



PETROKEMIJA, d.d.

UNAUDITED, CONSOLIDATED REPORT

Kutina, October 28, 2011

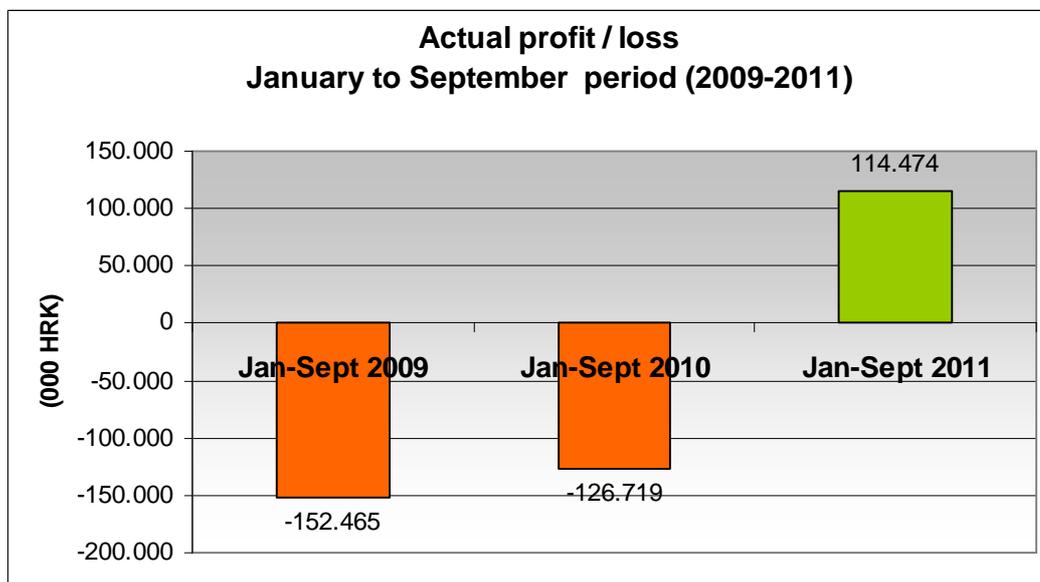
QUARTERLY REPORT

PETROKEMIJA d.d. KUTINA

PETROKEMIJA GROUP

REPORT FOR PERIOD January to September 2011
INTERIM REPORT FOR PERIOD July to September 2011

- Actual production 966 and sales 934 thousand tons of fertilizers;
- Actual total income of Petrokemija d.d. HRK 2,254.1 million; Petrokemija Group HRK 2,258.3 million;
- Actual profit of Petrokemija d.d. HRK 114.5 million (5.1% of total revenues), Petrokemija Group HRK 114.7 million;
- Invested funds HRK 24.7 million;
- Number of employees of Petrokemija d.d. 2,318; Petrokemija Group 2,329.



MANAGEMENT BOARD REPORT ON THE STATUS OF THE COMPANY FOR Jan – Sept 2011 PERIOD

1. ACTUAL FINANCIAL RESULTS OF PETROKEMIJA d.d.

The total income of Petrokemija d.d. in the first three quarters of 2011 was HRK 2,254.1 million, total expenses were HRK 2,139.6 million and the reported profit in business operations was HRK 114.5 million or 5.1% of total revenues. In the first-three-quarter period, the total income was increased by 46.4% and total expenses by 28.4% on the same period of 2010.

Greater actual achievement in operating income and expenses, compared to the same period last year, reflects the growth of input and output prices and increased output and sales in most of the production range. In the first three quarters of 2011, Petrokemija d.d., increased fertilizer production by 10.2% and sales by 9.4% in comparison with the same period last year.

Due to the market situation, a part of plants was halted in the second half of 2009 and this problem is carried over into the fourth quarter of 2011.

Income from domestic sales increased in the first three quarters of 2011 by 22.9% and that from export sales by 66.4% in comparison with the same period of 2010.

The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 211.4 million in the positive, while it was HRK 26.3 million in the negative in the same period the previous year.

(HRK 000)

	Jan- Sept 2011	Jan- Sept 2010	Difference	% change
Operating income	2.234.549	1.509.153	725.396	48,07%
Operating expense	2.096.668	1.611.820	484.848	30,08%
EBITDA *	211.420	-26.349	237.769	0,00%
Amortization	73.539	76.318	-2.779	-3,64%
Net financial income (expenses)	-23.407	-24.052	645	-2,68%
Net extraordinary income (expenses)	0	0	0	
Profit / loss / before taxation	114.474	-126.719	241.193	0,00%
Non-current assets	776.827	808.687	-31.860	-3,94%
Current assets	851.728	809.620	42.108	5,20%
Shareholders' equity	771.758	666.672	105.086	15,76%
Non-current liabilities	155.400	0	155.400	
Current liabilities	701.397	951.635	-250.238	-26,30%

* EBITDA= profit before interest, taxation depreciation and amortization

The data clearly show that the growth of income and expense is the result of increased volumes, but also of significant increase of in- and output prices. The actual profit of the first-three-quarter period is the result of increased sales, more favourable ratio of in- and output prices, and partly of positive effects of time difference in the growth of in- and output prices.

In the January to September 2011 reporting period, the trend of improving financial results from the first half of 2011 approximately continued. Despite the rise in gas prices and increasing prices of basic raw materials for production of fertilizers in the world market, price relations were established on the routes that ensured a positive balance of revenues and expenditures in business activities.

During the first three quarters of 2011, a significant share of sales in exports was achieved, in order to ensure positive financial result, fill in the capacity, ensure continuity of production and maintain the liquidity.

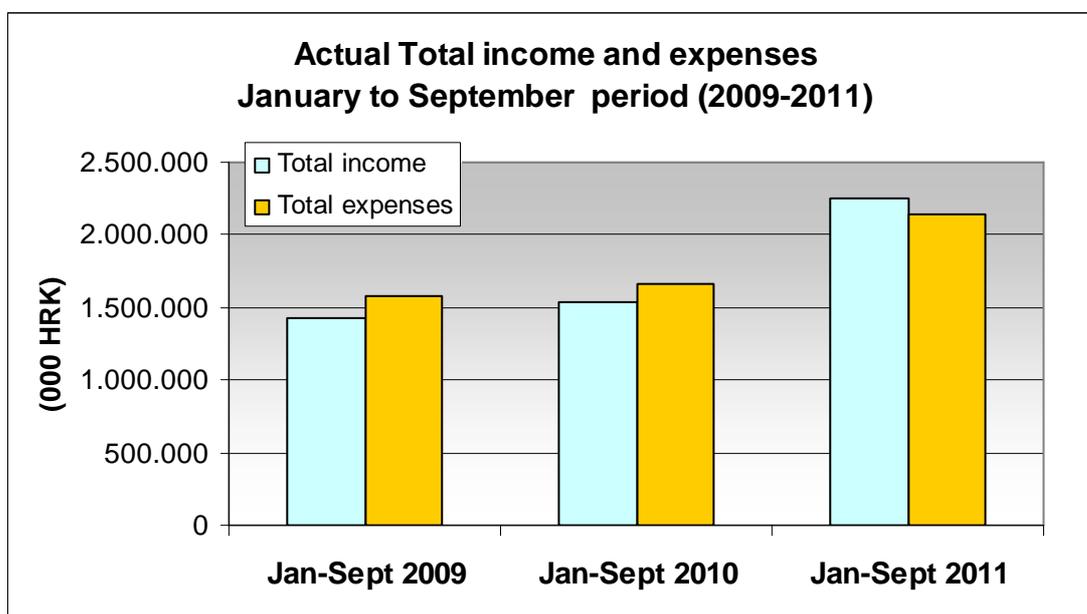
Financial indicators reported in the third quarter and cumulatively for the nine-month period of 2011:

	Jan- Jun 2011	Jul - Sept 2011	Jan- Sept 2011
Operating income	1.423.312	811.237	2.234.549
Operating expense	1.328.730	767.938	2.096.668
EBITDA *	143.072	68.348	211.420
Amortization	48.490	25.049	73.539
Net financial income (expenses)	-13.528	-9.879	-23.407
Net extraordinary income (expenses)	0	0	0
Profit / loss / before taxation	81.054	33.420	114.474

* EBITDA= profit before interest, taxation depreciation and amortization

Actual operating profit in the third quarter was 43.3 million, but there was also a financial loss of 9.9 million, due to high interest and exchange rates. Profit before tax in the third quarter was 33.4 million or 19.6% less than in the previous quarter of 2011.

For a part of raw materials and products, the improvement of market position is still uncertain. The open problem of exceptional growth in the price of gas, which is transferred from the European energy fluids market, is here particularly pronounced.



In comparison to the result for the same period last year, there was a positive difference of HRK 241.2 million, due to improved market trends and internal savings. Sales prices of fertilizers were increased in line with the rise of input prices and the evaluation of the market.

Because of positive changes in sales prices and sales structure of the product, the Company operating income in the first three quarters increased by 48.1%, and operating income by 30.1% as compared to the same period last year.

STATEMENT OF COMPREHENSIVE INCOME OF PETROKEMIJA d.d. KUTINA

(HRK 000)

POSITION	Petrokemija d.d. Jan-Sept 2011	Petrokemija d.d. Jan-Sept2010
Total operating income	2.234.549	1.509.153
Total operating expenses	2.096.668	1.611.820
PROFIT / LOSS FROM ORDINARY ACTIVITIES	137.881	-102.667
Total financial income	19.530	30.005
Total financial expenses	42.937	54.057
PROFIT / LOSS FROM FINANCIAL ACTIVITIES	-23.407	-24.052
TOTAL INCOME	2.254.079	1.539.158
TOTAL EXPENSES	2.139.605	1.665.877
Profit/loss before taxation	114.474	-126.719
Profit tax		
Total comprehensive loss	114.474	-126.719

BALANCE SHEET OF PETROKEMIJA d.d. KUTINA

(HRK 000)

POSITION	Petrokemija d.d. 30.09. 2011	Petrokemija d.d. 30. 09. 2010.
Total long-term assets	776.827	808.687
Total short-term assets	851.728	807.351
Prepaid costs and accrued income	0	2.269
TOTAL ASSETS	1.628.555	1.618.307
Total capital	771.758	666.672
Long-term liabilities	155.400	0
Total short-term liabilities	684.057	948.780
Accruals and deferred income	17.340	2.855
TOTAL LIABILITIES	1.628.555	1.618.307

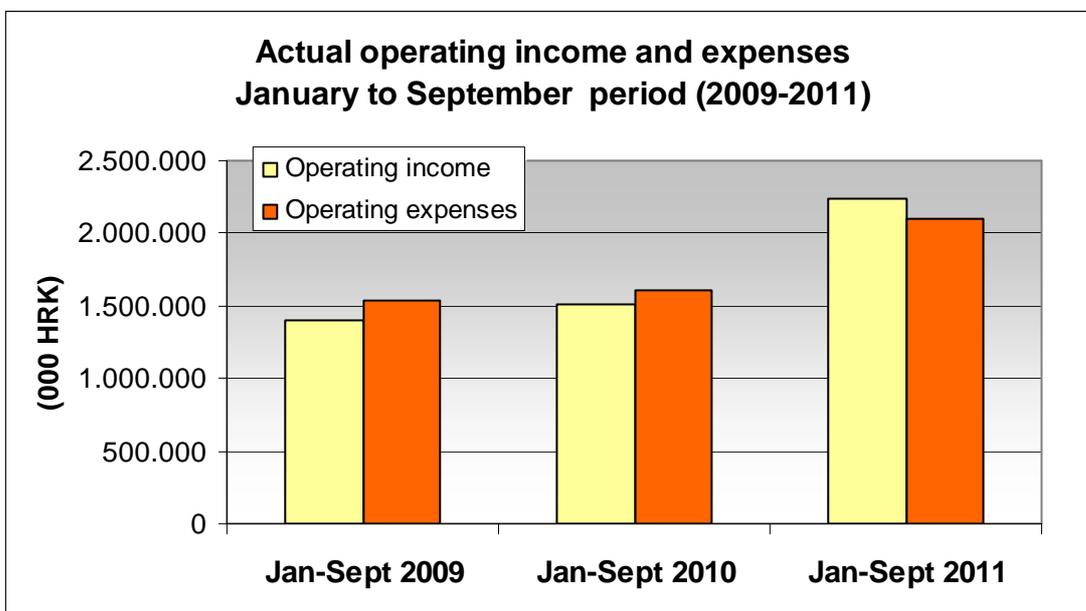
Due to gas shortfall in winter months in the gas system of Republic of Croatia, Petrokemija used the fertilizer production standstill in January 2011 for an annual facilities overhaul. The forecast for the long-awaited establishment of gas market in Croatia in 2011 by including a new supply

route and potentially new suppliers, offer good prospects for optimum yearly schedule of production and deliveries of fertilizers in 2012.

The domestic demand for fertilizers is connected with the situation in agricultural production, i.e. with the price ratio of production materials and finished products in agriculture (low prices of basic agricultural crops generate the extensiveness in use of agro-technical measures and vice versa). As regards their price, imports of fertilizers were still moderately unattractive – in the first eight months approx. 30 thousand tons were imported, which makes approximately 10% market share, with a portion of those products not normally produced by Petrokemija.

A trend of instability of input-output prices continued in the reported period. Generally, the price of raw materials in world markets was gradually rising, while the gas price in domestic market was rising strongly through quarters, according to the formula. This growth reflects the pricing methodology applied – after the agreed (so-called oil-linked) formula. The gas price growth trend is estimated to continue in the fourth quarter of 2011 and the first quarter of 2012.

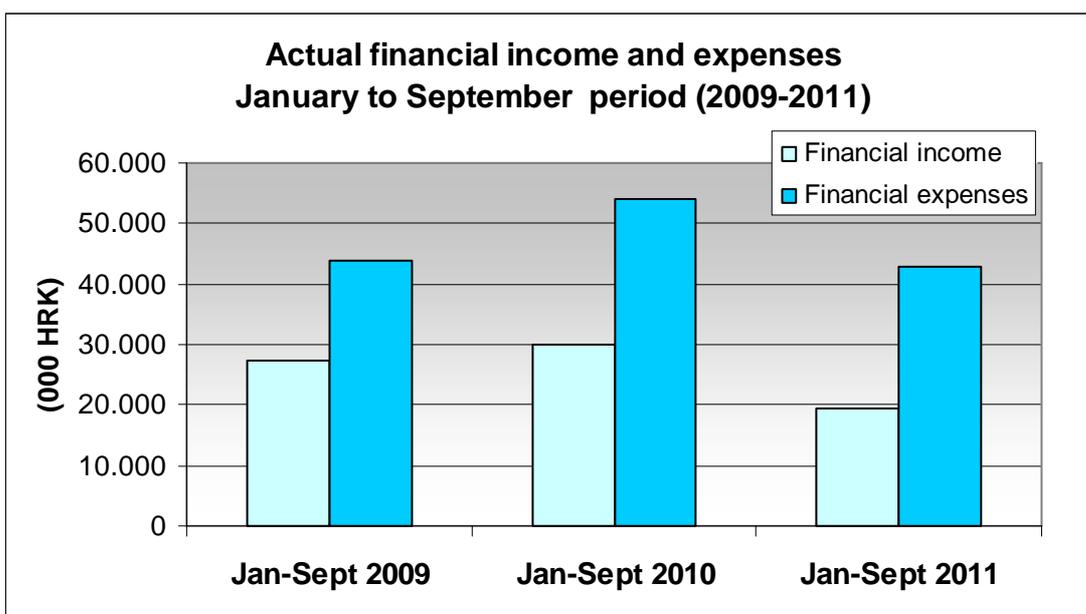
The continuing positive trend in 2011 could be threatened by a potential new wave of instability in demand and prices in the global market.



Financial income was by 34.9% lower, and financial expense by 20.6% lower than in the same period last year. The HRK 23.4 million loss from financial relations was by 2.7% lower than in the same period last year. Foreign exchange gains accounted for 79% and income from interest and other financial income for 21% share in financial income.

Foreign exchange losses have 41% share in financial expenses, while 59% share is made up of interest and other financial expenses. Although the interest rate is gradually falling, business banks are still creating comparatively high price of capital for companies reporting a business loss in previous periods.

Since 2009, Petrokemija has been carrying out a program of issuing commercial bills (up to HRK 100 million) through Privredna banka Zagreb to provide for short-term working capital. During the reporting period, the liabilities on commercial bills were fulfilled regularly and a new, 15th tranche was released, maturing in May 2012.



2. ACTUAL FINANCIAL RESULT OF PETROKEMIJA GROUP

After consolidation of financial results of Petrokemija d.d. and its daughter companies – Restoran Petrokemija d.o.o. Kutina, Petrokemija d.o.o. Novi Sad and Petrokemija d.o.o. Novo Mesto, the financial result is as follows:

- Total income HRK 2,258.26 million
- Total expenses HRK 2,143.52 million
- Loss before taxation HRK 114.74 million
- Income tax HRK 0.02 million
- Loss after taxation HRK 114.72 million

It is evident from the Profit and Loss and Balance Sheet tables that the daughter companies have no significant influence on the Petrokemija Group business result.

Business results of daughter companies in 100% ownership:

(HRK 000)

POSITION	Actual Jan-Sept 2011	Actual Jan-Sept 2010	Ind 2/3
1	2	3	4
RESTORAN PETROKEMIJA d.o.o.			
TOTAL INCOME	1.549	1.515	102,2
TOTAL EXPENSES	1.522	1.512	100,7
GROSS PROFIT /LOSS	27	3	900,0
PETROKEMIJA d.o.o. Novi Sad			
TOTAL INCOME	43.537	25.713	169,3
TOTAL EXPENSES	43.305	25.540	169,6
GROSS PROFIT	232	173	134,1
PETROKEMIJA d.o.o. Novo Mesto			
TOTAL INCOME	676	1.217	55,5
TOTAL EXPENSES	667	1.216	54,9
GROSS PROFIT	9	1	900,0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(HRK 000)

P O S I T I O N	Petrokemija Group Jan-Sept 2011	Petrokemija Group Jan-Sept 2010
Total operating income	2.238.728	1.510.112
Total operating expenses	2.100.493	1.612.878
PROFIT/LOSS FROM ORDINARY ACTIVITIES	138.235	-102.766
Total financial income	19.530	30.230
Total financial expenses	43.023	54.006
PROFIT/LOSS FROM FINANCIAL ACTIVITIES	-23.493	-23.776
TOTAL INCOME	2.258.258	1.540.342
TOTAL EXPENSES	2.143.516	1.666.884
Profit/Loss before taxation	114.742	-126.542
Profit tax	23	17
Profit/Loss after taxation	114.719	-126.559

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – third quarter
(HRK 000)

P O Z I C I J A	Petrokemija Group		
	Jan-Jun 2011	Jul-Sept 2011	Jan-Sept 2011
Total operating income	1.425.646	813.082	2.238.728
Total operating expenses	1.330.750	769.743	2.100.493
PROFIT/LOSS FROM ORDINARY ACTIVITIES	94.896	43.339	138.235
Total financial income	13.379	6.151	19.530
Total financial expenses	26.927	16.096	43.023
PROFIT/LOSS FROM FINANCIAL ACTIVITIES	-13.548	-9.945	-23.493
TOTAL INCOME	1.439.025	819.233	2.258.258
TOTAL EXPENSES	1.357.677	785.839	2.143.516
Profit/Loss before taxation	81.348	33.394	114.742
Profit tax	23	17	23
Profit/Loss after taxation	81.325	33.377	114.719

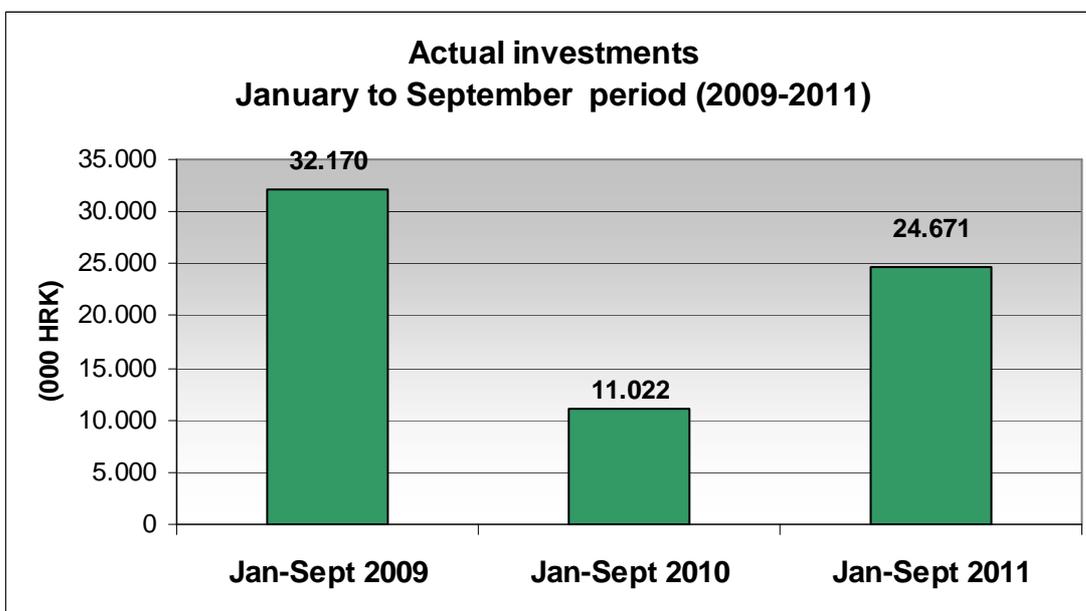
CONSOLIDATED BALANCE SHEET
(HRK 000)

P O S I T I O N	Petrokemija Group 30.09.2011	Petrokemija Group 30.09.2010
Total long-term assets	768.192	801.750
Total short-term assets	857.580	811.512
Prepaid costs and accrued income	5	2.280
TOTAL ASSETS	1.625.777	1.615.542
Total capital	772.046	666.150
Long-term liabilities	155.400	0
Total short-term liabilities	680.991	946.537
Accruals and diferred income	17.340	2.855
TOTAL LIABILITIES	1.625.777	1.615.542

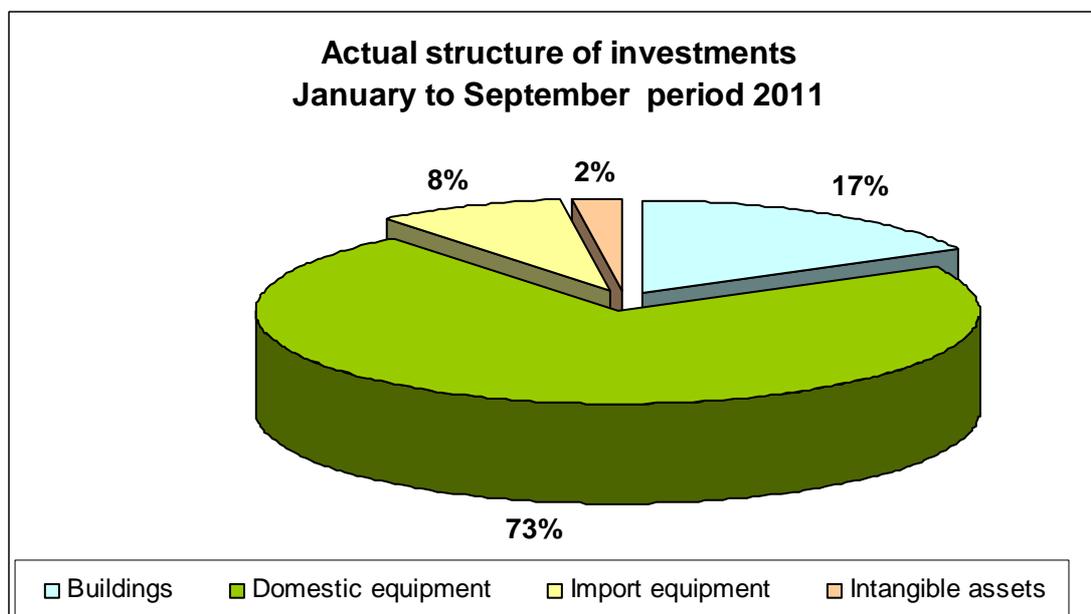
3. INVESTMENTS

Actual investments in the first three quarters of 2011 amounted to HRK 24.7 million, approximately HRK 13.7 million over the previous year's period amount. Due to limited funds, a trend of relatively low investments compared to earlier years was continued. In the year 2012, a more intensive investment activity is anticipated.

Out of the said amount, HRK 24.2 million was invested in the parent company – fertilizer production and its ancillary services and HRK 0.5 million in other production units.



The technical structure of investments is depicted in the following chart:



In the next few years, increased investment is necessary in environmental protection projects, improvement of energy efficiency and condition of facilities. However, the extensiveness of investment will continue to be limited by available financial resources.

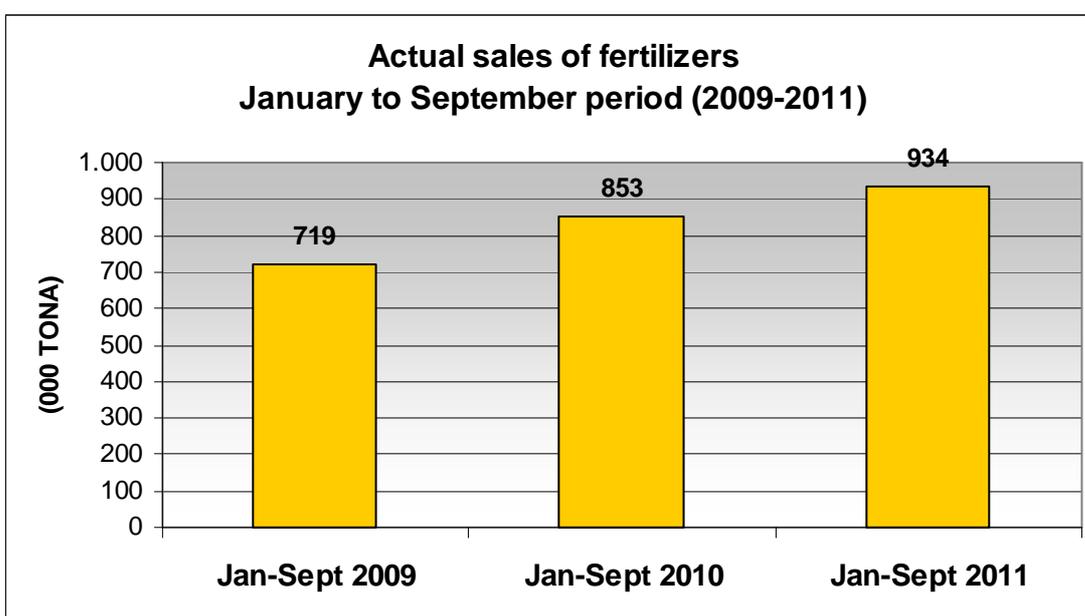
4. ACTUAL PRODUCTION AND SALES

Actual Production in the January to September 2011 period:

- **fertilizers** 965.7 thousand tons
- **clay-based products** 17.9 thousand tons
- **TGUS products** 0.7 thousand tons

In line with the actual production plan, available supplies and market circumstances, the sales results were as follows:

- **fertilizers** 934.1 thousand tons
- **clay-based products** 18.3 thousand tons
- **TGUS products (+chemicals)** 4.2 thousand tons



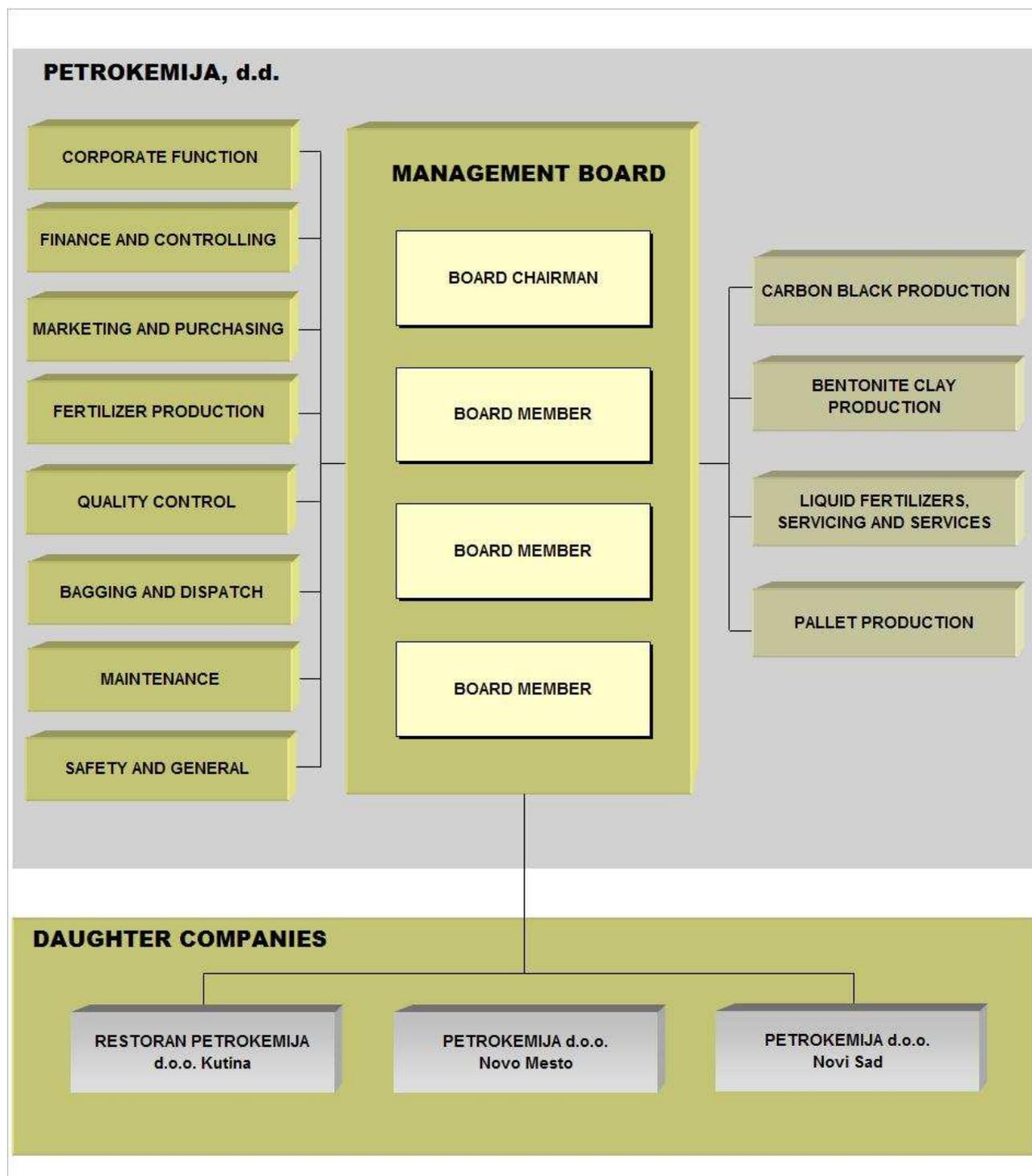
The actual sales were up by 9.4% on the same period last year. Despite the 9.8% increased domestic sales volumes, there was no increase in domestic sales share in the total volumes. The sales of clay-based products were by 5.9% higher and those of liquid fertilizers and chemicals by 23.6% higher in comparison to the same period of the previous year. However, these products had no significant impact on the total business result of Petrokemija d.d. As the Carbon Black Plant is temporarily shut down for market reasons, there were no sales of carbon black.

5. ORGANIZATION CHART AND HUMAN RESOURCES

In the first three quarters of 2011, there was no significant change in the existing organization chart.

Petrokemija Group is made up of Petrokemija d.d. Kutina as the parent company and daughter companies:

- Restoran Petrokemija d.o.o. Kutina,
- Petrokemija d.o.o. Novi Sad and
- Petrokemija d.o.o. Novo Mesto.

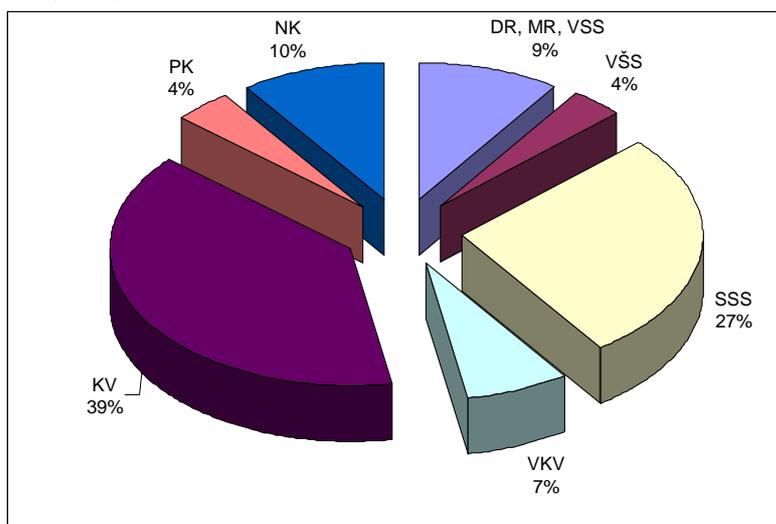


As of June 30, 2011, Petrokemija d.d. had 2,318 employees and their daughter-companies, members of the Petrokemija Group had 11 employees, which makes a total number of 2,329 employees. The high qualification structure corresponds to the complexity of the production and other systems in place in the Company.

In the first three quarters of 2011, the number of employees in Petrokemija d.d. was reduced by 28 or 1.2%. Workers from the plants that have been temporarily stalled, have been moved to jobs in other organization units.

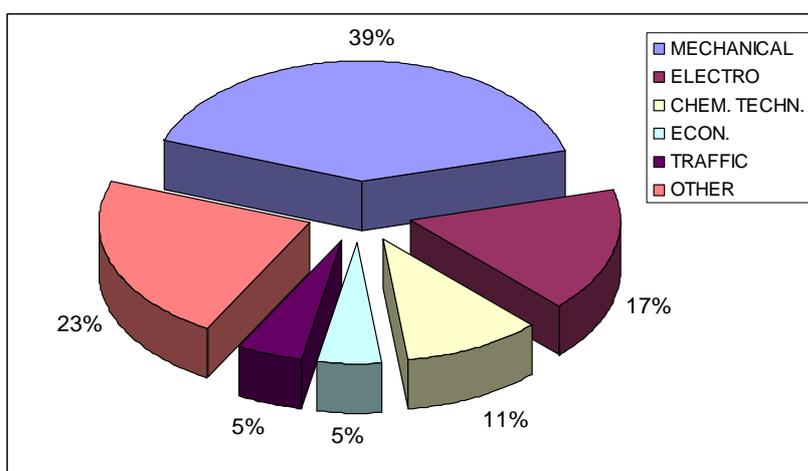
The management structure has changed with the the appointment of new members of the Board on 15 June 2011, for a period of three years. The Chairman of the Board has been doing his term since May 2010. Two new board members were appointed - for finance and commerce, while the current board member for production and technical activities was re-appointed.

EMPLOYEES BY QUALIFICATION:



The employee structure by profession indicates that Petrokemija has maintenance of production and ancillary facilities in place, as well as other supporting departments such as bagging and dispatch which receives and dispatches up to 2,0 million tons a year of raw materials and finished products.

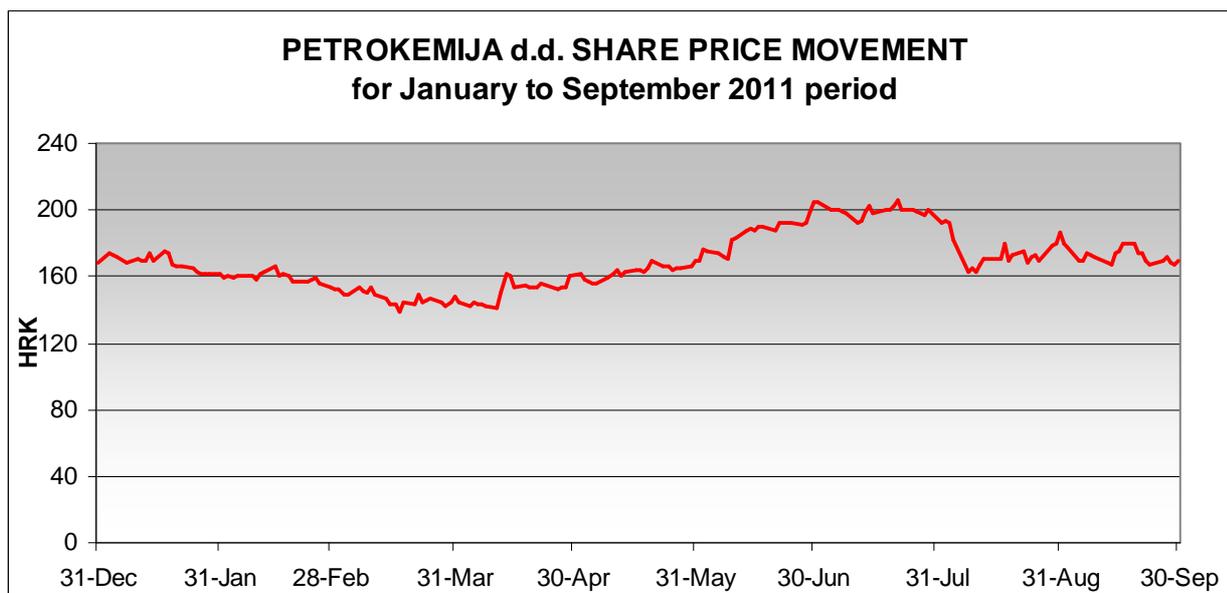
EMPLOYEES BY PROFESSION:



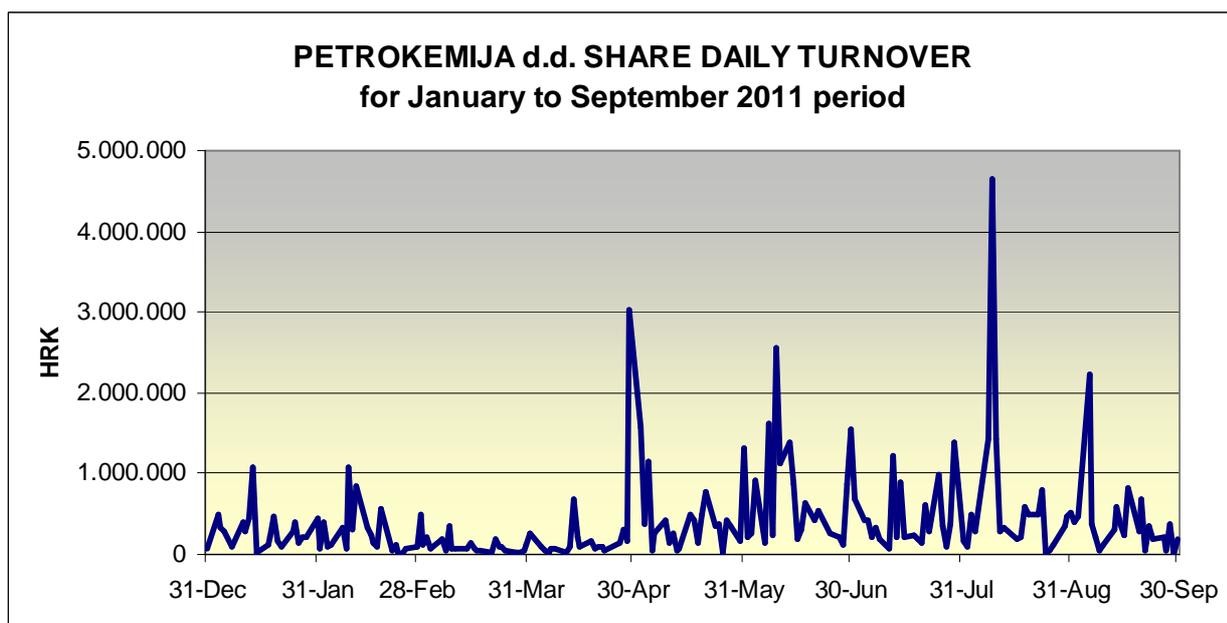
6. PETROKEMIJA d.d. SHARE TRADING AND PRICE MOVEMENTS

The share of Petrokemija d.d. is quoted in the Official Zagreb Stock Exchange Market. The nominal value of share is HRK 270.00.

At the end of December 2010, Petrokemija's share value was HRK 165.44, while on September 30, 2011, its average price was HRK 168.54 (1.9 % growth). The share turnover at the Zagreb Stock Exchange in the first three quarters of 2011 was HRK 75 million, with price fluctuations mainly influenced by the global financial movements, specific characteristics of the Croatian capital market and actual financial results of Petrokemija.



Source: ZSE



Source: ZSE

7. ENVIRONMENTAL PROTECTION - JANUARY TO SEPTEMBER 2011 REPORT

Introduction

Petrokemija d.d. with its core production of fertilizers, carbon black and bentonite clay-based products, has a significant impact on environment. The environmental management system of the Company is in compliance with, and certified against the ISO 14001:2004 standard requirements. The overall goal of Petrokemija is to improve efficiency of the environmental management system in order to achieve a more effective environmental protection and pollution prevention.

Major environmental aspects are pollutant emissions to air and water and waste management. Detailed reports on environmental protection and impact of Petrokemija's production on environment are annually made in accordance with the regulations. What follows is a summary of actual indicators of environmental management for January to September 2011 period by main environmental aspects.

1. Air pollutant emissions and air quality in the Kutina area

According to the data from 2010 and also from the previous years, greenhouse gases, carbon dioxide and nitrous oxide have the largest share (about 99 %) in the total emissions into air from Petrokemija. As regards other typical pollutant emissions (ammonia-NH₃, sulphur dioxide-SO₂, nitrogen dioxide-NO₂, gaseous fluorides-HF, dust), without greenhouse gases and carbon monoxide (CO) from Petrokemija's technological processes, ammonia and nitrogen oxides, with 55,2 % and 32,1 % respectively, have the largest share in total pollutant emissions.

In line with the regulations, emission monitoring was done by individual or periodical measuring throughout the calendar year, except for measurements of air emissions from Power Plant and Ammonia Plant that were continuous. Air quality monitoring in the Kutina area is continuous, by means of automatic and semi-automatic methods.

In the January to September 2011 period, the results of air quality monitoring at six local network measuring stations for the seven pollutants (NH₃, SO₂, NO₂, H₂S, HF, smoke and sediment), recorded one exceeding of 24-hour limit for ammonia at K3 measuring station. In the same period the air quality, measured by the local network was 1st category (clean or slightly polluted air) for all pollutants.

According to unofficial measuring results of the Kutina-1 State Measuring Station for that period, the air quality was 1st category (clean or slightly polluted air) for ammonia-NH₃, nitrogen dioxide-NO₂, sulphur dioxide-SO₂, carbon monoxide-CO and PM₁₀.

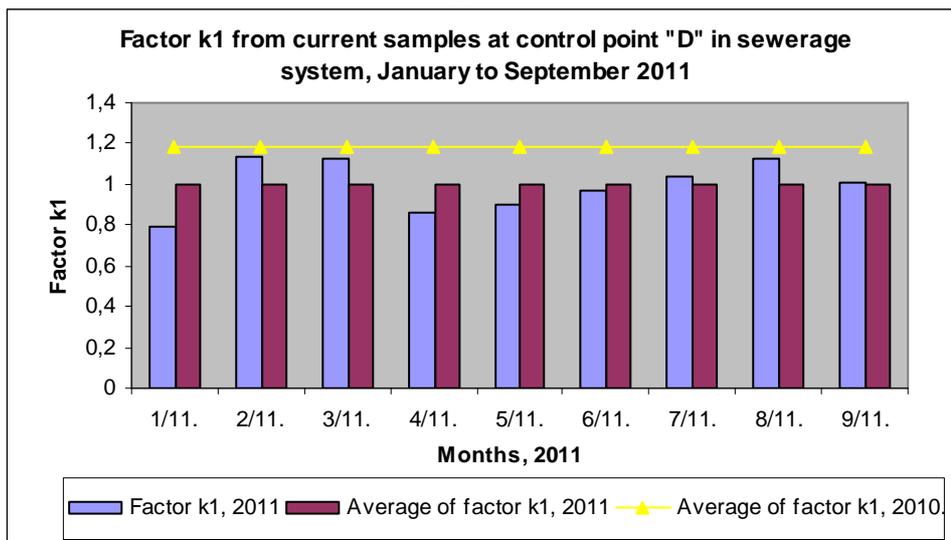
The air quality was 3rd category (excessively polluted air) for hydrogensulphide-H₂S based on hourly concentrations measured in the month of January which can not be correlated with the Petrokemija production activities.

In the reporting period, the coverage of concentration measurements for ammonia-NH₃ was about 4%, nitrogen dioxide-NO₂ about 15% and hydrogensulphide-H₂S about 35 %. Measurement of ammonia (except in January) was not carried out.

2. Water management

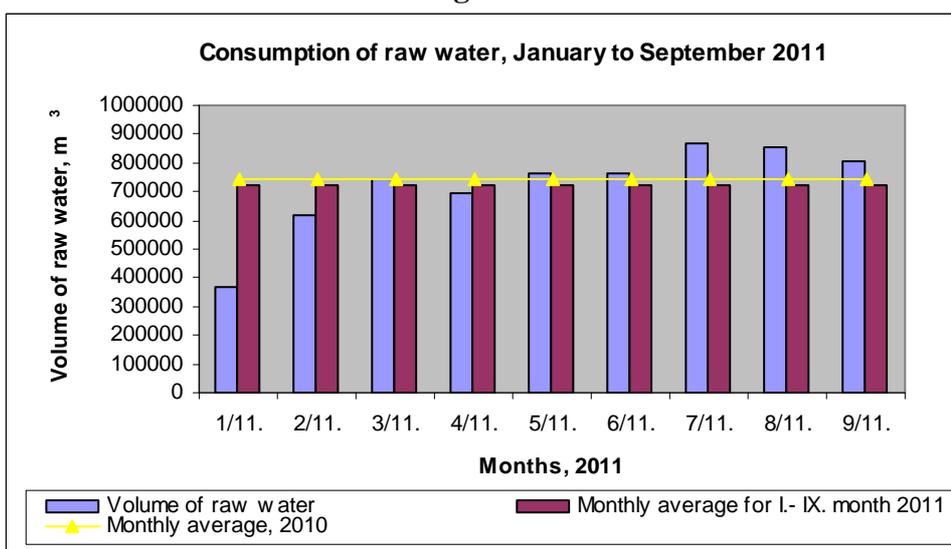
In the January to September 2011 period, improvement of water protection was achieved as the results of factor k1 values showed (Figure 1).

Figure 1.



In the January to June period of 2011, the monthly average consumption of raw water was at the same level as in 2010. (Figure 2.).

Figure 2.



3. Waste management

The generated production waste (e.g. calcium fluoride) was regularly disposed at the phosphogypsum disposal pond, in accordance with the valid permit. Other kinds of waste were handed over to licensed collecting and processing companies.

8. KEY CHARACTERISTICS OF BUSINESS ACTIVITIES IN THE NEXT PERIOD

The business plan for 2011 anticipates actual profit of HRK 5.2 million. The Petrokemija Management Board estimate that the financial result for the first three quarters and the current market situation – price parities of all major raw materials, but also that of fertilizers in the domestic and world markets - give grounds for a significantly better business result than planned. Certain positive movements were achieved in the domestic market in the first three quarters, which may be explained as a sign of market recovery in spite of the severe drought, almost to the

extent of a natural disaster. The positive result can be partly accounted for by the effect of time lag in the growth of in- and output prices.

Employment and wages and salaries are under control; a number of facilities are still temporarily shut down due to market situation and the current liquidity is maintained with the support of business banks, Croatian Bank for Reconstruction and Development and issuance of commercial papers.

In the reporting period, the plants were in continuous operation in order to supply sufficient fertilizer volumes for the market. The emphasis will still be placed on the domestic and the markets of neighboring countries, i.e. Petrokemija's traditional markets. However, significant sales on the world markets will also be continued. In the last quarter of 2011, further efforts will be made to take advantage of the largest possible production and sales, as well as to provide the necessary supplies for the early 2012 deliveries.

9. SIGNIFICANT FINANCIAL RISKS AT THE 2011 / 2012 YEAR TRANSITION

The overall considerations of Petrokemija's business position in the last quarter of 2011 and 2012 include a number of elements whose impact is difficult to estimate. However, in view of the present market situation a special attention should be given to risks as follows:

- Petrokemija's d.d. result is highly dependent on the movements of fertilizer and their raw material price in the world market, the exchange rate of HRK against USD and EUR and their interrelations.
- A contract on gas supply was signed with INA Industrija nafte. d.d. Zagreb, i.e. their daughter company Prirodni plin d.o.o. on a yearly basis. The method of price calculation contains a formula for quarterly pricing of gas linked to the movement of oil products prices in the world market, while the monthly price in HRK is linked to USD exchange rate. This means an additional exposure to HRK foreign exchange rate and energy price fluctuations in the world market. The price of fuel oil, which is included in the formula, has risen significantly in the first three quarters of 2011.
- In 2011, the fertilizer price in the global markets recovered, which made possible the realization of profit. However, due to the high cost of transportation, the long-term strongholds of Petrokemija are the domestic and closer markets of neighboring countries.
- The fluctuations of raw material prices present so far in the world market will have impact on material costs in the next period.
- High costs of working capital – because of insufficient own working capital, comparatively high interest rates and necessary credit resources as a result of extended maturity payment period of sold goods in the domestic market will continue to be present in the following period. A part of the short-term liabilities has been transformed into long-term liabilities (loans and reservation).
- In 2010, the key global financial crisis indicators were improved and the optimism with regard to economic growth and the dependence of fertilizer industry on changes in the world food and energy market give grounds for certain optimism in terms of Petrokemija's operations to end 2011.
- These positive global effects in the current year may be threatened by the possible new cycle of global crisis, rise of competition, stagnation of Croatian agriculture in the autumn 2011 and spring 2012 seasons (consequences of drought) and increase in gas price in the European and local markets.

10. STATEMENT OF MANAGEMENT LIABILITY

In line with Articles 407 through 410 of the Capital Market Act (OG 88/08 and 146/08), the Managing Board of Petrokemija d.d. Kutina, A. Vukovar 4, make a

Statement on Management Liability

Financial reports were made in accordance with International Financial Reporting Standards (IFRS). Financial reports are also compliant to Croatian Accounting Act, effective at the time of issuing of the reports.

Financial reports for the January 1 to September 30, 2011 period, make an exact and true account of the Company financial state and the business and cash flow results, in compliance with the applicable accounting standards.

This report may contain certain statements relating to the future business of Petrokemija d.d. and Petrokemija Group, their strategy, plans and intentions which express a certain degree of uncertainty. They reflect the current position of Petrokemija with regard to future, which is subject to risks, uncertainties and assumptions about the future. Currently, the results, effects and achievements of Petrokemija d.d. or Petrokemija Group are dependent on a large number of factors which may influence their being quite different from the originally targeted ones.

Josip Jaguš
Chairman of Petrokemija
Management Board

Antonija Perošević-Galović
Member of Petrokemija
Management Board

Nenad Marinović
Member of Petrokemija
Management Board

Tomislav Seletković
Member of Petrokemija
Management Board

Encl: - Quarterly financial report of the company - TFI-POD Petrokemija d.d.
- Quarterly financial report of the Petrokemija Group - TFI-POD Petrokemija Group

Attachment 1.

Reported period:

1.1.

to

30.9.2011.

Quarterly financial statements TFI-PODRegistration number (MB): **03674223**Registration number of subject
(MBS): **080004355**Personal identification number
(OIB): **24503685008**Issuer company: **PETROKEMIJA, d.d.**Postal code and city: **44320****KUTINA**Street and number: **ALEJA VUKOVAR 4**E-mail: fin@petrokemija.hrInternet address: www.petrokemija.hrCode and city/municipality: **220** **KUTINA**Code and county name: **3** **SISAČKO-MOSLAVAČKA ŽUPANIJA**Number of employees: **2.318**
(at the end of the year)Consolidated Report: **NO**Code of NKD: **2015**

Entities in consolidation (according to IFRS):

Registered seat:

Registration number (MB):

Book-keeping office:

Contact person: **MARINA MARIĆ**

(name and surname of the contact person)

Telephone number: **044-647-829**Fax: **044-682-819**E-mail: marina.marić@petrokemija.hrName and surname: **JOSIP JAGUŠT, ANTONIJA PEROŠEVIĆ-GALOVIĆ**

(authorized representatives)

Documentation to be published:

1. Financial Statements (Balance Sheet, Profit and Loss Account, Cash Flow Statement, Change in Capital Statement and Notes to Financial Statements)
2. Management Board's Report
3. Statement of persons in charge of making Financial Statements

(seal)

(signature of authorized representative)

BALANCE SHEET
as at 30.09.2011.

Petrokemija, d.d.			
Position	AOP code	Previous year (31.12.)	Current year
1	2	3	4
A) RECIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	823.440.193	776.826.718
I. INTANGIBLE ASSETS (004 do 009)	003	8.056.658	7.416.489
1. Expense for development	004		
2. Concessions, patents, licences, trade and service marks, software and other rights	005	6.614.968	5.946.191
3. Goodwill	006		
4. Advances for intangible assets	007		
5. Intangible assets in progress	008	1.441.690	1.470.298
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 do 019)	010	784.383.239	737.584.839
1. Land	011	49.419.192	49.411.756
2. Buildings	012	320.599.498	306.491.346
3. Plant and equipment	013	366.697.839	354.234.690
4. Tools, plant inventory and transportation assets	014	13.540.974	15.103.292
5. Biological assets	015		
6. Advances for tangible assets	016		1.452.768
7. Tangible assets in progress	017	33.653.876	10.398.713
8. Other tangible assets	018	471.860	492.274
9. Investments in real estates	019		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	31.000.296	31.242.837
1. Investments (shares) in related companies	021	10.736.317	10.736.317
2. Loans given to related companies	022		
3. Participating interest (shares)	023	12.805.351	12.805.351
4. Loans given to companies with participating interest	024		
5. Investment in securities	025		
6. Loans given, deposits and similar assets	026	3.278.289	3.325.720
7. Other long-term financial assets	027	4.180.339	
8. Investments accounted for using the equity method	028		4.375.449
IV. TRADE RECEIVABLES (030 do 032)	029	0	582.553
1. Receivables from related companies	030		
2. Receivables for sales on loan	031		
3. Other receivables	032		582.553
V. DEFERRED TAX ASSETS	033		
C) SHORT-TERM ASSETS (035+043+050+058)	034	708.857.331	851.728.326
I. INVENTORIES (036 do 042)	035	478.795.342	610.478.015
1. Raw and other material	036	226.957.336	322.523.356
2. Work in progress	037	23.553.044	29.303.673
3. Finished products	038	219.745.764	254.458.634
4. Merchandise inventory	039	3.788.011	2.194.967
5. Advances for inventories	040	4.751.187	1.997.385
6. Long-term assets intended for sale	041		
7. Biological assets	042		
II. TRADE RECEIVABLES (044 do 049)	043	205.175.357	168.194.909
1. Receivables from related companies	044		289.005
2. Receivables from customers (buyers)	045	87.154.900	100.805.535
3. Receivables from participating interest	046		
4. Receivables from employees and members	047	26.293	189.969
5. Receivables from state and other institutions	048	117.334.954	66.167.929
6. Other receivables	049	659.210	742.471
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	050	3.548.085	61.730.167
1. Investments (shares) in related companies	051		
2. Loans given to related companies	052		
3. Participating interest (shares)	053		
4. Loans given to companies with participating interest	054		
5. Investment in securities	055	3.548.085	4.593.669
6. Loans given, deposits and similar assets	056		57.136.498
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	21.338.547	11.325.235
D) PREPAID EXPENSES AND ACCRUED INCOME	059	1.763.118	0
E) TOTAL ASSETS (001+002+034+059)	060	1.534.060.642	1.628.555.044
F) OFF BALANCE SHEET ITEMS	061	141.203.382	181.297.700

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	657.284.333	771.757.917
I. SUBSCRIBED CAPITAL	063	902.101.590	902.101.590
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	0	0
1. Legal reserves	066		
2. Reserve for treasury shares	067		
3. Treasury shares and investment (deductible item)	068		
4. Statutory reserves	069		
5. Other reserve	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-108.711.297	-244.817.257
1. Retained earning	073		
2. Loss carried forward	074	108.711.297	244.817.257
VI. PROFIT OR LOSS FOR THE BUSINESS YEAR (076-077)	075	-136.105.960	114.473.584
1. Profit for the year	076		114.473.584
2. Loss for the year	077	136.105.960	
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	14.532.303	13.178.303
1. Provisions for pensions, severance pay and similar liabilities	080	12.282.303	11.078.303
2. Provisions for tax liabilities	081		
3. Other provisions	082	2.250.000	2.100.000
C) LONG-TERM LIABILITIES (084 do 092)	083	62.222.222	142.222.222
1. Liabilities to related companies	084		
2. Liabilities for loans, deposits and similar	085	62.222.222	142.222.222
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Liabilities to suppliers	088		
6. Liabilities for securities	089		
7. Liabilities to companies with participating interest	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092		
D) SHORT-TERM LIABILITIES (094 do 105)	093	796.587.598	684.056.602
1. Liabilities to related companies	094	4.520.449	3.281.839
2. Liabilities for loans, deposits and similar	095	44.000.000	12.000.000
3. Liabilities to banks and other financial institutions	096	310.017.961	135.945.935
4. Liabilities for advances	097	56.326.281	90.284.927
5. Liabilities to suppliers	098	334.923.497	385.746.542
6. Liabilities for securities	099	22.125.296	34.000.000
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	13.328.610	13.192.402
9. Liabilities for taxes, contributions and other payments	102	8.172.172	8.280.952
10. Liabilities as per share in result	103		
11. Liabilities as per long-term assets intended for sales	104		
12. Other short-term liabilities	105	3.173.332	1.324.005
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.434.186	17.340.000
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.534.060.642	1.628.555.044
G) OFF BALANCE SHEET ITEMS	108	141.203.382	181.297.700
APPENDIX TO BALANCE SHEET (to be completed by companies that prepare consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Credited to parent company capital owners	109		
2. Credited to minority interest	110		

PROFIT AND LOSS ACCOUNT
for the period 01.01.2011. to 30.09.2011.

Petrokemija, d.d.					
Position	AOP code	Previous year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	1.509.152.529	600.625.018	2.234.549.186	811.237.442
1. Sales revenues	112	1.488.179.915	592.219.095	2.208.656.660	805.595.976
2. Other operating revenues	113	20.972.614	8.405.923	25.892.526	5.641.466
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.611.820.202	675.798.554	2.096.667.873	767.937.693
1. Changes in value of work in progress and finished products	115	-17.145.700	10.727.233	-40.463.499	-47.943.706
2. Material costs (117 do 119)	116	1.333.089.042	563.057.611	1.811.716.780	711.156.299
a) Cost of raw and production materials	117	1.249.288.523	512.905.003	1.720.066.249	669.488.593
b) Cost of goods sold	118	17.129.803	15.584.769	4.542.007	2.303.186
c) Other external costs	119	66.670.716	34.567.839	87.108.524	39.364.520
3. Employees costs (121 do 123)	120	160.600.936	53.964.681	173.066.464	59.816.656
a) Net salaries and wages	121	100.818.400	34.120.369	108.388.663	37.294.028
b) Costs for taxes and contributions from salaries	122	36.181.304	11.912.628	39.232.737	13.730.092
c) Contributions on salaries	123	23.601.232	7.931.684	25.445.064	8.792.536
4. Depreciation	124	76.317.665	25.667.246	73.539.060	25.048.936
5. Other costs	125	57.733.123	21.479.610	61.106.060	19.199.922
6. Value adjustments (127+128)	126	1.225.136	902.173	363.008	266.859
a) of long-term assets (except for financial assets)	127	28.689	4.440	23.659	12.571
b) of short-term assets (except for financial assets)	128	1.196.447	897.733	339.349	254.288
7. Provisions	129			17.340.000	392.727
8. Other operating expenses	130				
III. FINANCIAL REVENUES (132 do 136)	131	30.005.253	16.988.037	19.529.740	6.172.938
1. Interest, exchange rate fluctuations, dividends and similar from associated companies	132	20.713	5.643	24.576	-583
2. Interest, exchange rate fluctuations, dividends and similar from non-associated companies and others	133	29.239.095	16.982.394	19.505.164	6.173.521
3. Part of revenue from associated companies and participating interests	134				
4. Unrealised gains (revenues) from financial assets	135	745.445	0		
5. Other financial revenues	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	54.056.324	21.486.492	42.937.469	16.052.984
1. Interest, exchange rate fluctuations and other costs with associated companies	138	287.616	81.891	159.364	64.720
2. Interest, exchange rate fluctuations and other costs with non-associated companies	139	51.075.957	20.906.732	42.778.105	15.988.264
3. Unrealised losses (costs) from financial assets	140	2.692.751	497.869		
4. Other financial expenses	141				
V. PORTION IN PROFIT OF ASSOCIATED COMPANIES	142				
VI. PORTION IN LOSS OF ASSOCIATED COMPANIES	143				
VII. EKSTRAORDINARY - OTHER REVENUES	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL REVENUES (111+131+142 + 144)	146	1.539.157.782	617.613.055	2.254.078.926	817.410.380
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.665.876.526	697.285.046	2.139.605.342	783.990.677
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-126.718.744	-79.671.991	114.473.584	33.419.703
1. Profit before taxation (146-147)	149	0	0	114.473.584	33.419.703
2. Loss before taxation (147-146)	150	126.718.744	79.671.991	0	0
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-126.718.744	-79.671.991	114.473.584	33.419.703
1. Profit for the period (149-151)	153	0	0	114.473.584	33.419.703
2. Loss for the period (151-148)	154	126.718.744	79.671.991	0	0

APPENDIX TO PLA (to be completed by companies that prepare consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Credited to parent company capital owners	155				
2. Credited to minority interest	156				
STATEMENT OF COMPREHENSIVE INCOME (to be completed by company obligated to apply IFRS)					
I. PROFIT OR LOSS OF THE PERIOD (= 152)	157	-126.718.744	-79.671.991	114.473.584	33.419.703
II. OTHER COMPREHENSIVE GAINS/LOSS BEFORE TAXES (159 do 165)	158	0	0	0	0
1. Exchange rate differences from translation of foreign currency operations	159				
2. Change in revaluation reserves of fixed tangible and intangible assets	160				
3. Gain or loss from revaluation of financial assets held for sale	161				
4. Gain or loss from effective cash flow hedge	162				
5. Gain or loss from effective hedge in net investments in abroad	163				
6. Portion in other comprehensive gain/loss of associated companies	164				
7. Actuarial gains/losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD (157+167)	168	-126.718.744	-79.671.991	114.473.584	33.419.703
APPENDIX TO STATEMENT OF COMPREHENSIVE INCOME (to be completed by companies that prepare consolidated financial statements)					
VI. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD					
1. Credited to parent company capital owners	169				
2. Credited to minority interest	170				

CASH FLOW STATEMENT - Direct method

for the period 01.01.2011. to 30.09.2011.

Petrokemija, d.d.			
Position	AOP code	Previous year	Current year
1	2	3	4
CASH FLOW FROM PERATIONG ACTIVITIES			
1. Cash increase from buyers	001	1.763.686.973	2.459.709.968
2. Cash increase from royalties, fees commissions and other	002		
3. Cash increase from insurance compensations	003	4.320.410	4.190.488
4. Cash increase from tax return	004	108.564.328	150.402.406
5. Other cash increase	005	7.952.899	4.650.701
I. Total increase of cash flow from operating activities (001 do 005)	006	1.884.524.610	2.618.953.563
1. Expenses to suppliers	007	1.323.801.948	2.129.757.258
2. Expenses for employees	008	184.442.640	197.609.355
3. Expenses for insurance compensations	009	9.680.394	11.800.825
4. Expenses for interest	010	19.760.351	18.449.562
5. Expenses for taxes	011	82.041.437	62.223.740
6. Other cash decrease	012	18.023.249	7.432.068
II. Total decrease in cash flow from operating activities (007 do 012)	013	1.637.750.019	2.427.272.808
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (006-013)	014	246.774.591	191.680.755
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (013-006)	015	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash proceeds from sale of non-current tangible and intangible assets	016		53.629
2. Cash proceeds from sale of equity and debt security instruments	017		
3. Cash proceeds from interest payment*	018		
4. Cash proceeds of dividend payment*	019	369.664	359.018
5. Other cash proceeds from investing activities	020		
III. Total cash inflow from investing activities (016 do 020)	021	369.664	412.647
1. Cash outflow for acquisition of non-current tangible and intangible assets	022	15.703.964	26.965.183
2. Cash outflow for acquisition of equity and debt financial instruments	023	145.931	195.110
3. Other cash outflows from investing activities	024		
IV. Total cash outflow from investing activities (022 do 024)	025	15.849.895	27.160.293
B1) NET CASH FLOW FROM INVESTIN ACTIVITIES (021-025)	026	0	0
B2) NET CASH FLOW OUTFLOW FROM INVESTING ACTIVITIES (025-021)	027	15.480.231	26.747.646
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflows from issuance of equity and debt financial instruments	028	21.448.077	33.934.336
2. Cash inflows from loan principals, debentures, credits and other borrowings	029	210.682.579	464.754.598
3. Other inflows from financial activities	030	137.052.836	168.746.947
V. Total cash inflow from financial activities (028 do 030)	031	369.183.492	667.435.881
1. Cash outflows for repayment of loan principal and bonds	032	267.330.040	594.439.226
2. Cash outflows for dividend payment	033		
3. Cas outflow for financial lease	034		
4. Cash outflows for buybackof own shares	035		
5. Other cash outflows for financial activities	036	280.301.578	247.943.076
VI. Total cash outflow for financial activities (032 do 036)	037	547.631.618	842.382.302
C1) NET CASH FLOW INCREASE FROM FINANCIAL ACTIVITIES (031-037)	038	0	0
C2) NET CASHFLOW DECREASE FROM FINANCIAL ACTIVITIES (037-031)	039	178.448.126	174.946.421
Total increase of cash flow (014 – 015 + 026 – 027 + 038 – 039)	040	52.846.234	0
Total decrease of cash flow (015 – 014 + 027 – 026 + 039 – 038)	041	0	10.013.312
Cash and cash equivalents at the beginning of the period	042	26.190.868	21.338.547
Increase of cash and cash equivalents	043	52.846.234	
Decrease of cash adn cash equivalents	044		10.013.312
Cash and cash equivalents at the end of the period	045	79.037.102	11.325.235

*Inflow from interest and dividend can be listed as operating activities (MRS 7 Appendix A)

STATEMENT OF CHANGES IN EQUITY

for the period from 1.1.2011 to 30.9.2011

Position	AOP code	Previous year	Current year
1	2	3	4
1. Suscribed capital	001	902.101.590	902.101.590
2. Capital reserves	002		
3. Reserves from profit	003		
4. Retained profit or loss carried forward	004	-108.711.297	-244.817.257
5. Profit or loss for the year	005	-136.105.960	114.473.584
6. Revaluation of fixed tangeble assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	657.284.333	771.757.917
11. Exchange differences on translationof financial statements of foreign operations	011		
12. Curent and deferred taxes (part))	012		
13. Protektion of cash flow	013		
14. Changes in accounting policies	014		
15. Adjustment of significant errors from previous period	015		
16. Other changes in captal	016		
17. Total increase or decrease of capital (AOP 011 do 016)	017	0	0
17 a. Creadited to parent company capital owners	018		
17 b. Creadited to minority interest	019		

Items that decrease the capital are entered with a minus sign.

Items under AOP marke 001 to 009 are entered as status on balance sheet date.

Note

PETROKEMIJA d.d.

In the first three quarters of 2011, Petrokemija d.d. had total actual income of HRK 2,254.1 million and total expense of HRK 2,139.6 million. On a first-three-quarter basis, total revenues have increased by 46.4%, and total expenditures by 28.4% compared to the same period of 2010.

Greater actual achievement in operating income and expenses, compared to the same period last year, is the result of the growth of in- and output prices and increased output and sales in the greater part of the production range. In the first three quarters of 2011, Petrokemija increased fertilizer production by 10.2% and sales by 9.4% compared to the same period last year.

In the first three quarters of 2011, the Company reported HRK 114.5 million in business profits, which is by HRK 241.2 million a better result from that in the same period last year, when the loss of 126.7 million was reported. The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 211.4 million in the positive. In the same period last year, EBITDA was HRK 26.3 million in the negative.

The data clearly show that the growth of income and expense is the impact of increased volumes, but also of significant increase in in- and output prices. The actual profit on a first- three-quarter basis is the result of increased sales, more favorable ratio of input-output prices, while partly having elements of positive effects of time difference in the growth of in- and output prices.

As a reflection of global trends in the energy market, there is a rise in gas price. This most important raw material is supplied in the domestic market under the so-called Russian formula. It is estimated that in the course of 2011, the price of gas will continue to grow, following the price of fuel oil in world markets and the USD exchange rate.

Due to the market situation, a part of plants was halted in the second half of 2009 and this problem is carried over into the fourth quarter of 2011. The crisis in market demand of carbon black is still present. Petrokemija is influenced by developments in the global market, which gives space to significant potential price risks and financial fluctuations in the rest of 2011 and in 2012.

In addition to their own working capital, short-term bank loans and a long-term loan from the Croatian Bank for Reconstruction and Development, Petrokemija secured their source of financing working capital partly by the release of commercial papers in the Zagreb Stock Exchange through Privredna banka Zagreb as agent and dealer of the program.

The future trends in financial results of Petrokemija d.d. will be influenced by many factors. Besides the gas price, which is set in the domestic market, the majority of future risk comes from the global environment, i.e. mainly through:

1. Change in price of basic raw materials in the world markets (MAP, DAP, phosphate, potassium chloride, sulfur);
2. Change in demand and sales price of fertilizers;
3. Price fluctuation of energy fluids - gas and oil;
4. Price fluctuation of basic agricultural crops;
5. Exchange rate of USD and EUR to the local currency and
6. Financing costs and inter-currency relations.

Attachment 1.

Reported period:

1.1.

to

30.9.2011.

Quarterly financial statements TFI-PODRegistration number (MB): **03674223**Registration number of subject
(MBS): **080004355**Personal identification number
(OIB): **24503685008**Issuer company: **THE GROUP PETROKEMIJA**Postal code and city: **44320****KUTINA**Street and number: **ALEJA VUKOVAR 4**E-mail: fin@petrokemija.hrInternet address: www.petrokemija.hrCode and city/municipality: **220** **KUTINA**Code and county name: **3** **SISAČKO-MOSLAVAČKA ŽUPANIJA**Number of employees: **2.329**
(at the end of the year)Consolidated Report: **YES**Code of NKD: **2015**

Entities in consolidation (according to IFRS):

Registered seat:

Registration number (MB):

Book-keeping office:

Contact person: **MARINA MARIĆ**

(name and surname of the contact person)

Telephone number: **044-647-829**Fax: **044-682-819**E-mail: marina.marić@petrokemija.hrName and surname: **JOSIP JAGUŠT, ANTONIJA PEROŠEVIĆ-GALOVIĆ**

(authorized representatives)

Documentation to be published:

1. Financial Statements (Balance Sheet, Profit and Loss Account, Cash Flow Statement, Change in Capital Statement and Notes to Financial Statements)
2. Management Board's Report
3. Statement of persons in charge of making Financial Statements

(seal)

(signature of authorized representative)

BALANCE SHEET
as at 30.09.2011.

The Group Petrokemija d.d.			
Position	AOP code	Previous year (31.12.)	Current year
1	2	3	4
A) RECIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	814.812.913	768.192.521
I. INTANGIBLE ASSETS (004 do 009)	003	8.063.645	7.422.007
1. Expense for development	004		
2. Concessions, patents, licences, trade and service marks, software and other rights	005	6.621.955	5.951.709
3. Goodwill	006		
4. Advances for intangible assets	007		
5. Intangible assets in progress	008	1.441.690	1.470.298
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 do 019)	010	786.485.289	739.681.441
1. Land	011	49.419.193	49.411.757
2. Buildings	012	322.501.078	308.419.412
3. Plant and equipment	013	366.707.246	354.241.463
4. Tools, plant inventory and transportation assets	014	13.732.036	15.265.053
5. Biological assets	015		
6. Advances for tangible assets	016		1.452.769
7. Tangible assets in progress	017	33.653.876	10.398.713
8. Other tangible assets	018	471.860	492.274
9. Investments in real estates	019		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	20.263.979	20.506.520
1. Investments (shares) in related companies	021		
2. Loans given to related companies	022		
3. Participating interest (shares)	023	12.805.351	12.805.351
4. Loans given to companies with participating interest	024		
5. Investment in securities	025		
6. Loans given, deposits and similar assets	026	3.278.289	3.325.720
7. Other long-term financial assets	027	4.180.339	
8. Investments accounted for using the equity method	028		4.375.449
IV. TRADE RECEIVABLES (030 do 032)	029	0	582.553
1. Receivables from related companies	030		
2. Receivables for sales on loan	031		
3. Other receivables	032		582.553
V. DEFERRED TAX ASSETS	033		
C) SHORT-TERM ASSETS (035+043+050+058)	034	713.791.048	857.579.562
I. INVENTORIES (036 do 042)	035	478.883.337	610.594.034
1. Raw and other material	036	226.983.987	322.594.924
2. Work in progress	037	23.553.044	29.303.674
3. Finished products	038	219.745.765	254.458.634
4. Merchandise inventory	039	3.849.354	2.239.417
5. Advances for inventories	040	4.751.187	1.997.385
6. Long-term assets intended for sale	041		
7. Biological assets	042		
II. TRADE RECEIVABLES (044 do 049)	043	205.564.624	168.400.533
1. Receivables from related companies	044		
2. Receivables from customers (buyers)	045	87.514.440	101.270.760
3. Receivables from participating interest	046		
4. Receivables from employees and members	047	26.313	190.099
5. Receivables from state and other institutions	048	117.364.540	66.176.512
6. Other receivables	049	659.331	763.162
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	050	3.548.085	61.730.167
1. Investments (shares) in related companies	051		
2. Loans given to related companies	052		
3. Participating interest (shares)	053		
4. Loans given to companies with participating interest	054		
5. Investment in securities	055	3.548.085	4.593.669
6. Loans given, deposits and similar assets	056		57.136.498
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	25.795.002	16.854.828
D) PREPAID EXPENSES AND ACCRUED INCOME	059	1.773.159	4.861
E) TOTAL ASSETS (001+002+034+059)	060	1.530.377.120	1.625.776.944
F) OFF BALANCE SHEET ITEMS	061	141.203.382	181.297.700

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	657.012.802	772.045.531
I. SUBSCRIBED CAPITAL	063	902.101.590	902.101.590
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	0	0
1. Legal reserves	066		
2. Reserve for treasury shares	067		
3. Treasury shares and investment (deductible item)	068		
4. Statutory reserves	069		
5. Other reserve	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-108.982.828	-244.775.263
1. Retained earning	073		
2. Loss carried forward	074	108.982.828	244.775.263
VI. PROFIT OR LOSS FOR THE BUSINESS YEAR (076-077)	075	-136.105.960	114.719.204
1. Profit for the year	076		114.719.204
2. Loss for the year	077	136.105.960	
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	14.532.303	13.178.303
1. Provisions for pensions, severance pay and similar liabilities	080	12.282.303	11.078.303
2. Provisions for tax liabilities	081		
3. Other provisions	082	2.250.000	2.100.000
C) LONG-TERM LIABILITIES (084 do 092)	083	62.222.222	142.222.222
1. Liabilities to related companies	084		
2. Liabilities for loans, deposits and similar	085	62.222.222	142.222.222
3. Liabilities to banks and other financial institutions	086		
4. Liabilities for advances	087		
5. Liabilities to suppliers	088		
6. Liabilities for securities	089		
7. Liabilities to companies with participating interest	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092		
D) SHORT-TERM LIABILITIES (094 do 105)	093	793.175.607	680.990.558
1. Liabilities to related companies	094		
2. Liabilities for loans, deposits and similar	095	44.000.000	12.000.000
3. Liabilities to banks and other financial institutions	096	310.017.961	135.945.935
4. Liabilities for advances	097	56.326.281	90.284.927
5. Liabilities to suppliers	098	335.739.131	385.864.480
6. Liabilities for securities	099	22.125.296	34.000.000
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	13.360.399	13.227.870
9. Liabilities for taxes, contributions and other payments	102	8.410.705	8.320.292
10. Liabilities as per share in result	103		
11. Liabilities as per long-term assets intended for sales	104		
12. Other short-term liabilities	105	3.195.834	1.347.054
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.434.186	17.340.330
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.530.377.120	1.625.776.944
G) OFF BALANCE SHEET ITEMS	108	141.203.382	181.297.700
APPENDIX TO BALANCE SHEET (to be completed by companies that prepare consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Credited to parent company capital owners	109	657.012.802	772.045.531
2. Credited to minority interest	110		

Note 1.: The appendix to the balance sheet i to be filled if consolidated financial statements are to be compiled.

PROFIT AND LOSS ACCOUNT
for the period 01.01.2011. to 30.09.2011.

The Group Petrokemija d.d.					
Position	AOP code	Previous year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUES (112+113)	111	1.510.112.404	600.553.829	2.238.728.312	813.082.238
1. Sales revenues	112	1.489.085.260	592.105.204	2.212.757.828	807.417.595
2. Other operating revenues	113	21.027.144	8.448.625	25.970.484	5.664.643
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	1.612.877.475	675.943.909	2.100.492.600	769.743.020
1. Changes in value of work in progress and finished products	115	-17.145.700	10.727.233	-40.463.499	-47.943.706
2. Material costs (117 do 119)	116	1.332.446.621	562.693.496	1.813.899.119	712.414.005
a) Cost of raw and production materials	117	1.250.119.705	513.164.997	1.720.998.379	669.772.033
b) Cost of goods sold	118	16.940.967	15.265.617	6.570.796	3.485.002
c) Other external costs	119	65.385.949	34.262.882	86.329.944	39.156.970
3. Employees costs (121 do 123)	120	161.554.134	54.263.282	174.086.104	60.193.985
a) Net salaries and wages	121	101.574.518	34.354.191	109.198.116	37.594.253
b) Costs for taxes and contributions from salaries	122	36.317.499	11.957.332	39.377.234	13.783.207
c) Contributions on salaries	123	23.662.117	7.951.759	25.510.754	8.816.525
4. Depreciation	124	76.410.604	25.697.741	73.613.740	25.074.767
5. Other costs	125	58.386.680	21.659.983	61.654.128	19.344.382
6. Value adjustments (127+128)	126	1.225.136	902.174	363.008	266.859
a) of long-term assets (except for financial assets)	127	28.689	4.440	23.659	12.571
b) of short-term assets (except for financial assets)	128	1.196.447	897.734	339.349	254.288
7. Provisions	129			17.340.000	392.728
8. Other operating expenses	130				
III. FINANCIAL REVENUES (132 do 136)	131	30.229.570	17.207.005	19.529.739	6.150.940
1. Interest, exchange rate fluctuations, dividends and similar from associated companies	132				
2. Interest, exchange rate fluctuations, dividends and similar from non-associated companies and others	133	29.484.126	17.207.005	19.529.739	6.150.940
3. Part of revenue from associated companies and participating interests	134				
4. Unrealised gains (revenues) from financial assets	135	745.444			
5. Other financial revenues	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	54.006.168	21.469.001	43.023.060	16.095.644
1. Interest, exchange rate fluctuations and other costs with associated companies	138				
2. Interest, exchange rate fluctuations and other costs with non-associated companies	139	51.313.417	20.971.132	43.023.060	16.095.644
3. Unrealised losses (costs) from financial assets	140	2.692.751	497.869		
4. Other financial expenses	141				
V. PORTION IN PROFIT OF ASSOCIATED COMPANIES	142				
VI. PORTION IN LOSS OF ASSOCIATED COMPANIES	143				
VII. EKSTRAORDINARY - OTHER REVENUES	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL REVENUES (111+131+142 + 144)	146	1.540.341.974	617.760.834	2.258.258.051	819.233.178
X. TOTAL EXPENSES (114+137+143 + 145)	147	1.666.883.643	697.412.910	2.143.515.660	785.838.664
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-126.541.669	-79.652.076	114.742.391	33.394.514
1. Profit before taxation (146-147)	149	0	0	114.742.391	33.394.514
2. Loss before taxation (147-146)	150	126.541.669	79.652.076	0	0
XII. PROFIT TAX	151	17.262	-110	23.188	-224
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-126.558.931	-79.651.966	114.719.203	33.394.738
1. Profit for the period (149-151)	153	0	0	114.719.203	33.394.738
2. Loss for the period (151-148)	154	126.558.931	79.651.966	0	0

APPENDIX TO PLA (to be completed by companies that prepare consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Credited to parent company capital owners	155	-126.558.931	-79.651.966	114.719.203	33.394.738
2. Credited to minority interest	156				
STATEMENT OF COMPREHENSIVE INCOME (to be completed by company obligated to apply IFRS)					
I. PROFIT OR LOSS OF THE PERIOD (= 152)	157	-126.558.931	-79.651.966	114.719.203	33.394.738
II. OTHER COMPREHENSIVE GAINS/LOSS BEFORE TAXES (159 do 165)	158	0	0	0	0
1. Exchange rate differences from translation of foreign currency operations	159				
2. Change in revaluation reserves of fixed tangible and intangible assets	160				
3. Gain or loss from revaluation of financial assets held for sale	161				
4. Gain or loss from effective cash flow hedge	162				
5. Gain or loss from effective hedge in net investments in abroad	163				
6. Portion in other comprehensive gain/loss of associated companies	164				
7. Actuarial gains/losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD (158-166)	167	0	0	0	0
V. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD (157+167)	168	-126.558.931	-79.651.966	114.719.203	33.394.738
APPENDIX TO STATEMENT OF COMPREHENSIVE INCOME (to be completed by companies that prepare consolidated financial statements)					
VI. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD					
1. Credited to parent company capital owners	169	-126.558.931	-79.651.966	114.719.203	33.394.738
2. Credited to minority interest	170				

CASH FLOW STATEMENT - Direct method

for the period 01.01.2011. to 30.09.2011.

The Group Petrokemija d.d.			
Position	AOP code	Previous year	Current year
1	2	3	4
CASH FLOW FROM PERATIONG ACTIVITIES			
1. Cash increase from buyers	001	1.763.686.973	2.459.709.968
2. Cash increase from royalties, fees commissions and other	002		
3. Cash increase from insurance compensations	003	4.320.410	4.190.488
4. Cash increase from tax return	004	108.564.328	150.402.406
5. Other cash increase	005	7.952.899	4.650.701
I. Total increase of cash flow from operating activities (001 do 005)	006	1.884.524.610	2.618.953.563
1. Expenses to suppliers	007	1.323.801.948	2.129.757.258
2. Expenses for employees	008	184.442.640	197.609.355
3. Expenses for insurance compensations	009	9.680.394	11.800.825
4. Expenses for interest	010	19.760.351	18.449.562
5. Expenses for taxes	011	82.041.437	62.223.740
6. Other cash decrease	012	18.213.213	6.368.931
II. Total decrease in cash flow from operating activities (007 do 012)	013	1.637.939.983	2.426.209.671
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (006-013)	014	246.584.627	192.743.892
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (013-006)	015	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash proceeds from sale of non-current tangible and intangible assets	016		53.628
2. Cash proceeds from sale of equity and debt security instruments	017		
3. Cash proceeds from interest payment*	018		
4. Cash proceeds of dividend payment*	019	369.664	359.018
5. Other cash proceeds from investing activities	020		
III. Total cash inflow from investing activities (016 do 020)	021	369.664	412.646
1. Cash outflow for acquisition of non-current tangible and intangible assets	022	15.703.964	26.955.182
2. Cash outflow for acquisition of equity and debt financial instruments	023	145.931	195.110
3. Other cash outflows from investing activities	024		
IV. Total cash outflow from investing activities (022 do 024)	025	15.849.895	27.150.292
B1) NET CASH FLOW FROM INVESTIN ACTIVITIES (021-025)	026	0	0
B2) NET CASH FLOW OUTFLOW FROM INVESTING ACTIVITIES (025-021)	027	15.480.231	26.737.646
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash infows from issuance of equity and debt financial instruments	028	21.448.077	33.934.336
2. Cash inflows from loan principals, debentures, credits and other borrowings	029	210.682.579	464.754.598
3. Other inflows from financial activities	030	137.052.836	168.746.947
V. Total cash inflow from financial activities (028 do 030)	031	369.183.492	667.435.881
1. Cash outflows for repayment of loan principal and bonds	032	267.330.040	594.439.226
2. Cash outflows for dividend payment	033		
3. Cas outflow for financial lease	034		
4. Cash outflows for buybackof own shares	035		
5. Other cash outflows for financial activities	036	280.301.578	247.943.076
VI. Total cash outflow for financial activities (032 do 036)	037	547.631.618	842.382.302
C1) NET CASH FLOW INCREASE FROM FINANCIAL ACTIVITIES (031-037)	038	0	0
C2) NET CASHFLOW DECREASE FROM FINANCIAL ACTIVITIES (037-031)	039	178.448.126	174.946.421
Total increase of cash flow (014 – 015 + 026 – 027 + 038 – 039)	040	52.656.270	0
Total decrease of cash flow (015 – 014 + 027 – 026 + 039 – 038)	041	0	8.940.175
Cash and cash equivalents at the begining of the period	042	30.452.095	25.795.002
Increase of cash and cash equivalents	043	52.656.270	
Decrease of cash adn cash equivalents	044		8.940.175
Cash and cash equivalents at the end of the period	045	83.108.365	16.854.827

*Inflow from interest and dividend can be listed as operating activities (MRS 7 Appendix A)

STATEMENT OF CHANGES IN EQUITY

for the period from 1.1.2011 to 30.9.2011

Position	AOP code	Previous year	Current year
1	2	3	4
1. Suscribed capital	001	902.101.590	902.101.590
2. Capital reserves	002		
3. Reserves from profit	003		
4. Retained profit or loss carried forward	004	-108.982.828	-244.775.263
5. Profit or loss for the year	005	-136.105.960	114.719.204
6. Revaluation of fixed tangeble assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	657.012.802	772.045.531
11. Exchange differences on translationof financial statements of foreign operations	011		
12. Curent and deferred taxes (part))	012		
13. Protektion of cash flow	013		
14. Changes in accounting policies	014		
15. Adjustment of significant errors from previous period	015		
16. Other changes in captal	016		
17. Total increase or decrease of capital (AOP 011 do 016)	017	0	0
17 a. Creadited to parent company capital owners	018	657.012.802	772.045.531
17 b. Creadited to minority interest	019		

Items that decrease the capital are entered with a minus sign.

Items under AOP marke 001 to 009 are entered as status on balance sheet date.

Note

PETROKEMIJA GROUP

As evident from the Profit and Loss Account and Balance Sheet tables, Petrokemija's daughter companies have no significant influence on the Petrokemija Group result. The daughter companies are: Restoran Petrokemija d.o.o. Kutina, Petrokemija d.o.o. Novi Sad and Petrokemija d.o.o. Novo Mesto.

In the first three quarters of 2011, Petrokemija Group had total actual income of HRK 2,258.2 million and total expense of HRK 2,143.5 million. The reported profit in business operations was HRK 114.7 million or 5.1% of the total revenues. The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 211.8 million in the positive. In the same period of 2010, EBITDA was HRK 26.4 million in the negative.

In the first three quarters, total revenues have increased by 46.6% and total expenditures by 28,6% as compared to the same period of 2010.

The greater actual achievement in operating income and expenses, compared to the same period last year is the result of the growth of in- and output prices and higher output and sales in most of the production range. In the first three quarters of 2011, Petrokemija increased fertilizer production by 10.2% and sales by 9.4% in comparison with the same period last year.

The data clearly show that the growth of income and expense is the impact of increased volumes, but also of significant increase in in- and output prices. The actual profit in the first three quarters is the reflection of increased sales, more favorable ratio of input-output prices, and partly has elements of the positive effects of lag in the growth of in- and output prices.

As a reflection of trends in the global energy market, there is a rise in gas price. This most important raw material is supplied in the domestic market under the so-called Russian formula. It is estimated that in the remaining course of 2011, price of gas will continue to grow in accordance with the growth of the price of fuel oil in world markets and the USD exchange rate.

Due to the market situation, a part of plants was halted in the second half of 2009 and this problem is carried over into the fourth quarter of 2011. The crisis in market demand of carbon black is still present. Petrokemija is influenced by developments in the global markets, which gives space to significant potential price risks and financial fluctuations in the rest of 2011 and 2012.

In addition to their own working capital, short-term bank loans and a long-term loan from the Croatian Bank for Reconstruction and Development, Petrokemija secured their source of financing working capital partly by the release of commercial papers in the Zagreb Stock Exchange, through Privredna banka Zagreb as agent and dealer of the program.

The future trends in financial results of Petrokemija Group will be influenced by many factors. Besides the gas price, which is defined in the domestic market, the majority of future risks come from the global environment, and mainly through:

1. Change in price of basic raw materials in the world markets (MAP, DAP, phosphate, potassium chloride, sulfur);
2. Change in demand and in sales price of fertilizers;
3. Price fluctuation of energy fluids - gas and oil;
4. Price fluctuation of basic agricultural crops;
5. Exchange rate of USD and EUR to the local currency and
6. Financing costs and inter-currency relations.