

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

**ANNUAL REPORT
WITH CONSOLIDATED AND NON
CONSOLIDATED FINANCIAL REPORTS OF
LUKA PLOČE COMPANY
FOR THE YEAR 2016.**

Ploče, February 2017.

CONTENTS:

a) ANNUAL REPORT OF THE LUKA PLOČE COMPANY AND LUKA PLOČE GROUP FOR YEAR 2016.:

- 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

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**ANNUAL REPORT OF THE LUKA PLOČE COMPANY
AND LUKA PLOČE GROUP FOR YEAR 2016.**

•

Ploče, February 2017.

**MANAGEMENT BOARD'S REPORT ON THE POSITION OF
LUKA PLOČE d.d. IN PERIOD 01.01.2016. – 31.12.2016.**

FINANCIAL RESULTS OF THE LUKA PLOČE d.d. IN 2016:

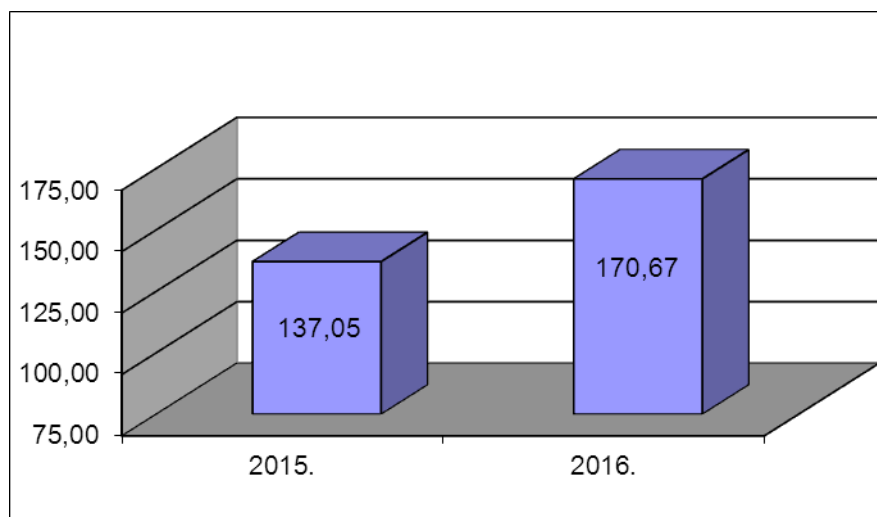
- Cargo traffic volume through Ploče port: 2,71 million tones of cargoes representing 4,25% decrease in comparison with the same period of the previous year.
- Operating revenues: 170,67 million kuna representing the increase of 24,53 % in comparison with the same period of the previous year.
- Operating expenses: 168,70 million kuna representing 33,76 % increase in comparison with the same period of the previous year.
- EBITDA: 9,66 million kuna
- EBITDA margin: 5,66%
- EBIT: 1,97 million kuna
- EBIT margin: 1,15%
- Net PROFIT: 6,26 million kuna

LUKA PLOČE d.d. REVENUES

Operating revenues in year 2016. amounted to 170,67 million kuna which is 24,53% increase over the previous year.

Sales revenues amounted to 166,12 million kuna which is an 29,31% increase over the previous year.

Structure of the Luka Ploče d.d. operating revenue (in mil kuna)



Within the structure of total revenues, operating revenues represent 97,46 % of the total revenue. Sales revenues represent 97,86%, other revenues represent 2,59 %, and financial income represent 2,55% of the total revenues .

OPERATING EXPENSES

Operating expenses amounted to 168,71 million kuna which is the increase of 33,76 % in comparison to the same period of the previous year.

Most significant increase was the increase of costs of materials and energy.

EBITDA (Earnings before interest, taxes and depreciation) Luka Ploče d.d.

EBITDA* amounted to 9,66 million kuna for the year 2016., representing a 52,02% decrease in comparison to the previous year.

EBIT LUKA PLOČE d.d.

EBIT amounted to 1,97 million kuna representing the decrease of 18,07% in comparison to the previous year.

**EBITDA includes interest income from the short term deposits being treated by the Group and Company as the operating revenues.*

NET PROFIT of the LUKA PLOČE GROUP

Luka Ploče Group has recorded a net profit of 6,26 million kuna. Gross profit margin is 3,72%. In the area of financial activities: income has been generated from foreign exchange gains in amount of 4,29 million kuna with a positive result of 4,44 million kuna .

Currency exchange data – medium rate of Croatian National Bank

	Kuna to EUR		Kuna to USD	
		At the end of period		At the end of period
31.12.2015.		7,63		6,99
31.12.2016.		7,56		7,17

FINANCIAL POSITION

Long-term assets recoded an increase of 7.13% in 2016. in comparison to year 2015. due to the increased item of investments: investment towards plant and equipment of the Bulk cargo Terminal

Short-term assets decreased by 4.6% but this reduction does not jeopardize the stable and successful business.

The largest decrease has been recorded at the short-term deposit in a percentage of 17.6.

The decrease occurred due to the financing of the investment for Bulk cargo Terminal.

Capital and reserves recorded steady growth since retained earnings have not been increased and have thereby incurred the increase in this balance item.

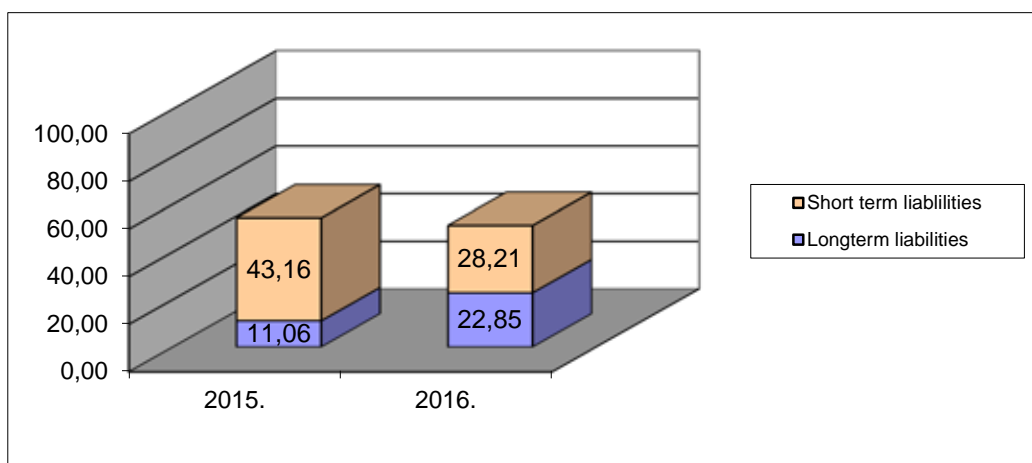
Long-term liabilities have increased due to investment from long-term sources to Bulk cargo Terminal.

Short term liabilities have decreased due to the settlement of accounts payable.

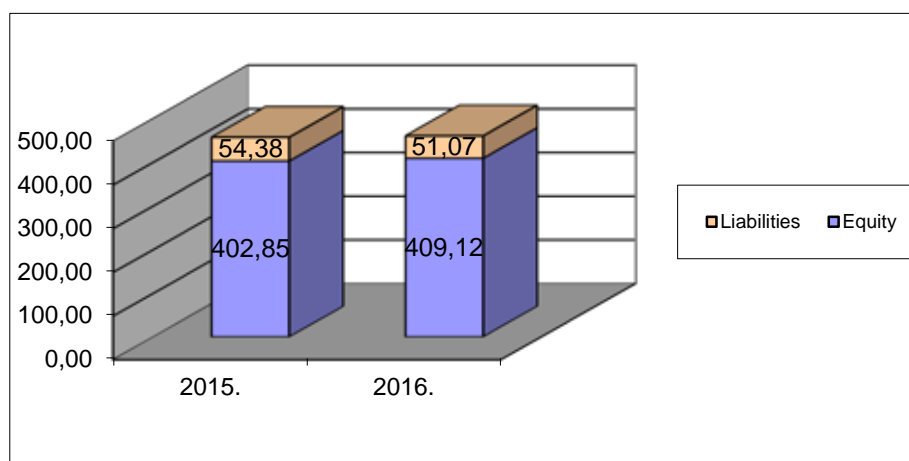
The highest item within the liabilities is the capital and reserves with a share of 88.90% of the total liabilities and capital.

Long-term and short-term financial liabilities comprise 11.10% of the total liabilities and capital.

The structure of financial liabilities of Luka Ploče d.d. (in mill kuna)



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



KEY INDICATORS LUKA PLOČE d.d.

Indicators	REALIZED 2015	REALIZED 2016
Liquidity ratios		
Working Capital	221.884.000	226.228.000
Current liquidity	6,12	9,02
Turnover of working capital	0,62	0,75
Days of working capital	585,81	483,31
Days in period	365	365
Debt indicators		
Current liabilities / equity	0,11	0,07
Long term liabilities/ equity	0,03	0,06
Borrowings /equity	0,03	0,05
Total liabilities / assetss	0,13	0,12
Profitability ratios		
EBITDA margin	13,55%	5,66
EBIT margin	7,95%	1,15
Productivity Indicators		
Number of employees	452	445
Revenue per employee (in thousands)	303.208	383.533

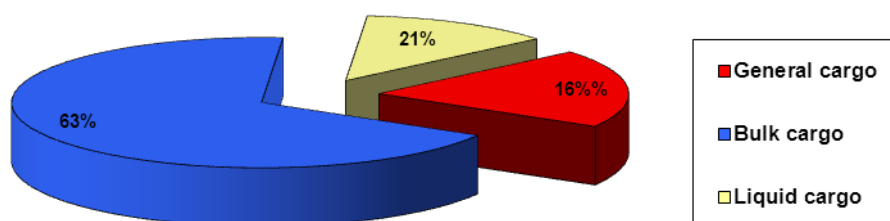
SALES AND MARKETING

Volume of cargo reloaded in the 2016. totals to 2.706.422 tons, which represents a 4,25% decrease in comparison to the year 2015. when the total volume recorded was 2.830.652 tones. The prevailing cargo type in the overall structure is bulk cargo, comprising 63% of the total cargo traffic volume. General cargo volume represent a share of 16%, while the liquid cargo volume represents a share of 21% of the total cargo traffic volume.

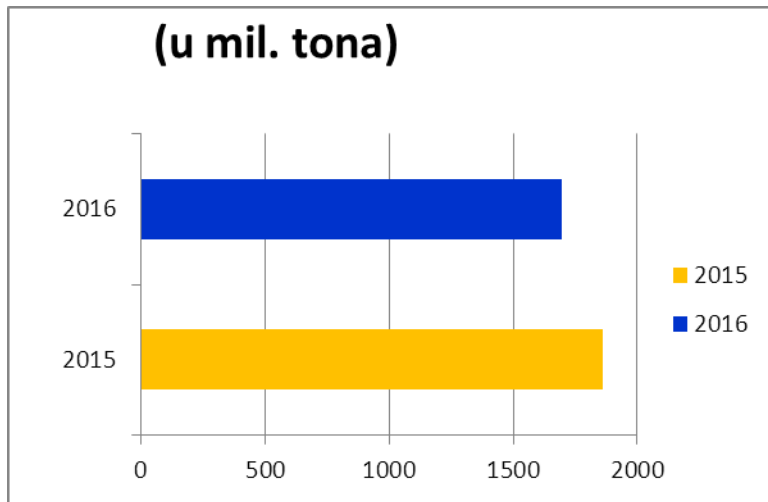
Volumes as per the type of cargo (in tones)

TYPE OF CARGO	2016.	2015.	Indeks 2016./2015.
General cargo	441.585	503.029	88
Bulk cargo	1.697.234	1.863.114	91
Liquid cargo	567.603	464.509	122
TOTAL	2.706.422	2.830.652	96

Structure as per the type of cargo in 2016.

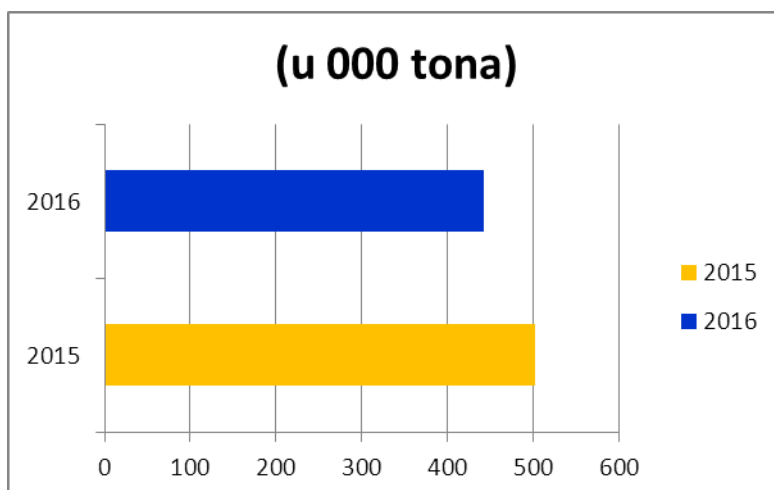


Bulk cargo



The volume of bulk cargo traffic in year 2016. has recorded the decrease of 12% in comparison to the previous year. Handling of metallurgical coal is still prevailing in the structure of reloaded bulk cargo.

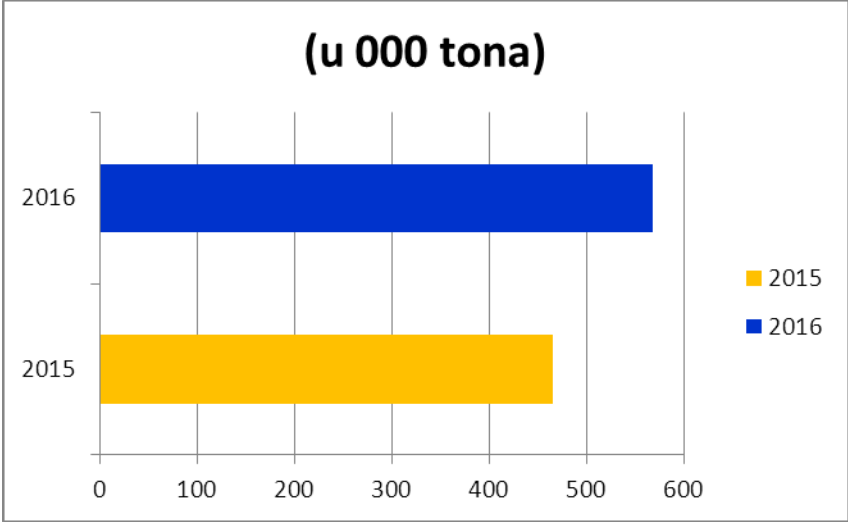
General cargo



Port of Ploče has had a 12% decrease of general cargoes in year 2016. in comparison to the year 2015., mainly as a result of decreased volume of reloading of steel billets, aluminum products and wood.

Container traffic has increased by 1 % in year 2016. with 20.965 TEUs compared to previous year 2015. when 20.676 TEUs have been reloaded.

Liquid cargo



Volume of liquid cargoes have increased by 22% in year 2016. in comparison to the previous year.

MANAGEMENT BOARD'S REPORT ON THE POSITION OF LUKA PLOČE GROUP IN PERIOD 01.01.2016. – 31.12.2016.

FINANCIAL RESULTS OF THE LUKA PLOČE GROUP IN 2016:

Luka Ploče Group monitors and presents operating revenues, operating profit , capital investments , total assets and total liabilities for the following activities :

- Cargo handling (loading, unloading, transshipment, finishing, weighing general cargo , bulk and liquid cargo) and represents the parent company.
- Storing of liquid oil derivatives.
- freight forwarding services , maritime services (mooring , unmooring cargo and passenger ships)
- secondary activities (maintenance , catering and similar activities)

Results of above stated activities for the year ending on December 31st 2016. are as given below:

- Operating Revenues: 183,18 million kuna representing the increase of 17,94 % in comparison with the same period of the previous year.
- Operating expenses : 207,20 million kuna representing 44,96 % increase in comparison with the same period of the previous year.
- EBITDA :-15,18 million kuna
- EBIT: -24,02 million kuna
- Net LOSS: 19,79 million kuna

** Total operating expenses of 207,20 million kuna include the costs (24,6 million kuna) of assets valuation*

KEY INDICATORS LUKA PLOČE GROUP

Indicators		
	REALIZED 2015	REALIZED 2016
Liquidity ratios		
Working Capital	206.226.000	233.802.000
Current liquidity	4,03	9,95
Turnover of working capital	0,75	0,79
Days of working capital	486	4,61
Days in period	365	365
Debt indicators		
Current liabilities / equity	0,15	0,06
Long term liabilities/ equity	0,07	0,06
Borrowings /equity	0,06	0,05
Total liabilities / assetss	0,18	0,10
Productivity Indicators		
Number of employees	584	557
Revenue per employee (in thousands)	265.924	332.106

RISKS

- slow recovery of the regional economy since the crisis in 2008.
- global economic trends
- credit risk

Group assets bearing credit risk consist of cash assets, deposits, accounts receivable and other receivables

Credit risk is higher because of the distribution of receivables among small number of customers

The Group reduces credit risk by implementing strict policies for collection of receivables and by use of our right to take a pledge over cargo as an guaranty instrument

- The high cost of inland transport at the Vc Corridor, and thus difficult market expansion (Serbia, Hungary, Slovenia)
- The high cost to ships (light dues, port fees)
- The volatility of the US dollar in comparison to other currencies
- Volatility of the basic operating costs (energy prices)
- Long and uncertain period of return on capital

ACQUISITION OF OWN SHARES

The Company acquired 1,719 of own shares during years 2011., 2012. and 2013. in accordance with Article 233, Paragraph 2. of the Companies Act.

The acquired shares have not been disposed of until the date of this publication.

BUSINESS EVENTS IN 2016.

- On February 25th four members of the Management Board have been appointed for a term of mandate
 1. President of the Board Ivan Pavlović
 2. Member of the Board for development and investments Marko Lončarević
 3. Member of the Board for sales and marketing Tomo Krilić
 4. Member of the Board for financial affairs Željka Dodig
- On September 27th 2016, the fifth member of the Management Board has been appointed: Member of the Board for corporate activities Josip Jurčević
- Company Lučke usluge d.o.o. has been merged to Pločanska plovidba d.o.o
- Decisions on the merger of Luka Ploce održavanje to Luka Ploče d.d. has been made and will be implemented during 2017.
- Sale of 100% of share capital in Luka Ploče trgovina d.o.o
- Amendment to the Loan Agreement with EBRD in a way that for Loan recipient Luka Ploče trgovina d.o.o the guaranty support deed is dismissed from Luka Ploče d.d

EXPECTATIONS

In order to achieve the planned growth and profitability during 2017, we'll be focused on the implementation of the following operation guidelines including:

- Focus on business growth through bulk cargo by improving competitiveness by increasing discharging rates, draft and a cargo storing capacity
- Improvement of volume of other cargo traffic (general, container) by additional finishing on them (sorting, packing, etc.)
- Focusing on the further rationalization of operations
- Prudent liquidity management
- Investing in the development of bulk cargo terminal in 2017. in the amount of 141.8 million

kuna,

The entire investment is financed by: 46.23% by own funds and 53.77% by HBOR Loan.

Ploče, February 24th 2017.

Capt.Ivan Pavlović dipl.ing.

President of Board

Appendix 1

Reporting period:

01.01.2016.

to

31.12.2016.

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 | 584 |
(at quarter end)

Consolidated statement | YES |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

POMORSKI SERVIS - LUKA PLOČE 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 ENERGIJA | TRG KRALJA TOMISLAVA 21 | 18309760889

PLOČANSKA PLOVIDBA d.o.o. | LUČKA CESTA b.b. PLOČE | 39778257122

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:**Unaudited consolidated annual financial report
Statement of persons responsible for preparation of financial reports
Management Bord report on position of the company

M.P.

(signed by authorised person for representation)

BALANCE SHEET
AS OF 31.12.2016.

Luka Ploče Group			
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	254.282.678	200.316.289
I. INTANGIBLE ASSETS (004 to 009)	003	1.091.279	1.265.613
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	72.920	65.976
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	1.018.359	1.199.637
II. TANGIBLE ASSETS (011 to 019)	010	248.441.423	196.174.132
1. Land	011	2.138.881	2.138.881
2. Buildings	012	21.094.650	8.906.952
3. Plant and equipment	013	64.854.038	57.823.368
4. Tools, facility inventory and transport assets	014	4.070.908	10.575.218
5. Biological assets	015		
6. Prepayments for tangible assets	016	27.583.564	21.870.479
7. Tangible assets in progress	017	123.832.732	90.088.643
8. Other tangible assets	018		
9. Investments in buildings	019	4.866.650	4.770.591
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	1.995.509	557.967
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023	1.953.515	521.406
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	41.994	36.561
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	2.754.467	2.318.577
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	2.724.394	2.318.577
3. Other receivables	032	30.073	
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	269.277.636	259.932.291
I. INVENTORIES (036 to 042)	035	2.154.294	1.861.492
1. Raw-material and supplies	036	1.869.557	1.753.847
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	75.796	22.117
5. Prepayments for inventories	040	208.941	85.528
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	62.225.602	60.216.964
1. Receivables from related parties	044		
2. Accounts receivable	045	54.203.563	54.135.514
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047		
5. Receivables from government and other institutions	048	3.507.143	3.577.201
6. Other receivables	049	4.514.896	2.504.249
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	189.130.540	156.032.522
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	193.041	279.577
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	188.937.499	155.752.945
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	15.767.200	41.821.313
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		
E) TOTAL ASSETS (001+002+034+059)	060	523.560.314	460.248.580
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	429.617.829	409.834.762
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	38.197.834	39.011.478
1. Reserves prescribed by law	066	6.763.047	8.283.449
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	23.596.544	22.889.786
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	102.539.823	133.318.191
1. Retained earnings	073	102.539.823	133.318.191
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	31.586.285	-19.788.794
1. Profit for the current year	076	31.586.285	
2. Loss for the current year	077		19.788.794
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	4.385.413	3.716.659
1. Provisions for pensions, severance pay, and similar liabilities	080	2.508.366	2.137.566
2. Reserves for tax liabilities	081		
3. Other reserves	082	1.877.047	1.579.093
C) LONG - TERM LIABILITIES (084 to 092)	083	26.505.454	20.566.612
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	24.774.588	19.055.084
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	1.730.866	1.511.528
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	63.051.618	26.130.547
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	7.642.800	3.191.357
4. Liabilities for received prepayments	097	1.684.916	43.062
5. Accounts payable	098	46.501.296	16.577.030
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	641.820	652.213
8. Liabilities to employees	101	3.480.877	3.201.982
9. Liabilities for taxes, contributions and similar fees	102	2.392.638	2.100.657
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	707.271	364.246
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	523.560.314	460.248.580
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	429.617.829	409.834.762
2. Attributed to minority interest	110	0	0

PROFIT AND LOSS ACCOUNT
period from 01.01.2016. until 31.12.2016.

Luka Ploče Group				
Position	AOP	Previous period cumulative	Previous period three months	
1	2	3	4	
I. OPERATING REVENUE (112+113)	111	155.309.813	183.178.457	
1. Sales revenue	112	147.794.544	180.084.940	
2. Other operating revenues	113	7.515.269	3.093.517	
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	142.941.862	207.197.380	
1. Changes in value of work in progress and finished products	115			
2. Material costs (117 to 119)	116	59.244.616	101.393.254	
a) Raw material and material costs	117	40.333.742	84.538.980	
b) Costs of goods sold	118			
c) Other external costs	119	18.910.874	16.854.274	
3. Staff costs (121 to 123)	120	62.393.537	59.178.545	
a) Net salaries and wages	121	39.849.318	37.434.385	
b) Cost for taxes and contributions from salaries	122	13.395.217	13.082.313	
c) Contributions on gross salaries	123	9.149.002	8.661.847	
4. Depreciation	124	9.522.655	8.850.954	
5. Other costs	125	11.781.054	37.774.627	
6. Impairment (127+128)	126	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	20.178.023	4.408.874	
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	20.156.991	4.370.383	
3. Share in income from affiliated entrepreneurs and participating interests	134	21.032	38.491	
4. Unrealized gains (income) from financial assets	135			
5. Other financial income	136			
IV. FINANCIAL EXPENSES (138 to 141)	137	481.141	178.745	
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	481.141	178.745	
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	175.487.836	187.587.331	
X. TOTAL EXPENSES (114+137+143 + 145)	147	143.423.003	207.376.125	
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	32.064.833	-19.788.794	
1. Profit before taxation (146-147)	149	32.064.833	0	
2. Loss before taxation (147-146)	150	0	19.788.794	
XII. PROFIT TAX	151	478.548		
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	31.586.285	-19.788.794	
1. Profit for the period (149-151)	153	31.586.285	0	
2. Loss for the period (151-148)	154	0	19.788.794	
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	31.586.285	-19.788.794	
2. Attributed to minority interest	156			
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)				
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	31.586.285	-19.788.794	
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	31.586.285	-19.788.794	
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

period from 01.01.2016 until 31.12.2016.

Luka Ploče Group			
Position	AOP	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	32.064.833	-19.788.794
2. Depreciation	002	9.522.655	8.850.954
3. Increase in short term liabilities	003	39.773.774	
4. Decrease in short term receivables	004		4.851.245
5. Decrease in inventories	005		292.802
6. Other increase in cash flow	006		22.727.918
I. Total increase in cash flow from operating activities (001 to 006)	007	81.361.262	16.934.125
1. Decrease in short term liabilities	008		33.801.873
2. Increase in short term receivables	009	31.069.188	
3. Increase in inventories	010	489.163	
4. Other decrease in cash flow	011	21.812.089	
II. Total decrease in cash flow from operating activities (008 to 011)	012	53.370.440	33.801.873
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	27.990.822	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	16.867.748
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015		125.382.810
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	6.088.508	
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	275.747.420	251.019.629
III. Total cash inflows from investing activities (015 to 019)	020	281.835.928	376.402.439
1. Cash outflow for purchase of long-term tangible and intangible assets	021	84.975.419	110.138.848
2. Cash outflow for acquisition of equity and debt financial instruments	022	1.500.000	
3. Other cash outflow for investing activities	023	217.837.976	214.390.078
IV. Total cash outflow for investing activities (021 to 023)	024	304.313.395	324.528.926
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	51.873.513
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	22.477.467	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	14.911.971	17.774.105
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	14.911.971	17.774.105
1. Cash outflow for repayment of credit principal and bonds	031	34.646.669	26.725.757
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	34.646.669	26.725.757
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	19.734.698	8.951.652
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	26.054.113
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	14.221.343	0
Cash and cash equivalents at the beginning of the period	041	29.988.543	15.767.200
Increase of cash and cash equivalents	042	0	26.054.113
Decrease of cash and cash equivalents	043	14.221.343	0
Cash and cash equivalents at the end of the period	044	15.767.200	41.821.313

STATEMENT OF CHANGES IN EQUITY
for the period **1.1.2016** to **31.12.2016**

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	38.197.834	39.011.478
4. Retained earnings or accumulated loss	004	102.539.823	133.318.191
5. Profit or loss for the current year	005	31.586.285	-19.788.794
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	429.617.829	409.834.762
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	429.617.829	409.834.762
17 b. Attributed to minority interest	019	0	

Items which decrease capital are given with the negative prefix

MANAGEMENT LIABILITY STATEMENT

Hereby , pursuant the Article 410. of the Capital Market Act we declare that according to our best knowledge, financial reports for the reporting period are prepared in accordance with applicable financial reporting standards.

Consolidated financial Statements for the year 2016. give a complete and true representation of assets and obligations, profit and loss, financial position and business activities of the Company and of the companies being consolidated therein.

Željka Dodig

Capt. Ivan Pavlović

Member of the Board ,
Financial affairs

President of the Board