

Annex 1.

Reporting period

1.1.2015

to

31.3.2015

Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number (MRS): 04008030

Personal identification number (OIB): 15573308024

Issuing company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 Opatija

Street and house number: MARŠALA TITA 198

E-mail address: remisens@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 302

County code and name: 6 PRIMORSKO GORANSKA ŽUPANIJA

Number of employees: 513

(period end)

Consolidated report: NO

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Companies of the consolidation subject (according to IFRS)	Seat:	MB:

Bookkeeping service:

Contact person: Kamenar Biserka
(only surname and name)

Telephone: 051 710-395

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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
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.102.632.612	1.105.478.653
I. INTANGIBLE ASSETS (004 do 009)	003	1.175.698	1.227.569
1. Expenditure for development	004	559.107	685.971
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	616.591	541.598
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	925.441.409	926.633.719
1. Land	011	111.903.544	111.903.544
2. Buildings	012	715.042.420	703.747.172
3. Plant and equipment	013	16.654.310	15.785.374
4. Tools, working inventory and transportation assets	014	67.442.533	65.447.835
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345.568	648.832
7. Tangible assets in progress	017	10.489.742	25.536.570
8. Other tangible assets	018	3.563.292	3.564.392
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	174.599.502	176.201.362
1. Share in related parties	021	174.585.922	176.187.782
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	13.580	13.580
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	1.416.003	1.416.003
C) CURRENT ASSETS (035+043+050+058)	034	95.770.576	71.357.239
I. INVENTORIES (036 do 042)	035	2.804.098	4.065.501
1. Raw materials and supplies	036	2.131.385	2.730.719
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	100.574	90.805
5. Advances for inventories	040	572.139	1.243.977
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	8.808.271	9.712.777
1. Receivables from related parties	044	797.628	907.382
2. Receivables from end-customers	045	7.664.303	4.999.397
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	95.337	96.979
5. Receivables from government and other institutions	048	251.003	3.709.019
6. Other receivables	049		
III. CURRENT FINANCIAL ASSETS (051 do 057)	050		
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		
IV. CASH AND CASH EQUIVALENTS	058	84.158.207	57.578.961
D) PREPAYMENTS AND ACCRUED INCOME	059	720.512	720.479
E) TOTAL ASSETS (001+002+034+059)	060	1.199.123.700	1.177.556.371
F) OFF BALANCE SHEET ITEMS	061	4.452.613	4.452.613

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	945.591.414	921.025.300
I. SUBSCRIBED SHARE CAPITAL	063	865.553.260	865.553.260
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	45.216.111	45.216.111
1. Legal reserves	066	43.277.663	43.277.663
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.938.448	1.938.448
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	0	34.822.043
1. Retained earnings	073		34.822.043
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	34.822.043	-24.566.114
1. Net profit for the period	076	34.822.043	
2. Net loss for the period	077		24.566.114
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	25.132.713	22.299.722
1. Provisions for pensions, severance pay and similar liabilities	080	8.560.968	5.727.975
2. Provisions for tax liabilities	081		
3. Other provisions	082	16.571.747	16.571.747
C) NON-CURRENT LIABILITIES (084 do 092)	083	166.366.746	166.366.746
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	166.366.746	166.366.746
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	60.575.815	65.118.831
1. Liabilities to related parties	094	44	
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	34.831.354	31.578.812
4. Liabilities for advances	097	5.635.201	11.216.255
5. Trade payables	098	10.002.949	12.259.268
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	6.130.594	3.110.739
9. Taxes, contributions and similar liabilities	102	1.958.460	4.726.571
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	2.017.213	2.227.186
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	1.457.012	2.745.772
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.199.123.700	1.177.556.371
G) OFF BALANCE SHEET ITEMS	108	4.452.613	4.452.613
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement

period 01.01.2015. to 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	24.710.237	24.710.237	17.471.302	17.471.302
1. Rendering of services	112	14.289.735	14.289.735	16.432.214	16.432.214
2. Other operating income	113	10.420.502	10.420.502	1.039.088	1.039.088
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	37.531.576	37.531.576	40.165.741	40.165.741
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	7.446.581	7.446.581	8.199.779	8.199.779
a) Costs of raw materials	117	2.096.792	2.096.792	2.147.039	2.147.039
b) Cost of goods sold	118	23.587	23.587	26.369	26.369
c) Other material expenses	119	5.326.202	5.326.202	6.026.371	6.026.371
3. Employee benefits expenses (121 do 123)	120	11.873.266	11.873.266	11.005.263	11.005.263
a) Net salaries	121	7.167.180	7.167.180	6.493.458	6.493.458
b) Tax and contributions from salary expenses	122	3.140.113	3.140.113	2.792.193	2.792.193
c) Contributions on salary	123	1.565.973	1.565.973	1.719.612	1.719.612
4. Depreciation and amortisation	124	15.078.083	15.078.083	16.193.376	16.193.376
5. Other expenses	125	3.014.752	3.014.752	4.756.314	4.756.314
6. Write down of assets (127+128)	126	118.894	118.894	11.009	11.009
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	118.894	118.894	11.009	11.009
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	284.189	284.189	430.106	430.106
1. Interest, foreign exchange differences, dividends and similar income from related parties	132			91.488	91.488
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	284.189	284.189	338.618	338.618
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	2.178.957	2.178.957	2.301.781	2.301.781
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	2.178.957	2.178.957	2.301.781	2.301.781
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	24.994.426	24.994.426	17.901.408	17.901.408
X. TOTAL EXPENSES (114+137+143+145)	147	39.710.533	39.710.533	42.467.522	42.467.522
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-14.716.107	-14.716.107	-24.566.114	-24.566.114
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	14.716.107	14.716.107	24.566.114	24.566.114
XII. TAXATION	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-14.716.107	-14.716.107	-24.566.114	-24.566.114
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	14.716.107	14.716.107	24.566.114	24.566.114
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-14.716.107	-14.716.107	-24.566.114	-24.566.114
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
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-valuation 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				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-14.716.107	-14.716.107	-24.566.114	-24.566.114
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

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
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-14.716.107	-24.566.114
2. Depreciation and amortisation	002	15.078.083	16.193.376
3. Increase of current liabilities	003	8.217.275	8.075.502
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	8.579.251	-297.236
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	12.423.630	904.506
3. Increase of inventories	010	3.534.295	1.261.403
4. Other cash flow decreases	011	5.437.490	3.211.971
II. Total decrease of cash flow from operating activities	012	21.395.415	5.377.880
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	12.816.164	5.675.116
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	27.496	13.985
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	287.113	411.154
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	314.609	425.139
1. Purchase of non-current assets	021	24.198.924	17.438.479
2. Purchase of non-current financial assets	022		1.601.860
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	24.198.924	19.040.339
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	23.884.315	18.615.200
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028		
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	0	0
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		
VI. Total cash outflows from financing activities	036	15.787.034	2.288.930
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	15.787.034	2.288.930
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	52.487.513	26.579.246
Cash and cash equivalents at the beginning of period	041	63.104.987	84.158.207
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	52.487.513	26.579.246
Cash and cash equivalents at the end of period	044	10.617.474	57.578.961

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	001	968.451.200	865.553.260
2. Capital reserves	002		
3. Reserves from profit	003		45.216.111
4. Retained earnings or loss carried forward	004	-57.682.210	34.822.043
5. Net profit or loss for the period	005	-14.716.107	-24.566.114
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007	656.646	
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	896.709.529	921.025.300
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019		

**Liburnia Riviera Hoteli d.d. Management Board Report for the period
January-March 2015**

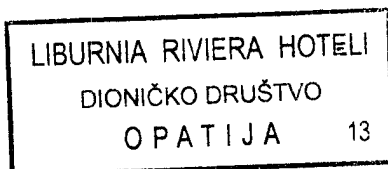
The operating results of Liburnia Riviera Hoteli d.d. for the period January-March 2015 show that the Company is achieving its primary objectives.

In the period from January to March 2015, the number of overnight stays increased by approximately 27% compared to the same period in 2014, the operating income increased by approximately 16%, and the gross operating profit is approximately 14% less negative than in the same period last year.

In the period from January to March 2015, the Company's net extraordinary income was 379,000 kn. In the same period last year, net extraordinary income was approximately 10 million kn (on the basis of a court order in favour of Liburnia Riviera Hoteli d.d.) In the observed period, the Company's financial result (EBITA) was -6.1 million kn. The financial result in the same period last year (which included net extraordinary income to the amount of approximately 10 million kn) was 2.5 million kn.

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

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



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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 for the period from 1 January to 31 March 2015.

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

