

VALAMAR RIVIERA

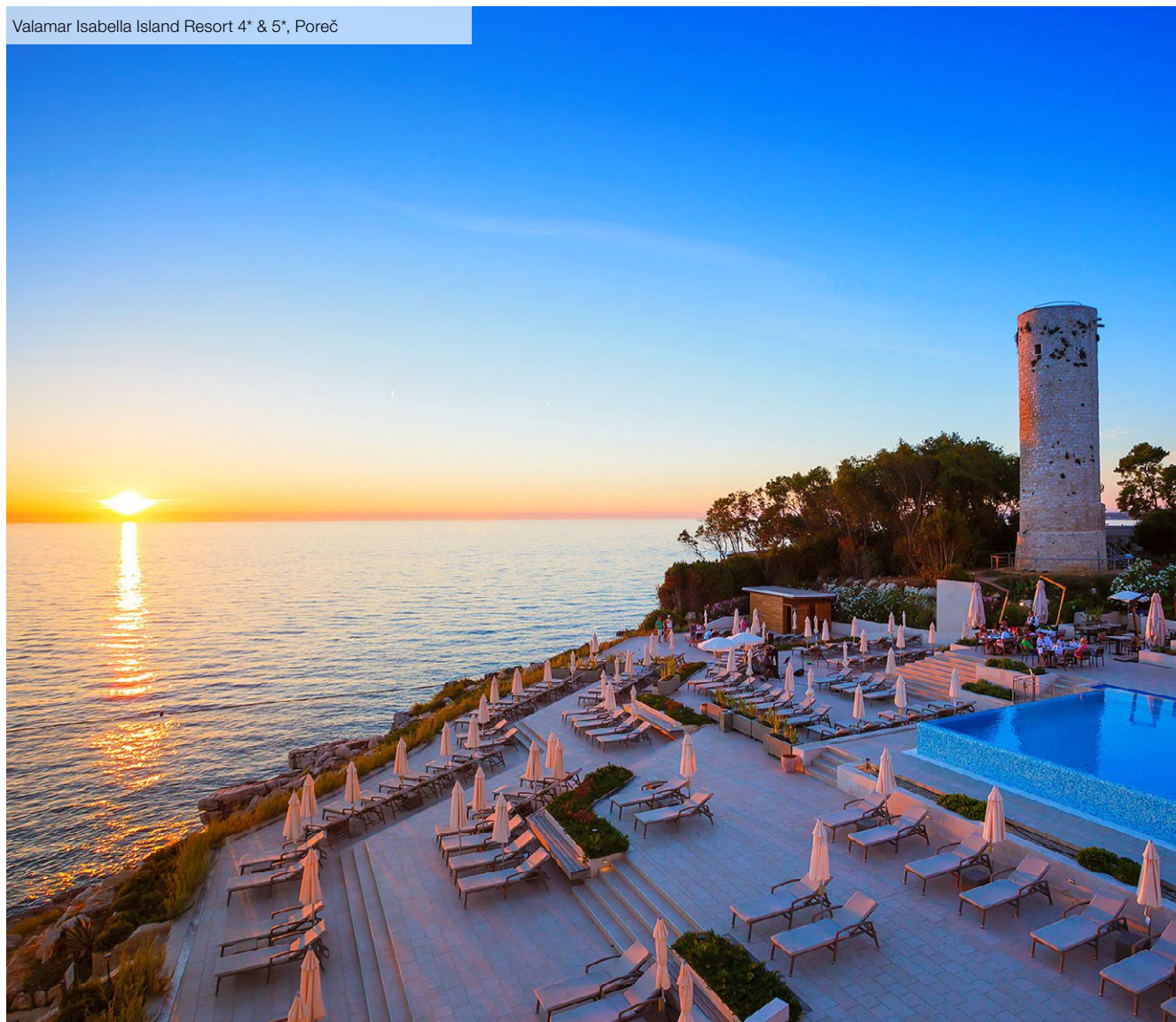
BUSINESS RESULTS
1/1/2017 - 31/3/2017



QUARTERLY REPORT OF THE GROUP AND THE COMPANY VALAMAR RIVIERA D.D.

for the period from 1 January 2017 to
31 March 2017

Valamar Isabella Island Resort 4* & 5*, Poreč



EXECUTIVE SUMMARY

-  The predictably reduced business volume and lower sales revenues in the first quarter of 2017 were the result of i) last year's one-time M.I.C.E. event known as "Global Training Experience" by Daimler AG-Mercedes-Benz which boosted 2016 sales revenues, and ii) the fact that most properties remained closed in the first quarter because Easter holidays occurred during April 2017. If we exclude these factors, Valamar Riviera achieved growth in comparable sales revenues.
-  Total revenues were HRK 64.1 million and fell by 26% in relation to last year's comparable period (HRK 86.5 million in 2016). HRK 28 million represented sales revenues while the remaining part was mainly financial income from foreign exchange gains.
-  Taking into account the seasonal character of the Group's business, first quarter results are not indicative because of the low influence of first quarter sales revenues on total annual revenues. Therefore, their 39% decrease on last year's comparable period is not a valid base for forming annual expectations.
-  Operating costs grew by HRK 17.4 million and totaled HRK 115.5 million. This was mainly due to i) this year's consolidation of the Imperial hotel group, ii) different (monthly) calculation of salary and incentive costs, iii) salary increase policy, and iv) the hiring of construction site staff (to carry out the large investments) and the resort staff (to ensure high service quality in the new Premium/Upscale properties).
-  The Group's financial net result was HRK 18.4 million (HRK 18.0 million in 2016). This was largely the result of foreign exchange gains due to a stronger HRK in relation to EUR and unrealized balance sheet items (loans, deposits and foreign currency accounts).
-  Enterprise value continued to grow (+21%) as a result of increased market capitalization and prudent net debt management.
-  By the end of last year, Valamar Riviera concluded a Management contract with Imperial hotel group regarding the management of Imperial's properties and facilities. The contract has been implemented as of 4 January 2017. By establishing a strategic partnership with Allianz ZB, the leading institutional investor in Croatia and leading Croatian pension fund, Valamar Riviera successfully acquired 54.71% of Imperial's share capital. Valamar Riviera now manages a portfolio that includes 30 hotels and resorts and 15 campsites that can welcome more than 56,000 guests daily. Both partners, Valamar Riviera and Allianz ZB expect to achieve significant synergies in the future development of Imperial's portfolio and Rab as a destination.
-  Valamar Riviera's largest series of investments worth over HRK 870 million is underway and expected to be completed for the start of the tourist season. Most of the investments are focused on the projects in Rabac (Family Life Bellevue Resort 4* and Valamar Girandella Resort 4*/5*). Valamar Riviera also continues to invest in campsites to develop premium camping resorts, and has a range of other projects related to the improvement of quality, operating efficiency and energy saving.
-  You can find Valamar's press release on Valamar Riviera's corporate website (link: valamar-riviera.com/en/1Q2017).

OUTLOOK

-  The significant increase in the number of announced booked overnights indicates a positive business outlook.
-  Further growth is expected in sales revenues, overnights, and EBITDA. These expectations are based on this year's heavy investments, the great market feedback that properties in Poreč and Krk received after undergoing investment and the acquisition of Imperial hotel group.
-  In accordance with our strategic goals for the period up to 2020, we are intensively working on investments projects aimed at improving the portfolio properties and services. However, numerous factors reduce the competitiveness of Croatian tourism and hinder further investment potential: the still unresolved issue of tourism land, skilled labor shortages, likely property tax and tourist tax, VAT and the rate of total contributions to salaries (both among the highest on the Mediterranean).
-  Following the successful acquisition of the Baška hotel group on the island of Krk and the Imperial hotel group on the island of Rab, we are considering further expansion by pursuing new partnerships and acquisition opportunities in Croatia and abroad.

TABLE OF CONTENTS

Significant business events	5
Results of the Group	8
Results of the Company	15
Investments 2017	16
The risks of the Company and the Group	18
Corporate Governance	22
Related-party transactions	23
Branch offices of the Company	23
Share	24
Additional information	26
Responsibility for the quarterly financial statements	27
Quarterly financial statements	28

SIGNIFICANT BUSINESS EVENTS

Valamar Riviera is the leading Croatian tourism company and one of the leading tourism groups in Croatia. It is a large tourism investor with more than HRK 3 billion invested over the last 13 years. It owns two brands: Valamar Hotels and Resorts and Camping Adriatic. With last year's acquisition of Imperial¹, a hotel group on the island of Rab, the Group now operates 30 hotels and resorts and 15 camping resorts in five attractive destinations along the Adriatic coast – from Istria and the islands of Krk and Rab to Dubrovnik. It manages about 12% of the total categorized accommodation in Croatia. Valamar's properties can welcome more than 56,000 guests daily in almost 21,000 accommodation units. In terms of accommodation capacity, Valamar Riviera is the largest tourism group in Croatia. Valamar Riviera promotes the interests of all its stakeholders: guests, suppliers and partners, local communities and destinations, around 21,000 shareholders, around 5,300 people employed during peak season and the whole community. The stakeholders' interests are actively promoted through Valamar Riviera's principles of sustainable growth, development and corporate social responsibility. The company aims at growing and developing further through portfolio investments, new acquisitions and partnerships, the development of its destinations and human resources and by increasing operational efficiency.

At the end of last year, Valamar Riviera concluded a Management contract with Imperial regarding the management of Imperial's properties and facilities. The contract has been implemented as of 4 January 2017. On 27 December 2016, when the takeover bid transaction was completed, Valamar Riviera acquired 54.71% of Imperial's share capital. Valamar Riviera also concluded a Cooperation Agreement with Allianz ZB from Zagreb, acting in its own



Hotel Padova 4*, Island of Rab

¹ Transaction details are described in the paragraph below.

name and on behalf of the mandatory pension funds it manages (category A and B). With this agreement, the two companies established joint activity towards Imperial. Valamar Riviera and Allianz ZB expect to achieve significant synergies in the future development of Imperial's portfolio and Rab as a destination.

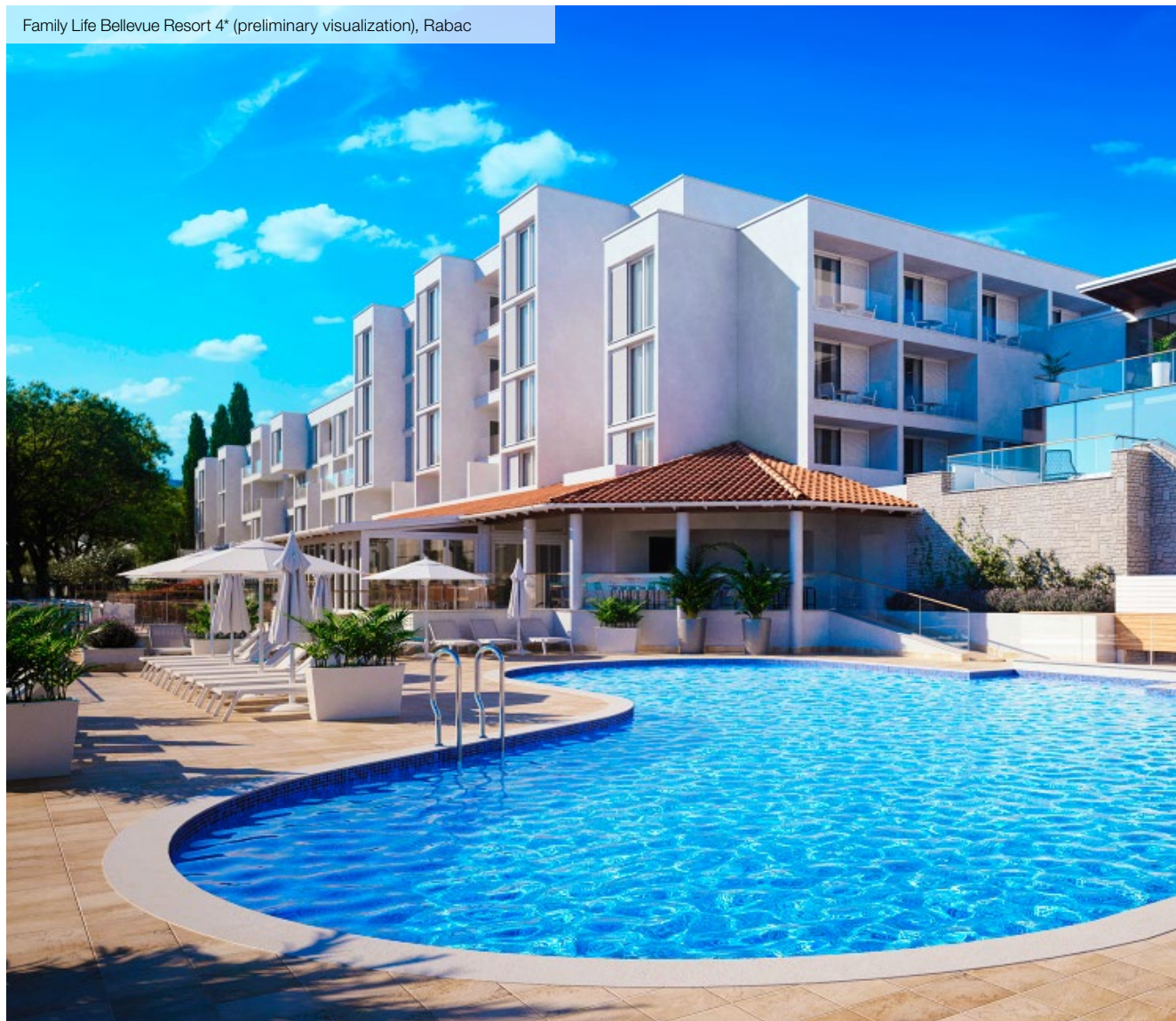
The Management Board met on 21 February 2017, while the Supervisory Board met on 24 February 2017. During these meetings the annual audited financial reports for 2016 (consolidated and non-consolidated) were determined. On 14 March 2017, the Management Board decided to convoke the General Assembly. It will be held on 4 May 2017 at the Pical hotel in Poreč. On 22 March 2017, the Supervisory Board determined the proposals for the forthcoming General Assembly regarding the distribution of profit, dividend payout, appointment of the Company's auditor for the year 2017, election of the Supervisory Board members and amendment to the company statute.

In order to improve the operating efficiency and rationalize operations, on 6 February 2017 the Management Board of Valamar Riviera initiated the merger of Puntizela d.o.o. The merger was completed on 31 March 2017 upon its entry into the court register. Consequently, Valamar Riviera has become the universal legal successor of Puntizela.

By taking into consideration (i) the acquisition of Imperial, (ii) the announced investments for 2017 (totaling HRK 873 million) which are proceeding as planned, and (iii) the initial booking pace from source markets, in its business plan for 2017 Valamar Riviera is targeting a total consolidated net operating revenue of HRK 1.69 billion (based on Imperial's interim business plan which will be reviewed in April 2017). Excluding Imperial business Valamar Riviera is targeting a 7% increase compared to 2016 or HRK 1.57 billion. Considering the seasonality of operations and past practice, Valamar Riviera is going to announce the expected range of EBITDA and consolidated operating revenues for 2017 in October 2017, including variances from the set targets.

Note: Our targets and plans are based on currently available information, current assumptions and projections of future events. These plans are not a guarantee of future results and are subject to future events, risks, and uncertainties, many of which are beyond the control of, or currently

Family Life Bellevue Resort 4* (preliminary visualization), Rabac



unknown to Valamar Riviera, as well as potentially erroneous assumptions that could cause the actual results to materially differ from the said plans. Risks and uncertainties include, but are not limited to the ones described in the chapter "Risks of the Company and the Group". Should materially significant

changes to the stated target results for the business year 2017 occur, Valamar Riviera shall immediately inform the public thereof, in compliance with Article 459 of the Capital Market Act. The given targets and plans are not an outright recommendation to buy, hold or sell Valamar Riviera's shares.

The Company's Management Board presents the unaudited quarterly financial reports for the period from 1 January 2017 to 31 March 2017. These reports must be viewed in the context of the said mergers and acquisitions, and they provide information on the state of the Company and Group, as well as significant events.

The Group balance sheet for the reviewed period (as of 31 March 2017) contains the data for Hoteli Baška (merged company) for the period following the merger, i.e. as of 1 April 2016. Please note that the 2017 data cannot be entirely compared to the same period last year, as the latter did not include Hoteli Baška.

The Group balance sheet for the reviewed period (as of 31 March 2017) and the previous period (as of 31 December 2016) contains the data for Imperial d.d. Rab.

The Company's income statement for the reviewed period includes the data of the merged company, Bastion upravljanje d.o.o., for the period following the merger i.e. 1 July 2016, as well as the data for Hoteli Baška d.d., for the period following the merger, i.e. as of 1 April 2016. Please note that 2017 data are not fully comparable to the data for the previous period, as the latter do not include, until the time of the merger, the data for the said merged companies.

The Group's income statement for the reviewed period includes the data for the following companies: Puntizela d.o.o., Elafiti Babin kuk d.o.o., Magične stijene d.o.o., Palme turizam d.o.o., Pogača Babin Kuk d.o.o., Bugenvilia d.o.o., and Imperial d.d. Thus, the data for 2017 are not fully comparable to the data for the previous period, as the latter do not include Imperial d.d.



RESULTS OF THE GROUP

Key financial indicators of Valamar Riviera Group²

(in HRK)	1 - 3/2016	1 - 3/2017	2017/2016
Total revenues	86,499,161	64,088,362	-25.9%
Sales revenues	46,053,862	27,913,573	-39.4%
Board revenues (accommodation and board revenues) ³	26,842,802	14,651,779	-45.4%
Operating expenses ⁴	98,063,971	115,473,721	17.8%
EBITDA ⁵	-47,820,569	-84,582,590	76.9%
Extraordinary operations result and one-off items ⁶	2,454,958	907,805	-63.0%
Adjusted EBITDA ⁷	-50,275,527	-85,490,395	70.0%
EBIT	-113,443,346	-165,632,828	46.0%
Adjusted EBIT ⁷	-115,898,304	-166,540,633	43.7%
EBT	-95,451,986	-147,277,080	54.3%
EBT margin	-180.8%	-441.2%	-26,040 bp
	31/12/2016	31/3/2017	2017/2016
Net debt ⁸	1,398,102,734	1,614,350,175	15.5%
Cash and cash equivalents	274,650,648	112,958,844	-58.9%
Market capitalization ⁹	4,295,057,872	5,251,170,783	22.3%
EV ¹⁰	5,693,160,606	6,865,520,958	20.6%

Key business indicators of Valamar Riviera Group¹¹

	1 - 3/2016	1 - 3/2017	2017/2016
Number of accommodation units (capacity)	18,072	20,852	15.4%
Accommodation units sold	61,282	51,573	-15.8%
Overnights	88,801	83,857	-5.6%
ADR ¹² (in HRK)	438	284	-35.2%

² Classified according to the Quarterly Business Financial Statement (TFI POD-RDG). EBIT, EBITDA and their adjusted values and respective margins are recorded on the basis of operating income.

³ In compliance with the classification under the USALI international standard for reporting in hotel industry (Uniform System of Accounts for the Lodging Industry).

⁴ Operating costs include material costs, staff costs, other costs, and other operating costs reduced by extraordinary expenses and one-off items.

⁵ EBITDA (eng. earnings before interest, taxes, depreciation and amortization) is calculated as: operating income - total operating costs + depreciation and

amortisation + value adjustments.

⁶ The adjustment includes (+) extraordinary income and (-) expenses in accordance with the USALI standard classification and (-) one-off termination benefit costs and (-) administrative costs related to the process of merger and business reorganisation.

⁷ Adjusted by the result of extraordinary operations and one-off items which does not include negative effect of the consolidation costs of the Rab destination during the first three months of 2017.

⁸ Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and other – cash and cash equivalents – long-term and

short-term investments in securities – current loans given, deposits, etc.

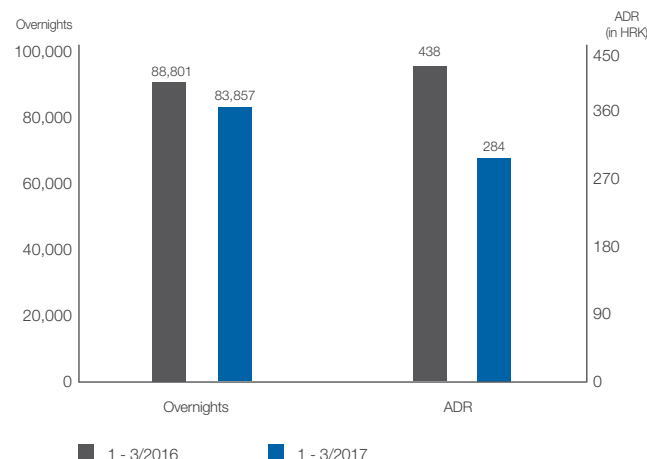
⁹ The number of shares as at 31 March 2017 and 31 December 2016 net of treasury shares amounts to 124,170,508.

¹⁰ EV refers to enterprise value; calculated as market capitalization + net debt.

¹¹ In 2016 key business indicators of Valamar Riviera Group do not include data of Imperial d.d.

¹² Average daily rate is recorded on the basis of board revenues (accommodation and board's food and beverage revenues).

Overnights and ADR

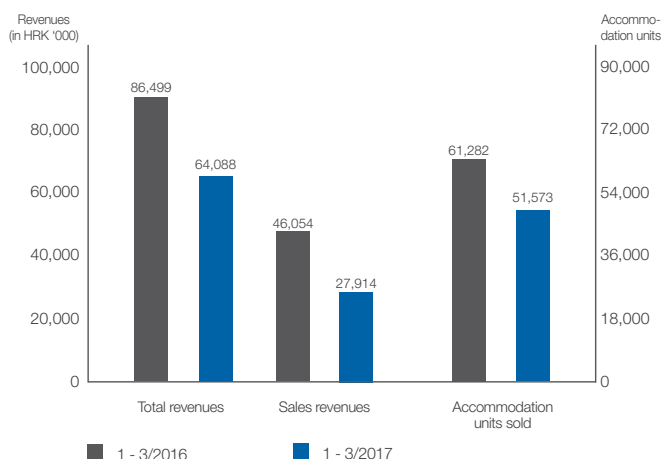


More than HRK 870 million were invested in the preparations for this year's season. This represents the largest investments of a Croatian tourism company in a single year. The investments represent one of the strategic goals aiming at improving the competitive position and upgrading the properties and services. This year the focus is on destination Rabac.

In the first quarter of 2017, the Group reported HRK 27.9 million in sales revenues. Their 39.4% decrease was mainly influenced by two factors: last year's M.I.C.E.¹³ event known as "Global Training Experience" by Daimler AG- Mercedes-Benz did not take place and the Easter holidays occurred in the course of the second quarter. Because of this, most properties remained closed in the first quarter.

However, numerous interesting products, experiences and reasons for visiting have contributed the growth of all marketing segments (M.I.C.E. excluded) in January and February. Business volume decreased in March due to the previously mentioned impact of shifted Easter holidays. In the first quarter of 2017, the Group reported 83,857 overnights, which represented a 5.6% decrease. Although the average daily rate of certain properties and sales segments grew, it fell by 35% when considering the whole Group. This is because last year's preseason average daily rate was boosted by a

Revenues and accommodation units sold



one-time M.I.C.E. event in Dubrovnik while this year's average daily rate was influenced by the low average rate of staff accommodation in Economy properties (for employees working at Rabac's construction sites). Consequently, the average daily rate fell to HRK 284. Please note that this April the Group reported a significant increase in business volume not only compared to last year's Easter period but also in relation to the comparable Easter periods in the previous years.

Compared to the same period last year, total revenues fell by 25.9% and totaled HRK 64.1 million. In the total revenues i) HRK 27.9 million represented sales revenues (HRK 46.1 million in 2016), ii) HRK 5.5 million represented other operating revenues (HRK 6.8 million in 2016) and iii) HRK 30.7 million represented financial income (HRK 33.7 million in 2016). Domestic sales revenues totaled HRK 14.4 million and represented 22.5% of total revenues (10.7% in 2016). They grew by 56.0% in relation to the previous comparable period. International sales revenues fell by HRK 23.3 million and totaled HRK 13.5 million, representing 21.1% of total revenues (42.6% in 2016). During the first quarter of 2017, board revenues fell by HRK 12.2 million and totaled HRK 14.7 million. Other operating revenues fell by HRK 1.3 million, while financial income fell by HRK 3.0 million mainly due

to last year's one-off income generated by the sale of the Group's share portfolio. Other operating and financial income represented 56.4% of total revenues (46.8% in 2016).

Operating costs grew by 17.8% and totaled HRK 115.5 million. This is mainly due to i) this year's consolidation of Imperial hotel group, ii) different (monthly) calculation of salary and incentive costs¹⁴, iii) salary increase policy, and iv) the hiring of new staff that was necessary to carry out the heavy investments and ensure high service quality in the new Premium and Upscale properties. By excluding the salary cost calculation and Imperial's data for comparability's sake, operating costs grew by 8%.

A negative EBITDA is typical for the first quarter due to a decreased business volume. EBITDA fell by HRK 36.8 million and the resulting loss was HRK 84.6 million. Adjusted EBITDA¹⁵ fell by HRK 35.2 million and totaled HRK 85.5 million. Compared to the same period last year, loss before tax grew by HRK 51.8 million and totaled HRK 147.3 million. Operating loss grew by 46% and totaled HRK 165.6 million. The Group's gross margin is -441% (-181% in 2016). The outlook remains positive due to a better booking pace compared to last year's results and the expected effects of this year's heavy investments.

¹³ Meetings, incentives, conferencing, exhibitions.

¹⁴ In 2016 the cost of salaries and incentives was calculated in the third and fourth quarter. However, this year the cost is calculated monthly in order to have a more accurate report on a yearly basis.

¹⁵ Adjustments were made for (i) extraordinary income (in the amount of HRK 3.4 million in the first quarter of 2017, and HRK 5.0 million in the comparative period of last year), (ii) extraordinary expenses (in the amount of HRK 2.4 million in the first quarter of 2017, and HRK 1.2 million in the comparative period of last year), and

(iii) termination benefit costs (in the amount of HRK 0.2 million in the first quarter of 2017, and HRK 1.4 million in the comparative period of last year). Extraordinary operations result and one-off items amounted to HRK 0.9 million in the first quarter of 2017, and HRK 2.5 million in the comparative period of last year.

Total operating expenses of Valamar Riviera Group¹⁶

(in HRK)	1 - 3/2016	1 - 3/2017	2017/2016
Operating costs ⁴	98,063,971	115,473,721	17.8%
Total operating expenses	166,249,107	199,013,724	19.7%
Material costs	31,843,559	33,247,324	4.4%
Staff costs	46,422,720	57,712,808	24.3%
Depreciation and amortisation	65,619,552	81,030,737	23.5%
Other costs	19,379,070	24,471,641	26.3%
Provisions and value adjustments	3,225	19,501	504.7%
Other operating expenses	2,980,981	2,531,713	-15.1%

When considering last year's comparable period, during the first quarter of 2017 total operating expenses grew by 19.7%. This is mainly due to this years' consolidation of Imperial hotel group, the increase in the cost of amortization and staff costs, as will be stated next. By excluding the monthly salary cost calculation and Imperial's data for comparability's sake, total operating expenses grew by 12%.

Material costs grew by 4.4% and totaled HRK 33.2 million, representing 16.7% of total operating expenses (19.2% in 2016). The growth is entirely attributable to Imperial's consolidation.

Staff costs grew by 24.3%, totaled HRK 57.7 million, and represented 29.0% of total operating expenses (27.9% in 2016). Their 24.3% growth was caused by the factors mentioned on the previous page where operating costs are reported.

Amortization and depreciation represented 40.7% of operating expenses (39.5% in 2016) and totaled HRK 81.0 million (HRK

65.6 million in 2016). The 23.5% growth is the result of earlier large investments and the scope of the consolidation.

Other costs grew by 26.3% or HRK 5.1 million. 10.4% of the growth is a result of Imperial's consolidation. The remaining part is mainly due to i) the cost of student scholarships and employee training, ii) earlier council charge payments, and iii) increased costs of property insurance because of large investments in the recent period. Provisions and value adjustments totaled HRK 20 thousand. Other operating expenses totaled HRK 2.5 million and fell by HRK 0.4 million.

In the first quarter of 2017, the Group's financial income totaled HRK 30.7 million. In relation to the prior comparable period, they fell by HRK 3.0 million. Other financial income reported the most significant decrease of HRK 7.9 million, mainly due to last year's one-time income generated by the sale of the share portfolio. In relation to the prior comparable period, unrealized gains from financial assets reported the most significant growth of HRK 4.7 million in the first quarter. Their

growth was mainly due to the favorable market conditions of agreed FX forward transactions and interest rate swaps. Foreign exchange differences and other financial income grew by HRK 0.5 million. The most significant were unrealised exchange rate gains related to long-term loans, due to a stronger HRK in relation to EUR in the first quarter of 2017.

Financial expenses fell by HRK 3.4 million in relation to prior year's comparable period and totaled HRK 12.4 million. Unrealized loss from financial assets fell by HRK 2.0 million mainly due to a reduction in liabilities related to agreed interest rate swaps. Other financial expenses fell by HRK 1.0 million in relation to prior year's comparable period and totaled HRK 0.3 million. This is mostly due to last year's sale of the Group's share portfolio and the one-time impact it had due to the adjustment of the acquisition cost of shares and their market value at the time of the sale. Financial expenses related to foreign exchange differences and interest fell by HRK 0.4 million.

¹⁶ Classified according to the Quarterly Business Financial Statement (TFI POD-RDG).

As of 31 March 2017, the total value of the Group's assets decreased by 1.5% compared to 31 December 2016. This decrease and the decrease of other balance sheet items should be viewed in the context of a typical decrease in the business volume in the first quarter of the year.

The total share capital and reserves fell by HRK 147.1 million and totaled HRK 2,226.3 million mainly due to the realized loss. Total long-term liabilities grew from HRK 1,556.1 million to HRK 1,628.4 million due to the loans used to finance this year's investment projects.

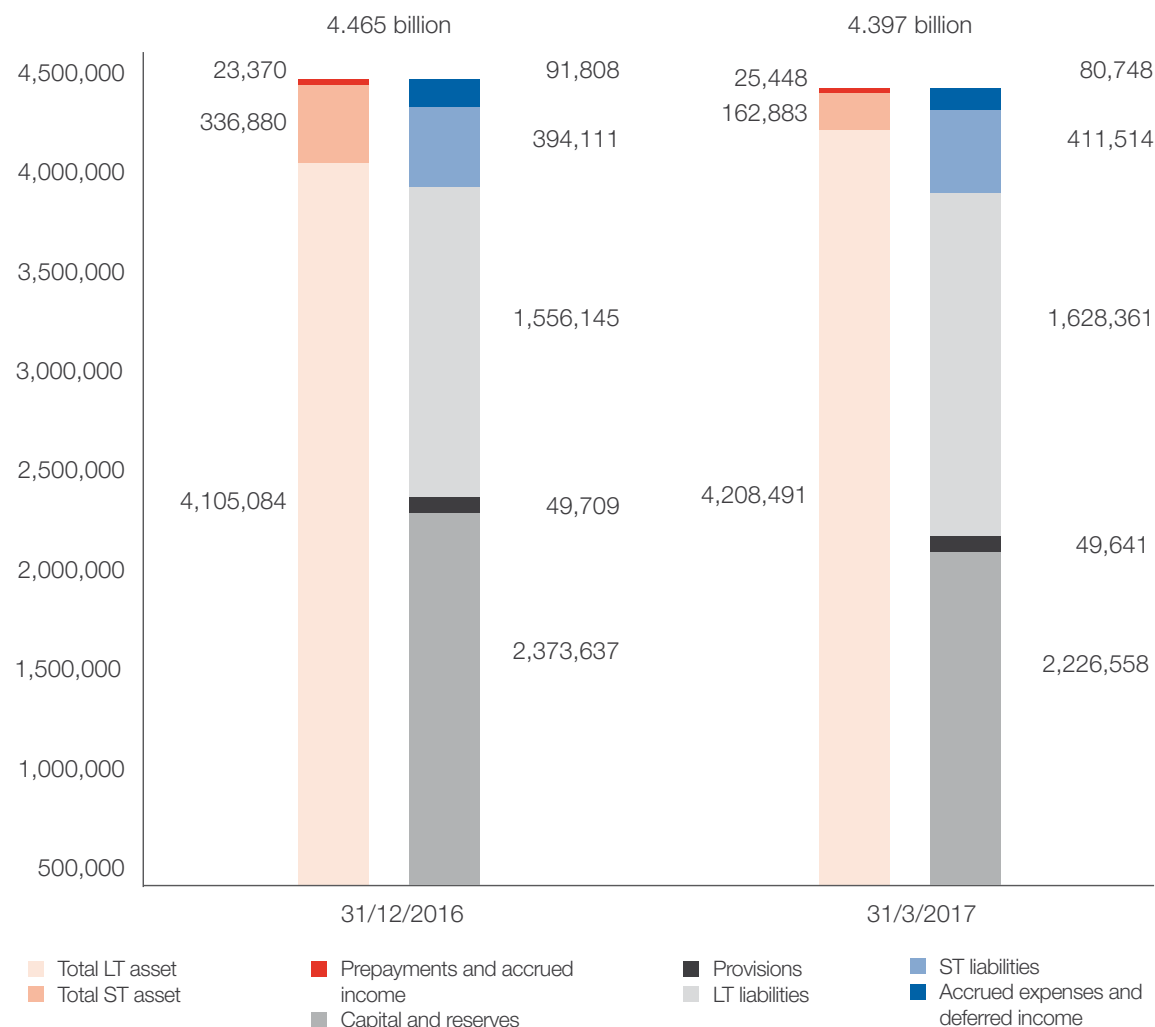
Total short-term liabilities totaled HRK 411.5 million and grew by 4.4% compared to 31 December 2016. This is mainly caused by typically higher liabilities related to advance payments from customers in the amount of HRK 89.1 million.

Cash and cash equivalents as of 31 March 2017 totaled HRK 113,0 million. This typical decrease (in relation to year-end 2016) is mainly due to outflows related to the preparations for the forthcoming tourist season.

The reported cash and cash equivalents indicate a strong potential from business activities. Together with external borrowing, they are able to secure a smooth continuation of future investments and potential acquisitions.

Assets and liabilities

Amount
(in HRK '000)



Key operating indicators of Valamar Riviera Group per segments¹⁷

HOTELS AND RESORTS	Total			Premium			Upscale			Midscale			Economy		
	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016
Number of accommodation units	7,927	8,982	13.3%	1,037	1,269	22.4%	1,422	1,980	39.2%	3,112	3,493	12.2%	2,356	2,240	-4.9%
Accommodation units sold	54,622	47,729	-12.3%	25,336	9,001	-64.5%	4,993	4,331	-8.8%	22,064	15,887	-28.2%	2,229	18,510	730.4%
Overnights	85,381	83,290	-2.2%	28,616	14,624	-48.9%	9,559	8,045	-12.2%	43,197	28,099	-35.2%	4,009	32,522	711.2%
ADR ¹² (in HRK)	478	297	-38.1%	553	439	-20.6%	496	454	-12.9%	410	421	3.0%	258	85	-67.2%
Board revenues (in HRK)	26,104,859	14,176,651	-45.7%	14,007,153	3,949,544	-71.8%	2,476,054	1,968,054	-20.5%	9,046,416	6,692,502	-26.0%	575,236	1,566,550	172.3%

CAMPING RESORTS	Total			Premium			Upscale			Midscale			Economy		
	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016
Number of accommodation units	10,145	11,870	17.0%	511	3,466	578.3%	4,437	1,434	-67.7%	3,387	5,150	52.1%	1,810	1,820	0.6%
Accommodation units sold	6,660	3,667	-44.9%	0	10	/	1,740	70	-96.0%	494	57	-88.5%	4,426	3,530	-20.2%
Overnights	3,420	318	-90.7%	0	15	/	1,572	116	-92.6%	1,045	116	-88.9%	803	71	-91.2%
ADR ¹² (in HRK)	111	130	16.9%	0	598	/	231	1,565	576.4%	473	4,720	898.6%	23	26	11.4%
Board revenues (in HRK)	737,943	475,128	-35.6%	0	5,983	/	402,556	109,540	-72.8%	233,526	269,067	15.2%	101,861	90,538	-11.1%

Key operating indicators of Valamar Riviera Group per destinations¹⁷

DESTINATION	Poreč			Rabac			Island of Krk			Island of Rab			Dubrovnik		
	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016	1 - 3/2016	1 - 3/2017	2017/ 2016
Number of accommodation units	10,632	10,584	-0.5%	2,065	1,971	-4.6%	3,414	3,577	4.8%	/	2,759	/	1,961	1,961	0.0%
Accommodation units sold	28,201	20,319	-27.9%	3,413	21,417	527.5%	1,596	118	-92.6%	/	744	/	28,072	8,899	-68.3%
Overnights	47,271	29,312	-38.0%	6,507	38,441	490.8%	1,188	138	-88.4%	/	1,449	/	33,835	14,567	-56.9%
ADR ¹² (in HRK)	353	356	0.8%	435	145	-66.7%	227	1,247	449.3%	/	537	/	536	424	-20.9%
Board revenues (in HRK)	9,960,652	7,226,492	-27.4%	1,485,480	3,108,448	109.3%	362,570	147,123	-59.4%	/	399,796	/	15,034,100	3,769,919	-74.9%

¹⁷ According to the classification under the USAJI international standard for reporting in hotel industry (Uniform System of Accounts for the Lodging Industry). Business

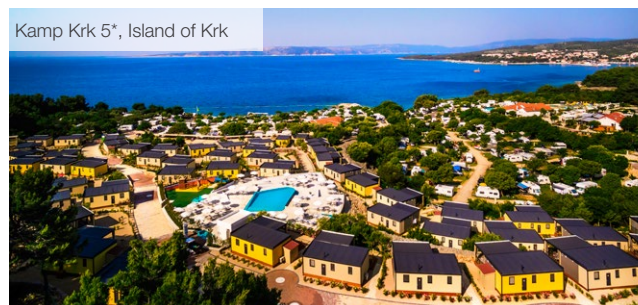
operations of Imperial's properties on the Island of Rab are not included in 2016. Puntizela - Pula business is included in destination Poreč. A detailed comparison of

the new portfolio segmentation can be found on page 15.

Hotels and resorts reported HRK 14.2 million in board revenues. The decrease of HRK 11.9 million is because last year's M.I.C.E. event known as "Global Training Experience" did not take place and Easter holidays occurred in April 2017. Much effort was put in the preparation of the properties' winter placements that resulted in the growth of all marketing segments (M.I.C.E. excluded), sports groups in particular, in the first two months of the year. March saw reduced business volumes; most of the properties remained closed because of Easter holidays occurring in April. Please note that the hotels and resorts on the island of Rab influenced the first-quarter total board revenues by 2%.

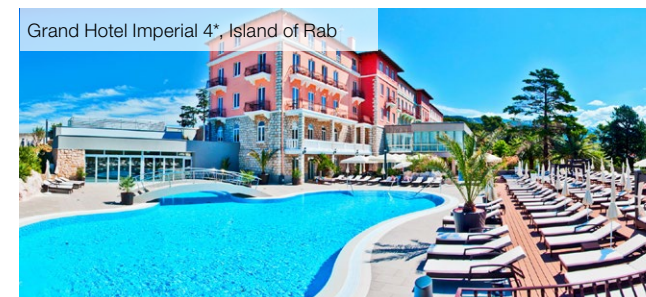
Premium hotels and resorts reported a HRK 10.1 million decrease in board revenues. This is mainly due to the non-realization of the M.I.C.E. event at two hotels in Dubrovnik: the Valamar Dubrovnik President 5* and the Valamar Lacroma 4*. The HRK 3.9 million in board revenues were primarily influenced by the performance of Valamar Lacroma 4*, with a small contribution by Valamar Isabella Island Resort 4*/5*. All the other premium hotels and resorts were closed.

Upscale and Midscale hotels and resorts reported lower board revenues: this is because these properties were closed due to Easter holidays occurring later this year. Upscale properties reported HRK 2.0 million in board



revenues: that is the result of 4,331 accommodation units sold at an average rate of HRK 454. The performance of Valamar Sanfior 4* contributed to most of these results due to a longer operating period. Midscale hotels and resorts achieved HRK 6.7 million in board revenues. Valamar Diamant 4* contributed to most of these results: the hotel's board revenues grew due to an excellent feedback from sports groups and M.I.C.E. events. This year's consolidation of Upscale and Midscale hotels and properties on the island of Rab had very little influence on board revenues - merely 4%.

Economy hotels and resorts reported HRK 1.6 million in board revenues: this represents an increase of HRK 1.0 million. This was largely due to the accommodation of the staff hired for carrying out the investments in Rabac.



Campsites do not operate in the first quarter and their revenues are based on the charged flat fee for the winter period.

Board revenues in Poreč totaled HRK 7.2 million, most of the business volume was related to operations at the Valamar Diamant 4*. Board revenues in Rabac grew by HRK 1.6 million due to Valamar Sanfior's longer operating period and the accommodation of the workers at the Marina Hotel and Mediteran Residence 2* (workers on the construction sites in Rabac). First-quarter performance for the island of Krk is entirely related to the campsites' winter flat fee charge. Dubrovnik reported HRK 3.8 million in board revenues. Due to the said non-realization of the M.I.C.E. event revenues fell by HRK 11.3 million. Rab's properties contributed to the board revenues with a total of HRK 0.4 million.

Over the years Valamar Riviera has consolidated its portfolio in order to clearly differentiate, develop and reposition its tourism products. A precise definition of market segments, innovative development of service concepts, brand management, profitability increase and return-on-investment optimization demanded a revised segmentation of the portfolio of hospitality properties to provide for an improved portfolio management.

Last year's acquisition of Imperial d.d. added 5 new hotels and resorts and 2 camping resorts to Valamar Riviera's portfolio. The additional 2,759 accommodation units will contribute to the growth of the Group's business volume and profitability in 2017. The Group's total accommodation capacity in 2017 is 20,852 accommodation units.

Hotels and Resorts Overview¹⁸

	Categorization		Segment		Destination
	2016	2017	2016	2017	
Valamar Dubrovnik President Hotel	****	****	Premium	Premium	Dubrovnik
Valamar Isabella Island Resort	**** / ****	**** / ****	Premium	Premium	Poreč
Valamar Lacroma Hotel	****+	****+	Premium	Premium	Dubrovnik
Valamar Club Tamaris	****	****	Upscale	Premium	Poreč
Valamar Riviera Hotel & Residence	****	****	Upscale	Upscale	Poreč
Valamar Zagreb Hotel	****	****	Upscale	Upscale	Poreč
Hotel & Casa Valamar Sanifor	****	****	Upscale	Upscale	Rabac
Valamar Argosy Hotel	****	****	Upscale	Upscale	Dubrovnik
Hotel Padova	****	****	Upscale	Upscale	Island of Rab
Valamar Diamant Hotel & Residence	****	****	Midscale	Midscale	Poreč
Valamar Crystal Hotel	****	****	Midscale	Midscale	Poreč
Valamar Pinia Hotel & Residence	***	***	Midscale	Midscale	Poreč
Valamar Rubin Hotel	***	***	Midscale	Midscale	Poreč
Valamar Bellevue Hotel & Residence Albona	****	****	Midscale	Upscale	Rabac
Allegro Hotel	***	***	Midscale	Midscale	Rabac
Miramar Hotel	***	***	Midscale	Midscale	Rabac
Hotel Corinthia	***	***	Midscale	Midscale	Island of Krk
Zvonimir Hotel, Atrium & Villa Adria	**** / ****	**** / ****	Midscale	Midscale	Island of Krk
Valamar Korali Romantic Hotel	***	***	Midscale	Midscale	Island of Krk
Valamar Club Dubrovnik	***	***	Midscale	Midscale	Dubrovnik
Grand Hotel Imperial	***	***	Midscale	Midscale	Island of Rab
Hotel & Ville Carolina	***	***	Midscale	Midscale	Island of Rab
Tourist Village San Marino	***	***	Midscale	Midscale	Island of Rab
Naturist Resort Solaris	***	***	Economy	Economy	Poreč
Pical Hotel	***	***	Economy	Economy	Poreč
Tirena Hotel	***	***	Economy	Economy	Dubrovnik
Valamar Girandella Resort	**	****	Economy	Premium	Rabac
Lanterna Apartments	**	**	Economy	Economy	Poreč
Hotel Eva & Apartments Suha Punta	**	**	Economy	Economy	Island of Rab
Marina Hotel & Mediteran Residence	**	**	Economy	Economy	Rabac

Camping Resorts Overview¹⁸

	Categorization		Segment		Destination
	2016	2017	2016	2017	
Camping Krk	****	****	Premium	Premium	Island of Krk
Camping Ježevac	****	****	Upscale	Upscale	Island of Krk
Camping Lanterna	****	****	Upscale	Premium	Poreč
Camping Marina	****	****	Upscale	Upscale	Rabac
Naturist Camping Bunculuka	****	****	Upscale	Upscale	Island of Krk
Camping Orsera	***	***	Midscale	Midscale	Poreč
Naturist Resort Solaris	***	***	Midscale	Midscale	Poreč
Camping Zblaće	***	***	Midscale	Midscale	Island of Krk
Camping Škrila	***	***	Midscale	Midscale	Island of Krk
Camping Solitudo	***	***	Midscale	Midscale	Dubrovnik
Camping & Residence San Marino	***	***	Midscale	Midscale	Island of Rab
Camping Padova 3	***	***	Midscale	Midscale	Island of Rab
Naturist Camping Istra	**	**	Economy	Economy	Poreč
Camping Brioni	**	**	Economy	Economy	Pula - Puntizela
Camping Tunarica	**	**	Economy	Economy	Rabac

¹⁸ Business operations of Imperial's properties are not included in 2016.

RESULTS OF THE COMPANY

It should be noted that the data provided in the current year's financial reports are not fully comparable to prior year's data because of the said mergers. The items in the prior period until the time of the merger, that is i) until 31 March 2016 did not include the data for Hoteli Baška d.d. (merged company), and ii) until 30 June 2016 did not include the data for Bastion upravljanje d.o.o. (merged company). All significant changes in the Company's financial reports should be viewed in the context of the said transactions in the previous period.

In the first quarter of 2017 total revenues fell by HRK 19.7 million, totaling HRK 61.8 million. Sales revenues totaled HRK 26.4 million and represented 43% of total revenues (57% in 2016). They fell by HRK 19.7 million compared to the same period last year. Their 43% decrease was mainly influenced by two factors: last year's M.I.C.E. event known as "Global Training Experience" by Daimler AG- Mercedes-Benz did not take place and the Easter holidays occurred in the course of the second quarter. Because of this, most properties remained closed in the first quarter. Sales revenues between parties within the group totaled HRK 0.9 million (HRK 0.3 million in 2016), while sales revenues outside the group totaled HRK 25.5 million (HRK 45.8 million in 2016). Domestic sales revenues grew by 42% in relation to the prior comparable period, totaling HRK 13.4 million and represented 22% of total revenues (12% in 2016). International sales revenues totaled HRK 13.0 million, representing 21% of total revenues (45% in 2016). They fell by 65% in relation to the prior comparable period. Other operating and financial income comprised 57% of total revenues (43% in 2016). Other operating revenues grew by 5%, totaling HRK 4.5 million and represented 7% of total revenues (5% in 2016).

Material costs grew by HRK 1.2 million, totaling HRK 38.7 million and represented 20% of operating expenses (22%

in 2016). Staff costs totaled HRK 53.8 million, representing 28% of operating expenses (25% in 2016). Compared to the same period last year, they grew by HRK 10.9 million. This growth was attributed to i) this year's inclusion of Hoteli Baška staff, ii) a different (monthly) calculation of the costs of incentives and salaries, iii) salary increase policy (totaling 4% since June 2016 and a 0.5% salary increment for years of service since 1 January 2017), and iv) the hiring of new staff. The latter was necessary to carry out the large investments and ensure high quality of service in the new Premium and Upscale properties.

Amortization and depreciation represented 34% of operating expenses (33% in 2016) and totaled HRK 66.2 million (HRK 56.3 million in 2016). The 17% growth is the result of earlier large investments and the merger of Hoteli Baška.

Other costs were HRK 22.8 million. They grew by HRK 4.4 million mainly due to i) the cost of student scholarships and employee training, ii) earlier payment plan of the council charge, and iii) increased costs of property insurance because of large investments in the recent period. Value adjustments and provisions totaled HRK 20 thousand. Other operating expenses totaled HRK 2.2 million and grew by HRK 1.4 million.

In the first quarter of 2017, financial income totaled HRK 30.9 million and fell by HRK 0.2 million in relation to the prior comparable period. Other financial income reported the most significant decrease of HRK 7.9 million, mainly due to last year's one-time income generated by the sale of shares. Unrealized gains from financial assets totaled HRK 4.7 million and they reported the most significant growth in the first quarter. Their growth was mainly due to the favorable market conditions of agreed FX forward transactions and interest rate swaps. Foreign exchange differences and other financial income grew by HRK 3.2 million. The most significant were



unrealised exchange rate gains related to long-term loans, due to a stronger HRK in relation to EUR in the first quarter of 2017.

Financial expenses totaled HRK 10.6 million and decreased by HRK 2.2 million in relation to the previous comparable period. Unrealized loss from financial assets fell by HRK 2.0 million due to a reduction in liabilities related to agreed interest rate swaps. Foreign exchange losses fell by HRK 1.3 million due to smaller foreign currency deposits. Financial expenses resulting from interests and similar expenses increased from HRK 6.2 million in the first quarter of 2016 to HRK 7.5 million in this year's comparable period. The most significant increase is related to interest rates of long-term loans contracted in 2016.

Compared to the same period last year, loss before taxes increased by HRK 45.3 million to HRK 132.6 million. Operating loss increased by 45% to HRK 152.8 million. The Company's gross margin is -429% (-173% in 2016). The outlook remains positive due to a better booking pace compared to last year's results and the expected effects of significant investment projects.

The total company assets as of 31 March 2017 amounted to HRK 4,096.1 million and decreased by 1% in relation to the total assets as of 31 December 2016.

INVESTMENTS 2017

Valamar Riviera is completing the largest series of investments in the Company's portfolio so far worth over HRK 870 million¹⁹. HRK 465 million were earmarked for improving products and services in Rabac (Family Life Bellevue Resort 4* and Valamar Girandella Resort 4*/5*). Besides investing in hotels and resorts, a series of investments totaling HRK 188 million is focused on campsites. The most significant are investments in Camping resort Lanterna and two campsites, Zblaće and Ježevac. Investment maintenance totals HRK 71 million, while other individual investments total HRK 149 million.

Two luxury resorts, a brand new Family Life Bellevue Resort 4* (the first TUI Family Life hotel in Croatia) and a fully renovated Valamar Girandella Resort 4*/5* will welcome Rabac's guests in early June 2017. This large investment project in Rabac includes the total reconstruction of the two resorts totaling 764 accommodation units, the construction of 17 restaurants and bars, and 13 pools with total water surface of more than 2,000m². The new features include Maro club and various children playgrounds, two entertainment centers, a spa, indoor and outdoor fitness facilities, a bike center and other sports amenities. More than 600 staff members will attend to more than 2,700 guests daily. The investments include various improvements of beaches and promenades as well as a total landscape redesign of the whole area. Croatian contractors and suppliers have been hired to carry out most of the construction work and 50% of them are local, Istrian entrepreneurs. These investments are proceeding as planned, and will reposition Rabac as a leading upscale vacation destination. The 3-year strategic partnerships with the leading European tour operators – TUI and DER Touristik Köln (seasons 2017, 2018 and 2019) will ensure occupancy. With this, more than 100,000 guests are expected to visit Rabac in the next three years, thus improving the promotion of Istrian tourism. Moreover, the number of guests from air travel markets will grow, thus creating opportunities for season prolongation.

¹⁹ A portion already recorded in 2016.

Interactive video footage of the construction site in Rabac on 24/4/2017 (Valamar Girandella Resort 4* and Family Life Bellevue Resort 4*), Rabac

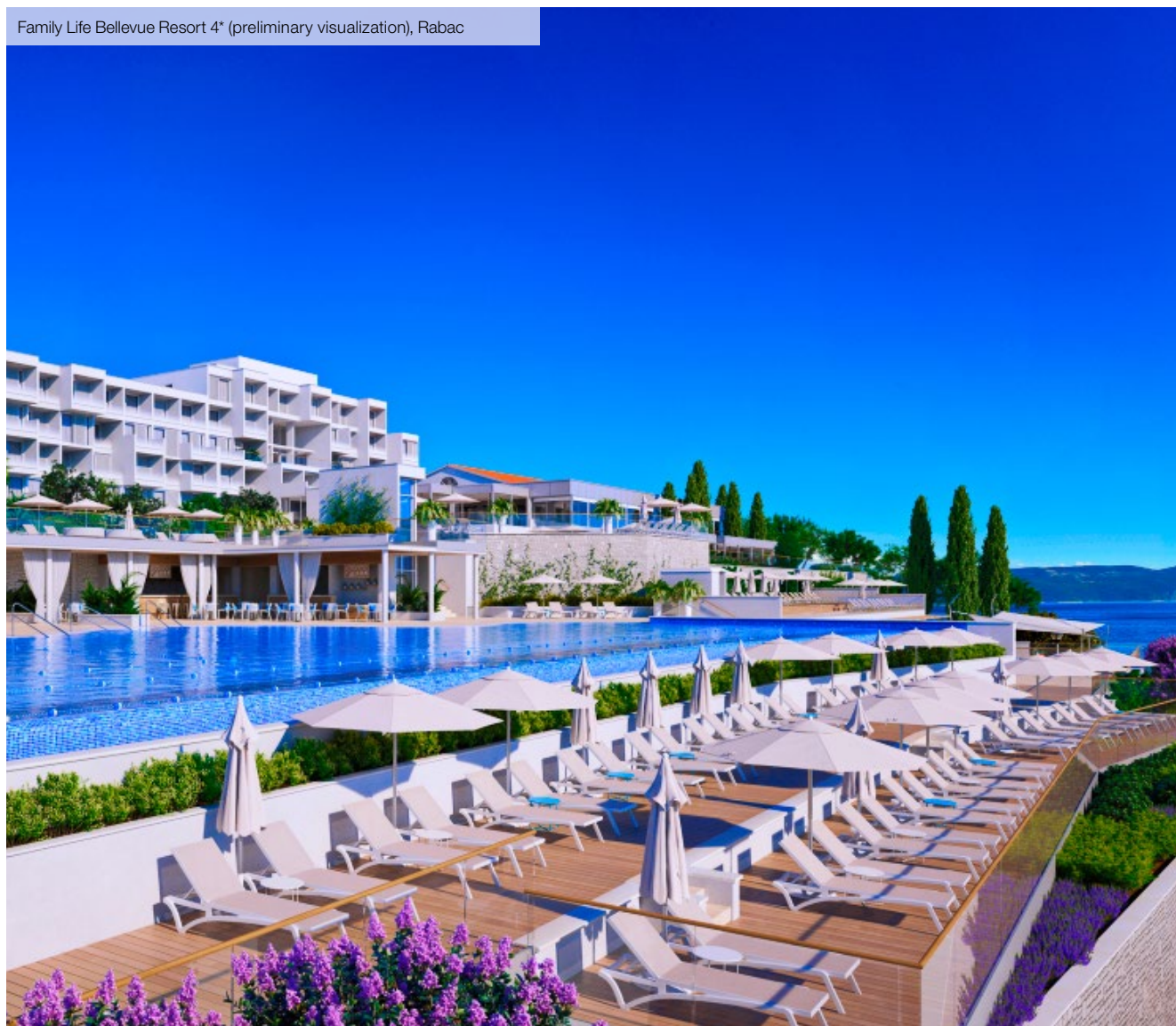


Note: To experience the video footage of the construction site in Rabac you need Adobe Flash Player installed on your computer.

Besides key investments in Rabac, Valamar Riviera continues investing in the concept of premium camping. Investments totaling HRK 98 million are focused on upgrades in Camping resort Lanterna 4*, one of the leading European campsites. The reception area together with the shops and catering establishments will be renovated, while the campsite will feature new high quality mobile homes and new amenities for children. Valamar Riviera will invest HRK 68 million in upgrading accommodation and services on the island of Krk and in new high quality mobile homes for two campsites, Ježevac 4* and Zablaće 3*/4*. In order to improve the quality of other campsites on the island of Krk, in Istria, and in Dubrovnik a range of investments will be focused on improving accommodation, beach amenities, and catering establishments. Moreover, a range of other projects to create new and improve existing features is in the pipeline. They will considerably improve the quality and experience in all destinations. They will focus on beaches, expanding the Wi-Fi coverage, business digitalization, technological processes and energy saving.

As stated in our strategic goals, by continuously raising the quality of the portfolio properties and services, we are creating the basis for generating added value both for our guests and for all Valamar Riviera's stakeholders. However, numerous factors reduce the competitiveness of Croatian tourism and hinder further investment potential: the still unresolved issue of tourism land, skilled labor shortages, potential increase of the property tax and tourist tax, VAT and the rate of total contributions to salaries (both among the highest on the Mediterranean). While global trends report low interest rates and market demand focuses on safe tourist destinations, Croatia has the opportunity to reposition its tourism offer by incentivizing investments in high value-added products and services that stimulate employment and economic growth. Unfortunately, tourism is still not sufficiently recognized as an opportunity for the Croatian economy. Apart from the current HBOR loans (Croatian Bank for Reconstruction and Development), tax incentives prescribed by the Act on Investment Promotion and Improvement, and the decrease in the income tax rate (from 20% to 18%, January 2017) there are no other measures that could significantly increase the growth pace and contribute to level Croatia's position with other destinations on the Mediterranean.

Family Life Bellevue Resort 4* (preliminary visualization), Rabac



THE RISKS OF THE COMPANY AND THE GROUP

Tourism is a global industry, closely connected with the real and financial economy, geopolitical position and environmental sustainability. The integrity of this industry will determine its future growth. The Company and Group monitor and assess risks at micro and macro levels. Moreover, when defining the strategy, particular attention is given to the short and medium-term risk impact in order to maintain business sustainability over time.

When monitoring and assessing risks the Company and Group use a proactive approach thus assessing the potential impact of each individual risk. The Company and Group consider risk management to be a key factor of differentiation among competitors. Risk management aims at creating sustainable value, thus offering reliability and security to numerous stakeholders.

There are five key steps in a risk management process:

- 1) Identifying potential risks;
- 2) Assessing identified risks;
- 3) Determining actions and responsibilities for efficient risk management;
- 4) Monitoring and overseeing preventive actions;
- 5) Exchanging information on risk management results conducted by the Management board.

The different types of risks facing Valamar Riviera can be classified into the following groups:

- Financial risks
 - related to financial variables, can have a negative

Valamar Isabella Island Resort 4* & 5*, Poreč



impact on meeting liabilities for the company and the Group, liquidity, debt management etc.;

- Business risks
 - related to the way company business is conducted in terms of supply and demand, competition, adapting to market trends, investments, growth etc.;
- Operational risks
 - can arise from errors in business operations, human error, IT system etc.;
- Global risks
 - can arise from natural disasters, pandemics, food shortage, social unrest, wars and other force majeure events beyond Valamar Riviera's control;
- Compliance risks
 - can arise from failure to comply with state laws and local regulations; risks related to changes in tax and other regulations.

Financial risks

In their day-to-day business activities, the Company and Group face a number of financial threats, especially:

- 1) Foreign exchange risk;
- 2) Interest rate risk;
- 3) Credit risk;
- 4) Price risk;
- 5) Liquidity risk;
- 6) Share-related risks.

The Company and Group have a proactive approach in mitigating interest rate and foreign exchange risks, by employing available market instruments. Internal risk management goals and policies aim at protecting foreign currency inflows during seasonal activity and partial interest hedging of the principal loan amount.

1) Foreign exchange risk

The Company and Group conduct their business operations across national borders and are exposed to

foreign exchange risks. They mainly result from changes in the euro/ kuna exchange rate. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities. Most of our sales revenue generated abroad and long-term debt is denominated in euros. Hence, for the most part the Company and Group are naturally hedged from exchange rate risks. Since some liabilities are denominated in kunas, the Company and Group actively manage risks by using derivative instruments available on the financial market. The instruments are used according to operating assessments and expected market trends. In this way the assets, liabilities and cash flow are protected from the risk impact.

2) Interest rate risk

Variable rate loans expose the Company and Group to cash flow interest rate risk. Periodically, the Company and Group resort to derivative instruments in order to hedge cash flow and interest rate by applying interest rate swaps. The economic effect of such swaps is the conversion of variable interest rate loans into fixed interest rate loans for a pre-committed hedged part of the loan principal. The Company and Group have interest-bearing assets (cash assets and deposits) so their revenue and cash flow depend on changes in market interest rates. This becomes evident especially during the season when the Company and Group have significant cash surpluses at their disposal.

3) Credit risk

Credit risk arises from cash assets, time deposits and receivables. According to the Company and Group sales policy, business transactions are conducted only with customers with suitable credit history, i.e. by agreeing advances, bank securities and (for individual customers) payments made through major credit card companies. The Company and Group continuously strive to monitor their exposure towards other parties and their credit rating as well as obtain security instruments (bills of exchange, promissory notes) in order to reduce bad debt risks related to services provided.

4) Price risk

The Company and Group hold equity securities and are exposed to equity price risk due to security price volatility. Valamar Riviera is not an active participant in the market trade in terms of investing in equity and debt securities. However, with the HRK 285 million invested in buying shares of Imperial d.d., the company is exposed to the said risk to a certain extent.

5) Liquidity risk

The Company and Group have a sound liquidity risk management. Sufficient funds for meeting liabilities are available at any given moment through adequate amounts from contracted credit lines and by ensuring credit line availability in the future. Liquidity risk is managed by generating strong positive net operating cash flows, while capital investments are financed by credit lines. All the credit lines in 2017 have already been arranged with financial institutions. The repayment of the major credit lines coincides with periods of strong cash inflows from operations. The Company and Group monitor the level of available funds through daily cash and debt reports. Long-term cash flow forecasts as well as annual (monthly) forecasts are based on the set budget. After meeting the needs of working capital management the surplus is deposited in the treasury. From there the funds are invested in interest-bearing current accounts, time deposits, money market deposit accounts and marketable securities. Only instruments with suitable maturities and sufficient liquidity are selected, according to the forecast needs for liquid funds.

6) Share-related risks

The market value of shares is the riskiest asset class due to its volatility resulting from the volatile nature of the whole capital market, macroeconomic trends on markets where the Company and Group operate and discrepancies between the expectations of financial analysts and the actual results. Furthermore, other contributing factors are also changes in the dividend policy, various activities in the segment of consolidations, mergers, acquisitions and forming of strategic

partnership, the instability of the business model of the Company and Group as well as the fluctuations in the financial results for the Company and Group. In case any negative implications happen to be associated with these factors there is a considerable risk of market value drop that will in turn prevent investors from selling their shares at a fair market price.

Business risk

The Company and Group are constantly exposed to risks threatening its competitiveness and future stability. Since the Company and Group own real estate, this business model requires a large amount of capital in order to maintain high product and service standards. Various large capital investments in the upgrade of products and services can surpass budget expectations, delay the end of construction works, as well as the town-planning regulations and fiscal policy may be changed. These risks can increase costs for the Company and Group, and have a negative impact on the cash flow and revenues. In the previous period, the company and Group's business decisions improved their results and operating efficiency in the demanding Mediterranean market. These positive trends are expected to continue in the future through a prudent long-term strategic management.

Over 95% of Valamar Riviera's guests come from other countries and they are very careful when choosing their vacation destination in the competitive Mediterranean environment. Stable country macroeconomic indicators are important decision-making factors especially those relating to exchange rates and the price of goods and services because they directly affect the guests' purchasing power. However small, the share of domestic guests is also important; it is a segment directly influenced by various other macroeconomic indicators: employment/ unemployment rate, GNP rise/

fall, industrial production and others. They all have a direct impact not only on the purchasing power of Croatian residents but they also determine whether they will choose to spend their vacation on the Adriatic.

When considering risks related to the tourism and hospitality industry, in previous years, the Croatian economy has been afflicted by the consequences of a global financial crisis and economic standstill. In this period, the tourism and hospitality industry has been among the rare growing industries in Croatia. Moreover, the marked seasonality of this industry leads to insufficient use of the Company and Group's resources. After joining the European Union, the Croatian market became part of a large European market, while safety risks decreased after joining the NATO. The Croatian Tourism Development strategy until 2020 (a government document published in the Official Gazette no. 55/13) defines the kind of tourism Croatia wants and needs to develop using the country's comparative advantages and expertise in order to improve the competitiveness of Croatian tourism. Maintaining the current tourism growth rates in the following years is of vital importance. It can be achieved by strategically developing tourism products and investing in the creation of additional values, which will help distinguish Croatian tourism from its competitors by emphasizing its uniqueness, appeal and quality.

Good management of human resources is vital for the future growth of the Company and Group. Risks related to shortages of specific skills, expertise and jobs are connected with the opening and expansion of the labor market. Valamar Riviera is one of the largest and most desirable employers in tourism. The active approach towards HR management develops key talents and supports investments in training opportunities (over HRK 3 million invested in training and professional development in 2016). We determine the needs for new skills and expertise

Valamar Lacroma Hotel 4*, Dubrovnik



by following emerging global trends in tourism. In this way, we are able to respond to challenges effectively. Through a continual dialogue with our social partners, we have ensured a high level of workers' rights in terms of competitive salaries, reward systems, career development, employees' wellbeing and cooperation with training institutions from all parts of Croatia.

Operational risks

Operational risks are risks connected with direct or indirect losses that arise from inadequate or wrong internal or external processes within the Company and the Group. They include the creation and analysis of financial reporting data, and also inadequate information sharing. When implementing the system of operational risk management, the Company and Group focused on its continuity and complexity due to the size of the organization. The benefits of the system include i) defining and identifying the Company and Group risk profile in relation to the operating risk ii) identifying and managing the known risk occurrences in order to decrease the Company and Group costs and iii) data analysis which indicates the business trends for the Company and Group and trends in the domestic economy.

The Company and Group are aware of the reliability of IT business solutions and safety in the cyber world. Hence, they continually upgrade, develop and implement new technologies in everyday business operations. A special focus is given to providing sufficient resources for the development and implementation of new technologies related to ICT, data protection, and upgrade of the current business systems and implementation of new ones.

Global risks

Despite improved security and political conditions, which have encouraged to a certain extent investments into tourism and hospitality, there are challenges that the Croatian tourism has to face, such as:

- Periods of global financial crisis which reduce the purchasing power of the travelling-prone population;
- Security issues related to globally escalating terrorism threats;
- Security and political instability in the immediate environment of the neighboring countries.

Environmental risks can also have an adverse effect on the Company and Group's business results, primarily in terms of customer satisfaction with the whole experience while staying at one of Valamar's properties and this can affect the number of arrivals. The possible risks can include: sea pollution (caused by oil or chemical spillage), but also long-term water quality reduction and coast pollution due to inadequate waste disposal and waste water treatment as well as extensive use of agricultural fertilizers. Other environmental conditions typical for climate changes such as long drought periods or long rainy periods can directly influence the guests' length of stay in the hotels and campsites as well as increasing

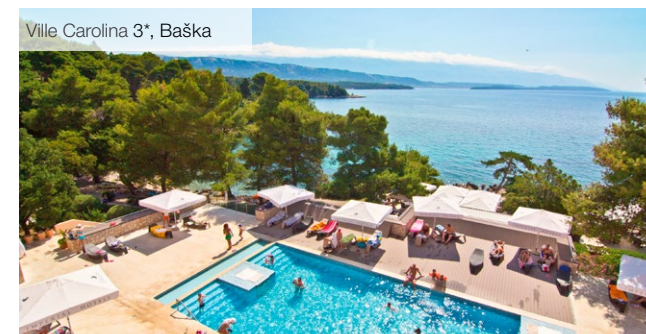


the operating costs. A number of other natural disasters and calamities (earthquakes, fires, floods and rainstorms), air pollution caused by toxic gas emissions from industrial plants and vehicles, as well excessive urbanization and the introduction of invasive species should also be taken into consideration.

Compliance risks

Changes in tax laws and other regulations pose a very serious threat and represent a demanding segment in risk management because in this particular situation the possibilities for the Company and Group are limited. In previous years, there has been a number of important changes in tax and non-tax charging regulations, which have adversely affected the Company and Group profitability:

- In March 2012 the standard VAT rate grew from 23% to 25%, in January 2013 a new 10% VAT rate was introduced only to be replaced within a year by a 13% VAT rate applicable to the tourism and hospitality industry (January 2014), while in January 2017 a new 25% VAT rate was introduced for F&B (a la carte) services;



- In May 2012 the health insurance employer contribution rate fell from 15% to 13% and then in April 2014 it grew back to 15%;
- Frequent increases in various fees and charges regarding water distribution and the like.

Such frequent changes in laws regulating taxes and parafiscal charges often take place only after the business policy and budget for the next financial year have been approved and commercial terms and conditions with partners agreed. All this jeopardizes the Company and Group financial position and future investment plans as well as credibility towards shareholders. The Company and Group are also threatened by changes in regulations governing concession fees for maritime domain and tourism land use, the latter still presenting unresolved legal issues. Given the nature of the Company and Group's business, the right to use parts of the maritime domain as well as land for tourism purposes is of vital importance for future growth, especially for campsite-related operations.

CORPORATE GOVERNANCE

The company Valamar Riviera d.d. and the Group continuously strive to develop and operate according to good practices of corporate governance. The business strategy, corporate policy, key corporate regulations and business practice are all geared towards creating a transparent and efficient business operation while forging solid bonds with the local community. In order to foster further growth and set high corporate governance standards, the Company adopted its own Corporate Governance Code in 2008 and the Management Board fully complies with its provisions. After the company was listed on the Official market of the Zagreb Stock Exchange, the Company has also complied with the Zagreb Stock Exchange Governance Code. The Company respects and implements the prescribed corporate governance measures (as reported in detail in the prescribed annual questionnaire and published as prescribed on the Zagreb Stock Exchange and Valamar Riviera websites).

The major direct shareholders according to the Central Depository and Clearing Company data are listed in the table in the "Valamar Riviera Share" section.

The Company defined the process of preparing and disclosing financial reports in a detailed internal document. With this, the financial reporting procedure is set within a system of internal review and risk management. Moreover, in order to monitor and mitigate the financial reporting risk, the Company uses the measures described in "The Risks of the Company and the Group".

The Companies Act and the Company's Articles of Association define the General Assembly's authority and prescribe how it meets and works. The meeting invitation, proposals and the adopted resolutions are made public according to the provisions of the Companies Act, the Capital Market Act and the Zagreb Stock Exchange Rules.

There is a time limit related to the voting right at the General Assembly: according to the provisions of the Croatian Companies Act, shareholders are required to register their participation within the prescribed time limit in order to attend the General Assembly. Under no circumstances can the financial right arising from securities be separated from holding the securities. There are no securities with special control rights nor are there any limitations to voting rights in the Company (one share, one vote). The Company's Articles of Association comply with the Croatian Companies Act and they define the procedure of appointing and recalling members of the Management Board and Supervisory Board. There are no limitations based on gender, age, education, profession or similar.

According to the General Assembly's decision dated 17 November 2014, the Company can acquire its own shares.

The Companies Act determines any amendments to the Company's Articles of Association, without any additional limitations.

The Management Board members' authority fully complies with the regulations prescribed by the Companies Act.

The Company's Corporate Bodies Are:

Management Board: Mr. Željko Kukurin, President of the Management Board, and Mr. Marko Čižmek, Member of the Management Board.

Supervisory Board: Mr. Gustav Wurmböck, Chairman, Mr. Franz Lanschützer, Deputy Chairman, Mr. Mladen Markoč, Deputy Chairman, and members: Mr. Georg Eltz, Ms. Mariza Jugovac, Mr. Hans Dominik Turnovszky and Mr. Vicko Ferić.

In order to perform efficiently its function and duties as prescribed by the Audit Act, the Supervisory Board has formed the following bodies:

Presidium of the Supervisory Board: Mr. Gustav Wurmböck, Chairman, Mr. Franz Lanschützer and Mr. Mladen Markoč, Presidium Members.

Audit Committee: Mr. Georg Eltz, Chairman, and members: Mr. Franz Lanschützer, Mr. Mladen Markoč, Mr. Vicko Ferić, and Mr. Dubravko Kušeta.

The Investment Committee: Mr. Franz Lanschützer, Chairman and members: Mr. Georg Eltz, Mr. Vicko Ferić, Mr. Hans Dominik Turnovszky, and Mr. Gustav Wurmböck.

Compliant to effective regulations and Company bylaws, The Management and Supervisory Board primarily act through meetings and by correspondence in their decision-making.

RELATED-PARTY TRANSACTIONS

Transactions between related parties within the Group are conducted under standard commercial terms and conditions and at current market prices.

In the period under review, revenues resulting from related-party transactions totaled HRK 894 thousand (in 2016: HRK 306 thousand) for the Company, and HRK 3 thousand (in 2016: HRK 5 thousand) for the Group. The expenses amounted to HRK 7.2 million (there were none in 2016) for the Company. In the first quarter of 2017 there were no expenses (in 2016: HRK 315 thousand) for the Group.

On 31 March 2017 the related-party receivables and payables balance totaled HRK 132.2 million²⁰ for the Company (at year-end 2016: HRK 138.5 million²⁰), and HRK 312 for the Group (at year-end 2016 there was none). Liabilities for the Company totaled HRK 80 thousand (at year-end 2016: HRK 279 thousand), while for the Group there were none (at the end of 2016: HRK 154 thousand).

BRANCH OFFICES OF THE COMPANY

The following branch offices were registered on 2 September 2011: Podružnica za turizam RABAC (branch office for tourism), with registered office in Rabac, Slobode 80, Podružnica za turizam ZLATNI OTOK (branch office for tourism), with registered office in Krk, Vršanska 8. Podružnica za turizam DUBROVNIK-BABIN KUK (branch office for tourism), with registered office in Dubrovnik, Dr. Ante Starčevića 45, was registered on 4 October 2013. Podružnica za savjetovanje u vezi s poslovanjem i upravljanjem ZAGREB (Branch Office for Business and Management Consulting), with registered office in Zagreb, Miramarska 24 was registered on 1 October 2014, and on 1 April 2017 Podružnica za turizam BRIONI (branch office for tourism), with registered office in Pula, Puntizela 155. The Rabac, Zlatni otok, Dubrovnik-Babin kuk and Brioni branch offices, as economic drivers of their local communities, continue to operate in their destinations supporting their development by promoting further investments, hospitality development and participation in social and business activities.

¹⁹ For the most part refers to the re-invoiced amount arising from the investment made in the reconstruction and upgrading of the hotel Valamar Lacroma owned by subsidiary Elafiti Babin-kuk d.o.o.

SHARE

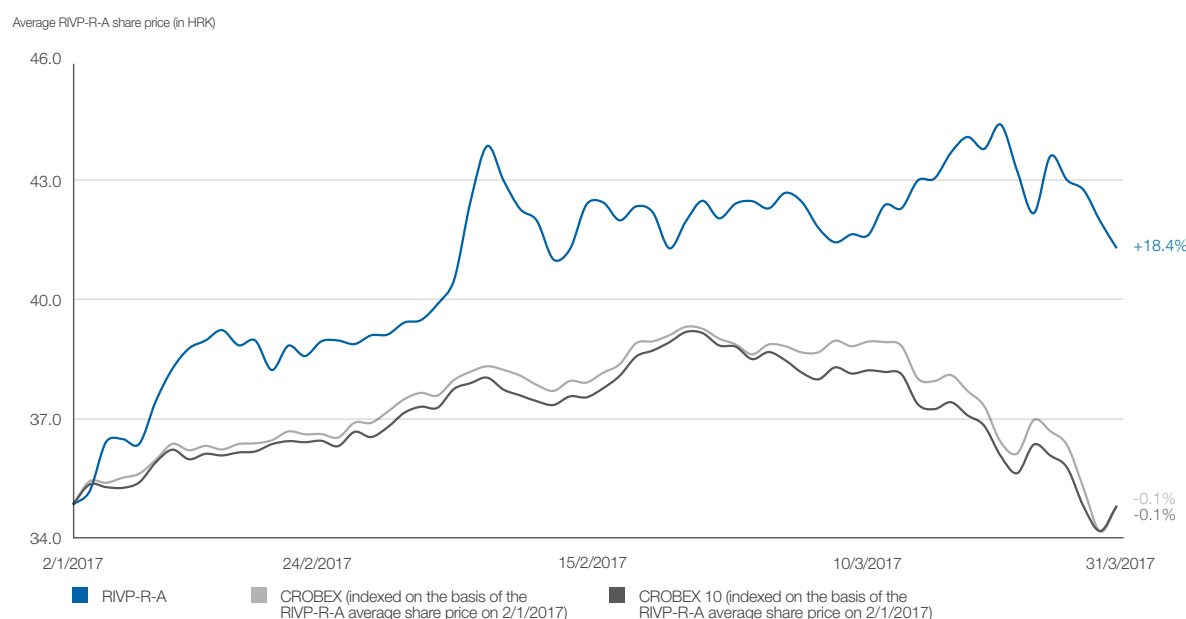
The Company has not acquired or released its treasury shares in the first quarter of 2017. On 31 March 2017, the Company held in total 1,857,034 treasury shares, or 1.47% of the share capital.

In the period from 1 January 2017 to 31 March 2017, the highest recorded share price in regular trading on the regulated market was HRK 44.40, while the lowest was HRK 34.88. The Company's share price increased by 18.4%, exceeding both CROBEX and CROBEX 10 indices trends, which both recorded a decrease of 0.1%. With a regular trading turnover of HRK 2 million a day²¹, the Valamar Riviera's share is among the 2 most frequently traded shares on the Zagreb Stock Exchange.

Apart from the Zagreb Stock Exchange indices, the share makes a component part of the Vienna Stock Exchange indices (CROX²² and SETX²³), and SEE Link indices²⁴ (SEELinX and SEELinX EWI). Zagrebačka banka d.d. and Interkapital vrijednosni papiri d.o.o. perform specialist tasks of ordinary shares of the Company listed in the Official Market of Zagrebačka burza d.d. They provide support to Valamar Riviera's share turnover, which in the period under review was an average 29.5%²⁵.

The Company actively holds meetings and conference calls with domestic and foreign investors, as well as presentations for investors thus providing support to high-level transparency, creation of additional liquidity, increase of share value, and involvement of potential investors. During the first quarter of 2017, more than twenty meetings were held, including those held at US financial centers and the London Stock Exchange. In pursuing such an approach, Valamar Riviera can contribute to the Company's value further growth for the benefit of all stakeholders, aiming at making the share recognizable as the leading Croatian tourism share.

Performance of Valamar Riviera's share and CROBEX and CROBEX 10 indices



Analytical coverage of Valamar Riviera is provided by:

- 1) Addiko Bank d.d., Zagreb;
- 2) Alta invest d.d., Ljubljana;
- 3) ERSTE bank d.d., Zagreb;
- 4) FIMA vrijednosnice d.o.o., Varaždin;
- 5) Interkapital vrijednosni papiri d.o.o., Zagreb;
- 6) Raiffeisenbank Austria d.d., Zagreb;
- 7) UniCredit Group - Zagrebačka banka d.d., Zagreb.

²¹ Block transactions are excluded from the calculation.

²² Croatian Traded Index (CROX) is a capitalization-weighted price index and is made up of 12 most liquid and highest capitalized shares of Zagreb Stock Exchange.

²³ South-East Europe Traded Index (SETX) is a capitalization-weighted price index

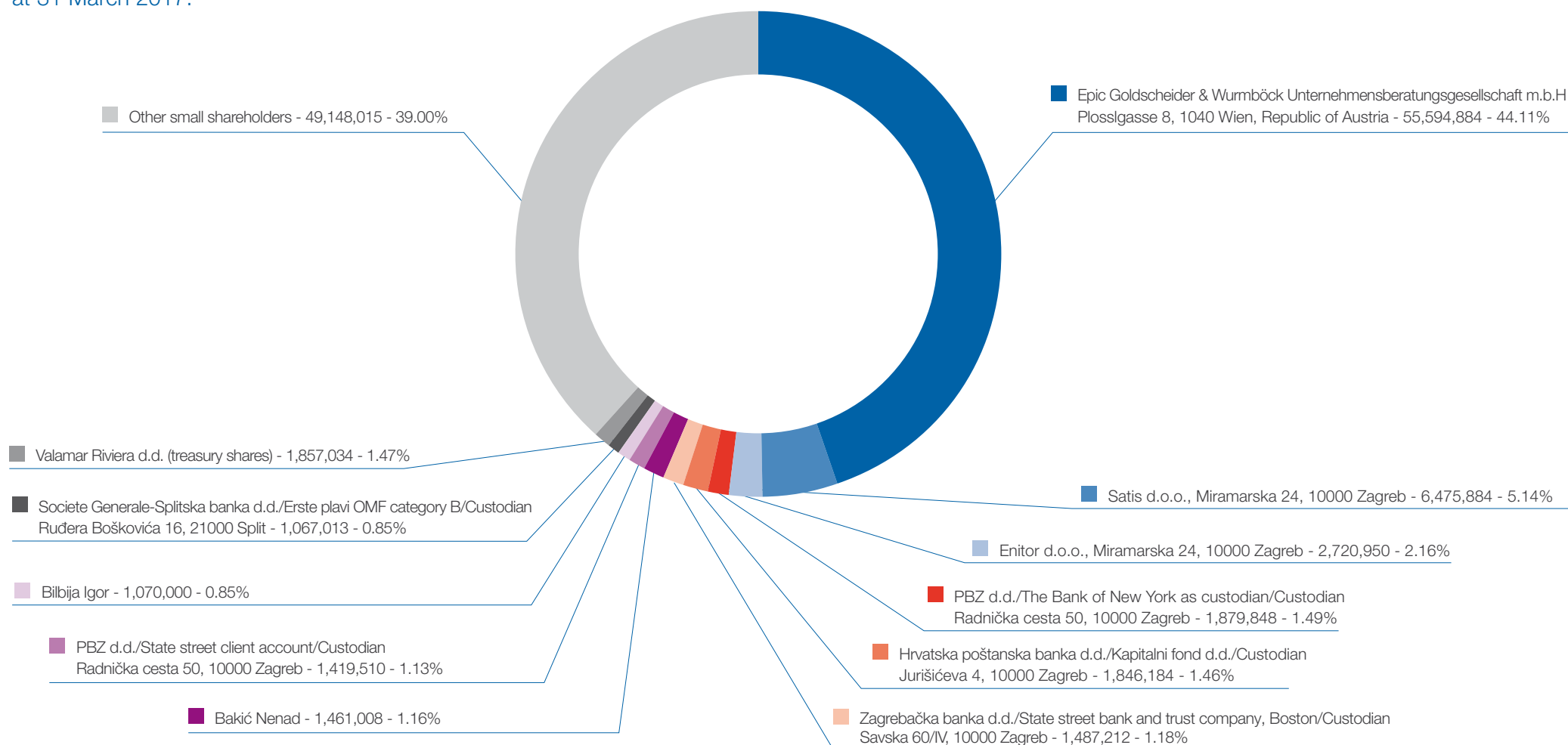
consisting of blue chip stocks traded on stock exchanges in the region of South-eastern Europe (shares listed in Bucharest, Ljubljana, Sofia, Belgrade and Zagreb).

²⁴ SEE Link is a regional platform for securities trading. It was founded by Bulgarian, Macedonian, and Zagreb Stock Exchange. SEE LinX and SEE LinX EWI are two

"blue chip" regional indices composed of ten most liquid regional companies listed on three Stock Exchanges: five from Croatia, three from Bulgaria, and two from Macedonia.

²⁵ Block transactions are excluded from the calculation. Data refers to the period 1/1 - 31/3/2017.

Overview of major shareholders as at 31 March 2017:



ADDITIONAL INFORMATION

As one of the largest employers in Croatia (on 31 March 2017, the Company employed 2,471 employees, out of which 1,169 permanent ones), the Company and the Group systematically and continuously invest in the development of human resources. An integral strategic approach to human resources management and top practices applied include transparent hiring processes, clear objectives, measurement of employees' performance, rewarding systems, opportunities for employees' career advancements, investment in employees' development, etc.

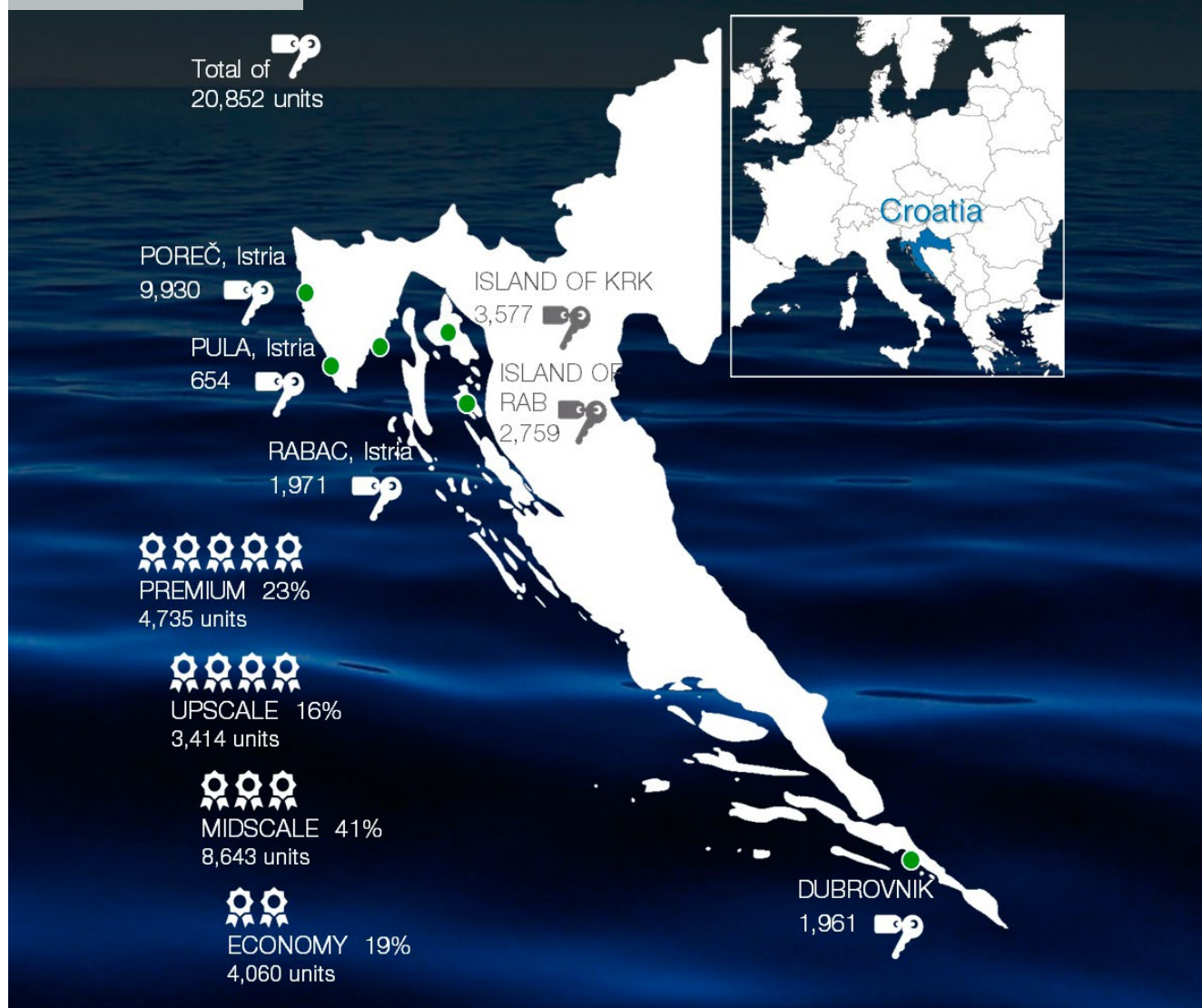
Nine umbrella programs comprise Valamar Riviera's corporate social responsibility (CSR) efforts and focus on various areas: i) developing Valamar's destinations and caring for the environment, ii) supporting culture, arts and sports, iii) helping those in need and caring for retired employees, iv) introducing tourism and hospitality to the youngest and developing skills in this sector, and v) developing hospitality infrastructure. More about Valamar Riviera's CSR you will be able to read in the new Integrated Annual Report to be published during the second quarter of 2017.

In the course of the first quarter of 2017, the Management Board managed and represented the company in compliance with the provisions of pertaining legal acts and the Articles of Associations, while prudently planning and implementing the business policy. The Management Board will continue to undertake all the necessary measures in order to ensure sustainability and business growth. On 25 April 2017 the Management Board adopted the financial statements for the first quarter of 2017.

The Company's Management Board expresses its gratitude to all shareholders, business partners, and guests for their support and trust, and particularly to all employees for their contribution.

Management Board of the Company

Portfolio Overview - Valamar Riviera



RESPONSIBILITY FOR THE QUARTERLY FINANCIAL STATEMENTS

In Poreč, 25 April 2017

In accordance with provisions of Law on Capital Market, Marko Čižmek, Management board member responsible for finance, treasury and IT business as well as relations with institutional investors and Ljubica Grbac director of department of finance and accounting, procurator and person responsible for finance and accounting, together as persons responsible for the preparation of quarterly reports of company Valamar Riviera d.d. seated in Poreč, Stancija Kaligari 1, OIB 36201212847 (hereinafter: Company), hereby make the following

STATEMENT

According to our best knowledge

- The shortened set of consolidated and unconsolidated financial reports for the first quarter of 2017 are prepared in accordance with applicable standards of financial reporting and represent a true and fair view of the assets and obligations, profit and loss, financial position and Company's business as well as the companies included in the consolidation.
- Interim report of the Company's Management board for the period between 1 January and 31 March 2017 contains the true presentation of development, results and position of the Company and companies included in the consolidation, with description of significant risks and uncertainties which the Company and companies included in the consolidation are exposed to.



Marko Čižmek
Member of the Management Board

VALAMAR RIVIERA d.d.
POREČ (5)



Ljubica Grbac
Director of Department of Finance
and Accounting

Reporting period: from 1/1/2017 to 31/3/2017

Quarterly financial report TFI-POD

Tax number (MB):	3474771		
Company registration number (MBS):	040020883		
Personal identification number (OIB):	36201212847		
Issuing company:	Valamar Riviera d.d.		
Postal code and place	52440	Poreč	
Street and house number:	Stancija Kaligari 1		
E-mail address:	uprava@riviera.hr		
Internet address:	www.valamar-riviera.com		
Municipality/city code and name:	348	Poreč	
County code and name:	18	Istarska	
Consolidated report:	YES		
Companies of the consolidation subject (according to IFRS):	Seat:	MB:	
Valamar hotels & resorts GmbH	Frankfurt	04724750667	
Hoteli Baška d.d.	Baška	03035140	
Mirta Baščanska d.o.o.	Baška	01841017	
Vala Baščanska d.o.o.	Baška	02086131	
Baškaturist d.o.o.	Baška	03849236	
Puntizela d.o.o.	Pula	03203379	
Bastion upravljanje d.o.o.	Zagreb	01877453	
Elafiti Babin kuk d.o.o.	Dubrovnik	01273094	
Magične stijene d.o.o.	Dubrovnik	02315211	
Palme turizam d.o.o.	Dubrovnik	02006103	
Pogača Babin Kuk d.o.o.	Dubrovnik	02236346	
Bugenvilia d.o.o.	Dubrovnik	02006120	
Imperial d.d.	Rab	03044572	
Accounting firm:			
Contact person:	Sopta Anka (please insert only the contact's full name)		
Telephone:	052/408 188	Fax:	052/408 110
E-mail address:	anka.sopta@riviera.hr		
Family name and name:	Kukurin Željko, Čizmek Marko (authorized representative)		

Documents disclosed:

1. Financial statements (Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity and notes to financial statements)
2. Management Interim Report;
3. Declaration of the persons responsible for preparing the issuer's statements;

VALAMAR RIVIERA d.d.
POREČ (5)

L.S.

(authorized representative's signature)



Balance Sheet According to TFI-POD (as per 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
A) SUBSCRIBED CAPITAL UNPAID	001		
B) NON CURRENT ASSETS (ADP 003+010+020+031+036)	002	4.105.084.164	4.208.490.765
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	24.080.361	24.380.944
1. Research and Development expenditure	004		
2. Patents, licences, royalties, trademarks and service marks, software and similar rights	005	17.238.280	16.209.985
3. Goodwill	006	6.567.609	6.567.609
4. Prepayments for intangible assets	007		
5. Intangible assets under construction	008	274.472	1.603.350
6. Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	3.941.768.572	4.046.348.177
1. Land	011	873.211.455	873.536.455
2. Property	012	2.522.990.552	2.463.522.234
3. Plants and equipment	013	225.945.122	215.772.750
4. Tools, plants and vehicles	014	81.203.324	76.626.055
5. Biological asset	015		
6. Prepayments for tangible assets	016	31.783.971	36.968.540
7. Assets under construction	017	168.568.553	343.074.618
8. Other tangible assets	018	27.197.353	26.161.641
9. Investments property	019	10.868.242	10.685.884
III. NON-CURRENT FINANCIAL ASSETS (ADP 021 to 030)	020	6.601.376	5.148.839
1. Stakes (shares) in undertakings in a Group	021	1.365.316	1.287.849
2. Investments in other securities of undertakings in a Group	022		
3. Loans, deposits etc given to undertakings in a Group	023		
4. Stakes (shares) in undertakings with participating interest	024		
5. Investments in other securities of undertakings with participating interest	025		
6. Loans, deposits etc given to undertakings with participating interest	026		
7. Investments in securities	027	4.766.325	3.418.019
8. Given loans, deposits and similar	028	299.735	272.971
9. Other investments accounted for using the equity method	029		
10. Other non-current financial assets	030	170.000	170.000
IV. TRADE RECEIVABLES (ADP 032 to 035)	031	995.869	974.819
1. Receivables from undertakings in a Group	032		
2. Receivables from undertakings with participating interests	033		
3. Trade receivables	034		87.500
4. Other receivables	035	995.869	887.319
V. DEFERRED TAX ASSETS	036	131.637.986	131.637.986
C) CURENT ASSETS (ADP 038+046+053+063)	037	336.880.206	162.883.080
I. INVENTORIES (ADP 039 to 045)	038	19.245.740	19.972.534
1. Raw materials and consumables	039	18.967.510	19.338.234
2. Work in progress	040		
3. Finished products	041		
4. Merchandise	042	236.606	133.443
5. Prepayments for inventories	043	41.624	500.857
6. Other available-for-sale assets	044		
7. Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	42.229.932	24.242.191
1. Receivables from undertakings in a Group	047	204	233.090
2. Receivables from undertakings with participating interest	048	253	
3. Trade receivables	049	17.711.198	9.811.092
4. Receivables from employees and members of the undertaking	050	657.014	963.053
5. Receivables from Government and other institutions	051	21.012.831	7.579.261
6. Other receivables	052	2.848.432	5.655.695
III. CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	753.886	5.709.511
1. Stakes (shares) in undertakings in a Group	054		
2. Investments in other securities of undertakings in a Group	055		
3. Loans, deposits etc given to undertakings in a Group	056		
4. Stakes(shares) in undertakings with participating interest	057		
5. Investments in other securities of undertakings with participating interest	058		
6. Loans, deposits etc given to undertakings with participating interest	059		
7. Investments in securities	060		
8. Given loans, deposits and similar	061	753.886	753.813
9. Other financial assets	062		4.955.698
IV. CASH AND CASH EQUIVALENTS	063	274.650.648	112.958.844
D) PREPAYMENTS AND ACCRUED INCOME	064	23.369.940	25.448.391
E) TOTAL ASSETS (ADP 001+002+037+064)	065	4.465.334.310	4.396.822.236
F) OFF-BALANCE SHEET ITEMS	066	54.631.638	54.609.241

Balance Sheet According to TFI-POD (as per 31/3/2017) (continued)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	2.373.637.039	2.226.558.495
I. SHARE CAPITAL	068	1.672.021.210	1.672.021.210
II. CAPITAL RESERVES	069	2.204.690	2.204.690
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	84.401.862	84.401.862
1. Legal reserves	071	67.198.750	67.198.750
2. Reserves for own shares	072	44.815.284	44.815.284
3. Own stocks and shares (deductible items)	073	37.141.295	37.141.295
4. Statutory reserves	074		
5. Other reserves	075	9.529.123	9.529.123
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES (ADP 078 to 080)	077	273.313	471.848
1. Fair value of financial assets available for sale	078	273.313	471.848
2. Efficient portion of cash flow hedge	079		
3. Efficient portion of foreign net investment hedge	080		
VI. RETAINED EARNINGS OR LOSS CARRIED FORWARD (ADP 082-083)	081	36.580.064	378.893.841
1. Retained earnings	082	36.580.064	378.893.841
2. Loss carried forward	083		
VII. PROFIT OR LOSS FOR THE FINANCIAL YEAR (ADP 085-086)	084	342.313.777	-139.836.334
1. Profit for the financial year	085	342.313.777	
2. Loss for the financial year	086		139.836.334
VIII. MINORITY INTEREST	087	235.842.123	228.401.378
B) PROVISIONS (ADP 089 to 094)	088	49.709.322	49.641.467
1. Provisions for pensions, severance pay and similar liabilities	089		
2. Provisions for tax obligations	090		
3. Provisions for litigations in progress	091	49.709.322	49.641.467
4. Provisions for renewal of natural resources	092		
5. Provision for costs within warranty period	093		
6. Other provisions	094		
C) NON-CURRENT LIABILITIES (ADP 096 to 106)	095	1.556.069.066	1.628.360.670
1. Liabilities to related parties	096		
2. Liabilities for loans, deposits etc of undertakings in a Group	097		
3. Liabilities to undertakings with participating interest	098		
4. Liabilities for loans, deposits etc of undertakings with participating interest	099		
5. Liabilities for loans, deposits and other	100	9.149.000	9.149.000
6. Liabilities to banks and other financial institutions	101	1.488.677.568	1.561.288.130
7. Liabilities for advance payments	102		
8. Trade payables	103		
9. Amounts payable for securities	104		
10. Other non-current liabilities	105	2.044.339	1.675.747
11. Deferred tax	106	56.198.159	56.247.793
D) CURRENT LIABILITIES (ADP 108 to 121)	107	394.111.168	411.514.016
1. Liabilities to undertakings in a Group	108	70.197	
2. Liabilities for loans, deposits etc of undertakings in a Group	109		
3. Liabilities to undertakings with participating interest	110		
4. Liabilities for loans, deposits etc of undertakings with participating interest	111		9.000
5. Liabilities for loans, deposits and other	112	103.000	51.500
6. Liabilities to banks and other financial institutions	113	180.344.025	160.992.221
7. Amounts payable for prepayment	114	23.380.655	115.168.319
8. Trade payables	115	154.542.693	106.530.000
9. Liabilities upon loan stocks	116		
10. Liabilities to employees	117	20.674.590	18.040.164
11. Taxes, contributions and similar liabilities	118	11.615.356	9.163.290
12. Liabilities arising from share in the result	119	235.003	235.003
13. Liabilities arising from non-current assets held for sale	120		
14. Other current liabilities	121	3.145.649	1.324.519
E) ACCRUED EXPENSES AND DEFERRED INCOME	122	91.807.715	80.747.588
F) TOTAL LIABILITIES (ADP 067+088+095+107+122)	123	4.465.334.310	4.396.822.236
G) OFF-BALANCE SHEET ITEMS	124	54.631.638	54.609.241

Income Statement According to TFI-POD (for 1/1/2017 to 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item	ADP code	Preceding period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 126+127+128+129+130)	125	52.805.761	52.805.761	33.380.896	33.380.896
1. Revenues from sales with undertakings in a Group	126				
2. Sales revenues (outside the Group)	127	46.053.862	46.053.862	27.916.973	27.916.973
3. Revenues from use of own products, goods and services	128	2.876.804	2.876.804	852.175	852.175
4. Other operating revenues with undertakings in a Group	129				
5. Other operating revenues (outside the Group)	130	3.875.095	3.875.095	4.611.748	4.611.748
II. OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	166.249.107	166.249.107	199.013.724	199.013.724
1. Changes in inventories of finished products and work in progress	132				
2. Material costs (ADP 134 to 136)	133	31.843.559	31.843.559	33.247.324	33.247.324
a) Cost of raw materials & consumables	134	17.571.542	17.571.542	16.871.859	16.871.859
b) Cost of goods sold	135	42.875	42.875	19.920	19.920
c) Other costs	136	14.229.142	14.229.142	16.355.545	16.355.545
3. Staff costs (ADP 138 to 140)	137	46.422.720	46.422.720	57.712.808	57.712.808
a) Net salaries	138	27.245.769	27.245.769	34.561.148	34.561.148
b) Employee income tax	139	12.171.093	12.171.093	15.195.186	15.195.186
c) Tax on payroll	140	7.005.858	7.005.858	7.956.474	7.956.474
4. Depreciation and amortisation	141	65.619.552	65.619.552	81.030.737	81.030.737
5. Other expenditures	142	19.379.070	19.379.070	24.471.641	24.471.641
6. Value adjustment (ADP 144+145)	143	3.225	3.225	19.501	19.501
a) non-current assets (without financial assets)	144				
b) current assets (without financial assets)	145	3.225	3.225	19.501	19.501
7. Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provision for pensions, severance payments and other employment benefits	147				
b) Provisions for tax liabilities	148				
c) Provisions for litigations in progress	149				
d) Provisions for renewal of natural resources	150				
e) Provision for costs within warranty period	151				
f) Other provisions	152				
8. Other operating expenses	153	2.980.981	2.980.981	2.531.713	2.531.713
III. FINANCIAL INCOME (ADP 155 to 164)	154	33.693.400	33.693.400	30.707.466	30.707.466
1. Income from stakes (shares) in undertakings in a Group	155				
2. Income from stakes (shares) in undertakings with participating interest	156				
3. Income from other non-current financial investments and loans to undertakings in a Group	157				
4. Other interest income from undertakings in a Group	158				
5. Foreign exchange differences and other financial income from undertakings in a Group	159				
6. Income from other non-current financial investments and loans	160				
7. Other interest income	161	173.276	173.276	100.475	100.475
8. Foreign exchange differences and other financial income	162	23.612.833	23.612.833	24.334.091	24.334.091
9. Unrealized gains (income) from the financial assets	163	911.490	911.490	5.592.718	5.592.718
10. Other financial income	164	8.995.801	8.995.801	680.182	680.182
IV. FINANCIAL COSTS (ADP 166 to 172)	165	15.702.040	15.702.040	12.351.718	12.351.718
1. Interest expenses and similar expenses with undertakings in a Group	166				
2. Foreign exchange differences and other expenses with undertakings in a Group	167				
3. Interest expenses and similar	168	7.523.346	7.523.346	8.791.817	8.791.817
4. Foreign exchange differences and other expenses	169	4.854.252	4.854.252	3.225.974	3.225.974
5. Unrealized loss (expenses) from the financial assets	170	2.053.107	2.053.107	47.549	47.549
6. Value adjustment expense on financial assets (net)	171				
7. Other financial expenses	172	1.271.335	1.271.335	286.378	286.378
V. SHARE OF PROFIT FROM UNDERTAKINGS WITH PARTICIPATING INTEREST	173				
VI. SHARE OF PROFIT FROM JOINT VENTURES	174				
VII. SHARE OF LOSS FROM UNDERTAKINGS WITH PARTICIPATING INTEREST	175				
VIII. SHARE OF LOSS FROM JOINT VENTURES	176				
IX. TOTAL INCOME (ADP 125+154+173+174)	177	86.499.161	86.499.161	64.088.362	64.088.362
X. TOTAL EXPENSES (ADP 131+165+175+176)	178	181.951.147	181.951.147	211.365.442	211.365.442
XI. PROFIT OR LOSS BEFORE TAX (ADP 177-178)	179	-95.451.986	-95.451.986	-147.277.080	-147.277.080
1. Profit before tax (ADP 177-178)	180	-95.451.986	-95.451.986	-147.277.080	-147.277.080
2. Loss before tax (ADP 178-177)	181	0	0	0	0
XII. INCOME TAX EXPENSE	182	3.040	3.040		
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-95.455.026	-95.455.026	-147.277.080	-147.277.080
1. Profit for the period (ADP 179-182)	184	-95.455.026	-95.455.026	-147.277.080	-147.277.080
2. Loss for the period (ADP 182-179)	185	0	0	0	0

Income Statement According to TFI-POD (for 1/1/2017 to 31/3/2017) (continued)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item	ADP code	Preceding period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS (applicable for entities which use IFRS and have discontinued operations)					
XIV. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS BEFORE TAX (ADP 187-188)	186				
1. Profit before tax from discontinued operations	187				
2. Loss before tax from discontinued operations	188				
XV. INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS	189				
1. Profit for the period from discontinued operations (ADP 186-189)	190				
2. Loss for the period from discontinued operations (ADP 189-186)	191				

TOTAL PROFIT OR LOSS FOR THE PERIOD (applicable for entities which use IFRS and have discontinued operations)

XVI. PROFIT OR LOSS BEFORE TAX (179+186)	192				
1. Profit before tax (ADP 192)	193				
2. Loss before tax (ADP 192)	194				
XVII. INCOME TAX EXPENSE (ADP 182+189)	195				
XVIII. PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1. Profit for the period (ADP 192-195)	197				
2. Loss for the period (ADP 195-192)	198				

APPENDIX TO THE INCOME STATEMENT (to be completed by entities submitting consolidated financial statements)

XIX. PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	-95.455.026	-95.455.026	-147.277.080	-147.277.080
1. Attributable to parent company's shareholders	200	-95.449.866	-95.449.866	-139.836.334	-139.836.334
2. Attributable to non-controlling interests	201	-5.160	-5.160	-7.440.746	-7.440.746

STATEMENT OF OTHER COMPREHENSIVE INCOME (to be completed by entities subject to IFRS)

I. PROFIT OR LOSS FOR THE PERIOD		-95.455.026	-95.455.026	-147.277.080	-147.277.080
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (ADP 204 to 211)	203	-8.458.689	-8.458.689	248.168	248.168
1. Exchange differences arising from foreign operations	204				
2. Revaluation of non-current assets and intangible assets	205				
3. Gains or loss available for sale investments	206	-8.458.689	-8.458.689	248.168	248.168
4. Gains or loss on net movement on cash flow hedges	207				
5. Gains or loss on net investments hedge	208				
6. Share of the other comprehensive income/loss of associates	209				
7. Actuarial gain / loss on post employment benefit obligations	210				
8. Other changes in capital (minorities)	211				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	212	-1.801.604	-1.801.604	49.633	49.633
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (ADP 203-212)	213	-6.657.085	-6.657.085	198.535	198.535
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (ADP 202+213)	214	-102.112.111	-102.112.111	-147.078.545	-147.078.545

APPENDIX to the Statement of Comprehensive Income (to be completed by entities submitting consolidated financial statements)

VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (ADP 216+217)	215	-102.112.111	-102.112.111	-147.078.545	-147.078.545
1. Attributable to parent company's shareholders	216	-102.106.951	-102.106.951	-139.637.799	-139.637.799
2. Attributable to non-controlling interests	217	-5.160	-5.160	-7.440.746	-7.440.746

Cash Flow Statement - Indirect Method According to TFI-POD (for 1/1/2017 to 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before taxes	001	-95.451.986	-147.277.080
2. Adjustments (ADP 003 to 010):	002	44.036.109	70.518.091
a) Depreciation and amortisation	003	65.619.552	81.030.737
b) Profit and loss from sales and value adjustments of non-current tangible and intangible assets	004	-1.497.530	-29.499
c) Profit and loss from sales and unrealised profit and loss and value adjustments of financial assets	005	-6.885.747	-211.828
d) Income from interest and dividends	006	-172.856	-38.746
e) Interest expenses	007	7.428.747	9.078.195
f) Provisions	008	-2.016.678	8.430.277
g) Foreign exchange differences (unrealized)	009	-19.802.941	-22.212.431
h) Other adjustments for non-cash transactions and unrealized profit and loss	010	1.363.562	-5.528.614
I. Increase or decrease of cash flow before changes in working capital (ADP 001+002)	011	-51.415.877	-76.758.989
3. Changes in working capital (ADP 013 to 016)	012	26.884.898	52.205.684
a) Increase or decrease of current liabilities	013	53.763.402	37.100.100
b) Increase or decrease of current receivables	014	-24.290.207	15.874.003
c) Increase or decrease of inventories	015	-2.588.297	-768.419
d) Other increase or decrease of working capital	016		
II. Cash from operating activities (ADP 011+012)	017	-24.530.979	-24.553.305
4. Interest	018	-7.419.918	-10.471.507
5. Income tax paid	019	1.309.318	-1.326.223
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-30.641.579	-36.351.035
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of non-current assets	021	1.775.588	135.498
2. Proceeds from selling financial instruments	022	11.587.707	1.808.303
3. Proceeds from interest rates	023	450.319	43.005
4. Proceeds from dividends	024		
5. Proceeds from repayment of given loans and savings	025	1.639.466	2.770.489
6. Other proceeds from investment activities	026	1.225.404	
III. Total cash proceeds from investment activities (ADP 021 to 026)	027	16.678.484	4.757.295
1. Purchase of non-current tangible and intangible assets	028	-36.752.185	-204.471.047
2. Purchase of financial instruments	029		
3. Loans and deposits for the period	030	-1.610.079	-1.836.122
4. Acquisition of subsidiary, net of acquired cash	031		
5. Other payments from investment activities	032		
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-38.362.264	-206.307.169
B) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-21.683.780	-201.549.874
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from increase of subscribed capital	035		
2. Proceeds from issuing equity-based and debt-based financial instruments	036		
3. Proceeds from loan principal, loans and other borrowings	037	19.230.503	93.511.020
4. Other proceeds from financial activities	038		
V. Total proceeds from financial activities (ADP 035 to 038)	039	19.230.503	93.511.020
1. Repayment of loan principals, loans and other borrowings and debt-based financial instruments	040	-57.553.365	-17.260.582
2. Dividends paid	041		
3. Payment of finance lease liabilities	042	-67.535	-41.333
4. Re-purchase of treasury shares and decrease in subscribed share capital	043	-35.659.598	
5. Other payments from financial activities	044		
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-93.280.498	-17.301.915
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-74.049.995	76.209.105
1. Cash and cash equivalents-unrealized foreign exchange differences	047		
D) NET INCREASE OR DECREASE OF CASH FLOW (ADP 020+034+046+047)	048	-126.375.354	-161.691.804
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	318.755.282	274.650.648
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	192.379.928	112.958.844

Description	ADP	Minority (non-controlling) interest															Minority (non-con- trolling) interest	Total capital and reserves
		Subscribed Share capital	Capital re- serves	Legal reserves	Reserves for own shares	Treasury shares and shares (de- ductible item)	Statutory re- serves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Efficient portion of cash flow hedge	Efficient portion of foreign net investment hedge	Retained earnings / loss carried forward	Net profit/ loss for the period	Total distribut- able to majority owners			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)	
Previous period																		
1. Balance at 1 January of the previuos period	01	1.672.021.210	-373.815	61.906.040	34.344.407	33.513.244	0	0	0	31.189.527			30.576.912	105.441.776	1.901.592.813	97.869	1.901.690.682	
2. Changes in accounting policies	02														0		0	
3. Error correction	03														0		0	
4. Balance at 1 January of the previous period (ADP 01 to 03)	04	1.672.021.210	-373.815	61.906.040	34.344.407	33.513.244	0	0	0	31.189.527	0	0	30.576.912	105.441.776	1.901.592.813	97.869	1.901.690.682	
5. Profit/loss for the period	05													342.313.777	342.313.777	235.842.123	578.155.900	
6. Foreign currency translation differences- foreign operations	06														0		0	
7. Changes in revaluation reserves of non-current tangible and intangible assets	07														0		0	
8. Profit or loss from re-evaluation of finacial assets held for sale	08									-33.642.778					-33.642.778		-33.642.778	
9. Profit or loss from cash flow hedge	09														0		0	
10. Profit or loss from foreign net investment hedge	10														0		0	
11. Share in other comprehensive income/loss from undertakings with participat- ing interest	11														0		0	
12. Actuarial gains/losses from defined benefit plans	12														0		0	
13. Other changes in capital (minorities)	13														0		0	
14. Taxation of transactions recognized directly in equity	14									2.726.564					2.726.564		2.726.564	
15. Increase/decrease of subscribed share capital (except by reinvested profit and in pre-bankruptcy settlement)	15														0		0	
16. Increase of subscribed share capital by profit reinvestment	16														0		0	
17. Increase of subscribed share capital in pre-bankruptcy settlement	17														0		0	
18. Repurchase of own shares/ stakes	18					36.708.367									-36.708.367		-36.708.367	
19. Share in profit/ dividend payout	19					-32.655.373							-73.650.397		-40.995.024		-40.995.024	
20. Other distribution to majority owners	20		2.578.505			-424.943									3.003.448		3.003.448	
21. Transfer to reserves according to annual plan	21			5.292.710	10.470.877			9.529.123					-5.292.710	-105.441.776	-85.441.776	-97.869	-85.539.645	
22. Increase in reserves in pre-bankruptcy settlement	22												84.946.259		84.946.259		84.946.259	
23. Balance at 31 Decemeber of previous period (ADP 04 to 22)	23	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	36.580.064	342.313.777	2.137.794.916	235.842.123	2.373.637.039	
ADDITION TO STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																		
I. OTHER COMPREHENSIVE INCOME OF PREVIOUS PERIOD NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	-30.916.214	0	0	0	0	-30.916.214	0	-30.916.214	
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	-30.916.214	0	0	0	342.313.777	311.397.563	235.842.123	547.239.686	
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD, RECOGNIZED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	2.578.505	5.292.710	10.470.877	3.628.051	0	9.529.123	0	0	0	0	6.003.152	-105.441.776	-75.195.460	-97.869	-75.293.329	
Current period																		
1. Balance at 1 January of current period	27	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	36.580.064	342.313.777	2.137.794.916	235.842.123	2.373.637.039	
2. Changes in accounting policies	28														0		0	
3. Error correction	29														0		0	
4. Balance at 1 January of current period (ADP 27 to 29)	30	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	36.580.064	342.313.777	2.137.794.916	235.842.123	2.373.637.039	
5. Profit/loss for the period	31													-139.836.334	-139.836.334		-139.836.334	
6. Foreign currency translation differences- foreign operations	32														0		0	
7. Changes in revaluation reserves of non-current tangible and intangible assets	33														0		0	
8. Profit or loss from re-evaluation of finacial assets held for sale	34									248.168					248.168		248.168	
9. Profit or loss from cash flow hedge	35														0		0	
10. Profit or loss from foreign net investment hedge	36														0		0	
11. Share in other comprehensive income/loss from undertakings with participat- ing interest	37														0		0	
12. Actuarial gains/losses from defined benefit plans	38														0		0	
13. Other changes in capital (minorities)	39														0		0	
14. Taxation of transactions recognized directly in equity	40									-49.633					-49.633		-49.633	
15. Increase/decrease of subscribed share capital (except by reinvested profit and in pre-bankruptcy settlement)	41														0		0	
16. Increase of subscribed share capital by profit reinvestment	42														0		0	
17. Increase of subscribed share capital in pre-bankruptcy settlement	43														0		0	
18. Repurchase of own shares/ stakes	44														0		0	
19. Share in profit/ dividend payout	45														0		0	
20. Other distribution to majority owners	46														0		0	
21. Transfer to reserves according to annual plan	47												342.313.777	-342.313.777	0	-7.440.745	-7.440.745	
22. Increase in reserves in pre-bankruptcy settlement	48														0		0	
23. Balance as at 31 December of the current period (ADP 30 to 48)	49	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	471.848	0	0	378.893.841	-139.836.334	1.998.157.117	228.401.378	2.226.558.495	
ADDITION TO STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																		
I. OTHER COMPREHENSIVE INCOME OF CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	198.535	0	0	0	0	198.535	0	198.535	
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31 + 50)	51	0	0	0	0	0	0	0	0	198.535	0	0	0	-139.836.334	-139.637.799	0	-139.637.799	
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD, RECOGNIZED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	342.313.777	-342.313.777	0	-7.440.745	-7.440.745	

Notes to TFI-POD Financial Statements

(1) The notes to financial statements include additional and supplemental information not presented in the Balance Sheet, Income Statement, Cash Flow Statement or the Statement of Changes in Equity in accordance with the provisions of the relevant financial reporting standards.

Companies of the consolidation subject	Balance sheet-previous period	Balance sheet-current period
	31/12/2016	31/3/2017
Mirta Bašćanska d.o.o.	Yes (merged to Hoteli Baška d.d. 13/1/2016)	
Vala Bašćanska d.o.o.	Yes (merged to Hoteli Baška d.d. 13/1/2016)	
Baškaturist d.o.o.	Yes (merged to Hoteli Baška d.d. 13/1/2016)	
Hoteli Baška d.d.	Yes (merged to Valamar Riviera d.d. 31/3/2016)	
Bastion upravljanje d.o.o.	Yes (merged to Valamar Riviera d.d. 30/6/2016)	
Puntižela d.o.o.	Yes (merged to Valamar Riviera d.d. 31/3/2017)	
Valamar hotels & resorts GmbH	Yes	No
Elafiti Babin kuk d.o.o.	Yes	Yes
Magične stijene d.o.o.	Yes	Yes
Palme turizam d.o.o.	Yes	Yes
Pogača Babin Kuk d.o.o.	Yes	Yes
Bugenvilia d.o.o.	Yes	Yes
Imperial d.d.	Yes	Yes

Companies of the consolidation subject:	Income statement-previous period	Income statement-current period
	31/12/2016	31/3/2017
Mirta Bašćanska d.o.o.	1/1 - 13/1 (merged to Hoteli Baška d.d. 13/1/2016)	-
Vala Bašćanska d.o.o.	1/1 - 13/1 (merged to Hoteli Baška d.d. 13/1/2016)	-
Baškaturist d.o.o.	1/1 - 13/1 (merged to Hoteli Baška d.d. 13/1/2016)	-
Hoteli Baška d.d.	1/1 - 31/3 (merged to Valamar Riviera d.d. 31/3/2016)	-
Bastion upravljanje d.o.o.	1/1 - 31/3 (merged to Valamar Riviera d.d. 30/6/2016)	-
Puntižela d.o.o.	1/1 - 31/3	1/1 - 31/3 (merged to Valamar Riviera d.d. 31/3/2017)
Valamar hotels & resorts GmbH	-	-
Elafiti Babin kuk d.o.o.	1/1 - 31/3	1/1 - 31/3
Magične stijene d.o.o.	1/1 - 31/3	1/1 - 31/3
Palme turizam d.o.o.	1/1 - 31/3	1/1 - 31/3
Pogača Babin Kuk d.o.o.	1/1 - 31/3	1/1 - 31/3
Bugenvilia d.o.o.	1/1 - 31/3	1/1 - 31/3
Imperial d.d.	-	1/1 - 31/3

Balance Sheet According to TFI-POD (as per 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
A) SUBSCRIBED CAPITAL UNPAID	001		
B) NON CURRENT ASSETS (ADP 003+010+020+031+036)	002	3.806.830.512	3.919.244.044
I. INTANGIBLE ASSETS (ADP 004 to 009)	003	17.342.793	17.663.623
1. Research and Development expenditure	004		
2. Patents, licences, royalties, trademarks and service marks, software and similar rights	005	17.068.321	16.060.273
3. Goodwill	006		
4. Prepayments for intangible assets	007		
5. Intangible assets under construction	008	274.472	1.603.350
6. Other intangible assets	009		
II. TANGIBLE ASSETS (ADP 011 to 019)	010	2.906.793.288	3.020.470.609
1. Land	011	595.574.908	595.899.908
2. Property	012	1.805.980.339	1.759.691.460
3. Plants and equipment	013	207.011.662	197.701.193
4. Tools, plants and vehicles	014	62.668.696	58.791.787
5. Biological asset	015		
6. Prepayments for tangible assets	016	29.697.670	34.469.255
7. Assets under construction	017	167.870.168	337.069.480
8. Other tangible assets	018	27.121.603	26.161.642
9. Investments property	019	10.868.242	10.685.884
III. NON-CURRENT FINANCIAL ASSETS (ADP 021 to 030)	020	675.525.760	673.962.190
1. Stakes (shares) in undertakings in a Group	021	670.319.700	670.131.200
2. Investments in other securities of undertakings in a Group	022		
3. Loans, deposits etc given to undertakings in a Group	023		
4. Stakes (shares) in undertakings with participating interest	024		
5. Investments in other securities of undertakings with participating interest	025		
6. Loans, deposits etc given to undertakings with participating interest	026		
7. Investments in securities	027	4.766.325	3.418.019
8. Given loans, deposits and similar	028	299.735	272.971
9. Other investments accounted for using the equity method	029		
10. Other non-current financial assets	030	140.000	140.000
IV. TRADE RECEIVABLES (ADP 032 to 035)	031	113.553.484	113.532.435
1. Receivables from undertakings in a Group	032	113.247.689	113.247.689
2. Receivables from undertakings with participating interests	033		
3. Trade receivables	034		
4. Other receivables	035	305.795	284.746
V. DEFERRED TAX ASSETS	036	93.615.187	93.615.187
C) CURENT ASSETS (ADP 038+046+053+063)	037	319.356.014	152.950.562
I. INVENTORIES (ADP 039 to 045)	038	18.253.553	18.344.258
1. Raw materials and consumables	039	18.026.040	18.219.443
2. Work in progress	040		
3. Finished products	041		
4. Merchandise	042	227.513	124.815
5. Prepayments for inventories	043		
6. Other available-for-sale assets	044		
7. Biological asset	045		
II. RECEIVABLES (ADP 047 to 052)	046	62.728.000	38.979.993
1. Receivables from undertakings in a Group	047	25.253.754	18.966.932
2. Receivables from undertakings with participating interest	048		
3. Trade receivables	049	16.702.108	9.096.133
4. Receivables from employees and members of the undertaking	050	649.460	947.344
5. Receivables from Government and other institutions	051	18.294.801	4.336.671
6. Other receivables	052	1.827.877	5.632.913
III. CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	726.764	5.682.389
1. Stakes (shares) in undertakings in a Group	054		
2. Investments in other securities of undertakings in a Group	055		
3. Loans, deposits etc given to undertakings in a Group	056	23.800	23.800
4. Stakes (shares) in undertakings with participating interest	057		
5. Investments in other securities of undertakings with participating interest	058		
6. Loans, deposits etc given to undertakings with participating interest	059		
7. Investments in securities	060		
8. Given loans, deposits and similar	061	702.964	702.891
9. Other financial assets	062		4.955.698
IV. CASH AND CASH EQUIVALENTS	063	237.647.697	89.943.922
D) PREPAYMENTS AND ACCRUED INCOME	064	21.820.614	23.869.370
E) TOTAL ASSETS (ADP 001+002+037+064)	065	4.148.007.140	4.096.063.976
F) OFF-BALANCE SHEET ITEMS	066	54.631.638	54.609.241

Balance Sheet According to TFI-POD (as per 31/3/2017) (continued)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+081+084+087)	067	2.324.082.480	2.191.713.246
I. SHARE CAPITAL	068	1.672.021.210	1.672.021.210
II. CAPITAL RESERVES	069	2.204.690	2.204.690
III. RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	84.401.862	84.401.862
1. Legal reserves	071	67.198.750	67.198.750
2. Reserves for own shares	072	44.815.284	44.815.284
3. Own stocks and shares (deductible items)	073	37.141.295	37.141.295
4. Statutory reserves	074		
5. Other reserves	075	9.529.123	9.529.123
IV. REVALUATION RESERVES	076		
V. FAIR VALUE RESERVES (ADP 078 to 080)	077	273.313	471.848
1. Fair value of financial assets available for sale	078	273.313	471.848
2. Efficient portion of cash flow hedge	079		
3. Efficient portion of foreign net investment hedge	080		
VI. RETAINED EARNINGS OR LOSS CARRIED FORWARD (ADP 082-083)	081	228.523.684	565.181.405
1. Retained earnings	082	228.523.684	565.181.405
2. Loss carried forward	083		
VII. PROFIT OR LOSS FOR THE FINANCIAL YEAR (ADP 085-086)	084	336.657.721	-132.567.769
1. Profit for the financial year	085	336.657.721	
2. Loss for the financial year	086		132.567.769
VIII. MINORITY INTEREST	087		
B) PROVISIONS (ADP 089 to 094)	088	26.578.807	26.510.953
1. Provisions for pensions, severance pay and similar liabilities	089		
2. Provisions for tax obligations	090		
3. Provisions for litigations in progress	091	26.578.807	26.510.953
4. Provisions for renewal of natural resources	092		
5. Provision for costs within warranty period	093		
6. Other provisions	094		
C) NON-CURRENT LIABILITIES (ADP 096 to 106)	095	1.351.548.203	1.423.949.860
1. Liabilities to related parties	096		
2. Liabilities for loans, deposits etc of undertakings in a Group	097		
3. Liabilities to undertakings with participating interest	098		
4. Liabilities for loans, deposits etc of undertakings with participating interest	099		
5. Liabilities for loans, deposits and other	100		
6. Liabilities to banks and other financial institutions	101	1.332.585.946	1.405.306.562
7. Liabilities for advance payments	102		
8. Trade payables	103		
9. Amounts payable for securities	104		
10. Other non-current liabilities	105	2.044.339	1.675.747
11. Deferred tax	106	16.917.918	16.967.551
D) CURRENT LIABILITIES (ADP 108 to 121)	107	361.331.313	378.560.062
1. Liabilities to undertakings in a Group	108	195.394	79.857
2. Liabilities for loans, deposits etc of undertakings in a Group	109		
3. Liabilities to undertakings with participating interest	110		
4. Liabilities for loans, deposits etc of undertakings with participating interest	111		
5. Liabilities for loans, deposits and other	112		
6. Liabilities to banks and other financial institutions	113	159.263.170	141.425.982
7. Amounts payable for prepayment	114	22.878.112	107.712.846
8. Trade payables	115	150.726.630	104.408.628
9. Liabilities upon loan stocks	116		
10. Liabilities to employees	117	18.821.064	16.399.417
11. Taxes, contributions and similar liabilities	118	7.640.156	7.624.687
12. Liabilities arising from share in the result	119	59.985	59.985
13. Liabilities arising from non-current assets held for sale	120		
14. Other current liabilities	121	1.746.802	848.660
E) ACCRUED EXPENSES AND DEFERRED INCOME	122	84.466.337	75.329.855
F) TOTAL LIABILITIES (ADP 067+088+095+107+122)	123	4.148.007.140	4.096.063.976
G) OFF-BALANCE SHEET ITEMS	124	54.631.638	54.609.241

Income Statement According to TFI-POD (for 1/1/2017 to 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item	ADP code	Preceding period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (ADP 126+127+128+129+130)	125	50.415.688	50.415.688	30.921.593	30.921.593
1. Revenues from sales with undertakings in a Group	126	278.579	278.579	888.234	888.234
2. Sales revenues (outside the Group)	127	45.844.336	45.844.336	25.512.677	25.512.677
3. Revenues from use of own products, goods and services	128	587.720	587.720	852.175	852.175
4. Other operating revenues with undertakings in a Group	129	14.441	14.441	3.400	3.400
5. Other operating revenues (outside the Group)	130	3.690.612	3.690.612	3.665.107	3.665.107
II. OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	155.950.518	155.950.518	183.741.794	183.741.794
1. Changes in inventories of finished products and work in progress	132				
2. Material costs (ADP 134 to 136)	133	37.489.196	37.489.196	38.687.699	38.687.699
a) Cost of raw materials & consumables	134	17.201.115	17.201.115	16.330.459	16.330.459
b) Cost of goods sold	135	42.875	42.875	19.879	19.879
c) Other costs	136	20.245.206	20.245.206	22.337.361	22.337.361
3. Staff costs (ADP 138 to 140)	137	42.896.612	42.896.612	53.791.382	53.791.382
a) Net salaries	138	25.695.818	25.695.818	32.075.816	32.075.816
b) Employee income tax	139	11.114.359	11.114.359	14.265.956	14.265.956
c) Tax on payroll	140	6.086.435	6.086.435	7.449.610	7.449.610
4. Depreciation and amortisation	141	56.336.741	56.336.741	66.193.806	66.193.806
5. Other expenditures	142	18.409.025	18.409.025	22.830.013	22.830.013
6. Value adjustment (ADP 144+145)	143	3.225	3.225	19.501	19.501
a) non-current assets (without financial assets)	144				
b) current assets (without financial assets)	145	3.225	3.225	19.501	19.501
7. Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provision for pensions, severance payments and other employment benefits	147				
b) Provisions for tax liabilities	148				
c) Provisions for litigations in progress	149				
d) Provisions for renewal of natural resources	150				
e) Provision for costs within warranty period	151				
f) Other provisions	152				
8. Other operating expenses	153	815.719	815.719	2.219.393	2.219.393
III. FINANCIAL INCOME (ADP 155 to 164)	154	31.094.026	31.094.026	30.879.761	30.879.761
1. Income from stakes (shares) in undertakings in a Group	155				
2. Income from stakes (shares) in undertakings with participating interest	156				
3. Income from other non-current financial investments and loans to undertakings in a Group	157				
4. Other interest income from undertakings in a Group	158				
5. Foreign exchange differences and other financial income from undertakings in a Group	159				
6. Income from other non-current financial investments and loans	160				
7. Other interest income	161	173.057	173.057	38.585	38.585
8. Foreign exchange differences and other financial income	162	21.411.685	21.411.685	24.568.315	24.568.315
9. Unrealized gains (income) from the financial assets	163	911.490	911.490	5.592.718	5.592.718
10. Other financial income	164	8.597.794	8.597.794	680.143	680.143
IV. FINANCIAL COSTS (ADP 166 to 172)	165	12.848.373	12.848.373	10.627.329	10.627.329
1. Interest expenses and similar expenses with undertakings in a Group	166				
2. Foreign exchange differences and other expenses with undertakings in a Group	167				
3. Interest expenses and similar	168	6.162.984	6.162.984	7.542.089	7.542.089
4. Foreign exchange differences and other expenses	169	4.294.268	4.294.268	2.784.813	2.784.813
5. Unrealized loss (expenses) from the financial assets	170	2.053.107	2.053.107	47.549	47.549
6. Value adjustment expense on financial assets (net)	171				
7. Other financial expenses	172	338.014	338.014	252.878	252.878
V. SHARE OF PROFIT FROM UNDERTAKINGS WITH PARTICIPATING INTEREST	173				
VI. SHARE OF PROFIT FROM JOINT VENTURES	174				
VII. SHARE OF LOSS FROM UNDERTAKINGS WITH PARTICIPATING INTEREST	175				
VIII. SHARE OF LOSS FROM JOINT VENTURES	176				
IX. TOTAL INCOME (ADP 125+154+173+174)	177	81.509.714	81.509.714	61.801.354	61.801.354
X. TOTAL EXPENSES (ADP 131+165+175+176)	178	168.798.891	168.798.891	194.369.123	194.369.123
XI. PROFIT OR LOSS BEFORE TAX (ADP 177-178)	179	-87.289.177	-87.289.177	-132.567.769	-132.567.769
1. Profit before tax (ADP 177-178)	180	-87.289.177	-87.289.177	-132.567.769	-132.567.769
2. Loss before tax (ADP 178-177)	181	0	0	0	0
XII. INCOME TAX EXPENSE	182				
XIII. PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-87.289.177	-87.289.177	-132.567.769	-132.567.769
1. Profit for the period (ADP 179-182)	184	-87.289.177	-87.289.177	-132.567.769	-132.567.769
2. Loss for the period (ADP 182-179)	185	0	0	0	0

Income Statement According to TFI-POD (for 1/1/2017 to 31/3/2017) (continued)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item	ADP code	Preceding period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS (applicable for entities which use IFRS and have discontinued operations)					
XIV. PROFIT OR LOSS FROM DISCONTINUED OPERATIONS BEFORE TAX (ADP 187-188)	186				
1. Profit before tax from discontinued operations	187				
2. Loss before tax from discontinued operations	188				
XV. INCOME TAX EXPENSE FROM DISCONTINUED OPERATIONS	189				
1. Profit for the period from discontinued operations (ADP 186-189)	190				
2. Loss for the period from discontinued operations (ADP 189-186)	191				

TOTAL PROFIT OR LOSS FOR THE PERIOD (applicable for entities which use IFRS and have discontinued operations)

XVI. PROFIT OR LOSS BEFORE TAX (179+186)	192
1. Profit before tax (ADP 192)	193
2. Loss before tax (ADP 192)	194
XVII. INCOME TAX EXPENSE (ADP 182+189)	195
XVIII. PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196
1. Profit for the period (ADP 192-195)	197
2. Loss for the period (ADP 195-192)	198

APPENDIX TO THE INCOME STATEMENT (to be completed by entities submitting consolidated financial statements)

XIX. PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199
1. Attributable to parent company's shareholders	200
2. Attributable to non-controlling interests	201

STATEMENT OF OTHER COMPREHENSIVE INCOME (to be completed by entities subject to IFRS)

I. PROFIT OR LOSS FOR THE PERIOD		-87.289.177	-87.289.177	-132.567.769	-132.567.769
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (ADP 204 to 211)	203	-9.016.880	-9.016.880	248.168	248.168
1. Exchange differences arising from foreign operations	204				
2. Revaluation of non-current assets and intangible assets	205				
3. Gains or loss available for sale investments	206	-9.016.880	-9.016.880	248.168	248.168
4. Gains or loss on net movement on cash flow hedges	207				
5. Gains or loss on net investments hedge	208				
6. Share of the other comprehensive income/loss of associates	209				
7. Actuarial gain / loss on post employment benefit obligations	210				
8. Other changes in capital (minorities)	211				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	212	-1.803.376	-1.803.376	49.633	49.633
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (ADP 203-212)	213	-7.213.504	-7.213.504	198.535	198.535
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (ADP 202+213)	214	-94.502.681	-94.502.681	-132.369.234	-132.369.234

APPENDIX to the Statement of Comprehensive Income (to be completed by entities submitting consolidated financial statements)

VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (ADP 216+217)	215
1. Attributable to parent company's shareholders	216
2. Attributable to non-controlling interests	217

Cash Flow Statement - Indirect Method According to TFI-POD (for 1/1/2017 to 31/3/2017)

Taxpayer: 36201212847; Valamar Riviera d.d.

Item 1	ADP code 2	Preceding year 3	Current year 4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before taxes	001	-87.289.177	-132.567.769
2. Adjustments (ADP 003 to 010):	002	34.643.580	53.588.184
a) Depreciation and amortisation	003	56.336.741	66.193.807
b) Profit and loss from sales and value adjustments of non-current tangible and intangible assets	004	-1.497.530	-29.499
c) Profit and loss from sales and unrealised profit and loss and value adjustments of financial assets	005	-7.410.080	-211.829
d) Income from interest and dividends	006	-172.856	-447.803
e) Interest expenses	007	6.500.998	7.794.966
f) Provisions	008	-358.263	9.008.892
g) Foreign exchange differences (unrealized)	009	-19.802.941	-23.161.817
h) Other adjustments for non-cash transactions and unrealized profit and loss	010	1.047.511	-5.558.533
I. Increase or decrease of cash flow before changes in working capital (ADP 001+002)	011	-52.645.597	-78.979.585
3. Changes in working capital (ADP 013 to 016)	012	35.781.206	58.617.200
a) Increase or decrease of current liabilities	013	54.718.822	37.377.556
b) Increase or decrease of current receivables	014	-16.349.502	21.330.350
c) Increase or decrease of inventories	015	-2.588.114	-90.706
d) Other increase or decrease of working capital	016		
II. Cash from operating activities (ADP 011+012)	017	-16.864.391	-20.362.385
4. Interest	018	-6.381.224	-9.391.931
5. Income tax paid	019	176.675	-52.823
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-23.068.940	-29.807.139
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of non-current assets	021	1.775.588	135.498
2. Proceeds from selling financial instruments	022	11.587.707	1.808.303
3. Proceeds from interest rates	023	450.454	40.716
4. Proceeds from dividends	024		598.453
5. Proceeds from repayment of given loans and savings	025	1.652.708	2.063.356
6. Other proceeds from investment activities	026		
III. Total cash proceeds from investment activities (AOP 021 to 026)	027	15.466.457	4.646.326
1. Purchase of non-current tangible and intangible assets	028	-34.974.799	-198.752.080
2. Purchase of financial instruments	029		
3. Loans and deposits for the period	030	-1.610.079	-1.836.122
4. Acquisition of subsidiary, net of acquired cash	031		
5. Other payments from investment activities	032		
IV. Total cash payments from investment activities (ADP 028 to 032)	033	-36.584.878	-200.588.202
B) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	034	-21.118.421	-195.941.876
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from increase of subscribed capital	035		
2. Proceeds from issuing equity-based and debt-based financial instruments	036		
3. Proceeds from loan principal, loans and other borrowings	037	19.230.505	93.511.017
4. Other proceeds from financial activities	038		
V. Total proceeds from financial activities (ADP 035 to 038)	039	19.230.505	93.511.017
1. Repayment of loan principals, loans and other borrowings and debt-based financial instruments	040	-55.183.058	-15.424.445
2. Dividends paid	041		
3. Payment of finance lease liabilities	042	-67.535	-41.331
4. Re-purchase of treasury shares and decrease in subscribed share capital	043	-35.659.599	
5. Other payments from financial activities	044		
VI. Total cash payments from financing activities (ADP 040 to 044)	045	-90.910.192	-15.465.776
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES (ADP 039+045)	046	-71.679.687	78.045.241
1. Cash and cash equivalents-unrealized foreign exchange differences	047		
D) NET INCREASE OR DECREASE OF CASH FLOW (ADP 020+034+046+047)	048	-115.867.048	-147.703.774
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	049	301.797.080	237.647.696
F) CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (ADP 048+049)	050	185.930.032	89.943.922

Description	ADP	Minority (non-controlling) interest														Minority (non-con-trolling) interest	Total capital and reserves
		Subscribed Share capital	Capital re-serves	Legal reserves	Reserves for own shares	Treasury shares and shares (de-ductible item)	Statutory re-serves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Efficient portion of cash flow hedge	Efficient portion of foreign net investment hedge	Retained earnings / loss carried forward	Net profit/ loss for the period	Total distribut-able to majority owners		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
Previous period																	
1. Balance at 1 January of the previuos period	01	1.672.021.210	109.139	61.906.040	34.344.407	29.046.586	0			31.431.842			211.961.240	105.854.201	2.088.581.493		2.088.581.493
2. Changes in accounting policies	02														0		0
3. Error correction	03														0		0
4. Balance at 1 January of the previous period (ADP 01 to 03)	04	1.672.021.210	109.139	61.906.040	34.344.407	29.046.586	0	0	0	31.431.842	0	0	211.961.240	105.854.201	2.088.581.493	0	2.088.581.493
5. Profit/loss for the period	05													336.657.721	336.657.721		336.657.721
6. Foreign currency translation differences- foreign operations	06							0							0		0
7. Changes in revaluation reserves of non-current tangible and intangible assets	07														0		0
8. Profit or loss from re-evaluation of finacial assets held for sale	08									-34.190.767					-34.190.767		-34.190.767
9. Profit or loss from cash flow hedge	09										0				0		0
10. Profit or loss from foreign net investment hedge	10														0		0
11. Share in other comprehensive income/loss from undertakings with participat-ing interest	11														0		0
12. Actuarial gains/losses from defined benefit plans	12														0		0
13. Other changes in capital (minorities)	13		-482.954							305.943					-177.011		-177.011
14. Taxation of transactions recognized directly in equity	14									2.726.295					2.726.295		2.726.295
15. Increase/decrease of subscribed share capital (except by reinvested profit and in pre-bankruptcy settlement)	15														0		0
16. Increase of subscribed share capital by profit reinvestment	16														0		0
17. Increase of subscribed share capital in pre-bankruptcy settlement	17														0		0
18. Repurchase of own shares/ stakes	18					36.708.367									-36.708.367		-36.708.367
19. Share in profit/ dividend payout	19					-32.655.373							-73.910.156		-41.254.783		-41.254.783
20. Other distribution to majority owners	20		2.578.505			4.041.715									-1.463.210		-1.463.210
21. Transfer to reserves according to annual plan	21			5.292.710	10.470.877			9.529.123					90.472.600	-105.854.201	9.911.109		9.911.109
22. Increase in reserves in pre-bankruptcy settlement	22														0		0
23. Balance at 31 Decemeber of previous period (ADP 04 to 22)	23	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	228.523.684	336.657.721	2.324.082.480	0	2.324.082.480
ADDITION TO STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																	
I. OTHER COMPREHENSIVE INCOME OF PREVIOUS PERIOD NET OF TAX (ADP 06 to 14)	24	0	-482.954	0	0	0	0	0	0	-31.158.529	0	0	0	0	-31.641.483	0	-31.641.483
II. COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	-482.954	0	0	0	0	0	0	-31.158.529	0	0	0	336.657.721	305.016.238	0	305.016.238
III. TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD, RECOGNIZED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	2.578.505	5.292.710	10.470.877	8.094.709	0	9.529.123	0	0	0	0	16.562.444	-105.854.201	-69.515.251	0	-69.515.251
Current period																	
1. Balance at 1 January of current period	27	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	228.523.684	336.657.721	2.324.082.480	0	2.324.082.480
2. Changes in accounting policies	28														0		0
3. Error correction	29														0		0
4. Balance at 1 January of current period (ADP 27 to 29)	30	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	273.313	0	0	228.523.684	336.657.721	2.324.082.480	0	2.324.082.480
5. Profit/loss for the period	31													-132.567.769	-132.567.769		-132.567.769
6. Foreign currency translation differences- foreign operations	32														0		0
7. Changes in revaluation reserves of non-current tangible and intangible assets	33														0		0
8. Profit or loss from re-evaluation of finacial assets held for sale	34									248.168					248.168		248.168
9. Profit or loss from cash flow hedge	35														0		0
10. Profit or loss from foreign net investment hedge	36														0		0
11. Share in other comprehensive income/loss from undertakings with participat-ing interest	37														0		0
12. Actuarial gains/losses from defined benefit plans	38														0		0
13. Other changes in capital (minorities)	39														0		0
14. Taxation of transactions recognized directly in equity	40									-49.633					-49.633		-49.633
15. Increase/decrease of subscribed share capital (except by reinvested profit and in pre-bankruptcy settlement)	41														0		0
16. Increase of subscribed share capital by profit reinvestment	42														0		0
17. Increase of subscribed share capital in pre-bankruptcy settlement	43														0		0
18. Repurchase of own shares/ stakes	44														0		0
19. Share in profit/ dividend payout	45														0		0
20. Other distribution to majority owners	46														0		0
21. Transfer to reserves according to annual plan	47												336.657.721	-336.657.721	0		0
22. Increase in reserves in pre-bankruptcy settlement	48														0		0
23. Balance as at 31 December of the current period (ADP 30 to 48)	49	1.672.021.210	2.204.690	67.198.750	44.815.284	37.141.295	0	9.529.123	0	471.848	0	0	565.181.405	-132.567.769	2.191.713.246	0	2.191.713.246
ADDITION TO STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																	
I. OTHER COMPREHENSIVE INCOME OF CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	198.535	0	0	0	0	198.535	0	198.535
II. COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31 + 50)	51	0	0	0	0	0	0	0	0	198.535	0	0	0	-132.567.769	-132.369.234	0	-132.369.234
III. TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD, RECOGNIZED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	336.657.721	-336.657.721	0	0	0

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