

**Consolidated financial results for the
six months period ended
30 June 2016
(unaudited)**



Granolio

General information on Granolio d.d.

GRANOLIO d.d. ("The Company") is a joint-stock company registered with the Commercial Court of Zagreb, Croatia.

The Company's tax number (OIB) is 59064993527, and its registration number (MBS) 080111595.

The Company's headquarter is located in Zagreb at Budmanijeva 5.

Subsidiaries

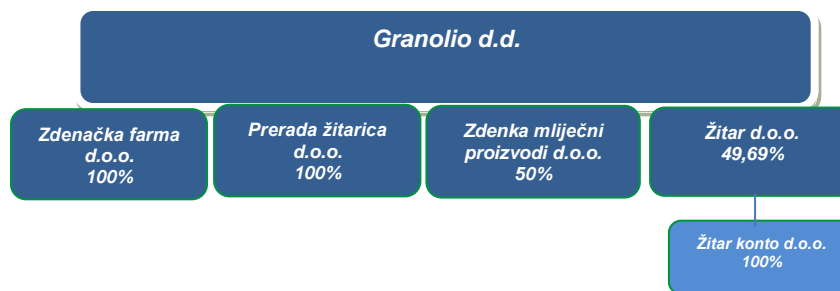
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada žitarica d.o.o. companies.

It has a controlling influence in the decision-making process in the Zdenka mliječni proizvodi d.o.o. and Žitar d.o.o. companies. The above companies have been consolidated into the Granolio Group since 2011.

Subsidiary Žitar d.o.o. has founded another company, Žitar konto d.o.o., which is fully owned by it. Žitar konto d.o.o. financial statements are part of the consolidated financial statements.

The Company also holds minority interests in the Žitozajednica d.o.o., Zagrebačke pekare Klara d.o.o. and Prehrana trgovina d.d. companies.

Ownership in subsidiaries is presented in the organizational chart below:



The Group monitors its business operations through four business segments:

- Milling
- Dairy and cheese production
- Wholesale trade
- Other

Milling is the segment that comprises flour production and sale of flour. This business segment is comprised in the holding company exclusively.

Dairy and cheese production („Dairy“) comprises cheese production and cheese sale realized in the company Zdenka – mliječni proizvodi d.o.o., but also milk production and sale of milk by dairy farms in the companies Zdenačka farma d.o.o. and Žitar d.o.o.

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by the companies Granolio d.d. and Žitar d.o.o.

The segment Other comprises animal feed production (Žitar d.o.o.), pig farming and beef cattle farming (Žitar d.o.o., beef cattle farming in the company Granolio d.d.), and rendering the silo services and the storage of trade goods (Granolio d.d., Žitar d.o.o. and Prerada žitarica d.o.o.).

Granolio Group's financial indicators for the first six months period of 2016

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	359,288	382,073	(22,785)	(6%)
Operating expenses	(351,049)	(375,200)	24,151	6%
EBIT	8,239	6,874	1,365	20%
<i>EBIT margin</i>	2%	2%		
EBITDA	23,692	22,005	1,686	8%
<i>EBITDA margin</i>	7%	6%		
Net financial result	(13,807)	(9,504)	(4,303)	(45%)
Net result for the period	(5,567)	(2,630)	(2,937)	(112%)
<i>Result attributable to the Group</i>	(6,225)	(3,894)	(2,331)	(60%)
<i>Minority interest</i>	657	1,264	(607)	48%

Comparing to the corresponding period last year, operating result before financial income and expenses and tax (EBIT) has improved, and one of the reasons for it is also that EBIT for the first half of 2015 comprised one-off expenses which were the result of rationalization of the production process, while in the first six months period of 2016 no such costs incurred.

Financial indicators

in thousands of HRK

	30.6.2016	31.12.2015	change	
Net assets (Capital and reserves)	226,367	232,519	(6,152)	(3%)
Total debt	545,874	543,868	2,006	0%
Cash and cash equivalents	3,421	22,426	(19,005)	(85%)
Financial assets	47,148	29,770	17,378	58%
Net debt	495,305	491,672	3,633	1%
Net debt/EBITDA	6,7	6,8		
EBITDA for the last 12 months	74,264	72,577		

* Financial assets are comprised of financial loans, securities and deposits

Separate business results for the first six months period of 2016

Granolio d.d.

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	221,701	273,100	(51,399)	(19%)
EBITDA	12,953	8,494	4,459	52%
<i>margin %</i>	6%	3%		
EBIT	7,860	3,408	4,452	(131%)
<i>margin %</i>	4%	1%		
Net financial result	(12,786)	(6,735)	(6,051)	(90%)
Net result	(4,926)	(3,327)	(1,599)	(48%)
<i>margin %</i>	(2%)	(1%)		

Comparing to the corresponding period last year, despite the lower sales income, the Company's key financial indicators for the first six months period of 2016 are more favourable. Negative net result is the result of negative net financial result, i.e. decreased financial income.

Zdenka - mliječni proizvodi d.o.o.

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	79,074	71,266	7,808	11%
EBITDA	7,730	8,579	(848)	(10%)
<i>margin %</i>	10%	12%		
EBIT	1,508	2,612	(1,104)	42%
<i>margin %</i>	2%	4%		
Net financial result	(394)	(868)	475	55%
Net result	1,115	1,744	(629)	36%
<i>margin %</i>	1%	2%		

Income increase was noted in the sales of almost all product categories, especially in the sales of semi-hard and processed cheese, while income decrease was noted in the sales of hard cheese. Income increase is the result of increased sales quantity of products, and in case of certain product categories also of increased average sales prices.

When compared to the same period last year, part of the products was sold with the lower margin.

Income increase is noted in the sales income realized on the domestic market, as well as on the foreign markets. The main portion of export is realized from trading with neighboring countries, mainly BiH, Slovenia, Serbia and FYR Macedonia (app. 84% of total export).

Žitar d.o.o. (consolidated)

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	76,169	34,808	41,361	119%
EBITDA	2,968	4,299	(1,330)	(31%)
<i>margin %</i>	4%	12%		
EBIT	411	1,880	(1,469)	(78%)
<i>margin %</i>	1%	5%		
Net financial result	(212)	(1,101)	889	81%
Net result	199	779	(580)	74%
<i>margin %</i>	0%	2%		

The company Žitar has noted significant income increase in the wholesale segment. In the first half of 2016 significant business transaction of sale of wheat was agreed in the total amount of HRK 44 million, part of which was realized within the Granolio Group. Other than the sale of wheat, increase is noted in the sale of fertilizers as well. When compared to the same period last year, the company has realized lower sales margins in the wholesale segment.

When compared to the same period last year, the value of EBITDA is lower partly due to lower sales margins realized in the wholesale segment, and partly due to increased staff costs, as result of increased average number of employees.

Zdenačka farma d.o.o.

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	8,973	10,328	(1,354)	(13%)
EBITDA	270	1,190	(920)	(77%)
<i>margin %</i>	3%	12%		
EBIT	(1,097)	(263)	(834)	318%
<i>margin %</i>	-12%	-3%		
Net financial result	(387)	(795)	407	51%
Net result	(1,484)	(1,057)	(427)	40%
<i>margin %</i>	(17%)	(10%)		

During the first half of 2016 total sale of milk from Zdenačka farma d.o.o. was 2.4 million kilos. Average sales price realized in the first half of 2016 was 14% lower than the average sales price realized during the same period last year.

At the beginning of last year the Company had incurred one-off cost in the amount of HRK 0.5 million. Expenses incurred in the first half of 2016 do not comprise any extraordinary expenses.

Prerada žitarica d.o.o.

in thousands of HRK

	1-6 2016	1-6 2015	change	
Operating income	276	457	(181)	(40%)
EBITDA	(223)	(231)	8	(3%)
<i>margin %</i>	(81%)	(50%)		
EBIT	(436)	(438)	2	0%
<i>margin %</i>	(158%)	(96%)		
Net financial result	(27)	(4)	(23)	(555%)
Net result	(463)	(442)	(21)	(5%)
<i>margin %</i>	(168%)	(97%)		

Prerada žitarica d.o.o. is the company which main activities are storage of goods, and storage and drying of grains. Due to the seasonality of its business operations, the company realizes its more significant turnover near the end of the year, while significant portion of expenses are largely fixed.

Employees

In the first six months period of 2016 the Group employed 469 employees based on man-hour basis (in the first six months period of 2015: 459 employees).

Environment

Regarding the environmental protection, the Group has implemented comprehensive and systematic solutions and established environment-friendly production processes.

Other

Supervisory Board has approved Granolio Group's financial statements for the first six months period of 2016.

Annex 1.

Reporting period

1.1.2016

to

30.6.2016

Quarterly financial report TFI-POD

Tax number (MB): 01244272

Company registration number: 080111595

Personal identification
number (OIB): 59064993527

Issuing company: GRANOLIO d.d.

Postal code and place: 10000

Zagreb

Street and house number: BUDMANIJEVA 5

E-mail address: granolio@granolio.hrInternet address: www.granolio.hr

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 470

(period end)

Consolidated report: YES

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

GRANOLIO D.D.

ZAGREB

01244272

ZDENAČKA FARMA D.O.O.

VELIKI ZDENCI

02095777

PRERADA ŽITARICA D.O.O.

GRUBIŠNO POLJE

02095696

ZDENKA - MLJEČNI PROIZVODI D.O.O.

VELIKI ZDENCI

01623982

ŽITAR D.O.O.

DONJI MIHOLJAC

01443119

ŽITAR KONTO D.O.O.

DONJI MIHOLJAC

04212517

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Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as of 30.06.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	596.406.028	588.484.884
I. INTANGIBLE ASSETS (004 do 009)	003	188.875.484	187.916.067
1. Assets development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	121.134.245	121.007.828
3. Goodwill	006	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	7.362.167	6.529.167
II. TANGIBLE ASSETS (011 do 019)	010	377.614.949	372.104.005
1. Land	011	27.362.704	27.405.304
2. Buildings	012	234.107.824	229.913.638
3. Plant and equipment	013	73.907.486	69.737.797
4. Tools, working inventory and transportation assets	014	3.051.261	3.739.322
5. Biological assets	015	11.399.835	11.017.065
6. Prepayments for tangible assets	016	326.290	734.188
7. Tangible assets in progress	017	24.522.991	26.659.686
8. Other tangible assets	018	85.030	84.071
9. Investments in buildings	019	2.851.529	2.812.934
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	29.900.594	28.449.812
1. Investments (shares) with related parties	021		
2. Loans given to related parties	022		
3. Participating interest (shares)	023	20.472.190	20.472.190
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	9.428.404	7.977.622
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 do 032)	029	15.000	15.000
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032	15.000	15.000
V. DEFERRED TAX ASSET	033		0
C) SHORT TERM ASSETS (035+043+050+058)	034	355.387.854	330.256.253
I. INVENTORIES (036 do 042)	035	108.938.185	70.516.747
1. Raw materials and supplies	036	56.935.548	23.762.431
2. Work in progress	037	10.424.738	14.964.640
3. Finished goods	038	25.790.300	22.031.249
4. Merchandise	039	15.731.197	9.728.539
5. Prepayments for inventories	040	56.402	29.888
6. Long term assets held for sale	041		
7. Biological assets	042		
II. RECEIVABLES (044 do 049)	043	194.253.687	209.170.009
1. Receivables from related parties	044	507.912	505.016
2. Accounts receivable	045	172.973.897	196.173.002
3. Receivables from participating parties	046	522.223	193.696
4. Receivables from employees and members of related parties	047	34.063	84.155
5. Receivables from government and other institutions	048	13.536.152	4.190.365
6. Other receivables	049	6.679.440	8.023.775
III. SHORT TERM FINANCIAL ASSETS (051 do 057)	050	29.770.051	47.148.045
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	20.120.844	20.350.845
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055	696.026	735.308
6. Loans, deposits, etc.	056	8.953.181	26.061.892
7. Other financial assets	057		
IV. CASH AND CASH EQUIVALENTS	058	22.425.931	3.421.452
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	5.307.462	5.639.853
E) TOTAL ASSETS (001+002+034+059)	060	957.101.343	924.380.990
F) OFF-BALANCE RECORDS	061	16.245.585	14.268.715

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	232.514.314	226.367.477
I. SUBSCRIBED SHARE CAPITAL	063	19.016.430	19.016.430
II. CAPITAL RESERVES	064	84.186.547	84.186.547
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	183.484	1.083.227
1. Reserves prescribed by law	066	183.484	283.227
2. Reserve for own shares	067		800.000
3. Treasury shares and shares (deductible items)	068		
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	64.473.012	63.017.484
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	-5.125.636	6.000.599
1. Retained earnings	073		6.000.599
2. Accumulated loss	074	5.125.636	
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	11.149.791	-6.224.762
1. Profit for the current year	076	11.149.791	
2. Loss for the current year	077		6.224.762
VII. MINORITY INTEREST	078	58.630.686	59.287.953
B) PROVISIONS (080 do 082)	079	249.821	249.821
1. Provisions for pensions, severance pay and similar liabilities	080		
2. Provisions for tax liabilities	081		
3. Other provisions	082	249.821	249.821
C) LONG - TERM LIABILITIES (084 do 092)	083	383.292.405	367.596.639
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits, etc.	085	11.453	11.286
3. Liabilities to banks and other financial institutions	086	366.923.848	351.592.131
4. Liabilities for received prepayments	087		
5. Accounts payable	088	238.851	238.851
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092	16.118.253	15.754.371
D) SHORT - TERM LIABILITIES (094 do 105)	093	326.691.156	314.206.749
1. Liabilities to related parties	094		
2. Liabilities for loans, deposits, etc.	095		25.314.682
3. Liabilities to banks and other financial institutions	096	96.041.815	113.470.192
4. Liabilities for received prepayments	097	2.882.763	665.018
5. Accounts payable	098	130.611.839	97.487.787
6. Liabilities arising from debt securities	099	80.887.770	55.485.776
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	2.337.948	2.373.832
9. Liabilities for taxes, contributions and similar fees	102	10.775.125	12.354.410
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	3.153.896	7.055.052
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	14.353.647	15.960.304
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	957.101.343	924.380.990
G) OFF-BALANCE RECORDS	108	16.245.585	14.268.715
APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	173.883.628	167.079.524
2. Attributable to minority interest	110	58.630.686	59.287.953

Income statement
period 01.01.2016. to 30.06.2016.

Company: GRANOLIO d.d.						
Position	AOP	Previous period	Previous period	Current period	Current period	
		Cummulative	Quarter	Cummulative	Quarter	
1	2	3	4	5	6	
I. OPERATING REVENUE (112 do 113)	111	382.073.434	187.734.685	359.288.021	156.869.442	
1. Sales revenue	112	365.501.575	175.876.956	348.182.792	150.544.316	
2. Other operating revenues	113	16.571.859	11.857.729	11.105.229	6.325.126	
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	375.199.664	183.684.003	351.048.817	152.677.744	
1. Changes in value of work in progress and finished products	115	-7.731.295	-3.596.969	-812.505	-7.397.931	
2. Material costs (117 do 119)	116	330.099.650	159.159.807	303.951.525	136.211.860	
a) Raw material and material costs	117	193.488.144	100.192.832	151.653.057	69.036.269	
b) Cost of goods sold	118	113.048.927	47.045.594	129.233.934	55.066.007	
c) Other external costs	119	23.562.579	11.921.381	23.064.534	12.109.584	
3. Staff costs (121 do 123)	120	20.932.787	10.480.018	22.025.091	11.134.543	
a) Net salaries and wages	121	12.823.132	6.382.832	13.389.944	6.761.563	
b) Tax and contributions from salary expenses	122	5.051.735	2.564.345	5.398.399	2.729.952	
c) Contributions on gross salaries	123	3.057.920	1.532.841	3.236.748	1.643.028	
4. Depreciation and amortisation	124	15.131.301	7.537.649	15.433.206	7.739.372	
5. Other costs	125	6.027.243	2.238.952	4.080.405	2.313.978	
6. Impairment (127+128)	126	171	171	19.331	1.250	
a) Impairment of long-term assets (financial assets excluded)	127	0	0	0	0	
b) Impairment of short-term assets (financial assets excluded)	128	171	171	19.331	1.250	
7. Provisions	129	0	0	0	0	
8. Other operating costs	130	10.739.807	7.864.375	6.351.764	2.674.672	
III. FINANCIAL INCOME (132 do 136)	131	8.863.707	7.760.033	2.388.971	706.520	
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132			0	0	
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties and other entities	133	4.753.486	3.649.812	2.124.190	441.739	
3. Share in income from affiliated entrepreneurs and participating interests	134	0	0	19.794	19.794	
4. Unrealized gains (income) from financial assets	135	0	0	0	0	
5. Other financial income	136	4.110.221	4.110.221	244.987	244.987	
IV. FINANCIAL EXPENSES (138 do 141)	137	18.367.459	9.561.258	16.195.531	7.723.240	
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138			0	0	
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-related parties and other entities	139	18.216.881	9.411.811	16.100.663	7.716.715	
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0	
4. Other financial expenses	141	150.578	149.447	94.868	6.525	
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142	0	0	0	0	
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143	0	0	0	0	
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0	
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0	
IX. TOTAL INCOME (111+131+144)	146	390.937.141	195.494.718	361.676.992	157.575.962	
X. TOTAL EXPENSES (114+137+143+145)	147	393.567.123	193.245.261	367.244.348	160.400.984	
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-2.629.982	2.249.457	-5.567.357	-2.825.023	
1. Profit before taxes (146-147)	149	0	2.249.457	0	0	
2. Loss before taxes (147-146)	150	2.629.982	0	5.567.357	2.825.023	
XII. PROFIT TAX	151					
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-2.629.982	2.249.457	-5.567.357	-2.825.023	
1. Profit for the period (149-151)	153	0	2.249.457	0	0	
2. Loss for the period (151-148)	154	2.629.982	0	5.567.357	2.825.023	
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)						
XIV. PROFIT OR LOSS FOR THE PERIOD						
1. Attributed to equity holders of parent company	155	-3.839.931	1.375.462	-6.224.762	-2.975.611	
2. Attributable to minority interest	156	1.263.949	873.995	657.406	506.817	
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)						
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	-2.629.982	2.249.457	-5.567.357	-2.825.023	
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0	
1. Exchange differences on translation of foreign operations	159					
2. Movements in revaluation reserves of long-term tangible and intangible assets	160					
3. Profit or loss from reevaluation of financial assets available for sale	161					
4. Gains or losses on efficient cash flow hedging	162					
5. Gains or losses on efficient hedge of a net investment in foreign countries	163					
6. Share in other comprehensive income / loss of associated companies	164					
7. Actuarial gains / losses on defined benefit plans	165					
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166					
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	0	0	
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-2.629.982	2.249.457	-5.567.357	-2.825.023	
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)						
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD						
1. Attributed to equity holders of parent company	169	-3.893.931	1.375.462	-6.224.763	-3.331.840	
2. Attributed to minority interest	170	1.263.949	873.995	657.406	506.817	

Cash flow statement - indirect method
period 01.01.2016. to 30.06.2016.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-2.629.982	-5.567.356
2. Depreciation and amortisation	002	15.131.301	15.433.206
3. Increase in short term liabilities	003	84.254.745	
4. Decrease in short term receivables	004		
5. Decrease in inventories	005	65.360.160	39.086.391
6. Other increase in cash flow	006	16.286.410	16.795.770
I. Total increase in cash flow from operating activities (001 to 006)	007	178.402.634	65.748.011
1. Decrease in short term liabilities	008		27.649.391
2. Increase in short term receivables	009	62.845.743	14.774.138
3. Increase in inventories	010		
4. Other decrease in cash flow	011	11.078.949	5.319.812
II. Total decrease in cash flow from operating activities (008 to 011)	012	73.924.692	47.743.340
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	104.477.943	18.004.671
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	60.456	219.229
2. Cash inflows from sales of equity and debt instruments	016	22.344.315	25.850.255
3. Interests receipts	017	2.233.435	567.224
4. Dividend receipts	018	0	0
5. Other cash inflows from investing activities	019	85.797	72.343
III. Total cash inflows from investing activities (015 to 019)	020	24.724.003	26.709.051
1. Cash outflow for purchase of long-term tangible and intangible assets	021	4.052.902	8.420.330
2. Cash outflow for acquisition of equity and debt financial instruments	022	20.802.000	42.037.612
3. Other cash outflow for investing activities	023	1.298.383	40.000
IV. Total cash outflow for investing activities (021 do 023)	024	26.153.285	50.497.942
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)	026	1.429.282	23.788.891
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	385.481.799	193.557.282
3. Other proceeds from financial activities	029	3.613.931	
V. Total cash inflows from financial activities (027 to 029)	030	389.095.730	193.557.282
1. Cash outflow for repayment of credit principal and bonds	031	420.557.664	163.134.973
2. Cash outflow for dividends paid	032	0	950.822
3. Cash outflow for financial lease	033	2.101.455	1.785.901
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	69.402.937	40.905.844
VI. Total cash outflow for financial activities (031 to 035)	036	492.062.056	206.777.540
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	102.966.326	13.220.258
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	82.335	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	19.004.479
Cash and cash equivalents at the beginning of the period	041	3.350.236	22.425.931
Increase of cash and cash equivalents	042	82.335	0
Decrease of cash and cash equivalents	043	0	19.004.479
Cash and cash equivalents at the end of the period	044	3.432.571	3.421.453

STATEMENT OF CHANGES IN EQUITY

period **1.1.2016** to **30.6.2016**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	001	19.016.430	19.016.430
2. Capital reserves	002	84.190.947	84.186.547
3. Reserves from profit	003	183.484	1.083.227
4. Retained earnings or accumulated loss	004	-6.879.399	6.000.599
5. Profit or loss for the current year	005	-3.893.931	-6.224.762
6. Revaluation of long - term tangible assets	006	65.928.540	63.017.484
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009	0	0
10. Total capital and reserves (AOP 001 to 009)	010	158.546.071	167.079.525
11. Currency gains and losses arising from net investment in foreign operations	011		
12. Current and deferred taxes (part)	012	363.882	363.882
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016	-4.992.575	-7.167.986
17. Total increase or decrease in capital (AOP 011 to 016)	017	-4.628.693	-6.804.104
17 a. Attributed to equity holders of parent company	018	-4.628.693	-6.804.104
17 b. Attributed to minority interest	019		



Granolio

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Zagreb, 29 July 2016

Statement of Executives responsible for preparing financial statements for the six months period

Pursuant to the current Croatian Accounting Act (Official Gazette 109/07), the Management Board is required to ensure that the financial statements of Granolio d.d. for each financial period are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and that they give a true and fair view of the financial position and results of the Company's operations in the given period.

To the best of our knowledge, the complete shorten set of unaudited financial statements for the six months period give a true presentation of the Company's position as at 30 June 2016.

Reports prepared by:



Jasenka Kordić
Accounting Director

 **Granolio**
d.d., Budmanijeva 5
Zagreb

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MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka, IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10,00 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić, Drago Šurina i Tomislav Kalafatić, predsjednik Nadzornog odbora: Franjo Filipović



Granolio

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In Zagreb, 29 July 2016

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management Board of the Company Granolio d.d., Budmanijeva 5, Zagreb provides:

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

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

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

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

President of the Management Board

Hrvoje Filipović



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