

Annex 1.

Reporting period

1.1.2015

to

30.9.2015

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: 709

Consolidated report: NO

(period end)

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: Kamenar Biserka
(only surname and name)

Telephone: 051 710-395

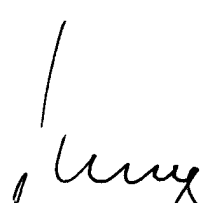
Telefaks: 051 710-404

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

Family name and name: Šehanović Igor
(person authorized to represent the company)

LIBURNIA RIVIERA HOTELI
DIONIČKO DRUŠTVO
OPATIJA 13

L.S.


 (signature of the person authorized to represent the company)

Balance Sheet
as of 30.092015.

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	1.096.094.711
I. INTANGIBLE ASSETS (004 do 009)	003	1.175.698	1.652.816
1. Expenditure for development	004	559.107	614.064
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	616.591	1.038.752
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	911.769.435
1. Land	011	111.903.544	111.903.544
2. Buildings	012	715.042.420	700.015.500
3. Plant and equipment	013	16.654.310	14.535.242
4. Tools, working inventory and transportation assets	014	67.442.533	75.966.814
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345.568	388.168
7. Tangible assets in progress	017	10.489.742	5.395.775
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	181.256.457
1. Share in related parties	021	174.585.922	181.242.877
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	134.020.850
I. INVENTORIES (036 do 042)	035	2.804.098	3.538.641
1. Raw materials and supplies	036	2.131.385	2.686.477
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	100.574	139.772
5. Advances for inventories	040	572.139	712.392
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	8.808.271	23.718.536
1. Receivables from related parties	044	797.628	105.084
2. Receivables from end-customers	045	7.664.303	18.600.386
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	95.337	98.346
5. Receivables from government and other institutions	048	251.003	2.066.336
6. Other receivables	049		2.848.384
III. CURRENT FINANCIAL ASSETS (051 do 057)	050		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	84.158.207	106.763.673
D) PREPAYMENTS AND ACCRUED INCOME	059	720.512	575.951
E) TOTAL ASSETS (001+002+034+059)	060	1.199.123.700	1.230.691.512
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	991.269.789
I. SUBSCRIBED SHARE CAPITAL	063	865.553.260	898.843.770
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	45.216.111	46.527.428
1. Legal reserves	066	43.277.663	45.018.765
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	1.508.663
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	0	0
1. Retained earnings	073		
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	34.822.043	45.898.591
1. Net profit for the period	076	34.822.043	45.898.591
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	25.132.713	19.135.496
1. Provisions for pensions, severance pay and similar liabilities	080	8.560.966	2.563.749
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	50.262.035
1. Liabilities to related parties	094	44	1.225
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	34.831.354	15.764.900
4. Liabilities for advances	097	5.635.201	6.593.743
5. Trade payables	098	10.002.949	14.490.848
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	6.130.594	4.490.070
9. Taxes, contributions and similar liabilities	102	1.958.460	6.752.748
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	2.168.501
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	1.457.012	3.657.446
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.199.123.700	1.230.691.512
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 30.09.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)					
1. Rendering of services	111	240.576.105	147.067.361	227.933.043	133.838.946
2. Other operating income	112	204.453.237	122.863.128	220.788.128	130.674.099
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	113	36.122.868	24.204.233	7.144.915	3.164.847
1. Change in inventories of work in progress	114	170.427.846	73.932.965	176.687.592	75.484.333
2. Material expenses (117 do 119)	115				
a) Costs of raw materials	116	51.466.429	25.311.285	53.407.070	25.588.958
b) Cost of goods sold	117	20.871.246	11.098.176	21.949.291	11.640.015
c) Other material expenses	118	288.621	155.191	243.264	133.256
3. Employee benefits expenses (121 do 123)	119	30.308.562	14.057.918	31.214.515	13.815.687
a) Net salaries	120	49.713.554	19.870.485	48.373.748	19.487.869
b) Tax and contributions from salary expenses	121	29.917.812	11.979.815	29.443.398	12.018.846
c) Contributions on salary	122	12.743.102	5.018.729	11.722.765	4.605.694
4. Depreciation and amortisation	123	7.052.640	2.871.941	7.207.585	2.863.329
5. Other expenses	124	46.351.694	16.056.254	49.006.440	18.570.140
6. Write down of assets (127+128)	125	22.746.064	12.656.728	25.770.059	13.772.805
a) non-current assets (except financial assets)	126	150.105	38.213	130.275	64.561
b) current assets (except financial assets)	127				
7. Provisions	128	150.105	38.213	130.275	64.561
8. Other operating costs	129				
III. FINANCIAL INCOME (132 do 136)	130				
1. Interest, foreign exchange differences, dividends and similar income from related parties	131	982.150	614.679	1.356.814	563.903
2. Interest, foreign exchange differences, dividends and similar income from third parties	132			96.818	2.644
3. Income from investments in associates and joint ventures	133	982.150	614.679	1.259.996	561.259
4. Unrealised gains (income) from financial assets	134				
5. Other financial income	135				
IV. FINANCIAL EXPENSES (138 do 141)	136				
1. Interest, foreign exchange differences, dividends and similar income from related parties	137	7.110.451	2.594.081	6.703.674	2.191.516
2. Interest, foreign exchange differences, dividends and similar income from third parties	138				
3. Unrealised losses (expenses) from financial assets	139	7.110.451	2.594.081	6.703.674	2.191.516
4. Other financial expenses	140				
141	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	241.558.255	147.682.040	229.289.857	134.402.849
X. TOTAL EXPENSES (114+137+143+145)	147	177.538.297	76.527.026	183.391.266	77.675.849
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	64.019.958	71.155.014	45.898.591	56.727.000
1 Profit before taxes (146-147)	149	64.019.958	71.155.014	45.898.591	56.727.000
2. Loss before taxes (147-146)	150	0	0	0	0
XII. TAXATION	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	64.019.958	71.155.014	45.898.591	56.727.000
1. Profit for the period (149-151)	153	64.019.958	71.155.014	45.898.591	56.727.000
2. Loss for the period (151-148)	154	0	0	0	0
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	64.019.958	71.155.014	45.898.591	56.727.000
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-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				
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	64.019.958	71.155.014	45.898.591	56.727.000
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 30.09.2015.

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	64.019.958	45.898.591
2. Depreciation and amortisation	002	46.395.694	49.006.440
3. Increase of current liabilities	003	3.912.076	4.586.100
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	114.327.728	99.491.131
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	14.885.611	5.672.049
3. Increase of inventories	010	1.778.779	743.549
4. Other cash flow decreases	011	6.668.364	7.610.748
II. Total decrease of cash flow from operating activities	012	23.332.754	14.026.346
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	90.994.974	85.464.785
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	22.996.151	25.475
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	855.471	1.071.328
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	23.851.622	1.096.803
1. Purchase of non-current assets	021	88.149.241	46.008.323
2. Purchase of non-current financial assets	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	88.149.241	46.008.323
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	64.297.619	44.911.520
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028	64.539.719	
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	64.539.719	0
1. Repayment of loans and bonds	031	41.934.339	17.947.799
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	41.934.339	17.947.799
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	22.605.380	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	17.947.799
Total increases of cash flows	039	49.302.735	22.605.466
Total decreases of cash flows	040	0	0
Cash and cash equivalents at the beginning of period	041	63.104.987	84.158.207
Increase of cash and cash equivalents	042	49.302.735	22.605.466
Decrease of cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of period	044	112.407.722	106.763.673

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		
5. Net profit or loss for the period	005	64.019.958	45.898.591
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	974.784.393	991.269.789
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		

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

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

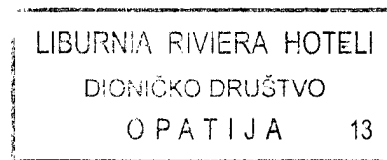
In the period January-September 2015, compared to the same period last year, the Company had c. 5% more overnight stays. Its operating income increased by c. 8%, GOP (gross operating profit) by c. 14%, and EBITDA was c. 101.4 million kn. In the same period last year, EBITDA was c. 117.3 million kn.

In the observed period, the Company's net extraordinary income was c. 5.3 million kn. In the same period last year, net extraordinary income was c. 34.5 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, 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 for the period from 1 January to 30 September 2015.

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

