



ULJANIK PLOVIDBA d.d.

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY - MARCH 2014

Pula, April 2014

CONTENT:

Financial Statements of ULJANIK PLOVIDBA d.d.
(unaudited) for the period January – March 2014

Notes

Management Report

Statement of the person responsible for preparing Financial Statements

Attachment 1.

Reporting period:

18

1.1.2014

to

31.3.2014

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 32

Consolidated report: NO

(quarter end)

NKD code: 5020

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

Bookkeeping service:

Contact person: VANESA PERUŠKO TOPIĆ

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

Telephone: 052 211544

Telefax: 052 492598

E-mail address: vanesa.topic@uljanikplovidba.com

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.

Signature of the person authorized to represent the company)

BALANCE SHEET
as of 31.03.2014.

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	457.762.875	459.822.295
I. INTANGIBLE ASSETS (004 to 009)	003	3.713	3.017
1. Assets development	004		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	3.713	3.017
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	3.358.275	3.344.433
1. Land	011	121.829	121.829
2. Buildings	012	3.036.330	3.023.669
3. Plant and equipment	013	143.015	135.113
4. Instruments, plant inventories and transportation assets	014	57.101	63.822
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	441.234.875	443.328.958
1. Shares (stocks) in related parties	021	438.906.075	441.000.155
2. Loans given to related parties	022		
3. Participating interests (shares)	023	2.328.800	2.328.803
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	13.166.012	13.145.887
1. Receivables from related parties	030	1.387.250	1.393.956
2. Receivables based on trade loans	031	11.778.762	11.751.931
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT- TERM ASSETS (035+043+050+058)	034	214.304.016	212.464.630
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	103.292.201	106.473.613
1. Receivables from related parties	044	77.247.830	78.488.766
2. Accounts receivable	045	25.351.589	27.365.405
3. Receivables from participating entrepreneurs	046		
4. Receivables from employees and shareholders	047		
5. Receivables from government and other institutions	048	615.404	596.238
6. Other receivables	049	77.378	23.204
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	110.595.295	105.771.234
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	106.070.815	104.985.619
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	4.524.480	785.615
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	416.520	219.783
D) PREPAID EXPENSES AND ACCRUED INCOME	059	5.729	4.229
E) TOTAL ASSETS (001+002+034+059)	060	672.072.620	672.291.154
F) OFF-BALANCE SHEET NOTES	061		

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	466.436.978	469.948.641
I. SUBSCRIBED CAPITAL	063	232.000.000	232.000.000
II. CAPITAL RESERVES	064	-20.238.433	-20.238.433
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	38.361.100	38.117.155
1. Reserves prescribed by law	066	16.592.866	16.592.866
2. Reserves for treasury stocks	067	36.382.812	36.382.812
3. Treasury stocks and shares (deduction)	068	14.614.578	14.858.523
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	26.968.244	29.062.327
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	193.419.895	189.346.067
1. Retained earnings	073	193.419.895	189.346.067
2. Accumulated loss	074		
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	-4.073.828	1.661.525
1. Profit for the current year	076		1.661.525
2. Loss for the current year	077	4.073.828	0
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 to 082)	079	1.932.007	1.932.007
1. Provisions for pensions, severance pay and similar liabilities	080	1.932.007	1.932.007
2. Reserves for tax liabilities	081		
3. Other reserves	082		
C) LONG TERM LIABILITIES (084 to 092)	083	107.744.038	107.923.566
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	107.744.038	107.923.566
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	95.958.377	92.486.027
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095	62.917.521	60.717.521
3. Liabilities to banks and other financial institutions	096	28.272.886	26.627.195
4. Liabilities for received prepayments	097	138.844	138.844
5. Accounts payable	098	466.181	733.402
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	770.252	807.358
9. Liabilities for taxes, contributions and similar fees	102		
10. Liabilities to share - holders	103	2.546.327	2.542.925
11. Liabilities for long term assets held for sale	104		
12. Other short - term liabilities	105	846.366	918.782
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	1.220	913
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	672.072.620	672.291.154
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 01.01.2014. to 31.03.2014.

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	4.943.408	4.943.408	5.477.625	5.477.625
1. Sales revenues	112	4.943.408	4.943.408	5.477.625	5.477.625
2. Other operating revenues	113				
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	3.095.720	3.095.720	3.459.098	3.459.098
1. Changes in the value of work in progress and finished goods	115				
2. Material costs (117 to 119)	116	188.732	188.732	198.545	198.545
a) Raw material and material costs	117	56.629	56.629	68.930	68.930
b) Costs of goods sold	118				
c) Other external costs	119	132.103	132.103	129.615	129.615
3. Staff costs (121 to 123)	120	2.248.843	2.248.843	2.378.706	2.378.706
a) Net salaries and wages	121	1.163.138	1.163.138	1.221.724	1.221.724
b) Costs for taxes and contributions from salaries	122	788.785	788.785	843.125	843.125
c) Contributions on gross salaries	123	296.920	296.920	313.857	313.857
4. Depreciation	124	44.521	44.521	38.178	38.178
5. Other costs	125	613.624	613.624	843.669	843.669
6. Impairment (127+128)	126				
a) Impairment of long-term assets (excluding financial assets)	127				
b) Impairment of short-term assets (excluding financial assets)	128				
7. Provisions	129				
8. Other operating expenses	130				
III. FINANCIAL INCOME (132 to 136)	131	7.703.097	7.703.097	1.889.698	1.889.698
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132				
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	7.703.097	7.703.097	1.889.698	1.889.698
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	4.501.180	4.501.180	2.246.700	2.246.700
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	4.501.180	4.501.180	2.246.700	2.246.700
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	12.646.505	12.646.505	7.367.323	7.367.323
X. TOTAL EXPENSES (114+137+143 + 145)	147	7.596.900	7.596.900	5.705.798	5.705.798
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	5.049.605	5.049.605	1.661.525	1.661.525
1. Profit before taxation (146-147)	149	5.049.605	5.049.605	1.661.525	1.661.525
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151	43.733	43.733		
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	5.005.872	5.005.872	1.661.525	1.661.525
1. Profit for the period(149-151)	153	5.005.872	5.005.872	1.661.525	1.661.525
2. Loss for the period (151-148)	154	0	0	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	5.005.872	5.005.872	1.661.525	1.661.525
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	14.989.977	14.989.977	2.094.083	2.094.083
1. Exchange differences on translation of foreign operations	159	14.989.977	14.989.977	2.094.083	2.094.083
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	2.997.995	2.997.995	418.817	418.817
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	11.991.982	11.991.982	1.675.266	1.675.266
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	16.997.854	16.997.854	3.336.791	3.336.791
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 01.01.2014. to 31.03.2014.

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	5.049.605	1.661.525
2. Depreciation	002	44.521	38.178
3. Increase in short-term liabilities	003	584.112	373.341
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other cash flow increases	006		1.500
I. Total increase in cash flow from operating activities (001 to 006)	007	5.678.238	2.074.544
1. Decrease in short - term liabilities	008		
2. Increase in short - term receivables	009	7.431.294	3.181.412
3. Increase in inventories	010		
4. Other cash flow decreases	011	46.441	308
II. Total decrease in cash flow from operating activities (008 to 011)	012	7.477.735	3.181.720
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	1.799.497	1.107.176
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		23.640
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities (021 to 023)	024	0	23.640
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	0	23.640
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash receipts from issuance of equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028	9.174.251	328.242
3. Other cash inflows from financing activities	029	8.267.922	4.844.187
V. Total cash inflows from financing activities (027 to 029)	030	17.442.173	5.172.429
1. Cash outflows for repayment of loans and bonds	031	12.392.439	1.994.405
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034	275.522	243.945
5. Other cash outflows from financing activities	035		2.000.000
VI. Total cash outflows from financing activities (031 do 035)	036	12.667.961	4.238.350
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	4.774.212	934.079
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	2.974.715	0
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	0	196.737
Cash and cash equivalents at the beginning of period	041	117.908	416.520
Increase in cash and cash equivalents	042	2.974.715	0
Decrease in cash and cash equivalents	043	0	196.737
Cash and cash equivalents at the end of period	044	3.092.623	219.783

STATEMENT OF CHANGES IN EQUITY

from **1.1.2014** to **31.3.2014**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	232.000.000	232.000.000
2. Capital reserves	002	-20.238.433	-20.238.433
3. Reserves from profit	003	38.361.100	38.117.155
4. Retained earnings or accumulated loss	004	193.419.895	189.346.067
5. Profit / loss for the current year	005	-4.073.828	1.661.525
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	-800.000	-800.000
9. Other revaluation	009	27.768.244	29.862.327
10. Total capital and reserves (AOP 001 to 009)	010	466.436.978	469.948.641
11. Currency gains and losses arising from net investments in foreign operations	011	-13.879.935	2.094.083
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	-5.585.164	1.417.580
17. Total increase or decrease in capital (AOP 011 to 016)	017	-19.465.099	3.511.663
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 31.03.2014

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 31st March 2014 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 31st March 2014 the Company had 32 employees (2013: 32).

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 as well operating expenses for the first quarter of 2014 are slightly higher with respect to the same period in 2013, resulting with higher operating profit in the current period.
2. Financial income and expenses have significantly decreased in the first quarter of 2014 in comparison to the same period of 2013. The decrease in financial income and expenses is related to lower interest and lower foreign exchange gains and losses with respect to the same period of 2013.
3. The long-term financial assets have been increased due to the adjustment of the value of the investment into the foreign subsidiary into its counter-value in HRK according to the mean rate of exchange for the USD at the end of the accounting period (rate of exchange for USD at 31.03.2014: 5.575824 HRK; at 31.12.2013: 5.549000 HRK). As at 31st March 2014 the investments in foreign subsidiary United Shipping Services One Inc. amounted to 78,067,413 USD i.e. 435,290,155 HRK.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2014

4. The long-term loans in foreign currency have been expressed in their equivalent value in HRK according to the mean rate of exchange of the Croatian National Bank as at 31st March 2014.
5. In the first quarter of 2014 the Company purchased treasury shares in the total amount of 243.9 thousand HRK.
6. Revaluation reserves that were created on the basis of the adjustment of the investment in the foreign subsidiary, at the mean rate of exchange for the USD as at 31st March 2014, amount to 29,862 thousand HRK.

For ULJANIK PLOVIDBA d.d. Pula

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

Dragutin Pavletić
Director of ULJANIK PLOVIDBA d.d.

Pula, 25th April 2014

MANAGEMENT REPORT FOR THE PERIOD 01-03/2014

The business activity of ULJANIK PLOVIDBA (the Company) and its foreign subsidiaries in the first quarter of 2014 was with full employment of vessels and high functioning management system. The first quarter was marked with increased freight rates in both dry cargo and tanker sectors in comparison with the relating period of 2013, in addition to the evident slowdown of the announced recovery of the world economy under the impact of special economic developments in China, but also the uncertain political situation in Ukraine. From mid-March, there was a stronger correction of freight rates on the spot market in both dry cargo and tanker sectors.

In this period the Company:

- a) realized operating profit of the vessels as a result of significant increase in revenue but reported loss for the period caused by retained depreciation rates and financial liabilities,
- b) maintained constant employment of vessels with the continuation of the Company's fleet high efficiency trend,
- c) fulfilled all its loan payment obligations with the positive effects of lower interest rates,
- d) maintained the same level of operating expenses of the vessels,
- e) realized higher freight rates with significantly increased market value of all the ships in the fleet
- f) 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,
- g) maintained high efficiency of vessels' management,
- h) collected all contracted freights from the Charterers of all vessels,
- i) maintained the personnel structure both at sea and on shore.

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

1. COMMERCIAL ASPECT

The operating result for the period I-III 2014 of 62.2 mil HRK compared to 49.2 mil HRK in the same period of 2013 has been under direct impact of the significant correction of freight rates from the end of 2013 and of the increased expenses related to dry docking of one vessel.

2. PERSONNEL

As at 31.03.2014 the Company had 32 employees. The Company employs exclusively Croatian seafarers on all vessels in its fleet.

3. TECHNICAL ASPECT

In the period January-March 2014 m/v Levan was in regular dry dock. The company keeps maintaining high efficiency of vessel exploitation with all other vessels in the fleet.

4. ACQUISITION OF TREASURY SHARES

In the period I-III 2013, the Company acquired treasury shares in accordance with art. 233, section 3, point 2 of the Companies Act. The company acquired treasury shares in the amount of 243.9 thousand HRK.

5. IMPORTANT EVENTS IN 2013

On 28th January 2014 two foreign subsidiaries were incorporated: ULJANIK SHIPMANAGEMENT Singapore and ULJANIK TANKER MANAGEMENT Singapore, in order to optimize the performance of ship management and expand economic activities in Asia.

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. 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. Special attention is focused on technical solutions that enable further savings in fuel consumption, reduce pollution and protect the environment.

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;
- the volatility of USD exchange rate in relation to other currencies;
- 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, 23rd April 2014

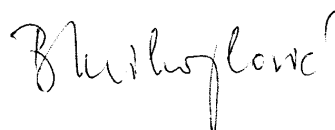
A handwritten signature in black ink, appearing to read 'D. Pavletić'.

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 – March 2014, 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.

Accounting manager



Bojana Mihajlović

Pula, 25th April, 2014