

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

LUKA PLOČE GROUP

UNAUDITED CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01. UNTIL 31.12.2012.

Ploče, February 2013.

CONTENTS:

a) MANAGEMENT BOARD'S REPORT ON THE POSITION OF THE COMPANY:

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

b) STATEMENTS OF PERSONS RESPONSIBLE FOR PREPARATION OF FINANCIAL REPORTS



**MANAGEMENT BOARD'S STATEMENT ON BUSINESS
ACTIVITIES OF THE COMPANY IN PERIOD FROM
01.01.2012.TO 31.12.2012.**

FINANCIAL RESULTS OF THE LUKA PLOČE GROUP IN 2012:

- Traffic of cargo through the port of Ploče: 2,6 million tones of cargoes representing 42% decrease in comparison with the same period of the previous year.
- Revenue's from sales: 124,69 million kuna representing the decrease of 16,94 % in comparison with the same period of the previous year.
- Operating expenses : 143,36 million kuna including the 15,13 million kuna of reservations made for employee settlement severances. If reservations are excluded, operating expenses are decreased by 8% in comparison with the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation) -5,88 million kuna
- EBITDA (excluding the reservations made for employee severances) 9,24 million kuna
- EBITDA margin: 7,41%
- Cash flow from operating activities: - 5,94 million kuna

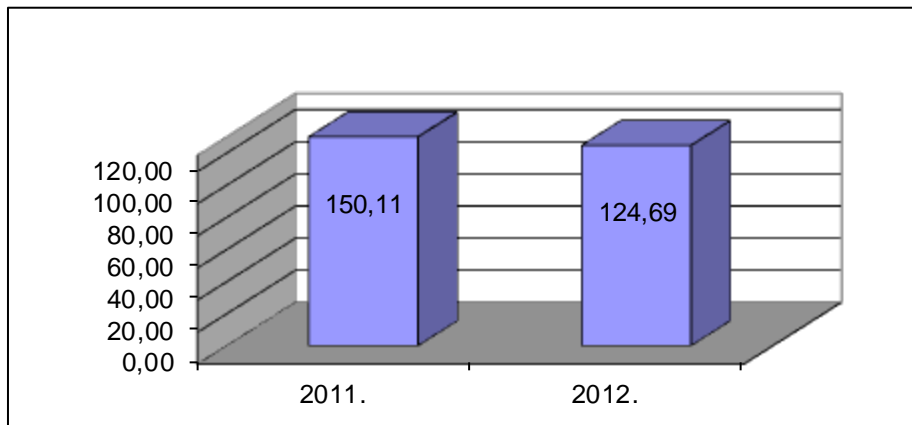


CONSOLIDATED REVENUE

In the year 2012. operating revenues amounted to 124,69 milion kuna which is 16,94 % decrease over the previous year.

The fall in operating income is mainly caused by the drop in bulk cargo traffic during the year 2012. due to difficulties in the operations of major customers in Bosnia and Herzegovina and Italy.

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





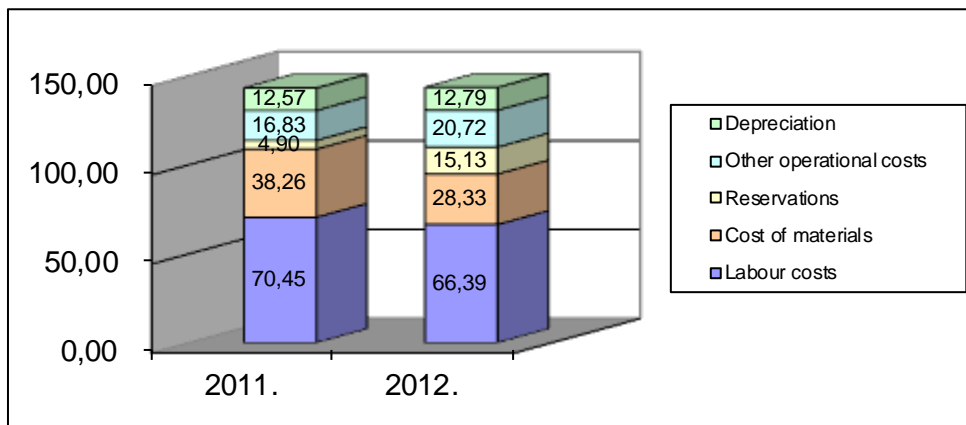
OPERATING EXPENSES

Operating expenses amounted to 143,36 million kuna which is the increase of 0,24 % in comparison to the same period of the previous year.

Increase in expenses is the result of made reservations of 15,3 million kuna for the employee settlement severances, as well as 3,89 % increase of other operating expenses in comparison to the previous year, as a result of the implementation of the Workforce settlement (reduction) Program. Other costs are decreased in comparison to the previous year, and the most significant are costs of material -25,94 % and labor cost -5,76%.

Structure of operating costs in the total operating expenses

in million kuna





EBITDA (Earnings before interest, taxes and depreciation)

EBITDA amounted to -5,88 million kuna for the year 2012., representing a 25,55 million kuna decrease in comparison to the same period of the previous year.

NET LOSS of the LUKA PLOČE GROUP

Luka Ploče Group recorded a net loss of 28,53 million kuna due to the decreased traffic of cargoes thereby resulting in decrease of revenue unrealized foreign exchange gains on financial assets and the total liabilities and reservations made for severances as per the Workforce settlement (reduction) Program .

Currency exchange data

	Kuna to Euro		Kuna to USD	
	Average	At the end of the period	Average	At the end of the period
31.12. 2011.	7,51	7,53	5,69	5,82
31.12. 2012.	7,53	7,55	5,74	5,73

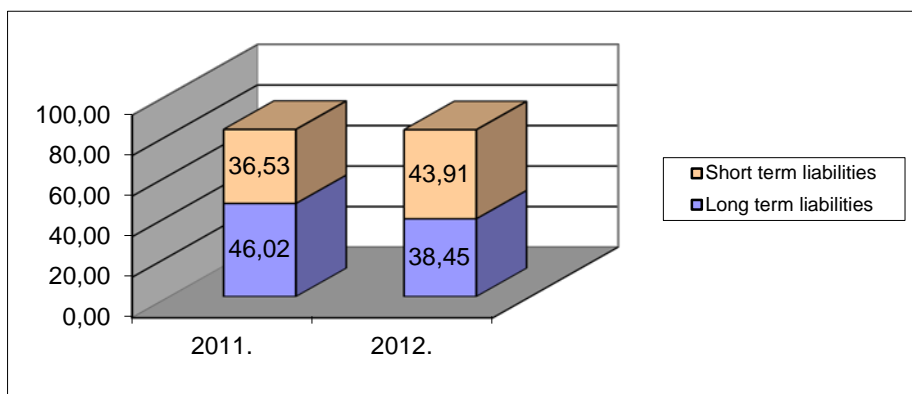


FINANCIAL POSITION

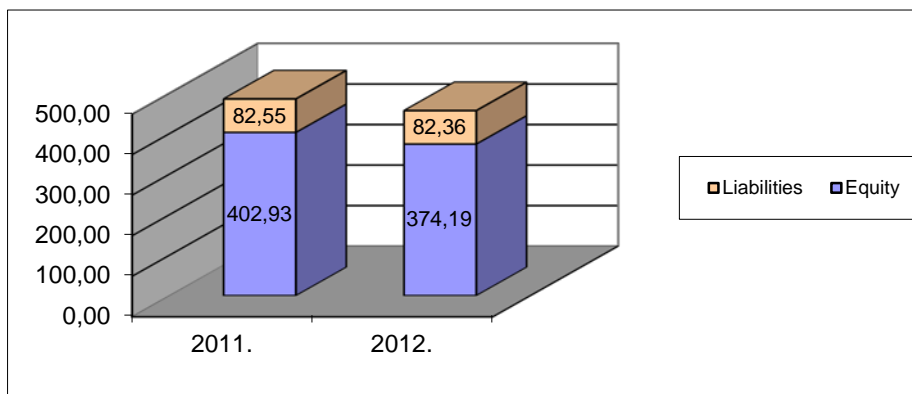
Due to the global slowdown in production and consumption, Luka Ploče Group has had disadvantageous position in comparison to the previous year. It has led a conservative business politic by a low debt ratio, which is indicated by the ratio between borrowing and assets of 0,08 on 31.12.2011. and the same ratio of 0,08 on 31.12.2011.

The largest part of the Luka Ploče Group's borrowings refers to liabilities arising from finance leases of equipment (90%) while the rest of the loans are related to liabilities to the state for residential flats sold to employees and received advances.

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	31.12.2011.	31.12.2012.
Total debt	82,55	82,36
Net debt	21,86	26,87
Debt Indicators	0,11	0,11
Current ratio	8,79	3,47

SALES AND MARKETING

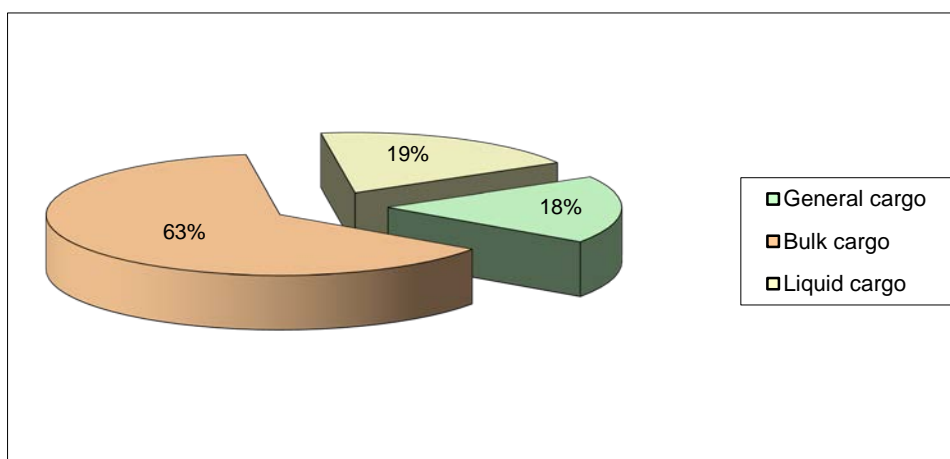
Total volume of cargo reloaded in the 2012. totals to 2.582.109 tons, which represents a 42% decrease in comparison to the year 2011.

Volumes as per the structure of cargo

Volumes as per the type of cargo (in tones)

TYPE OF CARGO	2011.	2012.	Indeks 2012./2011.
General cargo	428.358	488.255	114
Bulk cargo	3.566.996	1.624.599	46
Liquid cargo	435.439	469.254	108
TOTAL	4.430.793	2.582.108	58

Structure as per the type of cargo in 2012.





Bulk cargo

The participation of the bulk cargo within the structure of total volume of cargoes reloaded in year 2012. is 63% in comparison to 80% from the previous year. The main reason for such decrease in volume of bulk cargoes was the termination of the transshipment of coal for our long term Italian partner due to the change in their business strategy. Outlined fact is clearly visible in the given analysis of structure of traffic volumes as per the cargo type depicting the 54% decrease of bulk cargoes in comparison to the previous year.

General cargo

Port of Ploče has had a 14% increase of general cargoes in comparison to the previous year, as a result of reloading of aluminium ingots for the needs of aluminium plant in Montenegro, reloading of the wind power plants for company Enercon, Germany – the new clients. The increase in volume of general cargo traffic is recorded also with the long term clients (steel billets, al. ingots, reinforced steel, zeolit, soda). Due to previously given facts, this positive trend is not sufficient to cover the negative impacts done by the decrease in the volume of mass bulk cargoes, which are the base of the total operations and business of the Ploče port.

Container traffic volume has retained its last year level and we may not evaluate it satisfactory, in view of the available capacities of the Containers handling and storing Terminal in Ploče port. However, due to unchanged conditions, global slowdown in consumption and decrease of purchase power in the hinterland of Ploče port, such a result may be considered logical. Through the further liberalization of the railway transportation and with the completion of construction of the transport corridor through Bosnia and Herzegovina, position of the Ploče port and



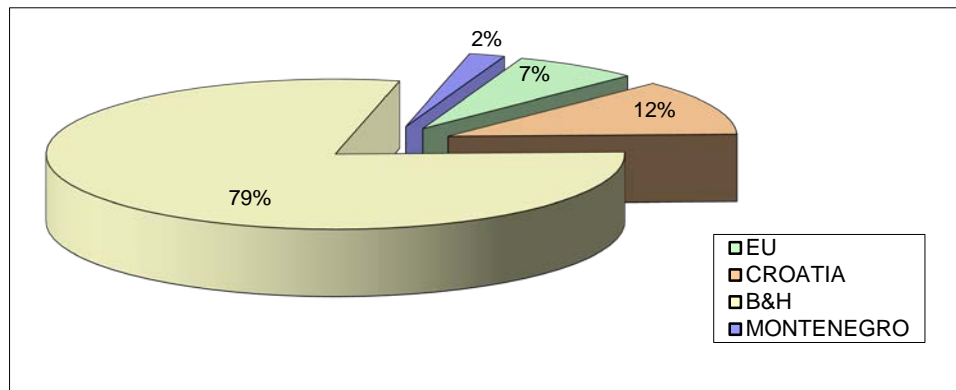
ability to expand its market in this operational segment will surely improve.

Liquid cargo

Volume of liquid cargoes have recorded the increase of 8% in comparison to the previous year.

Structure of traffic volumes as per various markets

The majority of traffic volumes in the 2012. relates to Bosnia and Herzegovina market at the level of 79,53%. Share of the domestic market within the total traffic volume is 11,56 %. Italian market share is at the level of 6,98%, and the newcomer in the structure of traffic in year 2012. is the Montenegro with 1,92%.





KEY EVENTS IN THE PERIOD I-XII OF YEAR 2012.

- On February 24th 2012. the Supervisory Board of Luka Ploče d.d. Company has elected the Company's Board consisting of three members: president of the Board, Board member for the financial affairs and the Board member for sales and marketing.
- On February 24th 2012. the Supervisory Board of Port of Luka Ploče d.d. Company has passed the Rules of Procedure of the Company's Board
- At the session held on February 27th 2012. the Supervisory Board of Luka Ploče d.d. Company has adopted annual financial reports for Luka Ploče d.d. and Luka Ploče Group., and the proposal for the distribution of profit for year 2011.
- President of the Board of Luka Ploče d.d. has brought the Decision to prepare the voluntary workforce settlement scheme (Program) for settlement of surplus of workforce with payments of stimulative severances.
- The General Assembly meeting of the Company has been held on June 21st 2012. where the Supervisory Board's Report on the performed supervision of the Company's business operations management in year 2011. has been adopted; the Note of release (approval of actions) is given to the Company's Board for year 2011. as well as the Note of release (approval of actions) to the Luka Ploče d.d. is dismissed from the Supervisory Board and the new person is appointed as a member of Luka Ploče Supervisory Board, the auditor of the Luka Ploče d.d. Company for the year 2012. has been appointed, the Decision on the distribution of the profit has been passed.
- During the October 2012. the company's restructuring process and preparation of the normative documents has commenced.



- On December 21st 2012. the Supervisory Board has adopted the Activities Work plan of Supervisory Board for year 2013.
- In year 2012. the Company has acquired 626 of own shares, and has not had any releases.



RISKS

Luka Ploče Group is exposed to various risks. The most significant ones are:

- global economy trends
- business market risks
- technologic risks
- foreign currency risks

Operations of Luka Ploče Group mainly depend 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. Industrial production downfall trend, thereby resulting in decrease of cargo volumes through Ploče port has continued even in year 2012., effecting negative impact to the total volume of cargoes and business results of Luka Ploče Group. In view of the uncertainty reference to the duration of the actual crisis, the total range of effects it will have to the Luka Ploče Group is unknown.

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.

Luka Ploče Group is exposed to foreign currency risk because the majority of income from international sales are denominated in EUR and USD. Fluctuations in currency exchange between USD, EUR and Kuna may affect the future business results and cash flows.



EXPECTATIONS

Operations of the Luka Ploče in year 2012. are in visible downfall in comparison to the same period of the previous year, resulting from the anticipated regional stagnation and crisis in production and trading of commodities of interest in the gravitational hinterland.

It is not possible at this moment to make precise estimation of the actual duration of the recession that has evidently significantly and adversely affected our region as well as entire Europe, but the producers- large multinational companies which are business partners of Luka Ploče Group will undertake all efforts to retain their production and market positions and will take actions aimed at intensifying their operations, and some indications in that respect already exist.

Ploče, February 12th 2013.

Capt.Ivan Pavlović dipl.ing.
President of Board

Any clarification may be obtained at:

Investor relations:

Željka Dodig

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Anita Galamboš

Tel: 385 20 603 260

Fax: 385 20 679 103

E-mail: financije@luka-ploce.hr

Appendix 1

Reporting period:

01.01.2012.

to

31.12.2012.

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.hr |Internet address: | www.luka-ploce.hr |

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

Code and county name | 19 | DUBROVAČKO-NERETVANSKA |

Number of employees | 725 |
(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 31.12.2012.

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	171.907.882	309.645.903
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	166.948.155	157.589.287
1. Land	011	2.138.881	2.138.881
2. Buildings	012	22.724.113	22.950.068
3. Plant and equipment	013	102.876.850	92.446.952
4. Tools, facility inventory and transport assets	014	8.743.882	6.550.925
5. Biological assets	015		
6. Prepayments for tangible assets	016	714.668	84.010
7. Tangible assets in progress	017	24.435.147	28.263.625
8. Other tangible assets	018		
9. Investments in buildings	019	5.314.614	5.154.826
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	840.404	148.289.060
1. Investments (shares) with related parties	021	97.500	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		29.400
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	362.904	147.703.221
7. Other long - term financial assets	027	380.000	476.939
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	4.119.323	3.767.556
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	4.119.323	3.743.323
3. Other receivables	032		24.233
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	321.185.775	152.557.309
I. INVENTORIES (036 to 042)	035	3.303.944	2.910.198
1. Raw-material and supplies	036	3.130.818	2.739.053
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	103.971	151.145
5. Prepayments for inventories	040	69.155	
6. Long - term assets held for sales	041		20.000
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	35.809.949	29.535.237
1. Receivables from related parties	044		
2. Accounts receivable	045	33.817.122	24.628.853
3. Receivables from participating parties	046		11.976
4. Receivables from employees and members of related parties	047	1.755	38.174
5. Receivables from government and other institutions	048	991.955	1.152.867
6. Other receivables	049	999.117	3.703.367
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	246.807.093	95.879.394
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	275.388	416.694
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	246.531.705	95.214.038
7. Other financial assets	057		248.662
IV. CASH AT BANK AND IN CASHIER	058	35.264.789	24.232.480
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		295.088
E) TOTAL ASSETS (001+002+034+059)	060	493.093.657	462.498.300
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	402.929.716	374.107.658
I. SUBSCRIBED CAPITAL	063	169.186.800	169.186.879
II. CAPITAL RESERVES	064	88.107.087	88.107.087
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	37.033.109	37.864.336
1. Reserves prescribed by law	066	4.157.437	5.443.738
2. Reserves for treasury shares	067	8.624.617	8.257.800
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	24.251.055	24.162.798
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	81.144.391	107.452.823
1. Retained earnings	073	81.144.391	107.452.823
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	27.101.031	-28.533.721
1. Profit for the current year	076	27.101.031	
2. Loss for the current year	077		28.533.721
VII. MINORITY INTERESTS	078	357.298	30.254
B) PROVISIONS (080 to 082)	079	7.396.000	5.878.670
1. Provisions for pensions, severance pay, and similar liabilities	080	4.136.000	3.889.055
2. Reserves for tax liabilities	081		
3. Other reserves	082	3.260.000	1.989.615
C) LONG - TERM LIABILITIES (084 to 092)	083	46.019.456	38.448.890
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	43.334.823	34.655.169
4. Liabilities for received prepayments	087		1.359.785
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	2.433.936
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	36.534.856	43.908.100
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	11.109.384	12.650.291
4. Liabilities for received prepayments	097		239.705
5. Accounts payable	098	6.458.384	6.006.772
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	1.869.381	2.566.781
8. Liabilities to employees	101	4.259.926	4.140.393
9. Liabilities for taxes, contributions and similar fees	102	6.812.406	3.039.646
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	6.025.375	15.264.512
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	195.629	154.982
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	493.075.657	462.498.300
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	402.572.418	374.077.404
2. Attributed to minority interest	110	357.298	30.254

PROFIT AND LOSS ACCOUNT
for the period 01.01.2012. to 31.12.2012.

Company: LUKA PLOČE			
Position	AOP	Previous year	Current year
1	2	3	4
I. OPERATING REVENUE (112+113)	111	150.111.478	124.687.513
1. Sales revenue	112	145.856.282	108.063.426
2. Other operating revenues	113	4.255.196	16.624.087
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	143.015.480	143.360.130
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	38.262.287	28.329.531
a) Raw material and material costs	117	18.031.500	14.273.584
b) Costs of goods sold	118		
c) Other external costs	119	20.230.787	14.055.947
3. Staff costs (121 to 123)	120	70.452.255	66.394.730
a) Net salaries and wages	121	44.729.925	42.919.438
b) Cost for taxes and contributions from salaries	122	15.271.101	14.333.888
c) Contributions on gross salaries	123	10.451.229	9.141.404
4. Depreciation	124	12.578.512	12.786.099
5. Other costs	125	13.787.937	17.959.082
6. Impairment (127+128)	126	1.820.182	1.579.935
a) Impairment of long-term assets (financial assets excluded)	127		
b) Impairment of short - term assets (financial assets excluded)	128	1.820.182	1.579.935
7. Provisions	129	4.894.773	15.128.976
8. Other operating costs	130	1.219.534	1.181.777
III. FINANCIAL INCOME (132 to 136)	131	19.799.507	0
1. Interest income, foreign exchange gains, dividends and similar income from related	132		
2. Interest income, foreign exchange gains, dividends and similar income from non -	133	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	0	10.188.148
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139		10.188.148
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	169.910.985	124.687.513
X. TOTAL EXPENSES (114+137+143 + 145)	147	143.015.480	153.548.278
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	26.895.505	-28.860.765
1. Profit before taxation (146-147)	149	26.895.505	0
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151	268.478	
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	26.627.027	-28.860.765
1. Profit for the period (149-151)	153	26.627.027	0
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	27.101.031	-28.533.721
2. Attributed to minority interest	156	-474.004	-327.044
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)			
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	26.627.027	-28.860.765
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 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		
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	26.627.027	-28.860.765
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 01.01.2012. 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	26.895.505	-28.860.765
2. Depreciation	002	12.578.512	12.786.044
3. Increase in short term liabilities	003	5.564.708	245.788
4. Decrease in short term receivables	004	5.951.428	9.188.269
5. Decrease in inventories	005		391.765
6. Other increase in cash flow	006	6.712.904	10.461.638
I. Total increase in cash flow from operating activities (001 to 006)	007	57.703.057	4.212.739
1. Decrease in short term liabilities	008		
2. Increase in short term receivables	009		
3. Increase in inventories	010	269.522	
4. Other decrease in cash flow	011	23.671.393	10.161.809
II. Total decrease in cash flow from operating activities (008 to 011)	012	23.940.915	10.161.809
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	33.762.142	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	5.949.070
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	148.818	2.053.476
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	5.623.580
III. Total cash inflows from investing activities (015 to 019)	020	570.416	7.677.056
1. Cash outflow for purchase of long-term tangible and intangible assets	021	44.581.871	4.860.288
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	264.755.832	4.860.288
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	2.816.768
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	264.185.416	0
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	3.622.841
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	195.464.443	3.622.841
1. Cash outflow for repayment of credit principal and bonds	031	5.559.958	10.907.434
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	615.414
5. Other cash outflow for financial activities	035		
VI. Total cash outflow for financial activities (031 to 035)	036	5.839.901	11.522.848
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	189.624.542	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	7.900.007
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	40.798.732	11.032.309
Cash and cash equivalents at the beginning of the period	041	76.063.521	35.264.789
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	40.798.732	11.032.309
Cash and cash equivalents at the end of the period	044	35.264.789	24.232.480

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2012** to **31.12.2012**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	169.486.800	169.186.879
2. Capital reserves	002	88.107.087	88.107.087
3. Reserves from profit	003	37.033.109	37.864.336
4. Retained earnings or accumulated loss	004	81.201.689	107.810.121
5. Profit or loss for the current year	005	27.101.031	-28.860.765
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	402.929.716	374.107.658
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	402.572.418	374.077.404
17 b. Attributed to minority interest	019	357.298	30.254

MANAGEMENT LIABILITY STATEMENT

Disclosed financial Statements are compiled in accordance with provisions of the Croatian Accounting Act (Official Gazette 109/07), Company Law (Official Gazette 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 152/11, 111/12, 144/12), Capital Market Act (Official Gazette 88/08, 146/08, 74/09) the Zagreb Stock Exchange Rules, in the form and structure prescribed by the Ordinance on the structure and content of periodic financial reports for Issuers during the year that has been issued by the Croatian Financial Services Supervisory Agency on April 26th 2011. (Official Gazette 47/11).

Temporary consolidated financial Statements for year 2012. give a complete and true representation of assets and obligations, losses and gains, financial status and business activities of the Company and of the companies being consolidated therein.

The Presented Financial Statements are compiled based on temporary data, therefore they may differ from the audited final Statements for year 2012

Kap. Ivan Pavlović dipl. ing.

President of the Company's Board