.978	-2.629.982
2. Depreciation and amortisation	002	15.879.658	15.131.300
3. Increase of current liabilities	003	95.947.342	102.136.356
4. Decrease of current receivables	004		
5. Decrease of inventories	005	27.390.141	64.125.620
6. Other cash flow increases	006	32.415.513	1.204.449
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>125.724.676</b>	<b>179.967.743</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	77.053.389	65.819.138
3. Increase of inventories	010		
4. Other cash flow decreases	011	5.565.707	1.032.735
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>82.619.096</b>	<b>66.851.873</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>43.105.580</b>	<b>113.115.870</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015	150.912	23.862
2. Proceeds from sale of non-current financial assets	016	506.916.646	229.263.046
3. Interest received	017	817.153	2.269.640
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019		
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>507.884.711</b>	<b>231.556.548</b>
1. Purchase of non-current assets	021	199.629.860	6.295.247
2. Purchase of non-current financial assets	022	499.654.594	228.517.979
3. Other cash outflows from investing activities	023	2.510.913	2.792.902
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>701.795.367</b>	<b>237.606.128</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>193.910.656</b>	<b>6.049.580</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027	48.755.672	
2. Proceeds from loans and borrowings	028	493.058.349	386.191.937
3. Other proceeds from financing activities	029		0
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>541.814.021</b>	<b>386.191.937</b>
1. Repayment of loans and bonds	031	374.441.420	421.585.428
2. Dividends paid	032	2.398.665	
3. Repayment of finance lease	033	2.317.719	2.101.456
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035	11.889.337	69.488.557
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>391.047.141</b>	<b>493.175.441</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>150.766.880</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>0</b>	<b>106.983.504</b>
Total increases of cash flows	039	0	82.787
Total decreases of cash flows	040	38.196	0
Cash and cash equivalents at the beginning of period	041	9.964.766	3.349.784
Increase of cash and cash equivalents	042	0	82.787
Decrease of cash and cash equivalents	043	38.196	0
Cash and cash equivalents at the end of period	044	9.926.570	3.432.571

## STATEMENT OF CHANGES IN EQUITY

period **1.1.2015** to **30.6.2015**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	<b>001</b>	12.000.000	19.016.430
2. Capital reserves	<b>002</b>	0	84.190.947
3. Reserves from profit	<b>003</b>	183.484	183.484
4. Retained earnings or loss carried forward	<b>004</b>	30.583.678	-7.243.281
5. Net profit or loss for the period	<b>005</b>	-38.635.878	-3.893.931
6. Revaluation of tangible assets	<b>006</b>	68.839.591	65.928.540
7. Revaluation of intangible assets	<b>007</b>		
8. Revaluation of available for sale assets	<b>008</b>		
9. Other revaluation	<b>009</b>	0	0
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	72.970.875	158.182.189
11. Foreign exchange differences from foreign investments	<b>011</b>		
12. Current and deferred taxes	<b>012</b>	2.415.622	
13. Cash flow hedge	<b>013</b>		
14. Change of accounting policies	<b>014</b>		
15. Correction of significant mistakes of prior period	<b>015</b>		
16. Other changes	<b>016</b>	-40.198.823	-4.992.112
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	-37.783.201	-4.992.112
17 a. Attributable to majority owners	<b>018</b>	-37.783.201	-4.992.112
17 b. Attributable to minority interest	<b>019</b>		





# Granolio

Granolio d.d.  
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tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: granolio@granolio.hr; http://www.granolio.hr

Zagreb, 31 July 2015

## Statement of Executives responsible for preparing financial statements for six months period

Pursuant to the current Croatian Accounting Act (Official Gazette 109/07), the Management Board is required to ensure that the financial statements of Granolio d.d. for each financial period are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and that they give a true and fair view of the financial position and results of the Company's operations in the given period.

To the best of our knowledge, the complete shorten set of unaudited financial statements for the six months period give a true presentation of the Company's position as at 30 June 2015.

Reports prepared by:

  
Jasenka Kordić  
Accounting Director



**Granolio**

d.d., Budmanijeva 5  
Zagreb



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka, IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10,00 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić, Drago Šurina i Tomislav Kalafatić, predsjednik Nadzornog odbora: Franjo Filipović



# Granolio

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tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: [granolio@granolio.hr](mailto:granolio@granolio.hr); <http://www.granolio.hr>

In Zagreb, 31 July 2015

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management Board of the Company Granolio d.d., Budmanijeva 5, Zagreb provides:

## MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The separate and consolidated financial statements of Granolio d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The non-consolidated and consolidated financial statements for the period from 1 January 2015 till 30 June 2015 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the half year period ended 30 June 2015 presents true and fair presentation of development and results of the Company's operations.

President of the Management Board

  
Hrvoje Filipović



**Granolio**  
d.d., Budmanijeva 5  
Zagreb

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Kalčić, Drago Šurina i Tomislav Kalafatić, predsjednik Nadzornog odbora: Franjo Filipović

