



Atlantic Grupa d.d.

Non-consolidated financial results for the period ended 30 September 2016 (unaudited)

ATLANTIC GRUPA d.d., Joint Stock Company for Domestic and Foreign Trade, Miramarska 23, 10000 Zagreb, Croatia, tel: +385 (1) 24 13 900, fax: +385 (1) 24 13 901, www.atlanticgrupa.com. The Company is registered with the Commercial Court of Zagreb, Company Registration Number (MBS): 080245039; Company Identification Number (MB): 1671910; Personal Identification Number (PIN): 71149912416. IBAN: HR2624840081101427897, Raiffeisenbank Austria d.d., Petrinjska 59, 10000 Zagreb; HR5024840081500117544, Raiffeisenbank Austria d.d., Petrinjska 59, 10000 Zagreb; HR9223600001101842569, Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, 10000 Zagreb; HR4624020061100280870, Erste&Steiermarkische Bank d.d., Jadranski trg 3a, 51000 Rijeka; HR7423400091110356539, Privredna banka Zagreb d.d., Radnička cesta 50, 10000 Zagreb; HR7625030071100076424, Sberbank d.d., Varšavska 9, 10000 Zagreb. The number of shares and their nominal value: 3,334,300 shares, each in the nominal amount of HRK 40.00. Share capital: 133,372,000.00 HRK, paid in full. Management Board: E. Tedeschi, M. Veber, N. Vranković, Z. Stanković; President of the Supervisory Board: Z. Adrović.

Content:

- I. Report on business results for the period ended 30 September 2016**
- II. Unaudited non-consolidated financial reports for the period ended 30 September 2016**
- III. Statement of liability for preparation of financial reports**

General information:

Atlantic Grupa d.d. was incorporated in Republic of Croatia in 2002. Atlantic Grupa d.d. is domiciled in Zagreb, Miramarska 23, Croatia.

Atlantic Grupa d.d. performs corporate activities such as planning entrepreneurial functions, organisation of principal activities, gathering and utilising financial assets, defining strategy and development of business activities of Atlantic Grupa.

On September 30th 2016 Atlantic Grupa employed 127 employees.

Management Board members:

- ❖ Emil Tedeschi, President of the Management Board
- ❖ Mladen Veber, Senior Group Vice President for Business Operations
- ❖ Neven Vranković, Group Vice President for Corporate Affairs
- ❖ Zoran Stanković, Group Vice President for Finance

Supervisory Board members:

- ❖ Zdenko Adrović, President
- ❖ Lada Tedeschi Fiorio, Vice President
- ❖ Siniša Petrović, member
- ❖ Peter Elam Håkansson, member
- ❖ Franz Josef Flosbach, member
- ❖ Saša Pekeč, member
- ❖ Jean Louis Yvon Gourbin, member

On September 30th 2016 share capital of Atlantic Grupa d.d. totalled HRK 133,372,000.00 divided into 3,334,300 ordinary shares in the nominal amount of HRK 40.00.

Financial results for the period ended 30 September 2016:

For the period ended 30 September 2016 Atlantic Grupa d.d. reported HRK 94,609,047.00 of operating income, attributed in total to other operating income.

In the same period, Atlantic Grupa d.d. reported HRK 88,224,602.00 of operating costs. Employee benefits expenses in the amount of HRK 44,962,612.00 related to net salaries, taxes and contributions from salary expenses and contributions on salary, and also other expenses in the amount of HRK 29,324,496.00 represent the largest amount of operating costs. Other costs relate to maintenance, rent and other services.

For the period ended 30 September 2016 financial income amounted HRK 15,415,125.00. Financial expenses in the same period amounted to HRK 15,406,793.00.

Atlantic Grupa d.d. reported HRK 5,993,901.00 of net profit for the period ended 30 September 2016.

ATLANTIC GRUPA d.d.

**CONDENSED NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2016 (UNAUDITED)**

Annex 1.

Reporting period

1.1.2016

to

30.9.2016

Quarterly financial report TFI-POD

Tax number (MB): 01671910

Company registration number (MBS): 080245039

Personal identification number (OIB): 71149912416

Issuing company: ATLANTIC GRUPA d.d.

Postal code and place: 10000

Zagreb

Street and house number: MIRAMARSKA 23

E-mail address: atlantic@atlantic.hr

Internet address: www.atlantic.hr

Municipality/city code and name

County code and name

Number of employees: 127

(period end)

Consolidated report: NO

NKD code: 7010

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: Ilinčić Tatjana
(only surname and name)

Telephone: 012413927

Telefaks: 012413002

E-mail address: tatjana.ilincic@atlanticgrupa.com

Family name and name: Stanković Zoran
(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

Position	AOP	Previous period	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	1.588.204.533	1.613.121.620
I. INTANGIBLE ASSETS (004 do 009)	003	11.563.168	13.355.335
1. Expenditure for development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	6.851.304	6.424.710
3. Goodwill	006		
4. Advances for purchase of intangible assets	007		
5. Intangible assets in progress	008	4.711.864	6.930.625
6. Other intangible assets	009		
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	16.410.671	15.407.620
1. Land	011		
2. Buildings	012	9.676.077	9.520.500
3. Plant and equipment	013		
4. Tools, working inventory and transportation assets	014	3.902.843	3.241.525
5. Biological assets	015		
6. Advances for purchase of tangible assets	016		
7. Tangible assets in progress	017	1.637.282	1.451.126
8. Other tangible assets	018	1.194.469	1.194.469
9. Investment in real-estate	019		
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	1.557.316.003	1.581.927.620
1. Share in related parties	021	1.556.028.135	1.580.661.218
2. Loans to related parties	022		
3. Participating interests (shares)	023		
4. Loans to companies with participating interest	024		
5. Investments in securities	025	370	370
6. Loans, deposits, etc.	026	1.287.498	1.266.032
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	2.914.691	2.431.045
C) CURRENT ASSETS (035+043+050+058)	034	71.298.491	65.899.935
I. INVENTORIES (036 do 042)	035	0	137.971
1. Raw materials and supplies	036		
2. Production in progress	037		
3. Finished products	038		
4. Merchandise	039		137.971
5. Advances for inventories	040		
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	65.781.680	55.292.875
1. Receivables from related parties	044	57.529.598	47.009.136
2. Receivables from end-customers	045	1.474.976	3.000.475
3. Receivables from participating parties	046		
4. Receivables from employees and members of the company	047	33.545	1.756.090
5. Receivables from government and other institutions	048	2.262.293	2.320.525
6. Other receivables	049	4.481.268	1.206.649
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	3.478.394	4.416.551
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	3.478.394	4.416.551
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	2.038.417	6.052.538
D) PREPAYMENTS AND ACCRUED INCOME	059	2.061.258	1.525.178
E) TOTAL ASSETS (001+002+034+059)	060	1.661.564.282	1.680.546.733
F) OFF BALANCE SHEET ITEMS	061		

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.215.928.528	1.177.333.695
I. SUBSCRIBED SHARE CAPITAL	063	133.372.000	133.372.000
II. CAPITAL RESERVES	064	881.515.446	881.489.353
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	-197.517	-87.600
1. Legal reserves	066		
2. Reserve for own shares	067		
3. Treasury shares and shares (deductible items)	068	197.517	87.600
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	-377.989	-38.914
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	118.182.416	156.604.955
1. Retained earnings	073	118.182.416	156.604.955
2. Loss carried forward	074		
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	83.434.172	5.993.901
1. Net profit for the period	076	83.434.172	5.993.901
2. Net loss for the period	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	13.008.781	11.666.758
1. Provisions for pensions, severance pay and similar liabilities	080	13.008.781	11.666.758
2. Provisions for tax liabilities	081		
3. Other provisions	082		
C) NON-CURRENT LIABILITIES (084 do 092)	083	0	199.539.983
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085		
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Trade payables	088		
6. Commitments on securities	089		199.539.983
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	429.098.319	289.117.449
1. Liabilities to related parties	094	159.295.307	125.918.379
2. Liabilities for loans, deposits, etc.	095		
3. Liabilities to banks and other financial institutions	096	130.991.190	151.800.664
4. Liabilities for advances	097		
5. Trade payables	098	16.339.774	5.158.842
6. Commitments on securities	099	116.537.440	1.673.304
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	1.858.320	2.107.440
9. Taxes, contributions and similar liabilities	102	3.308.536	2.066.038
10. Liabilities arising from share in the result	103	145.539	194.440
11. Liabilities arising from non-current assets held for sale	104		
12. Other current liabilities	105	622.213	198.342
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.528.654	2.888.848
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.661.564.282	1.680.546.733
G) OFF BALANCE SHEET ITEMS	108		
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

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Position	AOP	Previous period	Previous period	Current period	Current period
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	95.150.601	31.528.842	94.609.047	31.002.208
1. Rendering of services	112				
2. Other operating income	113	95.150.601	31.528.842	94.609.047	31.002.208
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	75.395.894	27.346.285	88.224.602	29.804.407
1. Change in inventories of work in progress	115				
2. Material expenses (117 do 119)	116	71.656	23.818	74.764	24.285
a) Costs of raw materials	117	71.656	23.818	74.764	24.285
b) Cost of goods sold	118				
c) Other material expenses	119				
3. Employee benefits expenses (121 do 123)	120	36.588.778	11.088.945	44.962.612	12.460.812
a) Net salaries	121	17.609.909	5.425.204	21.383.336	6.113.339
b) Tax and contributions from salary expenses	122	13.650.943	4.057.333	17.073.661	4.563.074
c) Contributions on salary	123	5.327.927	1.606.409	6.505.615	1.784.399
4. Depreciation and amortisation	124	3.504.795	1.273.146	3.715.835	1.249.676
5. Other expenses	125	33.039.278	12.391.813	29.324.496	12.784.098
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127				
b) current assets (except financial assets)	128				
7. Provisions	129				
8. Other operating costs	130	2.191.387	2.568.563	10.146.895	3.285.536
III. FINANCIAL INCOME (132 do 136)	131	88.866.211	1.902.067	15.415.125	1.461.832
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	82.080.339		9.500.000	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	6.785.872	1.902.067	5.915.125	1.461.832
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	19.069.266	8.410.045	15.406.793	6.403.129
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	3.727.913	1.154.232	2.161.169	467.285
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	15.341.353	7.255.813	13.245.624	5.935.844
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	184.016.812	33.430.909	110.024.172	32.464.040
X. TOTAL EXPENSES (114+137+143+145)	147	94.465.160	35.756.330	103.631.395	36.207.536
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	89.551.652	-2.325.421	6.392.777	-3.743.496
1. Profit before taxes (146-147)	149	89.551.652	0	6.392.777	0
2. Loss before taxes (147-146)	150	0	2.325.421	0	3.743.496
XII. TAXATION	151	-1.271.892	-2.430.169	398.876	-760.466
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	90.823.544	104.748	5.993.901	-2.983.030
1. Profit for the period (149-151)	153	90.823.544	104.748	5.993.901	0
2. Loss for the period (151-148)	154	0	0	0	2.983.030
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	90.823.544	104.748	5.993.901	-2.983.030
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	708.895	204.251	339.075	77.882
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-valuation of financial assets held for sale	161				
4. Profit or loss from cash flow hedging	162	708.895	204.251	339.075	77.882
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	708.895	204.251	339.075	77.882
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	91.532.439	308.999	6.332.976	-2.905.148
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				

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	89.551.652	6.392.777
2. Depreciation and amortisation	002	3.504.795	3.715.835
3. Decrease of current liabilities	003		
4. Decrease of current receivables	004		
5. Decrease of inventories	005		
6. Other cash flow increases	006	8.830.236	0
I. Total increase of cash flow from operating activities	007	101.886.683	10.108.612
1. Decrease of current liabilities	008	7.116.430	16.532.655
2. Increase of current receivables	009	88.693.072	13.176.498
3. Increase of inventories	010		137.971
4. Other cash flow decreases	011		11.235.762
II. Total decrease of cash flow from operating activities	012	95.809.502	41.082.886
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	6.077.181	0
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	30.974.274
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	54.400	157.696
2. Proceeds from sale of non-current financial assets	016		
3. Interest received	017		6.206
4. Dividend received	018	55.000.000	9.500.000
5. Other proceeds from investing activities	019	37.808	61.843
III. Total cash inflows from investing activities	020	55.092.208	9.725.745
1. Purchase of non-current assets	021	3.444.874	4.588.834
2. Purchase of non-current financial assets	022		24.633.083
3. Other cash outflows from investing activities	023	453.944	1.000.000
IV. Total cash outflows from investing activities	024	3.898.818	30.221.917
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	51.193.390	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	0	20.496.172
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027		200.000.000
2. Proceeds from loans and borrowings	028	6.000.000	127.000.000
3. Other proceeds from financing activities	029		
V. Total cash inflows from financing activities	030	6.000.000	327.000.000
1. Repayment of loans and bonds	031	15.132.674	225.427.400
2. Dividends paid	032	39.966.123	45.011.633
3. Repayment of finance lease	033		
4. Purchase of treasury shares	034	3.877.288	1.076.400
5. Other cash outflows from financing activities	035		
VI. Total cash outflows from financing activities	036	58.976.085	271.515.433
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	55.484.567
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	52.976.085	0
Total increases of cash flows	039	4.294.486	4.014.121
Total decreases of cash flows	040	0	0
Cash and cash equivalents at the beginning of period	041	3.844.959	2.038.417
Increase of cash and cash equivalents	042	4.294.486	4.014.121
Decrease of cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of period	044	8.139.445	6.052.538

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	133.372.000	133.372.000
2. Capital reserves	002	881.530.671	881.489.353
3. Reserves from profit	003	-178.459	-87.600
4. Retained earnings or loss carried forward	004	118.188.917	156.604.955
5. Net profit or loss for the period	005	90.823.544	5.993.901
6. Revaluation of tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of available for sale assets	008		
9. Other revaluation	009	-553.789	-38.914
10. Total equity and reserves (AOP 001 to 009)	010	1.223.182.884	1.177.333.695
11. Foreign exchange differences from foreign investments	011		
12. Current and deferred taxes	012		
13. Cash flow hedge	013	708.895	339.075
14. Change of accounting policies	014		
15. Correction of significant mistakes of prior period	015		
16. Other changes	016	49.667.602	-38.933.908
17. Total increase or decrease of equity (AOP 011 to 016)	017	50.376.497	-38.594.833
17 a. Attributable to majority owners	018	50.376.497	-38.594.833
17 b. Attributable to minority interest	019		



Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, 27th October 2016

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08, 74/09, 54/13, 159/13, 18/15 and 110/15) the President of the Management Board of Atlantic Grupa d.d., Miramarska 23, Zagreb provides

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The consolidated and separate financial statements of Atlantic Grupa d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The non-consolidated financial statements for the period from 1 January 2016 till 30 September 2016 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the period ended 30 September 2016 presents true and fair presentation of development and results of the Company's operations with description of significant risks and uncertainties for the Company.

President of the Management Board

Emil Tedeschi

ATLANTIC GRUPA joint stock company for internal and external trade,

Zagreb, Miramarska 23, Croatia, tel: +385 (1) 24 13 900, fax: +385 (1) 24 13 901, www.atlanticgrupa.com.

The company is registered with the Commercial Court in Zagreb, registration number: 080245039, OIB (personal identification number): 71149912416.
Account number: 2484008-1101427897 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59; The authorized share capital: 133.372.000,00 kn, paid in cash completely.

The number of shares and their nominal value: 3.334.300 shares, each in the nominal amount of 40,00kn.

The Management Board: Emil Tedeschi, M. Veber, N. Vranković, Z. Stanković; The President of Supervisory Board: Z. Adrović.



Contact:

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The Management Board: Emil Tedeschi, M. Veber, N. Vranković, Z. Stanković; The President of Supervisory Board: Z. Adrović.