

## Annex 1.

Reporting period

1.1.2015

to

31.3.2015

## Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number (MRS): 040008080

Personal identification number (OIB): 15573308024

Issuing company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 Opatija

Street and house number: MARSALA TITA 198

E-mail address: remisens@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 302

County code and name: 8 PRIMORSKO GORANSKA ŽUPANIJA

Number of employees: 667

(period end)

Consolidated report: YES

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

HOTELI CAVTAT d.d. | CAVTAT | 91954459924

HOTELI METROPOL d.o.o. PORTOROŽ | PORTOROŽ | 6767648000

Bookkeeping service:

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Family name and name: Šehanović Igor  
(person authorized to represent the company)LIBURNIA RIVIERA HOTELI  
DIONIČKO DRUŠTVO  
OPATIJA

Signature of the person authorized to represent the company)

**Balance Sheet**  
as of 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period 31.12.2014	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	1.142.671.285	1.327.142.978
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	21.199.341	34.431.742
1. Expenditure for development	004	559.107	863.661
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.499.381	711.520
3. Goodwill	006		27.871.413
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009	19.140.853	4.985.148
<b>II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)</b>	<b>010</b>	1.120.041.001	1.291.185.646
1. Land	011	194.334.017	209.684.538
2. Buildings	012	819.596.935	959.778.457
3. Plant and equipment	013	16.838.587	16.598.973
4. Tools, working inventory and transportation assets	014	74.558.174	73.897.822
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345.568	752.325
7. Tangible assets in progress	017	10.802.302	26.907.012
8. Other tangible assets	018	3.565.418	3.566.519
9. Investment in real-estate	019		
<b>III. NON-CURRENT FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	14.920	14.920
1. Share in related parties	021		
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	14.920	14.920
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
<b>IV. RECEIVABLES (030 do 032)</b>	<b>029</b>	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>	1.416.003	1.510.670
<b>C) CURRENT ASSETS (035+043+050+058)</b>	<b>034</b>	111.073.107	80.259.772
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	3.455.179	5.781.454
1. Raw materials and supplies	036	2.749.794	4.233.536
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	109.184	103.037
5. Advances for inventories	040	596.201	1.444.882
6. Long term assets held for sale	041		
7. Biological assets	042		
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	10.998.143	13.216.176
1. Receivables from related parties	044		
2. Receivables from end-customers	045	9.350.397	6.942.242
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	273.069	274.070
5. Receivables from government and other institutions	048	940.676	5.266.700
6. Other receivables	049	434.001	733.164
<b>III. CURRENT FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>		
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>058</b>	95.619.785	61.262.142
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	720.512	8.950.327
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.254.464.884	1.416.353.077
<b>F) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	4.452.613	4.452.613

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	983.631.119	943.613.034
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	865.553.260	865.553.260
II. CAPITAL RESERVES	<b>064</b>		
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	45.216.111	45.216.111
1. Legal reserves	<b>066</b>	43.277.663	43.277.663
2. Reserve for own shares	<b>067</b>		
3. Treasury shares and shares (deductible items)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	1.938.448	1.938.448
IV. REVALUATION RESERVES	<b>071</b>		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	<b>072</b>	6.897.270	56.546.856
1. Retained earnings	<b>073</b>	6.897.270	56.546.856
2. Loss carried forward	<b>074</b>		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	49.163.158	-37.642.812
1. Net profit for the period	<b>076</b>	49.163.158	
2. Net loss for the period	<b>077</b>		37.642.812
VII. MINORITY INTEREST	<b>078</b>	16.801.320	13.939.619
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	27.326.718	39.139.068
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	10.491.066	6.913.489
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	16.835.652	32.225.579
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	178.208.208	331.949.308
1. Liabilities to related parties	<b>084</b>		
2. Liabilities for loans, deposits, etc.	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	166.366.746	320.235.031
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies with participating interest	<b>090</b>		
8. Other non-current liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>	11.841.462	11.714.277
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	63.841.827	98.849.985
1. Liabilities to related parties	<b>094</b>		
2. Liabilities for loans, deposits, etc.	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	34.831.354	40.738.737
4. Liabilities for advances	<b>097</b>	7.549.961	25.376.257
5. Trade payables	<b>098</b>	10.331.368	16.536.817
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies with participating interest	<b>100</b>		
8. Liabilities to employees	<b>101</b>	6.839.564	4.083.617
9. Taxes, contributions and similar liabilities	<b>102</b>	2.272.367	5.545.049
10. Liabilities arising from share in the result	<b>103</b>		
11. Liabilities arising from non-current assets held for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	2.017.213	6.569.508
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	1.457.012	2.801.682
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.254.464.884	1.416.353.077
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	4.452.613	4.452.613
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>109</b>	966.829.799	929.673.415
2. Attributable to minority interest	<b>110</b>	16.801.320	13.939.619

**Income statement**

period 01.01.2015. to 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 do 113)</b>	<b>111</b>	<b>24.785.932</b>	<b>24.785.932</b>	<b>21.358.732</b>	<b>21.358.732</b>
1. Rendering of services	112	14.381.030	14.381.030	19.323.300	19.323.300
2. Other operating income	113	10.404.902	10.404.902	2.035.432	2.035.432
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>45.858.243</b>	<b>45.858.243</b>	<b>56.904.428</b>	<b>56.904.428</b>
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	7.927.543	7.927.543	12.387.515	12.387.515
a) Costs of raw materials	117	2.164.566	2.164.566	2.596.137	2.596.137
b) Cost of goods sold	118	23.587	23.587	27.536	27.536
c) Other material expenses	119	5.739.390	5.739.390	9.763.842	9.763.842
3. Employee benefits expenses (121 do 123)	120	16.173.319	16.173.319	14.768.470	14.768.470
a) Net salaries	121	10.188.975	10.188.975	8.525.182	8.525.182
b) Tax and contributions from salary expenses	122	3.827.839	3.827.839	3.935.039	3.935.039
c) Contributions on salary	123	2.156.505	2.156.505	2.308.249	2.308.249
4. Depreciation and amortisation	124	18.183.277	18.183.277	23.559.788	23.559.788
5. Other expenses	125	3.455.210	3.455.210	6.153.456	6.153.456
6. Write down of assets (127+128)	126	118.894	118.894	35.199	35.199
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	118.894	118.894	35.199	35.199
7. Provisions	129				
8. Other operating costs	130				
<b>III. FINANCIAL INCOME (132 do 138)</b>	<b>131</b>	<b>296.937</b>	<b>296.937</b>	<b>358.036</b>	<b>358.036</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	132				
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	296.937	296.937	358.036	358.036
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	<b>2.251.344</b>	<b>2.251.344</b>	<b>3.375.749</b>	<b>3.375.749</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	2.251.344	2.251.344	3.375.749	3.375.749
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+144)</b>	<b>146</b>	<b>25.082.869</b>	<b>25.082.869</b>	<b>21.716.788</b>	<b>21.716.788</b>
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	<b>48.109.587</b>	<b>48.109.587</b>	<b>60.280.177</b>	<b>60.280.177</b>
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	<b>-23.026.718</b>	<b>-23.026.718</b>	<b>-38.563.409</b>	<b>-38.563.409</b>
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	23.026.718	23.026.718	38.563.409	38.563.409
<b>XII. TAXATION</b>	<b>151</b>				
<b>XII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>-23.026.718</b>	<b>-23.026.718</b>	<b>-38.563.409</b>	<b>-38.563.409</b>
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	23.026.718	23.026.718	38.563.409	38.563.409
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155	-22.320.314	-22.320.314	-37.842.812	-37.842.812
2. Attributable to minority interest	156	-706.402	-706.402	-920.597	-920.597
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	<b>-23.026.718</b>	<b>-23.026.718</b>	<b>-38.563.409</b>	<b>-38.563.409</b>
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
<b>III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>-23.026.718</b>	<b>-23.026.718</b>	<b>-38.563.409</b>	<b>-38.563.409</b>
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169	-22.320.314	-22.320.314	-37.842.812	-37.842.812
2. Attributable to minority interest	170	-706.402	-706.402	-920.597	-920.597

## Cash flow statement - indirect method

period 01.01.2015. to 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-23.026.718	-37.927.490
2. Depreciation and amortisation	002	18.183.277	22.923.866
3. Increase of current liabilities	003	19.206.562	16.174.967
4. Decrease of current receivables	004	2.095.207	
5. Decrease of inventories	005		0
6. Other cash flow increases	006		0
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>16.458.328</b>	<b>1.171.343</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	12.423.630	904.506
3. Increase of inventories	010	3.643.961	1.786.172
4. Other cash flow decreases	011	12.553.496	4.533.706
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>28.621.087</b>	<b>7.224.384</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>12.162.759</b>	<b>6.053.041</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015	118.791	426.748
2. Proceeds from sale of non-current financial assets	016		0
3. Interest received	017	290.000	411.154
4. Dividend received	018		0
5. Other proceeds from investing activities	019		0
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>408.791</b>	<b>837.902</b>
1. Purchase of non-current assets	021	25.342.362	190.562.331
2. Purchase of non-current financial assets	022		1.601.860
3. Other cash outflows from investing activities	023		
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>25.342.362</b>	<b>192.164.191</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>24.933.571</b>	<b>191.326.289</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028		164.310.517
3. Other proceeds from financing activities	029		
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>0</b>	<b>164.310.517</b>
1. Repayment of loans and bonds	031	15.787.034	2.288.930
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>15.787.034</b>	<b>2.288.930</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>162.021.587</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>15.787.034</b>	<b>0</b>
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	52.883.364	35.357.743
Cash and cash equivalents at the beginning of period	041	76.938.915	96.619.785
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	52.883.364	35.357.643
Cash and cash equivalents at the end of period	044	24.055.551	61.262.142

**STATEMENT OF CHANGES IN EQUITY**  
**period 1.1.2015 to 31.3.2015**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	<b>001</b>	968.451.200	865.553.260
2. Capital reserves	<b>002</b>		
3. Reserves from profit	<b>003</b>		45.216.111
4. Retained earnings or loss carried forward	<b>004</b>	-57.682.210	56.546.856
5. Net profit or loss for the period	<b>005</b>	-22.320.316	-37.642.812
6. Revaluation of tangible assets	<b>006</b>		
7. Revaluation of intangible assets	<b>007</b>	656.646	
8. Revaluation of available for sale assets	<b>008</b>		
9. Other revaluation	<b>009</b>		
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	889.105.320	929.673.415
11. Foreign exchange differences from foreign investments	<b>011</b>		
12. Current and deferred taxes	<b>012</b>		
13. Cash flow hedge	<b>013</b>		
14. Change of accounting policies	<b>014</b>		
15. Correction of significant mistakes of prior period	<b>015</b>		
16. Other changes	<b>016</b>		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	0	0
17 a. Attributable to majority owners	<b>018</b>	889.105.320	929.673.415
17 b. Attributable to minority interest	<b>019</b>	11.784.313	13.939.619

**Consolidated Management Board Report for the  
Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d. and Hoteli Metropol d.o.o. Group  
31/03/2015**

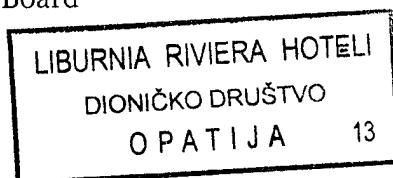
The consolidated operating results for the period January-March 2015 show that the Group (Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d. and Hoteli Metropol d.o.o.) is achieving its primary objectives. The Hoteli Metropol d.o.o. Portorož Company was taken over on 13/02/2015 (the consolidated report shows and analyses results starting from 01/01/2015). In the period January-March 2015, the Group recorded approximately 47% overnight stays more compared to the same period last year, operating income was approximately 37% higher compared to the same period last year, and gross operating profit (GOP) was approximately 4% less negative compared to the same period last year. The comparison with last year refers to the Liburnia Riviera Hoteli d.d. and Hoteli Cavtat d.d. companies, since Hoteli Metropol were not a separate profit centre within the Hoteli Bernardin d.d. Company. Thus, it is not possible to determine income and expenses in the year 2014, although these were realised.

In the period January-March 2015, the Group realised a net extraordinary income of approximately 884,000 kn, of which 463,000 kn was income from the liquidation of long-term provisions, 427,000 kn income from the sale of fixed assets, 325,000 kn income from previous years, 196,000 kn income from re-invoiced expenses, 90,000 kn income from collected prosecuted claims, and 54,000 kn income from the sale of technical documentation, as well as approximately 411,000 kn in costs in damages to natural persons and legal entities, and 275,000 kn costs from previous years.

Consolidated EBITA (earnings before interests, taxes and amortisation) is negative and amounts to 11.2 million kn. Last year's EBITA, which included a net extraordinary income of 10.1 million kn, was negative and amounted to 2.0 million kn.

The liquidity and solvency ratios and the debt to equity and cash flow ratios are strong.

Ph.D. Igor Šehanović,  
Chairman of the Management Board



# LIBURNIA RIVIERA HOTELI

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Opatija, 20/04/2015

## Statement of persons responsible for the preparation of the reports

Pursuant to Article 407 Paragraph 2 of the Capital Market Act (Official Gazette Nos. 88/08 and 146/08), I declare that to the best of our knowledge the financial reports of the company LIBURNIA RIVIERA HOTELI d.d. Opatija have been prepared in accordance with International Financial Reporting Standards and the Croatian Accounting Act and that they provide a true and fair view of the assets and liabilities, profit and loss and financial operations of the Company and the Company included in the consolidation as a whole for the period from 1 January to 31 March 2015.

Ph.D. Igor Šehanović,  
Chairman of the Management Board

