

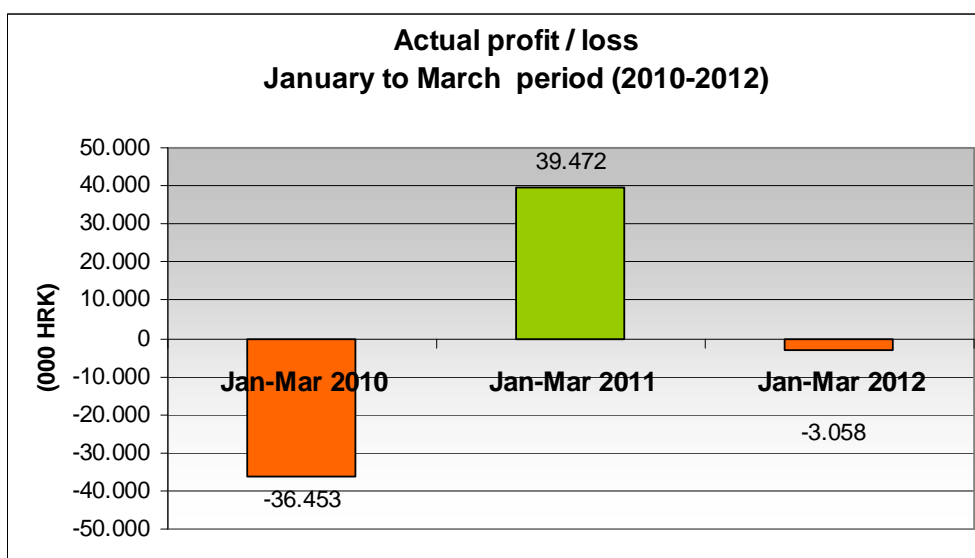
QUARTERLY REPORT

PETROKEMIJA, Plc. KUTINA

AND PETROKEMIJA GROUP

REPORT FOR PERIOD January to March 2012

- Actual production 237 and sales 258 thousand tons of fertilizers;
- Actual total income of Petrokemija, Plc. HRK 725.0 million; Petrokemija Group HRK 727.9 million;
- Actual profit of Petrokemija, Plc. HRK 3.1 million (0.4% of total revenues); Petrokemija Group HRK 2.2 million;
- Invested funds HRK 13.7 million;
- Number of employees of Petrokemija, Plc. 2,302; Petrokemija Group 2,313.



MANAGEMENT BOARD REPORT ON THE STATE OF THE COMPANY FOR Jan – March 2012 PERIOD

1. ACTUAL FINANCIAL RESULTS OF PETROKEMIJA, Plc.

The total income of Petrokemija, Plc. in the first quarter of 2012 was HRK 725,0 million, total expenses were HRK 728,1 million and the Company reported loss in business operations of HRK 3,1 million or 0,4% of total revenues. The total income of the 1st quarter was increased by 6,0% and total expenses by 12,9% on the same period of 2011.

Greater actual operating income and expenses compared to the same period last year reflects the growth of in- and output prices and adapting the production and sales to market demand. In 1st quarter of 2012, Petrokemija Plc. decreased production by 11.4% and sales by 8.6% in comparison with the same period of the previous year.

The income from domestic sales in the 1st quarter of 2012 decreased by 0,8% and income from export sales increased by 11.3% in comparison with the year 2011.

The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 24.0 million in the positive. The EBITDA for the same period of 2011 was HRK 66.2 million in the positive.

(HRK 000)

	Jan- Mar 2012	Jan- Mar 2011	Difference	% change
Operating income	714.788	677.804	36.984	5,46%
Operating expense	715.385	635.233	80.152	12,62%
EBITDA *	23.982	66.187	-42.205	-63,77%
Amortization	24.579	23.616	963	4,08%
Net financial income (expenses)	-2.461	-3.099	638	-20,59%
Net extraordinary income (expenses)	0	0	0	
Profit / loss / before taxation	-3.058	39.472	-42.530	0,00%
Non-current assets	758.813	812.301	-53.488	-6,58%
Current assets	967.192	741.903	225.289	30,37%
Shareholders' equity	762.051	696.757	65.294	9,37%
Non-current liabilities	94.197	76.649	17.548	22,89%
Current liabilities	869.757	780.798	88.959	11,39%

* EBITDA= profit before interest, taxation depreciation and amortization

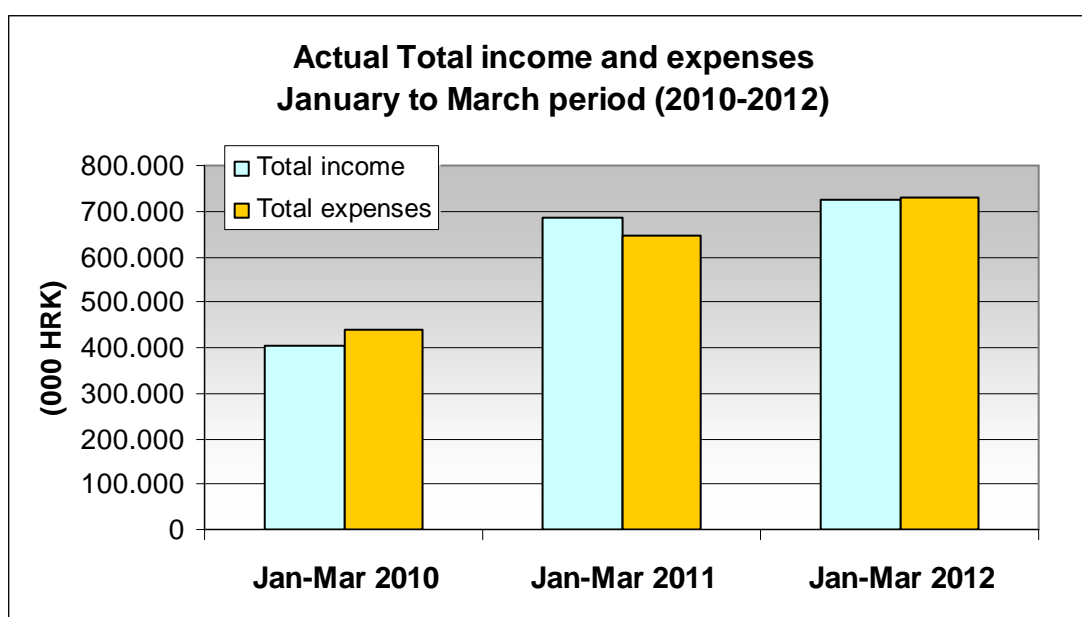
The data clearly show that the growth of income and expense was influenced by numerous factors – significant rise in input and output prices, lower actual production and sales, adjusting the product range to market demand and structure, synchronizing production capacities with logistics, selection of raw materials of good quality and origin so as to meet the EU customs requirements, etc.

The actual loss of the 1st quarter, after operating profit of the previous year is the result of a number of factors. The main causes of this reduction production and sales are unfavorable weather conditions and the associated lack of gas in the month of February. This caused a longer than planned overhaul and difficulties in starting up of the key plant to produce ammonia. In the area of sales, in preparation of spring sowing this resulted in almost complete

blockade of shipment at the time of high snowfall and low temperatures, because the roads, railways and river transport were virtually paralyzed.

Despite the significant rise in gas price and rise in price of basic raw materials for fertilizer production in the world market, price relations were established on the routes that ensured an approximate positive balance of revenues and expenditures in business activities. Loss from operating activities amounted to HRK 0.6 million and from financing activities HRK 2.5 million.

During the 1st quarter of 2012, a significant share of sales in exports was continued, in order to ensure positive effect on the financial result, fill in the capacity, ensure continuity of production and maintain the liquidity.



In comparison to the actual result in the same period of 2011, in the 1st quarter of 2012 there was a negative difference of HRK 42.5 million. Sales prices of fertilizers were increased in line with the rise of input prices and the evaluation of the market. However, this could not make up for the negative impact of lower volumes and higher prices of major raw materials, especially gas.

Due to the market situation, a part of facilities was halted in the second half of 2009 and this problem was carried over into 2012. For a part of raw materials and products the improvement of market position is still uncertain. The open problem of exceptional growth of gas price, carried over from the European energy fluids market as a consequence of the political crisis in the Middle East that influenced the rise in price of oil and oil derivatives, is here particularly pronounced.

STATEMENT OF COMPREHENSIVE INCOME OF PETROKEMIJA, Plc.KUTINA

(HRK 000)

POSITION	Petrokemija, Plc. Jan-Mar 2012	Petrokemija, Plc. Jan-Mar 2011
Total operating income	714.788	677.804
Total operating expenses	715.385	635.233
PROFIT / LOSS FROM ORDINARY ACTIVITIES	-597	42.571
Total financial income	10.209	6.399
Total financial expenses	12.670	9.498
PROFIT / LOSS FROM FINANCIAL ACTIVITIES	-2.461	-3.099
TOTAL INCOME	724.997	684.203
TOTAL EXPENSES	728.055	644.731
Profit/loss before taxation	-3.058	39.472
Profit tax		
Total comprehensive loss	-3.058	39.472

BALANCE SHEET OF PETROKEMIJA, Plc.KUTINA

(HRK 000)

POSITION	Petrokemija,Plc. 31.03. 2012	Petrokemija, Plc. 31. 03. 2011.
Total long-term assets	758.813	812.301
Total short-term assets	965.449	740.140
Prepaid costs and accrued income	1.743	1.763
TOTAL ASSETS	1.726.005	1.554.204
Total capital	762.051	696.756
Long-term liabilities	94.197	76.650
Total short-term liabilities	866.294	757.364
Accruals and deferred income	3.463	23.434
TOTAL LIABILITIES	1.726.005	1.554.204

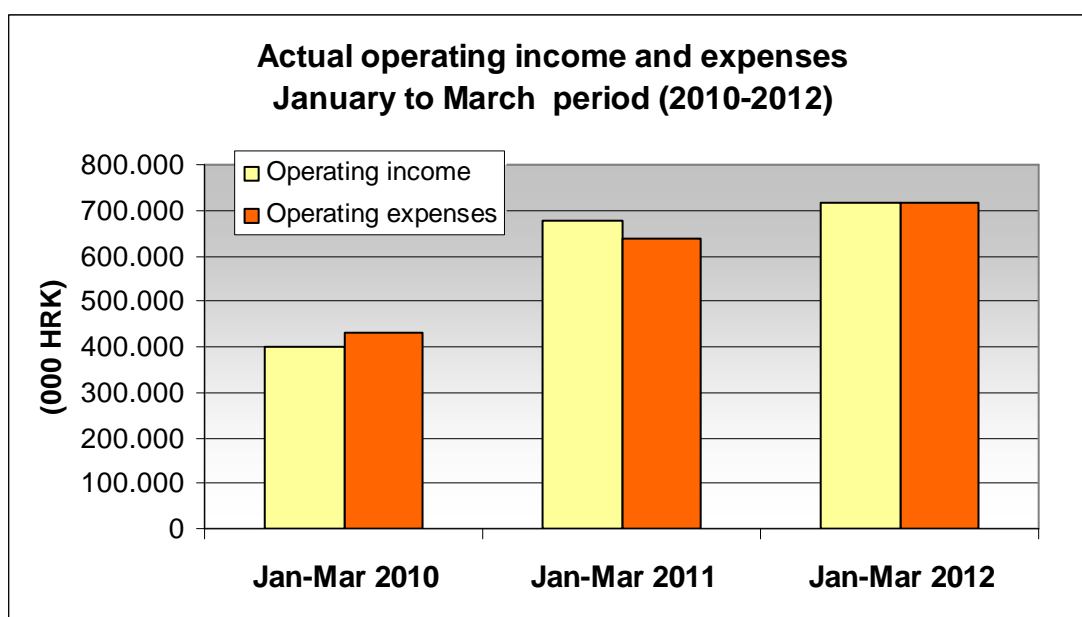
Due to gas consumption balancing in winter months in the gas system of Republic of Croatia, Petrokemija used the fertilizer production standstill in January 2012 for the planned annual facilities overhaul. The forecast for the long-awaited implementation of gas market in Croatia in 2011 by including a new supply route and potentially new suppliers, have not been fully

realized. This was particularly pronounced at extremely low temperatures in February this year. Sufficient gas volumes in the months that follow are a good basis for optimum yearly schedule of fertilizers production and deliveries in 2012. The price will depend on the European gas market and USD exchange rate.

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, having an approximate market share of 10%, with a portion of those products not normally produced by Petrokemija.

A trend of instability of in- and output prices continued in the reporting period. The prices of some raw materials in world markets were gradually rising, while the prices of key raw materials were reduced. The quarterly gas price in the domestic market was growing according to the formula. This growth reflects the pricing methodology applied – after the agreed (the so-called oil-linked) formula. The gas price growth trend has continued into the second quarter of 2012 and is estimated to continue also in the third quarter of 2012.

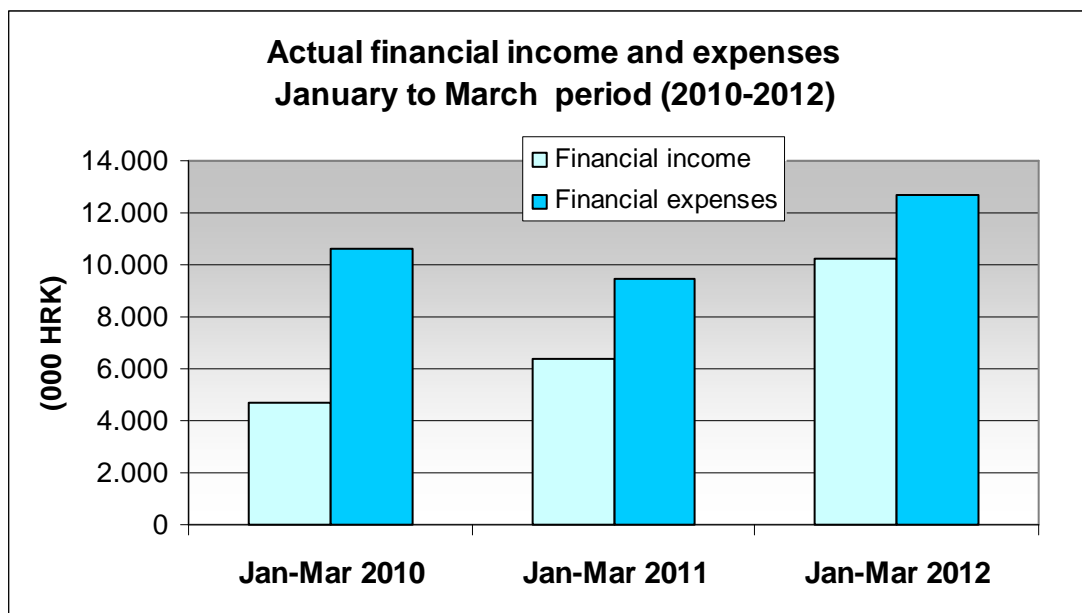
The continuing positive trend in 2012 year could be compromised by a potential new wave of instability in demand and prices in the global market.



Financial income was by HRK 3.8 million or 59.5% higher, and financial expense by HRK 3.2 million or 33.4% higher than in the same period last year. The HRK 2.5 million loss from financial activities was by 20.6% lower than in the same period last year. Foreign exchange gains accounted for 52% and income from interest and other financial income for 48% share in the financial income.

Foreign exchange losses have 26% share in financial expenses, while 74% share is made up of interest and other financial expenses. Although the interest rates are lower than in the previous period, a disturbing trend is opened up by a potential financial crisis in the Eurozone in 2012, which can indirectly influence the terms of financing in Croatia.

Since 2009, Petrokemija, Plc. has been implementing a program of issuing commercial bills (up to HRK 100 million) through Privredna banka Zagreb to provide for short-term working capital. During the whole period of the program, the liabilities on commercial bills were fulfilled regularly and in December 2011 a new, 16th tranche was issued. In 2012, HRK 34 million of commercial bills are maturing in May and another HRK 47.2 million in September. Repayment or refinancing of commercial paper will depend on the price of other sources of funding at the time of its maturity.



2. ACTUAL FINANCIAL RESULT OF PETROKEMIJA GROUP

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

• Total income	HRK	727.9 million
• Total expenses	HRK	730.0 million
• Loss before taxation	HRK	-2.1 million
• Income tax	HRK	0.1 million
• Loss after taxation	HRK	-2.2 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-Mar 2012	Actual Jan-Mar 2011	Ind 2/3
1	2	3	4
RESTORAN PETROKEMIJA, Ltd.			
TOTAL INCOME	567	524	108,2
TOTAL EXPENSES	544	490	111,0
GROSS PROFIT /LOSS	23	34	67,6
PETROKEMIJA Novi Sad, Ltd.			
TOTAL INCOME	59.781	6.798	879,4
TOTAL EXPENSES	58.830	6.836	860,6
GROSS PROFIT	951	-38	0
PETROKEMIJA, Ltd. Novo Mesto			
TOTAL INCOME	180	141	127,7
TOTAL EXPENSES	178	138	129,0
GROSS PROFIT	2	3	66,7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(HRK 000)

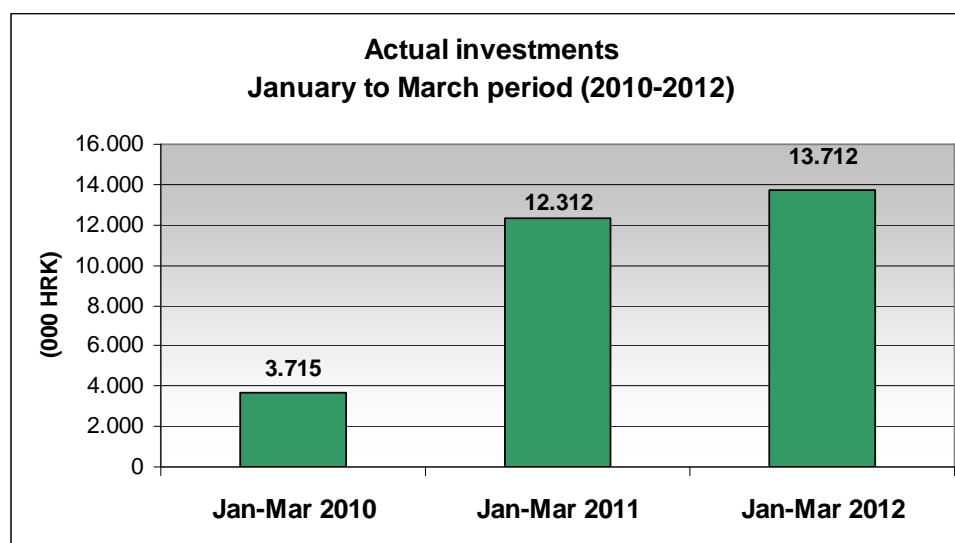
POSITION	Petrokemija Group Jan-Mar 2012	Petrokemija Group Jan-Mar 2011
Total operating income	717.721	678.625
Total operating expenses	717.408	636.094
PROFIT/LOSS FROM ORDINARY ACTIVITIES	313	42.531
Total financial income	10.220	6.410
Total financial expenses	12.616	9.469
PROFIT/LOSS FROM FINANCIAL ACTIVITIES	-2.396	-3.059
TOTAL INCOME	727.941	685.035
TOTAL EXPENSES	730.024	645.563
Profit/Loss before taxation	-2.083	39.472
Profit tax	95	0
Profit/Loss after taxation	-2.178	39.472

CONSOLIDATED BALANCE SHEET
(HRK 000)

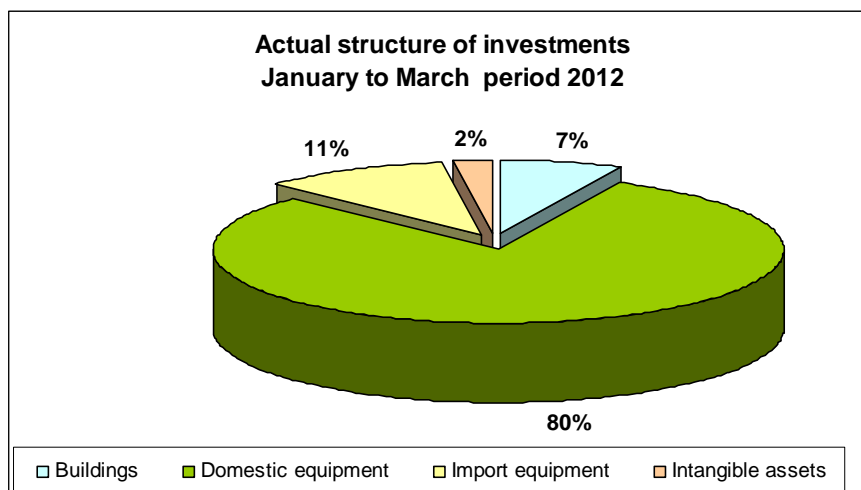
P O S I T I O N	Petrokemija Group 31.03. 2012	Petrokemija Group 31. 03. 2011.
Total long-term assets	753.034	803.669
Total short-term assets	967.410	745.450
Prepaid costs and accrued income	1.745	1.779
TOTAL ASSETS	1.722.189	1.550.898
Total capital	761.592	696.584
Long-term liabilities	94.197	76.649
Total short-term liabilities	862.937	754.230
Accruals and diferred income	3.463	23.435
TOTAL LIABILITIES	1.722.189	1.550.898

3. INVESTMENTS

Actual investment in the first quarter of 2012 amounted to HRK 13.7 million, approximately HRK 1.4 million over the previous year's amount. Due to limited funds, a trend of relatively low investment from earlier years was continued in 2012. A more intensive investment activity is anticipated in the remaining part of 2012.



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.

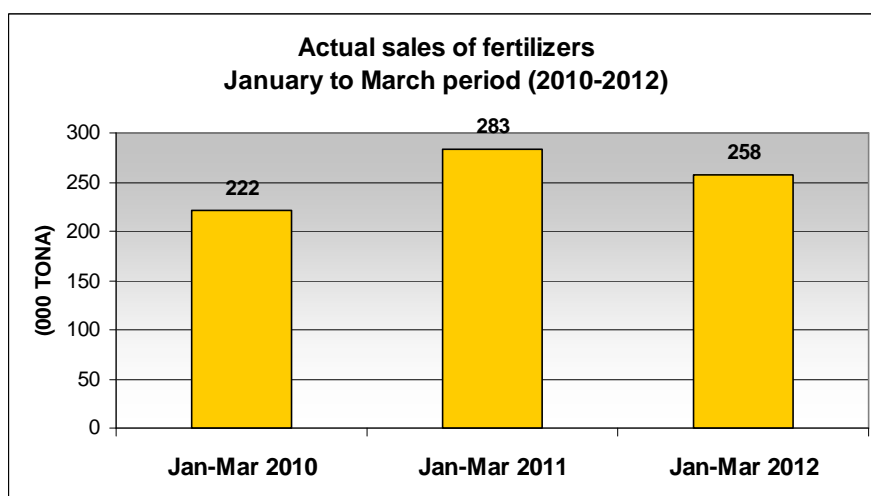
4. ACTUAL PRODUCTION AND SALES

Actual Production in the January to March 2012 period:

- **fertilizers** 236.9 thousand tons
- **clay-based products** 4.8 thousand tons
- **TGUS products** 0.2 thousand tons

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

- **fertilizers** 258.4 thousand tons
- **clay-based products** 4.8 thousand tons
- **TGUS products (+chemicals)** 0.8 thousand tons



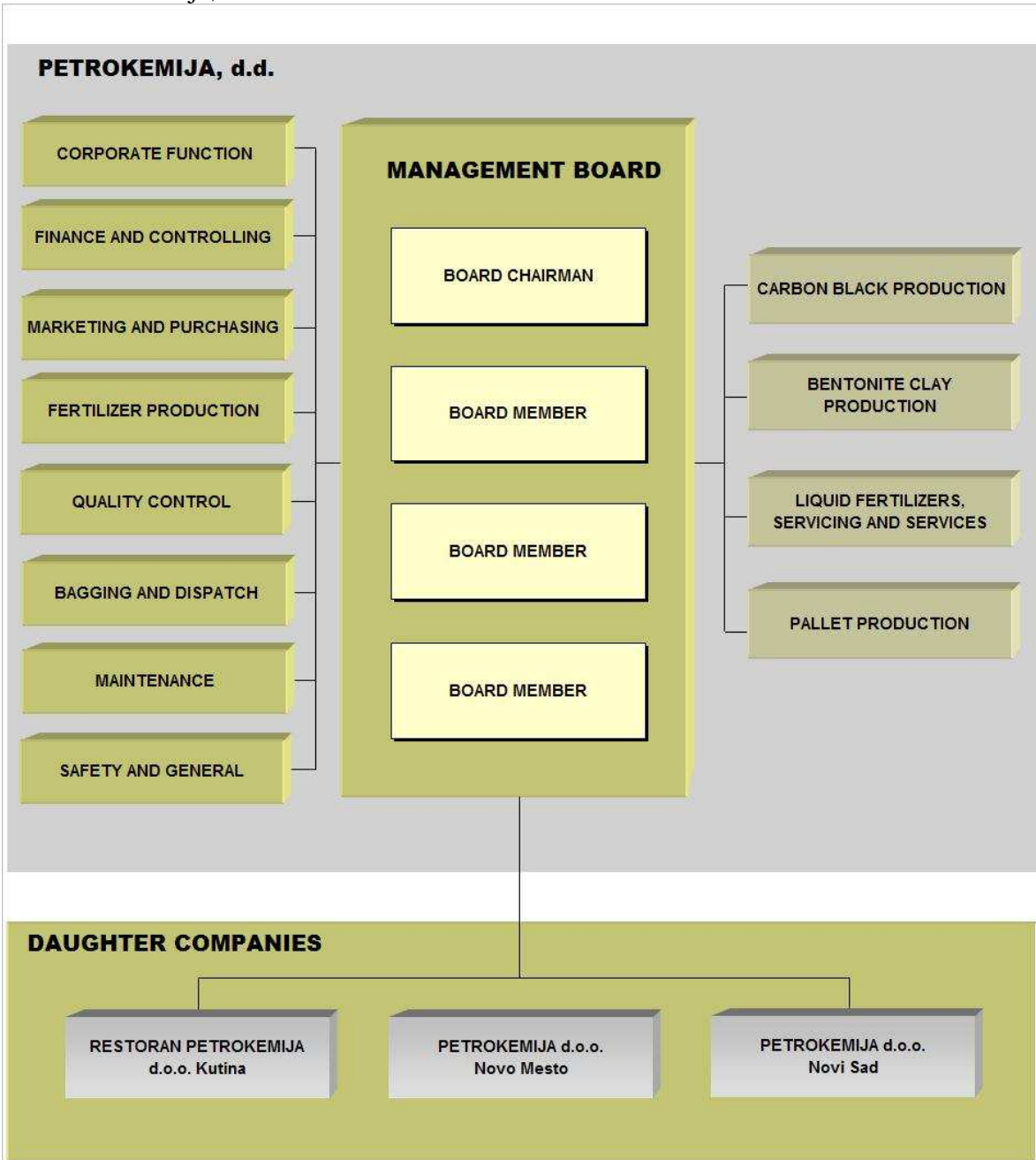
The actual total sales of fertilizers are 8.6% lower than in the same period last year, with certain changes in the structure of the product range. Due to unfavorable weather conditions

in February the deliveries were aggravated, which was reflected in the lower than planned sales. For the same reason (insufficient gas volumes), the standstill of facilities and the start-up was prolonged. The sales of clay-based products were by 28.8% lower and those of liquid fertilizers and chemicals by 30.7% lower in comparison to the previous year. However, these products had no significant impact on total business result of Petrokemija, Plc. 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 quarter of 2012 , there was no significant change in the existing organization chart. Petrokemija Group is made up of Petrokemija, Plc. Kutina as the parent company and its daughter companies:

- Restoran Petrokemija, Ltd. Kutina,
- Petrokemija, Ltd. Novi Sad and
- Petrokemija, Ltd. Novo Mesto.

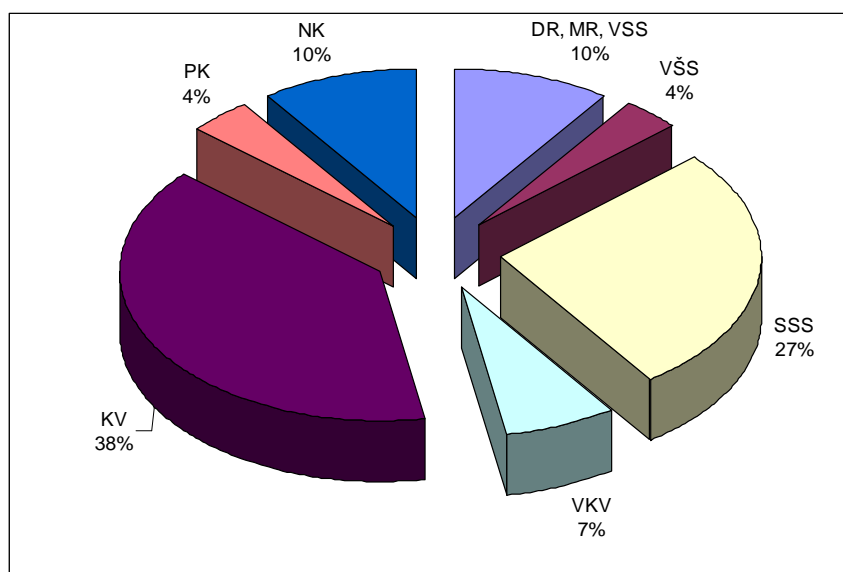


As of March 31, 2012, Petrokemija, Plc. had 2,302 employees and its daughter companies, members of the Petrokemija Group had 11 employees, which makes a total of 2,313 employees. The high qualification structure corresponds to the complexity of the production and other systems in place in the Company.

During the 1st quarter of 2011, the number of employees in Petrokemija, Plc. was increased by 1 employee. Workers from the facilities that have been temporarily stalled, have been deployed to work in other organization units.

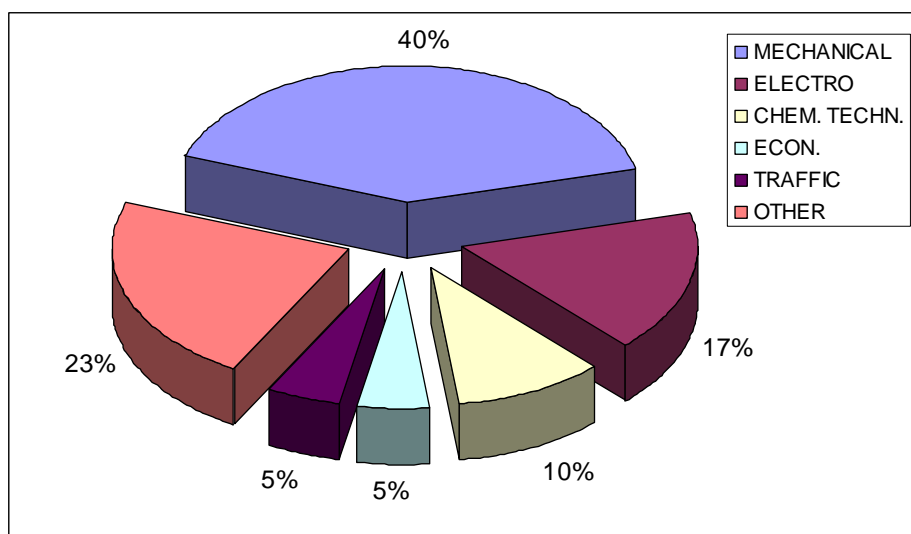
There has been no significant changes in the management structure of the Company in the 1st quarter of 2012. The Government of Croatia has announced the appointment of 5 new members of the Supervisory Board.

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.

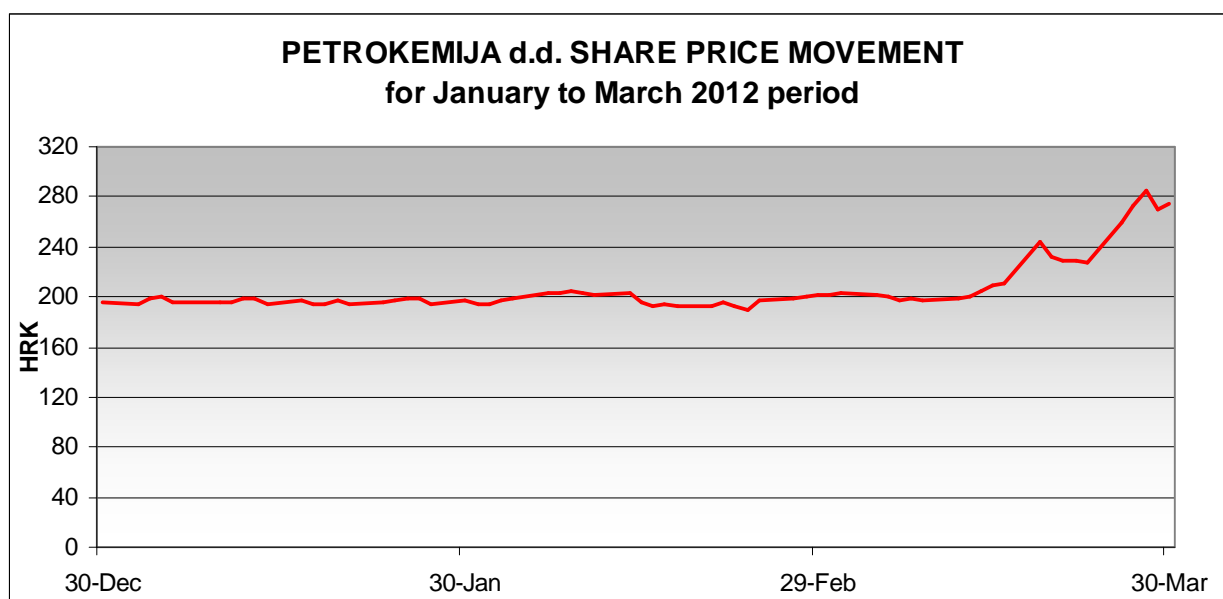
EMPLOYEES BY PROFESSION:



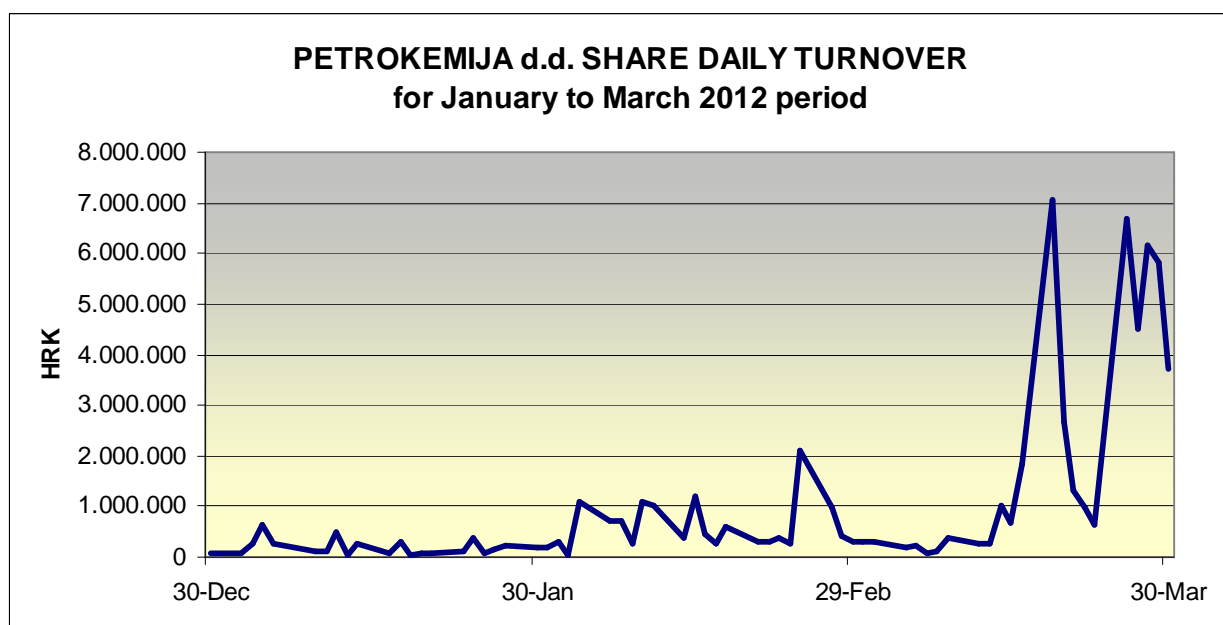
6. PETROKEMIJA, Plc. SHARE TRADING AND PRICE MOVEMENTS

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

Petrokemija's share value was HRK 193.31 at the end of December 2011, while on March 30, 2012, its average price was HRK 275.26 (42.4 % growth). The share turnover at the Zagreb Stock Exchange in the first quarter of 2012 was HRK 62.5 million (total amount in 2011 was HRK 93.6 million), with price fluctuations mainly influenced by the global financial movements, specific characteristics of the Croatian capital market, actual financial results of Petrokemija and media announcements of potential privatization.



Source: ZSE



Source: ZSE

7. ENVIRONMENTAL PROTECTION - JANUARY TO MARCH 2012 REPORT

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 March 2012 period by main environmental aspects.

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

According to the data from 2011 and also from the previous years, greenhouse gases, carbon dioxide and nitrous oxide (CO₂ and N₂O), 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 60,36 % and 27,49 % 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 March 2012 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 exceeding of 24-hour limit for:

a) ammonia:

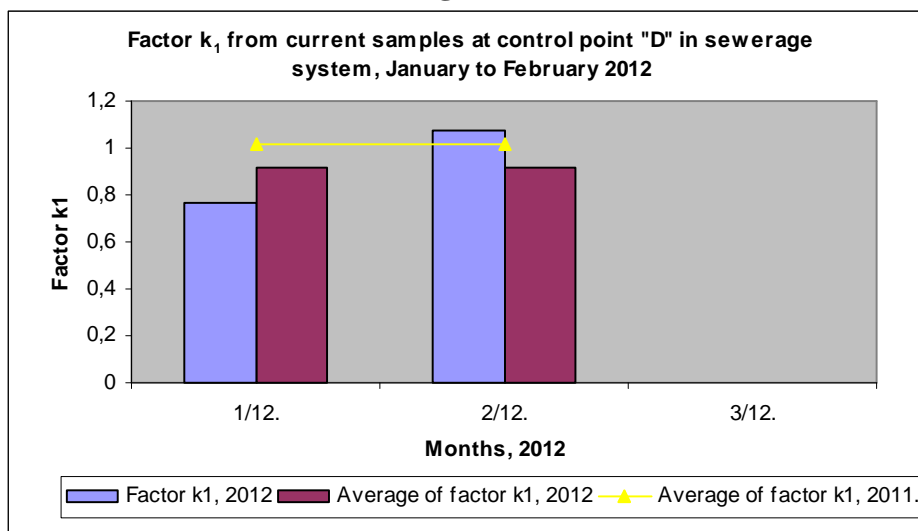
- in two cases at K3 measuring station and one case at K 2 measuring station but the number of recorded exceedings were not higher than number of permitted exceedances for 1st air quality category.

In the same period the air quality, measured by the local network was 1st category (clean or slightly polluted air) for all pollutants.

2. Water management

In the January to February 2012 period, improvement of water protection was achieved as the results of factor k1 values showed (Figure 1).

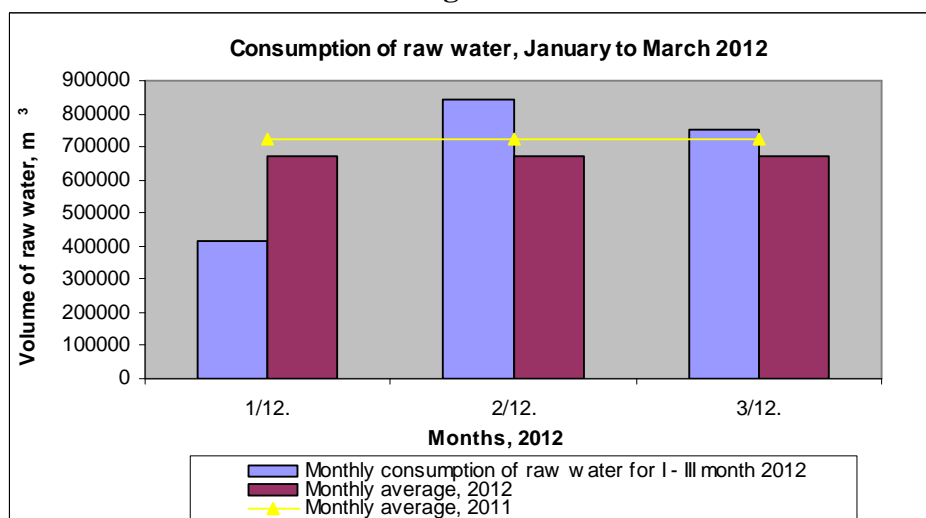
Figure 1.



Remark: Factor k₁ is not shown for March because of waste water analysis at control point Krč are in proceeding by Department of public health of Sisačko-moslavačka county.

In the same period of 2012, reduction of raw water consumption was achieved (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. MAIN FEATURES OF BUSINESS ACTIVITIES IN THE NEXT PERIOD

Current market situation - the parity of price of most important raw materials and price of fertilizers in the domestic and world markets suggest caution in predicting operating results in 2012.

In 2011, certain positive developments were achieved in the domestic market, which can be interpreted as a sign of market recovery, despite the prolonged drought that has taken on

proportions of natural disaster. Part of the positive results can be interpreted as an effect of time difference in the growth of in- and output prices. Employment and wages are under control, a part of the plants is still shut-down for market reasons and the current liquidity is maintained with support of commercial banks, Croatian Bank for Reconstruction and Development and by issuance of commercial papers.

During the reporting period, the planned annual overhaul was conducted. With a certain lag, due to unfavorable weather conditions, all production plants were successfully started up and were in continuous operation in order to provide sufficient fertilizer volumes needed to meet the market demand. The emphasis will continue to be on the domestic and neighboring markets, where Petrokemija is traditionally present, but strong sales activity will be continued in the global market, too. Assessment of long-term business prospects in the following years is aggravated by the fluctuation in global flows and unstable parity of energy, fertilizers and food prices in world markets.

9. SIGNIFICANT FINANCIAL RISKS IN THE REMAINING PERIOD OF 2012

The overall considerations of Petrokemija's business position in 2012 include a number of parameters 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 Plc. 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, Plc. Zagreb, i.e. their daughter company Prirodni plin, Ltd. for 2012 and 2013. The formula of quarterly pricing of gas is 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 implies an additional exposure to foreign exchange rate of HRK and energy price fluctuations in the global market. The price of fuel oil, which is included in the formula, has risen significantly in first quarter of 2012.
- The year 2011 saw the recovery of fertilizer sales price in the global markets but they continue to be influenced by cyclic and seasonal changes in 2012.
- 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, finance costs 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 the next period efforts will be made to provide additional long-term resources to finance permanent working capital and the indispensable investments.
- Positive developments in the operations of 2011 opened certain optimism regarding the future trend of business. The possible new wave of global economic and financial crisis may compromise the actual positive impacts in 2012.
- The most significant individual risk is the growth of gas price in European and the local markets.

10. STATEMENT OF MANAGEMENT LIABILITY

In line with Articles 407 through 410 of Capital Market Act (OG 88/08, 146/08 and 74/09), the Managing Board of Petrokemija, Plc. 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 March 31, 2012 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, Plc. 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 risks, uncertainties and assumptions about the future. Currently, the results, effects and achievements of Petrokemija, Plc. or Petrokemija Group are heavily dependent on a large number of factors which may influence their being quite different from the originally set ones.

Chairman of Petrokemija
Management Board
Josip Jagušć

Member of Petrokemija
Management Board
Antonija Perošević-Galović

Member of Petrokemija
Management Board
Nenad Marinović

Member of Petrokemija
Management Board
Tomislav Seletković

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:

01.01.2012.

to

31.03.2012.

Quarterly financial statements TFI-POD

Registration number (MB): 03674223

Registration number of subject
(MBS): 080004355Personal 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.hr

Code and city/municipality: 220 KUTINA

Code and county name: 3 SISAČKO-MOSLAVAČKA ŽUPANIJA

Number of employees: 2.302
(at the end of the year)

Consolidated Report: NO

Code of NKD: 20.15

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.hr

Name 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 31.03.2012.

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	767.561.009	758.812.863
I. INTANGIBLE ASSETS (004 do 009)	003	7.666.622	7.698.129
1. Expense for development	004		
2. Concessions, patents, licences, trade and service marks, software and other rights	005	5.691.975	5.461.481
3. Goodwill	006		
4. Advances for intangible assets	007		
5. Intangible assets in progress	008	1.974.647	2.236.648
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 do 019)	010	737.831.972	727.678.171
1. Land	011	49.411.756	49.482.152
2. Buildings	012	303.807.515	299.304.101
3. Plant and equipment	013	354.706.148	342.664.803
4. Tools, plant inventory and transportation assets	014	12.502.844	13.528.965
5. Biological assets	015		
6. Advances for tangible assets	016	3.081.885	3.825.692
7. Tangible assets in progress	017	13.828.059	18.377.223
8. Other tangible assets	018	493.765	495.235
9. Investments in real estates	019		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	22.062.415	23.421.475
1. Investments (shares) in related companies	021	7.770.691	7.770.691
2. Loans given to related companies	022		
3. Participating interest (shares)	023	10.766.762	12.125.822
4. Loans given to companies with participating interest	024		
5. Investment in securities	025		
6. Loans given, deposits and similar assets	026		
7. Other long-term financial assets	027		
8. Investments accounted for using the equity method	028	3.524.962	3.524.962
IV. TRADE RECEIVABLES (030 do 032)	029	0	15.088
1. Receivables from related companies	030		
2. Receivables for sales on loan	031		
3. Other receivables	032		15.088
V. DEFERRED TAX ASSETS	033		
C) SHORT-TERM ASSETS (035+043+050+058)	034	876.527.328	965.449.176
I. INVENTORIES (036 do 042)	035	653.760.359	649.205.090
1. Raw and other material	036	307.535.935	331.932.572
2. Work in progress	037	41.135.157	39.903.204
3. Finished products	038	300.391.370	271.542.869
4. Merchandise inventory	039	4.261.657	4.194.968
5. Advances for inventories	040	436.240	1.631.477
6. Long-term assets intended for sale	041		
7. Biological assets	042		
II. TRADE RECEIVABLES (044 do 049)	043	195.200.328	262.358.632
1. Receivables from related companies	044	4.617.071	4.611.212
2. Receivables from customers (buyers)	045	147.436.701	207.862.575
3. Receivables from participating interest	046		
4. Receivables from employees and members	047	21.316	21.480
5. Receivables from state and other institutions	048	39.789.121	48.028.364
6. Other receivables	049	3.336.119	1.835.001
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	050	20.211.233	37.534.062
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	5.150.393	5.029.912
6. Loans given, deposits and similar assets	056	15.060.840	32.504.150
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	7.355.408	16.351.392
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.733.794	1.742.658
E) TOTAL ASSETS (001+002+034+059)	060	1.646.822.131	1.726.004.697
F) OFF BALANCE SHEET ITEMS	061	186.462.200	266.437.700

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	765.109.515	762.051.343
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	-244.817.257	-136.992.075
1. Retained earning	073		107.825.182
2. Loss carried forward	074	244.817.257	244.817.257
VI. PROFIT OR LOSS FOR THE BUSINESS YEAR (076-077)	075	107.825.182	-3.058.172
1. Profit for the year	076	107.825.182	
2. Loss for the year	077		3.058.172
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	14.197.080	14.197.080
1. Provisions for pensions, severance pay and similar liabilities	080	12.112.252	12.112.252
2. Provisions for tax liabilities	081		
3. Other provisions	082	2.084.828	2.084.828
C) LONG-TERM LIABILITIES (084 do 092)	083	80.000.000	80.000.000
1. Liabilities to related companies	084		
2. Liabilities for loans, deposits and similar	085	80.000.000	80.000.000
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	784.052.266	866.293.004
1. Liabilities to related companies	094	3.492.737	5.125.592
2. Liabilities for loans, deposits and similar	095	12.000.000	10.000.000
3. Liabilities to banks and other financial institutions	096	295.722.222	191.833.333
4. Liabilities for advances	097	25.990.680	10.402.644
5. Liabilities to suppliers	098	331.324.720	538.319.902
6. Liabilities for securities	099	81.176.464	81.176.464
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	13.613.928	13.424.031
9. Liabilities for taxes, contributions and other payments	102	9.921.035	11.380.032
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	10.810.480	4.631.006
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.463.270	3.463.270
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.646.822.131	1.726.004.697
G) OFF BALANCE SHEET ITEMS	108	186.462.200	266.437.700
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		

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 01.01.2012. to 31.03.2012.

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	677.804.172	677.804.172	714.788.067	714.788.067
1. Sales revenues	112	668.437.625	668.437.625	705.542.686	705.542.686
2. Other operating revenues	113	9.366.547	9.366.547	9.245.381	9.245.381
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	635.232.916	635.232.916	715.385.553	715.385.553
1. Changes in value of work in progress and finished products	115	23.747.284	23.747.284	29.165.296	29.165.296
2. Material costs (117 do 119)	116	496.677.958	496.677.958	584.730.915	584.730.915
a) Cost of raw and production materials	117	473.939.678	473.939.678	565.063.748	565.063.748
b) Cost of goods sold	118	1.131.153	1.131.153	816.374	816.374
c) Other external costs	119	21.607.127	21.607.127	18.850.793	18.850.793
3. Employees costs (121 do 123)	120	56.001.939	56.001.939	59.108.148	59.108.148
a) Net salaries and wages	121	35.186.885	35.186.885	36.891.444	36.891.444
b) Costs for taxes and contributions from salaries	122	12.580.100	12.580.100	13.537.109	13.537.109
c) Contributions on salaries	123	8.234.954	8.234.954	8.679.595	8.679.595
4. Depreciation	124	23.616.104	23.616.104	24.578.526	24.578.526
5. Other costs	125	15.180.522	15.180.522	16.887.510	16.887.510
6. Value adjustments (127+128)	126	9.109	9.109	915.158	915.158
a) of long-term assets (except for financial assets)	127	7.305	7.305		
b) of short-term assets (except for financial assets)	128	1.804	1.804	915.158	915.158
7. Provisions	129	20.000.000	20.000.000		
8. Other operating expenses	130				
III. FINANCIAL REVENUES (132 do 136)	131	6.398.952	6.398.952	10.209.734	10.209.734
1. Interest, exchange rate fluctuations, dividends and similar from associated companies	132	549	549	41.189	41.189
2. Interest, exchange rate fluctuations, dividends and similar from non-associated companies and others	133	6.398.403	6.398.403	8.809.485	8.809.485
3. Part of revenue from associated companies and participating interests	134				
4. Unrealised gains (revenues) from financial assets	135			1.359.060	1.359.060
5. Other financial revenues	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	9.498.063	9.498.063	12.670.420	12.670.420
1. Interest, exchange rate fluctuations and other costs with associated companies	138	46.802	46.802	94.357	94.357
2. Interest, exchange rate fluctuations and other costs with non-associated companies	139	9.451.261	9.451.261	12.576.063	12.576.063
3. Unrealised losses (costs) from financial assets	140				
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	684.203.124	684.203.124	724.997.801	724.997.801
X. TOTAL EXPENSES (114+137+143 + 145)	147	644.730.979	644.730.979	728.055.973	728.055.973
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	39.472.145	39.472.145	-3.058.172	-3.058.172
1. Profit before taxation (146-147)	149	39.472.145	39.472.145	0	0
2. Loss before taxation (147-146)	150	0	0	3.058.172	3.058.172
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	39.472.145	39.472.145	-3.058.172	-3.058.172
1. Profit for the period (149-151)	153	39.472.145	39.472.145	0	0
2. Loss for the period (151-148)	154	0	0	3.058.172	3.058.172

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	39.472.145	39.472.145	-3.058.172	-3.058.172
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	39.472.145	39.472.145	-3.058.172	-3.058.172
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 01.01.2012. to 31.03.2012.

Petrokemija d.d.			
Position	AOP code	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Cash increase from buyers	001	687.982.761	708.889.423
2. Cash increase from royalties, fees commissions and other	002		
3. Cash increase from insurance compensations	003	1.201.442	3.535.402
4. Cash increase from tax return	004	39.780.492	37.784.885
5. Other cash increase	005	528.140	243.084
I. Total increase of cash flow from operating activities (001 do 005)	006	729.492.835	750.452.794
1. Expenses to suppliers	007	541.103.396	504.479.357
2. Expenses for employees	008	60.327.370	63.897.331
3. Expenses for insurance compensations	009	2.139.465	2.550.291
4. Expenses for interest	010	6.617.550	6.557.410
5. Expenses for taxes	011	24.475.824	23.749.189
6. Other cash decrease	012	2.814.521	2.438.571
II. Total decrease in cash flow from operating activities (007 do 012)	013	637.478.126	603.672.149
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (006-013)	014	92.014.709	146.780.645
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		
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		
5. Other cash proceeds from investing activities	020		
III. Total cash inflow from investing activities (016 do 020)	021	0	0
1. Cash outflow for acquisition of non-current tangible and intangible assets	022	7.038.845	14.452.462
2. Cash outflow for acquisition of equity and debt financial instruments	023	28.210	
3. Other cash outflows from investing activities	024		
IV. Total cash outflow from investing activities (022 do 024)	025	7.067.055	14.452.462
B1) NET CASH FLOW FROM INVESTING ACTIVITIES (021-025)	026	0	0
B2) NET CASH FLOW OUTFLOW FROM INVESTING ACTIVITIES (025-021)	027	7.067.055	14.452.462
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflows from issuance of equity and debt financial instruments	028		
2. Cash inflows from loan principals, debentures, credits and other borrowings	029	55.003.425	326.500.000
3. Other inflows from financial activities	030		99.531.564
V. Total cash inflow from financial activities (028 do 030)	031	55.003.425	426.031.564
1. Cash outflows for repayment of loan principal and bonds	032	123.243.608	432.388.889
2. Cash outflows for dividend payment	033		
3. Cash outflow for financial lease	034		
4. Cash outflows for buyback of own shares	035		
5. Other cash outflows for financial activities	036		116.974.874
VI. Total cash outflow for financial activities (032 do 036)	037	123.243.608	549.363.763
C1) NET CASH FLOW INCREASE FROM FINANCIAL ACTIVITIES (031-037)	038	0	0
C2) NET CASHFLOW DECREASE FROM FINANCIAL ACTIVITIES (037-031)	039	68.240.183	123.332.199
Total increase of cash flow (014 – 015 + 026 – 027 + 038 – 039)	040	16.707.471	8.995.984
Total decrease of cash flow (015 – 014 + 027 – 026 + 039 – 038)	041	0	0
Cash and cash equivalents at the beginning of the period	042	21.338.547	7.355.408
Increase of cash and cash equivalents	043	16.707.471	8.995.984
Decrease of cash and cash equivalents	044		
Cash and cash equivalents at the end of the period	045	38.046.018	16.351.392

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

STATEMENT OF CHANGES IN EQUITY

for the period from 1.1.2012 to 31.3.2012

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	-244.817.257	-136.992.075
5. Profit or loss for the year	005	107.825.182	-3.058.172
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	765.109.515	762.051.343
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, Plc.

In the first quarter of 2012, Petrokemija, Plc. had total actual income of HRK 725,0 million and total expense of HRK 728,1 million. So, total revenues for the 1st quarter have increased by 6%, and total expenditures by 12.9% compared to the same period of 2011.

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. As regards actual production and sales, in the first quarter of 2012 Petrokemija recorded smaller amounts than in the same period last year - the total production of fertilizers is by 11.4% lower, while sales fell by 8.6%.

The main causes of this reduction are unfavorable weather conditions and the associated lack of gas in the month of February. This caused a longer than planned overhaul and difficulties in starting up of the key plants to produce ammonia and Urea. In the area of sales, in preparation of spring sowing this resulted in almost complete blockade of shipment at the time of high snowfall and low temperatures, because the roads, railways and river transport were virtually paralyzed.

In the first quarter of 2012, the Company reported HRK 3.1 million loss in business, which is by HRK 42.5 million lower result on the same period previous year, when the reported profit was HRK 39.5 million. The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 24.0 million in the positive. In the same period of 2011, EBITDA was HRK 66.2 million in the positive.

As a reflection of global trends in the energy market, there was 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 third quarter of 2012, the price of gas will reach its maximum, if there are no critical changes in the price of fuel oil in world markets and growth of USD exchange rate.

Fertilizer prices in the global market declined in the fourth quarter of 2011 and this trend did not change in the first quarter of 2012.

Due to the market situation, a part of the facilities was halted in the second half of 2009 and this problem was carried over into the year 2012. The crisis caused by disparity of in- and output prices in the carbon black market is still present. Petrokemija is influenced by developments in the global market which gives space to significant potential price risks and financial fluctuations in 2012.

In addition to their own working capital, short-term bank loans and long-term loans from the Croatian Bank for Reconstruction and Development, Petrokemija secured their 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, Plc. 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:

1.1.2012.

to

31.03.2012.

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: **2.313**
(at the end of the year)Consolidated Report: **YES**Code of NKD: **20.15**

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 31.03.2012.

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	761.842.755	753.033.869
I. INTANGIBLE ASSETS (004 do 009)	003	7.671.130	7.702.268
1. Expense for development	004		
2. Concessions, patents, licences, trade and service marks, software and other rights	005	5.696.483	5.465.620
3. Goodwill	006		
4. Advances for intangible assets	007		
5. Intangible assets in progress	008	1.974.647	2.236.648
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 do 019)	010	739.879.901	729.665.729
1. Land	011	49.411.757	49.482.153
2. Buildings	012	305.696.063	301.146.705
3. Plant and equipment	013	354.712.044	342.669.822
4. Tools, plant inventory and transportation assets	014	12.656.327	13.668.899
5. Biological assets	015		
6. Advances for tangible assets	016	3.081.885	3.825.692
7. Tangible assets in progress	017	13.828.060	18.377.223
8. Other tangible assets	018	493.765	495.235
9. Investments in real estates	019		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	020	14.291.724	15.650.784
1. Investments (shares) in related companies	021		
2. Loans given to related companies	022		
3. Participating interest (shares)	023	10.766.762	12.125.822
4. Loans given to companies with participating interest	024		
5. Investment in securities	025		
6. Loans given, deposits and similar assets	026		
7. Other long-term financial assets	027		
8. Investments accounted for using the equity method	028	3.524.962	3.524.962
IV. TRADE RECEIVABLES (030 do 032)	029	0	15.088
1. Receivables from related companies	030		
2. Receivables for sales on loan	031		
3. Other receivables	032		15.088
V. DIFERRED TAX ASSETS	033		
C) SHORT-TERM ASSETS (035+043+050+058)	034	878.243.235	967.409.894
I. INVENTORIES (036 do 042)	035	653.884.464	649.353.106
1. Raw and other material	036	307.619.209	332.041.183
2. Work in progress	037	41.135.157	39.903.204
3. Finished products	038	300.391.370	271.542.869
4. Merchandise inventory	039	4.302.489	4.234.021
5. Advances for inventories	040	436.239	1.631.829
6. Long-term assets intended for sale	041		
7. Biological assets	042		
II. TRADE RECEIVABLES (044 do 049)	043	191.226.074	258.411.044
1. Receivables from related companies	044		
2. Receivables from customers (buyers)	045	147.738.558	208.186.875
3. Receivables from participating interest	046		
4. Receivables from employees and members	047	21.446	21.610
5. Receivables from state and other institutions	048	40.129.810	48.136.526
6. Other receivables	049	3.336.260	2.066.033
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	050	20.211.233	37.534.062
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	5.150.393	5.029.912
6. Loans given, deposits and similar assets	056	15.060.840	32.504.150
7. Other financial assets	057		
IV. CASH IN BANK AND ON HAND	058	12.921.464	22.111.682
D) PREPAID EXPENSES AND ACCRUED INCOME	059	2.734.013	1.745.520
E) TOTAL ASSETS (001+002+034+059)	060	1.642.820.003	1.722.189.283
F) OFF BALANCE SHEET ITEMS	061	186.462.200	266.437.700

LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	763.874.492	761.592.329
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	12.490
1. Legal reserves	066		12.490
2. Reserve for treasury shares	067		
3. Treasury shares and investment (deductable item)	068		
4. Statutory reserves	069		
5. Other reserve	070		
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-244.715.097	-138.343.342
1. Retained earning	073		106.473.915
2. Loss carried forward	074	244.715.097	244.817.257
VI. PROFIT OR LOSS FOR THE BUSINESS YEAR (076-077)	075	106.487.999	-2.178.409
1. Profit for the year	076	106.487.999	
2. Loss for the year	077		2.178.409
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	14.197.080	14.197.080
1. Provisions for pensions, severance pay and similar liabilities	080	12.112.252	12.112.252
2. Provisions for tax liabilities	081		
3. Other provisions	082	2.084.828	2.084.828
C) LONG-TERM LIABILITIES (084 do 092)	083	80.000.000	80.000.000
1. Liabilities to related companies	084		
2. Liabilities for loans, deposits and similar	085	80.000.000	80.000.000
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	781.285.161	862.936.604
1. Liabilities to related companies	094		
2. Liabilities for loans, deposits and similar	095	12.000.000	10.000.000
3. Liabilities to banks and other financial institutions	096	295.722.222	191.833.333
4. Liabilities for advances	097	25.990.680	10.402.644
5. Liabilities to suppliers	098	331.944.083	539.826.427
6. Liabilities for securities	099	81.176.464	81.176.464
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	13.650.046	13.459.293
9. Liabilities for taxes, contributions and other payments	102	9.968.720	11.581.968
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	10.832.946	4.656.475
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	3.463.270	3.463.270
F) TOTAL LIABILITIES (062+079+083+093+106)	107	1.642.820.003	1.722.189.283
G) OFF BALANCE SHEET ITEMS	108	186.462.200	266.437.700
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	763.874.492	761.592.329
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 01.01.2012. to 31.03.2012.

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	678.624.871	678.624.871	717.720.677	717.720.677
1. Sales revenues	112	669.228.101	669.228.101	708.465.215	708.465.215
2. Other operating revenues	113	9.396.770	9.396.770	9.255.462	9.255.462
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	636.094.189	636.094.189	717.408.235	717.408.235
1. Changes in value of work in progress and finished products	115	23.747.284	23.747.284	29.165.297	29.165.297
2. Material costs (117 do 119)	116	497.080.900	497.080.900	586.042.358	586.042.358
a) Cost of raw and production materials	117	474.260.897	474.260.897	565.569.396	565.569.396
b) Cost of goods sold	118	1.471.196	1.471.196	1.868.963	1.868.963
c) Other external costs	119	21.348.807	21.348.807	18.603.999	18.603.999
3. Employees costs (121 do 123)	120	56.299.210	56.299.210	59.467.282	59.467.282
a) Net salaries and wages	121	35.421.596	35.421.596	37.169.919	37.169.919
b) Costs for taxes and contributions from salaries	122	12.623.362	12.623.362	13.593.135	13.593.135
c) Contributions on salaries	123	8.254.252	8.254.252	8.704.228	8.704.228
4. Depreciation	124	23.640.586	23.640.586	24.603.812	24.603.812
5. Other costs	125	15.317.100	15.317.100	17.214.328	17.214.328
6. Value adjustments (127+128)	126	9.109	9.109	915.158	915.158
a) of long-term assets (except for financial assets)	127	7.305	7.305		
b) of short-term assets (except for financial assets)	128	1.804	1.804	915.158	915.158
7. Provisions	129	20.000.000	20.000.000		
8. Other operating expenses	130				
III. FINANCIAL REVENUES (132 do 136)	131	6.410.301	6.410.301	10.219.708	10.219.708
1. Interest, exchange rate fluctuations, dividends and similar from associated companies	132			41.189	41.189
2. Interest, exchange rate fluctuations, dividends and similar from non-associated companies and others	133	6.410.301	6.410.301	8.819.459	8.819.459
3. Part of revenue from associated companies and participating interests	134				
4. Unrealised gains (revenues) from financial assets	135			1.359.060	1.359.060
5. Other financial revenues	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	9.468.980	9.468.980	12.615.596	12.615.596
1. Interest, exchange rate fluctuations and other costs with associated companies	138			39.533	39.533
2. Interest, exchange rate fluctuations and other costs with non-associated companies	139	9.468.980	9.468.980	12.576.063	12.576.063
3. Unrealised losses (costs) from financial assets	140				
4. Other financial expenses	141				
V. PORTION IN PROFIT OF ASSOCIATED COMPANIES	142				
VI. PORTION IN LOSS OF ASSOCIATED COMPANIES	143				
VII. EXTRAORDINARY - OTHER REVENUES	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL REVENUES (111+131+142 + 144)	146	685.035.172	685.035.172	727.940.385	727.940.385
X. TOTAL EXPENSES (114+137+143 + 145)	147	645.563.169	645.563.169	730.023.831	730.023.831
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	39.472.003	39.472.003	-2.083.446	-2.083.446
1. Profit before taxation (146-147)	149	39.472.003	39.472.003	0	0
2. Loss before taxation (147-146)	150	0	0	2.083.446	2.083.446
XII. PROFIT TAX	151			94.963	94.963
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	39.472.003	39.472.003	-2.178.409	-2.178.409
1. Profit for the period (149-151)	153	39.472.003	39.472.003	0	0
2. Loss for the period (151-148)	154	0	0	2.178.409	2.178.409

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	39.472.003	39.472.003	-2.178.409	-2.178.409
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	39.472.003	39.472.003	-2.178.409	-2.178.409
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	39.472.003	39.472.003	-2.178.409	-2.178.409
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	39.472.003	39.472.003	-2.178.409	-2.178.409
2. Credited to minority interest	170				

CASH FLOW STATEMENT - Direct method

for the period 01.01.2012. to 31.03.2012.

The Group Petrokemija d.d.			
Position	AOP code	Previous year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Cash increase from buyers	001	687.982.761	708.889.423
2. Cash increase from royalties, fees commissions and other	002		
3. Cash increase from insurance compensations	003	1.201.442	3.535.402
4. Cash increase from tax return	004	39.780.492	37.784.885
5. Other cash increase	005	528.140	243.084
I. Total increase of cash flow from operating activities (001 do 005)	006	729.492.835	750.452.794
1. Expenses to suppliers	007	541.103.396	504.479.357
2. Expenses for employees	008	60.327.370	63.897.331
3. Expenses for insurance compensations	009	2.139.465	2.550.291
4. Expenses for interest	010	6.617.550	6.557.410
5. Expenses for taxes	011	24.475.824	23.749.189
6. Other cash decrease	012	2.459.568	2.244.337
II. Total decrease in cash flow from operating activities (007 do 012)	013	637.123.173	603.477.915
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (006-013)	014	92.369.662	146.974.879
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		
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		
5. Other cash proceeds from investing activities	020		
III. Total cash inflow from investing activities (016 do 020)	021	0	0
1. Cash outflow for acquisition of non-current tangible and intangible assets	022	7.038.845	14.452.462
2. Cash outflow for acquisition of equity and debt financial instruments	023	28.210	
3. Other cash outflows from investing activities	024		
IV. Total cash outflow from investing activities (022 do 024)	025	7.067.055	14.452.462
B1) NET CASH FLOW FROM INVESTING ACTIVITIES (021-025)	026	0	0
B2) NET CASH FLOW OUTFLOW FROM INVESTING ACTIVITIES (025-021)	027	7.067.055	14.452.462
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflows from issuance of equity and debt financial instruments	028		
2. Cash inflows from loan principals, debentures, credits and other borrowings	029	55.003.425	326.500.000
3. Other inflows from financial activities	030		99.531.564
V. Total cash inflow from financial activities (028 do 030)	031	55.003.425	426.031.564
1. Cash outflows for repayment of loan principal and bonds	032	123.243.608	432.388.889
2. Cash outflows for dividend payment	033		
3. Cash outflow for financial lease	034		
4. Cash outflows for buyback of own shares	035		
5. Other cash outflows for financial activities	036		116.974.874
VI. Total cash outflow for financial activities (032 do 036)	037	123.243.608	549.363.763
C1) NET CASH FLOW INCREASE FROM FINANCIAL ACTIVITIES (031-037)	038	0	0
C2) NET CASHFLOW DECREASE FROM FINANCIAL ACTIVITIES (037-031)	039	68.240.183	123.332.199
Total increase of cash flow (014 – 015 + 026 – 027 + 038 – 039)	040	17.062.424	9.190.218
Total decrease of cash flow (015 – 014 + 027 – 026 + 039 – 038)	041	0	0
Cash and cash equivalents at the beginning of the period	042	25.795.002	12.921.464
Increase of cash and cash equivalents	043	17.062.424	9.190.218
Decrease of cash and cash equivalents	044		
Cash and cash equivalents at the end of the period	045	42.857.426	22.111.682

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

STATEMENT OF CHANGES IN EQUITY

for the period from 1.1.2012 to 31.3.2012

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		12.490
4. Retained profit or loss carried forward	004	-244.715.097	-138.343.342
5. Profit or loss for the year	005	106.487.999	-2.178.409
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	763.874.492	761.592.329
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	763.874.492	761.592.329
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 quarter of 2012, Petrokemija Group had total actual income of HRK 727,9 million and total expense of HRK 730,0 million. On a quarterly basis, total revenues have increased by 5.8%, and total expenditures by 12.8% compared to the same period of 2011.

Greater actual achievement in operating income and expenses, compared to the same period last year. As regards actual production and sales, in the first quarter of 2012 Petrokemija Group recorded smaller amounts than in the same period last year - the total production of fertilizers is by 11.4% lower, while sales fell by 8.6%.

The main causes of this reduction are unfavorable weather conditions and the associated lack of gas in the month of February. This caused a longer than planned overhaul and difficulties in starting up of the key plants to produce ammonia and Urea. In the area of sales, in preparation of spring sowing this resulted in almost complete blockade of shipment at the time of high snowfall and low temperatures, because the roads, railways and river transport were virtually paralyzed.

In the first quarter of 2012, Petrokemija Group reported HRK 2.2 million loss in business, which is by HRK 41,7 million a lower result on the same period previous year, when the reported profit was 39.5million. The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 24.9 million in the positive. In the same period of 2011, EBITDA was HRK 66.2 million in the positive.

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 third quarter of 2012, the price of gas will reach its maximum, if there are no critical changes in the price of fuel oil in world markets and growth of USD exchange rate.

Fertilizer prices in the global market declined in the fourth quarter of 2011 and this trend did not change in the first quarter of 2012.

Due to the market situation, a part of the facilities was halted in the second half of 2009 and this problem was carried over into the year 2012. The crisis caused by disparity of in- and output prices in the carbon black market is still present. Petrokemija Group is influenced by developments in the global market which gives space to significant potential price risks and financial fluctuations in 2012.

In addition to their own working capital, short-term bank loans and a long-term loans from the Croatian Bank for Reconstruction and Development, Petrokemija secured their 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 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.