

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

LUKA PLOČE D.D.

**AUDITED NON-CONSOLIDATED REPORT FOR
PERIOD 01.014. UNTIL 31.12.2015.**

Ploče, February 2016.

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- Balance sheet
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Appendix 1

Reporting period:

1.1.2015

to

31.12.2015

Annual financial statement of the entrepreneur - GFI-PODRegistration 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.hrInternet address: www.luka-ploce.hrCode and name of comune/town **335** **PLOČE**Code and county name **19** **DUBROVAČKO-NERETVANSKA**Number of employees **452**
(at quarter end)Consolidated statement **NO**NKD/NWC code: **5224**

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

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. Financial statements (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 statements
4. (Proposed) Decision from the authorised body on establishing the annual financial statements
5. Decision on proposed distribution of profit or covering of loss

M.P.

(signed by authorised person for representation)

BALANCE SHEET
as of 31.12.2015

LUKA PLOČE d.d.	In Kunas			
	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	152.724.486	192.042.428	
I. INTANGIBLE ASSETS (004 to 009)	003	1.410.782	1.018.359	
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	1.410.782	1.018.359	
II. TANGIBLE ASSETS (011 to 019)	010	108.413.988	145.753.299	
1. Land	011	2.138.881	2.138.881	
2. Buildings	012	8.877.954	8.685.990	
3. Plant and equipment	013	63.835.366	58.492.944	
4. Tools, facility inventory and transport assets	014	4.530.426	3.729.405	
5. Biological assets	015			
6. Prepayments for tangible assets	016		21.791.319	
7. Tangible assets in progress	017	24.068.652	46.048.110	
8. Other tangible assets	018			
9. Investments in buildings	019	4.962.709	4.866.650	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	39.886.392	42.615.679	
1. Investments (shares) with related parties	021	36.166.876	37.466.876	
2. Loans given to related parties	022	3.640.016	3.569.303	
3. Participating interest (shares)	023	79.500	1.579.500	
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	3.013.324	2.655.091	
1. Receivables from related parties	030			
2. Receivables from based on trade loans	031	3.013.324	2.655.091	
3. Other receivables	032			
V. DEFERRED TAX ASSETS	033			
C) SHORT TERM ASSETS (035+043+050+058)	034	282.565.985	265.199.241	
I. INVENTORIES (036 to 042)	035	472.332	1.127.838	
1. Raw-material and supplies	036	472.332	919.089	
2. Work in progress	037			
3. Finished goods	038			
4. Merchandise	039			
5. Prepayments for inventories	040		208.749	
6. Long - term assets held for sales	041			
7. Biological assets	042			
II. RECEIVABLES (044 to 049)	043	39.953.807	67.803.361	
1. Receivables from related parties	044	5.560.098	4.972.794	
2. Accounts receivable	045	25.179.106	51.622.062	
3. Receivables from participating parties	046			
4. Receivables from employees and members of related parties	047			
5. Receivables from government and other institutions	048	3.882.785	3.424.475	
6. Other receivables	049	5.331.818	7.784.030	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	225.715.482	188.872.932	
1. Shares (stocks) in related parties	051			
2. Loans given to related parties	052			
3. Participating interests (shares)	053	159.357	193.041	
4. Loans to entrepreneurs in whom the entity holds participating interests	054			
5. Investments in securities	055			
6. Loans, deposits, etc.	056	225.556.125	188.679.891	
7. Other financial assets	057			
IV. CASH AT BANK AND IN CASHIER	058	16.424.364	7.395.110	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059			
E) TOTAL ASSETS (001+002+034+059)	060	435.290.471	457.241.669	
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	372.450.063	402.858.101
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	37.491.076
1. Reserves prescribed by law	066	5.443.738	6.763.047
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	52.598.231	77.665.100
1. Retained earnings	073	52.598.231	77.665.100
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	26.386.178	30.408.038
1. Profit for the current year	076	26.386.178	30.408.038
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	1.917.676	3.671.195
1. Provisions for pensions, severance pay, and similar liabilities	080	1.857.489	1.927.026
2. Reserves for tax liabilities	081		
3. Other reserves	082	60.187	1.744.169
C) LONG - TERM LIABILITIES (084 to 092)	083	12.975.366	7.396.461
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	11.014.273	5.665.595
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	1.961.093	1.730.866
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	47.947.366	43.315.912
1. Liabilities to related parties	094	4.512.507	4.856.947
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	33.545.010	6.024.547
4. Liabilities for received prepayments	097		35.274
5. Accounts payable	098	4.302.092	27.219.846
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	1.073.807	641.756
8. Liabilities to employees	101	2.751.551	2.620.543
9. Liabilities for taxes, contributions and similar fees	102	1.541.640	1.528.734
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	220.759	388.265
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	435.290.471	457.241.669
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		
2. Attributed to minority interest	110	0	0

PROFIT AND LOSS ACCOUNT
from 01.01.2015 until 31.12.2015

LUKA PLOČE d.d.			
Position	AOP	Previous year	Current year
1	2	3	4
I. OPERATING REVENUE (112+113)	111	106.000.092	137.053.343
1. Sales revenue	112	95.979.474	128.470.795
2. Other operating revenues	113	10.020.618	8.582.548
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	98.690.335	126.147.155
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	35.228.084	62.235.087
a) Raw material and material costs	117	9.360.825	37.209.688
b) Costs of goods sold	118		
c) Other external costs	119	25.867.259	25.025.399
3. Staff costs (121 to 123)	120	45.486.517	46.351.264
a) Net salaries and wages	121	28.726.810	29.634.964
b) Cost for taxes and contributions from salaries	122	10.211.135	9.913.851
c) Contributions on gross salaries	123	6.548.572	6.802.449
4. Depreciation	124	8.702.541	7.668.804
5. Other costs	125	9.122.410	9.864.784
6. Impairment (127+128)	126	150.783	27.216
a) Impairment of long-term assets (financial assets excluded)	127		
b) Impairment of short - term assets (financial assets excluded)	128	150.783	27.216
7. Provisions	129		
8. Other operating costs	130		
III. FINANCIAL INCOME (132 to 136)	131	27.575.984	19.920.991
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	27.575.984	19.920.991
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	8.499.563	419.141
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	699.563	419.141
3. Unrealized losses (expenses) on financial assets	140		
4. Other financial expenses	141	7.800.000	
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	133.576.076	156.974.334
X. TOTAL EXPENSES (114+137+143 + 145)	147	107.189.898	126.566.296
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	26.386.178	30.408.038
1. Profit before taxation (146-147)	149	26.386.178	30.408.038
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151		
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	26.386.178	30.408.038
1. Profit for the period (149-151)	153	26.386.178	30.408.038
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		
2. Attributed to minority interest	156		
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)			
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	26.386.178	30.408.038
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	26.386.178	30.408.038
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
from 01.01.2015. until 31.12.2015.

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	26.386.178	30.408.038
2. Depreciation	002	8.702.541	7.668.804
3. Increase in short term liabilities	003	818.459	22.934.417
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other increase in cash flow	006	5.024.419	
I. Total increase in cash flow from operating activities (001 to 006)	007	40.931.597	61.011.259
1. Decrease in short term liabilities	008		
2. Increase in short term receivables	009	58.240	25.927.763
3. Increase in inventories	010	244.273	655.506
4. Other decrease in cash flow	011	26.460.740	23.166.731
II. Total decrease in cash flow from operating activities (008 to 011)	012	26.763.253	49.750.000
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	14.168.344	11.261.259
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	314.994	
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	11.375.855	6.080.268
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	194.215.000	271.699.420
III. Total cash inflows from investing activities (015 to 019)	020	205.905.849	277.779.688
1. Cash outflow for purchase of long-term tangible and intangible assets	021	23.399.211	44.754.367
2. Cash outflow for acquisition of equity and debt financial instruments	022	21.629.000	2.800.000
3. Other cash outflow for investing activities	023	196.817.000	217.837.976
IV. Total cash outflow for investing activities (021 to 023)	024	241.845.211	265.392.343
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	12.387.345
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	35.939.362	0
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	24.673.595	355.967
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	24.673.595	355.967
1. Cash outflow for repayment of credit principal and bonds	031	11.230.623	33.033.825
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		
VI. Total cash outflow for financial activities (031 to 035)	036	11.230.623	33.033.825
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	13.442.972	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	32.677.858
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	8.328.046	9.029.254
Cash and cash equivalents at the beginning of the period	041	24.752.410	16.424.364
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	8.328.046	9.029.254
Cash and cash equivalents at the end of the period	044	16.424.364	7.395.110

STATEMENT OF CHANGES IN EQUITY
for the period **1.1.2015** to **31.12.2015**

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	37.491.076
4. Retained earnings or accumulated loss	004	52.598.231	77.665.100
5. Profit or loss for the current year	005	26.386.178	30.408.038
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	372.450.063	402.858.101
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		
17 b. Attributed to minority interest	019		

Items which decrease capital are given with the negative prefix

Management Liability statement

Pursuant to the Croatian Accounting Law, the Management Board is responsible for ensuring that non-consolidated and consolidated financial statements are prepared for each financial year in accordance with the International Financial Reporting Standards ("IFRS") approved by the European Union ("EU") which give a true and fair view of the state of affairs and results of Luka Ploče d.d. and of the companies being consolidated ("Group") for that period.

The Management Board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

In preparing those financial statements, the responsibilities of the Management Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed,
- the financial statements are prepared on the going concern basis unless it inappropriate to presume that the Company and Group will continue in business.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and of the Group, and must also ensure that their financial statements comply with the Croatian Accounting Law. The Management Board is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Board is also responsible to prepare annual financial statement in accordance with the legal and regulatory requirements and submit it to the Supervisory Board together with the consolidated and unconsolidated financial statements. After that, the Supervisory Board shall approve the annual consolidated and non-consolidated financial statements before their submittal for approval to the General Assembly.

Non-consolidated and consolidated financial reports have been approved by the Management Board on February 25th 2016. for their submittal for approval to the General Assembly, and are signed below:

Ivan Pavlović

President



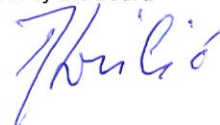
Željka Dodig

Member of the Board



Tomo Krilić

Member of the Board



Luka Ploče d.d.

Trg kralja Tomislava 21

20340 Ploče

Ploče, February 25th 2016.

