

2016

MANAGEMENT INTERIM REPORT

**OF AD PLASTIK GROUP AND THE COMPANY AD PLASTIK D.D. SOLIN
FOR THE FIRST SIX MONTHS OF 2016**





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Management Interim Report

of AD Plastik Group and the
Company AD Plastik d.d. Solin
for the period 01.01. - 30.06.2016

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Sales, EBITDA and net profit

Operating income

512.18 million kunas

-2.42% compared to the same first six months in 2015

Earnings before interest, taxes and amortization (EBITDA)

75.0 million kunas

+20.39% compared to the same first six months in 2015

Net profit

28.1 million kunas

+4.15% compared to the same first six months in 2015

Comment by Marinko Došen, President of the Management Board



Our goals are the achievement of successful business results and profitable business to the satisfaction of all our stakeholders, which is confirmed also by the results for the first six months of this year.

In the first half of the year we have achieved operating income in the amount of 512.2 million kunas, which has decreased by 2.42% in comparison to the same period last year at the level of the Group, while the operating income in Croatia has increased by 1.75%.

Despite a somewhat lesser realization, our business results are in line with the plan and the realized net profit has increased compared to the first half of 2015 and amounts to 28.1 million kunas. Operating income of the Group still registered a decline in the Russian market, while the EU market registered an increase.

A good news for our business is a strengthening of the exchange rate and a recovery of the ruble, and stopping a decline in car sales on the Russian market, which will certainly have a positive effect on the business of our plants in Russia.

The European Union market is growing and our customers are registering double-digit sales growth, which can be also seen in the results of our business operations. Renault, one of our biggest customers, is increasing capacity utilization at the plant Revoz in Novo Mesto, to which they are planning to transfer the production of the vehicle Renault Clio which is their best-selling model. This is their most efficient plant with which AD Plastik maintains a successful cooperation for many years. Currently we are competing for a group of products for a new Clio, which would allow us to fully exploit the capacity of our plants in Zagreb or even their possible expansion and would also ensure the growth already from the next year.

We have ensured a continuity of growth of EBITDA margin also in this period, which is one of our key objectives for this year, along with optimizing business efficiency and reducing loan obligations.

On this occasion I would like to mention also the changes of Members of Management Board and Supervisory Board of AD Plastik, that occurred after the specified reporting period. Further revenue growth in existing and new markets, stable financial operations and strengthening the attractiveness of the company in the investment and financial community are the key objectives during the new term of office of the Management Board and I am sure that we will accomplish them successfully.

A handwritten signature in black ink, appearing to read 'Marinko Došen', with a long, sweeping flourish extending to the right.

Marinko Došen
President of the Management Board

Financial results for the first six months

AD Plastik Group, which consists of AD Plastik d.d. Croatia, ADP d.o.o. Serbia, AD Plastik d.o.o. Slovenia, AO AD Plastik, Russia and ZAO AD Plastik Kaluga, Russia (hereinafter: AD Plastik Group) in first half of 2016 recorded operating income in the amount of 512.2 million kunas which is 2.42% less than in the first half of 2015. Generated revenues are at the level of the business plan, which included a further decline in revenues on the Russian market, but with a much slower movement. Operating expenses of AD Plastik d.d. and AD Plastik Group record a continuing decline in almost all categories of expenses, which affects the growth of the variable gross margin.

AD Plastik Group generated an EBITDA in the amount of 75 million kunas, which is an increase compared to the same period of the previous year, when it amounted to 62.3 million kunas. Despite somewhat lower sales volume, EBITDA growth indicators of 20.39% show a constant improvement of cost efficiency of the Group, and the Group's profit shows a further increase in profitability.

Net profit of AD Plastik Group was realized in the amount of 28.1 million kunas, which is in line with the plan and is an increase, despite somewhat lower realization, compared to the realized profit in the same period of the last year.

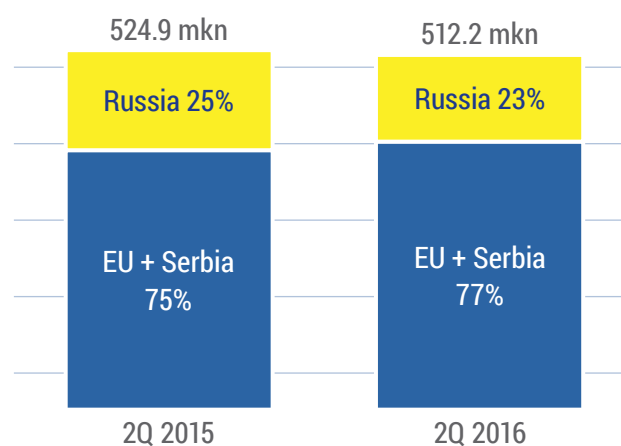
In the reporting period AD Plastik d.d. achieved operating income in the amount of 398 million kunas or 1.75% more than the income generated in the first half of 2015. As we have already pointed out in the report for the first three months of 2016, the project Edison has stabilized at slightly lower levels than they were at the start of the serial production.

Key indicators of business of AD Plastik Group

| Indicators | 2Q 2015 | 2Q 2016 | Index 16/15 |
|-------------------------------------|---------|---------|-------------|
| Operating income (in thsd. of kuna) | 524,864 | 512,181 | 97.58 |
| Sales revenue (in thsd. of kuna) | 517,813 | 496,131 | 95.81 |
| NFD (in thsd. of kuna) | 438,322 | 380,323 | 86.77 |
| EBITDA 2Q-2016 (in thsd. of kuna) | 62,303 | 75,005 | 120.39 |
| NFD/EBITDA last 4 quarters | 4.67 | 2.98 | |
| EBITDA margin | 11.87% | 14.64% | |
| Net profit margin | 5.15% | 5.49% | |

Sales revenue per sales markets of AD Plastik Group, without affiliated companies

- Increase of AD Plastik Group's revenue on the market of EU and Serbia by 0.65%
- Decrease of AD Plastik Group's revenue in Russia by 11.41%



Financial Position of AD Plastik Group

Trend of improving financial position of AD Plastik d.d. and AD Plastik Group mentioned in last few quarterly reports continues also in the first half of 2016. Cash flows and liquidity of the company are stable.

However, we must note that the euro exchange rate is not favorable for the business operation of the AD Plastik d.d., since the entire income is earned on the basis of export of products.

In contrast, the strengthening of the ruble on the Russian market has a positive effect on the business of AD Plastik Group. The positions of financial expenses partially show a generated foreign exchange differences out of comprehensive income, and the positions of financial revenues show a part of the dividends of the affiliated company Euro Auto Plastic Systems s.r.l. Mioveni, Romania. By the end of the year we expect a decision on the payment of the rest of the dividends or a total of about 47 million kunas.

In 2016, further measures are planned to optimize financial expenses. Compared to 30.06.2015, credit debt was reduced by an additional 44.1 million kunas.

Sales revenue per sales markets of AD Plastik Group, without affiliated companies (continued)

EU and Serbian markets

Solin, Zagreb,
Mladenovac

For EU market and the Serbian market we produce at the sites in Solin and Zagreb in Croatia and in Mladenovac in Serbia. Operating activities in Croatia and Serbia for the third year in a row significantly contribute to the operating results of AD Plastik Group.

In the first half of 2016 realized operating income on sites in Croatia and Serbia is slightly higher compared to the same period of the last year. Decline in revenue compared to the plan has been realized on the Serbian market, because of somewhat smaller orders for Fiat, while operating income on the Croatian market continues to grow significantly.

AD Plastik d.d. won a nomination for the production of painted instrument panel components, painted bumper components, air duct connectors and gear stick covers for the vehicle Fiat 500. Aforementioned components related to this project will be produced at three production plants of AD Plastik Group – in Solin, Zagreb and Mladenovac. According to current information from the buyer, a serial production is planned for the beginning of 2017 at the plant FCA Kragujevac in Serbia.

Expected Company's annual revenue from this project for the full year of production amounts to more than 6 million euros. This nomination is a Company's first nomination in the field of painting technology for FCA Group.

Russian market (subsidiaries)

Vintay (Togliatti), Kaluga

In the first six months of 2016 companies of the AD Plastik Group operating in the Russian Federation have achieved positive business results and revenues higher than planned, which indicates the stabilization of business in this market, although still at a low volume of production and insufficient level of utilization of production capacity.

Total production and sales of the plants in Vintay and Kaluga are intended for the market in Russia. The realization of the planned EBITDA margin and slightly improved net results of the plants is the result of permanent savings on operating costs and monthly adjustments of selling prices with changes in the euro exchange rate to the Russian ruble.

Management Board of AD Plastik Group is making significant efforts in further restructuring and a possible reorganization of business on the Russian market. For this purpose, in late June the company KZA was acceded to the company AD Plastik Kaluga, a share from one of the two remaining shareholders of AO AD Plastik, Vintay has been bought off, while the negotiations on purchase with the other shareholder are in progress.

Company AO AD Plastik, Vintay in Russia, which is a member of AD Plastik Group, won a nomination for the production of injection molded interior trims for the vehicle Ford EcoSport. Aforementioned products related to this project will be produced at the AD Plastik Group's plant in Vintay, Russia. According to current information from the buyer, a serial production is planned for mid-2017 at the plant Ford Sollers, Naberezhnye Chelny in Russia.

Expected annual revenue from this project for the full year of production amounts to 1.5 million euros. Aforementioned Company's nomination creates the opportunity to compete for the other models produced by mentioned manufacturer.

AD Plastik Group with consolidation of the corresponding ownership parts in affiliated companies

Euro APS,
FADP Holding,
Center for research and development of automotive industry

With the aim of obtaining a clearer picture of business of AD Plastik Group, we have created an abbreviated consolidated profit and loss account for the first six months of 2015 and 2016 with consolidated profit and loss account of affiliated companies Euro Auto Plastic Systems s.r.l. Mioveni, Romania (50% of ownership of AD Plastik d.d.), Faurecia ADP, Luga, Russia (40% of ownership AD Plastik d.d.), and Center for research and development of automotive industry Croatia (24% of ownership AD Plastik d.d.).

Profit and loss account of AD Plastik Group

with consolidation of the corresponding ownership parts in affiliated companies for the first six months in 2015 and 2016 in thsd. of kuna

| Positions | 2Q 2015 | 2Q 2016 | Index |
|-----------------------------|----------------|----------------|------------|
| OPERATING REVENUES | 761,729 | 735,953 | 97 |
| OPERATING EXPENSES | 715,235 | 667,246 | 93 |
| Material costs | 473,417 | 430,123 | 91 |
| Staff costs | 121,059 | 115,873 | 96 |
| Amortization | 42,695 | 42,557 | 100 |
| Other costs | 78,064 | 78,693 | 101 |
| FINANCIAL REVENUE | 65,009 | 16,182 | 25 |
| FINANCIAL EXPENSES | 79,812 | 50,383 | 63 |
| TOTAL REVENUE | 826,738 | 752,135 | 91 |
| TOTAL EXPENSES | 795,047 | 717,629 | 90 |
| Profit before tax | 31,691 | 34,506 | 109 |
| Profit tax | 4,684 | 6,377 | 136 |
| PROFIT OF THE PERIOD | 27,007 | 28,129 | 104 |
| EBITDA | 89,189 | 111,264 | 125 |

Results of affiliated companies Euro Auto Plastic Systems s.r.l. Mioveni, Romania (50% of ownership of AD Plastik d.d.), Faurecia ADP, Luga, Russia (40% of ownership of AD Plastik d.d.) and Center for research and development of automotive industry Croatia (24% of ownership of AD Plastik d.d.), are included in the results of AD Plastik Group by equity method.

As it is seen from the table the operating income of AD Plastik Group with consolidated corresponding part ownership in affiliated companies has recorded a slight decrease of 3% compared to the same period of the last year. EBITDA in the same period recorded an increase of 25% compared to the same period of the last year and totaled 111.3 million kunas.

Affiliated companies have no financial liabilities arising from credits to external entities, except the liabilities arising from credits obtained from the owner.

Other information

Resignation of AD Plastik Management Board member

On April 06, 2016, **Denis Fusek** resigned from his duty as a member of the Management Board of AD Plastik d.d. for personal reasons with the termination of mandate on April 30, 2016.

New Supervisory Board members of AD Plastik d.d.

At the meeting held on July 14, 2016 the General Assembly of Shareholders of AD PLASTIK d.d. (hereinafter: the Company) passed the decision on the election of two new members of the Supervisory Board of the Company, as follows:

Ivica Tolić, Law Graduate and **Hrvoje Jurišić**, Graduate Engineer of Industrial Management. Term of office of the elected members of the Supervisory Board starts on July 20, 2016 and lasts for 4 (four) years.

Expiration of term of office for Supervisory board members of Ad Plastik d.d.

Term of office of the current President of the Supervisory Board of AD PLASTIK d.d. **Josip Boban** and the Deputy President of the Supervisory Board **Nikola Zovko** expired on July 19, 2016.

Appointment of the Management Board Members of AD Plastik d.d.

At the meeting held on July 14, 2016, the Supervisory Board of the Company, among other things, passed a decision on the appointment of the Management Board Members of the Company as follows:

- **Marinko Došen**, President of the Management Board;
- **Katija Klepo**, Member of the Management Board - Sales and Strategic Purchasing;
- **Sanja Biočić**, Member of the Management Board - Finance, Accounting, Controlling and IT.
- **Mladen Peroš**, Member of the Management Board - Development & Research and purchase of tools;

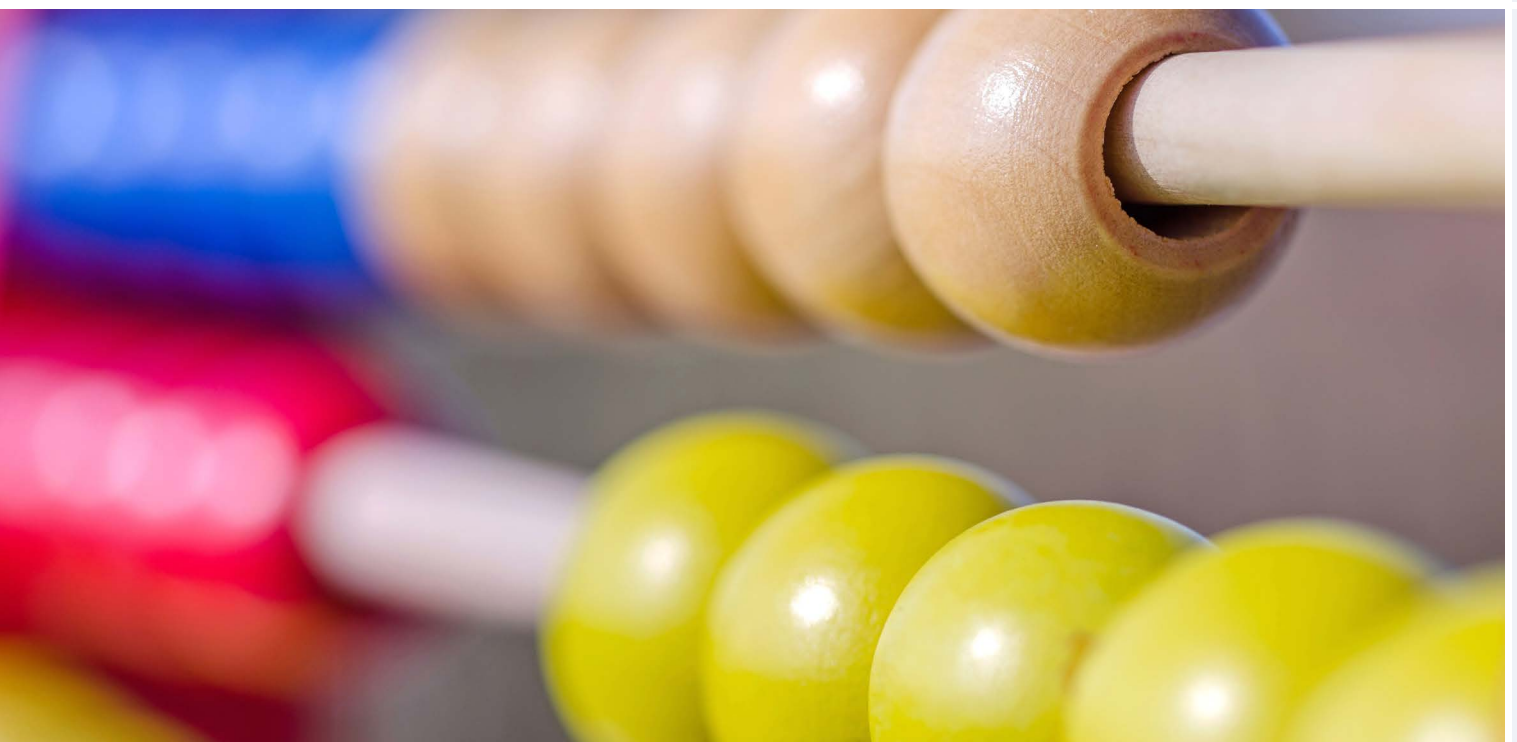
Term of office of the Management Board President and the Management Board members shall last for 4 (four) years as from July 20, 2016.

Term of office of Members of the Management Board **Ivica Tolić** and **Hrvoje Jurišić** expired on July 19, 2016 and their term of office as Members of the Supervisory Board of the Company began on July 20, 2016.

B

Financial statement of AD Plastik Group

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Appendix 1

Quarterly Financial Report, AD Plastik Group

Reporting period: 01.01.2016. to 30.06.2016.

Quarterly Financial Report of the entrepreneur TFI-POD

| | | |
|--|--------------------------|----------------------|
| Register number (MB): | 03440494 | |
| Entity register number (MBS): | 060007090 | |
| Personal identification number (PIN): | 48351740621 | |
| Issuing company: | AD PLASTIK d.d. | |
| Post code and place: | 21210 | Solin |
| Street and house number: | Matoševa 8 | |
| E-mail address: | informacije@adplastik.hr | |
| Internet address: | www.adplastik.hr | |
| Municipality/city code and name: | 406 | Solin |
| County code and name: | 17 | Splitsko-dalmatinska |
| No. of employees (at the end of the reporting period): | 2,134 | |
| Consolidated report: | YES | NCA code: 2932 |

| Names of consolidation subjects (according to IMSF): | Seat: | REG. NO.: |
|--|----------------------------|---------------|
| AD PLASTIK d.d. | Solin, Croatia | 03440494 |
| AO AD PLASTIK | Samara, Russian Federation | 1036300221935 |
| AD PLASTIK d.o.o. | Novo Mesto, Slovenia | 1214985000 |
| ZAO AD PLASTIK KALUGA | Kaluga, Russian Federation | 1074710000320 |
| ADP d.o.o. | Mladenovac, Serbia | 20787538 |

Bookkeeping service:

| | |
|---|-----------------------------|
| Contact person: | Krešimir Jurun |
| (only the name and surname of the contact person to be entered) | |
| Telephone: | 021/206-663 |
| Fax: | 021/275-663 |
| E-mail address: | kresimir.jurun@adplastik.hr |
| Name and surname: | Sanja Biočić |
| (person authorised for representation) | |

Documentation for publishing:

1. Financial statements (balance sheet, profit and loss statement, cash flow statement, changes in equity and notes to financial statements)
2. Interim report
3. Statement of the person responsible for compiling financial statements

Place of the seal

(signature of the person
authorised for representation)

Balance sheet

as at 30.06.2016.
Taxpayer: AD Plastik Group

| | Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|---------------|--|---------------|-----------------------|----------------------|
| ASSETS | | | | |
| A | RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | | |
| B | FIXED ASSETS (003+010+020+029+033) | 002 | 1,005,948,798 | 973,692,309 |
| | I. Intangible assets (004 up to 009) | 003 | 133,591,715 | 126,222,033 |
| | 1 Development costs | 004 | 80,546,532 | 75,853,280 |
| | 2 Concessions, patents, licenses, trademarks, softwares and other rights | 005 | 3,564,101 | 3,171,115 |
| | 3 Goodwill | 006 | 7,612,311 | 8,383,085 |
| | 4 Advances for purchase of intangible assets | 007 | | |
| | 5 Intangible assets in preparation | 008 | 38,230,588 | 35,416,750 |
| | 6 Other intangible assets | 009 | 3,638,183 | 3,397,803 |
| | II. Tangible assets (011 up to 019) | 010 | 695,403,772 | 702,323,379 |
| | 1 Land | 011 | 141,133,105 | 143,155,550 |
| | 2 Buildings | 012 | 261,882,421 | 269,982,838 |
| | 3 Plants and machinery | 013 | 266,826,200 | 255,516,663 |
| | 4 Tools, plant & office inventory, furniture & transport means | 014 | 14,919,960 | 14,922,954 |
| | 5 Biological assets | 015 | | |
| | 6 Payments on account for tangible assets | 016 | 23,415 | 176,193 |
| | 7 Tangible assets in preparation | 017 | 10,543,917 | 18,344,238 |
| | 8 Other tangible assets | 018 | 74,754 | 224,943 |
| | 9 Investment in real estate | 019 | | |
| | III. Fixed financial assets (021 up to 028) | 020 | 132,592,958 | 107,215,898 |
| | 1 Shares in affiliated undertakings | 021 | | |
| | 2 Loans to affiliated undertakings | 022 | | |
| | 3 Participating interests (shares) | 023 | 86,507,627 | 85,434,250 |
| | 4 Given loans to companies in which exist participating interests | 024 | 37,733,977 | 13,596,950 |
| | 5 Investments in securities | 025 | 61,700 | 61,700 |
| | 6 Other loans, deposits etc | 026 | 8,289,654 | 8,122,998 |
| | 7 Other fixed financial assets | 027 | | |
| | 8 Investment stated in equity method | 028 | | |
| | IV. Receivables (030 up to 032) | 029 | 14,175,985 | 15,583,907 |
| | 1 Receivables from associated undertakings | 030 | | |
| | 2 Receivables from sales on credit | 031 | | |
| | 3 Other receivables | 032 | 14,175,985 | 15,583,907 |
| | V. Deferred tax assets | 033 | 30,184,368 | 22,347,092 |
| C | CURRENT ASSETS (035+043+050+058) | 034 | 294,238,847 | 360,728,238 |
| | I. Inventory (036 up to 042) | 035 | 97,786,225 | 99,638,800 |
| | 1 Materials and supplies | 036 | 65,038,743 | 70,648,436 |
| | 2 Work in progress | 037 | 4,263,670 | 5,769,242 |
| | 3 Finished goods | 038 | 18,576,488 | 15,297,110 |
| | 4 Commercial goods | 039 | 9,907,324 | 7,924,012 |
| | 5 Advances for inventories | 040 | | |
| | 6 Long term assets held for sale | 041 | | |
| | 7 Biological assets | 042 | | |
| | II. Receivables (044 up to 049) | 043 | 177,953,111 | 206,593,940 |
| | 1 Receivables from associated undertakings | 044 | | |
| | 2 Trade receivables | 045 | 137,336,315 | 157,449,414 |
| | 3 Receivables from participating companies | 046 | 6,408,483 | 11,067,047 |
| | 4 Receivables from employees and members of the business | 047 | 382,197 | 560,748 |
| | 5 Receivables from government and other institutions | 048 | 10,182,444 | 12,375,913 |
| | 6 Other receivables | 049 | 23,643,672 | 25,140,818 |
| | III. Current financial assets (051 up to 057) | 050 | 6,115,737 | 36,705,827 |
| | 1 Shares in affiliated undertakings | 051 | | |
| | 2 Loans to affiliates | 052 | | |
| | 3 Participating interests (shares) | 053 | | |
| | 4 Given loans to companies in which exist participating interests | 054 | | 27,957,727 |
| | 5 Investments in to securities | 055 | | |
| | 6 Other loans, deposits etc | 056 | 6,115,737 | 8,748,100 |
| | 7 Other financial assets | 057 | | |
| | IV. Cash at bank and in hand | 058 | 12,383,774 | 17,789,671 |
| D | PREPAYMENT AND ACCRUED INCOME | 059 | 45,189,479 | 38,302,061 |
| E | TOTAL ASSETS (001+002+034+059) | 060 | 1,345,377,124 | 1,372,722,608 |
| F | OUT-OF-BALANCE ITEMS | 061 | 29,591,225 | 30,502,777 |

Balance sheet

as at 30.06.2016.
Taxpayer: AD Plastik Group

| | Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|--------------------|--|---------------|-----------------------|----------------------|
| LIABILITIES | | | | |
| A | CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 622,955,516 | 676,717,349 |
| | I. SUBSCRIBED SHARE CAPITAL | 063 | 419,958,400 | 419,958,400 |
| | II. CAPITAL RESERVES | 064 | 183,481,905 | 183,113,293 |
| | III. RESERVES FROM GAIN (066+067-068+069+070) | 065 | 31,549,516 | 27,960,045 |
| | 1 Legal reserves | 066 | 6,139,440 | 6,139,729 |
| | 2 Reserves for own shares | 067 | 3,107,594 | 3,563,379 |
| | 3 Own stocks and shares (deductible item) | 068 | 3,107,594 | 3,563,379 |
| | 4 Statutory reserves | 069 | | |
| | 5 Other reserves | 070 | 25,410,076 | 21,820,316 |
| | IV. REVALUATION RESERVES | 071 | -72,895,692 | -34,048,597 |
| | V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074) | 072 | 14,641,039 | 51,608,732 |
| | 1 Retained earnings | 073 | 14,641,039 | 51,608,732 |
| | 2 Loss brought forward | 074 | | |
| | VI. CURRENT YEAR PROFIT OR LOSS (076-077) | 075 | 46,225,069 | 28,127,500 |
| | 1 Current year profit | 076 | 46,225,069 | 28,127,500 |
| | 2 Current year loss | 077 | | |
| | VII. MINOR INTEREST | 078 | -4,721 | -2,024 |
| B | PROVISIONS (080 up to 082) | 079 | 9,459,516 | 7,914,749 |
| | 1 Provisions for pensions, severance pay and similar obligations | 080 | 1,724,443 | 1,724,443 |
| | 2 Provisions for tax liabilities | 081 | | |
| | 3 Other provisions | 082 | 7,735,073 | 6,190,306 |
| C | LONG TERM LIABILITIES (084 up to 092) | 083 | 298,864,762 | 294,738,893 |
| | 1 Liabilities to related parties | 084 | | |
| | 2 Commitments for loans, deposits, etc | 085 | | |
| | 3 Liabilities to banks and other financial institutions | 086 | 262,592,153 | 260,080,480 |
| | 4 Liabilities for advances | 087 | | |
| | 5 Trade payables | 088 | 28,487,988 | 26,423,116 |
| | 6 Commitments on securities | 089 | | |
| | 7 Liabilities to companies in which are participating interests | 090 | | |
| | 8 Other long term liabilities | 091 | | |
| | 9 Deferred tax liabilities | 092 | 7,784,621 | 8,235,297 |
| D | SHORT TERM LIABILITIES (094 do 105) | 093 | 396,477,901 | 382,357,635 |
| | 1 Liabilities to related parties | 094 | | |
| | 2 Commitments for loans, deposits, etc | 095 | 1,983,051 | |
| | 3 Liabilities to banks and other financial institutions | 096 | 161,117,273 | 143,636,486 |
| | 4 Liabilities for advances | 097 | 23,613,360 | 24,961,172 |
| | 5 Trade payables | 098 | 180,510,796 | 186,615,319 |
| | 6 Commitments on securities | 099 | | |
| | 7 Liabilities to companies in which are participating interests | 100 | 896,374 | 873,543 |
| | 8 Liabilities towards employees | 101 | 9,898,976 | 9,732,121 |
| | 9 Liabilities for taxes, contributions and other benefits | 102 | 15,041,837 | 13,106,357 |
| | 10 Liabilities to share in the result | 103 | 27,856 | 27,856 |
| | 11 Amount based on fixed assets intended to sale | 104 | | |
| | 12 Other short-term liabilities | 105 | 3,388,378 | 3,404,781 |
| E | DEFERRED PAYMENT OF COSTS AND FUTURE INCOME | 106 | 17,619,429 | 10,993,982 |
| F | TOTAL LIABILITIES (062+079+083+093+106) | 107 | 1,345,377,124 | 1,372,722,608 |
| G | OUT-OF BALANCE ITEMS | 108 | 29,591,225 | 30,502,777 |

ADDENDUM TO BALANCE SHEET(filled in by the entrepreneur compiling the consolidated annual financial statement)

| | | | | |
|----------|---|-----|-------------|-------------|
| A | CAPITAL AND RESERVES | | | |
| | 1 Ascribed to the holders of the parent company capital | 109 | 622,960,237 | 676,719,373 |
| | 2 Ascribed to minority interest | 110 | -4,721 | -2,024 |

Note 1: Appendix to Balance sheet fill companies who make consolidated financial statements.

Profit and loss account

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period | | Current period | |
|--|------------------|--------------------|--------------------|--------------------|--------------------|
| | | Cumulative 3 | Quarter 4 | Cumulative 5 | Quarter 6 |
| I. OPERATING TURNOVER (112+113) | 111 | 524,863,979 | 263,459,220 | 512,181,415 | 254,034,288 |
| 1 Income from sales | 112 | 517,813,200 | 258,293,858 | 496,130,747 | 244,791,078 |
| 2 Other operating income | 113 | 7,050,779 | 5,165,362 | 16,050,668 | 9,243,210 |
| II. OPERATING CHARGES (115+116+120+124+125+126+129+130) | 114 | 498,501,103 | 251,302,471 | 474,648,359 | 233,509,911 |
| 1 Changes in the value of inventories of work in progress and finished goods | 115 | 2,064,463 | -2,648,232 | 2,951,494 | 1,752,590 |
| 2 Material charges (117 up to 119) | 116 | 325,333,383 | 164,786,974 | 297,081,443 | 138,040,671 |
| a Costs of raw materials and consumables | 117 | 265,165,446 | 133,183,309 | 254,273,261 | 128,680,379 |
| b Costs of sales | 118 | 26,192,502 | 12,746,116 | 10,462,737 | -4,170,970 |
| c Other external charges | 119 | 33,975,435 | 18,857,549 | 32,345,445 | 13,531,262 |
| 3 Staff costs (121 up to 123) | 120 | 89,784,450 | 45,195,335 | 84,593,087 | 42,856,372 |
| a Salaries and wages | 121 | 55,194,201 | 27,725,052 | 52,012,606 | 26,424,095 |
| b Costs of taxes and social security | 122 | 19,317,904 | 9,771,274 | 18,589,322 | 9,309,093 |
| c Duties on wages | 123 | 15,272,345 | 7,699,009 | 13,991,159 | 7,123,184 |
| 4 Depreciation | 124 | 35,940,285 | 18,168,731 | 37,472,318 | 18,571,324 |
| 5 Other costs | 125 | 40,234,533 | 22,294,892 | 44,430,127 | 30,432,034 |
| 6 Impairment (127+128) | 126 | 0 | 0 | 0 | 0 |
| a Fixed assets (excluding financial assets) | 127 | | | | |
| b Current assets (excluding financial assets) | 128 | | | | |
| 7 Provisions | 129 | | | | -2,341 |
| 8 Other operating expenses | 130 | 5,143,989 | 3,504,771 | 8,119,890 | 1,859,261 |
| III. FINANCIAL INCOME (132 up to 136) | 131 | 69,582,764 | 29,525,191 | 16,181,716 | 2,345,945 |
| 1 Interests, exchange rate difference, dividends with affiliates | 132 | 46,644,538 | 19,985,912 | 2,959,289 | -5,926,641 |
| 2 Interests, exchange rate difference, dividends with non-affiliates | 133 | 18,327,706 | 6,930,051 | 10,628,090 | 6,822,335 |
| 3 Part of income from affiliates and participated interests | 134 | 4,610,520 | 2,609,228 | 2,594,337 | 1,450,251 |
| 4 Non-realized financial income | 135 | | | | |
| 5 Other financial income | 136 | | | | |
| IV. FINANCIAL CHARGES (138 up to 141) | 137 | 80,865,692 | 36,505,395 | 45,252,424 | 18,544,299 |
| 1 Interests, exchange rate difference, dividends with affiliates | 138 | 49,443,053 | 20,163,487 | 9,050,753 | -2,016,245 |
| 2 Interests, exch. rate difference, dividends with non-affiliates | 139 | 31,101,689 | 16,101,236 | 36,201,671 | 20,560,544 |
| 3 Non-realized financial charges | 140 | | | | |
| 4 Other financial charges | 141 | 320,950 | 240,672 | | |
| V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES | 142 | 23,788,156 | 13,527,052 | 19,728,436 | 9,265,751 |
| VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES | 143 | 11,872,034 | 6,022,226 | | |
| VII. EXTRAORDINARY – OTHER INCOME | 144 | | | | |
| VIII. EXTRAORDINARY – OTHER CHARGES | 145 | | | | |
| IX. TOTAL INCOME (111+131+142 + 144) | 146 | 618,234,899 | 306,511,463 | 548,091,567 | 265,645,984 |
| X. TOTAL CHARGES (114+137+143 + 145) | 147 | 591,238,829 | 293,830,092 | 519,900,781 | 252,054,210 |
| XI. PROFIT OR LOSS BEFORE TAXATION (146-147) | 148 | 26,996,070 | 12,681,371 | 28,190,786 | 13,591,774 |
| 1 Profit before taxation (146-147) | 149 | 26,996,070 | 12,681,371 | 28,190,786 | 13,591,774 |
| 2 Loss before taxation (147-146) | 150 | 0 | 0 | 0 | 0 |
| XII. PROFIT TAX | 151 | -11,265 | -11,265 | 62,025 | 20,990 |
| XIII. PROFIT OR LOSS FOR THE PERIOD (148-151) | 152 | 27,007,335 | 12,692,636 | 28,128,761 | 13,570,784 |
| 1 PROFIT FOR THE PERIOD (149-151) | 153 | 27,007,335 | 12,692,636 | 28,128,761 | 13,570,784 |
| 2 LOSS FOR THE PERIOD (151-148) | 154 | 0 | 0 | 0 | 0 |

Profit and loss account

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period | | Current period | |
|-----------|------------------|------------------|--------------|-----------------|--------------|
| | | Cumulative 3 | Quarter 4 | Cumulative 5 | Quarter 6 |

ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)

| XIV. | PROFIT OR LOSS FOR THE CURRENT PERIOD | | | | | |
|------|---------------------------------------|-----|------------|------------|------------|------------|
| 1 | Attributable to equity holders | 155 | 27,003,856 | 12,691,711 | 28,127,500 | 13,570,366 |
| 2 | Attributable to minority interests | 156 | 3,480 | 926 | 1,261 | 418 |

Report for other comprehensive income (only for the taxpayer applying IFRS)

| | | | | | | |
|------|--|-----|------------|-------------|------------|------------|
| I. | PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152) | 157 | 27,007,336 | 12,692,637 | 28,128,761 | 13,570,785 |
| II. | OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165) | 158 | 31,456,558 | 28,069,635 | 28,732,774 | 21,329,215 |
| | 1 Exchange differences on translation of foreign operations | 159 | 34,004,950 | 98,104,613 | 26,903,829 | 16,833,494 |
| | 2 Movements in revaluation reserves of fixed and intangible assets | 160 | -2,548,392 | -70,034,978 | 1,828,945 | 4,495,721 |
| | 3 Profit or loss from revaluation of financial assets available for sale | 161 | | | | |
| | 4 Gains or losses on effective cash flow protection | 162 | | | | |
| | 5 Gains or losses on effective hedge of a net investment abroad | 163 | | | | |
| | 6 Share of 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 CURRENT PERIOD | 166 | 6,291,820 | 5,654,803 | 5,656,626 | 4,174,333 |
| IV. | OTHER COMPREHENSIVE NET PROFIT OR LOSS (158-166) | 167 | 25,164,738 | 22,414,832 | 23,076,148 | 17,154,882 |
| V. | OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167) | 168 | 52,172,074 | 35,107,469 | 51,204,909 | 30,725,667 |

ADDENDUM to Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual financial statement)

| VI. | OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD | | | | | |
|-----|---|-----|------------|------------|------------|------------|
| 1 | Attributable to equity holders | 169 | 52,385,804 | 35,319,807 | 51,198,580 | 30,722,085 |
| 2 | Attributable to minority interests | 170 | 9,770 | 11,162 | 6,329 | 3,582 |

Cash flow statement indirect method

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|--|---------------|-----------------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1 Profit before taxation | 001 | 26,996,071 | 28,190,786 |
| 2 Depreciation | 002 | 35,940,285 | 37,472,318 |
| 3 Increase of current liabilities | 003 | | 10,168,644 |
| 4 Decrease of current receivables | 004 | | |
| 5 Decrease in stocks | 005 | | |
| 6 Other increase of cash flow | 006 | 16,016,343 | 45,703,064 |
| I. Total increase of cash flow from operating activities (001 - 006) | 007 | 78,952,698 | 121,534,812 |
| 1 Decrease of current liabilities | 008 | 11,261,701 | |
| 2 Increase of current receivables | 009 | 56,732,061 | 43,690,698 |
| 3 Increase in stocks | 010 | 1,139,966 | 1,852,575 |
| 4 Other decrease of cash flow | 011 | 959,956 | 20,462,752 |
| II. Total decrease of cash flow from operating activities (008 - 011) | 012 | 70,093,684 | 66,006,025 |
| A1 NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 013 | 8,859,014 | 55,528,786 |
| A2 NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 014 | 0 | 0 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| 1 Cash inflows from sale of fixed intangible and tangible assets | 015 | | 7,555,445 |
| 2 Cash inflows from sale of ownership and debt instruments | 016 | | 128,500 |
| 3 Cash inflows from interest | 017 | 899,448 | |
| 4 Cash inflows from dividends | 018 | 20,899,237 | 14,921,369 |
| 5 Other cash inflows from investment activities | 019 | 19,404,122 | 615,000 |
| III. Total cash inflows from investment activities (015-019) | 020 | 41,202,807 | 23,220,314 |
| 1 Cash expenditures for purchase of fixed tangible and intangible assets | 021 | 32,815,015 | 26,990,825 |
| 2 Cash expenditures for acquisition of ownership and debt instruments | 022 | | |
| 3 Other cash expenditures from investment activities | 023 | | 3,274,776 |
| IV. Total cash expenditures from investment activities (021-023) | 024 | 32,815,015 | 30,265,601 |
| B1 NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024) | 025 | 8,387,792 | 0 |
| B2 NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020) | 026 | 0 | 7,045,287 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | | | |
| 1 Cash inflows from issuing ownership and debt financial instruments | 027 | | |
| 2 Cash inflows from credit principal, debentures, loans and other borrowings | 028 | 125,820,803 | 66,533,807 |
| 3 Other inflows from financial activities | 029 | 30,047,158 | |
| V. Total cash inflows from financial activities (027-029) | 030 | 155,867,961 | 66,533,807 |
| 1 Cash expenditures for the payment of credit principal and debentures | 031 | 172,398,399 | 91,968,068 |
| 2 Cash expenditures for the payment of dividends | 032 | | 16,671,288 |
| 3 Cash expenditures for financial lease | 033 | | 972,053 |
| 4 Cash expenditures for repurchase of own shares | 034 | | |
| 5 Other cash expenditures from financial activities | 035 | | |
| VI. Total cash expenditures from financial activities (031-035) | 036 | 172,398,399 | 109,611,409 |
| C1 NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036) | 037 | 0 | 0 |
| C2 NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030) | 038 | 16,530,438 | 43,077,602 |
| Total cash flow increase (013-014+025-026+037-038) | 039 | 716,368 | 5,405,897 |
| Total cash flow decrease (014-013+026-025+038-037) | 040 | | |
| Cash and cash equivalents at the beginning of the period | 041 | 7,805,591 | 12,383,774 |
| Cash and cash equivalents increase | 042 | 716,368 | 5,405,897 |
| Cash and cash equivalents decrease | 043 | | |
| Cash and cash equivalents at the end of the period | 044 | 8,521,959 | 17,789,671 |

Statement of changes in equity

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding year 3 | Current period 4 |
|---|---------------|---------------------|---------------------|
| 1 Subscribed capital | 001 | 419,958,400 | 419,958,400 |
| 2 Capital reserves | 002 | 183,512,721 | 183,113,293 |
| 3 Reserves from profit | 003 | 32,062,636 | 27,960,045 |
| 4 Retained profit or loss carried over | 004 | 32,708,084 | 51,608,732 |
| 5 Current year profit or loss | 005 | 27,003,856 | 28,127,500 |
| 6 Revalorisation of fixed material assets | 006 | | 27,383,349 |
| 7 Revalorisation of intangible assets | 007 | | |
| 8 Revalorisation of financial assets available for sale | 008 | | |
| 9 Other revalorisation | 009 | -18,213,827 | -61,431,946 |
| 10 Total equity and reserves (AOP 001-009) | 010 | 677,031,870 | 676,719,373 |
| 11 Exchange rate variations from net investments into foreign business operations | 011 | 34,004,950 | 26,903,829 |
| 12 Current and deferred taxes (part) | 012 | -6,291,820 | -5,656,626 |
| 13 Cash flow protection | 013 | | |
| 14 Changes in bookkeeping policies | 014 | | |
| 15 Correction of significant mistakes from the previous period | 015 | | |
| 16 Other changes to capital | 016 | -2,548,392 | 32,514,630 |
| 17 Total equity increase or decrease (AOP 011 - 016) | 017 | 25,164,738 | 53,761,833 |
| 17 a Ascribed to holders of the holders company capital | 018 | 677,031,693 | 53,755,834 |
| 17 b Ascribed to minority interest | 019 | 177 | 5,999 |

Items reducing Capital are entered with negative sign.

Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.

C

Financial statement of the Company AD Plastik d.d.

| | |
|--------------------------------|----|
| Balance sheet | 22 |
| Profit and loss account | 24 |
| Cash flow (indirect method) | 26 |
| Statement of changes in equity | 27 |



Appendix 1

Quarterly Financial Report, AD Plastik d.d.

Reporting period: 01.01.2016. to 30.06.2016.

Quarterly Financial Report of the entrepreneur TFI-POD

| | | |
|--|--------------------------|----------------------|
| Register number (MB): | 03440494 | |
| Entity register number (MBS): | 060007090 | |
| Personal identification number (PIN): | 48351740621 | |
| Issuing company: | AD PLASTIK d.d. | |
| Post code and place: | 21210 | Solin |
| Street and house number: | Matoševa 8 | |
| E-mail address: | informacije@adplastik.hr | |
| Internet address: | www.adplastik.hr | |
| Municipality/city code and name: | 406 | Solin |
| County code and name: | 17 | Splitsko-dalmatinska |
| No. of employees (at the end of the reporting period): | 1,194 | |
| Consolidated report: | NO | NCA code: 2932 |

| | | |
|--|-------|-----------|
| Names of consolidation subjects (according to IMSF): | Seat: | REG. NO.: |
| | | |
| | | |
| | | |
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| | | |
| | | |
| | | |
| | | |
| | | |

Bookkeeping service:

| | |
|---|---------------------------|
| Contact person: | Sandra Capan |
| (only the name and surname of the contact person to be entered) | |
| Telephone: | 021/206-651 |
| Fax: | 021/275-651 |
| E-mail address: | sandra.capan@adplastik.hr |
| Name and surname: | Sanja Biočić |
| (person authorised for representation) | |

Documentation for publishing:

1. Financial statements (balance sheet, profit and loss statement, cash flow statement, changes in equity and notes to financial statements)
2. Interim report
3. Statement of the person responsible for compiling financial statements

Place of the seal

(signature of the person
authorised for representation)



Balance sheet

as at 30.06.2016.
Taxpayer: AD Plastik d.d.

| | Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|---------------|--|---------------|-----------------------|----------------------|
| ASSETS | | | | |
| A | RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | | |
| B | FIXED ASSETS (003+010+020+029+033) | 002 | 1,022,628,683 | 967,883,949 |
| | I. Intangible assets (004 up to 009) | 003 | 99,185,975 | 92,985,667 |
| | 1 Development costs | 004 | 63,178,571 | 60,075,252 |
| | 2 Concessions, patents, licenses, trademarks, softwares and other rights | 005 | 1,403,157 | 1,196,831 |
| | 3 Goodwill | 006 | | |
| | 4 Advances for purchase of intangible assets | 007 | | |
| | 5 Intangible assets in preparation | 008 | 34,604,247 | 31,713,584 |
| | 6 Other intangible assets | 009 | | |
| | II. Tangible assets (011 up to 019) | 010 | 511,441,985 | 507,418,084 |
| | 1 Land | 011 | 139,976,599 | 139,976,599 |
| | 2 Buildings | 012 | 193,773,750 | 191,970,314 |
| | 3 Plants and machinery | 013 | 157,835,416 | 147,536,385 |
| | 4 Tools, plant & office inventory, furniture & transport means | 014 | 12,045,278 | 12,175,323 |
| | 5 Biological assets | 015 | | |
| | 6 Payments on account for tangible assets | 016 | | |
| | 7 Tangible assets in preparation | 017 | 7,810,942 | 15,759,463 |
| | 8 Other tangible assets | 018 | | |
| | 9 Investment in real estate | 019 | | |
| | III. Fixed financial assets (021 up to 028) | 020 | 187,263,126 | 164,587,928 |
| | 1 Shares in affiliated undertakings | 021 | 44,376,245 | 44,376,245 |
| | 2 Loans to affiliated undertakings | 022 | 75,023,792 | 76,652,474 |
| | 3 Participating interests (shares) | 023 | 21,779,205 | 21,779,155 |
| | 4 Given loans to companies in which exist participating interests | 024 | 37,733,977 | 13,596,950 |
| | 5 Investments in securities | 025 | 61,700 | 61,700 |
| | 6 Other loans, deposits etc | 026 | 8,288,207 | 8,121,404 |
| | 7 Other fixed financial assets | 027 | | |
| | 8 Investment stated in equity method | 028 | | |
| | IV. Receivables (030 up to 032) | 029 | 212,619,383 | 194,060,953 |
| | 1 Receivables from associated undertakings | 030 | 198,443,398 | 178,477,046 |
| | 2 Receivables from sales on credit | 031 | | |
| | 3 Other receivables | 032 | 14,175,985 | 15,583,907 |
| | V. Deferred tax assets | 033 | 12,118,214 | 8,831,317 |
| C | CURRENT ASSETS (035+043+050+058) | 034 | 213,790,616 | 280,190,681 |
| | I. Inventory (036 up to 042) | 035 | 50,539,344 | 48,544,412 |
| | 1 Materials and supplies | 036 | 35,086,842 | 34,556,133 |
| | 2 Work in progress | 037 | 3,416,353 | 3,663,218 |
| | 3 Finished goods | 038 | 9,812,364 | 7,966,529 |
| | 4 Commercial goods | 039 | 2,223,785 | 2,358,532 |
| | 5 Advances for inventories | 040 | | |
| | 6 Long term assets held for sale | 041 | | |
| | 7 Biological assets | 042 | | |
| | II. Receivables (044 up to 049) | 043 | 142,268,895 | 180,605,745 |
| | 1 Receivables from associated undertakings | 044 | 11,253,092 | 34,636,539 |
| | 2 Trade receivables | 045 | 101,416,624 | 109,680,102 |
| | 3 Receivables from participating companies | 046 | 4,883,018 | 9,623,960 |
| | 4 Receivables from employees and members of the business | 047 | 302,213 | 383,698 |
| | 5 Receivables from government and other institutions | 048 | 5,254,298 | 6,053,153 |
| | 6 Other receivables | 049 | 19,159,650 | 20,228,293 |
| | III. Current financial assets (051 up to 057) | 050 | 17,568,690 | 44,669,839 |
| | 1 Shares in affiliated undertakings | 051 | | |
| | 2 Loans to affiliates | 052 | 13,368,967 | 13,154,802 |
| | 3 Participating interests (shares) | 053 | | |
| | 4 Given loans to companies in which exist participating interests | 054 | | 27,957,727 |
| | 5 Investments in to securities | 055 | | |
| | 6 Other loans, deposits etc | 056 | 4,199,723 | 3,557,310 |
| | 7 Other financial assets | 057 | | |
| | IV. Cash at bank and in hand | 058 | 3,413,687 | 6,370,685 |
| D | PREPAYMENT AND ACCRUED INCOME | 059 | 36,922,559 | 28,992,379 |
| E | TOTAL ASSETS (001+002+034+059) | 060 | 1,273,341,858 | 1,277,067,009 |
| F | OUT-OF-BALANCE ITEMS | 061 | 4,592,542 | 4,762,751 |

Balance sheet

as at 30.06.2016.
Taxpayer: AD Plastik d.d.

| | Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|--------------------|--|---------------|-----------------------|----------------------|
| LIABILITIES | | | | |
| A | CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 644,971,641 | 668,724,823 |
| | I. SUBSCRIBED SHARE CAPITAL | 063 | 419,958,400 | 419,958,400 |
| | II. CAPITAL RESERVES | 064 | 183,075,797 | 183,075,797 |
| | III. RESERVES FROM GAIN (066+067-068+069+070) | 065 | 31,538,928 | 27,592,011 |
| | 1 Legal reserves | 066 | 6,128,852 | 6,128,852 |
| | 2 Reserves for own shares | 067 | 3,107,594 | 3,563,379 |
| | 3 Own stocks and shares (deductible item) | 068 | 3,107,594 | 3,563,379 |
| | 4 Statutory reserves | 069 | | |
| | 5 Other reserves | 070 | 25,410,076 | 21,463,159 |
| | IV. REVALUATION RESERVES | 071 | -34,876,517 | -16,774,803 |
| | V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074) | 072 | 12,724,371 | 32,550,662 |
| | 1 Retained earnings | 073 | 12,724,371 | 32,550,662 |
| | 2 Loss brought forward | 074 | | |
| | VI. CURRENT YEAR PROFIT OR LOSS (076-077) | 075 | 32,550,662 | 22,322,756 |
| | 1 Current year profit | 076 | 32,550,662 | 22,322,756 |
| | 2 Current year loss | 077 | | |
| | VII. MINOR INTEREST | 078 | | |
| B | PROVISIONS (080 up to 082) | 079 | 8,914,024 | 7,314,024 |
| | 1 Provisions for pensions, severance pay and similar obligations | 080 | 1,724,443 | 1,724,443 |
| | 2 Provisions for tax liabilities | 081 | | |
| | 3 Other provisions | 082 | 7,189,581 | 5,589,581 |
| C | LONG TERM LIABILITIES (084 up to 092) | 083 | 265,493,900 | 263,835,346 |
| | 1 Liabilities to related parties | 084 | | |
| | 2 Commitments for loans, deposits, etc | 085 | | |
| | 3 Liabilities to banks and other financial institutions | 086 | 246,080,090 | 243,528,102 |
| | 4 Liabilities for advances | 087 | | |
| | 5 Trade payables | 088 | 19,263,124 | 18,918,026 |
| | 6 Commitments on securities | 089 | | |
| | 7 Liabilities to companies in which are participating interests | 090 | | |
| | 8 Other long term liabilities | 091 | | |
| | 9 Deferred tax liabilities | 092 | 150,686 | 1,389,218 |
| D | SHORT TERM LIABILITIES (094 do 105) | 093 | 338,674,802 | 329,285,349 |
| | 1 Liabilities to related parties | 094 | 17,875,305 | 18,675,062 |
| | 2 Commitments for loans, deposits, etc | 095 | | |
| | 3 Liabilities to banks and other financial institutions | 096 | 141,457,550 | 132,910,115 |
| | 4 Liabilities for advances | 097 | 6,826,368 | 8,726,518 |
| | 5 Trade payables | 098 | 155,575,261 | 154,735,665 |
| | 6 Commitments on securities | 099 | | |
| | 7 Liabilities to companies in which are participating interests | 100 | 7,808 | 5,020 |
| | 8 Liabilities towards employees | 101 | 8,045,263 | 7,595,179 |
| | 9 Liabilities for taxes, contributions and other benefits | 102 | 6,190,380 | 3,940,100 |
| | 10 Liabilities to share in the result | 103 | 27,856 | 27,856 |
| | 11 Amount based on fixed assets intended to sale | 104 | | |
| | 12 Other short-term liabilities | 105 | 2,669,011 | 2,669,834 |
| E | DEFERRED PAYMENT OF COSTS AND FUTURE INCOME | 106 | 15,287,491 | 7,907,467 |
| F | TOTAL LIABILITIES (062+079+083+093+106) | 107 | 1,273,341,858 | 1,277,067,009 |
| G | OUT-OF BALANCE ITEMS | 108 | 4,592,542 | 4,762,751 |

ADDENDUM TO BALANCE SHEET(filled in by the entrepreneur compiling the consolidated annual financial statement)

| | | | | |
|----------|---|-----|--|--|
| A | CAPITAL AND RESERVES | | | |
| | 1 Ascribed to the holders of the parent company capital | 109 | | |
| | 2 Ascribed to minority interest | 110 | | |

Note 1: Appendix to Balance sheet fill companies who make consolidated financial statements.

Profit and loss account

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period | | Current period | |
|--|------------------|--------------------|--------------------|--------------------|--------------------|
| | | Cumulative 3 | Quarter 4 | Cumulative 5 | Quarter 6 |
| I. OPERATING TURNOVER (112+113) | 111 | 391,131,603 | 185,558,399 | 397,975,290 | 206,090,659 |
| 1 Income from sales | 112 | 387,061,508 | 182,243,455 | 393,966,842 | 203,847,486 |
| 2 Other operating income | 113 | 4,070,095 | 3,314,944 | 4,008,448 | 2,243,173 |
| II. OPERATING CHARGES (115+116+120+124+125+126+129+130) | 114 | 371,386,481 | 175,234,531 | 373,398,613 | 193,932,223 |
| 1 Changes in the value of inventories of work in progress and finished goods | 115 | 961,729 | -2,282,870 | 1,598,970 | 1,253,861 |
| 2 Material charges (117 up to 119) | 116 | 255,590,543 | 120,500,061 | 245,987,357 | 121,123,540 |
| a Costs of raw materials and consumables | 117 | 201,752,120 | 93,013,419 | 191,224,084 | 93,210,946 |
| b Costs of sales | 118 | 27,443,416 | 13,293,049 | 30,425,631 | 15,559,137 |
| c Other external charges | 119 | 26,395,007 | 14,193,593 | 24,337,642 | 12,353,457 |
| 3 Staff costs (121 up to 123) | 120 | 63,043,207 | 31,489,176 | 62,981,952 | 31,509,971 |
| a Salaries and wages | 121 | 37,825,924 | 18,893,506 | 37,789,171 | 18,905,982 |
| b Costs of taxes and social security | 122 | 15,760,802 | 7,872,294 | 15,745,488 | 7,877,493 |
| c Duties on wages | 123 | 9,456,481 | 4,723,376 | 9,447,293 | 4,726,496 |
| 4 Depreciation | 124 | 21,120,759 | 9,635,750 | 24,020,299 | 11,885,086 |
| 5 Other costs | 125 | 28,641,474 | 14,703,442 | 33,050,055 | 24,981,456 |
| 6 Impairment (127+128) | 126 | 0 | 0 | 0 | 0 |
| a fixed assets (excluding financial assets) | 127 | | | | |
| b current assets (excluding financial assets) | 128 | | | | |
| 7 Provisions | 129 | | | | |
| 8 Other operating expenses | 130 | 2,028,769 | 1,188,972 | 5,759,980 | 3,178,309 |
| III. FINANCIAL INCOME (132 up to 136) | 131 | 52,883,903 | 6,491,576 | 31,704,939 | 13,193,592 |
| 1 Interests, exchange rate difference, dividends with affiliates | 132 | 2,954,319 | 1,744,095 | 2,425,456 | 1,269,489 |
| 2 Interests, exchange rate difference, dividends with non-affiliates | 133 | 3,391,874 | 2,161,351 | 6,139,116 | 5,040,782 |
| 3 Part of income from affiliates and participated interests | 134 | 46,537,710 | 2,586,130 | 23,140,367 | 6,883,321 |
| 4 Non-realized financial income | 135 | | | | |
| 5 Other financial income | 136 | | | | |
| IV. FINANCIAL CHARGES (138 up to 141) | 137 | 53,480,041 | 13,420,245 | 33,958,860 | 20,138,154 |
| 1 Interests, exchange rate difference, dividends with affiliates | 138 | 71,023 | -132,174 | 1,394,489 | 1,265,894 |
| 2 Interests, exchange rate difference, dividends with non-affiliates | 139 | 15,910,730 | 9,956,263 | 32,564,371 | 18,872,260 |
| 3 Non-realized financial charges | 140 | 37,498,288 | 3,596,156 | | |
| 4 Other financial charges | 141 | | | | |
| V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES | 142 | | | | |
| VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES | 143 | | | | |
| VII. EXTRAORDINARY – OTHER INCOME | 144 | | | | |
| VIII. EXTRAORDINARY – OTHER CHARGES | 145 | | | | |
| IX. TOTAL INCOME (111+131+142 + 144) | 146 | 444,015,506 | 192,049,975 | 429,680,229 | 219,284,251 |
| X. TOTAL CHARGES (114+137+143 + 145) | 147 | 424,866,522 | 188,654,776 | 407,357,473 | 214,070,377 |
| XI. PROFIT OR LOSS BEFORE TAXATION (146-147) | 148 | 19,148,984 | 3,395,199 | 22,322,756 | 5,213,874 |
| 1 Profit before taxation (146-147) | 149 | 19,148,984 | 3,395,199 | 22,322,756 | 5,213,874 |
| 2 Loss before taxation (147-146) | 150 | 0 | 0 | 0 | 0 |
| XII. PROFIT TAX | 151 | -11,265 | -11,265 | | |
| XIII. PROFIT OR LOSS FOR THE PERIOD (148-151) | 152 | 19,160,249 | 3,406,464 | 22,322,756 | 5,213,874 |
| 1 PROFIT FOR THE PERIOD (149-151) | 153 | 19,160,249 | 3,406,464 | 22,322,756 | 5,213,874 |
| 2 LOSS FOR THE PERIOD (151-148) | 154 | 0 | 0 | 0 | 0 |

Profit and loss account

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period | | Current period | |
|-----------|------------------|------------------|--------------|-----------------|--------------|
| | | Cumulative 3 | Quarter 4 | Cumulative 5 | Quarter 6 |

ADDENDUM TO ATS (filled in by the entrepreneur compiling the consolidated annual financial statement)

| XIV. PROFIT OR LOSS FOR THE CURRENT PERIOD | | | | | | |
|--|------------------------------------|-----|--|--|--|--|
| 1 | Attributable to equity holders | 155 | | | | |
| 2 | Attributable to minority interests | 156 | | | | |

Report for other comprehensive income (only for the taxpayer applying IFRS)

| | | | | | | |
|------|--|-----|------------|-----------|------------|-----------|
| I. | PROFIT OR LOSS FOR THE CURRENT PERIOD (= 152) | 157 | 19,160,249 | 3,406,464 | 22,322,756 | 5,213,873 |
| II. | OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAXATION (159 up to 165) | 158 | 5,656,158 | -365,715 | 3,015,632 | 3,015,632 |
| | 1 Exchange differences on translation of foreign operations | 159 | 5,656,158 | -365,715 | 3,015,632 | 3,015,632 |
| | 2 Movements in revaluation reserves of fixed and intangible assets | 160 | | | | |
| | 3 Profit or loss from revaluation of financial assets available for sale | 161 | | | | |
| | 4 Gains or losses on effective cash flow protection | 162 | | | | |
| | 5 Gains or losses on effective hedge of a net investment abroad | 163 | | | | |
| | 6 Share of 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 CURRENT PERIOD | 166 | 1,131,232 | -73,143 | 603,126 | 603,126 |
| IV. | OTHER COMPREHENSIVE NET PROFIT OR LOSS (158-166) | 167 | 4,524,926 | -292,572 | 2,412,506 | 2,412,506 |
| V. | OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD (157+167) | 168 | 23,685,175 | 3,113,892 | 24,735,262 | 7,626,379 |

ADDENDUM to Report for other comprehensive income (filled in by the entrepreneur compiling the consolidated annual financial statement)

| VI. OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD | | | | | | |
|---|------------------------------------|-----|--|--|--|--|
| 1 | Attributable to equity holders | 169 | | | | |
| 2 | Attributable to minority interests | 170 | | | | |

Cash flow statement indirect method

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding period 3 | Current period 4 |
|--|---------------|-----------------------|---------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1 Profit before taxation | 001 | 19,148,984 | 22,322,756 |
| 2 Depreciation | 002 | 21,120,759 | 24,020,299 |
| 3 Increase of current liabilities | 003 | | 3,978,305 |
| 4 Decrease of current receivables | 004 | | |
| 5 Decrease in stocks | 005 | 7,865,589 | 1,994,931 |
| 6 Other increase of cash flow | 006 | 4,050,981 | 30,264,854 |
| I. Total increase of cash flow from operating activities (001 - 006) | 007 | 52,186,313 | 82,581,145 |
| 1 Decrease of current liabilities | 008 | 4,517,738 | |
| 2 Increase of current receivables | 009 | 64,477,331 | 35,214,919 |
| 3 Increase in stocks | 010 | | |
| 4 Other decrease of cash flow | 011 | 959,956 | 13,192,194 |
| II. Total decrease of cash flow from operating activities (008 - 011) | 012 | 69,955,025 | 48,407,113 |
| A1 NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 013 | 0 | 34,174,032 |
| A2 NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007) | 014 | 17,768,712 | 0 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| 1 Cash inflows from sale of fixed intangible and tangible assets | 015 | | 3,531,596 |
| 2 Cash inflows from sale of ownership and debt instruments | 016 | | 128,500 |
| 3 Cash inflows from interest | 017 | 899,448 | 136,606 |
| 4 Cash inflows from dividends | 018 | 20,899,236 | 14,921,369 |
| 5 Other cash inflows from investment activities | 019 | 4,530,940 | 615,000 |
| III. Total cash inflows from investment activities (015-019) | 020 | 26,329,624 | 19,333,072 |
| 1 Cash expenditures for purchase of fixed tangible and intangible assets | 021 | 14,599,676 | 19,853,381 |
| 2 Cash expenditures for acquisition of ownership and debt instruments | 022 | | |
| 3 Other cash expenditures from investment activities | 023 | | |
| IV. Total cash expenditures from investment activities (021-023) | 024 | 14,599,676 | 19,853,381 |
| B1 NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (020-024) | 025 | 11,729,948 | 0 |
| B2 NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES (024-020) | 026 | 0 | 520,309 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | | | |
| 1 Cash inflows from issuing ownership and debt financial instruments | 027 | | |
| 2 Cash inflows from credit principal, debentures, loans and other borrowings | 028 | 115,160,036 | 66,533,807 |
| 3 Other inflows from financial activities | 029 | 37,498,288 | |
| V. Total cash inflows from financial activities (027-029) | 030 | 152,658,324 | 66,533,807 |
| 1 Cash expenditures for the payment of credit principal and debentures | 031 | 144,270,970 | 79,587,190 |
| 2 Cash expenditures for the payment of dividends | 032 | | 16,671,288 |
| 3 Cash expenditures for financial lease | 033 | | 972,053 |
| 4 Cash expenditures for repurchase of own shares | 034 | | |
| 5 Other cash expenditures from financial activities | 035 | | |
| VI. Total cash expenditures from financial activities (031-035) | 036 | 144,270,970 | 97,230,531 |
| C1 NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (030-036) | 037 | 8,387,354 | 0 |
| C2 NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES (036-030) | 038 | 0 | 30,696,724 |
| Total cash flow increase (013-014+025-026+037-038) | 039 | 2,348,590 | 2,956,999 |
| Total cash flow decrease (014-013+026-025+038-037) | 040 | | |
| Cash and cash equivalents at the beginning of the period | 041 | 1,800,522 | 3,413,687 |
| Cash and cash equivalents increase | 042 | 2,348,590 | 2,956,999 |
| Cash and cash equivalents decrease | 043 | | |
| Cash and cash equivalents at the end of the period | 044 | 4,149,112 | 6,370,685 |

Statement of changes in equity

Reporting period: 01.01.2016. to 30.06.2016.
Taxpayer: AD Plastik Group

| Item 1 | AOP ind. 2 | Preceding year 3 | Current period 4 |
|---|---------------|---------------------|---------------------|
| 1 Subscribed capital | 001 | 419,958,400 | 419,958,400 |
| 2 Capital reserves | 002 | 183,075,797 | 183,075,797 |
| 3 Reserves from profit | 003 | 32,050,802 | 27,592,011 |
| 4 Retained profit or loss carried over | 004 | 12,724,371 | 32,550,662 |
| 5 Current year profit or loss | 005 | 19,160,247 | 22,322,756 |
| 6 Revalorisation of fixed material assets | 006 | | |
| 7 Revalorisation of intangible assets | 007 | | |
| 8 Revalorisation of financial assets available for sale | 008 | | |
| 9 Other revalorisation | 009 | -17,980,595 | -16,774,803 |
| 10 Total equity and reserves (AOP 001-009) | 010 | 648,989,022 | 668,724,823 |
| 11 Exchange rate variations from net investments into foreign business operations | 011 | 5,656,158 | 3,015,632 |
| 12 Current and deferred taxes (part) | 012 | -1,131,232 | -603,126 |
| 13 Cash flow protection | 013 | | |
| 14 Changes in bookkeeping policies | 014 | | |
| 15 Correction of significant mistakes from the previous period | 015 | | |
| 16 Other changes to capital | 016 | | 21,340,676 |
| 17 Total equity increase or decrease (AOP 011 - 016) | 017 | 4,524,926 | 23,753,182 |
| 17 a Ascribed to holders of the holders company capital | 018 | | |
| 17 b Ascribed to minority interest | 019 | | |

Items reducing Capital are entered with negative sign.

Data under EOP codes 001 to 009 are entered as balance as at Balance Sheet date.

D

Management's statement of responsibility



Solin, July 25, 2016


Management's statement of responsibility

The financial statements of AD Plastik Group and the Company AD Plastik d.d. Solin are prepared in accordance with the International Financial Reporting Standards (IFRS) and the Croatian Law on Accounting.

The consolidated financial statements of AD Plastik Group and the financial statements of the Company AD Plastik d.d. for the period from January 1 to June 30, 2016, give a complete and true review of the assets and liabilities, profit and loss, financial position and business activities of the issuers and companies included in the consolidation as a whole.

The management report for the period until June 30, 2016, contains an accurate and true display of the development and results of the business activities of the Company with a description of the most significant risks and uncertainties to which the Company is exposed.

President of
the Management Board



Marinko Došen

Management Board Member



Sanja Biočić

The Company is registered at the Court Register of the Commercial Court of Split under the Registered Company Number (MBS): 060007090
Company Identification Number (OIB): 48351740621
IBAN: HR04 2340 0091 1101 5371 1, Privredna banka Zagreb d.d., Zagreb

The capital stock in the amount of HRK 419,958,400 was paid in full.
AD Plastik issued a total of 4,199,584 of ordinary shares, in nominal amount of HRK 100.
President of the Management Board: Marinko Došen
Management Board members: Katija Klepo, Sanja Biočić, Mladen Peroš
President of the Supervisory Board: Dmitrij Leonidovič Drandin



Your needs. Our drive.

SOLIN, JULY 2016

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