

**Annex 1.**

Reporting period

1.1.2015

to

31.3.2015

**Quarterly financial report TFI-POD**

Tax number (MB): 03166619

Company registration number (MRS): 040008030

Personal identification number (OIB): 15573308024

Issuing company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410 Opatija

Street and house number: MARŠALA TITA 198

E-mail address: remisens@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 302

County code and name: 6 PRIMORSKO GORANSKA ŽUPANIJA

Number of employees: 513

(period end)

Consolidated report: NO

NKD code: 5510

Companies of the consolidation subject (according to IFRS)	Seat:	MB:

Bookkeeping service:

Contact person: Kamenar Biserka  
(only surname and name)

Telephone: 051 710-395

Telefaks: 051 710-404

E-mail address: biserka.kamenar@remisens.com

Family name and name: Šehanović Igor  
(person authorized to represent the company)

LIBURNIA RIVIERA HOTELI  
DIONIČKO DRUŠTVO  
OPATIJA

  
 Signature of the person authorized to represent the company)

**Balance Sheet**  
as of 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period 31.12.2014	Current period
1	2	3	4
<b>ASSETS</b>			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.102.632.612	1.105.478.653
I. INTANGIBLE ASSETS (004 do 009)	003	1.175.698	1.227.569
1. Expenditure for development	004	559.107	685.971
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	616.591	541.598
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	925.441.409	926.633.719
1. Land	011	111.903.544	111.903.544
2. Buildings	012	715.042.420	703.747.172
3. Plant and equipment	013	16.654.310	15.785.374
4. Tools, working inventory and transportation assets	014	67.442.533	65.447.835
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345.568	648.832
7. Tangible assets in progress	017	10.489.742	25.536.570
8. Other tangible assets	018	3.563.292	3.564.392
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	174.599.502	176.201.362
1. Share in related parties	021	174.585.922	176.187.782
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	13.580	13.580
6. Loans, deposits, etc.	026		
7. Other non-current financial assets	027		
8. Equity-accounted investments	028		
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables arising from sales on credit	031		
3. Other receivables	032		
V. DEFERRED TAX ASSET	033	1.416.003	1.416.003
C) CURRENT ASSETS (035+043+050+058)	034	95.770.576	71.357.239
I. INVENTORIES (036 do 042)	035	2.804.098	4.065.501
1. Raw materials and supplies	036	2.131.385	2.730.719
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	100.574	90.805
5. Advances for inventories	040	572.139	1.243.977
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	8.808.271	9.712.777
1. Receivables from related parties	044	797.628	907.382
2. Receivables from end-customers	045	7.664.303	4.999.397
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	95.337	96.979
5. Receivables from government and other institutions	048	251.003	3.709.019
6. Other receivables	049		
III. CURRENT FINANCIAL ASSETS (051 do 057)	050		
1. Share in related parties	051		
2. Loans to related parties	052		
3. Participating interests (shares)	053		
4. Loans to companies with participating interest	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056		
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	84.158.207	57.578.961
D) PREPAYMENTS AND ACCRUED INCOME	059	720.512	720.479
E) TOTAL ASSETS (001+002+034+059)	060	1.199.123.700	1.177.556.371
F) OFF BALANCE SHEET ITEMS	061	4.452.613	4.452.613

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	945.591.414	921.025.300
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	865.553.260	865.553.260
II. CAPITAL RESERVES	<b>064</b>		
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	45.216.111	45.216.111
1. Legal reserves	<b>066</b>	43.277.663	43.277.663
2. Reserve for own shares	<b>067</b>		
3. Treasury shares and shares (deductible items)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	1.938.448	1.938.448
IV. REVALUATION RESERVES	<b>071</b>		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	<b>072</b>	0	34.822.043
1. Retained earnings	<b>073</b>		34.822.043
2. Loss carried forward	<b>074</b>		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	<b>075</b>	34.822.043	-24.566.114
1. Net profit for the period	<b>076</b>	34.822.043	
2. Net loss for the period	<b>077</b>		24.566.114
VII. MINORITY INTEREST	<b>078</b>		
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	25.132.713	22.299.722
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>	8.560.968	5.727.975
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>	16.571.747	16.571.747
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	166.366.746	166.366.746
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>	166.366.746	166.366.746
4. Liabilities for advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Commitments on securities	<b>089</b>		
7. Liabilities to companies with participating interest	<b>090</b>		
8. Other non-current liabilities	<b>091</b>		
9. Deferred tax liabilities	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	60.575.815	65.118.831
1. Liabilities to related parties	<b>094</b>	44	
2. Liabilities for loans, deposits, etc.	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	34.831.354	31.578.812
4. Liabilities for advances	<b>097</b>	5.635.201	11.216.255
5. Trade payables	<b>098</b>	10.002.949	12.259.268
6. Commitments on securities	<b>099</b>		
7. Liabilities to companies with participating interest	<b>100</b>		
8. Liabilities to employees	<b>101</b>	6.130.594	3.110.739
9. Taxes, contributions and similar liabilities	<b>102</b>	1.958.460	4.726.571
10. Liabilities arising from share in the result	<b>103</b>		
11. Liabilities arising from non-current assets held for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	2.017.213	2.227.186
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	1.457.012	2.745.772
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	1.199.123.700	1.177.556.371
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	4.452.613	4.452.613
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>109</b>		
2. Attributable to minority interest	<b>110</b>		

**Income statement**

period 01.01.2015. to 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 do 113)</b>	<b>111</b>	<b>24.710.237</b>	<b>24.710.237</b>	<b>17.471.302</b>	<b>17.471.302</b>
1. Rendering of services	112	14.289.735	14.289.735	16.432.214	16.432.214
2. Other operating income	113	10.420.502	10.420.502	1.039.088	1.039.088
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>37.531.576</b>	<b>37.531.576</b>	<b>40.165.741</b>	<b>40.165.741</b>
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	7.446.581	7.446.581	8.199.779	8.199.779
a) Costs of raw materials	117	2.096.792	2.096.792	2.147.039	2.147.039
b) Cost of goods sold	118	23.587	23.587	26.369	26.369
c) Other material expenses	119	5.326.202	5.326.202	6.026.371	6.026.371
3. Employee benefits expenses (121 do 123)	120	11.873.266	11.873.266	11.005.263	11.005.263
a) Net salaries	121	7.167.180	7.167.180	6.493.458	6.493.458
b) Tax and contributions from salary expenses	122	3.140.113	3.140.113	2.792.193	2.792.193
c) Contributions on salary	123	1.565.973	1.565.973	1.719.612	1.719.612
4. Depreciation and amortisation	124	15.078.083	15.078.083	16.193.376	16.193.376
5. Other expenses	125	3.014.752	3.014.752	4.756.314	4.756.314
6. Write down of assets (127+128)	126	118.894	118.894	11.009	11.009
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	118.894	118.894	11.009	11.009
7. Provisions	129				
8. Other operating costs	130				
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	<b>284.189</b>	<b>284.189</b>	<b>430.106</b>	<b>430.106</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	132			91.488	91.488
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	284.189	284.189	338.618	338.618
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	<b>2.178.957</b>	<b>2.178.957</b>	<b>2.301.781</b>	<b>2.301.781</b>
1. Interest, foreign exchange differences, dividends and similar income from related parties	138				
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	2.178.957	2.178.957	2.301.781	2.301.781
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>				
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</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+144)</b>	<b>146</b>	<b>24.994.426</b>	<b>24.994.426</b>	<b>17.901.408</b>	<b>17.901.408</b>
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	<b>39.710.533</b>	<b>39.710.533</b>	<b>42.467.522</b>	<b>42.467.522</b>
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	<b>-14.716.107</b>	<b>-14.716.107</b>	<b>-24.566.114</b>	<b>-24.566.114</b>
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	14.716.107	14.716.107	24.566.114	24.566.114
<b>XII. TAXATION</b>	<b>151</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>-14.716.107</b>	<b>-14.716.107</b>	<b>-24.566.114</b>	<b>-24.566.114</b>
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	14.716.107	14.716.107	24.566.114	24.566.114
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	<b>-14.716.107</b>	<b>-14.716.107</b>	<b>-24.566.114</b>	<b>-24.566.114</b>
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Exchange differences from international settlement	159				
2. Changes in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from re-evaluation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162				
5. Profit or loss from hedging of foreign investments	163				
6. Share of other comprehensive income/loss from associated companies	164				
7. Actuarial gains/losses from defined benefit plans	165				
<b>III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>-14.716.107</b>	<b>-14.716.107</b>	<b>-24.566.114</b>	<b>-24.566.114</b>
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

**Cash flow statement - indirect method**  
**period 01.01.2015. to 31.03.2015.**

Company: LIBURNIA RIVIERA HOTELI d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-14.716.107	-24.566.114
2. Depreciation and amortisation	002	15.078.083	16.193.376
3. Increase of current liabilities	003	8.217.275	8.075.502
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other cash flow increases	006		
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>8.579.251</b>	<b>-297.236</b>
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	12.423.630	904.506
3. Increase of inventories	010	3.534.295	1.261.403
4. Other cash flow decreases	011	5.437.490	3.211.971
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>21.395.415</b>	<b>5.377.880</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>12.816.164</b>	<b>5.675.116</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015	27.496	13.985
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	287.113	411.154
4. Dividend received	018		
5. Other proceeds from investing activities	019		
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>314.609</b>	<b>425.139</b>
1. Purchase of non-current assets	021	24.198.924	17.438.479
2. Purchase of non-current financial assets	022		1.601.860
3. Other cash outflows from investing activities	023		
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>24.198.924</b>	<b>19.040.339</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>23.884.315</b>	<b>18.615.200</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028		
3. Other proceeds from financing activities	029		
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>0</b>	<b>0</b>
1. Repayment of loans and bonds	031	15.787.034	2.288.930
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>15.787.034</b>	<b>2.288.930</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>15.787.034</b>	<b>2.288.930</b>
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	52.487.513	26.579.246
Cash and cash equivalents at the beginning of period	041	63.104.987	84.158.207
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	52.487.513	26.579.246
Cash and cash equivalents at the end of period	044	10.617.474	57.578.961

## STATEMENT OF CHANGES IN EQUITY

period 1.1.2015 to 31.3.2015

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	968.451.200	865.553.260
2. Capital reserves	002		
3. Reserves from profit	003		45.216.111
4. Retained earnings or loss carried forward	004	-57.682.210	34.822.043
5. Net profit or loss for the period	005	-14.716.107	-24.566.114
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007	656.646	
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
<b>10. Total equity and reserves (AOP 001 to 009)</b>	<b>010</b>	896.709.529	921.025.300
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013		
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016		
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>	<b>017</b>	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019		

**Liburnia Riviera Hoteli d.d. Management Board Report for the period  
January-March 2015**

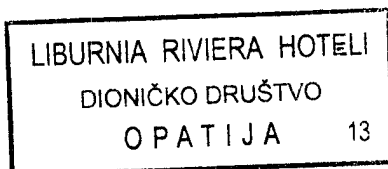
The operating results of Liburnia Riviera Hoteli d.d. for the period January-March 2015 show that the Company is achieving its primary objectives.

In the period from January to March 2015, the number of overnight stays increased by approximately 27% compared to the same period in 2014, the operating income increased by approximately 16%, and the gross operating profit is approximately 14% less negative than in the same period last year.

In the period from January to March 2015, the Company's net extraordinary income was 379,000 kn. In the same period last year, net extraordinary income was approximately 10 million kn (on the basis of a court order in favour of Liburnia Riviera Hoteli d.d.) In the observed period, the Company's financial result (EBITA) was -6.1 million kn. The financial result in the same period last year (which included net extraordinary income to the amount of approximately 10 million kn) was 2.5 million kn.

The liquidity and solvency ratios and debt to equity and cash flow ratios are strong.

Ph.D. Igor Šehanović,  
Chairman of the Management Board



# LIBURNIA RIVIERA HOTELI

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Opatija, 20/04/2015

Statement of persons responsible for the preparation of the reports

Pursuant to Article 407 Paragraph 2 of the Capital Market Act (Official Gazette Nos. 88/08 and 146/08), I declare that to the best of our knowledge the financial reports of the company LIBURNIA RIVIERA HOTELI d.d. Opatija have been prepared in accordance with International Financial Reporting Standards and the Croatian Accounting Act and that they provide a true and fair view of the assets and liabilities, profit and loss and financial operations of the Company for the period from 1 January to 31 March 2015.

Ph.D. Igor Šehanović,  
Chairman of the Management Board

