

Appendix 1

Reporting period:

1.1.2015

to

31.12.2015

Annual financial report of entrepreneur - GFI-POD

Registration number (MB): 03166619

Identification number of subject (MBS): 040008080

Personal identification number (OIB): 15573308024

Issuer company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 OPATIJA

Street and number: MARŠALA TITA 198

E-mail address: remisens@remisens

Internet address: www.remisens.com

Code and name of comune/town: 302

Code and county name: a PRIMORSKO-GORANSKA Number of employees: 558
(at quarter end)

Consolidated statement: NO NKD/NWC code: 5510

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

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

Book keeping service:

Contact person: Kamemar Biserka
(authorised person for representation)

Phone number: 051 710-395 Fascimile: 051 710-404

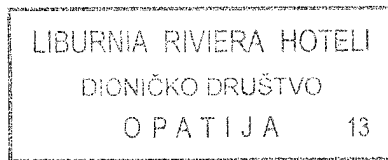
E-mail address: biserka.kamenar@remisens.com

Surname and name: Sehanovic Igor
(authorised person for representation)

Disclosure documents:

1. Audited annual financial statements
2. Report of the Management Board on position of the Company
3. Statement of responsible persons for preparation of financial statements
4. The decision of the competent authority (the proposal) about the development of the annual financial statements
5. Decision on the allocation of profits or covering of loss

M.P.



(signed by authorised person for representation)

BALANCE SHEET
as at 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AQP code	Last year (net)	Current year (net)
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	1.102.622.612	857.918.867
I. INTANGIBLE ASSETS (004 to 009)	003	1.175.698	1.382.928
1. Assets development	004	559.107	592.534
2. Concessions, patents, licences fees, trade and service marks, software and	005	616.591	790.394
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	925.441.409	652.372.860
1. Land	011	111.903.544	110.840.589
2. Buildings	012	715.042.420	643.696.252
3. Plant and equipment	013	16.654.310	13.688.733
4. Tools, facility inventory and transport assets	014	67.442.533	71.219.529
5. Biological assets	015		
6. Prepayments for tangible assets	016	345.568	481.961
7. Tangible assets in progress	017	10.489.742	8.887.349
8. Other tangible assets	018	3.563.292	3.558.567
9. Investments in buildings	019		
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	174.599.502	528.850
1. Investments (shares) with related parties	021	174.585.922	500.000
2. Loans given to related parties	022		
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025	13.580	28.860
6. Loans, deposits and similar assets	026		
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	1.416.003	3.634.099
C) SHORT TERM ASSETS (035+043+050+058)	034	95.770.576	95.717.792
I. INVENTORIES (036 to 042)	035	2.904.098	2.492.615
1. Raw-material and supplies	036	2.131.385	1.902.931
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	100.574	222.533
5. Prepayments for inventories	040	572.139	367.151
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	8.806.271	10.694.365
1. Receivables from related parties	044	797.628	
2. Accounts receivable	045	7.664.303	8.021.696
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	95.337	170.863
5. Receivables from government and other institutions	048	251.003	2.501.806
6. Other receivables	049		
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	0	15.800
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		15.800
IV. CASH AT BANK AND IN CASHIER	058	84.158.207	82.514.992
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	720.512	286.448
E) TOTAL ASSETS (001+002+034+059)	060	1.199.123.700	963.923.107
F) OFF-BALANCE RECORDS	061	4.452.613	4.452.613

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	945.691.414	742.665.616
I. SUBSCRIBED CAPITAL	063	865.553.260	696.074.300
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	45.216.111	46.529.649
1. Reserves prescribed by law	066	43.277.663	45.018.765
2. Reserves for treasury shares	067		
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.938.448	1.510.883
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	0	0
1. Retained earnings	073		
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	34.822.043	81.668
1. Profit for the current year	076	34.822.043	81.668
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	25.132.713	19.429.563
1. Provisions for pensions, severance pay, and similar liabilities	080	8.560.966	2.563.749
2. Reserves for tax liabilities	081		
3. Other reserves	082	16.571.747	16.865.804
C) LONG - TERM LIABILITIES (084 to 092)	083	166.366.746	124.161.675
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	124.161.675
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		
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	60.575.615	66.671.375
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	44.128.276
4. Liabilities for received prepayments	097	5.635.201	5.598.394
5. Accounts payable	098	10.002.949	6.845.012
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	6.130.594	5.216.783
9. Liabilities for taxes, contributions and similar fees	102	1.958.460	2.151.484
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	2.017.213	2.731.426
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO	106	1.457.012	974.688
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.199.123.700	953.923.107
G) OFF-BALANCE RECORDS	108	4.452.613	4.452.613
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	0	0
2. Attributed to minority interest	110		

PROFIT AND LOSS ACCOUNT
for the period 01.01.2015. to 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AOP code	Last year	Current year
1	2	3	4
I. OPERATING REVENUE (112+113)	111	275.607.621	275.207.907
1. Sales revenue	112	236.769.043	252.019.988
2. Other operating revenues	113	38.838.778	23.187.919
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	232.233.559	268.993.444
1. Changes in value of work in progress and finished products	115		
2. Material costs (117 to 119)	116	64.233.149	64.595.634
a) Raw material and material costs	117	25.144.776	25.947.633
b) Costs of goods sold	118	315.005	297.317
c) Other external costs	119	38.773.368	38.350.684
3. Staff costs (121 to 123)	120	67.092.811	63.918.442
a) Net salaries and wages	121	40.201.331	37.993.548
b) Cost for taxes and contributions from salaries	122	17.163.582	16.405.508
c) Contributions on gross salaries	123	9.727.898	9.519.386
4. Depreciation	124	62.771.034	97.368.243
5. Other costs	125	29.365.202	31.483.981
6. Impairment (127+128)	126	1.999.565	11.300.188
a) Impairment of long-term assets (financial assets excluded)	127	1.696.038	11.097.180
b) Impairment of short - term assets (financial assets excluded)	128	303.527	203.008
7. Provisions	129	6.771.798	325.956
8. Other operating costs	130		
III. FINANCIAL INCOME (132 to 136)	131	2.196.802	2.879.751
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	2.196.802	2.782.889
3. Share in income from affiliated entrepreneurs and participating interests	134		96.862
4. Unrealized gains (income) from financial assets	135		
5. Other financial income	136		
IV. FINANCIAL EXPENSES (138 do 141)	137	10.749.021	8.831.121
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	10.749.021	8.831.121
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		
VIII. EXTRAORDINARY - OTHER EXPENSES	145		
IX. TOTAL INCOME (111+131+142 + 144)	146	277.804.623	278.087.658
X. TOTAL EXPENSES (114+137+143 + 145)	147	242.962.880	277.824.565
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	34.822.043	263.093
1. Profit before taxation (146-147)	149	34.822.043	263.093
2. Loss before taxation (147-146)	150	0	0
XII. PROFIT TAX	151		181.425
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	34.822.043	81.668
1. Profit for the period (149-151)	153	34.822.043	81.668
2. Loss for the period (151-148)	154	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	34.822.043	81.668
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	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 reevaluation 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
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	34.822.043	81.668
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial			
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
for the period 01.01.2015. to 31.12.2015.

Obligator: LIBURNIA RIVIERA HOTELI d.d. OPATIJA			
Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	34.822.043	263.092
2. Depreciation	002	62.771.034	97.368.243
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other increase in cash flow	006		
I. Total increase in cash flow from operating activities (001 to 006)	007	97.593.077	97.631.335
1. Decrease in short term liabilities	008	5.456.818	3.582.560
2. Increase in short term receivables	009	1.199.681	1.484.459
3. Increase in inventories	010	1.134.317	331.483
4. Other decrease in cash flow	011	13.913.563	13.776.679
II. Total decrease in cash flow from operating activities (008 to 011)	012	21.704.379	19.175.181
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-	013	75.888.698	78.456.154
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	24.542.965	18.188.368
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	1.522.746	1.520.113
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III. Total cash inflows from investing activities (015 to 019)	020	26.065.711	19.708.481
1. Cash outflow for purchase of long-term tangible and intangible assets	021	88.594.049	39.678.251
2. Cash outflow for acquisition of equity and debt financial instruments	022	1.404.384	6.685.000
3. Other cash outflow for investing activities	023		22.027.230
IV. Total cash outflow for investing activities (021 do 023)	024	89.998.433	68.390.481
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-	026	63.932.722	48.682.000
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	64.539.719	
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	64.539.719	0
1. Cash outflow for repayment of credit principal and bonds	031	55.442.475	31.417.369
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	55.442.475	31.417.369
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-	037	9.097.244	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-	038	0	31.417.369
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	21.053.220	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	1.643.215
Cash and cash equivalents at the beginning of the period	041	63.104.987	84.158.207
Increase of cash and cash equivalents	042	21.053.220	0
Decrease of cash and cash equivalents	043		1.643.215
Cash and cash equivalents at the end of the period	044	84.158.207	82.514.992

STATEMENT OF CHANGES IN EQUITY
for the period 1.1.2015 do 31.12.2015

Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	865.553.260	696.074.300
2. Capital reserves	002		
3. Reserves from profit	003	43.277.663	45.018.765
4. Retained earnings or accumulated loss	004		
5. Profit or loss for the current year	005	34.822.043	81.668
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	1.938.448	1.510.883
10. Total capital and reserves (AOP 001 do 009)	010	945.591.414	742.685.616
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 do 016)	017	0	0
17 a. Attributed to equity holders of parent company	018		
17 b. Attributed to minority interest	019		

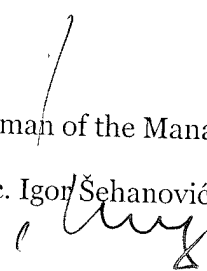
Management Board Report on the state of Liburnia Riviera Hoteli d.d. for the period January-December 2015

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

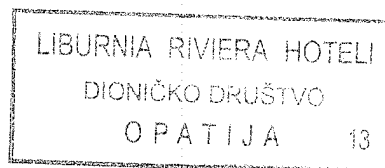
In the period January-December 2015, compared to the same period last year, the Company had c. 3% more overnight stays. Its operating income increased by c. 6%, GOP (gross operating profit) by c. 18%, and EBITDA was c. 106.1 million kn. In the same period last year, EBITDA was c. 107.0 million kn.

In the observed period, the Company's net extraordinary income was c. 10.1 million kn. In the same period last year, net extraordinary income was c. 28.8 million kn.

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


Chairman of the Management Board

Dr. Sc. Igor Šehanović



LIBURNIA RIVIERA HOTELI

LRH

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Opatija, 04/04/2016

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 December 2015.

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

