

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

LUKA PLOČE d.d.

**UNAUDITED NON CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01. UNTIL 30.06.2014.**

Ploče, July 2014.



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BUSINESS REPORT OF LUKA PLOČE d.d.
IN PERIOD 01.01.2014 - 30.06.2014.

Management Board's Statement on the position of the Company accompanying the financial statements for the first half of year 2014.:

Financial results of Luke Ploče d.d. in first half of year 2014. are :

- Traffic of cargo through the port of Ploče: 1.483,39 thousand tones of cargoes representing 7,4% increase in comparison of the same period of the previous year
- Revenues of sales: 52,22 million kuna representing the increase of 3,89% in comparison with the same period of the previous year
- EBITDA (profit before interests, taxation and depreciation): 9,49 million kuna
- EBITDA margin: 17,72% representing 136,227% increase in comparison with the same period of the previous year
- EBIT: 5,24 million kuna
- EBIT margin: 9,79%
- Net profit: 7,81 million kuna
- Cash flow from operating activities: 11,5 million kuna

Indicators	REALIZED 1-6/2013	REALIZED 1-6/2014	realiz 14/ realiz 13
Liquidity ratios			
Working Capital	257.381.559	233.367.700	-9,33%
Current liquidity	15,49	11,50	-25,76%
Turnover of working capital	0,20	0,23	15,00%
Days of working capital	917	784	-14,50%
Days in periodu	180	180	
Debt indicators			
Short term liabilities /equity	0,05	0,06	20,00%
Long term liabilities /equity	0,11	0,07	-36,36%
Borrowings / equity	0,12	0,08	-33,33%
Total liabilities /assets	0,04	0,06	50,00%
Profitability ratios			
EBITDA margin	8,41%	17,72%	
EBIT margin	-1,58%	9,79%	
Productivity Indicators			
Number of employees	469	458	-2,35%
Revenue per employee (in thousands)	107.680	116.983	8,64%

Business operation of Luke Ploče d.d. was in accordance with planned operations for the first half of year 2014..

In Ploče, July 30th 2014.

Capt. Ivan Pavlović dipl.ing.

President of Board



Appendix 1

Reporting period

01.01.2014.

to

30.06.2014.

Annual financial report of the entrepreneur - GFI -POD

Registration number (MB): 03036138

Identification number of subject: 090006523

Personal identification number (OIB): 5122874907

Issuer company: LUKA PLOČE d.d.

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 (reported period end): 458

Consolidated statement: NE

NKD code: 5224

Subsidiaries subject to consolidation (according toIFRS):

Headquarters:

OIB:

Book keeping services:

Contact person: DODIG ŽELJKA

(fill in only surname and name of contact person)

Phone number: 020 603 223

Telefaks: 020 679 170

E-mail address:

Surname and name: PAVLOVIĆ IVAN

(authorised person for representation)

Disclosure documents:

1. Financial reports (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholder's equity)
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statementsIzjavu osoba odgovornih za sastavljanje izvještaja izdatelja

M.P.

(signed by authorised person for representation)

BALANCE SHEET
AS OF 30.06.2014.

in kuna

Company: Luka Ploče d.d.

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	135.435.872	143.798.581
I. INTANGIBLE ASSETS (004 to 009)	003	6.119.326	5.762.328
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	6.119.326	5.762.328
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	89.085.537	85.655.244
1. Land	011	2.138.881	2.138.881
2. Buildings	012	8.908.802	8.814.302
3. Plant and equipment	013	64.117.515	61.228.305
4. Tools, facility inventory and transport assets	014	5.789.478	5.164.222
5. Biological assets	015		
6. Prepayments for tangible assets	016	9.000	
7. Tangible assets in progress	017	3.063.094	3.298.796
8. Other tangible assets	018		
9. Investments in buildings	019	5.058.767	5.010.738
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	36.863.686	49.013.686
1. Investments (shares) with related parties	021	22.337.876	34.487.876
2. Loans given to related parties	022	14.446.310	14.446.310
3. Participating interest (shares)	023	79.500	79.500
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026		
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	3.367.323	3.367.323
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	3.367.323	3.367.323
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	260.295.283	255.598.870
I. INVENTORIES (036 do 042)	035	228.059	595.384
1. Raw material and and supplies	036	228.059	595.384
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039		
5. Prepayments for inventories	040		
6. Long-term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	36.706.698	40.335.662
1. Receivables from related parties	044	4.282.708	4.907.994
2. Accounts receivable	045	29.630.344	30.938.986
3. Receivables from participating parties	046	68	143.443
4. Receivables from employees and members of related parties	047	21.032	77.639
5. Receivables from government and other institutions	048	890.752	1.390.888
6. Other receivables	049	1.881.794	2.876.712
III. SHORT TERM FINANCIAL ASSETS(051 to 057)	050	198.608.116	195.292.598
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	459.260	104.260
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc	056	198.148.856	195.188.338
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	24.752.410	19.375.226
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		
E) TOTAL ASSETS (001+002+034+059)	060	395.731.155	399.397.451
F) OFF-BALANCE RECORDS	061		

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	346.063.885	353.875.989
I. SUBSCRIBED CAPITAL	063	169.186.800	169.186.800
II. CAPITAL RESERVES	064	88.107.087	88.107.087
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	36.171.767	36.171.767
1. Reserves prescribed by law	066	5.443.738	5.443.738
2. Reserves for treasury shares	067	7.838.243	7.838.243
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	22.889.786	22.889.786
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	57.946.839	52.598.231
1. Retained earnings	073	57.946.839	52.598.231
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	-5.348.608	7.812.104
1. Profit for the current year	076		7.812.104
2. Loss for the current year	077	5.348.608	
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	2.157.919	1.826.238
1. Provisions for pensions, severance pay and similar liabilities	080	1.766.051	1.766.051
2. Reserves for tax liabilities	081		
3. Other reserves	082	391.868	60.187
C) LONG - TERM LIABILITIES (084 to 092)	083	21.464.054	21.464.054
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc	085		
3. Liabilities to banks and other financial institutions	086	19.274.518	19.274.518
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-terms liabilities	091	2.189.536	2.189.536
9. Deferred tax liabilities	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	26.045.297	22.231.170
1. Liabilities to related parties	094	3.709.339	4.463.041
2. Liabilities for loans, deposits, etc	095		
3. Liabilities to banks and other financial institutions	096	12.044.904	8.028.769
4. Liabilities for received prepayments	097		
5. Accounts payable	098	4.653.407	4.005.853
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	789.145	1.224.085
8. Liabilities to employees	101	2.575.665	2.777.350
9. Liabilities for taxes, contributions and similar fees	102	2.024.369	1.603.109
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short-term liabilities	105	248.468	128.963
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	395.731.155	399.397.451
G) OFF-BALANCE RECORDS	108		
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	368.918.265	353.875.989
2. Attributed to minority interest	110	-19.496	0

PROFIT AND LOSS ACCOUNT
for the period from 01.01.2014. until 30.06.2014.

in kuna

Company: Luka Ploče d.d.

Position	AOP	Previous period		Current period	
		Cumulative	Three months	Cumulative	Three months
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	50.501.912	25.704.206	53.578.071	27.579.100
1. Sales revenue	112	50.271.583	25.659.943	52.223.163	26.667.089
2. Other operating revenues	113	230.329	44.263	1.354.908	912.011
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	52.054.053	27.490.874	48.334.665	24.810.457
1. Changes in value of work in progress and finished products	115				
2. Material costs (117 to 119)	116	16.536.791	8.020.055	17.643.619	8.830.306
a) Raw material and material costs	117	4.527.995	1.898.042	5.023.123	2.372.882
b) Costs of goods sold	118				
c) Other external costs	119	12.008.796	6.122.013	12.620.496	6.457.424
3. Staff costs (121 to 123)	120	23.174.835	11.282.829	22.819.255	11.989.484
a) Net salaries and wages	121	14.955.688	7.263.666	14.399.339	7.465.542
b) Costs for taxes and contributions from salaries	122	5.130.395	2.519.771	5.214.537	2.755.644
c) Contribution on gross salaries	123	3.088.752	1.499.392	3.205.379	1.768.298
4. Depreciation	124	5.045.560	2.541.055	4.252.159	2.125.859
5. Other costs	125	7.296.867	5.646.935	3.619.632	1.864.808
6. Impairment (127+128)	126	0	0	0	0
a) impairment of long-term assets (financial assets excluded)	127				
b) impairment of short-term assets (financial assets excluded)	128				
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME(132 to 136)	131	3.478.953	1.936.169	6.009.394	1.527.077
1. Interest income, foreign exchange gains, dividends and similar	132				
2. Interest income, foreign exchange gains, dividends and similar	133	3.478.953	1.936.169	6.009.394	1.527.077
3. Share in income from affiliated entrepreneurs and participating	134				
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 to 141)	137	1.082.488	820.453	3.440.696	3.127.932
1. Interest expenses, foreign exchange losses, dividends and similar	138				
2. Interest expenses, foreign exchange losses, dividends and similar	139	1.082.488	820.453	3.440.696	3.127.932
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141				
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF	142				
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	53.980.865	27.640.375	59.587.465	29.106.177
X. TOTAL EXPENSES (114+137+143 + 145)	147	53.136.541	28.311.327	51.775.361	27.938.389
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	844.324	-670.952	7.812.104	1.167.788
1. Profit before taxation (146-147)	149	844.324	0	7.812.104	1.167.788
2. Loss before taxation (147-146)	150	0	670.952	0	0
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	844.324	-670.952	7.812.104	1.167.788
1. Profit for the period (149-151)	153	844.324	0	7.812.104	1.167.788
2. Loss for the period (151-148)	154	0	670.952	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				
2. Attributed to minority interest	156				

STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)

I. PROFIT OR LOSS FOR THE PERIOD(= 152)	157	844.324	-670.952	7.812.104	1.167.788
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and	160				
3. Profit or loss from reevaluation of financial assets available for	161				
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign	163				
6. Share in other comprehensive income/loss of associated	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	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	844.324	-670.952	7.812.104	1.167.788

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 from 01.01.2014. until 30.06.2014.

in kuna

Company: Luka Ploče d.d.			
Position	AOP	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-5.348.608	7.812.104
2. Depreciation	002	9.675.732	4.252.159
3. Increase in short term liabilities	003		541.088
4. Decrease in short term receivables	004		
5. Decrease in inventories	005	37.422	
6. Other increase in cash flow	006	3.532.825	
I. Total increase in cash flow from operating activities (001 to 006)	007	7.897.371	12.605.351
1. Decrease in short term liabilities	008	1.170.745	
2. Increase in short term receivables	009	2.156.908	737.791
3. Increase in inventories	010		367.325
4. Other decrease in cash flow	011	14.603.076	
II. Total decrease in cash flow from operating activities (008 to 011)	012	17.930.729	1.105.116
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	11.500.235
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	10.033.358	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	32.000	
2. Cash inflows from sales of equity and debt instruments	016		370.660
3. Interests receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	236.976.475	
III. Total cash inflows from investing activities (015 to 019)	020	237.008.475	370.660
1. Cash outflows from purchase of long-term tangible and intangible assets	021	4.410.232	1.234.440
2. Cash outflows from acquisition of equity and financial debt instruments	022	1.300.000	
3. Other cash outflows from investing activities	023	197.430.875	12.150.000
IV. Total cash outflows from investing activities (021 to 023)	024	203.141.107	13.384.440
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	33.867.368	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	0	13.013.780
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	414.316	152.495
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	414.316	152.495
1. Cash outflow for repayment of credit principal and bonds	031	8.938.009	4.016.134
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034	419.556	
5. Other cash outflow for financial activities	035	10.260.060	
VI. Total cash outflows from financial activities (031 to 035)	036	19.617.625	4.016.134
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	19.203.309	3.863.639
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	4.630.701	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	5.377.184
Cash and cash equivalents at the beginning of the period	041	20.121.709	24.752.410
Increase of cash and cash equivalents	042	4.630.701	0
Decrease of cash and cash equivalents	043	0	5.377.184
Cash and cash equivalents at the end of the period	044	24.752.410	19.375.226

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2014 to 30.6.2014

in kuna

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	169.186.800	169.186.800
2. Capital reserves	002	88.107.087	88.107.087
3. Reserves from profit	003	36.171.767	36.171.767
4. Retained earnings or accumulated loss	004	57.946.839	52.598.231
5. Profit or loss for the current year	005	-5.348.608	7.812.104
6. Revaluation of long-term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sales	008		
Other revaluation	009		
10. Total capital and reserves (AOP 001 to 009)	010	346.063.885	353.875.989
11. Currency gains and losses arising from net investment 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		
17 b. Attributed to minority interest	019	-19.496	0

Items which decrease capital are given with the negative prefix

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) and Rules of the Zagreb Stock Exchange, in structure and content as prescribed by the Ordinance on the structure and content of periodic financial reports for Issuer during the Year set forth by the Croatian Financial Services Supervisory Agency, April 26th 2011. (Official Gazette 47/11).

Financial Statements for the first half of year 2014. give a complete and true representation of assets and obligations, losses and gains, financial status and business activities of the Company.



Capt. Ivan Pavlović

A handwritten signature in black ink, appearing to read 'Ivan Pavlović', written over a horizontal line.

President of the Board