

LUKA RIJEKA D.D.
UNAUDITED UNCONSOLIDATED
FINANCIAL REPORT
01.01.-31.03.2017.

MANAGEMENT REPORT

Luka Rijeka d.d.

Riva 1, HR-51 000 RIJEKA

OIB: 92590920313

Rijeka, April 2017

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**MANAGEMENT REPORT ON THE BUSINESS RESULTS OF COMPANY
LUKA RIJEKA D.D. FOR THE PERIOD 01.01.-31.03.2017.**

**UNAUDITED UNCONSOLIDATED FINANCIAL REPORT FOR THE PERIOD
01.01.- 31.03.2017.**

MANAGEMENT STATEMENT OF LIABILITY

MANAGEMENT REPORT ON THE BUSINESS RESULTS OF COMPANY LUKA RIJEKA D.D. FOR THE PERIOD 01.01.-31.03.2017.

KEY FINANCIAL INDICATORS

Indicators (mil. HRK)	Realization 01.01.-31.03.2016.	Realization 01.01.-31.03.2017.	Index
Operating revenue	33,498	41,286	123
Revenue from services in domestic and foreign market	30,332	38,163	126
Operating expences	38,827	40,162	103
EBIT	-5,329	1,124	
EBITDA	-2,685	3,731	
Total income	34,559	41,774	121
Total expences	39,474	40,505	103
Profit before taxation	-4,915	1,269	
Assets/ liabilites	736,766	732,223	99
Long-term assets	469,376	516,169	110
Capital and reserves	609,961	617,289	101

Indicators	Realization 31.03.2016.	Realization 31.03.2017.	Index
Liquidity ratios			
Working capital	214.450.048	161.502.393	75
Current liquidity	5,31	4,12	78
Debt indicators			
Short-term liabilites/capital	0,08	0,08	100
Long-term liabilities/capital	0,11	0,08	73
Borrowinga/capital	0,06	0,05	83
Total liabilities/assets	016	0,14	87
Profitability ratios			
EBITDA margin	-8,01%	9,04%	
EBIT margin	-15,91%	2,72%	
NETmargin	-14,67%	3,07%	
Productivity indicators			
Number of employees	664	624	94
Revenue per employee (in thousands)	52	67	129

NATURAL INDICATORS

Total cargo traffic of all dry cargo in port of Rijeka, consisting of Luka Rijeka d.d. and associate company Adriatic Gate Container Terminal (AGCT), in the period of first three months of 2017 was 1.246.268 tons of cargo, which presents **51% growth** regarding to the same period of the previous year, when it was transported 824.775 tons of cargo.

CARGO TRAFFIC	Realization 01.01.-31.03.2017.	Realization 01.01.-31.03.2017.	Index
Luka Rijeka d.d.	432.206	688.799	159
General cargo (tons)	200.475	233.287	116
Dry bulk cargo (tons)	231.731	455.512	197
AGCT			
Containers (tons)	392.569	557.469	142
Containers (TEU)	43.423	48.913	113
TOTAL (tons)	824.775	1.246.268	151

Total cargo traffic of Luka Rijeka d.d. in the period of first three months of 2017 was 688.799 tons of cargo and presents **59% growth** regarding to the same period of the previous year.

MANAGEMENT BOARD:

Vedran Devčić, President

Linda Sciucca, Member

Nenad Janjić, Member

LUKA RIJEKA d.d.
Rijeka, Riva 1

APPENDIX 1

Reporting period:

01.01.2017.

to

31.03.2017.

QUARTERLY FINANCIAL REPORT OF ENTREPRENEUR

Registration number (MB): 03330494

Identification number of subject (MBS): 040141664

Personal identification number (OIB): 92590920313

Issuer company: PORT OF RIJEKA j.s.c.

Postal code and place: 51000 RIJEKA

Street and number: Riva 1

E-mail address: uprava@lukarijeka.hr

Internet address: www.lukarijeka.hr

Code and name of town: 373 Rijeka

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees: 624
(at the end of the year)

Consolidated statement: NO

NKD/NWC code: 5224

Subsidiaries subject to consolidation (according to IFRS):

Headquarters:

Registration number:

Subsidiaries subject to consolidation (according to IFRS):	Headquarters:	Registration number:

Book keeping service:

Contact person: Janja Reljac
authorised person for representation

Phone number: 051/496-533

Facsimile: 051/496-008

E-mail address: fin@lukarijeka.hr

Surname and name: Devčić Vedran
(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement...)
2. Interim management Report
3. Statement of responsible persons for preparation of financial statements

M.P.

LUKA RIJEKA d.d
Rijeka, Riva 1

 (signed by authorised person for representation)

BALANCE SHEET
as of 31.03.2017.

Port of Rijeka j.s.c.		In Kunas		
Position	AOP	Previous year (net)	Current year (net)	
1	2	3	4	
ASSETS				
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID IN CAPITAL	001	0	0	
B) LONG-TERM ASSETS (003+010+020+029+033)	002	508.324.716	516.169.162	
I. INTANGIBLE ASSETS (004 to 009)	003	743.068	664.143	
1. Assets development	004	0	0	
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	743.068	664.143	
3. Goodwill	006	0	0	
4. Prepayments for purchase of intangible assets	007	0	0	
5. Intangible assets in preparation	008	0	0	
6. Other intangible assets	009	0	0	
II. TANGIBLE ASSETS (011 to 019)	010	471.956.377	479.879.748	
1. Land	011	229.075.870	229.075.870	
2. Buildings	012	108.742.540	108.417.036	
3. Plant and equipment	013	1.710.894	1.929.688	
4. Tools, facility inventory and transport assets	014	52.286.980	50.727.623	
5. Biological assets	015	0	0	
6. Prepayments for tangible assets	016	20.702.110	18.053.349	
7. Tangible assets in progress	017	52.529.875	64.799.618	
8. Other tangible assets	018	325.736	325.736	
9. Investments in buildings	019	6.582.372	6.550.828	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	12.025.892	12.025.892	
1. Investments (shares) with related parties	021	11.767.170	11.767.170	
2. Loans given to related parties	022	0	0	
3. Participating interest (shares)	023	40.000	40.000	
4. Loans to entrepreneurs in whom the entity holds participating interests	024	0	0	
5. Investments in securities	025	218.722	218.722	
6. Loans, deposits and similar assets	026	0	0	
7. Other long-term financial assets	027	0	0	
8. Investments accounted by equity method	028	0	0	
IV. RECEIVABLES (030 to 032)	029	5.640.419	5.640.419	
1. Receivables from related parties	030	0	0	
2. Receivables from based on trade loans	031	5.640.419	5.640.419	
3. Other receivables	032	0	0	
V. DEFERRED TAX ASSETS	033	17.958.960	17.958.960	
C) SHORT TERM ASSETS (035+043+050+058)	034	228.007.798	213.321.763	
I. INVENTORIES (036 to 042)	035	901.345	752.812	
1. Raw-material and supplies	036	826.345	752.812	
2. Work in progress	037	0	0	
3. Finished goods	038	0	0	
4. Merchandise	039	0	0	
5. Prepayments for inventories	040	75.000	0	
6. Long-term assets held for sales	041	0	0	
7. Biological assets	042	0	0	
II. RECEIVABLES (044 to 049)	043	41.497.769	41.239.140	
1. Receivables from related parties	044	325.199	264.722	
2. Accounts receivable	045	24.688.373	25.265.486	
3. Receivables from participating parties	046	0	0	
4. Receivables from employees and members of related parties	047	2.891	6.764	
5. Receivables from government and other institutions	048	16.026.122	14.900.912	
6. Other receivables	049	455.184	801.256	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	182.209.855	169.068.763	
1. Shares (stocks) in related parties	051	0	0	
2. Loans given to related parties	052	0	0	
3. Participating interest (shares)	053	0	0	
4. Loans to entrepreneurs in whom the entity holds participating interests	054	0	0	
5. Investments in securities	055	0	0	
6. Loans, deposits, etc.	056	182.209.855	169.068.763	
7. Other financial assets	057	0	0	
IV. CASH AT BANK AND IN CASHIER	058	3.398.829	2.261.048	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	680.665	2.731.973	
E) TOTAL ASSETS (001+002+034+059)	060	737.013.179	732.222.898	
F) OFF-BALANCE RECORDS	061	804.016	804.016	

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	616.020.188	617.289.373
I. SUBSCRIBED CAPITAL	063	539.219.000	539.219.000
II. CAPITAL RESERVES	064	38.623.828	38.623.828
III. RESERVES FROM PROFIT(066+067-068+069+070)	065	0	0
1. Reserves prescribed by law	066	0	0
2. Reserves for treasury shares	067	0	0
3. Treasury stocks and shares (deduction)	068	0	0
4. Statutory reserves	069	0	0
5. Other reserves	070	0	0
IV. REVALUATION RESERVES	071	36.669.177	36.669.177
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	1.265.202	1.508.183
1. Retained earnings	073	1.265.202	1.508.183
2. Accumulated loss	074	0	0
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	242.981	1.269.185
1. Profit for the current year	076	242.981	1.269.185
2. Loss for the current year	077	0	0
VII. MINORITY INTERESTS	078	0	0
B) PROVISIONS (080 to 082)	079	10.565.286	10.492.505
1. Provisions for pensions,severance pay,and similar liabilities	080	3.201.648	3.128.867
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	7.363.638	7.363.638
C) LONG - TERM LIABILITIES (084 to 092)	083	49.266.034	49.266.034
1. Liabilities to related parties	084	0	0
2. Liabilities for loans,deposits etc.	085	3.104.021	3.104.021
3. Liabilities to banks and other financial institutions	086	26.047.030	26.047.030
4. Liabilities for received prepayments	087	0	0
5. Accounuts payable	088	12.073.361	12.073.361
6. Liabilities arising from debt securities	089	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090	0	0
8. Other long-term liabilities	091	0	0
9. Deferred tax liability	092	8.041.622	8.041.622
D) SHORT-TERM LIABILITIES (094 to 105)	093	58.413.688	51.819.370
1. Liabilities to related parties	094	632.951	1.280.637
2. Liabilities for loans,deposits etc.	095	10.738.248	10.738.248
3. Liabilities to banks and other financial institutions	096	6.857.917	5.147.772
4. Liabilities for received prepayments	097	0	0
5. Accounuts payable	098	26.124.912	22.510.321
6. Liabilities arising from debt securities	099	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0
8. Liabilities to employees	101	3.586.459	3.534.179
9. Liabilities for taxes,contributions and similar fees	102	4.754.918	2.936.931
10. Liabilities to share - holders	103	0	0
11. Liabilities for long - term assets held for sale	104	0	0
12. Other short - term liabilities	105	5.718.283	5.671.282
E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	2.747.983	3.355.616
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	737.013.179	732.222.898
G) OFF - BALANCE RECORDS	108	804.016	804.016
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	0	0
2. Attributed to minority interest	110	0	0

APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)

PROFIT AND LOSS ACCOUNT
from 01.01.2017. until 31.03.2017.

Port of Rijeka j.s.c.		In Kunas			
Position	AOP	Previous period cumulative	Previous period quarter	Current period cumulative	Current period quarter
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	33.498.002	33.498.002	41.286.271	41.286.271
1. Sales revenue	112	30.332.292	30.332.292	38.162.810	38.162.810
2. Other operating revenues	113	3.165.710	3.165.710	3.123.461	3.123.461
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	38.827.429	38.827.429	40.162.268	40.162.268
1. Changes in value of work in progress and finished products	115	0	0	0	0
2. Material costs (117 to 119)	116	13.534.631	13.534.631	16.001.908	16.001.908
a) Raw material and material costs	117	4.487.334	4.487.334	4.698.419	4.698.419
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	9.047.297	9.047.297	11.303.489	11.303.489
3. Staff costs (121 to 123)	120	16.836.261	16.836.261	16.333.402	16.333.402
a) Net salaries and wages	121	10.465.249	10.465.249	10.254.467	10.254.467
b) Cost for taxes and contributions from salaries	122	3.899.992	3.899.992	3.684.835	3.684.835
c) Contributions on gross salaries	123	2.471.020	2.471.020	2.394.100	2.394.100
4. Depreciation	124	2.644.629	2.644.629	2.606.795	2.606.795
5. Other costs	125	5.396.768	5.396.768	4.850.801	4.850.801
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long - term assets (financial assets excluded)	127	0	0	0	0
b) Impairment of short - term assets (financial assets excluded)	128	0	0	0	0
7. Provisions	129	0	0	0	0
8. Other operating costs	130	415.140	415.140	369.362	369.362
III. FINANCIAL INCOME (132 to 136)	131	1.061.213	1.061.213	488.025	488.025
1. Interest income,foreign exchange gains,dividends and similar Income from related parties	132	0	0	0	0
2. Interest expenses,foreign exchange losses,dividends and similar expenses from non related parties	133	1.061.213	1.061.213	488.025	488.025
3. Share in income from affiliated entrepreneurs and participating	134	0	0	0	0
4. Unrealized losses (expenses) on financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	0
IV. FINANCIAL EXPENSES (138 to 141)	137	646.471	646.471	342.843	342.843
1. Interest expenses,foreign exchange losses,dividends and similar expenses from related parties	138	0	0	0	0
2. Interest expenses,foreign exchange losses,dividends and similar expenses from non related parties	139	646.471	646.471	342.843	342.843
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	0	0
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED	142	0	0	0	0
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED	143	0	0	0	0
VII. EXTRAORDINARY- OTHER INCOME	144	0	0	0	0
VIII.EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+142 + 144)	146	34.559.215	34.559.215	41.774.296	41.774.296
X. TOTAL EXPENSES (114+137+143 + 145)	147	39.473.900	39.473.900	40.505.111	40.505.111
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-4.914.685	-4.914.685	1.269.185	1.269.185
1. Profit before taxation (146-147)	149	0	0	1.269.185	1.269.185
2. Loss before taxation (147-146)	150	4.914.685	4.914.685	0	0
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151)	152	-4.914.685	-4.914.685	1.269.185	1.269.185
1. Profit for the period (149-151)	153	0	0	1.269.185	1.269.185
2. Loss for the period (151-148)	154	4.914.685	4.914.685	0	0

APPENDIX to P&I 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	0	0	0	0
2. Attributed to minority interest	156	0	0	0	0

STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-4.914.685	-4.914.685	1.269.185	1.269.185
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long - term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from reevaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign	163	0	0	0	0
6. Share in other comprehensive income/loss of associated companies	164	0	0	0	0
7. Actuarial gains /losses on defined benefit plans	165	0	0	0	0
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
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	-4.914.685	-4.914.685	1.269.185	1.269.185

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	0	0	0	0
2. Attributed to minority interest	170	0	0	0	0

STATEMENT OF CASH FLOWS - Indirect method
from 01.01.2017. until 31.03.2017.

Port of Rijeka j.s.c.		In Kunas		
Position	AOP	Previous year	Current year	
1	2	3	4	
CASH FLOW FROM OPERATING ACTIVITIES				
1. Profit before tax	001	-4.914.685	1.289.185	
2. Depreciation	002	2.644.629	2.608.795	
3. Increase in short term liabilities	003	0	0	
4. Decrease in short term receivables	004	4.451.787	258.629	
5. Decrease in inventories	005	20.463	148.533	
6. Other increase in cash flow	006	4.567.928		
I. Total increase in cash flow operating activities (001 to 006)	007	6.770.122	4.283.142	
1. Decrease in short term liabilities	008	4.183.510	4.884.173	
2. Increase in short term receivables	009	0		
3. Increase in inventories	010	0		
4. Other decrease in cash flow	011	2.808.613	973.870	
II. Total decrease in cash flow from operating activities (008 to 011)	012	6.992.123	5.858.043	
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0	
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	014	222.001	1.574.901	
CASH FLOW FROM INVESTING ACTIVITIES				
1. Cash inflows from sales of long - term tangible and intangible assets	015	0	0	
2. Cash inflows from sales of equity and debt instruments	016	0	0	
3. Interests receipts	017	1.040.801	628.379	
4. Dividend receipts	018	0	0	
5. Other cash inflows from investing activities	019	576.176	689.714	
III. Total cash inflows from investing activities (015 to 019)	020	1.616.977	1.318.093	
1. Cash outflow for purchase of long - term tangible and intangible assets	021	1.915.035	12.237.637	
2. Cash outflow for acquisition of equity and debt financial instruments	022	0	0	
3. Other cash outflow for investing activities	023	0	0	
IV. Total cash outflow for investing activities (021 to 023)	024	1.915.035	12.237.637	
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0	
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	298.058	10.919.544	
CASH FLOW FROM FINANCIAL ACTIVITIES				
1. Cash inflow from issuing property and debt financial instruments	027	0	0	
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	0	0	
3. Other proceeds from financial activities	029	0	13.000.000	
V. Total cash inflows from financial activities (027 to 029)	030	0	13.000.000	
1. Cash outflow for repayment of credit principal and bonds	031	1.780.574	1.643.336	
2. Cash outflow for dividends paid	032	0	0	
3. Cash outflow for financial lease	033	66.985	0	
4. Cash outflow for purchase of treasury shares	034	0	0	
5. Other cash outflow for financial activities	035	0	0	
VI. Total cash outflow for financial activities (031 to 035)	036	1.847.559	1.643.336	
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	11.356.664	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	1.847.559	0	
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	2.367.618	1.137.781	
Cash and cash equivalents at the beginning of the period	041	2.583.384	3.398.829	
Increase of cash and cash equivalents	042	0	0	
Decrease of cash and cash equivalents	043	2.367.618	1.137.781	
Cash and cash equivalents at the end of the period	044	215.766	2.261.048	

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2017 to 31.3.2017

	Position	AOP	Previous year	Current year
	1	2	3	4
1. Subscribed capital		001	539.219.000	539.219.000
2. Capital reserves		002	38.623.828	38.623.828
3. Reserves from profit		003	0	0
4. Retained earnings or accumulated loss		004	1.265.202	1.508.183
5. Profit or loss for the current year		005	-4.914.685	1.269.185
6. Revaluation of long - term tangible assets		006	35.740.542	36.634.056
7. Revaluation of intangible assets		007	0	0
8. Revaluation of financial assets available for sale		008	27.017	35.121
9. Other revaluation		009	0	0
10. Total capital and reserves (AOP 001 to 009)		010	609.960.904	617.289.373
11. Currency gains and losses arising from net investment in foreign operations		011	0	0
12. Current and deferred taxes (part)		012	0	0
13. Cash flow hedging		013	0	0
14. Changes in accounting policy		014	0	0
15. Correction of significant errors in prior period		015	0	0
16. Other changes of capital		016	0	0
17. Total increase or decrease in capital (AOP 011 to 016)		017	0	0
17 a. Attributed to equity holders of parent company		018	0	0
17 b. Attributed to minority interest		019	0	0

Items which decrease capital are given with the negative prefix.

April 2017, Rijeka

Pursuant to Article 410, Paragraph 2, and Article 407, Paragraph 2, Point 3 of the Act on the Capital Market, individuals accountable for making financial statements: President of the Management Board Vedran Devčić, Member of the Management Board Linda Sciuca and Member of the Management Board Nenad Janjić hereby issue a

STATEMENT

Which, conscientiously and according to their best knowledge, confirms their liability for realistic and objective display of unaudited unconsolidated financial statement for the 3 months period 01/01 - 31/03/2017 of the Luka Rijeka d.d in accordance with the Act of Accounting (Official Gazette of the Republic of Croatia 109/2007), International Accounting Standards (IAS) of financial reporting recognized by the European Commission and published in the Official Journal of the European Commission and the accounting policies of the Company, including appropriate publishing of all information in accordance with the Act and above Standards.

With applying above-mentioned Standards, financial statements provide an overall and authentic review of assets and liabilities, as well as business results of the Company.

Management Board:

Vedran Devčić, President

Linda Sciuca, Member

Nenad Janjić, Member

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