



ULJANIK PLOVIDBA d.d.

UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY - MARCH 2015

Pula, April 2015

CONTENT:

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

Notes

Management Report

Statement of the persons responsible for preparing Financial Statements

Attachment 1.

Reporting period:

1.1.2015

to

31.3.2015

18

Quarterly 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 (quarter end): **35**Consolidated report: **NO** 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 31.03.2015.

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	630.871.993
I. INTANGIBLE ASSETS (004 to 009)	003	928	232
1. Assets development	004		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	005	928	232
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	3.255.386
1. Land	011	121.829	121.829
2. Buildings	012	2.985.683	2.973.021
3. Plant and equipment	013	122.085	123.173
4. Instruments, plant inventories and transportation assets	014	42.790	37.363
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	616.314.063
1. Shares (stocks) in related parties	021	549.565.531	614.129.113
2. Loans given to related parties	022		
3. Participating interests (shares)	023	2.184.875	2.184.950
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	11.302.312
1. Receivables from related parties	030		
2. Receivables based on trade loans	031	11.351.643	11.302.312
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT- TERM ASSETS (035+043+050+058)	034	187.462.059	209.077.689
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	134.354.180
1. Receivables from related parties	044	86.013.433	96.673.609
2. Accounts receivable	045	33.451.254	37.048.174
3. Receivables from participating entrepreneurs	046		
4. Receivables from employees and shareholders	047		
5. Receivables from government and other institutions	048	263.447	256.705
6. Other receivables	049	330.198	375.692
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	050	67.375.856	74.688.137
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	63.376.745	70.706.727
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	3.981.410
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASH ER	058	27.871	35.372
D) PREPAID EXPENSES AND ACCRUED INCOME	059	4.950	4.950
E) TOTAL ASSETS (001+002+034+059)	060	753.842.373	839.954.632
F) OFF-BALANCE SHEET NOTES	061		

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	553.027.596	639.840.478
I. SUBSCRIBED CAPITAL	063	232.000.000	232.000.000
II. CAPITAL RESERVES	064	-20.477.001	-20.607.663
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	37.953.252	37.845.282
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	15.130.396
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	91.875.255	156.438.912
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	22.487.857
1. Profit for the current year	076	22.330.023	22.487.857
2. Loss for the current year	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 to 082)	079	1.770.801	1.763.215
1. Provisions for pensions, severance pay and similar liabilities	080	1.770.801	1.763.215
2. Reserves for tax liabilities	081		
3. Other reserves	082		
C) LONG TERM LIABILITIES (084 to 092)	083	23.668.594	23.616.462
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	23.668.594	23.616.462
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	174.732.767
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095	61.977.942	60.717.520
3. Liabilities to banks and other financial institutions	096	104.888.257	105.612.380
4. Liabilities for received prepayments	097	138.844	138.844
5. Accounts payable	098	330.142	632.085
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	3.968.562
9. Liabilities for taxes, contributions and similar fees	102	4.058	12.029
10. Liabilities to share - holders	103	2.538.293	2.535.958
11. Liabilities for long term assets held for sale	104		
12. Other short - term liabilities	105	1.434.227	1.115.389
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	918	1.710
F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)	107	753.842.373	839.954.632
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 31.03.2015.

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	5.477.625	5.477.625	5.928.281	5.928.281
1. Sales revenues	112	5.477.625	5.477.625	5.928.281	5.928.281
2. Other operating revenues	113				
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	3.459.098	3.459.098	3.336.866	3.336.866
1. Changes in the value of work in progress and finished goods	115				
2. Material costs (117 to 119)	116	198.545	198.545	171.604	171.604
a) Raw material and material costs	117	68.930	68.930	60.942	60.942
b) Costs of goods sold	118				
c) Other external costs	119	129.615	129.615	110.662	110.662
3. Staff costs (121 to 123)	120	2.378.706	2.378.706	2.424.442	2.424.442
a) Net salaries and wages	121	1.221.724	1.221.724	1.253.353	1.253.353
b) Costs for taxes and contributions from salaries	122	843.125	843.125	814.916	814.916
c) Contributions on gross salaries	123	313.857	313.857	356.173	356.173
4. Depreciation	124	38.178	38.178	37.646	37.646
5. Other costs	125	843.669	843.669	703.174	703.174
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	1.889.698	1.889.698	22.573.372	22.573.373
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	1.889.698	1.889.698	22.573.372	22.573.373
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	2.246.700	2.246.700	2.597.854	2.597.855
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	2.246.700	2.246.700	2.597.854	2.597.855
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	7.367.323	7.367.323	28.501.653	28.501.654
X. TOTAL EXPENSES (114+137+143 + 145)	147	5.705.798	5.705.798	5.934.720	5.934.721
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	1.661.525	1.661.525	22.566.933	22.566.933
1. Profit before taxation (146-147)	149	1.661.525	1.661.525	22.566.933	22.566.933
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151			79.076	79.076
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	1.661.525	1.661.525	22.487.857	22.487.857
1. Profit for the period(149-151)	153	1.661.525	1.661.525	22.487.857	22.487.857
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	1.661.525	1.661.525	22.487.857	22.487.857
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX(159 to 165)	158	2.094.083	2.094.083	64.563.657	64.563.657
1. Exchange differences on translation of foreign operations	159	2.094.083	2.094.083	64.563.657	64.563.657
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	418.817	418.817	12.912.731	12.912.731
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	1.675.266	1.675.266	51.650.926	51.650.926
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD(157+167)	168	3.336.791	3.336.791	74.138.783	74.138.783
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	1.661.525	22.566.933
2. Depreciation	002	38.178	37.646
3. Increase in short-term liabilities	003	373.341	
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other cash flow increases	006	1.500	792
I. Total increase in cash flow from operating activities (001 to 006)	007	2.074.544	22.605.371
1. Decrease in short - term liabilities	008		
2. Increase in short - term receivables	009	3.181.412	105.397
3. Increase in inventories	010		14.295.848
4. Other cash flow decreases	011	308	86.663
II. Total decrease in cash flow from operating activities (008 to 011)	012	3.181.720	14.487.908
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	8.117.463
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	1.107.176	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	23.640	19.950
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	23.640	19.950
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	23.640	19.950
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	328.242	2.418.033
3. Other cash inflows from financing activities	029	4.844.187	
V. Total cash inflows from financing activities (027 to 029)	030	5.172.429	2.418.033
1. Cash outflows for repayment of loans and bonds	031	1.994.405	10.269.413
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034	243.945	238.632
5. Other cash outflows from financing activities	035	2.000.000	
VI. Total cash outflows from financing activities (031 do 035)	036	4.238.350	10.508.045
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)	037	934.079	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)	038	0	8.090.012
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	0	7.501
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	196.737	0
Cash and cash equivalents at the beginning of period	041	416.520	27.871
Increase in cash and cash equivalents	042	0	7.501
Decrease in cash and cash equivalents	043	196.737	0
Cash and cash equivalents at the end of period	044	219.783	35.372

STATEMENT OF CHANGES IN EQUITY

from 1.1.2015 to 31.3.2015

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	-20.607.663
3. Reserves from profit	003	37.953.252	37.845.282
4. Retained earnings or accumulated loss	004	189.346.067	211.676.090
5. Profit / loss for the current year	005	22.330.023	22.487.857
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	157.382.912
10. Total capital and reserves (AOP 001 to 009)	010	553.027.596	639.840.478
11. Currency gains and losses arising from net investments in foreign operations	011	65.051.011	64.563.657
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	22.249.225
17. Total increase or decrease in capital (AOP 011 to 016)	017	86.590.618	86.812.882
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 31.03.2015

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 31st March 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 31st March 2015 the Company had 35 employees (2014: 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 for the first quarter of 2015 are slightly higher with respect to the same period in 2014 due to the translation of foreign income at the higher exchange rate of the USD, while operating expenses are slightly lower compared with the same period of 2014.
2. Financial income has significantly increased in the first quarter of 2015 due to high foreign exchange gains with respect to the same period of 2014. Financial expenses are at the same level as last year.
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 31.03.2015: 7.050259 HRK; at 31.12.2014: 6.302107 HRK). As at 31st March 2015 the investments in foreign subsidiary United Shipping Services One Inc. amounted to 86,297,413 USD i.e. 608,419,113 HRK.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2015

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 31st March 2015.
5. In the first quarter of 2015 the Company purchased treasury shares in the total amount of 330.1 thousand HRK and disposed of treasury shares in the amount of 222.1 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 2015, amount to 157,383 thousand HRK.

For ULJANIK PLOVIDBA d.d. Pula

A handwritten signature in black ink, appearing to read 'D. Pavletić', is written over a large, light-colored oval shape.

Dragutin Pavletić
Director of ULJANIK PLOVIDBA d.d.

Pula, 28th April 2015

MANAGEMENT REPORT FOR THE PERIOD 01-03/2015

The business activity of ULJANIK PLOVIDBA (the Company) and its foreign subsidiaries in the first quarter of 2015 was with full employment of vessels and high functioning management system. The first quarter 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 13.5 million DWT of bulkers (in comparison with 16 million DWT in the whole 2014).

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 retained high depreciation rates and high financial liabilities,
- b) maintained constant employment of vessels with the continuation of the Company's fleet high efficiency trend,
- c) retained the proper liquidity,
- d) fulfilled all its loan payment obligations with the positive effects of lower interest rates,
- e) reduced the operating expenses of the vessels,
- 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,

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

1. COMMERCIAL ASPECT

The operating income for the period I-III 2015 was 75 mil HRK, compared to 62 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 results of the bulk sector.

2. PERSONNEL

As at 31.03.2015 the Company had 35 employees.

3. TECHNICAL ASPECT

In the period January-March 2015 no vessel underwent dry docking and there were no technical problems on board. The company keeps maintaining high efficiency of vessel exploitation with all 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 330.1 thousand HRK and disposed of treasury shares in the amount of 222.1 thousand HRK.

5. IMPORTANT EVENTS IN 2014

On 2nd March 2015 M/t Pula was returned to the owner after the termination of Bareboat Charter contract, without declaring the purchase option. In accordance with the decision taken on the return of the vessel, in the financial statements for 2014 was made an adjustment of the book value to the agreed value in the event of return of the vessel.

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.

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, 29th April 2015

A handwritten signature in black ink, appearing to read 'D. Pavletić', with a large circular flourish above the first part of the name.

Dragutin Pavletić, Director

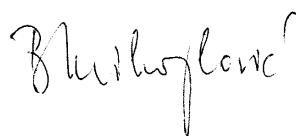
STATEMENT OF THE PERSONS RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

According to the best of our knowledge:

Unaudited financial reports of ULJANIK PLOVIDBA d.d. for the period January – March 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 – March 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, 29th April, 2015