



# Ledo Group Report for the first half of 2015

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Zagreb, 30 July 2015

# **Consolidated unaudited financial statements of Ledo Group for first half of 2015**

**Interim Management Report for the first half of 2015**

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## Interim Management Report for the first half of 2015

### Ledo Group activities in first half of 2015

In the second quarter of 2015 Ledo Group continued its projects and activities in order to increase efficiency of all business processes with a focus on the production and planning of production as well as cost optimization. In the reporting period, these activities are still an important element in achieving business goals and creation of competitive advantages of the Group.

After the implementation of IT systems in the parent company Ledo d.d. Zagreb which already improved several internal processes at the end of last year and in the first quarter of this year, the project of central procurement and other activities aimed at increasing the efficiency of business processes within the Group, in the second quarter of this year Ledo Group has intensified its marketing and sales activities related to the ice cream season beginning and business expansion through export. During the above-mentioned period, company Ledo Zagreb exported its first quantities of ice cream in the United Arab Emirates and the United States of America as well as few new markets, such as Azerbaijan, Russia and Switzerland. In June this year, the first batch of ice cream has been dispatched to the United States upon signing the Cooperation Agreement between Ledo and the US retail giant Kroger spanning 2015 and 2016. Premium ice cream sticks in the multipack packaging are manufactured under premium private label "Private Selection" by Kroger, who is the second largest in the US and the fifth largest retailer in the world. The Group has confirmed its status as a reliable business partner and producer of innovative and premium ice cream, which won numerous international awards. With the US market, Ledo ice creams today can be found in over twenty markets throughout Europe, but also in Asia and Africa, which confirms competencies of the Group. Signed cooperation agreement with Kroger is considered just the beginning of conquest of new markets around the world.

Croatian company, during the reporting period, expanded and repositioned product portfolio of Frozen food group with key customers. Moreover, new products were launched in the following categories: Fish, Meat, Pastry and Ready meals. Within the above-mentioned group in the first half of the year, new campaigns such as Fish 2x per week, Ledo fitness challenge and Freshly frozen have been launched. Within the Ice

cream group numerous activities, among others, included the opening of new sales channels for impulse ice cream and strategic positioning of cooling equipment. Further development of the HORECA sales channels has been continued, expanding the number of customers and the range of products. In Serbia new sales channel has been opened, bulk sales of frozen food. Also, Frikom activities in the second quarter of 2015 included increasing the number of refrigerators for the impulse ice cream in regional and local sales channels and further development of gastronomic departments and bakeries project, similar to Ledo Zagreb. During the reporting period Frikom has intensified export activities toward Eastern Europe. In Ledo Čitluk some of the activities included more effective management of product portfolio at the point of sale and successful completion of call centre project. In Slovenia, in the first six months of this year, Ledo Ljubljana has increased the number of refrigerators combined with additional positioning of the entire assortment; whereupon Ledo has become the market leader in Impulse ice cream category.

For the new ice cream season Ledo has prepared a series of surprises and innovations, and therefore started ice cream season with 35 new ice creams among which King Chocolate Obsession stands out and celebrates 20 years of the brand existence. By consumers' choice, Silk Milk, the most popular ice cream of the 90s has been returned in Ledo assortment with the original recipe. New Ledonardo 3 was selected among 200 000 ice creams created by consumers. For the youngest Funny Bubble, Ledo Medo 2015 Animal Records were launched. In the Family ice cream category Ledo has also prepared a series of novelties. Frikom celebrates its 40th anniversary this year and on this occasion two ice creams were launched, Unique and Sweet Celebration. Similar to Ledo Zagreb, for the new ice cream season, Frikom has prepared various innovations, some of which are Macho Cheesecake, Maximo Jaffa, Sponge Bob, Limunko, Extra Raspberry Cake, King 7 Secrets and Basket... For Slovenian market a new impulse ice cream Sladki Greh and a redesigned King Quattro, which is produced exclusively for the that market were launched, as well as new campaigns "If not perfect, it's not Ledo!" that included advertising on television, the Internet, billboards and print.

### **Selected Macroeconomic Indicators on leading markets of Ledo Group**

According to the flash estimate, Central Bureau of Statistics of the Republic of Croatia published quarterly gross domestic product for the first quarter of 2015, which in real

terms, grew by 0.5 per cent compared to the same quarter of 2014. Prices of goods and services used for personal consumption, measured by consumer price index in June 2015 compared to May 2015 decreased by 0.3 per cent, while compared to June 2014 on average remained unchanged. Retail trade in May 2015, working day adjusted, was 4.1 percent higher than in May 2014.

Statistical Office of the Republic of Serbia published fall in gross domestic product in real terms in the first quarter of 2015, compared to the same period last year, which stood at 1.8 per cent. Prices of goods and services in June 2015, compared to the same month of the previous year, increased by 1.9 per cent. Retail trade during the first five months in 2015 compared to the same period in 2014, measured in current prices, decreased by 0.4 per cent.

Agency for Statistics of Bosnia and Herzegovina published the real gross domestic product growth in the first quarter of 2015, compared to the same quarter last year, which stood at 2.1 per cent. Prices of goods and services used for personal consumption, measured by consumer price index, in May 2015 compared to May 2014 decreased by 0.4 per cent. Retail trade, measured in current prices, in May 2015 recorded a growth by 10.8 per cent compared to the same month last year.

### **Management Discussion of the financial results for the first half of 2015**

Operating income of Ledo Group in the first six months of this year grew by 14.8 per cent compared to the same period last year as a direct result of intensive marketing and sales activities, a fairly good beginning of the tourist season and favourable weather conditions. Revenues from the sale of the Ice cream group recorded strong double-digit growth compared to the same period in 2014 within which the largest growth was achieved in the Impulse ice cream category. Frozen Food group also recorded growth in sales revenues in the first half of 2015 compared to the first half of 2014, which is a confirmation of the continuation of the growth trend of the previous quarters and an indicator of the success of all the activities that the Ledo Group implemented in prior periods in order to promote, develop assortment range, create innovative products, expand sales channels and educate consumers. All categories within above mentioned group recorded growth, while the largest contributors to that growth were following categories of Pastry, then Meat and Fish. All the companies included in the consolidation

of Ledo Group recorded an increase in the first six months 2015 compared to the same period last year.

Operating expenses in the first six months of 2015 grew by 11.8 per cent. The largest share of operating expenses, material expenses, in the reporting period grew by 14.0 per cent. Cost of raw materials, although recorded a slight increase as a result of the growth of the quantities produced, recorded a decline in the share of total revenues of Ledo Group compared to the same period last year. Staff costs in the same period grew by 4.1 per cent due to the increase of sales activities; however; and this position also recorded a decline in the share of total revenues compared to the first half of 2014 due to the continuous processes of cost optimization and rationalization of business operations.

In the reporting period, the majority of capital expenditures were related to the cooling equipment and information systems for sales support and recorded decrease by 8.0 per cent. The reason for the fall was the change in the dynamics of investments during the year, while, at the annual level, major deviations from previous periods are not expected.

Movement of balance sheet items were in accordance with the regular movements for the period.

Financial income in the reporting period recorded a decline compared to the same period last year and amounted to HRK 41.0 million. The reason for the decline of financial income is the fact that revenue from the sale of the company Nova Sloga in previous year was expressed within this position. Financial expenses recorded slight growth and amounted to HRK 22.4 milion. Shares of financial income and expenses in total revenues decreased compared to the first half of 2014.

Total income in the first six months of 2015 grew by 13.0 per cent whereas total expenses grew by 8.7 per cent, but the share of total expenses in the total income decreased compared to the same period last year. In the first six months of 2015, extraordinary expenses and extraordinary income were not recorded.

In the observed period, all the companies included in consolidation of Ledo Group recorded an increase in operating profit as a result of revenue growth and business optimization.

During the reporting period Ledo Group recorded a growth of profit before tax by 42.4 per cent compared to the previous year and amounted to HRK 186.5 million.

Ledo Group recorded an increase in profit before tax as a result of optimization of business processes with a focus on production and procurement, achieved synergies within the Group, systematic cost management and sales and marketing activities aimed at increasing the consumption of ice cream and frozen foods.

### **Addition**

There have been no recent developments that would affect financial result in the period from the balance sheet date till 30 July 2015, when consolidated financial statements of Ledo Group for the first half of 2015 were published.


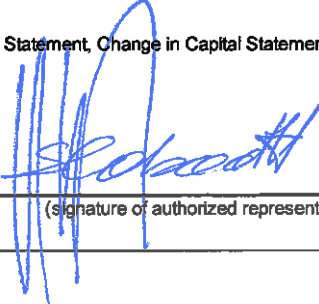
The consolidated financial statements of Ledo d.d. prepared for first six months of 2015 are presented fairly and truthfully and in accordance with International Financial Reporting Standards, which have been consistently applied in relation to the previous years.

All materially significant transactions are appropriately recorded in the accounting records which form the basis of the financial statements.

### **Consolidated financial statements for first half of 2015**

Consolidated statements of Ledo Group for 1H 2015 consist of the company Ledo d.d., as the parent company, and the following subsidiaries: Frikom d.o.o. Belgrade, Ledo d.o.o. Citluk, Ledo d.o.o. Podgorica, Ledo d.o.o. Ljubljana, Frikom Belgrade d.o.o.e.l. Macedonia, Ledo Kft. Budapest, Ledo Sh.p.k Kosovo and Irida d.o.o. Daruvar.

Comparability of the two periods in the financial statements, 1H 2014 and 1H 2015, were affected by Nova Sloga disposal and consolidation of Frikom Macedonia.

<b>Annex 1.</b>		Reporting period		1.1.2015	to	30.6.2015	
<b>Quarterly financial report TFI-POD</b>							
Tax number (MB):	03218821						
Company registration number (MBS):	080002964						
Personal identification number (OIB):	87955947581						
Issuing company:	LEDO d.d.						
Postal code and place:	10000	Zagreb					
Street and house number:	Marijana Čavića 1a						
E-mail address:	financije@ledo.hr						
Internet address:	www.ledo.hr						
Municipality/city code and name:	133	Zagreb					
County code and name:	21	Grad Zagreb				Number of employees: (period end)	3040
Consolidated report:	YES					NKD code:	1052
Entities in consolidation (according to IFRS):		Registered seat:		Tax number (MB):			
Irida d.o.o.		Ulica P. Zrinskog 34; Daruvar		72383448154			
Frikom d.o.o.		Zrenjaninski put bb, Beograd, Srbija		07042728			
Ledo d.o.o. Čitluk		Industrijska zona; Tromeđa bb; Čitluk, BiH		4227031530007			
Ledo d.o.o.		Liješnje bb; Podgorica, Crna Gora		02126265			
Ledo kft.		2111 Szada 098/3 Hrszm Mađarska		10579967-2-13			
Ledo d.o.o. Ljubljana		1231 Ljubljana-Črnuče, Brnčičeva ul 45		1216350			
Frikom Beograd dooel Makedonija		Ul.1632 br. 46, 1000 Skoplje, Makedonija		6311946			
Ledo Sh.p.k.		Milosheve p.n., 1500 Obiliq, Kosovo		600042741			
Bookkeeping service:							
Contact person: Lisjak Jelena (only surname and name)							
Telephone: 01/2385-723			Telefaks: 01/2385-686				
E-mail address: jelena.lisjak@ledo.hr							
Family name and name: Kraljević Hrvoje (authorized representatives)							
<b>Documents to be published:</b>							
1. Financial Statements (Balance Sheet, Profit and Loss Account, Cash Flow Statement, Change in Capital Statement and Notes to Financial Statements)							
2. Statement of persons in charge of making Financial Statements							
3. Report of the Management Board on the Company Status							
		 _____ (signature of authorized representative)					



**Balance Sheet**  
as of 30.06.2015.

Company: LEDO Consolidated			
Position	AOP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	745.702.564	756.654.447
I. INTANGIBLE ASSETS (004 do 009)	003	94.778.908	93.465.030
1. Expenditure for development	004	0	0
2. Concessions, patents, license fees, trademarks, service marks, software and other rights	005	7.822.556	7.395.000
3. Goodwill	006	85.921.275	85.921.275
4. Advances for purchase of Intangible assets	007	0	0
5. Intangible assets in progress	008	1.035.077	148.755
6. Other intangible assets	009	0	0
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	510.683.409	518.185.617
1. Land	011	118.386.543	106.508.804
2. Buildings	012	144.285.311	137.523.500
3. Plant and equipment	013	191.410.697	202.917.535
4. Tools, working inventory and transportation assets	014	50.833.320	59.492.810
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	359.060	2.858.916
7. Tangible assets in progress	017	0	3.703.103
8. Other tangible assets	018	5.406.018	5.180.949
9. Investment in real-estate	019	22.460	0
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	127.586.882	132.411.777
1. Share in related parties	021	0	0
2. Loans given to related parties	022	0	0
3. Participating interests (shares)	023	5.505.120	5.505.120
4. Loans given to companies in which the entity holds participating interest	024	0	0
5. Investments in securities	025	38.347.430	39.157.421
6. Loans, deposits and similar assets	026	79.784.442	83.840.332
7. Other non-current financial assets	027	1.290.298	1.276.688
8. Equity-accounted investments	028	2.679.592	2.632.216
IV. RECEIVABLES (030 do 032)	029	3.955.720	3.962.291
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	0	0
3. Other receivables	032	3.955.720	3.962.291
V. DEFERRED TAX ASSETS	033	6.697.645	8.629.732
C) CURRENT ASSETS (035+043+050+058)	034	1.571.878.389	2.025.313.342
I. INVENTORIES (036 do 042)	035	421.526.361	493.467.808
1. Raw materials and supplies	036	149.888.142	166.298.645
2. Production in progress	037	66.269.955	57.778.609
3. Finished goods	038	81.216.359	110.952.779
4. Merchandise	039	121.501.242	146.056.532
5. Advances for inventories	040	1.256.065	10.997.431
6. Long term assets held for sale	041	1.394.598	1.383.813
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	378.150.574	639.943.491
1. Receivables from related parties	044	0	0
2. Receivables from end-customers	045	352.174.535	617.646.287
3. Receivables from participating entities	046	0	0
4. Receivables from employees and members of the company	047	793.134	2.094.398
5. Receivables from government and other institutions	048	18.167.079	15.130.528
6. Other receivables	049	7.015.826	5.072.278
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	741.323.198	869.545.188
1. Share in related parties	051	0	0
2. Loans given to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans given to companies in which the entity holds participating interest	054	0	0
5. Investments in securities	055	2.135.000	975.921
6. Loans, deposits and similar assets	056	739.188.198	868.569.267
7. Other financial assets	057	0	0
IV. CASH AND CASH EQUIVALENTS	058	30.878.256	22.356.854
D) PREPAYMENTS AND ACCRUED INCOME	059	9.132.585	25.384.816
E) TOTAL ASSETS (001+002+034+059)	060	2.326.713.538	2.807.352.605
F) OFF BALANCE SHEET ITEMS	061		

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	1.594.857.222	1.755.285.969
I. SUBSCRIBED SHARE CAPITAL	063	119.289.600	119.289.600
II. CAPITAL RESERVES	064	713.232.769	713.232.769
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	107.108.315	107.190.399
1. Legal reserves	066	27.311.727	27.086.561
2. Reserve for own shares	067	0	0
3. Treasury shares and stakes (deductible items)	068	0	0
4. Statutory reserves	069	0	0
5. Other reserves	070	79.796.588	80.103.838
IV. REVALUATION RESERVES	071	63.711.573	63.711.573
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	456.621.025	583.622.740
1. Retained earnings	073	456.621.025	583.622.740
2. Accumulated loss	074	0	0
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	134.893.940	168.238.888
1. Net profit for the period	076	134.893.940	168.238.888
2. Net loss for the period	077	0	0
VII. MINORITY INTEREST	078	0	0
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	4.287.946	4.266.505
1. Provisions for pensions, severance pay and similar liabilities	080	4.287.946	4.266.505
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	0	0
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	40.405.731	19.310.655
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits, etc.	085	34.330	3.220.329
3. Liabilities to banks and other financial institutions	086	24.280.333	0
4. Liabilities for received advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies in which the entity holds participating interest	090	0	0
8. Other non-current liabilities	091	0	0
9. Deferred tax liabilities	092	16.091.068	16.090.326
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	683.569.946	1.006.575.529
1. Liabilities to related parties	094	0	0
2. Liabilities for loans, deposits, etc.	095	18.105.567	99.090.297
3. Liabilities to banks and other financial institutions	096	436.219.668	441.558.949
4. Liabilities for advances	097	1.189.370	758.594
5. Trade payables	098	195.332.721	392.904.277
6. Commitments on securities	099	0	0
7. Liabilities to companies in which the entity holds participating interest	100	0	0
8. Liabilities to employees	101	13.686.217	18.046.165
9. Liabilities for taxes, contributions and similar fees	102	16.076.251	52.003.053
10. Liabilities to shareholders arising from share in the result	103	395.572	372.589
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	2.564.580	1.841.605
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	3.592.693	21.913.947
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	2.326.713.538	2.807.352.605
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	0	0
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	109	1.594.857.222	1.755.285.969
2. Attributable to minority interest	110	0	0

**Income statement**  
period 01.01.2015. to 30.06.2015.

Company: LEDO Consolidated

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING INCOME (112 do 113)</b>	<b>111</b>	966.735.676	659.417.927	1.110.155.026	780.169.037
1. Sales revenue	112	965.774.399	658.698.209	1.107.612.548	778.695.485
2. Other operating income	113	961.277	719.718	2.342.480	1.473.552
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	842.655.485	528.103.209	942.306.775	605.761.287
1. Change in Inventories of work in progress and finished goods	115	-26.156.623	-9.380.241	-22.083.793	223.808
2. Material expenses (117 do 119)	116	639.978.963	415.280.705	729.385.247	476.152.097
a) Costs of raw materials	117	325.215.606	218.288.112	363.989.131	242.044.654
b) Cost of goods sold	118	176.590.098	104.096.301	215.547.492	123.592.274
c) Other material expenses	119	138.203.266	92.926.292	169.848.624	110.515.769
3. Staff costs (121 do 123)	120	116.176.627	63.046.223	120.948.279	68.692.631
a) Net salaries and wages	121	70.078.835	37.978.635	73.966.641	41.063.282
b) Tax and contributions from salary expenses	122	29.817.279	15.478.827	29.941.498	16.523.994
c) Contributions on gross salaries	123	16.280.513	9.590.561	17.019.940	9.375.585
4. Depreciation and amortisation	124	43.421.966	21.236.921	46.349.238	23.430.293
5. Other expenses	125	67.189.161	34.698.024	66.326.722	37.820.201
6. Write down of assets (127+128)	126	2.045.391	1.223.577	1.361.081	1.141.167
a) non-current assets (excluding financial assets)	127	0	0	0	0
b) current assets (excluding financial assets)	128	2.045.391	1.223.577	1.361.081	1.141.167
7. Provisions	129	0	0	0	0
8. Other operating costs	130	0	0	0	0
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	51.005.666	39.475.798	41.046.981	15.589.434
1. Interest, foreign exchange gains, dividends and similar income from related parties	132	0	0	0	0
2. Interest, foreign exchange gains, dividends and similar income from third parties	133	26.011.598	13.861.667	41.046.981	15.589.434
3. Part of income from associates and participating interests	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	25.594.069	25.594.069	0	0
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	20.848.258	9.360.670	22.436.095	8.343.052
1. Interest, foreign exchange losses, dividends and similar expenses from related parties	138	0	0	0	0
2. Interest, foreign exchange losses, dividends and similar expenses from third parties	139	20.848.258	9.360.670	22.436.095	8.343.052
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	0	0
<b>V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES</b>	<b>142</b>	0	0	0	0
<b>VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES</b>	<b>143</b>	0	0	0	0
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>	0	0	0	0
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>	24.129.542	-56.015	0	0
<b>IX. TOTAL INCOME (111+131+144)</b>	<b>146</b>	1.018.341.341	606.893.663	1.151.202.007	795.758.471
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	887.433.285	535.437.864	964.742.870	614.104.339
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	130.908.056	163.455.829	186.459.137	181.654.132
1. Profit before taxes (146-147)	149	130.908.056	163.455.829	186.459.137	181.654.132
2. Loss before taxes (147-146)	150	0	0	0	0
<b>XII. CORPORATE INCOME TAX</b>	<b>151</b>	18.523.190	11.842.827	18.220.249	10.691.124
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	112.384.866	151.613.002	168.238.888	170.963.008
1. Profit for the period (149-151)	153	112.384.866	151.613.002	168.238.888	170.963.008
2. Loss for the period (151-148)	154	0	0	0	0
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	155	112.384.866	151.613.002	168.238.888	170.963.008
2. Attributable to minority interest	156	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	112.384.866	151.613.002	168.238.888	170.963.008
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	-11.398.651	-10.162.118	-6.641.102	-9.453.656
1. Exchange differences from international settlement	159	-11.398.651	-10.162.118	-6.641.102	-9.453.656
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-valuation of financial assets held for sale	161	0	0	0	0
4. Profit or loss from cash flow hedging	162	0	0	0	0
5. Profit or loss on efficient hedge of net investments in foreign countries	163	0	0	0	0
6. Share in other comprehensive income/loss of associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
<b>III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>	0	0	0	0
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158 TO 166)</b>	<b>167</b>	-11.398.651	-10.162.118	-6.641.102	-9.453.656
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	100.986.215	141.450.884	161.597.786	161.509.352
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributable to majority owners	169	100.986.215	141.450.884	161.597.786	161.509.352
2. Attributable to minority interest	170	0	0	0	0

**Cash flow statement - indirect method**  
period 01.01.2015. to 30.06.2015.

<b>Company: LEDO Consolidated</b>			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	130.908.056	186.459.137
2. Depreciation and amortisation	002	43.421.966	46.349.239
3. Increase in current liabilities	003	177.157.305	197.571.552
4. Decrease in current receivables	004	0	0
5. Decrease of inventories	005	0	0
6. Other cash flow increases	006	64.195.804	79.675.664
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>415.683.131</b>	<b>510.055.592</b>
1. Decrease in current liabilities	008	0	0
2. Increase in current receivables	009	272.070.970	258.421.447
3. Increase of inventories	010	56.597.236	71.952.232
4. Other cash flow decreases	011	100.540.221	97.265.041
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>429.208.427</b>	<b>427.638.720</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>82.416.872</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>13.525.296</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Receipts from sale of non-current assets	015	1.433.525	15.926.978
2. Receipts from sale of non-current financial assets	016	129.425.201	0
3. Interest received	017	16.469.889	27.162.222
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	0	0
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>147.328.615</b>	<b>43.089.200</b>
1. Purchase of non-current assets	021	69.481.760	63.890.551
2. Purchase of non-current financial assets	022	0	809.991
3. Other cash outflows from investing activities	023	140.790.498	133.358.886
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>210.272.258</b>	<b>198.059.428</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>62.943.643</b>	<b>154.970.228</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash inflows from issuing equity and debt financial instruments	027	0	0
2. Cash inflows from loans, debentures, credits and other borrowings	028	87.972.323	85.308.677
3. Other proceeds from financing activities	029	0	0
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>87.972.323</b>	<b>85.308.677</b>
1. Repayment of loans and bonds	031	16.467.550	20.054.416
2. Dividends paid	032	6.095	1.197.723
3. Cash outflows for finance lease	033	767.650	24.584
4. Purchase of treasury shares	034	0	0
5. Other cash outflows from financing activities	035	0	0
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>17.241.295</b>	<b>21.276.723</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>70.731.028</b>	<b>64.031.954</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>0</b>	<b>0</b>
Total increases of cash flow	039	0	0
Total decreases of cash flow	040	5.737.911	8.521.402
Cash and cash equivalents at the beginning of the period	041	53.548.986	30.878.256
Increase of cash and cash equivalents	042	70.731.028	146.448.826
Decrease of cash and cash equivalents	043	76.468.939	154.970.228
Cash and cash equivalents at the end of period	044	47.811.075	22.356.854

**STATEMENT OF CHANGES IN EQUITY**  
**period 1.1.2015 to 30.6.2015**

	Position	AOP	Previous year	Current year
	1	2	3	4
1. Subscribed share capital		001	119.289.600	119.289.600
2. Capital reserves		002	713.232.769	713.232.769
3. Reserves from profit		003	107.108.315	107.190.399
4. Retained earnings or accumulated loss		004	456.621.025	583.622.740
5. Net profit or loss for the period		005	134.893.940	168.238.888
6. Revaluation of tangible assets		006	64.646.977	64.646.977
7. Revaluation of intangible assets		007	0	0
8. Revaluation of financial assets available for sale		008	-935.404	-935.404
9. Other revaluation		009	0	0
<b>10. Total equity and reserves (AOP 001 to 009)</b>		<b>010</b>	<b>1.594.857.222</b>	<b>1.755.285.969</b>
11. Currency profit or loss arising from net investments in foreign operations		011	-20.086.508	-6.641.102
12. Current and deferred taxes		012	0	0
13. Cash flow hedge		013	0	0
14. Change of accounting policies		014	0	0
15. Correction of significant errors in prior periods		015	0	0
16. Other changes in capital		016	58.192.972	167.069.849
<b>17. Total increase or decrease of equity (AOP 011 to 016)</b>		<b>017</b>	<b>38.106.464</b>	<b>160.428.747</b>
17 a. Attributable to majority owners		018	38.106.464	160.428.747
17 b. Attributable to minority interest		019	0	0

## Notes with financial statements

Notes to Financial Statements provide additional and supplementary information which are not presented in the statement of financial position, income statement, cash flow statement and statement of changes in equity in accordance with the regulations of the relevant international financial reporting standards.

In the observed period there were no significant events that would affect the understanding of financial position and success of the Ledo Group.



dioničko društvo  
za proizvodnju i  
promet sladoleda  
i smrznute hrane



## Declaration of key personnel responsible for preparation of financial statements

Consolidated financial statements for Ledo d.d. for the period from 1 January 2015 till 30 June 2015 are prepared in accordance with the International Financial Reporting Standards and they give a complete and true state of assets and liabilities, financial result and affairs of Ledo d.d.

Management report contains true and fair view of affairs and results of Ledo d.d. and all material significant transactions are stated appropriately.

Head of Accounting department

Jelena Lisjak



Finance Director

Ankica Slobodanac



dioničko društvo  
za proizvodnju i  
promet sladoleda  
i smrznute hrane



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Korporativne aktivnosti: 01/2385-525

**IBAN** HR39 2503 0071 1000 2063 6  
**SWIFT** VBCRHR22  
kod SBERBANK d.d., upisano u registar Trgovačkog suda u Zagrebu  
pod brojem: MBS 080002964.  
Temeljni kapital Društva iznosi 119.289.600,00 kuna uplaćen u  
cjelosti. Izdano je 313.920 dionica u nominalnom iznosu od  
380,00 kuna po dionici.

**Uprava**  
Predsjednik Uprave  
Hrvoje Kraljević, dipl.oec  
član Uprave  
Ankica Slobodanac, dipl.oec  
Predsjednik Nadzornog odbora  
Ljerkica Pušić, dipl.oec