

**Non-consolidated financial results for the
six months period ended
30 June 2016
(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 headquarter is located in Zagreb at Budmanijeva 5.

The Company has General Assembly, Supervisory Board and Management Board.

Subsidiaries

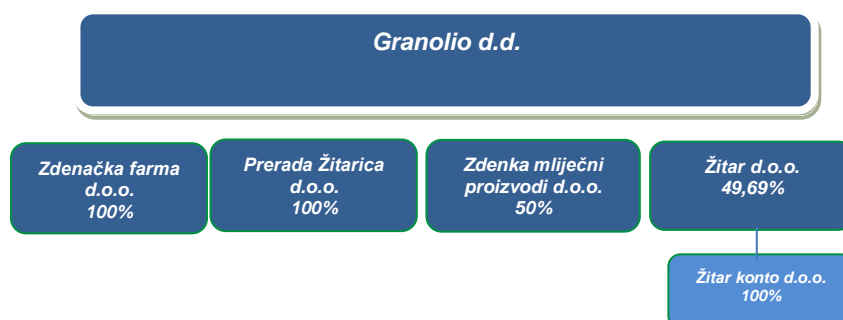
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

It has a controlling influence in the decision-making process in the Zdenka mliječni proizvodi d.o.o. and Žitar d.o.o. companies. 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.

The Company also holds minority interests in the Žitozajednica d.o.o., Zagrebačke pekarnе Klara d.o.o. and Prehrana trgovina d.d. companies.

Ownership in subsidiaries is presented in the organizational chart below:



Significant business events in the accounting period

During the first half of 2016 dividends were paid out to the shareholders in the total amount of HRK 951 thousand.

Company's financial indicators for the first six months of 2016

in thousands of HRK

Granolio d.d.	1-6 2016	1-6 2015	change	
Operating income	221,701	273,100	(51,399)	(19%)
Operating expenses	213,841	269,692	(55,851)	(21%)
EBIT	7,860	3,408	4,452	131%
<i>EBIT margin</i>	4%	1%		
EBITDA*	12,953	8,494	4,459	52%
<i>EBITDA margin</i>	6%	3%		
Net financial result	(12,786)	(6,735)	(6,051)	90%
Net result for the period	(4,926)	(3,327)	(1,599)	(48%)

* EBITDA= EBIT + depreciation + value adjustments

Comparing to the corresponding period last year, significantly better operating result (EBIT) was realised during the first half of 2016. One of the reasons for this are significantly better sales margins realised on almost all goods. Comparing to the corresponding period income decrease is the result of both lower sales quantities and lower sales prices.

In the first half of 2015 one-off expenses incurred, as a result of production rationalisation, while in the first half of 2016 there were no similar costs.

Net financial result represents the difference between financial income and financial expenses, and comparing to the corresponding period in 2015 in the first half of 2016 net financial expense is almost 100% higher. Comparing to the corresponding period last year regular and penalty interest expense is HRK 1.3 million lower, while financial income is lower by HRK 7.3 million. Financial income decrease is noted in the part of re-invoiced expenses, net FX gains which were app. HRK 1 million higher in 2015, penalty interests earned from commercial activities and interest income on loans granted to subsidiaries, which is in 2016 lower, after the loan granted to Zdenačka farma was converted to equity.

in thousands of HRK

Granolio d.d.	30.6.2016	31.12.2015	change	
Net assets (Capital and reserves)	163,977	169,854	(5,877)	(3%)
Total debt	421,233	426,550	(5,316)	(1%)
Cash and cash equivalents	1,092	16,973	(15,881)	(94%)
Financial assets*	59,444	42,473	16,971	40%
Net debt	360,697	367,104	(6,407)	(2%)
Net debt/EBITDA	8,4	9,5	(1)	(12%)
EBITDA for the last 12 months	42,987	38,528	4,459	12%

* Financial assets are comprised of financial loans, securities and deposits

As at 30 June 2016 net debt is 2% lower than the net debt as at 31 December 2015.

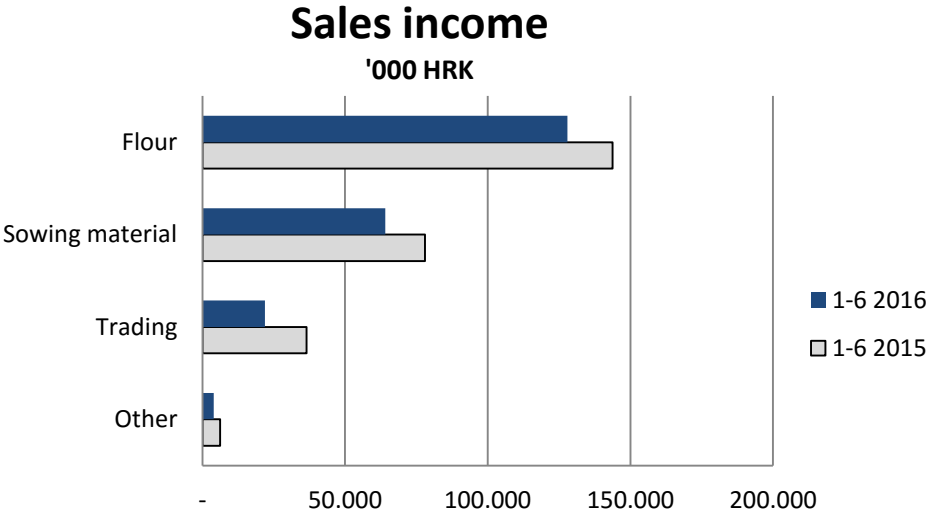
With the better realised value of EBITDA, Company's financial leverage ratios are significantly more favourable.

Overview of the business operations for the first six months of 2016 per business segments

The Company monitors its business operations through four business segments:

- 1. Flour
- 2. Sowing material (wholesale of: fertilizers, protective materials and seeds)
- 3. Trading (wholesale of grains, oil crops and bakery products)
- 4. Other (rendering services of storage, drying and reception of grains and oil crops at the reception stations, cattle breeding, other)

Sales income per business segments is shown by the following chart:



Flour

Decrease of flour sales income is the result of the decreased quantity of the flour sold, and lower sales prices. Average sales price of flour in the first half of 2016 was approximately 4% lower than the average sales price of flour in the corresponding period last year, while the difference between the average sales price of wheat flour and the purchase price of wheat used in production (spread) was 9% higher.

Comparing to the corresponding period last year, average value of the basic raw material (wheat) used in production was lower in 2016.

Within the other operating costs it is important to single out one-off costs which emerged during 2015, like rent costs (rent costs of mills Belje and Vinkovci in the amount of HRK 0.7 million) and severance payments paid out to the employees of mills Belje and Vinkovci in the amount of HRK 2 million. In 2016 no such costs incurred.

Sowing material

Sales decrease of sowing material in 2016 is the result of the following:

- Prices of grains and oil crops are lower, what lead producers to strive to lower the sowing expenses by using less fertilizers and protective materials
- Autumn harvest season 2015/2016 was increased, thereby less agricultural area was left for the spring harvest.

Despite the sales decrease, margins realized from the sales of sowing material were higher than in the corresponding period.

Trading

Trading segment's business operations have seasonal character. The most significant sales income is realized in the second half of the year. Corn acquired at the end of 2014 was sold in the first quarter of 2015. At the end of 2015 there were no significant quantities of grains and oil crops on stock that would be sold during 2016.

Other

Sales income in the Other segment is comprised of re-invoiced transportation and fuel costs, income from rendering the service of goods reception at the reception stations, income from storage and drying goods, and income from sale of cattle. Income from reception, storage and drying are impacted by outstanding seasonality, i.e. they are largely realized in the last quarter of the year, while costs are largely fixed. It is important to note that silo is used for internal usage of Flour and Trading segments as well.

Employees

In the first six months period of 2016 the Company employed 166 employees based on man-hour basis (in the first six months period of 2015: 165 employees).

Redemption of treasury shares

Based on the General Assembly decision of 9 June 2016 the Company has transferred a portion of the profit earned in 2015 in the amount of HRK 800 thousand into the equity reserves for treasury shares.

Up to the publication of the Management Board report, the Company was not engaged in any activities relating to the redemption of own shares.

Environment

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

Other

Supervisory Board has approved Company's financial statements for the first six months period of 2016.

Annex 1.

Reporting period

1.1.2016

to

30.6.2016

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.hrInternet address: www.granolio.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 166

(period end)

Consolidated report: NO

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Companies of the consolidation subject (according to IFRS)	Seat:	MB:

Bookkeeping service:

Contact person: JASENKA KORDIĆ

(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 30.06.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	468.589.816	465.815.756
I. INTANGIBLE ASSETS (004 do 009)	003	188.142.343	187.217.565
1. Assets development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	120.401.104	120.309.326
3. Goodwill	006	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	7.362.167	6.529.167
II. TANGIBLE ASSETS (011 do 019)	010	143.815.327	142.076.059
1. Land	011	8.182.140	8.182.140
2. Buildings	012	113.392.162	111.719.417
3. Plant and equipment	013	19.406.193	18.508.696
4. Tools, working inventory and transportation assets	014	391.307	1.171.006
5. Biological assets	015		
6. Prepayments for tangible assets	016		
7. Tangible assets in progress	017	2.365.901	2.417.573
8. Other tangible assets	018	77.624	77.228
9. Investments in buildings	019		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	136.617.146	136.507.132
1. Investments (shares) with related parties	021	115.254.813	115.254.813
2. Loans given to related parties	022		
3. Participating interest (shares)	023	20.461.690	20.461.690
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	900.643	790.629
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	15.000	15.000
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032	15.000	15.000
V. DEFERRED TAX ASSET	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	252.568.052	231.178.860
I. INVENTORIES (036 do 042)	035	54.699.132	17.786.618
1. Raw materials and supplies	036	42.652.245	7.492.062
2. Work in progress	037	748.544	782.325
3. Finished goods	038	3.412.663	2.617.810
4. Merchandise	039	7.885.680	6.894.422
5. Prepayments for inventories	040		
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	138.423.624	152.856.154
1. Receivables from related parties	044	3.880.456	5.715.884
2. Accounts receivable	045	124.865.490	141.213.252
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	7.342	7.342
5. Receivables from government and other institutions	048	5.473.744	748.448
6. Other receivables	049	4.196.592	5.171.228
III. SHORT TERM FINANCIAL ASSETS (051 do 057)	050	42.472.749	59.444.087
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	35.401.763	35.186.907
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055	695.738	735.308
6. Loans, deposits, etc.	056	6.375.248	23.521.872
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	16.972.547	1.092.001
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	5.053.062	4.995.052
E) TOTAL ASSETS (001+002+034+059)	060	726.210.930	701.989.669
F) OFF-BALANCE RECORDS	061	4.398.007	4.428.377

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	169.854.332	164.341.375
I. SUBSCRIBED SHARE CAPITAL	063	19.016.430	19.016.430
II. CAPITAL RESERVES	064	84.186.547	84.186.547
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	183.484	1.083.227
1. Reserves prescribed by law	066	183.484	283.227
2. Reserve for own shares	067		800.000
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	64.473.012	63.017.484
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-7.078.272	1.963.704
1. Retained earnings	073		1.963.704
2. Accumulated loss	074	7.078.272	
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	9.073.131	-4.926.016
1. Profit for the current year	076	9.073.131	
2. Loss for the current year	077		4.926.016
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	0	0
1. Provisions for pensions, severance pay and similar liabilities	080		
2. Provisions for tax liabilities	081		
3. Other provisions	082		
C) LONG - TERM LIABILITIES (084 do 092)	083	299.123.101	291.136.231
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	283.004.848	275.381.860
4. Liabilities for received prepayments	087		
5. Accounts payable	088		
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	16.118.253	15.754.371
D) SHORT - TERM LIABILITIES (094 do 105)	093	256.688.654	246.130.568
1. Liabilities to related parties	094	591.129	15.042.789
2. Liabilities for loans, deposits, etc.	095		9.837.602
3. Liabilities to banks and other financial institutions	096	62.657.130	80.528.233
4. Liabilities for received prepayments	097	2.845.263	627.518
5. Accounts payable	098	97.020.024	70.390.443
6. Liabilities arising from debt securities	099	80.887.770	55.485.776
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	1.093.562	1.075.207
9. Liabilities for taxes, contributions and similar fees	102	8.540.805	10.308.976
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	3.052.971	2.834.024
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	544.843	381.495
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	726.210.930	701.989.669
G) OFF-BALANCE RECORDS	108	4.398.007	4.428.377
APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated annual			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109		
2. Attributable to minority interest	110		

Income statement
period 01.01.2016. to 30.06.2016.

Company: GRANOLIO d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUE (112 do 113)	111	273.099.850	128.096.747	221.701.099	105.551.668
1. Sales revenue	112	264.489.839	120.383.176	217.939.691	102.890.046
2. Other operating revenues	113	8.610.011	7.713.571	3.761.408	2.661.622
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	269.692.085	126.253.041	213.841.161	101.527.623
1. Changes in value of work in progress and finished products	115	478.196	1.593.736	751.820	-587.406
2. Material costs (117 do 119)	116	241.807.313	109.156.952	191.938.011	91.746.198
a) Raw material and material costs	117	120.462.698	59.535.012	103.006.638	50.016.862
b) Cost of goods sold	118	106.138.625	43.245.074	77.374.285	35.236.858
c) Other external costs	119	15.205.990	6.376.866	11.557.088	6.492.477
3. Staff costs (121 do 123)	120	11.021.761	5.484.799	10.888.506	5.412.448
a) Net salaries and wages	121	6.342.076	3.134.930	6.199.681	3.079.446
b) Tax and contributions from salary expenses	122	3.081.279	1.557.632	3.112.895	1.547.815
c) Contributions on gross salaries	123	1.598.405	792.237	1.575.930	785.186
4. Depreciation and amortisation	124	5.086.464	2.509.506	5.093.554	2.559.569
5. Other costs	125	3.820.019	968.606	1.958.653	1.184.259
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short - term assets (financial assets excluded)	128				
7. Provisions	129				
8. Other operating costs	130	7.478.333	6.539.442	3.210.617	1.212.555
III. FINANCIAL INCOME (132 do 136)	131	8.368.174	7.060.793	972.592	570.882
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	1.057.467	395.822	391.690	197.886
2. Interest income, foreign exchange gains, dividends and similar income from non - related parties	133	3.200.485	2.554.750	316.121	108.215
3. Share in income from affiliated entrepreneurs and participating interests	134			19.794	19.794
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136	4.110.221	4.110.221	244.986	244.986
IV. FINANCIAL EXPENSES (138 do 141)	137	15.103.353	7.912.565	13.758.547	6.582.632
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138			983	983
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - related	139	15.015.295	7.825.608	13.662.926	6.575.125
3. Unrealized losses (expenses) on financial assets	140				0
4. Other financial expenses	141	88.058	86.957	94.638	6.525
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142				
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	281.468.024	135.157.540	222.673.692	106.122.550
X. TOTAL EXPENSES (114+137+143+145)	147	284.795.439	134.165.606	227.599.708	108.110.255
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-3.327.415	991.934	-4.926.016	-1.987.705
1. Profit before taxes (146-147)	149	0	991.934	0	0
2. Loss before taxes (147-146)	150	3.327.415	0	4.926.016	1.987.705
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-3.327.415	991.934	-4.926.016	-1.987.705
1. Profit for the period (149-151)	153	0	991.934	0	0
2. Loss for the period (151-148)	154	3.327.415	0	4.926.016	1.987.705
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	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				
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long - term tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161				
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	0	0	0	0
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interest	170				

Cash flow statement - indirect method
period 01.01.2016. to 30.06.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-3.327.415	-4.926.016
2. Depreciation and amortisation	002	5.086.464	5.093.554
3. Increase in short term liabilities	003	70.677.271	
4. Decrease in short term receivables	004		
5. Decrease in inventories	005	68.990.491	37.525.218
6. Other increase in cash flow	006	11.718.522	13.063.750
I. Total increase in cash flow from operating activities (001 to 006)	007	153.145.333	50.756.506
1. Decrease in short term liabilities	008		9.589.938
2. Increase in short term receivables	009	54.976.964	14.083.489
3. Increase in inventories	010		
4. Other decrease in cash flow	011	1.225.726	4.834.151
II. Total decrease in cash flow from operating activities (008 to 011)	012	56.202.690	28.507.578
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	96.942.643	22.248.928
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	31.761	115.420
2. Cash inflows from sales of equity and debt instruments	016	46.045.713	30.774.944
3. Interests receipts	017	3.266.680	810.343
4. Dividend receipts	018	0	0
5. Other cash inflows from investing activities	019	182.583	116.472
III. Total cash inflows from investing activities (015 to 019)	020	49.526.737	31.817.179
1. Cash outflow for purchase of long-term tangible and intangible assets	021	1.989.044	2.429.509
2. Cash outflow for acquisition of equity and debt financial instruments	022	27.320.678	47.773.299
3. Other cash outflow for investing activities	023	17.027.560	40.000
IV. Total cash outflow for investing activities (021 do 023)	024	46.337.282	50.242.808
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	3.189.454	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	0	18.425.629
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	381.291.937	172.984.289
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	381.291.937	172.984.289
1. Cash outflow for repayment of credit principal and bonds	031	413.083.602	152.589.313
2. Cash outflow for dividends paid	032		950.822
3. Cash outflow for financial lease	033	665.570	287.834
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	67.609.891	38.860.166
VI. Total cash outflow for financial activities (031 to 035)	036	481.359.063	192.688.134
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	100.067.126	19.703.845
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	64.971	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	15.880.546
Cash and cash equivalents at the beginning of the period	041	1.213.837	16.972.547
Increase of cash and cash equivalents	042	64.971	0
Decrease of cash and cash equivalents	043	0	15.880.546
Cash and cash equivalents at the end of the period	044	1.278.808	1.092.001

STATEMENT OF CHANGES IN EQUITY
 period 1.1.2016 to 30.6.2016

Company: GRANOLIO d.d.			
Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	19.016.430	19.016.430
2. Capital reserves	002	84.190.947	84.186.547
3. Reserves from profit	003	183.484	1.083.227
4. Retained earnings or accumulated loss	004	-8.897.682	1.963.704
5. Profit or loss for the current year	005	-3.327.415	-4.926.016
6. Revaluation of long - term tangible assets	006	65.928.540	63.017.484
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 to 009)	010	157.094.303	164.341.375
11. Currency gains and losses arising from net investement in foreign operations	011		
12. Current and deferred taxes (part)	012	363.882	363.882
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016	-4.515.498	-5.876.839
17. Total increase or decrease in capital (AOP 011 to 016)	017	-4.151.616	-5.512.957
17 a. Attributed to equity holders of parent company	018		
17 b. Attributed to minority interest	019		



Granolio

Granolio d.d.
Budmanijeva 5, HR-10000 Zagreb
tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: granolio@granolio.hr; http://www.granolio.hr

Zagreb, 29 July 2016

Statement of Executives responsible for preparing financial statements for the 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 2016.

Reports prepared by:



Jasenka Kordić
Accounting Director

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

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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



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In Zagreb, 29 July 2016

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 2016 till 30 June 2016 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the six months period ended 30 June 2016 presents true and fair presentation of development and results of the Company's operations with description of significant risks and uncertainties the Company is facing.

President of the Management Board

Hrvoje Filipović



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d.d., Budmanijeva 5
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