

LUKA PLOČE d.d.
Trg kralja Tomislava 21
20 340 Ploče
OIB: 51228874907

LUKA PLOČE GROUP

**UNAUDITED CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01. UNTIL 30.09.2017.**

Ploče, October 2017.



CONTENTS:

a) MANAGEMENT BOARD'S REPORT ON THE POSITION OF THE COMPANY:

- Balance sheet
- P & L (profit and loss account)
- Cash flow statement
- Change in capital statement

b) STATEMENTS OF PERSONS RESPONSIBLE FOR PREPARATION OF FINANCIAL REPORTS



**BUSINESS REPORT OF LUKA PLOČE GROUP
IN PERIOD 01.01.2017. – 30.09.2017.**

Management Board's Statement on the position of the Luka Ploče Group for the third quarter of year 2017.

Financial results of Luka Ploče Group for the third quarter of year 2017. are:

- In operating revenue total of 165,85 million kuna, 78,67 million kuna are the revenues from port services, 86,06 million kuna are from the sales of goods, and 1,12 million kuna are other operating revenues.
- Expenses of goods sold in the amount of HRK 80.62 million were recorded in the total operating expenses of HRK 161.19 million. Operating expenses without the cost of goods sold decreased by 24.2% compared to the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation): 11,16 million kuna
- EBITDA margin: 6,73 %
- EBIT: 4,65 million kuna
- EBIT margin: 2,81 %
- Net profit 3,03 million kuna

Indicators	Realized 1-9/2016	Realized 1-9/2017	0170/16
Liquidity ratios			
Working capital	241.869.886	249.538.639	3,17%
Current liquidity	19,46	21,51	10,52%
Turnover of working capital	0,53	0,66	24,72%
Days of working capital	507	406	-19,82%
Days in period	270	270	
Debt indicators			
Current liabilities / equity	0,03	0,03	-8,66%
Long term liabilities/ equity	0,04	0,12	270,25%
Borrowings /equity	0,03	0,12	294,23%
Total liabilities / assetss	0,06	0,15	136,17%
Profitability ratios			
EBITDA margin	-12,77%	6,73%	-152,69%
EBIT margin	-17,99%	2,81%	-115,61%
NET margin	-16,89%	1,83%	-110,81%
Productivity Indicators			
Number of employees	561	553	-1,43%
Revenue per employee (in thousands)	229.759	299.909	30,53%

In Ploče, October 24th 2017.

Capt.Ivan Pavlović dipl.ing.

President of Board

Appendix 1

Reporting period:

01.01.2017.

to

30.09.2017.

Annual financial statement of the entrepreneur - GFI-POD

Registration number (MB) | 03036138 |

Identification number of subject | 0900065233 |

Personal identification number (OIB) | 5122874907 |

Issueer company: | LUKA PLOČE |

Postal code and place | 20340 | PLOČE |

Street and number | TRG KRALJA TOMISLAVA 21 |

E-mail address: | financije@luka-ploce.hr |Internet adress: | www.luka-ploce.hr |

Code and name of comune/town | 335 | PLOČE |

Code and county name | 19 | DUBROVAČKO-NERETVANSKA |

Number of employees | 553 |
(at quarter end)

Consolidated statement | YES |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

POMORSKI SERVIS - LUKA PLOČE d.o.o. | LUČKA BOSANSKA OBALA b.b. PLOČE | 18875024938

LUKA PLOČE - ODRŽAVANJE d.o.o. | LUČKA CESTA b.b. PLOČE | 87501430734

LUKA ŠPED d.o.o. | LUČKA CESTA b.b. PLOČE | 28527523504

PLOČANSKA PLOVIDBA d.o.o. | LUČKA CESTA b.b. PLOČE | 39778257122

LUKA PLOČE ENERGIJA | TRG KRALJA TOMISLAVA 21 | 18309760889

Book keeping service:

Contact person: | DODIG ŽELJKA |

Phone number: | 020 603 223 |

Fascimile: | 020 679 170 |

E-mail address: |

Surname and name | PAVLOVIĆ IVAN |

(authorised person for representation)

Disclosure documents:

1. Financial report (Balance sheet, profit and loss account, cash flow statement, change in capital statement)
2. Management Bord's Interim Report
3. Statements of the persons responsible for preparation of financial reports

M.P.

(signed by authorised person for representation)

BALANCE SHEET
as of 30.09.2017.

Luka Ploče Group			
Position	AOP	Previous year	Current year
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	200.316.289	214.902.570
I. INTANGIBLE ASSETS (004 to 009)	003	1.265.613	2.758.803
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	65.976	165.348
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		1.584.048
6. Other intangible assets	009	1.199.637	1.009.407
II. TANGIBLE ASSETS (011 to 019)	010	196.174.132	209.263.969
1. Land	011	2.138.881	2.138.881
2. Buildings	012	8.906.952	8.772.595
3. Plant and equipment	013	57.823.368	51.646.859
4. Tools, facility inventory and transport assets	014	10.575.218	11.821.206
5. Biological assets	015		
6. Prepayments for tangible assets	016	21.870.479	21.791.319
7. Tangible assets in progress	017	90.088.643	108.394.561
8. Other tangible assets	018		
9. Investments in buildings	019	4.770.591	4.698.548
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	557.967	557.967
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023	521.406	521.406
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	36.561	36.561
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	2.318.577	2.321.831
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	2.318.577	2.321.831
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	259.932.291	260.326.758
I. INVENTORIES (036 to 042)	035	1.861.492	2.762.825
1. Raw-material and supplies	036	1.753.847	2.461.128
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	22.117	123.683
5. Prepayments for inventories	040	85.528	178.014
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	60.216.964	54.240.935
1. Receivables from related parties	044		
2. Accounts receivable	045	54.135.514	49.845.813
3. Receivables from participating parties	046		14.279
4. Receivables from employees and members of related parties	047		7.054
5. Receivables from government and other institutions	048	3.577.201	3.059.950
6. Other receivables	049	2.504.249	1.313.839
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	156.032.522	135.397.290
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	279.577	279.577
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	155.752.945	135.117.713
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	41.821.313	67.925.708
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		1.379.685
E) TOTAL ASSETS (001+002+034+059)	060	460.248.580	476.609.013
F) OFF-BALANCE RECORDS	061		

Position	AOP	Previous year	Current year
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	409.834.762	412.892.015
I. SUBSCRIBED CAPITAL	063	169.186.800	169.186.800
II. CAPITAL RESERVES	064	88.107.087	88.107.087
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	39.011.478	39.187.369
1. Reserves prescribed by law	066	8.283.449	8.459.340
2. Reserves for treasury shares	067	7.838.243	7.838.243
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	22.889.786	22.889.786
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	133.318.191	113.382.903
1. Retained earnings	073	133.318.191	113.382.903
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	-19.788.794	3.027.856
1. Profit for the current year	076		3.027.856
2. Loss for the current year	077	19.788.794	
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	3.716.659	2.683.753
1. Provisions for pensions, severance pay, and similar liabilities	080	2.137.566	2.113.566
2. Reserves for tax liabilities	081		
3. Other reserves	082	1.579.093	570.187
C) LONG - TERM LIABILITIES (084 to 092)	083	20.566.612	48.865.441
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	19.055.084	47.354.576
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	1.511.528	1.510.865
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	26.130.547	10.862.042
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	3.191.357	1.218.604
4. Liabilities for received prepayments	097	43.062	15.219
5. Accounts payable	098	16.577.030	3.454.447
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	652.213	232.018
8. Liabilities to employees	101	3.201.982	3.736.114
9. Liabilities for taxes, contributions and similar fees	102	2.100.657	1.907.329
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	364.246	298.311
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		1.305.762
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	460.248.580	476.609.013
G) OFF-BALANCE RECORDS	108		
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	409.834.762	412.347.072
2. Attributed to minority interest	110	0	

PROFIT AND LOSS ACCOUNT
in period from 01.01.2017. until 30.09.2017.

Luka Ploče Group						in Kunas			
Position						AOP	Previous year		Curren
							Cummulative	Quarter	Cummulativ e
1						2	3	4	5
I. OPERATING REVENUE (112+113)						111	128.894.664	49.194.048	165.849.587
1. Sales revenue						112	125.798.958	47.293.145	164.734.262
2. Other operating revenues						113	3.095.706	1.900.903	1.115.325
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)						114	152.080.219	74.299.393	161.191.708
1. Changes in value of work in progress and finished products						115			
2. Material costs (117 to 119)						116	65.963.673	28.486.886	102.101.471
a) Raw material and material costs						117	7.540.685	2.802.818	8.878.977
b) Costs of goods sold						118	45.812.537	21.611.946	80.625.028
c) Other external costs						119	12.610.451	4.072.122	12.597.466
3. Staff costs (121 to 123)						120	44.579.147	14.636.810	43.935.985
a) Net salaries and wages						121	28.199.061	9.301.886	27.797.763
b) Cost for taxes and contributions from salaries						122	9.845.210	3.176.709	9.700.492
c) Contributions on gross salaries						123	6.534.876	2.158.215	6.437.730
4. Depreciation						124	6.719.911	2.044.701	6.505.426
5. Other costs						125	9.869.450	4.182.958	8.632.028
6. Impairment (127+128)						126	24.948.038	24.948.038	16.798
a) Impairment of long-term assets (financial assets excluded)						127	24.947.873	24.947.873	
b) Impairment of short - term assets (financial assets excluded)						128	165	165	16.798
7. Provisions						129			
8. Other operating costs						130			
III. FINANCIAL INCOME (132 to 136)						131	0	85.249	0
1. Interest income, foreign exchange gains, dividends and similar income from related						132			
2. Interest income, foreign exchange gains, dividends and similar income from non -						133		85.249	
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	313.621	0	1.630.023
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related						138			
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -						139	313.621		139.725
3. Unrealized losses (expenses) on financial assets						140			1.490.298
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	1.732.700	1.732.700	
VIII. EXTRAORDINARY - OTHER EXPENSES						145			
IX. TOTAL INCOME (111+131+142 + 144)						146	130.627.364	51.011.997	165.849.587
X. TOTAL EXPENSES (114+137+143 + 145)						147	152.393.840	74.299.393	162.821.731
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)						148	-21.766.476	-23.287.396	3.027.856
1. Profit before taxation (146-147)						149	0	0	3.027.856
2. Loss before taxation (147-146)						150	21.766.476	23.287.396	0
XII. PROFIT TAX						151			
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)						152	-21.766.476	-23.287.396	3.027.856
1. Profit for the period (149-151)						153	0	0	3.027.856
2. Loss for the period (151-148)						154	21.766.476	23.287.396	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)									
XIV. PROFIT OR LOSS FOR THE PERIOD									
1. Attributed to equity holders of parent company						155			
2. Attributed to minority interest						156			
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)									
I. PROFIT OR LOSS FOR THE PERIOD (= 152)						157	-21.766.476	-23.287.396	3.027.856
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165)						158	0	0	0
1. Exchange differences on translation of foreign operations						159			
2. Movements in revaluation reserves of long - term tangible and intangible assets						160			
3. Profit or loss from reevaluation 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			
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)						167	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)						168	-21.766.476	-23.287.396	3.027.856
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)									
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD									
1. Attributed to equity holders of parent company						169			
2. Attributed to minority interest						170			

t year
Quarter
6
60.496.176
60.337.542
158.634
58.020.848
37.884.050
1.650.401
32.290.053
3.943.596
14.765.401
9.325.643
3.277.209
2.162.549
2.186.394
3.168.205
16.798
16.798
0
82.118
82.118
60.496.176
58.102.966
2.393.210
2.393.210
0
2.393.210
2.393.210
0

2.393.210
0
0
2.393.210

STATEMENT OF CASH FLOWS - INDIRECT METHOD
in period from 01.01.2017 until 30.09.2017.

Luka Ploče Group	in Kunas		
Position	AOP	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-19.788.794	3.027.856
2. Depreciation	002	8.850.954	6.505.426
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004		5.954.445
5. Decrease in inventories	005	59.875	
6. Other increase in cash flow	006	23.023.268	1.018.106
I. Total increase in cash flow from operating activities (001 to 006)	007	12.145.303	16.505.833
1. Decrease in short term liabilities	008	16.144.376	13.542.778
2. Increase in short term receivables	009	3.245.668	
3. Increase in inventories	010		707.281
4. Other decrease in cash flow	011		
II. Total decrease in cash flow from operating activities (008 to 011)	012	19.390.044	14.250.059
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	0	2.255.774
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	7.244.741	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	27.493.252	
2. Cash inflows from sales of equity and debt instruments	016	1.500.000	
3. Interests receipts	017		
4. Dividend receipts	018		6.416
5. Other cash inflows from investing activities	019	251.362.157	155.207.018
III. Total cash inflows from investing activities (015 to 019)	020	280.355.409	155.213.434
1. Cash outflow for purchase of long-term tangible and intangible assets	021	105.112.328	21.383.485
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023	214.390.000	135.212.666
IV. Total cash outflow for investing activities (021 to 023)	024	319.502.328	156.596.151
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	39.146.919	1.382.717
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	78.633.201	27.058.728
3. Other proceeds from financial activities	029		
V. Total cash inflows from financial activities (027 to 029)	030	78.633.201	27.058.728
1. Cash outflow for repayment of credit principal and bonds	031	6.187.428	1.827.390
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033		
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035		
VI. Total cash outflow for financial activities (031 to 035)	036	6.187.428	1.827.390
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	72.445.773	25.231.338
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	26.054.113	26.104.395
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	0
Cash and cash equivalents at the beginning of the period	041	15.767.200	41.821.313
Increase of cash and cash equivalents	042	26.054.113	26.104.395
Decrease of cash and cash equivalents	043		
Cash and cash equivalents at the end of the period	044	41.821.313	67.925.708

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2017** to **30.9.2017**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	169.186.800	169.186.800
2. Capital reserves	002	88.107.087	88.107.087
3. Reserves from profit	003	39.011.478	39.187.369
4. Retained earnings or accumulated loss	004	133.318.191	113.382.903
5. Profit or loss for the current year	005	-19.788.794	3.027.856
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 to 009)	010	409.834.762	412.892.015
11. Currency gains and losses arising from net investement in foreign operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016		
17. Total increase or decrease in capital (AOP 011 to 016)	017	0	0
17 a. Attributed to equity holders of parent company	018	409.834.762	412.347.072
17 b. Attributed to minority interest	019	0	

Items which decrease capital are given with the negative prefix

MANAGEMENT LIABILITY STATEMENT

Hereby , pursuant to the Article 410. of the Capital Market Act we declare that according to our best knowledge, financial reports for the reporting period are prepared in accordance with applicable financial reporting standards.

Consolidated financial Statements for the third quarter of year 2017. give a complete and true representation of assets and obligations, profit and loss, financial position and business activities of the Company and of the companies being consolidated therein.

Željka Dodig

Capt. Ivan Pavlović

Member of the Board ,
Financial affairs

President of the board