



**GROUP ULJANIK PLOVIDBA**

**CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD**

**JANUARY - SEPTEMBER 2014**

Pula, October 2014

**CONTENT:**

**Consolidated Financial Statements of GROUP ULJANIK PLOVIDBA  
(unaudited) for the period January – September 2014**

**Notes**

**Management Report**

**Statement of the person responsible for preparing Financial Statements**

**Attachment 1.**

Reporting period:

01.01.2014.

to

30.09.2014.

**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 adress: [uljanik-plovidba@pu.t-com.hr](mailto:uljanik-plovidba@pu.t-com.hr)

Internet adress: [www.uljanikplovidba.com](http://www.uljanikplovidba.com)

Municipality/city code and name: 359 PULA

County code and name: 18 ISTARSKA

Number of employees 32

Consolidated report: YES

(quarter end)  
NKD code: 5020

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

ULJANIK PLOVIDBA D.D.

PULA

3292754

UNITED SHIPPING SERVICES ONE INC.

MONROVIA, LIBERIA

REAL D.O.O.

PULA

2044471

Bookkeeping service:

Contact person: **BOJANA MIHAJLOVIĆ**

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

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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.**

\_\_\_\_\_  
(Signature of the person authorized to represent the company)



**BALANCE SHEET**  
as of 30.09.2014.

| Company: ULJANIK PLOVIDBA D.D.   |            |                 |                |
|--|------------|-----------------|----------------|
| Position   | AOP        | Previous period | Current period |
| 1  | 2          | 3               | 4              |
| <b>A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL</b>                                      | <b>001</b> |                 |                |
| <b>B) LONG - TERM ASSETS (003+010+020+029+033)</b>   | <b>002</b> | 1.868.939.596   | 1.934.070.653  |
| I. INTANGIBLE ASSETS (004 to 009)  | <b>003</b> | 3.713           | 1.624          |
| 1. Assets development  | <b>004</b> |                 |                |
| 2. Concessions, patents, licence fees, merchandise and service brands, software and other rights | <b>005</b> | 3.713           | 1.624          |
| 3. Goodwill  | <b>006</b> |                 |                |
| 4. Prepayments for purchase of intangible assets   | <b>007</b> |                 |                |
| 5. Intangible assets in preparation  | <b>008</b> |                 |                |
| 6. Other intangible assets   | <b>009</b> |                 |                |
| II. TANGIBLE ASSETS (011 to 019)   | <b>010</b> | 1.846.340.326   | 1.911.593.126  |
| 1. Land  | <b>011</b> | 121.829         | 121.829        |
| 2. Buildings   | <b>012</b> | 3.036.331       | 2.998.345      |
| 3. Plant and equipment   | <b>013</b> | 200.116         | 179.257        |
| 4. Instruments, plant inventories and transportation assets                                      | <b>014</b> | 1.839.693.750   | 1.905.034.048  |
| 5. Biological assets   | <b>015</b> | 3.288.300       | 3.259.647      |
| 6. Prepayments for tangible assets   | <b>016</b> | 0               | 0              |
| 7. Tangible assets in preparation  | <b>017</b> |                 |                |
| 8. Other material assets   | <b>018</b> |                 |                |
| 9. Investment in buildings   | <b>019</b> |                 |                |
| III. LONG-TERM FINANCIAL ASSETS (021 to 028)   | <b>020</b> | 4.816.821       | 4.816.868      |
| 1. Shares (stocks) in related parties  | <b>021</b> |                 |                |
| 2. Loans given to related parties  | <b>022</b> |                 |                |
| 3. Participating interests (shares)  | <b>023</b> | 4.816.821       | 4.816.868      |
| 4. Loans to entrepreneurs in whom the entity hold participating interests                        | <b>024</b> |                 |                |
| 5. Investment in securities  | <b>025</b> |                 |                |
| 6. Loans, deposits and similar assets  | <b>026</b> |                 |                |
| 7. Other long - term financial assets  | <b>027</b> |                 |                |
| 8. Investments accounted by equity method  | <b>028</b> |                 |                |
| IV. RECEIVABLES (030 to 032)   | <b>029</b> | 17.778.736      | 17.659.035     |
| 1. Receivables from related parties  | <b>030</b> |                 |                |
| 2. Receivables based on trade loans  | <b>031</b> |                 |                |
| 3. Other receivables   | <b>032</b> | 17.778.736      | 17.659.035     |
| V. DEFERRED TAX ASSETS   | <b>033</b> |                 |                |
| <b>C) SHORT- TERM ASSETS (035+043+050+058)</b>   | <b>034</b> | 99.951.978      | 98.847.221     |
| I. INVENTORIES (036 to 042)  | <b>035</b> | 3.652.979       | 2.448.015      |
| 1. Raw material  | <b>036</b> | 3.652.979       | 2.448.015      |
| 2. Work in progress  | <b>037</b> |                 |                |
| 3. Finished goods  | <b>038</b> |                 |                |
| 4. Merchandise   | <b>039</b> |                 |                |
| 5. Prepayments for inventories   | <b>040</b> |                 |                |
| 6. Long - term assets held for sale  | <b>041</b> |                 |                |
| 7. Biological assets   | <b>042</b> |                 |                |
| II. RECEIVABLES (044 to 049)   | <b>043</b> | 61.160.791      | 58.013.117     |
| 1. Receivables from related parties  | <b>044</b> |                 |                |
| 2. Accounts receivable   | <b>045</b> | 59.710.948      | 55.369.449     |
| 3. Receivables from participating entrepreneurs  | <b>046</b> |                 |                |
| 4. Receivables from employees and shareholders   | <b>047</b> |                 |                |
| 5. Receivables from government and other institutions  | <b>048</b> | 622.901         | 569.456        |
| 6. Other receivables   | <b>049</b> | 826.942         | 2.074.212      |
| III. SHORT - TERM FINANCIAL ASSETS (051 to 057)  | <b>050</b> | 6.017.154       | 5.485.318      |
| 1. Shares (stocks) in related parties  | <b>051</b> |                 |                |
| 2. Loans given to related parties  | <b>052</b> |                 |                |
| 3. Participating interests (shares)  | <b>053</b> |                 |                |
| 4. Loans to entrepreneurs in whom the entity hold participating interests                        | <b>054</b> |                 |                |
| 5. Investment in securities  | <b>055</b> |                 |                |
| 6. Loans, deposits and similar assets  | <b>056</b> | 6.017.154       | 5.485.318      |
| 7. Other financial assets  | <b>057</b> |                 |                |
| IV. CASH AT BANK AND IN CASHIER  | <b>058</b> | 29.121.054      | 32.900.771     |
| <b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>  | <b>059</b> | 5.729           | 4.229          |
| <b>E) TOTAL ASSETS (001+002+034+059)</b>   | <b>060</b> | 1.968.897.303   | 2.032.922.103  |
| <b>F) OFF-BALANCE SHEET NOTES</b>  | <b>061</b> |                 |                |

| <b>LIABILITIES AND CAPITAL</b>   |            |               |               |
|--|------------|---------------|---------------|
| <b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>                     | <b>062</b> | 517.358.974   | 536.563.909   |
| I. SUBSCRIBED CAPITAL  | <b>063</b> | 232.000.000   | 232.000.000   |
| II. CAPITAL RESERVES   | <b>064</b> | -20.238.433   | -20.365.490   |
| III. RESERVES FROM PROFIT (066+067-068+069+070)                                  | <b>065</b> | 38.361.100    | 37.907.064    |
| 1. Reserves prescribed by law  | <b>066</b> | 16.592.866    | 16.592.866    |
| 2. Reserves for treasury stocks  | <b>067</b> | 36.382.812    | 36.382.812    |
| 3. Treasury stocks and shares (deduction)  | <b>068</b> | 14.614.578    | 15.068.614    |
| 4. Statutory reserves  | <b>069</b> |               |               |
| 5. Other reserves  | <b>070</b> |               |               |
| IV. REVALUATION RESERVES   | <b>071</b> | 26.968.244    | 63.375.419    |
| V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)                               | <b>072</b> | 179.937.429   | 92.287.913    |
| 1. Retained earnings   | <b>073</b> | 179.937.429   | 92.287.913    |
| 2. Accumulated loss  | <b>074</b> |               |               |
| VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)                                 | <b>075</b> | -87.187.864   | -27.116.153   |
| 1. Profit for the current year   | <b>076</b> |               |               |
| 2. Loss for the current year   | <b>077</b> | 87.187.864    | 27.116.153    |
| VII. MINORITY INTEREST   | <b>078</b> | 147.518.498   | 158.475.156   |
| <b>B) PROVISIONS (080 to 082)</b>  | <b>079</b> | 1.932.007     | 1.912.089     |
| 1. Provisions for pensions, severance pay and similar liabilities                | <b>080</b> | 1.932.007     | 1.912.089     |
| 2. Reserves for tax liabilities  | <b>081</b> |               |               |
| 3. Other reserves  | <b>082</b> |               |               |
| <b>C) LONG TERM LIABILITIES (084 to 092)</b>                                     | <b>083</b> | 1.183.693.660 | 1.230.666.216 |
| 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> | 1.183.693.660 | 1.230.666.216 |
| 4. Liabilities for received prepayments  | <b>087</b> |               |               |
| 5. Accounts payable  | <b>088</b> |               |               |
| 6. Liabilities arising from debt securities                                      | <b>089</b> |               |               |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | <b>090</b> |               |               |
| 8. Other long-term liabilities   | <b>091</b> |               |               |
| 9. Deferred tax liability  | <b>092</b> |               |               |
| <b>D) SHORT - TERM LIABILITIES (094 to 105)</b>                                  | <b>093</b> | 174.782.126   | 176.940.386   |
| 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> | 123.436.218   | 127.219.886   |
| 4. Liabilities for received prepayments  | <b>097</b> |               |               |
| 5. Accounts payable  | <b>098</b> | 13.955.967    | 17.249.057    |
| 6. Liabilities arising from debt securities                                      | <b>099</b> | 0             | 0             |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | <b>100</b> |               |               |
| 8. Liabilities to employees  | <b>101</b> | 770.252       | 824.339       |
| 9. Liabilities for taxes, contributions and similar fees                         | <b>102</b> | 2.245         | 0             |
| 10. Liabilities to share - holders   | <b>103</b> | 2.546.327     | 2.538.659     |
| 11. Liabilities for long term assets held for sale                               | <b>104</b> |               |               |
| 12. Other short - term liabilities   | <b>105</b> | 34.071.117    | 29.108.445    |
| <b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>   | <b>106</b> | 91.130.536    | 86.839.503    |
| <b>F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)</b>                    | <b>107</b> | 1.968.897.303 | 2.032.922.103 |
| <b>G) OFF-BALANCE SHEET NOTES</b>  | <b>108</b> |               |               |
| <b>APPENDIX TO BALANCE SHEET (only for consolidated financial statements)</b>    |            |               |               |
| <b>A) CAPITAL AND RESERVES</b>   |            |               |               |
| 1. Attributed to equity holders of parent company                                | <b>109</b> | 369.840.476   | 378.088.753   |
| 2. Attributed to minority interests  | <b>110</b> | 147.518.498   | 158.475.156   |

**PROFIT AND LOSS ACCOUNT**  
for period 01.01.2014. to 30.09.2014.

Company: ULJANIK PLOVIDBA D.D.

| Position  | AOP        | Previous period |             | Current period |            |
|---|------------|-----------------|-------------|----------------|------------|
|   |            | Cummulative     | Periodical  | Cummulative    | Periodical |
| 1   | 2          | 3               | 4           | 5              | 6          |
| <b>I. OPERATING REVENUES (112+113)</b>  | <b>111</b> | 164.352.102     | 59.194.751  | 190.599.611    | 72.474.544 |
| 1. Sales revenues   | 112        | 160.051.370     | 57.778.096  | 184.769.791    | 69.535.895 |
| 2. Other operating revenues   | 113        | 4.300.732       | 1.416.655   | 5.829.820      | 2.938.649  |
| <b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>                                   | <b>114</b> | 187.004.780     | 69.109.847  | 206.623.805    | 81.852.841 |
| 1. Changes in the value of work in progress and finished goods                                    | 115        |                 |             |                |            |
| 2. Material costs (117 to 119)  | 116        | 22.294.829      | 8.143.894   | 35.809.962     | 12.832.045 |
| a) Raw material and material costs  | 117        | 138.326         | 39.658      | 158.623        | 33.527     |
| b) Costs of goods sold  | 118        |                 |             |                |            |
| c) Other external costs   | 119        | 22.156.503      | 8.104.236   | 35.651.339     | 12.798.518 |
| 3. Staff costs (121 to 123)   | 120        | 60.939.486      | 22.695.734  | 66.803.110     | 28.883.794 |
| a) Net salaries and wages   | 121        | 57.648.773      | 21.591.974  | 63.165.355     | 27.649.997 |
| b) Costs for taxes and contributions from salaries  | 122        | 2.390.356       | 801.781     | 2.590.792      | 868.846    |
| c) Contributions on gross salaries  | 123        | 900.357         | 301.979     | 1.046.963      | 364.951    |
| 4. Depreciation   | 124        | 91.772.782      | 34.660.928  | 89.412.524     | 34.286.311 |
| 5. Other costs  | 125        | 11.997.683      | 3.609.291   | 14.598.209     | 5.850.691  |
| 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        | 0               | 0           | 0              | 0          |
| 8. Other operating expenses   | 130        |                 |             |                |            |
| <b>III. FINANCIAL INCOME (132 to 136)</b>   | <b>131</b> | 17.624.635      | 7.213.478   | 24.464.644     | 19.501.436 |
| 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        | 17.624.635      | 7.213.478   | 24.464.644     | 19.501.436 |
| 3. Share in income from affiliated entrepreneurs and participating interests                      | 134        |                 |             |                |            |
| 4. Unrealized gains (income) from financial assets  | 135        |                 |             |                |            |
| 5. Other financial income   | 136        |                 |             |                |            |
| <b>IV. FINANCIAL EXPENSES (138 to 141)</b>  | <b>137</b> | 43.701.559      | 14.483.613  | 36.997.852     | 13.659.227 |
| 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        | 43.701.559      | 14.483.613  | 36.997.852     | 13.659.227 |
| 3. Unrealized losses (expenses) on financial assets   | 140        |                 |             |                |            |
| 4. Other financial expenses   | 141        |                 |             |                |            |
| <b>V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>                      | <b>142</b> |                 |             |                |            |
| <b>VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</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+142 + 144)</b>   | <b>146</b> | 181.976.737     | 66.408.229  | 215.064.255    | 91.975.980 |
| <b>X. TOTAL EXPENSES (114+137+143 + 145)</b>  | <b>147</b> | 230.706.339     | 83.593.460  | 243.621.657    | 95.512.068 |
| <b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>   | <b>148</b> | -48.729.602     | -17.185.231 | -28.557.402    | -3.536.088 |
| 1. Profit before taxation (146-147)   | 149        | 0               | 0           | 0              | 0          |
| 2. Loss before taxation (147-146)   | 150        | 48.729.602      | 17.185.231  | 28.557.402     | 3.536.088  |
| <b>XII. PROFIT TAX</b>  | <b>151</b> | 131.200         | 43.733      | 0              | 0          |
| <b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>  | <b>152</b> | -48.860.802     | -17.228.964 | -28.557.402    | -3.536.088 |
| 1. Profit for the period(149-151)   | 153        | 0               | 0           | 0              | 0          |
| 2. Loss for the period (151-148)  | 154        | 48.860.802      | 17.228.964  | 28.557.402     | 3.536.088  |
| <b>APPENDIX TO P&amp;L (only for consolidated financial statements)</b>                           |            |                 |             |                |            |
| <b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>   |            |                 |             |                |            |
| 1. Attributed to equity holders of parent company   | 155        | -46.100.031     | -16.217.106 | -27.116.153    | -2.790.178 |
| 2. Attributed to minority interests   | 156        | -2.760.771      | -1.011.858  | -1.441.249     | -745.910   |
| <b>STATEMENT OF COMPREHENSIVE INCOME (IFRS)</b>   |            |                 |             |                |            |
| <b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>   | <b>157</b> | -48.860.802     | -17.228.964 | -28.557.402    | -3.536.088 |
| <b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)</b>                               | <b>158</b> | -6.588.664      | -4.922.183  | 36.407.175     | 35.370.673 |
| 1. Exchange differences on translation of foreign operations                                      | 159        | -6.588.664      | -4.922.183  | 36.407.175     | 35.370.673 |
| 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        |                 |             |                |            |
| <b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>                                      | <b>166</b> | -1.317.733      | -984.437    | 7.281.435      | 7.074.135  |
| <b>IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)</b>                          | <b>167</b> | -5.270.931      | -3.937.746  | 29.125.740     | 28.296.538 |
| <b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)</b>                                    | <b>168</b> | -54.131.733     | -21.166.710 | 568.338        | 24.760.450 |
| <b>APPENDIX to Statement of comprehensive income (only for consolidated financial statements)</b> |            |                 |             |                |            |
| <b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>  |            |                 |             |                |            |
| 1. Attributed to equity holders of parent company   | 169        | -51.370.962     | -20.154.852 | 2.009.587      | 25.734.900 |
| 2. Attributed to minority interests   | 170        | -2.760.771      | -1.011.858  | -1.441.249     | -974.450   |

**CASH FLOW STATEMENT - Indirect method**  
period 01.01.2014. to 30.09.2014.

| Company: ULJANIK PLOVIDBA D.D.  |            |                    |                    |
|---|------------|--------------------|--------------------|
| Position  | AOP        | Previous period    | Current period     |
| 1   | 2          | 3                  | 4                  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                    |            |                    |                    |
| 1. Profit before tax  | 001        | -48.729.602        | -28.557.402        |
| 2. Depreciation   | 002        | 91.772.782         | 89.412.524         |
| 3. Increase in short-term liabilities   | 003        | 0                  |                    |
| 4. Decrease in short term receivables   | 004        | 6.925.958          | 3.147.674          |
| 5. Decrease in inventories  | 005        | 265.560            | 1.204.963          |
| 6. Other cash flow increases  | 006        | 21.372.620         | 1.500              |
| <b>I. Total increase in cash flow from operating activities (001 to 006)</b>  | <b>007</b> | <b>71.607.318</b>  | <b>65.209.259</b>  |
| 1. Decrease in short - term liabilities                                       | 008        | 12.070.975         | 1.625.408          |
| 2. Increase in short - term receivables                                       | 009        | 0                  | 0                  |
| 3. Increase in inventories  | 010        | 0                  | 0                  |
| 4. Other cash flow decreases  | 011        | 4.450.416          | 122.978.987        |
| <b>II. Total decrease in cash flow from operating activities (008 to 011)</b> | <b>012</b> | <b>16.521.391</b>  | <b>124.604.395</b> |
| <b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>      | <b>013</b> | <b>55.085.927</b>  | <b>0</b>           |
| <b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>      | <b>014</b> | <b>0</b>           | <b>59.395.136</b>  |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                    |            |                    |                    |
| 1. Cash flow from sale of long - term tangible and intangible assets          | 015        | 0                  | 0                  |
| 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        |                    |                    |
| <b>III. Total cash inflows from investing activities(015 to 019)</b>          | <b>020</b> | <b>0</b>           | <b>0</b>           |
| 1. Cash outflows for purchase of long - term tangible and intangible assets   | 021        | 48.267             | 49.723             |
| 2. Cash outflows for purchase of equity and debt financial instruments        | 022        |                    |                    |
| 3. Other cash outflows from investing activities                              | 023        |                    |                    |
| <b>IV. Total cash outflows from investing activities (021 to 023)</b>         | <b>024</b> | <b>48.267</b>      | <b>49.723</b>      |
| <b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES(020-024)</b>       | <b>025</b> | <b>0</b>           | <b>0</b>           |
| <b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES(024-020)</b>       | <b>026</b> | <b>48.267</b>      | <b>49.723</b>      |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                    |            |                    |                    |
| 1. Cash receipts from issuance of equity and debt financial instruments       | 027        |                    |                    |
| 2. Cash inflows from loans, debentures, credits and other borrowings          | 028        | 16.471.832         | 99.250.953         |
| 3. Other cash inflows from financing activities                               | 029        | 22.176.915         | 13.049.445         |
| <b>V. Total cash inflows from financing activities (027 to 029)</b>           | <b>030</b> | <b>38.648.747</b>  | <b>112.300.398</b> |
| 1. Cash outflows for repayment of loans and bonds                             | 031        | 100.802.407        | 48.494.730         |
| 2. Dividends paid   | 032        |                    |                    |
| 3. Cash outflows for finance lease  | 033        |                    |                    |
| 4. Cash outflows for purchase of own stocks                                   | 034        | 827.605            | 581.092            |
| 5. Other cash outflows from financing activities                              | 035        | 7.612.504          |                    |
| <b>VI. Total cash outflows from financing activities (031 do 035)</b>         | <b>036</b> | <b>109.242.516</b> | <b>49.075.822</b>  |
| <b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>      | <b>037</b> | <b>0</b>           | <b>63.224.576</b>  |
| <b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>      | <b>038</b> | <b>70.593.769</b>  | <b>0</b>           |
| Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)             | 039        | 0                  | 3.779.717          |
| Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)             | 040        | 15.556.109         | 0                  |
| Cash and cash equivalents at the beginning of period                          | 041        | 32.706.009         | 29.121.054         |
| Increase in cash and cash equivalents   | 042        | 0                  | 3.779.717          |
| Decrease in cash and cash equivalents   | 043        | 15.556.109         | 0                  |
| Cash and cash equivalents at the end of period                                | 044        | 17.149.900         | 32.900.771         |

## STATEMENT OF CHANGES IN EQUITY

from 1.1.2014 to 30.9.2014

| 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   | -20.365.490  |
| 3. Reserves from profit  | 003        | 38.361.100    | 37.907.064   |
| 4. Retained earnings or accumulated loss   | 004        | 179.937.429   | 92.287.913   |
| 5. Profit / loss for the current year  | 005        | -87.187.864   | -27.116.153  |
| 6. Revaluation of long - term tangible assets                                    | 006        |               |              |
| 7. Minority interest   | 007        | 147.518.498   | 158.475.156  |
| 8. Revaluation of financial assets available for sale                            | 008        | -800.000      | -800.000     |
| 9. Other revaluation   | 009        | 27.768.244    | 64.175.419   |
| <b>10. Total capital and reserves (AOP 001 to 009)</b>                           | <b>010</b> | 517.358.974   | 536.563.909  |
| 11. Currency gains and losses arising from net investments in foreign operations | 011        | -13.879.935   | 36.407.175   |
| 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        | -71.355.217   | -17.202.240  |
| <b>17. Total increase or decrease in capital (AOP 011 to 016)</b>                | <b>017</b> | -85.235.152   | 19.204.935   |
| 17 a. Attributed to equity holders of parent company                             | 018        | -102.862.627  | 8.248.277    |
| 17 b. Attributed to minority interest  | 019        | 17.627.475    | 10.956.658   |

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 CONSOLIDATED FINANCIAL STATEMENTS AS AT 30.09.2014**

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 30<sup>th</sup> September 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 30<sup>th</sup> September 2014 the Group had 32 employees (2013: 32).

The consolidated financial statements for the Group have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), the application of which has been approved by the Croatian Financial Reporting Standards Board.

The financial statements for the Group have been prepared in Croatian currency, kuna (KN), which is the reporting currency of the Group.

The financial statements for the Group have been prepared using the historical cost convention with the exception for the valuation of the vessels by using the fair value.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires from the management to make certain key accounting estimates and judgments in the applying of the accounting policies of the Company.

Subsidiaries are all entities over which the Group Uljanik Plovidba is entitled to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control commences and excluded from consolidation once the control terminates.

The consolidated financial statements of the Group consist of consolidated data from the annual financial statements of Uljanik Plovidba d.d. Pula, Real d.o.o. Pula and the consolidated financial statements of the Group United Shipping Services One. The effects of all intra-group transactions have been eliminated on consolidation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30.09.2014

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

1. Operating income for the period I-IX 2014 amounts to 190.6 mil HRK while in the same period of 2013, it amounted to 164.3 mil HRK. Freight revenues are higher in comparison to the year 2013 due to the higher freights on the tanker shipping market in the current period. Other income is mostly related to the recognition of the deferred income on the basis of received government grants for vessels construction.
2. Operating expenses have increased with respect to the year 2013 due to the drydocking expenses of m/v Levan, m/v Marlera, m/t Kastav and m/t Pula in the first nine months of 2014.
3. Financial income in the year 2014 has significantly increased in comparison to the same period of 2013 due to the significantly higher foreign exchange gains in the current year. Financial expenses for the period I-IX 2014 are lower with respect to the same period of 2013 due to the significantly higher foreign exchange losses in the year 2013.
4. As at 30.09.2014 the book value of the vessels amounts to 316.7 mil USD (1,905.0 mil HRK).
5. In the period from 1.01. to 30.09.2014 the Company purchased treasury shares in the total amount of 679.6 thousand HRK and disposed of treasury shares in the amount of 225.6 thousand HRK.
6. Revaluation reserves have been increased for 36,407 thousand HRK with respect to balance as at 31.12.2013 which amount corresponds to the adjustment of the investment in the foreign subsidiary at the mean rate of exchange for USD as at 30.09.2014.
7. Long-term loans in foreign currencies were converted in HRK by applying the mean rate of exchange of the Croatian National bank as at 30<sup>th</sup> September 2014.
8. Current liabilities are mostly referring to short-term borrowings which also include the current portion of long-term borrowings. All short-term borrowings in foreign currencies were converted in HRK by applying the mean rate of exchange of the Croatian National bank as at 30<sup>th</sup> September 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT  
30.09.2014**

9. In the period from January- September 2014 the applicable amount of income from grants from previous years in the amount of 4,291 thousand HRK was recorded with the proportional decrease of the deferred income, in accordance with the deferred income recognition plan.
  
10. The minority as at 30th September 2014 in equity in the amount of 158.4 mil USD refers to the ownership of Uljanik Brodogradilište in foreign companies United Shipping Services Twelve Inc. and United Shipping Services Thirteen Inc.

For the GROUP ULJANIK PLOVIDBA Pula

A handwritten signature in black ink, appearing to read 'D. Pavletić', is written over a large, faint circular watermark or stamp.

Dragutin Pavletić  
Director of ULJANIK PLOVIDBA d.d.

Pula, 30<sup>th</sup> October 2014

## MANAGEMENT REPORT FOR THE PERIOD 01-09/2014

The business activity of ULJANIK PLOVIDBA (the Company) and its foreign subsidiaries in the period 01-09/2014 was duly, with full employment of vessels and high functioning management system. After a strong recovery at the end of the previous year, this year's trends are characterized by a strong and continuous decline in freight rates in dry cargo sector, which developments have shown positive trend only during July and August. The full recovery in this segment is expected in early November of this year. In the petroleum products, oils and chemicals transportation sector the observed period can be assessed as stable with the freight rates on the same level as at the end of previous year. In the "clean cargo" transportation segment in the last few days the strong growth of the world indices is evident in all observed directions, confirming predictions of significantly increasing freight rates in this segment by the end of the year. The developments in the maritime transport were undoubtedly influenced by the slowdown in all major economies, especially in China and Europe. Despite the negative developments in the shipping market in the first nine months of 2014, predictions until the end of the year and for the next two years are very optimistic for both dry cargo and tanker sector.

In this period the Company:

- a) maintained the existing fleet with a further reduction in credit exposure
- b) realized significant increase in revenue despite the dry docking performed on the four vessels with positive operating result for the vessels
- c) reported loss for the period caused by retained depreciation policy and financial liabilities,
- d) increased total expenses as a result of the direct impact of dry docking cost for four vessels, but keeping the same level of other operating expenses of the vessels
- e) maintained constant employment of vessels with the continuation of the Company's fleet high efficiency trend,
- f) fulfilled all its loan payment obligations with the positive effects of lower interest rates and reduction of the total credit debt,
- g) 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, what also confirms the certificate received by the United States Coast Guard under their Qualship 21 Program;
- h) maintained high efficiency of vessels' management,
- i) collected all contracted freights from the Charterers of all vessels,
- j) 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 revenues for the period 01-09/2014 of 190.6 mil HRK compared to 164.3 mil HRK in the same period of 2013 has been under direct impact of the higher freight rates in the tanker shipping market. The operating result was influenced negatively by dry docking cost of the four vessels, as well as the positioning of the vessels and off-hire days during the dry docking period.

## **2. PERSONNEL**

As at 30.09.2014 the Company had 32 employees. The Company employs exclusively Croatian seafarers on all vessels in its fleet.

## **3. TECHNICAL ASPECT**

In the period January-September 2014 two supramaxes: m/v Levan and m/v Marlera and two MR tankers: m/t Kastav and m/t Pula underwent dry docking. The company keeps maintaining high efficiency of vessel exploitation with all other vessels in the fleet.

## **4. ACQUISITION OF TREASURY SHARES**

In the period 01-09/2014 the Company acquired treasury shares in accordance with art. 233, section 3 of the Companies Act. The company acquired treasury shares in the amount of 679.6 thousand HRK and disposed of treasury shares in the amount of 225.6 thousand HRK.

## **5. IMPORTANT EVENTS IN 2014**

On 28<sup>th</sup> January 2014 two foreign subsidiaries were incorporated: ULJANIK SHIPMANAGEMENT PTE. Ltd. Singapore and ULJANIK TANKER MANAGEMENT PTE. Ltd. Singapore, in order to optimize the performance of ship management and expand economic activities in Asia, including direct access to potential investors.

On 20<sup>th</sup> August 2014 the Company concluded the Management Agreement for the Newbuilding ULJANIK 501, RO-RO PAX, the vessel intended for liner transportation in Turkmenistan.

## **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 (supramax) and transport of petroleum products and chemicals (product carriers). The

## D I R E C T O R

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 AND ENVIRONMENTAL PROTECTION**

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. On the other hand, with a socially responsible business, through investing in the community, care and welfare of employees and their education, the Company's aim is to contribute to the continued economic and social development.

## **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, 28<sup>th</sup> October 2014

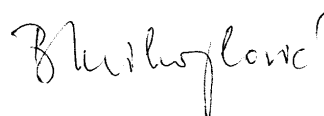


Dragutin Pavletić, Director

## **STATEMENT OF THE PERSON RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS**

Unaudited consolidated financial reports of GROUP ULJANIK PLOVIDBA for the period January – September 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 ULJANIK PLOVIDBA d.d. and the companies included in the consolidation.

Accounting manager



Bojana Mihajlović

Pula, 30<sup>th</sup> October, 2014