



ULJANIK PLOVIDBA d.d.

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY - JUNE 2011

Pula, July 2011

CONTENT:

Financial Statements of ULJANIK PLOVIDBA d.d.
(unaudited) for the period January – June 2011

Notes

Management Report

Statement of the person responsible for preparing Financial Statements

Attachment 1.

Reporting period:

1.1.2011

to

30.6.2011

18

Quarterly financial statement of the entrepreneur - TFI-POD

Tax number (MB): 03292754

Company registration number (MBS): 040010793

Personal identification number (OIB): 49693360447

Issuing company: ULJANIK PLOVIDBA D.D.

Postal code and place: 52100 PULA

Street and house number: CARRARINA 6

E-mail address: uljanik-plovidba@pu.t-com.hr

Internet address: www.uljanikplovidba.com

Municipality/city code and name: 359 PULA

County code and name: 18 ISTARSKA

Number of employees 30

Consolidated report: NO

(quarter end)

NKD code: 5020

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

Bookkeeping service:

Contact person: BOJANA MIHAJLOVIĆ

(please enter only contact person's family name and name)

Telephone: 052 211544

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Family name and name: DRAGUTIN PAVLETIĆ

(person authorized to represent the company)

Documents to be published:

1. Financial statements (balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and notes to financial statements)
2. Report of the Management Board on the Company Status
3. Statement of persons responsible for the drawing-up of financial statements

ULJANIK PLOVIDBA d.d.  of the person authorized to represent the company)

BALANCE SHEET
as of 30.06.2011.

Company: ULJANIK PLOVIDBA D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL	001		
B) LONG - TERM ASSETS (003+010+020+029+033)	002	412.986.440	462.425.460
I. INTANGIBLE ASSETS (004 to 009)	003	0	60.517
1. Assets development	004		60.517
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005		
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	3.812.655	3.715.571
1. Land	011	121.829	121.829
2. Buildings	012	3.188.274	3.162.949
3. Plant and equipment	013	502.552	430.793
4. Instruments, plant inventories and transportation assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016		
7. Tangible assets in preparation	017		
8. Other material assets	018		
9. Investment in buildings	019		
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	389.935.281	379.998.471
1. Shares (stocks) in related parties	021	388.246.479	378.309.713
2. Loans given to related parties	022		
3. Participating interests (shares)	023	1.688.802	1.688.758
4. Loans to entrepreneurs in whom the entity hold participating interests	024		
5. Investment in securities	025		
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	19.238.504	78.650.901
1. Receivables from related parties	030	18.719.767	78.189.876
2. Receivables based on trade loans	031	518.737	461.025
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT- TERM ASSETS (035+043+050+058)	034	47.911.123	106.923.253
I. INVENTORIES (036 to 042)	035	0	0
1. Raw material	036		
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039		
5. Prepayments for inventories	040		
6. Long - term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	21.770.487	63.267.049
1. Receivables from related parties	044	19.852.798	34.566.268
2. Accounts receivable	045	497.578	8.676.714
3. Receivables from participating entrepreneurs	046		
4. Receivables from employees and shareholders	047		
5. Receivables from government and other institutions	048	1.398.764	1.096.431
6. Other receivables	049	21.347	18.927.636
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	26.015.901	43.496.314
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	13.924.148	31.409.635
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity hold participating interests	054		
5. Investment in securities	055		
6. Loans, deposits and similar assets	056	12.091.753	12.086.679
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	124.735	159.890
D) PREPAID EXPENSES AND ACCRUED INCOME	059	26.783	204
E) TOTAL ASSETS (001+002+034+059)	060	460.924.346	569.348.917
F) OFF-BALANCE SHEET NOTES	061		

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	402.510.039	399.308.177
I. SUBSCRIBED CAPITAL	063	232.000.000	232.000.000
II. CAPITAL RESERVES	064	-5.132.712	-6.254.719
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	12.596.730	12.429.687
1. Reserves prescribed by law	066	11.600.000	11.600.000
2. Reserves for treasury stocks	067	36.382.812	36.382.812
3. Treasury stocks and shares (deduction)	068	35.386.082	35.553.125
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	29.191.670	0
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	61.291.410	130.546.374
1. Retained earnings	073	61.291.410	130.546.374
2. Accumulated loss	074		
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	72.562.941	30.586.835
1. Profit for the current year	076	72.562.941	30.586.835
2. Loss for the current year	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 to 082)	079	1.945.865	1.942.400
1. Provisions for pensions, severance pay and similar liabilities	080	1.945.865	1.942.400
2. Reserves for tax liabilities	081		
3. Other reserves	082		
C) LONG TERM LIABILITIES (084 to 092)	083	19.628.088	78.894.867
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	19.628.088	78.894.867
3. Liabilities to banks and other financial institutions	086		
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	36.748.488	89.142.954
1. Liabilities to related parties	094	11.136.504	
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	22.833.763	14.362.351
4. Liabilities for received prepayments	097	138.844	138.844
5. Accounts payable	098	233.180	570.494
6. Liabilities arising from debt securities	099		70.000.000
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	732.867	589.210
9. Liabilities for taxes, contributions and similar fees	102		
10. Liabilities to share - holders	103	1.202.880	2.223.408
11. Liabilities for long term assets held for sale	104		
12. Other short - term liabilities	105	470.450	1.258.647
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	91.866	60.519
F) TOTAL CAPITAL AND LIABILITIES(062+079+083+093+106)	107	460.924.346	569.348.917
G) OFF-BALANCE SHEET NOTES	108		
APPENDIX TO BALANCE SHEET (only for consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109		
2. Attributed to minority interests	110		

PROFIT AND LOSS ACCOUNT
for period 01.01.2011. to 30.06.2011.

Company: ULJANIK PLOVIDBA D.D.

Position	AOP	Previous period		Current period	
		Cummulative	Periodical	Cummulative	Periodical
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	29.036.640	3.530.002	29.061.174	3.163.605
1. Sales revenues	112	6.723.518	3.489.429	6.494.872	3.163.605
2. Other operating revenues	113	22.313.122	40.573	22.566.302	0
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	6.873.454	3.727.358	6.602.063	3.013.647
1. Changes in the value of work in progress and finished goods	115				
2. Material costs (117 to 119)	116	377.818	192.165	324.741	153.117
a) Raw material and material costs	117	86.446	33.196	74.037	33.711
b) Costs of goods sold	118				
c) Other external costs	119	291.372	158.969	250.704	119.406
3. Staff costs (121 to 123)	120	4.351.207	2.169.544	4.496.336	2.235.811
a) Net salaries and wages	121	2.108.859	1.055.601	2.281.935	1.135.364
b) Costs for taxes and contributions from salaries	122	1.603.775	795.546	1.554.529	772.325
c) Contributions on gross salaries	123	638.573	318.397	659.872	328.122
4. Depreciation	124	97.118	48.682	125.360	65.102
5. Other costs	125	1.933.461	1.203.117	1.655.626	559.617
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long-term assets (excluding financial assets)	127				
b) Impairment of short-term assets (excluding financial assets)	128				
7. Provisions	129	113.850	113.850		
8. Other operating expenses	130				
III. FINANCIAL INCOME (132 to 136)	131	7.011.467	4.777.447	23.362.064	18.741.456
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	558.089	457.667	16.662.417	15.946.660
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	6.453.378	4.319.780	6.699.647	2.794.796
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 to 141)	137	9.908.529	7.099.468	15.105.742	4.205.043
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138				
2. Interest expenses, foreign exchange losses and similar expenses from non - related parties	139	9.908.529	7.099.468	15.105.742	4.205.043
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	36.048.107	8.307.449	52.423.238	21.905.061
X. TOTAL EXPENSES (114+137+143 + 145)	147	16.781.983	10.826.826	21.707.805	7.218.690
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	19.266.124	-2.519.377	30.715.433	14.686.371
1. Profit before taxation (146-147)	149	19.266.124	0	30.715.433	14.686.371
2. Loss before taxation (147-146)	150	0	2.519.377	0	0
XII. PROFIT TAX	151	857.669	428.834	128.598	64.299
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	18.408.455	-2.948.211	30.586.835	14.622.072
1. Profit for the period(149-151)	153	18.408.455	0	30.586.835	14.622.072
2. Loss for the period (151-148)	154	0	2.948.211	0	0

APPENDIX TO P&L (only for consolidated financial statements)
XIV. PROFIT OR LOSS FOR THE PERIOD

1. Attributed to equity holders of parent company	155				
2. Attributed to minority interests	156				

STATEMENT OF COMPREHENSIVE INCOME (IFRS)

I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	18.408.455	-2.948.211	30.586.835	14.622.072
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	52.126.859	34.873.238	-32.499.647	-8.632.502
1. Exchange differences on translation of foreign operations	159	52.126.859	34.873.238	-32.499.647	-8.632.502
2. Movements in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from revaluation 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	10.425.372	6.974.648	-6.499.929	-1.726.500
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	41.701.487	27.898.590	-25.999.718	-6.906.002
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	60.109.942	24.950.379	4.587.117	7.716.070

APPENDIX to Statement of comprehensive income (only for consolidated financial statements)
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD

1. Attributed to equity holders of parent company	169				
2. Attributed to minority interests	170				

CASH FLOW STATEMENT - Indirect method
period 01.01.2011. to 30.06.2011.

Company: ULJANIK PLOVIDBA D.D.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	19.266.124	30.715.433
2. Depreciation	002	97.118	125.360
3. Increase in short-term liabilities	003	23.050	2.002.382
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other cash flow increases	006		26.579
I. Total increase in cash flow from operating activities (001 to 006)	007	19.386.292	32.869.754
1. Decrease in short - term liabilities	008		
2. Increase in short - term receivables	009	7.225.151	41.496.563
3. Increase in inventories	010		
4. Other cash flow decreases	011	901.885	163.410
II. Total decrease in cash flow from operating activities (008 to 011)	012	8.127.036	41.659.973
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	11.259.256	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	8.790.219
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash flow from sale of long - term tangible and intangible assets	015		
2. Cash inflows from sale of equity and debt financial instruments	016		
3. Interest receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
III. Total cash inflows from investing activities(015 to 019)	020	0	0
1. Cash outflows for purchase of long - term tangible and intangible assets	021	101.303	88.794
2. Cash outflows for purchase of equity and debt financial instruments	022	56.346.005	22.562.837
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities (021 to 023)	024	56.447.308	22.651.631
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	56.447.308	22.651.631
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	027	50.000.000	70.000.000
2. Cash inflows from loans, debentures, credits and other borrowings	028	35.033.659	68.621.021
3. Other cash inflows from financing activities	029	3.265.100	
V. Total cash inflows from financing activities (027 to 029)	030	88.298.759	138.621.021
1. Cash outflows for repayment of loans and bonds	031	9.260.863	28.962.157
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034	2.204.550	1.289.050
5. Other cash outflows from financing activities	035	27.487.077	76.892.809
VI. Total cash outflows from financing activities (031 do 035)	036	38.952.490	107.144.016
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	49.346.269	31.477.005
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	0
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	4.158.217	35.155
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at the beginning of period	041	239.037	124.735
Increase in cash and cash equivalents	042	4.158.217	35.155
Decrease in cash and cash equivalents	043		
Cash and cash equivalents at the end of period	044	4.397.254	159.890

STATEMENT OF CHANGES IN EQUITY
from 1.1.2011 to 30.6.2011

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	232.000.000	232.000.000
2. Capital reserves	002	-5.132.712	-6.254.719
3. Reserves from profit	003	12.596.730	12.429.687
4. Retained earnings or accumulated loss	004	61.291.410	130.546.374
5. Profit / loss for the current year	005	72.562.941	30.586.835
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	29.191.670	0
10. Total capital and reserves (AOP 001 to 009)	010	402.510.039	399.308.177
11. Currency gains and losses arising from net investments in foreign operations	011	29.191.670	-32.499.647
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policies	014		
15. Correction of significant errors in prior periods	015		
16. Other changes in capital	016	47.101.315	13.916.170
17. Total increase or decrease in capital (AOP 011 to 016)	017	76.292.985	-18.583.477
17 a. Attributed to equity holders of parent company	018		
17 b. Attributed to minority interest	019		

Items decreasing the capital are entered with a negative number sign

Data entered under AOP marks 001 to 009 are entered as situation on the Balance Sheet date

NOTES TO THE FINANCIAL STATEMENTS AS AT 30.06.2011

GENERAL INFORMATION

ULJANIK PLOVIDBA, pomorski promet, d.d. Pula, was established in Croatia. The Company is registered at the Commercial Court in Pazin.

ULJANIK PLOVIDBA d.d. Pula is the 100% owner of its subsidiary UNITED SHIPPING SERVICES ONE INC., registered in Liberia and the 100% owner of the company REAL d.o.o., Pula.

The ownership structure as at 30th June 2011 is composed of small shareholders.

The registered office of the Company is at Pula, Carrarina 6, Croatia.

The principal activities of the Company are international maritime transport, providing of services in maritime transport and travel agency operations;

As at 30th June 2011 the Company had 30 employees (30.06.2010: 28).

The financial statements for the Company have been prepared in accordance with the Law on Accounting and the International Financial Reporting Standards ('IFRS'), the application of which has been approved by the Croatian Financial Reporting Standards Board, and in accordance with the Regulation on the Structure and Content of the Annual Accounts.

The following are the notes explaining single categories in the financial statements of the Company:

1. Operating income and operating expenses for the period I-VI 2011 have been realized on the level of the income and expenses in the same period of 2010.
2. Financial income in the first half of 2011 are higher then in the same period of 2010 due to the transfer of the retained profit to the parent company committed in June 2011, as well as the higher interest income. In 2011 the financial expenses have been increased with respect to the same period of 2010, as a result of significant foreign exchange losses and the higher amount of interests calculated on issued commercial bills and new loans. In the period I-VI 2011 the Company realized net financial income in the amount of 8,256 thousand HRK (in the same period of 2010 the Company realized net financial expenses in the amount of 2,898 thousand HRK). Consequently, net profit for the financial period I-VI 2011 has been realized in the amount of 30,587 thousand HRK (2010: 18,408 thousand HRK).
3. Long-term financial assets – investments in foreign subsidiary have been adjusted according to the mean rate of exchange for the USD at the end of the accounting period. At 30.06. 2011 the investments in foreign subsidiary United Shipping Services One Inc. amounted to 73,775,032 USD i.e. 378,259,713 HRK. (The value is decreased

NOTES TO THE FINANCIAL STATEMENTS AS AT 30.06.2011

as a result of downfall of the USD: the rate of exchange for USD at 30.06.2011 was 5,127205 / at 31.12.2010: 5,568252).

4. Long-term USD loans have been expressed in their equivalent value in HRK according to the mean rate of exchange of the Croatian National Bank as at 30.06.2011. The loans have been repaid regularly.
5. Short-term foreign currency loans have been expressed in their HRK equivalent, according to the mean rate of exchange of the Croatian National Bank as at 30.06.2011.
6. In the first half of 2011 the Company purchased treasury shares in the total amount of 3,657 thousand HRK and disposed of treasury shares in the total of 3,490 thousand HRK.
7. After the adjustment of the investment in the foreign subsidiary, at the mean rate of exchange for the USD as at 30.06.2011, revaluation reserves which amounted to 29,192 thousand HRK at the beginning of the year 2011, were reduced to zero while the missing amount of reserves of 3,308 thousand HRK was covered from retained profit.

For ULJANIK PLOVIDBA d.d. Pula

A handwritten signature in black ink, appearing to read 'D. Pavletić', enclosed within a large, loopy oval shape.

Dragutin Pavletić
Director of ULJANIK PLOVIDBA d.d.

Pula, 29th July 2011

INTERIM MANAGEMENT REPORT FOR THE PERIOD 01-06/2011

The business activity of ULJANIK PLOVIDBA (the Company) and its foreign subsidiaries in the first six months was regular, although strongly affected by the negative fluctuations in the shipping market, both dry cargo and tanker, as well as by the reduced income directly related to Dry Docking of three vessels and extraordinary increased expenses related to taking delivery of m/t Pomer. In this period the Company:

- maintained regular and stable operation of the Company,
- continued with the Program of fleet renewal, particularly MR tankers:
 - took delivery of m/t POMER,
 - continued with construction of newbuilding 713 in the 3. MAJ Shipyard,
 - continued with construction of three 52,000 DWT Bulk Carriers in the ULJANIK Shipyard,
- maintained constant employment of vessels with the continuation of the Company's fleet high efficiency trend,
- arranged Dry Docking for three vessels (Marlera, Levan and Pula),
- fulfilled all its loan payment obligations (with no reprogramming) with the positive effects of low interest rates,
- proceeded with full implementation of the safety and quality system on the vessels and in the office, with continuous increase in the quality and expertise of the employees and maintenance of a high level of professionalism,
- maintained high efficiency of vessels' management,
- maintained the personnel structure both at sea and on shore.

A review of the functions in the Company is given below:

1. ECONOMIC ASPECT

The commercial result for the first six months of 2011 has significantly decreased as a direct consequence of Dry Docking of three vessels and current lower freights in the world's shipping market.

2. PERSONNEL

As at 30.06.2011 the Company had 30 employees. The Company employs exclusively Croatian seafarers on all vessels in its fleet.

3. TECHNICAL ASPECT

Three vessels underwent regular Dry Docking while other vessels had no significant technical stoppages in this period. The company keeps maintaining high efficiency of vessel exploitation.

4. ACQUISITION OF TREASURY SHARES

In the first six months of 2011, the Company acquired treasury shares in accordance with art. 233, section 1, point 2 of the Companies Act (acquisition for the requirements of Company employees). The company acquired treasury shares in the amount of 3.657 thousand HRK and disposed of treasury shares in the amount of 3.490 thousand HRK.

5. IMPORTANT EVENTS IN 2011

On 28th February 2011 in 3. MAJ Shipyard in Rijeka the Company took delivery of Hull no. 710 – m/t POMER, a product carrier for the transportation of petroleum products and chemicals of 51,800 DWT. The vessel's commercial exploitation began after delivery.

In accordance with the established Program for the issuing of commercial bills with the total value of 150 mil HRK which enables the Company to issue several tranches as instruments of short-term financing, the second tranche of commercial bills in the amount of 70,000,000.00 HRK has been listed on the Official Market of the Zagreb Stock Exchange on 28th January 2011, with maturity of 364 days.

Pursuant to the resolution of the Director dated 17th March 2011 and with the consent of the Supervisory Board, on 29th March 2011 the Company effected payment of interim dividends for the year 2010 in the amount of 35.00 HRK per share.

On 17th June 2011 launching of the first (hull no. 488) of four ordered bulk carriers of 52,000 DWT took place in ULJANIK Shipyard. Delivery of m/v VERUDA and its commercial exploitation is expected in September 2011.

6. COMPANY GROWTH

The Strategy of development of ULJANIK PLOVIDBA d.d. until the year 2015 envisages the continuation of the primary maritime activity in two sectors, transport of dry cargo and transport of petroleum products and chemicals. Accordingly, the Company has on order the last tanker vessel in 3. MAJ Shipyard (newbuilding 713) and four Bulk Carriers in ULJANIK Shipyard (newbuildings 488-491). The Company intends to continue participating on the new and second hand vessel market with the purpose to optimise its fleet and fleet efficiency. Even though its principal business will continue to be operation and management of its own fleet, the development of the Company shall also be aimed at ship management for other ship owners.

7. COMPANY ACTIVITIES CONCERNING RESEARCH AND DEVELOPMENT

Within its ship management operations the Company continuously engages in research which is primarily connected with the introduction of new technical solutions and technologies related to vessel exploitation.

8. BUSINESS RISKS

It is well known that the principal activities that the Company engages in, i.e. international maritime transport and ship management are among the most risky activities and that they are directly connected with significant business risks, of which the currently most risky are:

- global economic trends;
- the risk of interest rate increase;
- significant oscillations in the value of the vessels;
- the risk of strict conditions of business operation;
- long and uncertain period of return on capital;
- fluctuation in the basic costs of business operation;
- workforce fluctuation.

9. CORPORATE MANAGEMENT CODE

The Company fully complies with its Corporate Management Code.

Pula, 29th July 2011

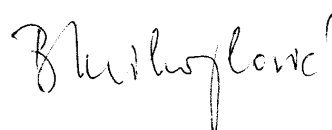
A handwritten signature in black ink, appearing to read 'D. Pavletić', with a large, stylized initial 'D'.

Dragutin Pavletić, Director

STATEMENT OF THE PERSON RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Unaudited financial reports of ULJANIK PLOVIDBA d.d. (hereafter: Company) for the period January – June 2011, to the best of my knowledge, have been prepared according to International Financial Reporting Standards and they contain an overall and true presentation of assets, liabilities, losses and profits, the financial position and activities of the Company.

Financial-accounting manager



Bojana Mihajlović

Pula, 29th July, 2011