

Annex 1.

Reporting period

1.1.2015

to

31.3.2015

Quarterly financial report TFI-POD

Tax number (MB): 03166619

Company registration number (MRS): 040008080

Personal 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: 667

(period end)

Consolidated report: YES

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

HOTELI CAVTAT d.d. | CAVTAT | 91954459924

HOTELI METROPOL d.o.o. PORTOROŽ | PORTOROŽ | 6767648000

Bookkeeping service:

Contact person: Kamenar Biserka
(only surname and name)

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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
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001		
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.142.671.285	1.327.142.978
I. INTANGIBLE ASSETS (004 do 009)	003	21.199.341	34.431.742
1. Expenditure for development	004	559.107	863.661
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	1.499.381	711.520
3. Goodwill	006		27.871.413
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008		
6. Other intangible assets	009	19.140.853	4.985.148
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.120.041.001	1.291.185.646
1. Land	011	194.334.017	209.684.538
2. Buildings	012	819.596.935	959.778.457
3. Plant and equipment	013	16.838.587	16.598.973
4. Tools, working inventory and transportation assets	014	74.558.174	73.897.822
5. Biological assets	015		
6. Advances for purchase of tangible assets	016	345.568	752.325
7. Tangible assets in progress	017	10.802.302	26.907.012
8. Other tangible assets	018	3.565.418	3.566.519
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	14.920	14.920
1. Share in related parties	021		
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	14.920	14.920
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	1.510.670
C) CURRENT ASSETS (035+043+050+058)	034	111.073.107	80.259.772
I. INVENTORIES (036 do 042)	035	3.455.179	5.781.454
1. Raw materials and supplies	036	2.749.794	4.233.536
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039	109.184	103.037
5. Advances for inventories	040	596.201	1.444.882
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	10.998.143	13.216.176
1. Receivables from related parties	044		
2. Receivables from end-customers	045	9.350.397	6.942.242
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	273.069	274.070
5. Receivables from government and other institutions	048	940.676	5.266.700
6. Other receivables	049	434.001	733.164
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	95.619.785	61.262.142
D) PREPAYMENTS AND ACCRUED INCOME	059	720.512	8.950.327
E) TOTAL ASSETS (001+002+034+059)	060	1.254.464.884	1.416.353.077
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	983.631.119	943.613.034
I. SUBSCRIBED SHARE CAPITAL	063	865.553.260	865.553.260
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	45.216.111	45.216.111
1. Legal reserves	066	43.277.663	43.277.663
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070	1.938.448	1.938.448
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	6.897.270	56.546.856
1. Retained earnings	073	6.897.270	56.546.856
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	49.163.158	-37.642.812
1. Net profit for the period	076	49.163.158	
2. Net loss for the period	077		37.642.812
VII. MINORITY INTEREST	078	16.801.320	13.939.619
B) PROVISIONS (080 do 082)	079	27.326.718	39.139.068
1. Provisions for pensions, severance pay and similar liabilities	080	10.491.066	6.913.489
2. Provisions for tax liabilities	081		
3. Other provisions	082	16.835.652	32.225.579
C) NON-CURRENT LIABILITIES (084 do 092)	083	178.208.208	331.949.308
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086	166.366.746	320.235.031
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	11.841.462	11.714.277
D) CURRENT LIABILITIES (094 do 105)	093	63.841.827	98.849.985
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	34.831.354	40.738.737
4. Liabilities for advances	097	7.549.961	25.376.257
5. Trade payables	098	10.331.368	16.536.817
6. Commitments on securities	099		
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	6.839.564	4.083.617
9. Taxes, contributions and similar liabilities	102	2.272.367	5.545.049
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	2.017.213	6.569.508
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	1.457.012	2.801.682
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.254.464.884	1.416.353.077
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	966.829.799	929.673.415
2. Attributable to minority interest	110	16.801.320	13.939.619

Income statement

period 01.01.2015. to 31.03.2015.

Company: LIBURNIA RIVIERA HOTELI d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	24.785.932	24.785.932	21.358.732	21.358.732
1. Rendering of services	112	14.381.030	14.381.030	19.323.300	19.323.300
2. Other operating income	113	10.404.902	10.404.902	2.035.432	2.035.432
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	45.858.243	45.858.243	56.904.428	56.904.428
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	7.927.543	7.927.543	12.387.515	12.387.515
a) Costs of raw materials	117	2.164.566	2.164.566	2.596.137	2.596.137
b) Cost of goods sold	118	23.587	23.587	27.536	27.536
c) Other material expenses	119	5.739.390	5.739.390	9.763.842	9.763.842
3. Employee benefits expenses (121 do 123)	120	16.173.319	16.173.319	14.768.470	14.768.470
a) Net salaries	121	10.188.975	10.188.975	8.525.182	8.525.182
b) Tax and contributions from salary expenses	122	3.827.839	3.827.839	3.935.039	3.935.039
c) Contributions on salary	123	2.156.505	2.156.505	2.308.249	2.308.249
4. Depreciation and amortisation	124	18.163.277	18.163.277	23.559.788	23.559.788
5. Other expenses	125	3.455.210	3.455.210	6.153.456	6.153.456
6. Write down of assets (127+128)	126	118.894	118.894	35.199	35.199
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128	118.894	118.894	35.199	35.199
7. Provisions	129				
8. Other operating costs	130				
III. FINANCIAL INCOME (132 do 138)	131	296.937	296.937	358.036	358.036
1. Interest, foreign exchange differences, dividends and similar income from related parties	132				
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	296.937	296.937	358.036	358.036
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	2.251.344	2.251.344	3.375.749	3.375.749
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	2.251.344	2.251.344	3.375.749	3.375.749
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	25.082.869	25.082.869	21.716.788	21.716.788
X. TOTAL EXPENSES (114+137+143+145)	147	48.109.587	48.109.587	60.280.177	60.280.177
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-23.026.718	-23.026.718	-38.563.409	-38.563.409
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	23.026.718	23.026.718	38.563.409	38.563.409
XII. TAXATION	151				
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-23.026.718	-23.026.718	-38.563.409	-38.563.409
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	23.026.718	23.026.718	38.563.409	38.563.409
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	-22.320.314	-22.320.314	-37.642.812	-37.642.812
2. Attributable to minority interest	156	-706.402	-706.402	-920.597	-920.597
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-23.026.718	-23.026.718	-38.563.409	-38.563.409
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	-23.026.718	-23.026.718	-38.563.409	-38.563.409
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	-22.320.314	-22.320.314	-37.642.812	-37.642.812
2. Attributable to minority interest	170	-706.402	-706.402	-920.597	-920.597

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
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-23.026.718	-37.927.490
2. Depreciation and amortisation	002	18.183.277	22.923.866
3. Increase of current liabilities	003	19.206.562	16.174.967
4. Decrease of current receivables	004	2.095.207	
5. Decrease of inventories	005		0
6. Other cash flow increases	006		0
I. Total increase of cash flow from operating activities	007	16.458.328	1.171.343
1. Decrease of current liabilities	008		
2. Increase of current receivables	009	12.423.630	904.506
3. Increase of inventories	010	3.643.961	1.786.172
4. Other cash flow decreases	011	12.553.496	4.533.706
II. Total decrease of cash flow from operating activities	012	28.621.087	7.224.384
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	12.162.759	6.053.041
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	118.791	426.748
2. Proceeds from sale of non-current financial assets	016		0
3. Interest received	017	290.000	411.154
4. Dividend received	018		0
5. Other proceeds from investing activities	019		0
III. Total cash inflows from investing activities	020	408.791	837.902
1. Purchase of non-current assets	021	25.342.362	190.562.331
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	25.342.362	192.164.191
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	24.933.571	191.326.289
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		
2. Proceeds from loans and borrowings	028		164.310.517
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	0	164.310.517
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		
VI. Total cash outflows from financing activities	036	15.787.034	2.288.930
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	162.021.587
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	15.787.034	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	52.883.364	35.357.743
Cash and cash equivalents at the beginning of period	041	76.938.915	96.619.785
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	52.883.364	35.357.643
Cash and cash equivalents at the end of period	044	24.055.551	61.262.142

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	56.546.856
5. Net profit or loss for the period	005	-22.320.316	-37.642.812
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		
10. Total equity and reserves (AOP 001 to 009)	010	889.105.320	929.673.415
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	889.105.320	929.673.415
17 b. Attributable to minority interest	019	11.784.313	13.939.619

**Consolidated Management Board Report for the
Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d. and Hoteli Metropol d.o.o. Group
31/03/2015**

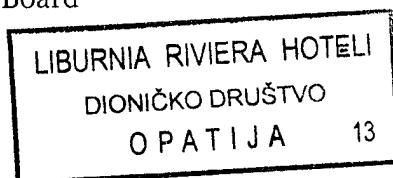
The consolidated operating results for the period January-March 2015 show that the Group (Liburnia Riviera Hoteli d.d., Hoteli Cavtat d.d. and Hoteli Metropol d.o.o.) is achieving its primary objectives. The Hoteli Metropol d.o.o. Portorož Company was taken over on 13/02/2015 (the consolidated report shows and analyses results starting from 01/01/2015). In the period January-March 2015, the Group recorded approximately 47% overnight stays more compared to the same period last year, operating income was approximately 37% higher compared to the same period last year, and gross operating profit (GOP) was approximately 4% less negative compared to the same period last year. The comparison with last year refers to the Liburnia Riviera Hoteli d.d. and Hoteli Cavtat d.d. companies, since Hoteli Metropol were not a separate profit centre within the Hoteli Bernardin d.d. Company. Thus, it is not possible to determine income and expenses in the year 2014, although these were realised.

In the period January-March 2015, the Group realised a net extraordinary income of approximately 884,000 kn, of which 463,000 kn was income from the liquidation of long-term provisions, 427,000 kn income from the sale of fixed assets, 325,000 kn income from previous years, 196,000 kn income from re-invoiced expenses, 90,000 kn income from collected prosecuted claims, and 54,000 kn income from the sale of technical documentation, as well as approximately 411,000 kn in costs in damages to natural persons and legal entities, and 275,000 kn costs from previous years.

Consolidated EBITA (earnings before interests, taxes and amortisation) is negative and amounts to 11.2 million kn. Last year's EBITA, which included a net extraordinary income of 10.1 million kn, was negative and amounted to 2.0 million kn.

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

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



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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 and the Company included in the consolidation as a whole for the period from 1 January to 31 March 2015.

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

