

## Annex 1.

Reporting period

1.1.2015

to

30.9.2015

## Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number  
(MRS): 040008080Personal 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: 1.085

Consolidated report: YES

(period end)

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

REMISENS d.o.o. OPATIJA

OPATIJA

48407935600

Bookkeeping service:

Contact person: Kamenar Biserka

(only surname and name)

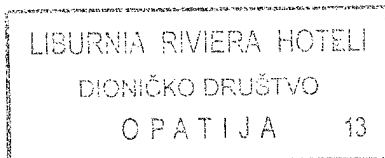
Telephone: 051 710-395

Telefaks: 051 710-404

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

Family name and name: Šehanović Igor

(person authorized to represent the company)



L.S.

(signature of the person authorized to represent the company)

**Balance Sheet**  
as of 30.09.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period 31.12.2014	Current period
1	2	3	4
<b>ASSETS</b>			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.142.671,265	1.307.168,180
I. INTANGIBLE ASSETS (004 do 009)	003	21.199,341	33.982,252
1. Expenditure for development	004	559,107	1.119,446
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.499,381	1.273,139
3. Goodwill	006		26.604,519
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
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.120.041,001	1.271.659,585
1. Land	011	194.334,017	209.806,550
2. Buildings	012	819.596,935	945.637,326
3. Plant and equipment	013	16.838,587	15.245,318
4. Tools, working inventory and transportation assets	014	74.558,174	86.677,539
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345,568	448,168
7. Tangible assets in progress	017	10.802,302	8.278,166
8. Other tangible assets	018	3.565,418	3.566,518
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	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		
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	1.511,423
C) CURRENT ASSETS (035+043+050+058)	034	111.073,107	185.735,018
I. INVENTORIES (036 do 042)	035	3.455,179	6.054,548
1. Raw materials and supplies	036	2.749,794	5.052,697
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	109,184	158,748
5. Advances for inventories	040	596,201	843,103
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	10.998,143	53.324,566
1. Receivables from related parties	044		
2. Receivables from end-customers	045	9.350,397	43.956,063
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	273,069	311,787
5. Receivables from government and other institutions	048	940,676	4.218,983
6. Other receivables	049	434,001	4.837,733
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	0	0
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	96.619,785	126.355,904
D) PREPAYMENTS AND ACCRUED INCOME	059	720,512	717,229
E) TOTAL ASSETS (001+002+034+059)	060	1.254.464,884	1.493.620,427
F) OFF BALANCE SHEET ITEMS	061	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	1.051.374.976
<b>I. SUBSCRIBED SHARE CAPITAL</b>	<b>063</b>	865.553.260	898.843.770
<b>II. CAPITAL RESERVES</b>	<b>064</b>		
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	45.216.111	46.527.428
1. Legal reserves	<b>066</b>	43.277.663	45.018.785
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	1.508.663
<b>IV. REVALUATION RESERVES</b>	<b>071</b>		
<b>V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)</b>	<b>072</b>	6.897.270	22.860.744
1. Retained earnings	<b>073</b>	6.897.270	22.860.744
2. Loss carried forward	<b>074</b>		
<b>VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)</b>	<b>075</b>	49.163.158	72.615.006
1. Net profit for the period	<b>076</b>	49.163.158	72.615.006
2. Net loss for the period	<b>077</b>		
<b>VII. MINORITY INTEREST</b>	<b>078</b>	16.801.320	10.527.928
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	27.326.718	34.544.794
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	10.491.066	2.677.952
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	16.835.652	31.866.842
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	178.208.208	331.694.938
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	11.459.907
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	63.841.827	72.157.833
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	15.849.549
4. Liabilities for advances	<b>097</b>	7.549.961	12.011.890
5. Trade payables	<b>098</b>	10.331.368	23.850.696
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	6.815.253
9. Taxes, contributions and similar liabilities	<b>102</b>	2.272.367	10.994.099
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	2.636.346
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	1.457.012	3.847.986
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.254.464.884	1.493.620.427
<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	1.040.846.948
2. Attributable to minority interest	<b>110</b>	16.801.320	10.527.928

**Income statement**  
period 01.01.2015. to 30.09.2015.

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
<b>I. OPERATING INCOME (112 do 113)</b>	<b>111</b>	<b>313.962.516</b>	<b>195.389.766</b>	<b>350.602.929</b>	<b>214.014.614</b>
1. Rendering of services	112	277.875.312	171.142.859	340.577.637	209.578.449
2. Other operating income	113	36.287.204	24.246.907	10.025.292	4.436.165
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>217.697.647</b>	<b>95.490.214</b>	<b>266.647.048</b>	<b>117.680.050</b>
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	69.040.159	35.005.051	87.885.815	43.960.669
a) Costs of raw materials	117	30.792.963	17.024.613	35.998.763	20.162.921
b) Cost of goods sold	118	291.438	157.354	248.757	136.241
c) Other material expenses	119	37.955.758	17.823.084	51.638.295	23.661.507
3. Employee benefits expenses (121 do 123)	120	66.310.501	26.380.004	70.779.662	29.787.265
a) Net salaries	121	40.979.385	15.958.661	43.262.799	18.888.883
b) Tax and contributions from salary expenses	122	15.885.348	6.585.701	17.090.976	6.595.198
c) Contributions on salary	123	9.445.768	3.835.642	10.425.887	4.303.184
4. Depreciation and amortisation	124	56.147.285	19.410.069	71.445.743	23.984.852
5. Other expenses	125	26.049.597	14.656.877	36.367.540	19.878.055
6. Write down of assets (127+128)	126	150.105	38.213	168.288	69.209
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	150.105	38.213	168.288	69.209
7. Provisions	129				
8. Other operating costs	130				
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	<b>1.207.714</b>	<b>817.895</b>	<b>4.745.922</b>	<b>1.010.745</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	1.207.714	817.895	4.745.922	1.010.745
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>7.214.223</b>	<b>2.626.681</b>	<b>14.962.432</b>	<b>4.569.210</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	7.214.223	2.626.681	14.962.432	4.569.210
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>315.170.230</b>	<b>196.207.561</b>	<b>355.348.851</b>	<b>215.025.359</b>
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	<b>224.911.870</b>	<b>98.116.895</b>	<b>281.609.480</b>	<b>122.249.260</b>
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	<b>90.258.360</b>	<b>98.090.766</b>	<b>73.739.371</b>	<b>92.776.099</b>
1. Profit before taxes (146-147)	149	90.258.360	98.090.766	73.739.371	92.776.099
2. Loss before taxes (147-148)	150	0	0	0	0
<b>XII. TAXATION</b>	<b>151</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>90.258.360</b>	<b>98.090.766</b>	<b>73.739.371</b>	<b>92.776.099</b>
1. Profit for the period (149-151)	153	90.258.360	98.090.766	73.739.371	92.776.099
2. Loss for the period (151-148)	154	0	0	0	0
<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	88.214.390	95.993.250	72.615.006	91.563.664
2. Attributable to minority interest	156	2.043.970	2.097.516	1.124.365	1.212.435
<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>90.258.360</b>	<b>98.090.766</b>	<b>73.739.371</b>	<b>92.776.099</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>90.258.360</b>	<b>98.090.766</b>	<b>73.739.371</b>	<b>92.776.099</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	88.214.390	95.993.250	72.615.006	91.563.664
2. Attributable to minority interest	170	2.043.970	2.097.516	1.124.365	1.212.435

## Cash flow statement - indirect method

period 01.01.2015. to 30.09.2015.

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	90.258.340	73.739.372
2. Depreciation and amortisation	002	56.191.285	71.445.743
3. Increase of current liabilities	003	3.912.076	13.065.053
4. Decrease of current receivables	004		
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>150.361.701</b>	<b>158.250.168</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	30.730.338	8.254.626
3. Increase of inventories	010	2.635.691	1.914.241
4. Other cash flow decreases	011	11.403.836	10.466.446
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>44.769.865</b>	<b>20.635.313</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>105.591.836</b>	<b>137.614.855</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015	23.132.811	532.983
2. Proceeds from sale of non-current financial assets	016		0
3. Interest received	017	855.471	1.114.405
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>23.988.282</b>	<b>1.647.388</b>
1. Purchase of non-current assets	021	91.839.576	247.525.160
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>91.839.576</b>	<b>247.525.160</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>67.851.294</b>	<b>245.877.772</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	64.539.719	165.310.517
3. Other proceeds from financing activities	029		
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>64.539.719</b>	<b>165.310.517</b>
1. Repayment of loans and bonds	031	41.934.339	28.811.481
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>41.934.339</b>	<b>28.811.481</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>22.605.380</b>	<b>136.499.036</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>0</b>	<b>0</b>
Total increases of cash flows	039	60.345.922	28.236.119
Total decreases of cash flows	040	0	0
Cash and cash equivalents at the beginning of period	041	76.938.915	98.119.785
Increase of cash and cash equivalents	042	60.345.922	28.236.119
Decrease of cash and cash equivalents	043	0	
Cash and cash equivalents at the end of period	044	137.284.837	126.355.904

**STATEMENT OF CHANGES IN EQUITY**  
period 1.1.2015 to 30.9.2015

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	865.553.260	898.843.770
2. Capital reserves	002		
3. Reserves from profit	003	45.211.175	46.527.428
4. Retained earnings or loss carried forward	004	6.769.218	22.860.744
5. Net profit or loss for the period	005	86.306.606	72.615.006
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	1.003.840.259	1.040.846.948
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		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	0	0
17 a. Attributable to majority owners	018	1.003.840.259	1.040.846.948
17 b. Attributable to minority interest	019	17.418.771	10.527.928

**Management Board Report – consolidated – on the state of the Group**

**Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and Remisens d.o.o.**

**30/09/2015**

The consolidated operating results for the period January-September 2015 show that the Group (Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d., Hoteli Metropol d.o.o. and Remisens d.o.o.) is achieving its primary objectives. The Hoteli Metropol d.o.o. Portorož Company was acquired on 13/02/2015 (the consolidated report shows and analyses results starting from 01/01/2015).

The acquisition of the Hoteli Metropol d.o.o. company was realised relatively late, which means that the new management will have a relatively restricted influence on business income in 2015 (the reason for this is that most of the sales for the current year, except those through direct channels, begin to be realised a year in advance). In addition, in the year 2015 there will be one-off costs related to the acquisition. The management believes that from 2016 on, the operating result of the Hoteli Metropol d.o.o. company will be of a volume that is typical for the Group.

In the period January-September 2015, the Group had c. 19% more overnight stays compared to the same period last year. Its operating income increased by c. 23% compared to the same period last year, and GOP (gross operating profit) increased by c. 25% 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.

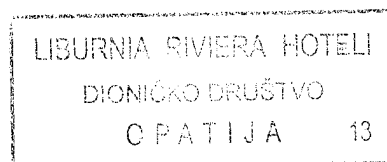
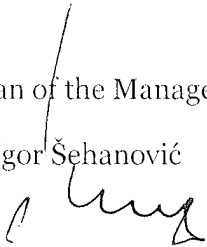
In the period January-September 2015, the Group realised a net extraordinary income of c. 7.7 million kn. In the same period last year, net extraordinary income was c. 35.2 million kn.

Consolidated EBITDA amounts to 155.3 million kn. Last year's EBITDA was 151.3 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

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Opatija, 20/10/2015

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 30 September 2015.

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

