

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 30.06.2016.**

Ploče, July 2016.



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**BUSINESS REPORT OF LUKA PLOČE GROUP
IN PERIOD 01.01.2016. – 30.06.2016.**

Management Board's Statement on the position of the Luka Ploče Group for the second quarter of year 2016.

Financial results of Luka Ploče Group for the second quarter of year 2016. are:

- In revenues from sales total of 78,50 million kuna, 53,37 million kuna are the revenue from port services and the remaining 25,13 million kuna are from the sales of goods. Revenues from port services had recorded a decrease of 16,29 % in comparison with the same period of the previous year.
- Within the total operating expenses of 73,10 , the costs of goods sold have been recorded at 24,20 million kuna. Operating expenses excluding the costs of goods sold had recorded a decrease of 3,18% in comparison with the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation): 6,59 million kuna
- EBITDA margin: 8,27 %
- EBIT: 1,92 million kuna
- EBIT margin: 2,41 %
- Net profit 1,52 million kuna

Indicators	Realized 1-6/2015	Realized 1-6/2016	16/15
Liquidity ratios			
Working capital	258.268.853	201.751.641	-21,88%
Current liquidity	9,07	5,45	-39,83%
Turnover of working capital	0,26	0,40	52,51%
Days of working capital	694,88	455,65	-34,43%
Days in period	180	180	0,00%
Debt indicators			
Current liabilities / equity	0,08	0,11	39,85%
Long term liabilities/ equity	0,05	0,20	283,97%
Borrowings /equity	0,05	0,19	270,22%
Total liabilities / assets	0,12	0,30	144,22%
Profitability ratios			
EBITDA margin	23,94%	8,27%	-65,44%
EBIT margin	16,78%	2,41%	-85,64%
NET margin	42,09%	1,91%	-95,47%
Productivity Indicators			
Number of employees	586	590	0,68%
Revenue per employee (in thousands)	114.165	135.086	18,32%

In Ploče, July 29th 2016.

Capt.Ivan Pavlović dipl.ing.

President of Board

Appendix 1

Reporting period:

01.01.2016.

to

30.06.2016.

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 | 590 |
(at quarter end)

Consolidated statement | YES |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

LUKA PLOČE TRGOVINA d.o.o.	LUČKA CESTA b.b. PLOČE	18102992360
POMORSKI SERVIS - LUKA 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
PLOČANSKA PLOVIDBA d.o.o.	LUČKA CESTA b.b. PLOČE	39778257122
LUKA PLOČE ENERGIJA	TRG KRALJA TOMISLAVA 21	18309760889

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 shareholder's 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 30.06.2016.

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	315.754.790
I. INTANGIBLE ASSETS (004 to 009)	003	1.091.279	891.804
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	72.920	69.657
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	822.147
II. TANGIBLE ASSETS (011 to 019)	010	248.441.423	310.050.624
1. Land	011	2.138.881	2.138.881
2. Buildings	012	21.094.650	20.757.525
3. Plant and equipment	013	64.854.038	62.127.694
4. Tools, facility inventory and transport assets	014	4.070.908	5.666.667
5. Biological assets	015		
6. Prepayments for tangible assets	016	27.583.564	22.463.860
7. Tangible assets in progress	017	123.832.732	192.077.376
8. Other tangible assets	018		
9. Investments in buildings	019	4.866.650	4.818.621
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	1.995.509	1.995.509
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023	1.953.515	1.953.515
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	41.994
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	2.754.467	2.816.853
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	2.724.394	2.786.780
3. Other receivables	032	30.073	30.073
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	269.277.636	239.840.523
I. INVENTORIES (036 to 042)	035	2.154.294	2.259.482
1. Raw-material and supplies	036	1.869.557	2.130.319
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	75.796	31.519
5. Prepayments for inventories	040	208.941	97.644
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	62.225.602	45.113.507
1. Receivables from related parties	044		
2. Accounts receivable	045	54.203.563	40.477.969
3. Receivables from participating parties	046		79.079
4. Receivables from employees and members of related parties	047		
5. Receivables from government and other institutions	048	3.507.143	4.269.948
6. Other receivables	049	4.514.896	286.511
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	189.130.540	166.610.191
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	193.041	193.041
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	166.152.777
7. Other financial assets	057		264.373
IV. CASH AT BANK AND IN CASHIER	058	15.767.200	25.857.343
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		7.198.543
E) TOTAL ASSETS (001+002+034+059)	060	523.560.314	562.793.856
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	431.091.524
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	39.718.236
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	23.596.544
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	102.539.823	132.558.481
1. Retained earnings	073	102.539.823	132.558.481
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	31.586.285	1.520.920
1. Profit for the current year	076	31.586.285	1.520.920
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	4.385.413	4.220.336
1. Provisions for pensions, severance pay, and similar liabilities	080	2.508.366	2.508.365
2. Reserves for tax liabilities	081		
3. Other reserves	082	1.877.047	1.711.971
C) LONG - TERM LIABILITIES (084 to 092)	083	26.505.454	82.194.571
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	80.463.705
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	1.730.866
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	63.051.618	44.754.939
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	3.552.905
4. Liabilities for received prepayments	097	1.684.916	4.393.719
5. Accounts payable	098	46.501.296	30.124.536
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	641.820	754.939
8. Liabilities to employees	101	3.480.877	3.424.845
9. Liabilities for taxes, contributions and similar fees	102	2.392.638	2.278.679
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	707.271	225.316
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		532.486
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	523.560.314	562.793.856
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	431.091.524
2. Attributed to minority interest	110	0	0

PROFIT AND LOSS ACCOUNT
in period from 01.01.2016. until 30.06.2016.

Luka Ploče Group		in Kunas				
Position	AOP	Previous period cumulative	Previous period three months	Current period cumulative	Current period three months	
1	2	3	4	5	6	
I. OPERATING REVENUE (112+113)	111	66.900.982	35.974.803	79.700.616	28.341.978	
1. Sales revenue	112	63.751.097	35.002.771	78.505.813	28.207.234	
2. Other operating revenues	113	3.149.885	972.032	1.194.803	134.744	
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	55.676.476	28.170.987	77.780.826	26.891.819	
1. Changes in value of work in progress and finished products	115					
2. Material costs (117 to 119)	116	15.971.431	8.149.550	37.476.787	6.631.713	
a) Raw material and material costs	117	7.070.770	3.622.330	4.737.867	2.054.419	
b) Costs of goods sold	118			24.200.591	184.574	
c) Other external costs	119	8.900.661	4.527.220	8.538.329	4.392.720	
3. Staff costs (121 to 123)	120	30.648.823	15.708.280	29.942.337	15.218.132	
a) Net salaries and wages	121	19.430.950	9.945.561	18.897.175	9.590.543	
b) Cost for taxes and contributions from salaries	122	6.722.161	3.459.648	6.668.501	3.404.300	
c) Contributions on gross salaries	123	4.495.712	2.303.071	4.376.661	2.223.289	
4. Depreciation	124	4.794.301	2.385.604	4.675.210	2.346.238	
5. Other costs	125	4.232.588	1.911.890	5.686.492	2.695.736	
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	29.333	15.663			
III. FINANCIAL INCOME (132 to 136)	131	17.289.847	1.177.377	0	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	17.289.847	1.177.377			
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	352.964	126.101	398.870	360.657	
1. Interest expenses, foreign exchange losses, dividends and similar expenses from	138					
2. Interest expenses, foreign exchange losses, dividends and similar expenses from	139	352.964	126.101	398.870	360.657	
3. Unrealized losses (expenses) on financial assets	140					
4. Other financial expenses	141					
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED	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	84.190.829	37.152.180	79.700.616	28.341.978	
X. TOTAL EXPENSES (114+137+143 + 145)	147	56.029.440	28.297.088	78.179.696	27.252.476	
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	28.161.389	8.855.092	1.520.920	1.089.502	
1. Profit before taxation (146-147)	149	28.161.389	8.855.092	1.520.920	1.089.502	
2. Loss before taxation (147-146)	150	0	0	0	0	
XII. PROFIT TAX	151					
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	28.161.389	8.855.092	1.520.920	1.089.502	
1. Profit for the period (149-151)	153	28.161.389	8.855.092	1.520.920	1.089.502	
2. Loss for the period (151-148)	154	0	0	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	28.161.389	8.855.092	1.520.920	1.089.502	
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 intangible assets	160					
3. Profit or loss from revaluation of financial assets available for sale	161					
4. Gains or losses on efficient cash flow hedging	162					
5. Gains or losses on efficient hedge of a net investment in foreign countries	163					
6. Share in other comprehensive income / loss of associated companies	164					
7. Actuarial gains / losses on defined benefit plans	165					
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166					
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0	
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	28.161.389	8.855.092	1.520.920	1.089.502	
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
in period from 01.01.2016 until 30.06.2016.

Luka Ploče Group	in Kunas		
Position	AOP	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	32.064.833	1.520.920
2. Depreciation	002	9.522.655	4.675.210
3. Increase in short term liabilities	003	39.773.774	
4. Decrease in short term receivables	004		16.296.863
5. Decrease in inventories	005		
6. Other increase in cash flow	006		393.313
I. Total increase in cash flow from operating activities (001 to 006)	007	81.361.262	22.886.306
1. Decrease in short term liabilities	008		16.376.760
2. Increase in short term receivables	009	31.069.188	
3. Increase in inventories	010	489.163	105.188
4. Other decrease in cash flow	011	21.812.089	1.058.319
II. Total decrease in cash flow from operating activities (008 to 011)	012	53.370.440	17.540.267
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	27.990.822	5.346.039
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		3.402
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	6.088.508	3.915.386
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	275.747.420	201.670.217
III. Total cash inflows from investing activities (015 to 019)	020	281.835.928	205.589.005
1. Cash outflow for purchase of long-term tangible and intangible assets	021	84.975.419	66.357.306
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	185.271.267
IV. Total cash outflow for investing activities (021 to 023)	024	304.313.395	251.628.573
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	22.477.467	46.039.568
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	54.888.897
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	14.911.971	54.888.897
1. Cash outflow for repayment of credit principal and bonds	031	34.646.669	4.105.225
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	4.105.225
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	50.783.672
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	19.734.698	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	10.090.143
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	10.090.143
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	25.857.343

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2016** to **30.6.2016**

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	39.718.236
4. Retained earnings or accumulated loss	004	102.539.823	132.558.481
5. Profit or loss for the current year	005	31.586.285	1.520.920
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	431.091.524
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	431.094.524
17 b. Attributed to minority interest	019	0	

Items which decrease capital are given with the negative prefix

MANAGEMENT LIABILITY STATEMENT

Hereby , pursuant to 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 second quarter of 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