

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 30.09.2016.**

Ploče, October 2016.



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

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BUSINESS REPORT OF LUKA PLOČE d.d.
IN PERIOD 01.01.2016. – 30.09.2016.

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

Financial results of Luka Ploče d.d. in the third quarter of year 2016.:

- Cargo traffic volume through Ploče port : 2.009 thousand tones of cargo the 13,46% decrease in comparison to the same period of previous year
- In revenues from sales total of 114 million kuna, 66 million kuna are the revenues from port services and the remaining 48 million kuna are from the sales of goods. Revenues from port services had recorded a decrease of 17,43 % in comparison with the same period of the previous year.
Significant item within the total revenue is the extraordinary revenue of 1,7 million kuna relating to the sale of shares of company Luka Ploče-trgovina .l.l.c.
- Within the total operating expenses of 115 million kuna the costs of goods sold have been recorded at 45 million kuna. Operating expenses excluding the costs of goods sold had recorded a decrease of 5,40% in comparison with the same period of the previous year.
- Significant increase in item :other expenses was caused by severance costs of workers due to termination of employment due to personal reasons in the amount 1,1 million kuna.
- EBITDA (profit before interests, taxation and depreciation): 6 million kuna
- EBITDA margin: 5,51 %
- EBIT: 706 thousands kuna
- EBIT margin: 0,61 %
- Net profit 2,5 million kuna

Indicators	Realized 1-9/2015	Realized 1-9/2016	16 / 15
Liquidity ratios			
Working capital	234.371.082	233.751.612	-0,26 %
Current liquidity	16,62	15,76	-5,13 %
Turnover of working capital	0,37	0,50	32,90 %
Days of working capital	723	544	-24,76%
Days in period	270	270	
Debt indicators			
Current liabilities / equity	0,04	0,04	
Long term liabilities/ equity	0,04	0,04	
Borrowings /equity	0,03	0,03	
Total liabilities / assetss	0,07	0,07	
Profitability ratios			
EBITDA margin	22,09 %	5,51 %	-75,04 %
EBIT margin	15,47 %	0,61 %	-96,06 %
Net margin	31,89 %	1,86 %	-94,18 %
Productivity Indicators			
Number of employees	458	448	
Revenue per employee (in thousands)	190.982	258.799	33,13 %

In Ploče, October 28th 2016.

Capt.Ivan Pavlović dipl.ing.

President of Board

Appendix 1

Reporting period:

1.1.2016

to

30.9.2016

Annual financial statement of the entrepreneur - GFI-PODRegistration number (MB) **03036138**Identification number of subject **0900065233**Personal identification number (OIB) **5122874907**Issueer company: **LUKA PLOČE**Postal code and place **20340** **PLOČE**Street and number **TRG KRALJA TOMISLAVA 21**E-mail address: financije@luka-ploce.hrInternet adress: www.luka-ploce.hrCode and name of comune/town **335** **PLOČE**Code and county name **19** **DUBROVAČKO-NERETVANSKA**Number of employees **448**
(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

M.P.

(signed by authorised person for representation)

BALANCE SHEET
as of 30.09.2016

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	192.042.428	185.961.346	
I. INTANGIBLE ASSETS (004 to 009)	003	1.018.359	933.879	
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		209.838	
5. Intangible assets in preparation	008			
6. Other intangible assets	009	1.018.359	724.041	
II. TANGIBLE ASSETS (011 to 019)	010	145.753.299	170.696.282	
1. Land	011	2.138.881	2.138.881	
2. Buildings	012	8.685.990	8.542.459	
3. Plant and equipment	013	58.492.944	55.004.772	
4. Tools, facility inventory and transport assets	014	3.729.405	9.387.279	
5. Biological assets	015			
6. Prepayments for tangible assets	016	21.791.319	21.939.904	
7. Tangible assets in progress	017	46.048.110	68.888.384	
8. Other tangible assets	018			
9. Investments in buildings	019	4.866.650	4.794.603	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	42.615.679	11.688.294	
1. Investments (shares) with related parties	021	37.466.876	11.479.576	
2. Loans given to related parties	022	3.569.303	69.303	
3. Participating interest (shares)	023	1.579.500	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		59.915	
7. Other long - term financial assets	027			
8. Investments accounted by equity method	028			
IV. RECEIVABLES (030 to 032)	029	2.655.091	2.642.891	
1. Receivables from related parties	030			
2. Receivables from based on trade loans	031	2.655.091	2.642.891	
3. Other receivables	032			
V. DEFERRED TAX ASSETS	033			
C) SHORT TERM ASSETS (035+043+050+058)	034	265.199.241	242.051.299	
I. INVENTORIES (036 to 042)	035	1.127.838	1.519.940	
1. Raw-material and supplies	036	919.089	1.517.190	
2. Work in progress	037			
3. Finished goods	038			
4. Merchandise	039			
5. Prepayments for inventories	040	208.749	2.750	
6. Long - term assets held for sales	041			
7. Biological assets	042			
II. RECEIVABLES (044 to 049)	043	67.803.361	48.294.527	
1. Receivables from related parties	044	4.972.794	4.175.052	
2. Accounts receivable	045	51.622.062	41.356.897	
3. Receivables from participating parties	046		8.825	
4. Receivables from employees and members of related parties	047		48.676	
5. Receivables from government and other institutions	048	3.424.475	2.066.696	
6. Other receivables	049	7.784.030	638.381	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	188.872.932	172.338.063	
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	188.679.891	172.145.022	
7. Other financial assets	057			
IV. CASH AT BANK AND IN CASHIER	058	7.395.110	19.898.769	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		7.535.074	
E) TOTAL ASSETS (001+002+034+059)	060	457.241.669	435.547.719	
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	402.858.101	405.010.535
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	37.491.076	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	22.889.786	22.889.786
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	77.665.100	106.552.736
1. Retained earnings	073	77.665.100	106.552.736
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	30.408.038	2.152.434
1. Profit for the current year	076	30.408.038	2.152.434
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	3.671.195	3.506.119
1. Provisions for pensions, severance pay, and similar liabilities	080	1.927.026	1.927.026
2. Reserves for tax liabilities	081		
3. Other reserves	082	1.744.169	1.579.093
C) LONG - TERM LIABILITIES (084 to 092)	083	7.396.461	11.196.304
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	5.665.595	9.473.368
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	1.722.936
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	43.315.912	14.749.671
1. Liabilities to related parties	094	4.856.947	4.608.460
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	6.024.547	1.465.709
4. Liabilities for received prepayments	097	35.274	
5. Accounts payable	098	27.219.846	4.220.104
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	641.756	233.747
8. Liabilities to employees	101	2.620.543	2.589.350
9. Liabilities for taxes, contributions and similar fees	102	1.528.734	1.488.330
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	388.265	143.971
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		1.085.090
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	457.241.669	435.547.719
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 01.01.2016 until 30.09.2016.

LUKA PLOČE d.d.				
Position	AOP	previous period cumulative	previous period quarter	current period cumulative
1	2	3	4	5
I. OPERATING REVENUE (112+113)	111	83.656.835	26.530.725	115.942.076
1. Sales revenue	112	80.208.901	26.081.906	114.016.234
2. Other operating revenues	113	3.447.934	448.819	1.925.842
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	73.939.575	26.857.641	
1. Changes in value of work in progress and finished products	115			
2. Material costs (117 to 119)	116	27.716.791	10.589.065	67.844.800
a) Raw material and material costs	117	7.567.361	2.447.611	5.915.645
b) Costs of goods sold	118			45.288.389
c) Other external costs	119	20.149.430	8.141.454	16.640.766
3. Staff costs (121 to 123)	120	34.105.228	11.465.624	34.114.993
a) Net salaries and wages	121	21.681.513	7.349.767	21.437.437
b) Cost for taxes and contributions from salaries	122	7.392.170	2.407.006	7.653.945
c) Contributions on gross salaries	123	5.031.545	1.708.851	5.023.611
4. Depreciation	124	5.788.375	1.917.440	5.686.576
5. Other costs	125	4.929.181	1.485.512	7.589.567
6. Impairment (127+128)	126	0	0	165
a) Impairment of long-term assets (financial assets excluded)	127			
b) Impairment of short-term assets (financial assets excluded)	128			165
7. Provisions	129	1.400.000	1.400.000	
8. Other operating costs	130			
III. FINANCIAL INCOME (132 to 136)	131	18.551.245	1.176.555	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	18.551.245	1.176.555	
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	370.241	63.924	286.241
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	370.241	63.924	286.241
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			1.732.700
VIII. EXTRAORDINARY - OTHER EXPENSES	145			
IX. TOTAL INCOME (111+131+142 + 144)	146	102.208.080	27.707.280	117.674.776
X. TOTAL EXPENSES (114+137+143 + 145)	147	74.309.816	26.921.565	115.522.342
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	27.898.264	785.715	2.152.434
1. Profit before taxation (146-147)	149	27.898.264	785.715	2.152.434
2. Loss before taxation (147-146)	150	0	0	0
XII. PROFIT TAX	151			
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	27.898.264	785.715	2.152.434
1. Profit for the period (149-151)	153	27.898.264	785.715	2.152.434
2. Loss for the period (151-148)	154	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	27.898.264	785.715	2.152.434
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165)	158	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
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	27.898.264	785.715	2.152.434
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			

current period cumulative
6
45.328.251
44.686.422
641.829
45.431.493
29.177.214
2.141.595
21.447.007
5.588.612
11.545.066
7.268.997
2.565.144
1.710.925
1.931.557
2.777.491
165
165
0
13.380
13.380
1.732.700
47.060.951
45.444.873
1.616.078
1.616.078
0
1.616.078
1.616.078
0

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1.616.078
0
0
1.616.078

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STATEMENT OF CASH FLOWS - INDIRECT METHOD
from 01.01.2016. until 30.09.2016.

Company: LUKA PLOČE			
Position	AOP	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	30.408.038	2.152.434
2. Depreciation	002	7.668.804	5.686.576
3. Increase in short term liabilities	003	22.934.417	
4. Decrease in short term receivables	004		11.054.082
5. Decrease in inventories	005		
6. Other increase in cash flow	006		286.241
I. Total increase in cash flow from operating activities (001 to 006)	007	61.011.259	19.179.333
1. Decrease in short term liabilities	008		23.656.238
2. Increase in short term receivables	009	25.927.763	
3. Increase in inventories	010	655.506	392.102
4. Other decrease in cash flow	011	23.166.731	3.370.365
II. Total decrease in cash flow from operating activities (008 to 011)	012	49.750.000	27.418.705
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	11.261.259	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	8.239.372
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015		27.764.000
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	6.080.268	4.573.220
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	271.699.420	228.954.524
III. Total cash inflows from investing activities (015 to 019)	020	277.779.688	261.291.744
1. Cash outflow for purchase of long-term tangible and intangible assets	021	44.754.367	31.383.956
2. Cash outflow for acquisition of equity and debt financial instruments	022	2.800.000	
3. Other cash outflow for investing activities	023	217.837.976	215.348.300
IV. Total cash outflow for investing activities (021 to 023)	024	265.392.343	246.732.256
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	12.387.345	14.559.488
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	0	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	355.967	11.068.875
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	355.967	11.068.875
1. Cash outflow for repayment of credit principal and bonds	031	33.033.825	4.885.332
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	33.033.825	4.885.332
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	6.183.543
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	32.677.858	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	12.503.659
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	9.029.254	0
Cash and cash equivalents at the beginning of the period	041	16.424.364	7.395.110
Increase of cash and cash equivalents	042	0	12.503.659
Decrease of cash and cash equivalents	043	9.029.254	
Cash and cash equivalents at the end of the period	044	7.395.110	19.898.769

STATEMENT OF CHANGES IN EQUITY
for the period **1.1.2016** to **30.9.2016**

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	37.491.076	39.011.478
4. Retained earnings or accumulated loss	004	77.665.100	106.552.736
5. Profit or loss for the current year	005	30.408.038	2.152.434
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	402.858.101	405.010.535
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	402.858.101	405.010.535
17 b. Attributed to minority interest	019	0	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.

Financial Statements for the third 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.

Željka Dodig

Capt. Ivan Pavlović

Member of the Board ,
Financial affairs

President of the board