

Annex 1.

Reporting period

1.1.2016

to

31.3.2016

Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number
(MRS): 040008080Personal identification
number (OIB): 15573308024

Issuing company: LIBURNIA RIVIERA HOTELI d.d. OPATIJA

Postal code and place: 51410

Opatija

Street and house number: MARSALA TITA 198

E-mail address: remisens@remisens.com

Internet address: www.remisens.com

Municipality/city code and name: 302

County code and name: 8 PRIMORSKO GORANSKA ŽUPANIJA

Number of employees: 531

(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

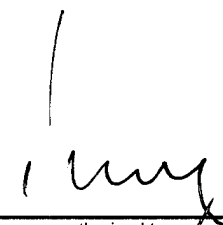
Telefaks: 051 710-404

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 13


 (signature of the person authorized to represent the company)

Balance Sheet
as of 31.03.2016.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period 31.12.2015.	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	857.918.867	871.206.761
I. INTANGIBLE ASSETS (004 do 009)	003	1.382.928	1.216.590
1. Expenditure for development	004	592.534	513.919
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	790.394	702.671
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	852.372.980	865.856.072
1. Land	011	110.840.589	110.840.589
2. Buildings	012	643.696.252	625.236.319
3. Plant and equipment	013	13.688.733	13.007.547
4. Tools, working inventory and transportation assets	014	71.219.529	73.686.757
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	481.961	2.791.144
7. Tangible assets in progress	017	8.887.349	36.735.149
8. Other tangible assets	018	3.558.567	3.558.567
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	528.860	500.000
1. Share in related parties	021	500.000	500.000
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	28.860	
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	3.634.099	3.634.099
C) CURRENT ASSETS (035+043+050+058)	034	95.717.792	56.447.940
I. INVENTORIES (036 do 042)	035	2.492.615	3.929.692
1. Raw materials and supplies	036	1.902.931	2.468.225
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	222.533	104.740
5. Advances for inventories	040	367.151	1.356.727
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	10.694.385	9.423.536
1. Receivables from related parties	044		
2. Receivables from end-customers	045	8.021.696	4.372.730
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	170.883	144.438
5. Receivables from government and other institutions	048	2.501.806	4.906.388
6. Other receivables	049		
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	15.800	15.800
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	15.800	15.800
IV. CASH AND CASH EQUIVALENTS	058	82.514.992	43.078.912
D) PREPAYMENTS AND ACCRUED INCOME	059	286.448	1.360.178
E) TOTAL ASSETS (001+002+034+059)	060	953.923.107	929.014.879
F) OFF BALANCE SHEET ITEMS	061	4.452.613	4.452.613

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	742.685.616	712.381.950
I. SUBSCRIBED SHARE CAPITAL	063	696.074.300	696.074.300
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	46.529.648	46.529.648
1. Legal reserves	066	45.018.765	45.018.765
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.510.883	1.510.883
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	0	81.668
1. Retained earnings	073		81.668
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	81.668	-30.303.666
1. Net profit for the period	076	81.668	
2. Net loss for the period	077		30.303.666
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	19.429.553	19.429.553
1. Provisions for pensions, severance pay and similar liabilities	080	2.563.749	2.563.749
2. Provisions for tax liabilities	081		
3. Other provisions	082	16.865.804	16.865.804
C) NON-CURRENT LIABILITIES (084 do 092)	083	124.161.675	124.161.675
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	124.161.675	124.161.675
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		
7. Liabilities to companies with participating interest	090		
8. Other non-current liabilities	091		
9. Deferred tax liabilities	092		
D) CURRENT LIABILITIES (094 do 105)	093	66.671.375	70.520.541
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	44.128.276	41.207.357
4. Liabilities for advances	097	5.598.394	11.736.156
5. Trade payables	098	6.845.012	10.175.353
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	5.216.783	3.238.445
9. Taxes, contributions and similar liabilities	102	2.151.484	2.222.284
10. Liabilities arising from share in the result	103		
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	2.731.426	1.940.946
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	974.888	2.521.160
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	953.923.107	929.014.879
G) OFF BALANCE SHEET ITEMS	108	4.452.613	4.452.613
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109		
2. Attributable to minority interest	110		

Income statement

period 01.01.2016. to 31.03.2016.

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
I. OPERATING INCOME (112 do 113)	111	17.471.302	17.471.302	18.191.354	18.191.354
1. Rendering of services	112	16.432.214	16.432.214	17.257.137	17.257.137
2. Other operating income	113	1.039.088	1.039.088	934.217	934.217
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	40.165.741	40.165.741	46.857.554	46.857.554
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	8.199.779	8.199.779	7.753.008	7.753.008
a) Costs of raw materials	117	2.147.039	2.147.039	2.291.709	2.291.709
b) Cost of goods sold	118	26.369	26.369	43.769	43.769
c) Other material expenses	119	6.026.371	6.026.371	5.417.530	5.417.530
3. Employee benefits expenses (121 do 123)	120	11.005.263	11.005.263	11.494.182	11.494.182
a) Net salaries	121	6.493.458	6.493.458	6.876.479	6.876.479
b) Tax and contributions from salary expenses	122	2.792.193	2.792.193	2.947.062	2.947.062
c) Contributions on salary	123	1.719.612	1.719.612	1.670.641	1.670.641
4. Depreciation and amortisation	124	16.193.376	16.193.376	23.695.967	23.695.967
5. Other expenses	125	4.756.314	4.756.314	3.830.563	3.830.563
6. Write down of assets (127+128)	126	11.009	11.009	83.834	83.834
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	11.009	11.009	83.834	83.834
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 136)	131	430.106	430.106	290.567	290.567
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	338.618	338.618	290.567	290.567
3. Income from investments in associates and joint ventures	134				
4. Unrealised gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	2.301.781	2.301.781	1.928.033	1.928.033
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	2.301.781	2.301.781	1.928.033	1.928.033
3. Unrealised losses (expenses) from financial assets	140				
4. Other financial expenses	141				
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142				
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+144)	146	17.901.408	17.901.408	18.481.921	18.481.921
X. TOTAL EXPENSES (114+137+143+145)	147	42.467.522	42.467.522	48.785.587	48.785.587
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-24.566.114	-24.566.114	-30.303.666	-30.303.666
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	24.566.114	24.566.114	30.303.666	30.303.666
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-24.566.114	-24.566.114	-30.303.666	-30.303.666
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	24.566.114	24.566.114	30.303.666	30.303.666
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155				
2. Attributable to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-24.566.114	-24.566.114	-30.303.666	-30.303.666
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
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				
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-24.566.114	-24.566.114	-30.303.666	-30.303.666
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169				
2. Attributable to minority interest	170				

Cash flow statement - indirect method

period 01.01.2016. to 31.03.2016.

Company: LIBURNIA RIVIERA HOTELI d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-24.566.114	-30.303.666
2. Depreciation and amortisation	002	16.193.376	23.695.967
3. Increase of current liabilities	003	8.075.502	9.628.494
4. Decrease of current receivables	004		1.270.849
5. Decrease of inventories	005		
6. Other cash flow increases	006		
I. Total increase of cash flow from operating activities	007	-297.236	4.291.644
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	904.506	
3. Increase of inventories	010	1.261.403	1.437.077
4. Other cash flow decreases	011	3.211.971	4.207.133
II. Total decrease of cash flow from operating activities	012	5.377.880	5.644.210
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	5.675.116	1.352.566
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	13.985	41.769
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017	411.154	267.400
4. Dividend received	018		
5. Other proceeds from investing activities	019		
III. Total cash inflows from investing activities	020	425.139	309.169
1. Purchase of non-current assets	021	17.438.479	36.139.951
2. Purchase of non-current financial assets	022	1.601.860	
3. Other cash outflows from investing activities	023		
IV. Total cash outflows from investing activities	024	19.040.339	36.139.951
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	18.615.200	35.830.782
CASH FLOW FROM FINANCING ACTIVITIES			
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		
V. Total cash inflows from financing activities	030	0	0
1. Repayment of loans and bonds	031	2.288.930	2.252.732
2. Dividends paid	032		
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034		
5. Other cash outflows from financing activities	035		
VI. Total cash outflows from financing activities	036	2.288.930	2.252.732
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	0
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	2.288.930	2.252.732
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	26.579.246	39.436.080
Cash and cash equivalents at the beginning of period	041	84.158.207	82.514.992
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	26.579.246	39.436.080
Cash and cash equivalents at the end of period	044	57.578.961	43.078.912

STATEMENT OF CHANGES IN EQUITY

period 1.1.2016 to 31.3.2016

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	865.553.260	696.074.300
2. Capital reserves	002		
3. Reserves from profit	003	45.216.111	46.529.648
4. Retained earnings or loss carried forward	004	34.822.043	81.668
5. Net profit or loss for the period	005	-24.566.114	-30.303.666
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009		
10. Total equity and reserves (AOP 001 to 009)	010	921.025.300	712.381.950
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		
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019		

Management Board Report on the state of Liburnia Riviera Hoteli d.d. for the period January-March 2016

The operating results of Liburnia Riviera Hoteli d.d. for the period January-March 2016 show that the Company is achieving its primary objectives.

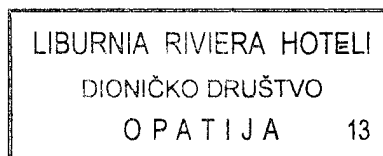
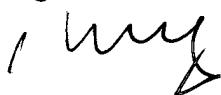
In the period January-March 2016, compared to the same period last year, the Company had c. 2% more overnight stays. Its operating income increased by c. 5%, and GOP (gross operating profit) was by c. 34% less negative than in the same period last year.

In the period January-March 2016, the Company's net extraordinary income was c. 457,000 kn. In the same period last year, net extraordinary income was c. 379,000 kn. In the observed period, financial result – EBITDA – was c. -4.8 million kn. In the same period last year, financial result was -6.1 million kn.

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

Chairman of the Management Board

Dr. Sc. Igor Šehanović



LIBURNIA RIVIERA HOTELI

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Opatija, 18/04/2016

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 2016.

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

