



ULJANIK PLOVIDBA d.d.

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY - JUNE 2015

Pula, July 2015

CONTENT:

Financial Statements of ULJANIK PLOVIDBA d.d.
(unaudited) for the period January – June 2015

Notes

Management Report

Statement of the persons responsible for preparing Financial Statements

Attachment 1.

Reporting period:

18

1.1.2015

to

30.6.2015

Semiannual financial statement of the entrepreneur - TFI-PODTax 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 **35**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 30.06.2015.

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	566.375.364	611.720.560
I. INTANGIBLE ASSETS (004 to 009)	003	928	0
1. Assets development	004		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	928	0
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	3.272.387	3.234.627
1. Land	011	121.829	121.829
2. Buildings	012	2.985.683	2.960.359
3. Plant and equipment	013	122.085	109.549
4. Instruments, plant inventories and transportation assets	014	42.790	42.890
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	551.750.406	597.256.465
1. Shares (stocks) in related parties	021	549.565.531	595.071.537
2. Loans given to related parties	022		
3. Participating interests (shares)	023	2.184.875	2.184.928
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	11.351.643	11.229.468
1. Receivables from related parties	030		
2. Receivables based on trade loans	031	11.351.643	11.229.468
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT- TERM ASSETS (035+043+050+058)	034	187.462.059	201.638.154
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	120.058.332	129.015.189
1. Receivables from related parties	044	86.013.433	93.173.243
2. Accounts receivable	045	33.451.254	35.183.980
3. Receivables from participating entrepreneurs	046		
4. Receivables from employees and shareholders	047		
5. Receivables from government and other institutions	048	263.447	237.203
6. Other receivables	049	330.198	420.763
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	67.375.856	72.519.097
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	63.376.745	68.581.868
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	3.999.111	3.937.229
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	27.871	103.868
D) PREPAID EXPENSES AND ACCRUED INCOME	059	4.950	4.950
E) TOTAL ASSETS (001+002+034+059)	060	753.842.373	813.363.664
F) OFF-BALANCE SHEET NOTES	061		

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	553.027.596	615.776.194
I. SUBSCRIBED CAPITAL	063	232.000.000	232.000.000
II. CAPITAL RESERVES	064	-20.477.001	-21.046.147
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	37.953.252	38.356.116
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	15.022.426	14.619.562
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	91.875.255	132.381.314
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	189.346.067	211.676.090
1. Retained earnings	073	189.346.067	211.676.090
2. Accumulated loss	074		
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	075	22.330.023	22.408.821
1. Profit for the current year	076	22.330.023	22.408.821
2. Loss for the current year	077		0
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 to 082)	079	1.770.801	1.760.388
1. Provisions for pensions, severance pay and similar liabilities	080	1.770.801	1.760.388
2. Reserves for tax liabilities	081		
3. Other reserves	082		
C) LONG TERM LIABILITIES (084 to 092)	083	23.668.594	23.170.732
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	23.668.594	23.170.732
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	175.374.464	172.655.198
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095	61.977.942	60.717.521
3. Liabilities to banks and other financial institutions	096	104.888.257	103.879.048
4. Liabilities for received prepayments	097	138.844	138.844
5. Accounts payable	098	330.142	571.098
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	4.062.701	3.177.923
9. Liabilities for taxes, contributions and similar fees	102	4.058	4.328
10. Liabilities to share - holders	103	2.538.293	2.535.039
11. Liabilities for long term assets held for sale	104		
12. Other short - term liabilities	105	1.434.227	1.631.397
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	918	1.152
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	753.842.373	813.363.664
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 01.01.2015. to 30.06.2015.

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	11.051.593	5.573.968	11.705.305	5.777.024
1. Sales revenues	112	11.031.585	5.553.960	11.676.892	5.748.611
2. Other operating revenues	113	20.008	20.008	28.413	28.413
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	7.135.432	3.676.334	7.005.976	3.669.110
1. Changes in the value of work in progress and finished goods	115		0		
2. Material costs (117 to 119)	116	354.575	156.030	322.592	150.988
a) Raw material and material costs	117	108.911	39.981	92.866	31.924
b) Costs of goods sold	118		0		
c) Other external costs	119	245.664	116.049	229.726	119.064
3. Staff costs (121 to 123)	120	4.878.798	2.500.092	4.862.804	2.438.362
a) Net salaries and wages	121	2.474.840	1.253.116	2.515.086	1.261.733
b) Costs for taxes and contributions from salaries	122	1.721.946	878.821	1.633.624	818.708
c) Contributions on gross salaries	123	682.012	368.155	714.094	357.921
4. Depreciation	124	74.354	36.176	74.079	36.433
5. Other costs	125	1.827.705	984.036	1.746.501	1.043.327
6. Impairment (127+128)	126		0		
a) Impairment of long-term assets (excluding financial assets)	127		0		
b) Impairment of short-term assets (excluding financial assets)	128		0		
7. Provisions	129		0		
8. Other operating expenses	130		0		
III. FINANCIAL INCOME (132 to 136)	131	3.589.624	1.699.926	24.350.642	1.777.269
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132		0		
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	3.589.624	1.699.926	24.350.642	1.777.269
3. Share in income from affiliated entrepreneurs and participating interests	134		0		
4. Unrealized gains (income) from financial assets	135		0		
5. Other financial income	136		0		
IV. FINANCIAL EXPENSES (138 to 141)	137	5.131.411	2.884.711	6.482.998	3.885.143
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138		0		
2. Interest expenses, foreign exchange losses and similar expenses from non - related parties	139	5.131.411	2.884.711	6.482.998	3.885.143
3. Unrealized losses (expenses) on financial assets	140		0		
4. Other financial expenses	141		0		
V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142		0		
VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143		0		
VII. EXTRAORDINARY - OTHER INCOME	144		0		
VIII. EXTRAORDINARY - OTHER EXPENSES	145		0		
IX. TOTAL INCOME (111+131+142 + 144)	146	14.641.217	7.273.894	36.055.947	7.554.293
X. TOTAL EXPENSES (114+137+143 + 145)	147	12.266.843	6.561.045	13.488.974	7.554.253
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	2.374.374	712.849	22.566.973	40
1. Profit before taxation (146-147)	149	2.374.374	712.849	22.566.973	40
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151		0	158.152	79.076
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	2.374.374	712.849	22.408.821	-79.036
1. Profit for the period(149-151)	153	2.374.374	712.849	22.408.821	0
2. Loss for the period (151-148)	154	0	0	0	79.036
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	2.374.374	712.849	22.408.821	-79.036
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	1.036.502	-1.057.581	40.506.059	24.057.598
1. Exchange differences on translation of foreign operations	159	1.036.502	-1.057.581	40.506.059	24.057.598
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	207.300	-211.516	8.101.212	4.811.520
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	829.202	-846.065	32.404.847	19.246.078
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	3.203.576	-133.216	54.813.668	19.167.042
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 01.01.2015. to 30.06.2015.

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	2.374.374	22.566.973
2. Depreciation	002	74.354	74.079
3. Increase in short-term liabilities	003	805.500	
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other cash flow increases	006	5.569	235
I. Total increase in cash flow from operating activities (001 to 006)	007	3.259.797	22.641.287
1. Decrease in short - term liabilities	008		449.636
2. Increase in short - term receivables	009	4.679.351	8.956.857
3. Increase in inventories	010		
4. Other cash flow decreases	011	19.918	168.566
II. Total decrease in cash flow from operating activities (008 to 011)	012	4.699.269	9.575.059
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	13.066.228
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	1.439.472	0
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	44.220	35.391
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	44.220	35.391
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	44.220	35.391
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	5.838.148	1.635.130
3. Other cash inflows from financing activities	029	678.133	
V. Total cash inflows from financing activities (027 to 029)	030	6.516.281	1.635.130
1. Cash outflows for repayment of loans and bonds	031	2.866.348	14.423.688
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034	419.355	166.282
5. Other cash outflows from financing activities	035	2.000.000	
VI. Total cash outflows from financing activities (031 do 035)	036	5.285.703	14.589.970
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	1.230.578	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	12.954.840
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	0	75.997
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	253.114	0
Cash and cash equivalents at the beginning of period	041	416.520	27.871
Increase in cash and cash equivalents	042	0	75.997
Decrease in cash and cash equivalents	043	253.114	0
Cash and cash equivalents at the end of period	044	163.406	103.868

STATEMENT OF CHANGES IN EQUITY

from 1.1.2015 to 30.6.2015

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	232.000.000	232.000.000
2. Capital reserves	002	-20.477.001	-21.046.147
3. Reserves from profit	003	37.953.252	38.356.116
4. Retained earnings or accumulated loss	004	189.346.067	211.676.090
5. Profit / loss for the current year	005	22.330.023	22.408.821
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	-944.000	-944.000
9. Other revaluation	009	92.819.255	133.325.314
10. Total capital and reserves (AOP 001 to 009)	010	553.027.596	615.776.194
11. Currency gains and losses arising from net investments in foreign operations	011	65.051.011	40.506.059
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	21.539.607	22.242.539
17. Total increase or decrease in capital (AOP 011 to 016)	017	86.590.618	62.748.598
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 30.06.2015

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 2015 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 2015 the Company had 35 employees (2014: 33).

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 first half of 2015 are at the same level as in the comparative period in 2014.
2. Financial income has significantly increased in the period I-VI 2015 due to high foreign exchange gains with respect to the same period of 2014. There was also an increase in financial expenses as a result of changes in exchange rates.
3. The investment into the foreign subsidiary has been adjusted into its counter-value in HRK according to the mean rate of exchange for the USD as at 30th June 2015.
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 30th June 2015.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30.06.2015

5. In the period I-VI 2015 the Company purchased treasury shares in the total amount of 568.8 thousand HRK and disposed of treasury shares in the amount of 971.6 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 30th June 2015, amount to 133,325 thousand HRK.

For ULJANIK PLOVIDBA d.d. Pula



Dragutin Pavletić
Director of ULJANIK PLOVIDBA d.d.

Pula, 24th July 2015

MANAGEMENT REPORT FOR THE PERIOD 01-06/2015

The business activity of ULJANIK PLOVIDBA (the Company) and its foreign subsidiaries in the first six months of 2015 was with full employment of vessels and high functioning management system. The first half-year was marked with drastic decrease of freight rates in dry cargo sector which reached a historic minimum, and a stable level of freight in tankers products transport. Unfortunately, economic developments in China have a negative impact on the exchange of goods, while we assess encouraging economic developments in America and Europe, especially after the start of monetary stimulus. Under the influence of low dry cargo market there has been increased activity on disposal of ships, and so far there have been scrapped about 21 million DWT of bulkers (in comparison with 16 million DWT in the whole 2014) with very low activity of contracting new vessels. Long-term contracts concluded in the part of the tanker fleet, as well as the expected alignment of the freight rates in the bulk sector provide much optimism for the regular performance of the Company in the future.

In this period the Company:

- a) significantly increased revenue with consolidated positive result as a consequence of operating result of tankers, foreign exchange gains and positive effects of the termination of the bareboat contract of the vessel Pula, despite of high depreciation rates and high financial liabilities,
- b) maintained the existing fleet,
- c) achieved constant employment of vessels with the continuation of the Company's fleet high efficiency trend,
- d) retained the proper liquidity,
- e) fulfilled all its loan payment obligations with the positive effects of lower interest rates,
- f) reduced the operating expenses of the vessels,
- 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,
- h) maintained high efficiency of vessels' management,
- i) collected all contracted freights from the Charterers of all vessels,

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

1. COMMERCIAL ASPECT

The operating income for the period I-VI 2015 was 128 mil HRK, compared to 118 mil HRK in the same period of 2014. Sales income has been under strong impact of the higher freight rates in the sector of tankers while there was a negative impact of the low freight rates in the bulk sector as well as the dry docking costs.

2. PERSONNEL

As at 30.06.2015 the Company had 35 employees.

3. TECHNICAL ASPECT

In the period January-June 2015 vessels Verige and Veruda underwent dry docking and there were no technical problems on board. 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-VI 2015, 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 568.8 thousand HRK and disposed of treasury shares in the amount of 971.6 thousand HRK.

5. IMPORTANT EVENTS IN 2015

On 2nd March 2015 M/t Pula was returned to the owner after the termination of Bareboat Charter contract, without declaring the purchase option.

6. COMPANY GROWTH

The Strategy of development of ULJANIK PLOVIDBA d.d. until the year 2030 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. 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, 24th July 2015



Dragutin Pavletić, Director

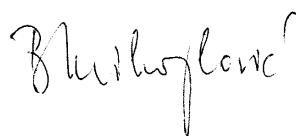
STATEMENT OF THE PERSONS RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

According to the best of our knowledge:

Unaudited financial reports of ULJANIK PLOVIDBA d.d. for the period January – June 2015, have been prepared according to International Financial Reporting Standards and they provide an complete and true presentation of assets, liabilities, profit and loss, financial position and business activities of the Company.

The Management Report for the period January – June 2015 contains a true presentation of the development, operating results and the financial position of the Parent Company and the companies included in the consolidation as well as the description of major risks and uncertainties the Parent Company and the companies included in the consolidation are exposed to.

Accounting Manager



Bojana Mihajlović

Director



Dragutin Pavletić

Pula, 24th July, 2015