

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

LUKA PLOČE GROUP

AUDITED CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01. UNTIL 31.12.2011.

Ploče, April 2012.

CONTENTS:

a) MANAGEMENT BOARD'S REPORT

- Balance sheet
- P&L (profit and loss account)
- Cash flow statement
- Change in capital statement

b) MANAGEMENT BOARD'S STATEMENT OF LIABILITY



**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.:

- 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.
- Revenues from sales: 150,11 million kuna
- 2,01% in comparison with the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation) 19,67 million kuna
- EBITDA margin: 13,10%
- EBIT: 7,09 million kuna
- EBIT margin: 4,72%
- Net profit: 27,10 million kuna
- Cash flow from operating activities: 33,76 million kuna
- Cash flow from investing activities: -264,185 million kuna

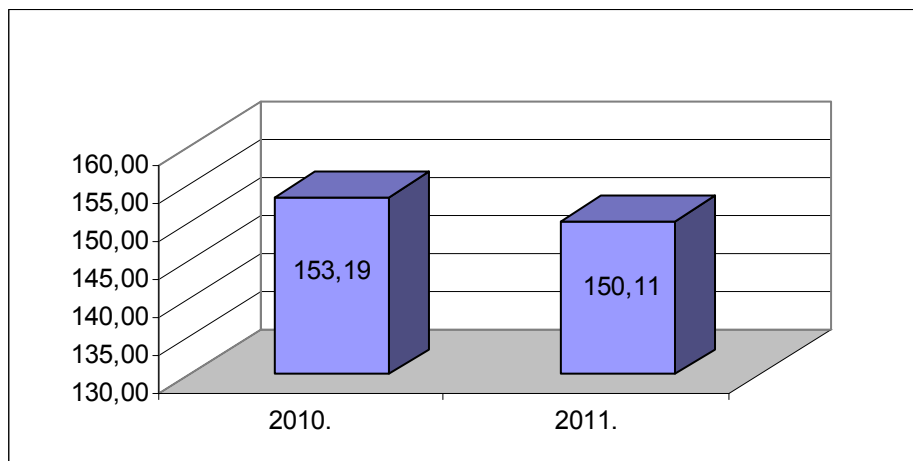


CONSOLIDATED REVENUE

In year 2011. operating revenues amounted to 150.11 milion kuna which is 2.01% decrease in comparison to the previous year.

Decrease of operating revenues is a result of decrease in volume of bulk cargo traffic in the last quarter due to the operating difficulties of major clients in Bosnia and Herzegovina.

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



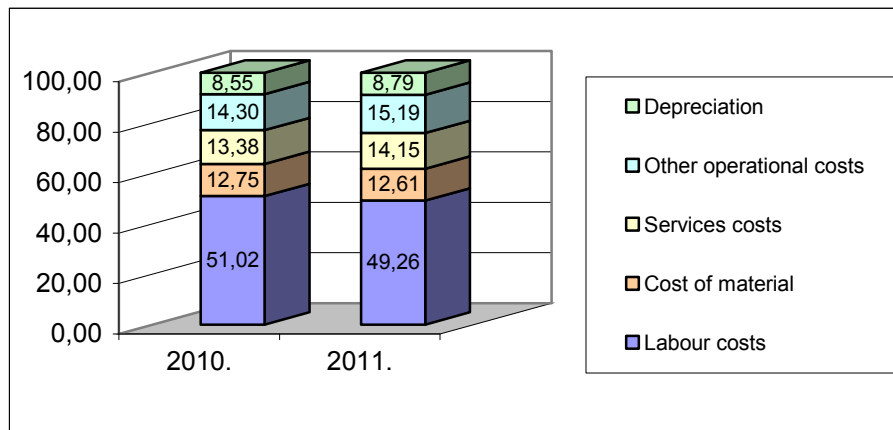


LUKA PLOČE GROUP'S OPERATING EXPENSES

Operating expenses amounted to 143.01 million kuna which is higher by 1,5% in comparison to the same period of the previous year.

Considerable increase in expenses is the result of increased costs related to the concession fees, depreciation, despite the savings in labour costs.

Structure of operating costs in the total operating expenses





EBITDA (Earnings before interest, taxes and depreciation)

EBITDA amounts to 19,67 million kuna in year 2011. and is decreased by single amount of 4,8 million kuna of reservations for severance pay to employees. It is higher by 1,8% in comparison to the previous year.

EBIT (Earnings before interest and taxes)

EBIT amounts to 7,09 million kuna for the year 2011. Reservation has been done in in amount of 4,8 million kuna for severance pay to employees, thereby representing decrease of 0,84% in comparison to the the previous year.

NET PROFIT OF LUKA PLOČE GROUP

Luka Ploče Group recorded a profit growth from comprehensive operations at the net level, amounting to 70.28%, from 15.63 million to 26.63 million kuna due to generated positive net financial revenues in the amount of 19,80 million kuna due to unrealized foreign exchange gains on financial assets.

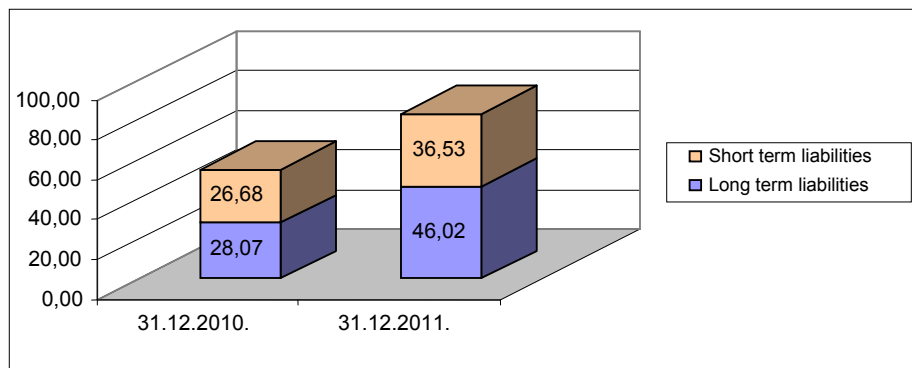


FINANCIAL POSITION

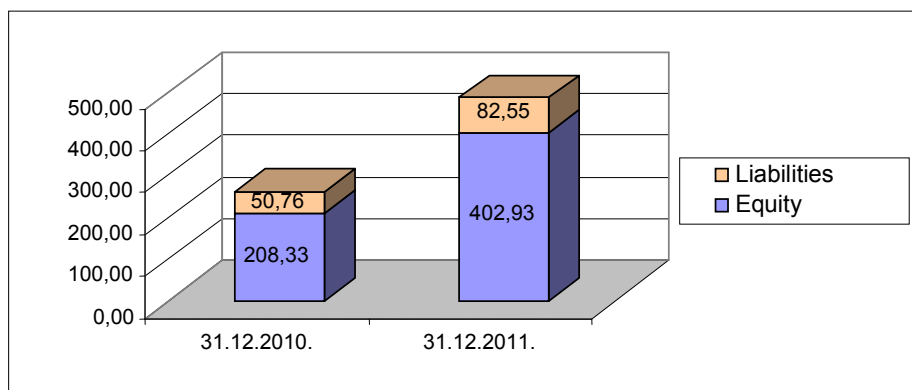
Despite the bad news from the EU and the U.S. economy, a slowdown in production and consumption, Luka Ploče Group has improved its position as reflected by a low debt ratio, which indicates ratio between borrowing and assets of only 0.09% on 31.12.2011. in comparison to the 0.10% on 31.12.2010.

The largest part of the Luka Ploče Group's borrowings refer to liabilities arising from finance leases of equipment (94%) 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 mill kuna)



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





KEY INDICATORS

(in million kuna)

DESCRIPTION	31.12.2010.	31.12.2011.
Total debt	50,76	82,55
Net debt	-41,50	+21,86
Interest coverage ratio	16,2	5,9
Debt Indicators	0,13	0,11
Current ratio	5,6	8,79

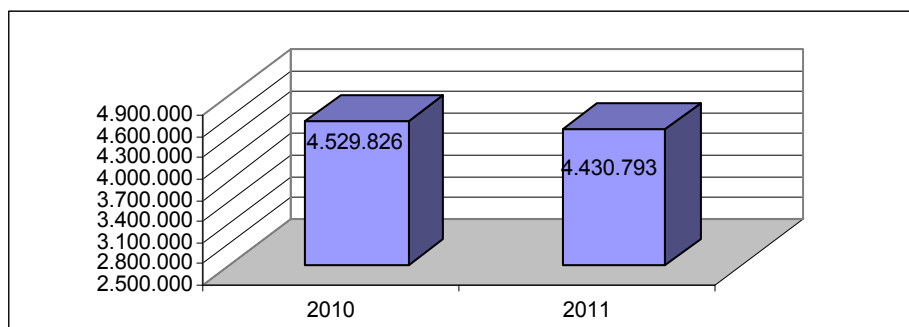
At the end of 2010. Luka Ploče Group has recorded a negative net debt of 41.5 million kuna, and on 31.12.2011. Group's net debt is positive and amounts to 21.86 million kuna due to the depositing of funds intended for investment to equipment in the coming years.

Current ratio has increased from 5,6 in year 2010. to 8,79 in year 2011.

SALES AND MARKETING

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

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





Volumes as per the structure of cargo

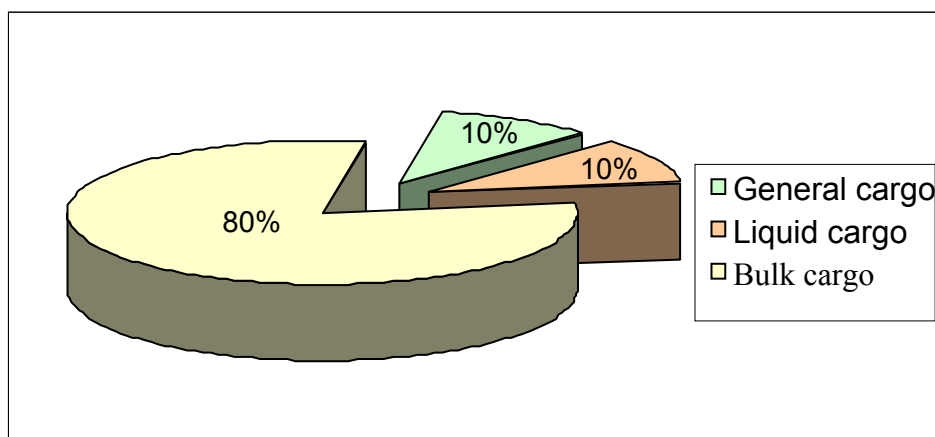
Volumes as per the type of cargo (in tones)

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

Bulk cargo

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

Structure as per the type of cargo in 2011.



Alpiq from Italy reported fourteen percent increase in volume with 1.421.436 tons in 2011. in comparison to 1.241.452 tones reloaded in the previous year.



ArcelorMittal also reports the increased 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 for coking has caused the difficulty in delivery of coal thereby negatively affecting production of GIKIL in Lukavac, so the volume of cargo reloaded 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 reloaded cargoes through Ploče port; alumina as input cargo as well as output al.products in level of 323.235 tons in 2011. compared to 299.221 tons in 2010.

Significant growth happened in the volume of raw sugar from traffic volume of 154.911 in 2010. to 174.350 tons in 2011. Scrap iron cargo volume has increased by 90% (155.978 tones in 2011. in comparison to 81.892 tones in 2010.)

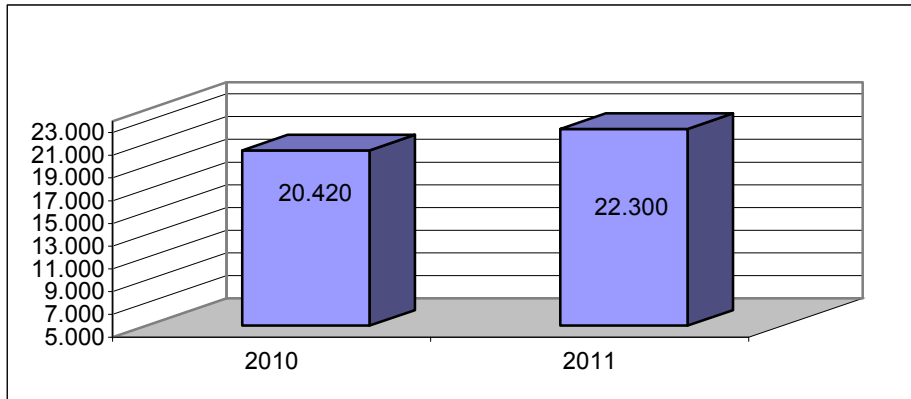
General cargo

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 aluminum 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 . It is expected that stabilization of that market will bring revitalization of subject cargo through Ploče port.

Container traffic increased by 9% with 22.300 TEUs in year 2011. in comparison to 20.420 TEUs in year 2010. We anticipate the increase in container traffic, but still under the highest achieved level from year 2008. (35.124 TEUs), because of the significant adverse effects of recession to the purchasing power of citizens of our gravitational area.



Traffic volume of containers in 2011. in comparison to 2010.(in TEUs)

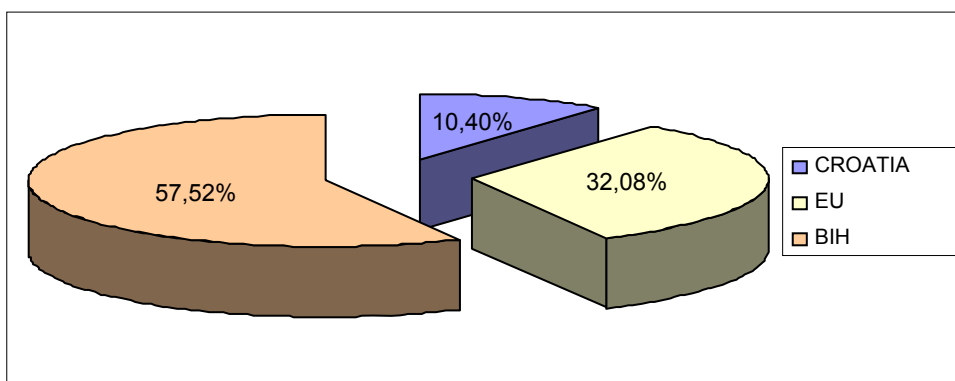


Liquid cargo

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

Structure of traffic volumes as per various markets

Due to the increased delivery of energetic 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 relates to Bosnia and Herzegovina at the level of 57,52%.



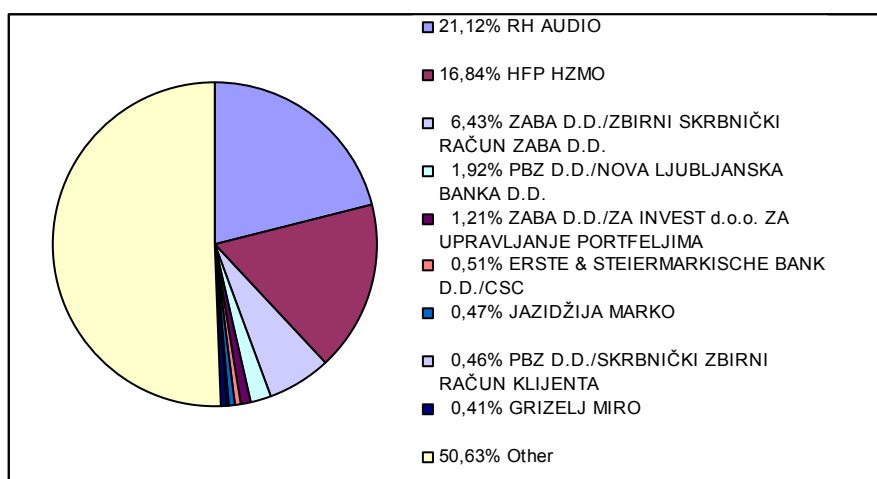


KEY EVENTS IN YEAR 2011.

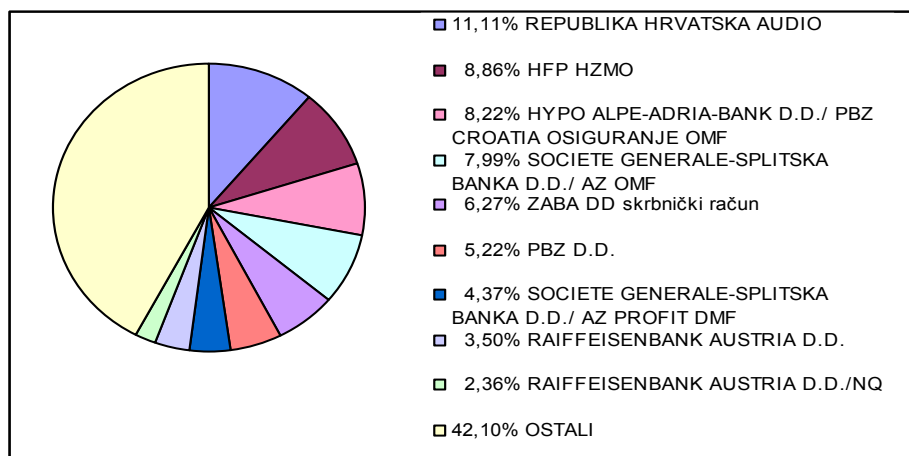
Most significant events in the third quarter are:

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

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 d.d. 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 commissioning of the crane is anticipated in late October
- In August 2011. Luka Ploče d.d. has commenced the pre-qualifying procedure and has established the list of qualified reloading equipment suppliers for the new BCT.

Luka Ploče d.d. 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 d.d. by the concession agreement has undertaken commitment to procure and install reloading equipment.

- In period from 03.10. – 06.12.2011. Company has acquired own shares in amount of 279.943,19 kuna, and have not done any releasing of shares.

RISKS

Operations of Luka Ploče Group in great deal depends upon the production and trading of commodities at the global and regional markets. It is evident that again, after 2008., at the end of y.2011 we have had significant downfall of import / export and consumption of



commodities in the region, resulting in stagnation and downfall of total volume of cargoes in comparison to the same period of the previous year 2010.

Besides the risk of the effects of economic crisis, Luka Ploče Group faces the risks of competition on the alternative traffic routes due to higher transport costs in its hinterland, primarily reference to the railway transport corridor which is more expensive due to existence of larger number of railway operator authorities at the same railway transport corridor, thus preventing Luka Ploče to compete at markets of Middle Europe and Serbia, traditional to her.

Any further prolongation of Vc road corridor construction represents the aggravating circumstance towards the growth of containers traffic.

In view of the fact that majority of revenues of Luka Ploče are collected in Euros and US Dollars, and most of expenses are expressed in kuna, Luka Ploče is facing the foreign exchange risks that may significantly affect the final financial result of the Group.

EXPECTATIONS

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 of the turnover of our company, it may be expected that certain stagnation will occur in 2012., even possible decrease in volume of cargo traffic in comparison to the previous year.



CODE OF CORPORATE GOVERNANCE

Company is fully adhering to the Luka Ploče d.d. Code of Corporate Governance.

Ploče, April 26th 2012.



Capt. Ivan Pavlović dipl.ing.

Director

Any clarification may be obtained at:

Investor relations:

Željka Dodig

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Anita Galamboš

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E-mail: financije@luka-ploce.htnet.hr

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.hrInternet address: www.luka-ploce.hr

Code and name of comune/town 335 PLOČE

Code and county name 19 DUBROVAČKO-NERETVANSKA

Number of employees (at quarter end) 735

Consolidated statement Yes

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. Audited annual financial statements
2. Report of the Management Board on position of the Company
3. Statement of persons responsible for preparation of financial statements
4. The decision of the competent authority (the proposal) on establishing of the annual financial statements
5. Decision on the distribution of profits or covering of loss

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
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	139.355.617	171.889.882
I. INTANGIBLE ASSETS (004 to 009)	003	0	0
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005		
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	134.822.796	166.948.155
1. Land	011	2.138.881	2.138.881
2. Buildings	012	23.432.682	22.724.113
3. Plant and equipment	013	79.762.048	102.876.850
4. Tools, facility inventory and transport assets	014	10.617.795	8.743.882
5. Biological assets	015		
6. Prepayments for tangible assets	016	618.575	714.668
7. Tangible assets in progress	017	12.840.982	24.435.147
8. Other tangible assets	018		
9. Investments in buildings	019	5.411.833	5.314.614
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	79.500	822.404
1. Investments (shares) with related parties	021	79.500	79.500
2. Loans given to related parties	022		
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026		362.904
7. Other long - term financial assets	027		380.000
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	4.453.321	4.119.323
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	4.453.321	4.119.323
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	128.820.612	321.185.775
I. INVENTORIES (036 to 042)	035	3.034.392	3.303.944
1. Raw-material and supplies	036	2.958.689	3.130.818
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	75.703	103.971
5. Prepayments for inventories	040		69.155
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	45.930.208	35.809.949
1. Receivables from related parties	044		
2. Accounts receivable	045	42.247.394	33.817.122
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047		1.755
5. Receivables from government and other institutions	048	2.207.078	991.955
6. Other receivables	049	1.475.736	999.117
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	3.792.491	246.807.093
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	2.330.615	275.388
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	1.461.876	246.531.705
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	76.063.521	35.264.789
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		
E) TOTAL ASSETS (001+002+034+059)	060	268.176.229	493.075.657
F) OFF-BALANCE RECORDS	061		

Position	AOP	Previous year	Current year
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	208.336.905	402.929.716
I. SUBSCRIBED CAPITAL	063	89.045.600	169.186.800
II. CAPITAL RESERVES	064		88.107.087
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	81.144.391
1. Retained earnings	073	65.992.466	81.144.391
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	15.804.425	27.101.031
1. Profit for the current year	076	15.804.425	27.101.031
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078	831.301	357.298
B) PROVISIONS (080 to 082)	079	8.842.896	7.396.000
1. Provisions for pensions, severance pay, and similar liabilities	080	8.842.896	4.136.000
2. Reserves for tax liabilities	081		
3. Other reserves	082		3.260.000
C) LONG - TERM LIABILITIES (084 to 092)	083	28.073.879	46.019.456
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	43.334.823
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		2.684.633
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	22.683.693	36.534.856
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	11.109.384
4. Liabilities for received prepayments	097		
5. Accounts payable	098	7.655.092	6.458.384
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		1.869.381
8. Liabilities to employees	101	4.428.349	4.259.926
9. Liabilities for taxes, contributions and similar fees	102	2.414.131	6.812.406
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	6.025.375
E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	238.856	195.629
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	268.176.229	493.075.657
G) OFF-BALANCE RECORDS	108		
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	207.505.604	402.572.418
2. Attributed to minority interest	110	831.301	357.298

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
I. OPERATING REVENUE (112+113)	111	153.196.242	150.111.478
1. Sales revenue	112	151.689.425	145.856.282
2. Other operating revenues	113	1.506.817	4.255.196
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	140.850.408	143.015.480
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	36.819.715	38.262.287
a) Raw material and material costs	117	17.964.321	18.031.500
b) Costs of goods sold	118		
c) Other external costs	119	18.855.394	20.230.787
3. Staff costs (121 to 123)	120	71.867.503	70.452.255
a) Net salaries and wages	121	49.019.978	44.729.925
b) Cost for taxes and contributions from salaries	122	12.252.885	15.271.101
c) Contributions on gross salaries	123	10.594.640	10.451.229
4. Depreciation	124	12.038.653	12.578.512
5. Other costs	125	16.211.495	18.682.710
6. Impairment (127+128)	126	3.913.042	1.820.182
a) Impairment of long-term assets (financial assets excluded)	127		
b) Impairment of short - term assets (financial assets excluded)	128	3.913.042	1.820.182
7. Provisions	129		
8. Other operating costs	130		1.219.534
III. FINANCIAL INCOME (132 to 136)	131	4.332.154	19.799.507
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	19.799.507
3. Share in income from affiliated entrepreneurs and participating interests	134		
4. Unrealized gains (income) from financial assets	135		
5. Other financial income	136		
IV. FINANCIAL EXPENSES (138 to 141)	137	741.998	0
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	
3. Unrealized losses (expenses) on financial assets	140		
4. Other financial expenses	141		
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+142 + 144)	146	157.528.396	169.910.985
X. TOTAL EXPENSES (114+137+143 + 145)	147	141.592.406	143.015.480
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	15.935.990	26.895.505
1. Profit before taxation (146-147)	149	15.935.990	26.895.505
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151	299.688	268.478
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	15.636.302	26.627.027
1. Profit for the period (149-151)	153	15.636.302	26.627.027
2. Loss for the period (151-148)	154	0	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)			
XIV. PROFIT OR LOSS FOR THE PERIOD			
1. Attributed to equity holders of parent company	155	15.804.425	27.101.031
2. Attributed to minority interest	156	-168.123	-474.004
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)			
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	15.636.302	26.627.027
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165)	158	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
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	15.636.302	26.627.027
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)			
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD			
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
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	15.935.990	26.895.505
2. Depreciation	002	12.038.653	12.578.512
3. Increase in short term liabilities	003		5.564.708
4. Decrease in short term receivables	004	7.117.690	5.951.428
5. Decrease in inventories	005	475.713	
6. Other increase in cash flow	006		6.712.904
I. Total increase in cash flow from operating activities (001 to 006)	007	35.568.046	57.703.057
1. Decrease in short term liabilities	008	10.205.967	
2. Increase in short term receivables	009		
3. Increase in inventories	010		269.522
4. Other decrease in cash flow	011	970.530	23.671.393
II. Total decrease in cash flow from operating activities (008 to 011)	012	11.176.497	23.940.915
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	24.391.549	33.762.142
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	6.621.461	148.818
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		421.598
III. Total cash inflows from investing activities (015 to 019)	020	6.621.461	570.416
1. Cash outflow for purchase of long-term tangible and intangible assets	021	13.703.815	44.581.871
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023		220.173.961
IV. Total cash outflow for investing activities (021 to 023)	024	13.703.815	264.755.832
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	7.082.354	264.185.416
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		168.248.287
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028		27.216.156
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	0	195.464.443
1. Cash outflow for repayment of credit principal and bonds	031	6.235.411	5.559.958
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034		279.943
5. Other cash outflow for financial activities	035		
VI. Total cash outflow for financial activities (031 to 035)	036	6.235.411	5.839.901
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	189.624.542
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	6.235.411	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	11.073.784	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	40.798.732
Cash and cash equivalents at the beginning of the period	041	56.104.388	76.063.521
Increase of cash and cash equivalents	042	19.959.133	
Decrease of cash and cash equivalents	043		40.798.732
Cash and cash equivalents at the end of the period	044	76.063.521	35.264.789

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	001	89.045.600	169.186.800
2. Capital reserves	002		88.107.087
3. Reserves from profit	003	36.663.113	37.033.109
4. Retained earnings or accumulated loss	004	66.991.890	81.975.693
5. Profit or loss for the current year	005	15.636.302	26.627.027
6. Revaluation of long - term tangible assets	006		
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	208.336.905	402.929.716
11. Currency gains and losses arising from net investement in foreign operations	011		
12. Current and deferred taxes (part)	012		
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		
17. Total increase or decrease in capital (AOP 011 to 016)	017	0	0
17 a. Attributed to equity holders of parent company	018	207.505.604	402.572.418
17 b. Attributed to minority interest	019	831.301	357.298

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 01st to December 31st 2011. represent complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.

Capt. Ivan Pavlović

President of the Management Board