

LUKA PLOČE d.d.  
Trg kralja Tomislava 21  
20 340 Ploče  
OIB: 51228874907

## **LUKA PLOČE GROUP**

### **UNAUDITED CONSOLIDATED REPORT FOR PERIOD 01.01. - 31.12.2011.**

Ploče, Febraury 2012.



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- a) MANAGEMENT BOARD'S REPORT**
- b) UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS:**
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  - Cash flow statement
  - Change in capital statement
- c) STATEMENT OF PERSON RESPONSIBLE FOR PREPARATION OF FINANCIAL REPORTS**



**MANAGEMENT BOARD'S STATEMENT ON POSITION OF  
THE COMPANY IN PERIOD FROM 01.01.2011. TO 31.12.2011.**

**FINANCIAL RESULTS OF THE LUKA PLOČE GROUP IN 2011.:**

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- Traffic of cargo through the port of Ploče: 4,43 million tones of cargoes
  - 2 % in comparison with the same period of the previous year.
- Revenue's from sales: 149,93 million HRK
  - 2,14% in comparison with the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation) 18,02 million HRK
- EBITDA margin: 12,02%
- EBIT: 5,40 million HRK
- EBIT margin: 3,61%
- Net profit: 26,38 million HRK
- Cash flow from operating activities: 60,85 million HRK
- Cash flow from investing activities: -42,26 million HRK



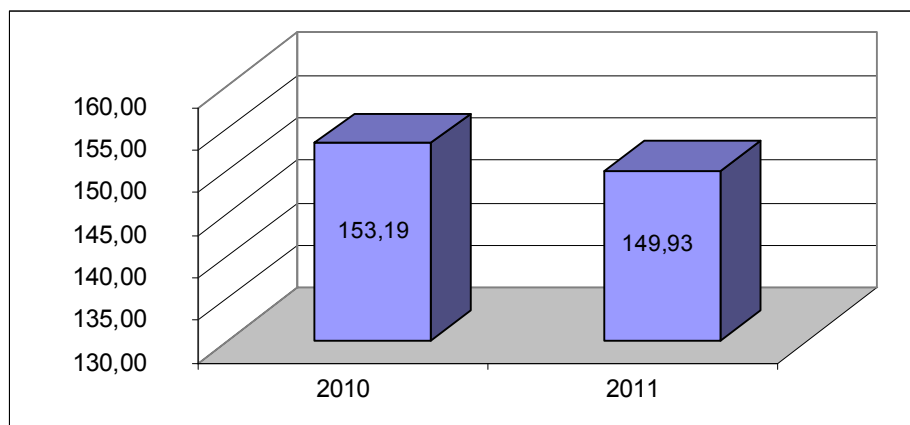
## CONSOLIDATED REVENUE

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In year 2011. operating revenues are 149,93 milion HRK which is 2,14% decrease in comparison to the previous year.

Decrease in achieved operating revenues are caused by the decrease of bulk cargo traffic volume during the last trimester caused by the operating difficulties of main clients in Bosnia and Herzegovina.

Structure of the Luka Ploče Group's operating revenue (in mill HRK)

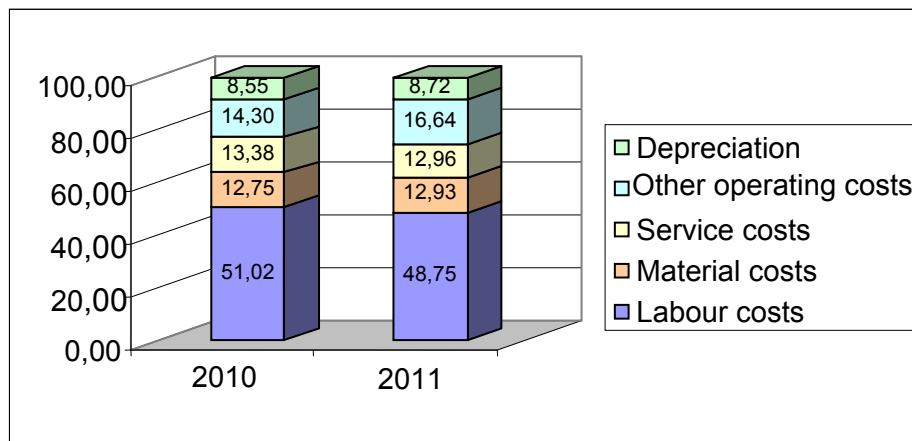




## OPERATING EXPENSES

Operating expenses amount to 144,52 million HRK which is higher by 2,6% in comparison to the same period of the previous year. Considerable increase in expenses is the result of increased exceptional costs related to the process of recapitalization, concession fees, depreciation, despite the savings in employee costs.

Structure of operating costs in the total operating expenses





### **EBITDA (Earnings before interest, taxes and depreciation)**

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EBITDA amounted to 18,02 million HRK in year 2011., representing a 3,89 % decrease in comparison to the same period of the previous year.

### **EBIT (Earnings before interest and taxes)**

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EBIT amounts 5,40 milion HRK in year 2011. representing decrease of 4,44% in comparison to the same period of the previous year.

### **NET PROFIT OF LUKA PLOČE GROUP**

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Luka Ploče Group recorded a profit growth from comprehensive operations at the net level, amounting to 68,76%, from 15,63 million to 26,38 due to generated positive net financial revenues of 21,19 million HRK due to unrealized foreign exchange gains on financial assets.

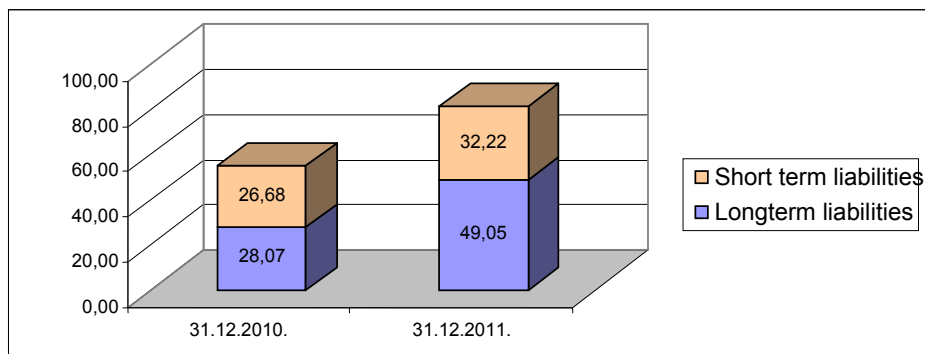


## FINANCIAL POSITION

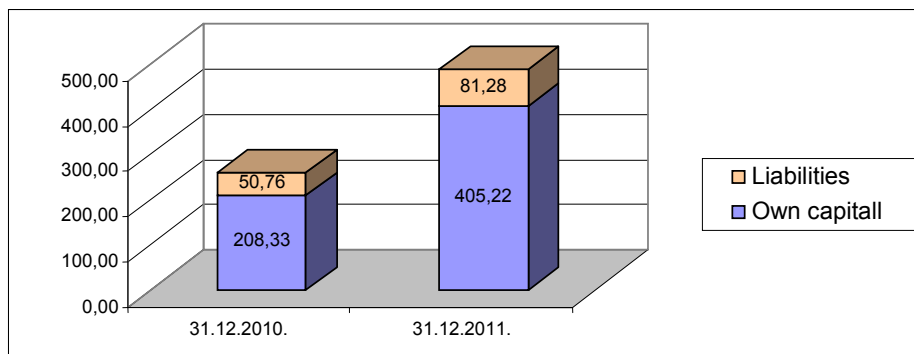
Despite the bad news from the EU and the U.S. economy (a slowdown in production and consumption) Luka Ploče Group has improved its position as reflected by a low debt ratio, indicated by the ratio between borrowing and assets of only 0,09% on December 31<sup>st</sup> 2011. in comparison to the 0,10% on 31.12.2010.

The largest part of the Luka Ploče Group's borrowings refers to liabilities arising from finance leases of equipment (91%) while the rest of the loans are related to liabilities to the state for residential flats sold to employees.

The structure of financial liabilities of Luka Ploče Group (in mil HRK)



Structure of the sources of funding of Luka Ploče Group (in mill HRK)





## KEY INDICATORS

(in million HRK)

DESCRIPTION	31.12.2010.	31.12.2011.
Total debt	50,76	81,28
Net debt	-41,50	+26,43
Interest coverage ratio	16,2	4,22
Debt Indicators	0,13	0,12
Current ratio	5,6	2,42

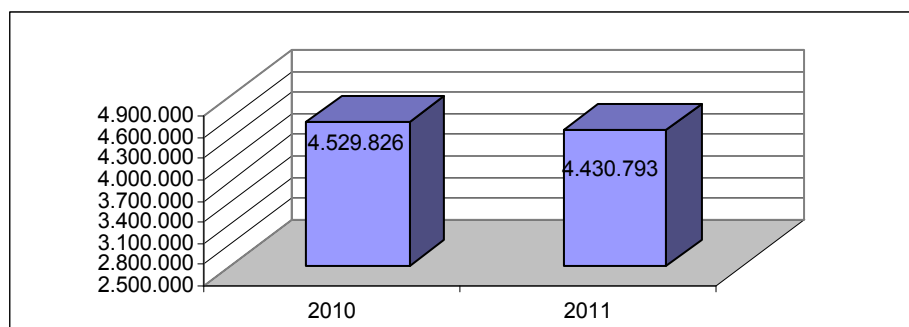
At the end of 2010. Luka Ploče Group has recorded a negative net debt of 41,5 million HRK, and as of 31.12.2011. Group's net debt is positive and amounts to 26,43 million HRK due to the depositing of funds intended for investment to equipment in the coming years.

Due to the same reason the current ratio of 5,6 in year 2010. has decreased to 2,42 in year 2011.

## SALES AND MARKETING

Total volume of cargo reloaded in 2011. totals to 4.430.793 tons, which represents a 2% decrease in comparison to the year 2010.

Volumes reloaded in period January to December 2010. and 2011.(in t)







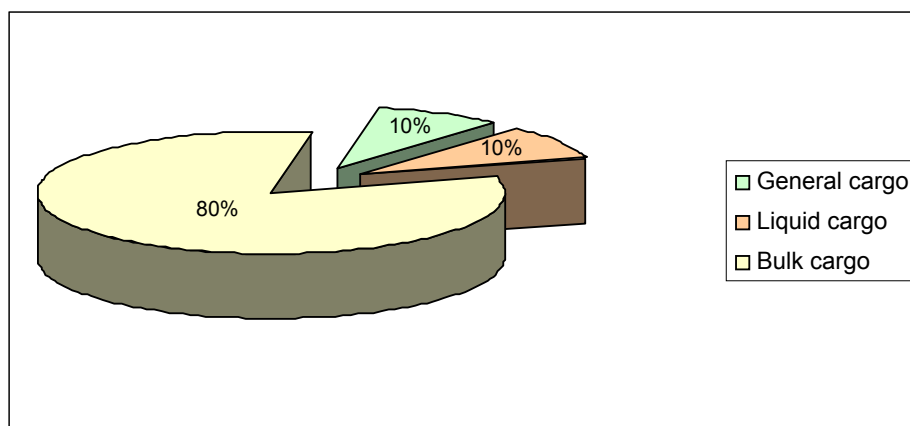
## Volumes as per the structure of cargo

Volumes as per the type of cargo (in tones)

TYPE OF CARGO	2010	2011	Index 2011/2010
General cargo	403.174	428.358	106
Liquid cargo	3.724.423	3.566.996	96
Bulk cargo	402.229	435.439	108
<b>TOTAL</b>	<b>4.529.826</b>	<b>4.430.793</b>	<b>98</b>

### Bulk cargo

The share of bulk cargo within the structure of the total volume of cargoes reloaded in year 2011. remains dominant with 80% compared to 82% in previous year.



Alpiq from Italy achieved a fourteen percent increase in volume from 1.421.436 tons in 2010. in comparison to 1.241.452 tones reloaded in previous year. Arcelor Mittal has also reported the increase in the volume of reloaded cargo at a level of 12% (700.324 tons in 2011. compared to 624.607 tons in 2010.).

Unfavourable ratio of price of metallurgical coke in relation to the prices of metallurgical coal for coking had a negative impact to the



incoming of coal thereby having negative impact to the production of GIKIL in Lukavac, so their cargo volumes through Ploče port was 571.076 tonnes in 2011. compared to 867.384 tons in 2010.).

Aluminij Mostar maintains a slight increase trend in volume of cargo reloaded through Ploče port: alumina as their input cargo and finished aluminium products 323.235 tons in 2011. compared to 299.221 tons in 2010.

Cemex has had a decrease in volume of traffic through the Ploče port (186.615 tons in 2011. compared to 272.568 tons in 2010.) as a result of reduced activity in construction and investment in general.

Significant growth occurred in the volume of reloaded raw sugar, from 154.911 tons in 2010. to 174.350 tons in 2011. There was 90% increase in volume of reloaded scrap iron (155.978 tons in 2011. in comparison to 81.892 tons in year 2010.)

### **General cargo**

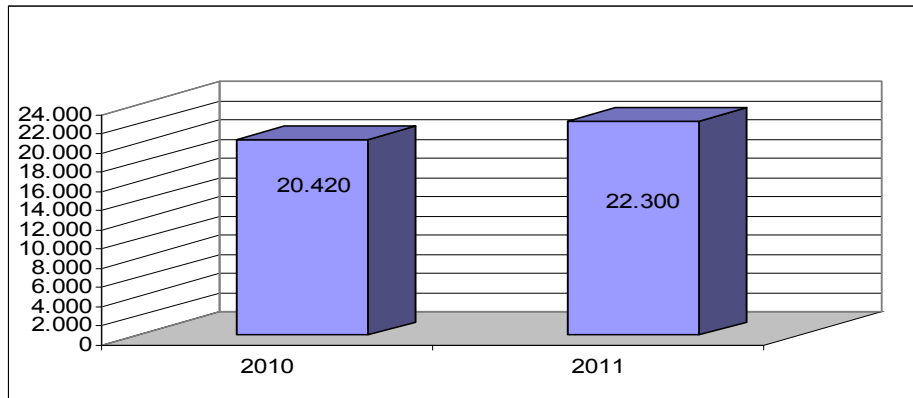
Traffic volumes of general cargo increased by 6% (428.358 tons in 2011. compared to 403.174 tons in 2010.). The growth happened in volume related to handling of iron and aluminium products, while the downward trend is still present in the volume of reloaded wood which is a result of the unstable political situation in the North Africa- main market for beech wood. The revival of beech wood cargo through Ploče port is expected after the market stabilizes.

Container traffic increased by 9%, with 22.300 TEUs in 2011. in comparison to 20.420 TEUs in 2010.

We expect the increase in traffic volume of containers, but all under the highest achieved level in year 2008. (35.124 TEUs) due to the significant negative impact of recession to the purchasing power of citizens in the gravitational area.



Traffic volume of containers in 2011. in comparison to y2010.(in TEUs)

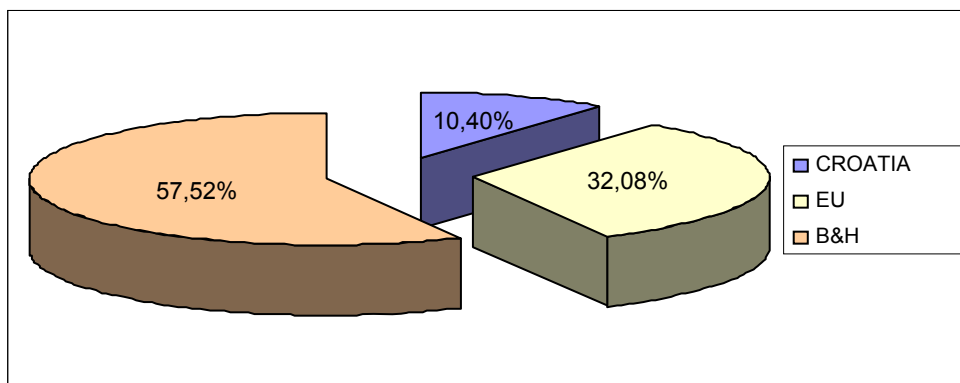


### Liquid cargo

Cargo traffic volume of liquid cargo increased by 8% in comparison to the previous year.

### Structure of traffic volumes as per various markets

Due to the increased delivery of energetical coal for needs of the client from Italy, share of the EU market rose to 32,08 %. The domestic market reflects an appropriate constant level of 10,40%. The majority of traffic volumes was for/from Bosnia and Herzegovina at the level of 57,52%.





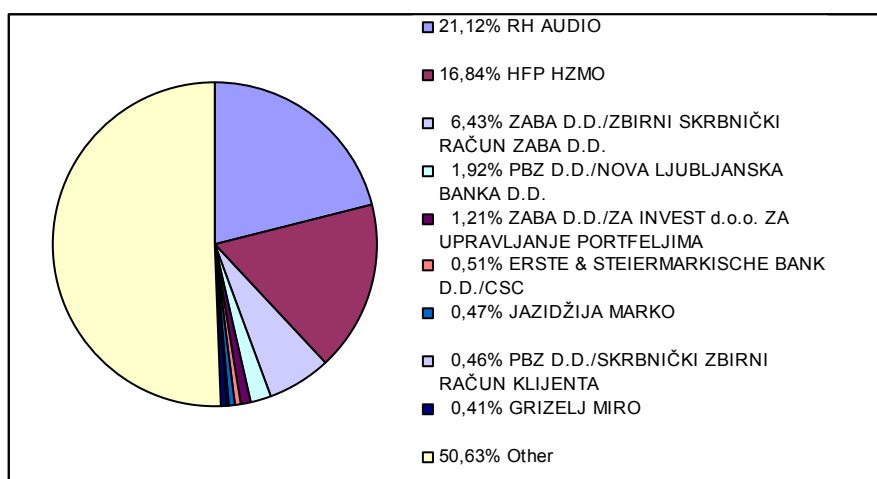
## KEY EVENTS IN YEAR 2011.

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Most significant events in the year of 2011. are:

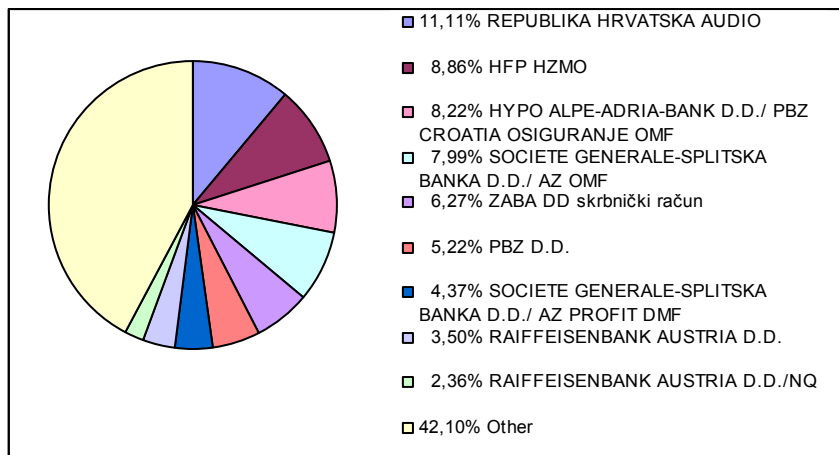
- The successful recapitalization by issuing 200.353 new ordinary shares (nominal value of 400,00 HRK) thereby increasing the equity of Luka Ploče j.s.c. from 89.045.600,00 HRK to 169.186.800,00 HRK divided into 422.967 ordinary shares, which ultimately resulted in the collection of 170.300.050,00 HRK.

The shareholders prior to the recapitalization (30.06.2011.)





The shareholders after the recapitalization (31.12.2011.)



- Assembly has been held on 29.08.2011.at which four members of the Supervisory Board have been elected.
- Constitutive session of the Supervisory Board has been held on 05.09.2011.
- On 30.09.2011. the request has been submitted for inclusion of Luka Ploče j.s.c. shares to the Official Market of the Zagreb Stock Exchange
- The procurement contract for the STS container crane in value of € 3.320.000,00 has been realised and the crane commissioned in October.
- In August 2011. Luka Ploče j.s.c. has commenced the pre-qualifying procedure and has established the list of qualified reloading equipment suppliers for the new BCT.

Luka Ploče j.s.c. is the main operator in cargo handling in the port area, and the bulk cargoes are the backbone of the port traffic. The existing port facilities already are insufficient and handling technology does not provide ecological minimum. Croatian government expressed its determination to support the construction of a new terminal for bulk cargo, and thereby will finance work on the construction of infrastructure, and Luka Ploče j.s.c. by the concession agreement has undertaken commitment to procure and install reloading equipment.



- In period from October 03<sup>rd</sup> to December 06<sup>th</sup> 2011. Company has acquired own shares in amount 279.943,19 HRK, and has had no release of shares.

## EXPECTATIONS

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Operations of the Luka Ploče are in direct correlation with the trends and movements of commodity prices on world markets, as well as with the standards and the personal consumption of the population in the region. Therefore, considering that there are visible disruption in the global market of consumer goods that are most important in the production and marketing of major clients of Luka Ploče which constitute a major share in the turnover of our company, it may be expected that in year 2012. we will experience certain stagnation, even possible decrease in volume of cargo traffic in comparison to previous year.

In Ploče, February 14<sup>th</sup> 2012.



Capt. Ivan Pavlović dipl.ing.

Director

Any clarification may be obtained at:

Investor relations:

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**Appendix 1**

Reporting period:

01.01.2011.

to

31.12.2011.

**Annual financial statement of the entrepreneur - GFI-POD**

Registration number (MB) | 03036138 |

Identification number of subject | 0900065233 |

Personal identification number  
(OIB) | 5122874907 |

Issuer company: LUKA PLOČE

Postal code and place | 20340 | PLOČE

Street and number | TRG KRALJA TOMISLAVA 21 |

E-mail address: [financije@luka-ploce.htnet.hr](mailto:financije@luka-ploce.htnet.hr)Internet address: [www.luka-ploce.hr](http://www.luka-ploce.hr)

Code and name of comune/town | 335 | PLOČE |

Code and county name | 19 | DUBROVAČKO-NERETVANSKA |

Number of employees | 785 |  
(at quarter end)

Consolidated statement | No |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

LUKA PLOČE TRGOVINA d.o.o.	LUČKA CESTA b.b. PLOČE	18102992360
POMORSKI SERVIS - LUKA PLOČ d.o.o.	LUČKA BOSANSKA OBALA b.b. PLOČE	18875024938
LUKA PLOČE - ODRŽAVANJE d.o.o.	LUČKA CESTA b.b. PLOČE	87501430734
LUKA ŠPED d.o.o.	LUČKA CESTA b.b. PLOČE	28527523504
LUKA PLOČE USLUGE d.o.o.	LUČKA CESTA b.b. PLOČE	38548671304
PLOČANSKA PLOVIDBA d.o.o.	LUČKA CESTA b.b. PLOČE	39778257122
HLADNJAČA PLOČE d.o.o.	LUČKA CESTA b.b. PLOČE	59501819409

Book keeping service: | |

Contact person: DODIG ŽELJKA  
(fill in only surname and name of contact person)

Phone number: 020 603 223 |

Fascimile: 020 679 170

E-mail address: |

Surname and name: PAVLOVIĆ IVAN  
(authorised person for representation)**Disclosure documents:**

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

M.P.

(signed by authorised person for representation)

**BALANCE SHEET**  
as of 31.12.2011.

Company: LUKA PLOČE			
Position	AOP	Previous year	Current year
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>	<b>139.355.617</b>	<b>411.722.457</b>
I. INTANGIBLE ASSETS (004 to 009)	<b>003</b>	<b>0</b>	<b>7.600.637</b>
1. Assets development	<b>004</b>		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	<b>005</b>		7.599.332
3. Goodwill	<b>006</b>		
4. Prepayments for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		1.305
6. Other intangible assets	<b>009</b>		
II. TANGIBLE ASSETS (011 to 019)	<b>010</b>	<b>134.822.796</b>	<b>159.335.123</b>
1. Land	<b>011</b>	2.138.881	2.138.881
2. Buildings	<b>012</b>	23.432.682	22.724.113
3. Plant and equipment	<b>013</b>	79.762.048	95.239.584
4. Tools, facility inventory and transport assets	<b>014</b>	10.617.795	8.743.883
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>	618.575	714.668
7. Tangible assets in progress	<b>017</b>	12.840.982	24.435.147
8. Other tangible assets	<b>018</b>		24.233
9. Investments in buildings	<b>019</b>	5.411.833	5.314.614
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	<b>020</b>	<b>79.500</b>	<b>240.667.374</b>
1. Investments (shares) with related parties	<b>021</b>	79.500	108.900
2. Loans given to related parties	<b>022</b>		
3. Participating interest (shares)	<b>023</b>		
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>024</b>		
5. Investments in securities	<b>025</b>		
6. Loans, deposits and similar assets	<b>026</b>		240.081.535
7. Other long - term financial assets	<b>027</b>		476.939
8. Investments accounted by equity method	<b>028</b>		
IV. RECEIVABLES (030 to 032)	<b>029</b>	<b>4.453.321</b>	<b>4.119.323</b>
1. Receivables from related parties	<b>030</b>		
2. Receivables from based on trade loans	<b>031</b>	4.453.321	4.119.323
3. Other receivables	<b>032</b>		
V. DEFERRED TAX ASSETS	<b>033</b>		
<b>C) SHORT TERM ASSETS (035+043+050+058)</b>	<b>034</b>	<b>128.820.612</b>	<b>78.239.696</b>
I. INVENTORIES (036 to 042)	<b>035</b>	<b>3.034.392</b>	<b>3.399.841</b>
1. Raw-material and supplies	<b>036</b>	2.958.689	3.130.818
2. Work in progress	<b>037</b>		
3. Finished goods	<b>038</b>		
4. Merchandise	<b>039</b>	75.703	103.971
5. Prepayments for inventories	<b>040</b>		165.052
6. Long - term assets held for sales	<b>041</b>		
7. Biological assets	<b>042</b>		
II. RECEIVABLES (044 to 049)	<b>043</b>	<b>45.930.208</b>	<b>35.399.836</b>
1. Receivables from related parties	<b>044</b>		
2. Accounts receivable	<b>045</b>	42.247.394	33.831.719
3. Receivables from participating parties	<b>046</b>		1.591
4. Receivables from employees and members of related parties	<b>047</b>		6.055
5. Receivables from government and other institutions	<b>048</b>	2.207.078	1.032.410
6. Other receivables	<b>049</b>	1.475.736	528.061
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	<b>050</b>	<b>3.792.491</b>	<b>4.170.833</b>
1. Shares (stocks) in related parties	<b>051</b>		
2. Loans given to related parties	<b>052</b>		
3. Participating interests (shares)	<b>053</b>	2.330.615	275.388
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>054</b>		
5. Investments in securities	<b>055</b>		
6. Loans, deposits, etc.	<b>056</b>	1.461.876	3.895.445
7. Other financial assets	<b>057</b>		
IV. CASH AT BANK AND IN CASHIER	<b>058</b>	76.063.521	35.269.186
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>059</b>		<b>5.700.793</b>
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>268.176.229</b>	<b>495.662.946</b>
<b>F) OFF-BALANCE RECORDS</b>	<b>061</b>		



Position	AOP	Previous year	Current year
1	2	3	4
<b>LIABILITIES AND CAPITAL</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>208.336.905</b>	<b>405.220.414</b>
I. SUBSCRIBED CAPITAL	063	89.045.600	169.186.800
II. CAPITAL RESERVES	064		90.158.850
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	36.663.113	37.033.109
1. Reserves prescribed by law	066	3.382.017	4.157.437
2. Reserves for treasury shares	067	8.904.560	8.624.617
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	24.376.536	24.251.055
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	65.992.466	81.621.845
1. Retained earnings	073	65.992.466	81.621.845
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	15.804.425	26.863.317
1. Profit for the current year	076	15.804.425	26.863.317
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078	831.301	356.493
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	<b>8.842.896</b>	<b>7.844.096</b>
1. Provisions for pensions, severance pay, and similar liabilities	080	8.842.896	7.844.096
2. Reserves for tax liabilities	081		
3. Other reserves	082		
<b>C) LONG - TERM LIABILITIES (084 to 092)</b>	<b>083</b>	<b>28.073.879</b>	<b>49.059.355</b>
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	28.073.879	46.074.722
4. Liabilities for received prepayments	087		300.000
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		2.684.633
9. Deferred tax liability	092		
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	<b>22.683.693</b>	<b>32.220.486</b>
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	6.493.009	12.642.569
4. Liabilities for received prepayments	097		48.348
5. Accounts payable	098	7.655.092	5.845.311
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		1.869.317
8. Liabilities to employees	101	4.428.349	4.527.443
9. Liabilities for taxes, contributions and similar fees	102	2.414.131	6.770.243
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	1.693.112	517.255
<b>E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	<b>238.856</b>	<b>1.318.595</b>
<b>F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>268.176.229</b>	<b>495.662.946</b>
<b>G) OFF-BALANCE RECORDS</b>	<b>108</b>		
<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	109	207.505.604	404.863.921
2. Attributed to minority interest	110	831.301	356.493

**PROFIT AND LOSS ACCOUNT**  
for the period 01.01.2011. to 31.12.2011.

Company: LUKA PLOČE			
Position	AOP	Previous year	Current year
1	2	3	4
<b>I. OPERATING REVENUE (112+113)</b>	<b>111</b>	<b>153.196.242</b>	<b>149.930.484</b>
1. Sales revenue	112	151.689.425	147.324.336
2. Other operating revenues	113	1.506.817	2.606.148
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>140.850.408</b>	<b>144.521.638</b>
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	36.819.715	37.690.224
a) Raw material and material costs	117	17.964.321	18.695.170
b) Costs of goods sold	118		252.982
c) Other external costs	119	18.855.394	18.742.072
3. Staff costs (121 to 123)	120	71.867.503	70.457.763
a) Net salaries and wages	121	49.019.978	44.733.523
b) Cost for taxes and contributions from salaries	122	12.252.885	15.183.458
c) Contributions on gross salaries	123	10.594.640	10.540.782
4. Depreciation	124	12.038.653	12.615.139
5. Other costs	125	16.211.495	16.548.792
6. Impairment (127+128)	126	3.913.042	4.734.926
a) Impairment of long-term assets (financial assets excluded)	127		
b) Impairment of short - term assets (financial assets excluded)	128	3.913.042	4.734.926
7. Provisions	129		589.750
8. Other operating costs	130		1.885.044
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>4.332.154</b>	<b>24.171.280</b>
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132		
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties and other entities	133	4.332.154	24.169.744
3. Share in income from affiliated entrepreneurs and participating interests	134		
4. Unrealized gains (income) from financial assets	135		
5. Other financial income	136		1.536
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	<b>741.998</b>	<b>2.928.977</b>
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-related parties and other entities	139	741.998	2.928.977
3. Unrealized losses (expenses) on financial assets	140		
4. Other financial expenses	141		
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>		
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>		
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>		
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>		
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>157.528.396</b>	<b>174.101.764</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>141.592.406</b>	<b>147.450.615</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>15.935.990</b>	<b>26.651.149</b>
1. Profit before taxation (146-147)	149	15.935.990	26.651.149
2. Loss before taxation (147-146)	150	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>	<b>299.688</b>	<b>262.640</b>
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>15.636.302</b>	<b>26.388.509</b>
1. Profit for the period (149-151)	153	15.636.302	26.388.509
2. Loss for the period (151-148)	154	0	0
<b>APPENDIX to P&amp;L account (to be filled in by entrepreneur that prepares consolidated financial report)</b>			
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>			
1. Attributed to equity holders of parent company	155	15.804.425	26.863.317
2. Attributed to minority interest	156	-168.123	-474.808
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)</b>			
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>15.636.302</b>	<b>26.388.509</b>
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>
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		
<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>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>15.636.302</b>	<b>26.388.509</b>
<b>APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)</b>			
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>			
1. Attributed to equity holders of parent company	169		
2. Attributed to minority interest	170		

**STATEMENT OF CASH FLOWS - INDIRECT METHOD**  
for the period 01.01.2011. to 31.12.2012.

Company: LUKA PLOČE			
Position	AOP	Previous year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	15.935.990	26.651.149
2. Depreciation	002	12.038.653	12.615.139
3. Increase in short term liabilities	003	0	9.536.793
4. Decrease in short term receivables	004	7.117.690	10.530.372
5. Decrease in inventories	005	475.713	
6. Other increase in cash flow	006	4.478.349	1.884.327
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>40.046.395</b>	<b>61.217.780</b>
1. Decrease in short term liabilities	008	7.196.967	
2. Increase in short term receivables	009		
3. Increase in inventories	010		365.449
4. Other decrease in cash flow	011	970.530	
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>8.167.497</b>	<b>365.449</b>
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>31.878.898</b>	<b>60.852.331</b>
<b>A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	015	7.478.461	
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017		
4. Dividend receipts	018		4.500
5. Other cash inflows from investing activities	019		
<b>III. Total cash inflows from investing activities (015 to 019)</b>	<b>020</b>	<b>7.478.461</b>	<b>4.500</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	021	13.162.815	42.265.514
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023		
<b>IV. Total cash outflow for investing activities (021 to 023)</b>	<b>024</b>	<b>13.162.815</b>	<b>42.265.514</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>5.684.354</b>	<b>42.261.014</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflow from issuing property and debt financial instruments	027		170.300.050
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028		22.970.250
3. Other proceeds from financial activities	029		109.049
<b>V. Total cash inflows from financial activities (027 to 029)</b>	<b>030</b>	<b>0</b>	<b>193.379.349</b>
1. Cash outflow for repayment of credit principal and bonds	031	6.235.411	12.724.668
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035		240.040.333
<b>VI. Total cash outflow for financial activities (031 to 035)</b>	<b>036</b>	<b>6.235.411</b>	<b>252.765.001</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>038</b>	<b>6.235.411</b>	<b>59.385.652</b>
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	<b>19.959.133</b>	<b>0</b>
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>	<b>0</b>	<b>40.794.335</b>
Cash and cash equivalents at the beginning of the period	<b>041</b>	56.104.388	76.063.521
Increase of cash and cash equivalents	<b>042</b>	19.959.133	
Decrease of cash and cash equivalents	<b>043</b>		40.794.335
Cash and cash equivalents at the end of the period	<b>044</b>	76.063.521	35.269.186

**STATEMENT OF CHANGES IN EQUITY**  
for the period **1.1.2011** to **31.12.2011**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	<b>001</b>	89.045.600	169.186.800
2. Capital reserves	<b>002</b>		90.158.850
3. Reserves from profit	<b>003</b>	36.663.113	37.033.109
4. Retained earnings or accumulated loss	<b>004</b>	66.991.890	81.978.338
5. Profit or loss for the current year	<b>005</b>	15.636.302	26.863.317
6. Revaluation of long - term tangible assets	<b>006</b>		
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>		
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>208.336.905</b>	<b>405.220.414</b>
11. Currency gains and losses arising from net investement in foreign operations	<b>011</b>		
12. Current and deferred taxes (part)	<b>012</b>		
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>		
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
17 a. Attributed to equity holders of parent company	<b>018</b>	207.505.604	404.863.921
17 b. Attributed to minority interest	<b>019</b>	831.301	356.493

Pursuant to the article 410. of the Capital market Law (Official Gazette 88/08. and 146/08) the President of the Management board of Luka Ploče d.d. provides

## **MANAGEMENT BOARD'S STATEMENT OF LIABILITY**

Financial statements of the Luka Ploče Group have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Accounting Law.

The financial statements for the period from January 01<sup>st</sup> to December 31<sup>st</sup> 2011. present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.

**Capt. Ivan Pavlović**

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**President of the Management Board**