

**Consolidated financial results for the  
nine months period ended  
30 September 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.

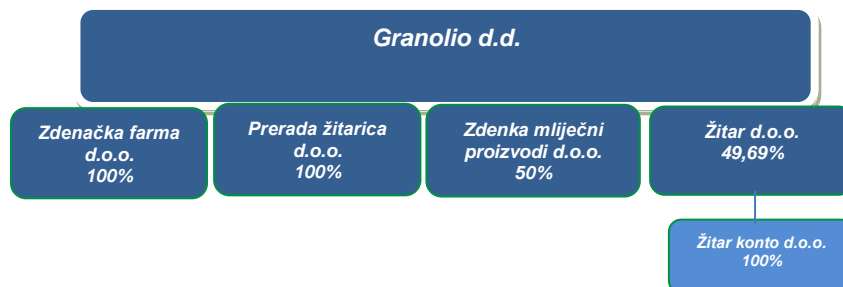
## Subsidiaries

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.

Ownership in subsidiaries is presented in the organizational 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 the silo services and the storage of trade goods (Granolio d.d., Žitar d.o.o. and Prerada žitarica d.o.o.).

## Granolio Group's financial indicators for the first nine months period of 2016

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>581,204</b>	<b>594,561</b>	<b>(13,357)</b>	<b>(2%)</b>
<b>Operating expenses</b>	<b>(561,832)</b>	<b>(579,751)</b>	<b>17,919</b>	<b>3%</b>
<b>EBIT</b>	<b>19,372</b>	<b>14,810</b>	<b>4,563</b>	<b>31%</b>
<i>EBIT margin</i>	<i>3%</i>	<i>2%</i>		
<b>EBITDA</b>	<b>42,686</b>	<b>37,438</b>	<b>5,248</b>	<b>14%</b>
<i>EBITDA margin</i>	<i>7%</i>	<i>6%</i>		
<b>Net financial result</b>	<b>(21,260)</b>	<b>(14,708)</b>	<b>(6,552)</b>	<b>(45%)</b>
<b>Net result for the period</b>	<b>(1,887)</b>	<b>102</b>	<b>(2,509)</b>	<b>2460%</b>
<i>Result attributable to the Group</i>	<i>(3,068)</i>	<i>(2,365)</i>	<i>(703)</i>	<i>(30%)</i>
<i>Minority interest</i>	<i>1,181</i>	<i>2,467</i>	<i>(1,287)</i>	<i>52%</i>

Comparing to the corresponding period last year, operating result before financial income and expenses and tax (EBIT) has improved, and one of the reasons for it is also that EBIT for the first nine months of 2015 comprised one-off expenses which were the result of rationalization of the production process, while in the first nine months period of 2016 no such costs incurred.

## Financial indicators

in thousands of HRK

	30.9.2016	31.12.2015	change	
<b>Net assets (Capital and reserves)</b>	<b>230,211</b>	<b>232,514</b>	<b>(2,303)</b>	<b>(1%)</b>
<b>Total debt</b>	<b>615,993</b>	<b>543,865</b>	<b>72,128</b>	<b>13%</b>
<b>Cash and cash equivalents</b>	<b>2,202</b>	<b>22,426</b>	<b>(20,224)</b>	<b>(90%)</b>
<b>Financial assets</b>	<b>53,832</b>	<b>29,770</b>	<b>24,062</b>	<b>81%</b>
<b>Net debt</b>	<b>559,959</b>	<b>491,669</b>	<b>68,290</b>	<b>14%</b>
<b>Net debt/EBITDA</b>	<b>7.2</b>	<b>6.8</b>		
EBITDA for the last 12 months	77,826	72,578		

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

## Separate business results for the first nine months period of 2016

### Granolio d.d.

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>395,256</b>	<b>421,034</b>	<b>(25,778)</b>	<b>(6%)</b>
<b>EBIT</b>	<b>18,470</b>	<b>8,640</b>	<b>9,829</b>	<b>(114%)</b>
<i>margin %</i>	5%	2%		
<b>EBITDA</b>	<b>26,149</b>	<b>16,151</b>	<b>9,998</b>	<b>62%</b>
<i>margin %</i>	7%	4%		
<b>Net financial result</b>	<b>(19,197)</b>	<b>(10,144)</b>	<b>(9,053)</b>	<b>(89%)</b>
<b>Net result</b>	<b>(727)</b>	<b>(1,503)</b>	<b>776</b>	<b>52%</b>
<i>margin %</i>	(0.2%)	(0.4%)		

Comparing to the corresponding period last year, despite the lower sales income, the Company's key operational indicators for the first nine months period of 2016 are more favourable. Negative net result is the result of the negative net financial result.

### Zdenka - mliječni proizvodi d.o.o.

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>123,698</b>	<b>113,939</b>	<b>9,759</b>	<b>9%</b>
<b>EBIT</b>	<b>2,167</b>	<b>5,034</b>	<b>(2,867)</b>	<b>57%</b>
<i>margin %</i>	2%	4%		
<b>EBITDA</b>	<b>11,541</b>	<b>14,035</b>	<b>(2,494)</b>	<b>(18%)</b>
<i>margin %</i>	9%	12%		
<b>Net financial result</b>	<b>(778)</b>	<b>(1,627)</b>	<b>848</b>	<b>52%</b>
<b>Net result</b>	<b>1,389</b>	<b>3,408</b>	<b>(2,019)</b>	<b>59%</b>
<i>margin %</i>	1%	3%		

Income increase was noted in the sales of almost all product categories, especially in the sales of semi-hard and processed cheese, while slight income decrease was noted in the sales of hard cheese due to lower sales prices. Income increase is the result of increased sales quantity of products.

Income increase is noted in the sales income realized on the domestic market, as well as on the foreign markets. The main portion of export is realized from trading with neighboring countries, mainly BiH, Slovenia, Serbia and FYR Macedonia (app. 84% of total export).

**Žitar d.o.o. (consolidated)**

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>97,283</b>	<b>58,529</b>	<b>38,754</b>	<b>66%</b>
<b>EBIT</b>	<b>1,622</b>	<b>3,399</b>	<b>(1,777)</b>	<b>(52%)</b>
<i>margin %</i>	2%	6%		
<b>EBITDA</b>	<b>5,513</b>	<b>7,032</b>	<b>(1,519)</b>	<b>(22%)</b>
<i>margin %</i>	6%	12%		
<b>Net financial result</b>	<b>(655)</b>	<b>(1,882)</b>	<b>1,227</b>	<b>65%</b>
<b>Net result</b>	<b>966</b>	<b>1,517</b>	<b>(550)</b>	<b>36%</b>
<i>margin %</i>	1%	3%		

The company Žitar has noted significant income increase in the segment of grain and oilseed trade and trade of sowing materials. In the first nine months of 2016 significant business transaction of sale of wheat was agreed in the total amount of HRK 44 million, part of which was realized within the Granolio Group. Other than the sale of wheat, increase is noted in the sale of fertilizers as well. When compared to the same period last year, the company has realized slightly lower sales margins in the wholesale segment.

When compared to the same period last year, the value of EBITDA is lower partly due to lower sales margins realized in the wholesale segment, and partly due to increased staff costs, as result of increased average number of employees.

**Zdenačka farma d.o.o.**

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>13,416</b>	<b>14,761</b>	<b>(1,345)</b>	<b>(9%)</b>
<b>EBIT</b>	<b>(2,059)</b>	<b>(1,047)</b>	<b>(1,012)</b>	<b>97%</b>
<i>margin %</i>	(15%)	(7%)		
<b>EBITDA</b>	<b>(10)</b>	<b>1,123</b>	<b>(1,133)</b>	<b>(101%)</b>
<i>margin %</i>	(0%)	8%		
<b>Net financial result</b>	<b>(592)</b>	<b>(1,043)</b>	<b>451</b>	<b>43%</b>
<b>Net result</b>	<b>(2,651)</b>	<b>(2,090)</b>	<b>(561)</b>	<b>27%</b>
<i>margin %</i>	(20%)	(14%)		

During the first nine months of 2016 total sale of milk from Zdenačka farma d.o.o. was 3.6 million kilos. Average sales price realized in the first nine months of 2016 was 12% lower than the average sales price realized during the same period last year.

At the beginning of last year the Company had incurred one-off cost in the amount of HRK 0.5 million. Expenses incurred in 2016 do not comprise any extraordinary expenses. Other operating expenses are app. at the same level as in the same period last year, while net loss increase is the result of lower sales prices of milk.

**Prerada žitarica d.o.o.**

in thousands of HRK

	1-9 2016	1-9 2015	change	
<b>Operating income</b>	<b>445</b>	<b>524</b>	<b>(79)</b>	<b>(15%)</b>
<b>EBIT</b>	<b>(627)</b>	<b>(723)</b>	<b>96</b>	<b>13%</b>
<i>margin %</i>	<i>(141%)</i>	<i>(138%)</i>		
<b>EBITDA</b>	<b>(308)</b>	<b>(410)</b>	<b>103</b>	<b>(25%)</b>
<i>margin %</i>	<i>(69%)</i>	<i>(78%)</i>		
<b>Net financial result</b>	<b>(37)</b>	<b>(12)</b>	<b>(25)</b>	<b>(204%)</b>
<b>Net result</b>	<b>(664)</b>	<b>(735)</b>	<b>71</b>	<b>10%</b>
<i>margin %</i>	<i>(149%)</i>	<i>(140%)</i>		

Prerada žitarica d.o.o. is the company which main activities are storage of goods, and storage and drying of grains. Due to the seasonality of its business operations, the company realizes its more significant turnover near the end of the year, while significant portion of expenses are largely fixed.

**Employees**

In the first nine months period of 2016 the Group employed 473 employees based on man-hour basis (in the first nine months period of 2015: 469 employees).

**Environment**

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

**Other**

Supervisory Board has approved Granolio Group's financial statements for the first nine months period of 2016.

**Annex 1.**

Reporting period

1.1.2016

to

30.9.2016

**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.hr](mailto:granolio@granolio.hr)Internet address: [www.granolio.hr](http://www.granolio.hr)

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 505

(period end)

Consolidated report: YES

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 - MLJEČNI PROIZVODI D.O.O.

VELIKI ZDENCI

01623982

ŽITAR D.O.O.

DONJI MIHOLJAC

01443119

ŽITAR KONTO D.O.O.

DONJI MIHOLJAC

04212517

Bookkeeping service:

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(only surname and name)

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Telefaks: 01/6320224

E-mail address: [jkordic@granolio.hr](mailto: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 30.09.2016.

**Company: GRANOLIO d.d.**

Position	AOP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) LONG-TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	596.406.028	584.176.711
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	188.875.484	187.621.502
1. Assets development	<b>004</b>		0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	121.134.245	121.129.763
3. Goodwill	<b>006</b>	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	<b>007</b>		0
5. Intangible assets in preparation	<b>008</b>		0
6. Other intangible assets	<b>009</b>	7.362.167	6.112.667
<b>II. TANGIBLE ASSETS (011 do 019)</b>	<b>010</b>	377.614.949	368.785.329
1. Land	<b>011</b>	27.362.704	27.435.135
2. Buildings	<b>012</b>	234.107.824	227.530.964
3. Plant and equipment	<b>013</b>	73.907.486	70.692.123
4. Tools, working inventory and transportation assets	<b>014</b>	3.051.261	3.748.563
5. Biological assets	<b>015</b>	11.399.835	10.939.621
6. Prepayments for tangible assets	<b>016</b>	326.290	578.098
7. Tangible assets in progress	<b>017</b>	24.522.991	24.983.596
8. Other tangible assets	<b>018</b>	85.030	83.592
9. Investments in buildings	<b>019</b>	2.851.529	2.793.637
<b>III. LONG-TERM FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	29.900.594	27.754.880
1. Investments (shares) with related parties	<b>021</b>		0
2. Loans given to related parties	<b>022</b>		0
3. Participating interest (shares)	<b>023</b>	20.472.190	20.472.190
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>024</b>		0
5. Investments in securities	<b>025</b>		0
6. Loans, deposits and similar assets	<b>026</b>	9.428.404	7.282.690
7. Other long - term financial assets	<b>027</b>		0
8. Investments accounted by equity method	<b>028</b>		0
<b>IV. RECEIVABLES (030 do 032)</b>	<b>029</b>	15.000	15.000
1. Receivables from related parties	<b>030</b>		0
2. Receivables from based on trade loans	<b>031</b>		0
3. Other receivables	<b>032</b>	15.000	15.000
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>		0
<b>C) SHORT TERM ASSETS (035+043+050+058)</b>	<b>034</b>	355.387.854	451.376.490
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	108.938.185	134.852.009
1. Raw materials and supplies	<b>036</b>	56.935.548	42.970.819
2. Work in progress	<b>037</b>	10.424.738	15.883.550
3. Finished goods	<b>038</b>	25.790.300	22.395.277
4. Merchandise	<b>039</b>	15.731.197	53.586.645
5. Prepayments for inventories	<b>040</b>	56.402	15.716
6. Long term assets held for sale	<b>041</b>		0
7. Biological assets	<b>042</b>		0
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	194.253.687	260.490.565
1. Receivables from related parties	<b>044</b>	507.912	505.016
2. Accounts receivable	<b>045</b>	172.973.897	236.844.349
3. Receivables from participating parties	<b>046</b>	522.223	246.196
4. Receivables from employees and members of related parties	<b>047</b>	34.063	108.758
5. Receivables from government and other institutions	<b>048</b>	13.536.152	10.467.909
6. Other receivables	<b>049</b>	6.679.440	12.318.337
<b>III. SHORT TERM FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>	29.770.051	53.831.800
1. Shares (stocks) in related parties	<b>051</b>		0
2. Loans given to related parties	<b>052</b>	20.120.844	20.288.658
3. Participating interests (shares)	<b>053</b>		0
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>054</b>		0
5. Investments in securities	<b>055</b>	696.026	768.876
6. Loans, deposits, etc.	<b>056</b>	8.953.181	32.774.265
7. Other financial assets	<b>057</b>		0
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>058</b>	22.425.931	2.202.116
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>059</b>	5.307.462	11.993.771
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	957.101.343	1.047.546.972
<b>F) OFF-BALANCE RECORDS</b>	<b>061</b>	16.245.585	18.615.589



<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	232.514.314	230.211.417
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>064</b>	84.186.547	84.186.547
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	183.484	1.083.227
1. Reserves prescribed by law	<b>066</b>	183.484	283.227
2. Reserve for own shares	<b>067</b>		800.000
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>	64.473.012	62.289.720
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	-5.125.636	6.892.227
1. Retained earnings	<b>073</b>		6.892.227
2. Accumulated loss	<b>074</b>	5.125.636	
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	<b>075</b>	11.149.791	-3.068.057
1. Profit for the current year	<b>076</b>	11.149.791	0
2. Loss for the current year	<b>077</b>		3.068.057
VII. MINORITY INTEREST	<b>078</b>	58.630.686	59.811.323
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	249.821	0
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	
<b>C) LONG - TERM LIABILITIES (084 do 092)</b>	<b>083</b>	383.292.405	359.475.131
1. Liabilities to related parties	<b>084</b>		0
2. Liabilities for loans, deposits, etc.	<b>085</b>	11.453	11.261
3. Liabilities to banks and other financial institutions	<b>086</b>	366.923.848	343.641.553
4. Liabilities for received prepayments	<b>087</b>		0
5. Accounts payable	<b>088</b>	238.851	238.851
6. Liabilities arising from debt securities	<b>089</b>		0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>090</b>		0
8. Other long-term liabilities	<b>091</b>		11.037
9. Deferred tax liability	<b>092</b>	16.118.253	15.572.430
<b>D) SHORT - TERM LIABILITIES (094 do 105)</b>	<b>093</b>	326.691.156	442.413.574
1. Liabilities to related parties	<b>094</b>		0
2. Liabilities for loans, deposits, etc.	<b>095</b>		80.000
3. Liabilities to banks and other financial institutions	<b>096</b>	96.041.815	162.988.948
4. Liabilities for received prepayments	<b>097</b>	2.882.763	4.968.849
5. Accounts payable	<b>098</b>	130.611.839	152.904.340
6. Liabilities arising from debt securities	<b>099</b>	80.887.770	109.270.776
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>100</b>		8.750
8. Liabilities to employees	<b>101</b>	2.337.948	2.417.908
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	10.775.125	2.780.115
10. Liabilities to share - holders	<b>103</b>		0
11. Liabilities for long-term assets held for sale	<b>104</b>		0
12. Other short - term liabilities	<b>105</b>	3.153.896	6.993.888
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	14.353.647	15.446.849
<b>F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	957.101.343	1.047.546.972
<b>G) OFF-BALANCE RECORDS</b>	<b>108</b>	16.245.585	18.615.589
<b>APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>109</b>	173.883.628	170.400.093
2. Attributable to minority interest	<b>110</b>	58.630.686	59.811.323

**Income statement**  
period 01.01.2016. to 30.09.2016.

Company: GRANOLIO d.d.						
Position	AOP	Previous period	Previous period	Current period	Current period	
		Cummulative	Quarter	Cummulative	Quarter	
1	2	3	4	5	6	
<b>I. OPERATING REVENUE (112 do 113)</b>	<b>111</b>	594.560.512	212.487.078	581.203.954	221.915.933	
1. Sales revenue	112	574.114.552	208.612.977	562.550.069	214.367.277	
2. Other operating revenues	113	20.445.960	3.874.101	18.653.886	7.548.656	
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	579.750.806	204.551.143	561.831.603	210.782.786	
1. Changes in value of work in progress and finished products	115	-4.820.077	2.911.218	-2.270.528	-1.458.024	
2. Material costs (117 do 119)	116	508.121.012	178.021.362	491.218.833	187.267.309	
a) Raw material and material costs	117	294.603.281	101.115.137	250.940.587	99.287.530	
b) Cost of goods sold	118	175.874.195	62.825.268	201.155.282	71.921.348	
c) Other external costs	119	37.643.536	14.080.957	39.122.964	16.058.431	
3. Staff costs (121 do 123)	120	31.813.160	10.880.373	33.784.236	11.759.144	
a) Net salaries and wages	121	19.421.269	6.598.137	20.525.672	7.135.727	
b) Tax and contributions from salary expenses	122	7.760.506	2.708.771	8.292.779	2.894.380	
c) Contributions on gross salaries	123	4.631.385	1.573.465	4.965.784	1.729.037	
4. Depreciation and amortisation	124	22.625.993	7.494.693	23.294.506	7.861.300	
5. Other costs	125	8.671.346	2.644.102	6.555.651	2.475.246	
6. Impairment (127+128)	126	2.075	1.904	19.331	0	
a) Impairment of long-term assets (financial assets excluded)	127	0	0	0	0	
b) Impairment of short-term assets (financial assets excluded)	128	2.075	1.904	19.331	0	
7. Provisions	129	0	0	0	0	
8. Other operating costs	130	13.337.298	2.597.491	9.229.574	2.877.810	
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	11.015.924	2.152.217	3.432.596	1.043.625	
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	0	0	0	0	
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties and other entities	133	6.490.180	1.736.693	2.761.014	636.824	
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	19.794	0	
4. Unrealized gains (income) from financial assets	135	0	0	0	0	
5. Other financial income	136	4.525.745	415.523	651.787	406.801	
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	25.723.635	7.356.176	24.692.193	8.496.662	
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	0	0	0	0	
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-related parties and other entities	139	25.572.753	7.355.871	24.595.917	8.495.254	
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0	
4. Other financial expenses	141	150.883	304	96.276	1.408	
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>	0	0	0	0	
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</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			
<b>IX. TOTAL INCOME (111+131+144)</b>	<b>146</b>	605.576.436	214.639.295	584.636.550	222.959.558	
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	605.474.442	211.907.318	586.523.796	219.279.448	
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	101.995	2.731.977	-1.887.246	3.680.110	
1. Profit before taxes (146-147)	149	101.995	2.731.977	0	3.680.110	
2. Loss before taxes (147-146)	150	0	0	1.887.246	0	
<b>XII. PROFIT TAX</b>	<b>151</b>					
<b>XII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	101.995	2.731.977	-1.887.246	3.680.110	
1. Profit for the period (149-151)	153	101.995	2.731.977	0	3.680.110	
2. Loss for the period (151-148)	154	0	0	1.887.246	0	
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>						
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>						
1. Attributed to equity holders of parent company	155	-2.365.376	1.528.555	-3.068.057	3.156.705	
2. Attributable to minority interest	156	2.467.371	1.203.422	1.180.811	523.405	
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>						
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	101.995	2.731.977	-1.887.246	3.680.110	
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	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 reevaluation 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					
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>					
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	0	0	0	0	
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	101.995	2.731.977	-1.887.246	3.680.110	
<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. Attributed to equity holders of parent company	169	-2.365.376	1.528.555	-3.068.057	3.156.705	
2. Attributed to minority interest	170	2.467.371	1.203.422	1.180.811	523.405	

**Cash flow statement - indirect method**  
**period 01.01.2016. to 30.09.2016.**

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	<b>001</b>	101.995	-1.887.246
2. Depreciation and amortisation	<b>002</b>	22.625.993	23.294.506
3. Increase in short term liabilities	<b>003</b>	102.555.502	22.592.126
4. Decrease in short term receivables	<b>004</b>		
5. Decrease in inventories	<b>005</b>		
6. Other increase in cash flow	<b>006</b>	22.844.471	25.594.883
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	148.127.960	69.594.269
1. Decrease in short term liabilities	<b>008</b>		
2. Increase in short term receivables	<b>009</b>	60.528.821	66.860.673
3. Increase in inventories	<b>010</b>	3.722.428	24.800.052
4. Other decrease in cash flow	<b>011</b>	13.816.798	14.510.698
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	78.068.047	106.171.424
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	70.059.914	0
<b>A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	0	36.577.155
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	<b>015</b>	6.251	326.478
2. Cash inflows from sales of equity and debt instruments	<b>016</b>	26.467.534	30.515.237
3. Interests receipts	<b>017</b>	3.159.357	925.381
4. Dividend receipts	<b>018</b>	0	19.794
5. Other cash inflows from investing activities	<b>019</b>	492.437	131.027
<b>III. Total cash inflows from investing activities (015 to 019)</b>	<b>020</b>	30.125.579	31.917.917
1. Cash outflow for purchase of long-term tangible and intangible assets	<b>021</b>	11.540.910	12.225.410
2. Cash outflow for acquisition of equity and debt financial instruments	<b>022</b>	21.130.000	52.728.694
3. Other cash outflow for investing activities	<b>023</b>	115.640	73.568
<b>IV. Total cash outflow for investing activities (021 do 023)</b>	<b>024</b>	32.786.549	65.027.672
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	0	0
<b>B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	2.660.970	33.109.754
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash inflow from issuing property and debt financial instruments	<b>027</b>		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	<b>028</b>	768.251.955	269.677.153
3. Other proceeds from financial activities	<b>029</b>		5.390.050
<b>V. Total cash inflows from financial activities (027 to 029)</b>	<b>030</b>	768.251.955	275.067.203
1. Cash outflow for repayment of credit principal and bonds	<b>031</b>	751.327.401	221.956.143
2. Cash outflow for dividends paid	<b>032</b>	0	950.822
3. Cash outflow for financial lease	<b>033</b>	3.095.831	2.697.144
4. Cash outflow for purchase of treasury shares	<b>034</b>		
5. Other cash outflow for financial activities	<b>035</b>	68.311.600	
<b>VI. Total cash outflow for financial activities (031 to 035)</b>	<b>036</b>	822.734.832	225.604.109
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	0	49.463.094
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	54.482.877	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	12.916.067	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>	0	20.223.815
Cash and cash equivalents at the beginning of the period	<b>041</b>	3.350.236	22.425.931
Increase of cash and cash equivalents	<b>042</b>	12.916.067	0
Decrease of cash and cash equivalents	<b>043</b>	0	20.223.815
Cash and cash equivalents at the end of the period	<b>044</b>	16.266.303	2.202.116

## STATEMENT OF CHANGES IN EQUITY

period **1.1.2016** to **30.9.2016**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	<b>001</b>	19.016.430	19.016.430
2. Capital reserves	<b>002</b>	84.190.947	84.186.547
3. Reserves from profit	<b>003</b>	183.484	1.083.227
4. Retained earnings or accumulated loss	<b>004</b>	-5.828.174	6.892.227
5. Profit or loss for the current year	<b>005</b>	-2.365.376	-3.068.057
6. Revaluation of long - term tangible assets	<b>006</b>	65.200.776	62.289.720
7. Revaluation of intangible assets	<b>007</b>		
8. Revaluation of financial assets available for sale	<b>008</b>		
9. Other revaluation	<b>009</b>	0	0
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	160.398.086	170.400.094
11. Currency gains and losses arising from net investment in foreign operations	<b>011</b>		
12. Current and deferred taxes (part)	<b>012</b>	545.823	545.823
13. Cash flow hedging	<b>013</b>		
14. Changes in accounting policy	<b>014</b>		
15. Correction of significant errors in prior period	<b>015</b>		
16. Other changes of capital	<b>016</b>	-3.322.501	-4.029.358
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>	<b>017</b>	-2.776.678	-3.483.535
17 a. Attributed to equity holders of parent company	<b>018</b>	-2.776.678	-3.483.535
17 b. Attributed to minority interest	<b>019</b>		



# 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, 27 October 2016

## Statement of Executives responsible for preparing financial statements for the nine 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 nine months period give a true presentation of the Company's position as at 30 September 2016.

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

Granolio d.d.  
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In Zagreb, 27 October 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 September 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 nine months period ended 30 September 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



**Granolio**  
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