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Poreč, 2/12/2016

File no: 1-107/16

Subject: Notification of Approved Investments and Revision of Expected Operating Income

Pursuant to the previously announced HRK 1.5 – 2 bn investment cycle by the year 2020, the Supervisory Board of the company VALAMAR RIVIERA d.d. approved total investments amounting to HRK 873 million for the year 2017. For the most part, the approved investments refer to investments in the facilities in the Family Life Bellevue Resort 4* and the Valamar Girandola Resort 4* in Rabac, the campsite Lanterna in Poreč, and campsites on the island of Krk as well as investments in improving the quality and competitiveness of the company.

In addition to that, due to increased booking in the last quarter, in the year 2016 we expect to achieve consolidated operating income ranging from HRK 1,475 million to HRK 1,485 million (previously announced range: from HRK 1,460 million to HRK 1,475 million), resulting in a 12.8% - 14.0% increase compared to 2015.

VALAMAR RIVIERA d.d.

Assumptions and risks of disclosing business outlook

Our outlook is based on (i) the results achieved in the first ten months of 2016; (ii) the operating income achieved by 20 November 2016; (iii) booking in the books (representing 99.3% of the realized and estimated 2016 accommodation income recorded in the books); (iv) forecasts for the fourth-quarter results of the business year; and (v) the absence of significant adverse consequences of the risks to which the Company and the Group are exposed. Outlook statements are based on currently available information, current assumptions, forward-looking expectations and projections of future events. This outlook is not a guarantee of future results and is subject to future events, risks, and uncertainties, many of which are beyond the control of, or currently unknown to Valamar Riviera, as well as potentially incorrect assumptions that could cause the actual results to materially differ from the said expectations and forecasts. Risks and uncertainties include, but are not limited to those described in the chapter "Risks of the Company and the Group" and "2016 Outlook" of the published quarterly report for the Company and Group "Business results 1/1/2016-30/09/2016".

Should materially significant changes to the stated outlook for the business year 2016 occur, Valamar Riviera shall immediately inform the public thereof, in compliance with Article 459 of the Capital Market Act. The given outlook statements are not an outright recommendation to buy, hold or sell Valamar Riviera's shares.