

**Attachment 1.**

Reported period:

1.1.2012.

to

31.12.2012.

**Annual financial statements GFI-POD**

Registration 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.hr](mailto:fin@petrokemija.hr)Internet address: [www.petrokemija.hr](http://www.petrokemija.hr)

Code and city/municipality: 220 KUTINA

Code and county name: 3 SISAČKO-MOSLAVAČKA ŽUPANIJA

Number of employees: 2.481  
(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):

Entities in consolidation (according to IFRS):	Registered seat:	Registration number (MB):
RESTORAN PETROKEMIJA d.o.o.	KUTINA	01335316
PETROKEMIJA d.o.o.	NOVI SAD	08754608
PETROKEMIJA d.o.o.	NOVO MESTO	12034614
LUKA ŠIBENIK d.o.o.	ŠIBENIK	03037525

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.maric@petrokemija.hr](mailto:marina.maric@petrokemija.hr)Name and surname: JOSIP JAGUŠT, KARLO DOŠEN  
(authorized representatives)**Documentation to be published:**

1. Audited annual financial statements with Independent Auditors report
2. Management Board's Report
3. Statement of person in charge of making Financial Statements
4. Decision of the Supervisory board (proposed) on determining annual financial statements

(seal)

(signature of authorized representative)

**BALANCE SHEET**  
as at 31.12.2012.

Petrokemija Group d.d.			
Position	AOP code	Prethodna godina (neto)	Tekuća godina (neto)
1	2	3	4
<b>A) RECIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) LONG-TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	751.083.530	749.049.633
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	7.671.130	11.585.806
1. Expense for development	<b>004</b>		
2. Concessions, patents, licences, trade and service marks, software and other rights	<b>005</b>	5.696.483	7.541.608
3. Goodwill	<b>006</b>		
4. Advances for intangible assets	<b>007</b>		
5. Intangible assets in progress	<b>008</b>	1.974.647	4.044.198
6. Other intangible assets	<b>009</b>		
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	739.879.901	736.523.100
1. Land	<b>011</b>	49.411.757	49.482.152
2. Buildings	<b>012</b>	305.696.063	291.532.789
3. Plant and equipment	<b>013</b>	354.712.044	322.709.000
4. Tools, plant inventory and transportation assets	<b>014</b>	12.656.327	13.526.223
5. Biological assets	<b>015</b>		
6. Advances for tangible assets	<b>016</b>	3.081.885	3.020.898
7. Tangible assets in progress	<b>017</b>	13.828.060	55.752.053
8. Other tangible assets	<b>018</b>	493.765	499.985
9. Investments in real estates	<b>019</b>		
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	<b>020</b>	3.532.499	815.524
1. Investments (shares) in related companies	<b>021</b>		
2. Loans given to related companies	<b>022</b>		
3. Participating interest (shares)	<b>023</b>	7.537	7.537
4. Loans given to companies with participating interest	<b>024</b>		
5. Investment in securities	<b>025</b>		
6. Loans given, deposits and similar assets	<b>026</b>		
7. Other long-term financial assets	<b>027</b>		807.987
8. Investments accounted for using the equity method	<b>028</b>	3.524.962	
IV. TRADE RECEIVABLES (030 do 032)	<b>029</b>	0	125.203
1. Receivables from related companies	<b>030</b>		
2. Receivables for sales on loan	<b>031</b>		
3. Other receivables	<b>032</b>		125.203
V. DEFERRED TAX ASSETS	<b>033</b>		
<b>C) SHORT-TERM ASSETS (035+043+050+058)</b>	<b>034</b>	1.054.404.398	1.184.010.885
I. INVENTORIES (036 do 042)	<b>035</b>	653.884.464	663.118.778
1. Raw and other material	<b>036</b>	307.619.209	251.954.508
2. Work in progress	<b>037</b>	41.135.157	70.216.160
3. Finished products	<b>038</b>	300.391.370	333.852.838
4. Merchandise inventory	<b>039</b>	4.302.489	5.141.432
5. Advances for inventories	<b>040</b>	436.239	1.953.840
6. Long-term assets intended for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
II. TRADE RECEIVABLES (044 do 049)	<b>043</b>	356.628.012	453.135.176
1. Receivables from related companies	<b>044</b>		
2. Receivables from customers (buyers)	<b>045</b>	147.738.558	152.077.790
3. Receivables from participating interest	<b>046</b>		
4. Receivables from employees and members	<b>047</b>	21.446	56.426
5. Receivables from state and other institutions	<b>048</b>	40.129.810	72.517.668
6. Other receivables	<b>049</b>	168.738.198	228.483.292
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	<b>050</b>	30.970.458	50.266.588
1. Investments (shares) in related companies	<b>051</b>		
2. Loans given to related companies	<b>052</b>		
3. Participating interest (shares)	<b>053</b>	10.759.225	11.552.010
4. Loans given to companies with participating interest	<b>054</b>		
5. Investment in securities	<b>055</b>	5.150.393	5.545.769
6. Loans given, deposits and similar assets	<b>056</b>	15.060.840	33.168.809
7. Other financial assets	<b>057</b>		
IV. CASH IN BANK AND ON HAND	<b>058</b>	12.921.464	17.490.343
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	2.734.013	2.709.319
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.808.221.941	1.935.769.837
<b>F) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	186.462.200	297.989.133

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>763.874.492</b>	<b>584.299.328</b>
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 (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	-138.286.230
1. Retained earning	073		565.720
2. Loss carried forward	074	244.715.097	138.851.950
VI. PROFIT OR LOSS FOR THE BUSINESS YEAR (076-077)	075	106.487.999	-184.491.370
1. Profit for the year	076	106.487.999	
2. Loss for the year	077		184.491.370
VII. MINORITY INTEREST	078		4.975.338
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	<b>14.197.080</b>	<b>15.094.519</b>
1. Provisions for pensions, severance pay and similar liabilities	080	12.112.252	13.126.437
2. Provisions for tax liabilities	081		
3. Other provisions	082	2.084.828	1.968.082
<b>C) LONG-TERM LIABILITIES (084 do 092)</b>	<b>083</b>	<b>80.000.000</b>	<b>123.333.333</b>
1. Liabilities to related companies	084		
2. Liabilities for loans, deposits and similar	085		
3. Liabilities to banks and other financial institutions	086	80.000.000	123.333.333
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		
<b>D) SHORT-TERM LIABILITIES (094 do 105)</b>	<b>093</b>	<b>946.687.099</b>	<b>1.209.069.277</b>
1. Liabilities to related companies	094		
2. Liabilities for loans, deposits and similar	095	12.000.000	4.500.000
3. Liabilities to banks and other financial institutions	096	295.722.222	323.166.667
4. Liabilities for advances	097	25.990.680	61.023.431
5. Liabilities to suppliers	098	331.944.083	485.963.926
6. Liabilities for securities	099	81.176.464	82.000.000
7. Liabilities to companies with participating interest	100		
8. Liabilities to employees	101	13.650.046	14.247.067
9. Liabilities for taxes, contributions and other payments	102	9.968.720	12.447.592
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	176.234.884	225.720.594
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>106</b>	<b>3.463.270</b>	<b>3.973.380</b>
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.808.221.941</b>	<b>1.935.769.837</b>
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>108</b>	<b>186.462.200</b>	<b>297.989.133</b>
<b>APPENDIX TO BALANCE SHEET (to be completed by companies that prepare consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Credited to parent company capital owners	109	763.874.492	579.323.990
2. Credited to minority interest	110		4.975.338

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



<b>APPENDIX TO PLA (to be completed by companies that prepare consolidated financial statements)</b>			
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>			
1. Credited to parent company capital owners	155	106.487.999	-185.042.811
2. Credited to minority interest	156		243.924
<b>STATEMENT OF COMPREHENSIVE INCOME (to be completed by company obligated to apply IFRS)</b>			
<b>I. PROFIT OR LOSS OF THE PERIOD (= 152)</b>	<b>157</b>	<b>106.487.999</b>	<b>-178.332.802</b>
<b>II. OTHER COMPREHENSIVE GAINS/LOSS BEFORE TAXES (159 do 165)</b>	<b>158</b>	<b>374.000</b>	<b>287.272</b>
1. Exchange rate differences from translation of foreign currency operations	159	374.000	287.272
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		
<b>III. TAX ON OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD</b>	<b>166</b>		
<b>IV. NET OTHER COMPREHENSIVE GAINS OR LOSSES FOR THE PERIOD (158-166)</b>	<b>167</b>	<b>374.000</b>	<b>287.272</b>
<b>V. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>106.861.999</b>	<b>-178.045.530</b>
<b>APPENDIX TO STATEMENT OF COMPREHENSIVE INCOME (to be completed by companies that prepare consolidated financial statements)</b>			
<b>VI. COMPREHENSIVE GAIN OR LOSS FOR THE PERIOD</b>			
1. Credited to parent company capital owners	169	106.861.999	-184.755.539
2. Credited to minority interest	170		243.924

## CASH FLOW STATEMENT - Direct method

for the period 01.01.2012. to 31.12.2012.

Petrokemija Group d.d.			
Position	AOP code	Previous year	Current year
1	2	3	4
<b>CASH FLOW FROM PERATIONG ACTIVITIES</b>			
1. Cash increase from buyers	001	2.532.867.656	2.530.921.226
2. Cash increase from royalties, fees commissions and other	002		
3. Cash increase from insurance compensations	003	5.538.010	3.834.347
4. Cash increase from tax return	004	250.390.241	317.933.980
5. Other cash increase	005	7.348.958	9.791.149
<b>I. Total increase of cash flow from operating activities (001 do 005)</b>	<b>006</b>	<b>2.796.144.865</b>	<b>2.862.480.702</b>
1. Expenses to suppliers	007	2.883.221.260	2.934.657.128
2. Expenses for employees	008	269.722.252	259.338.542
3. Expenses for insurance compensations	009	15.347.627	14.698.097
4. Expenses for interest	010	29.431.695	25.627.780
5. Expenses for taxes	011	80.843.774	49.482.152
6. Other cash decrease	012	14.813.333	21.581.850
<b>II. Total decrease in cash flow from operating activities (007 do 012)</b>	<b>013</b>	<b>3.293.379.941</b>	<b>3.305.385.549</b>
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (006-013)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES (013-006)</b>	<b>015</b>	<b>497.235.076</b>	<b>442.904.847</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash proceeds from sale of non-current tangible and intangible assets	016	53.628	272.215
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	1.322.680	677.265
5. Other cash proceeds from investing activities	020		
<b>III. Total cash inflow from investing activities (016 do 020)</b>	<b>021</b>	<b>1.376.308</b>	<b>949.480</b>
1. Cash outflow for acquisition of non-current tangible and intangible assets	022	39.941.196	60.656.714
2. Cash outflow for acquisition of equity and debt financial instruments	023	206.940	13.630.000
3. Other cash outflows from investing activities	024		20.020
<b>IV. Total cash outflow from investing activities (022 do 024)</b>	<b>025</b>	<b>40.148.136</b>	<b>74.306.734</b>
<b>B1) NET CASH FLOW FROM INVESTIN ACTIVITIES (021-025)</b>	<b>026</b>	<b>0</b>	<b>0</b>
<b>B2) NET CASH FLOW OUTFLOW FROM INVESTING ACTIVITIES (025-021)</b>	<b>027</b>	<b>38.771.828</b>	<b>73.357.254</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflows from issuance of equity and debt financial instruments	028		
2. Cash inflows from loan principals, debentures, credits and other borrowings	029	875.310.154	2.302.466.500
3. Other inflows from financial activities	030	588.771.798	679.616.364
<b>V. Total cash inflow from financial activities (028 do 030)</b>	<b>031</b>	<b>1.464.081.952</b>	<b>2.982.082.864</b>
1. Cash outflows for repayment of loan principal and bonds	032	903.828.114	2.233.188.722
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	22.059.632	121.141.495
<b>VI. Total cash outflow for financial activities (032 do 036)</b>	<b>037</b>	<b>925.887.746</b>	<b>2.354.330.217</b>
<b>C1) NET CASH FLOW INCREASE FROM FINANCIAL ACTIVITIES (031-037)</b>	<b>038</b>	<b>538.194.206</b>	<b>627.752.647</b>
<b>C2) NET CASHFLOW DECREASE FROM FINANCIAL ACTIVITIES (037-031)</b>	<b>039</b>	<b>0</b>	<b>0</b>
<b>Total increase of cash flow (014 – 015 + 026 – 027 + 038 – 039)</b>	<b>040</b>	<b>2.187.302</b>	<b>111.490.546</b>
<b>Total decrease of cash flow (015 – 014 + 027 – 026 + 039 – 038)</b>	<b>041</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>042</b>	<b>25.795.002</b>	<b>27.982.304</b>
<b>Increase of cash and cash equivalents</b>	<b>043</b>	<b>2.187.302</b>	<b>22.676.849</b>
<b>Decrease of cash adn cash equivalents</b>	<b>044</b>		
<b>Cash and cash equivalent at the end of the period</b>	<b>045</b>	<b>27.982.304</b>	<b>50.659.153</b>

\*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 **31.12.2012**

Position 1	AOP code 2	Previous year 3	Current year 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	-244.715.098	-138.286.230
5. Profit or loss for the year	005	106.487.999	-184.491.370
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		4.975.338
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	<b>763.874.491</b>	<b>584.299.328</b>
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		49.482.152
15. Adjustment of significant errors from previous period	015		
16. Other changes in captal	016		
<b>17. Total increase or decrease of capital (AOP 011 do 016)</b>	<b>017</b>	<b>0</b>	<b>49.482.152</b>
17 a. Creadited to parent company capital owners	018	763.874.491	579.323.990
17 b. Creadited to minority interest	019		4.975.338

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.

## NOTES

### 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, Ltd Kutina., Petrokemija, Ltd Novi Sad, Petrokemija, Ltd Novo Mesto and Luka Šibenik (Port of Šibenik) Ltd..

In 2012, Petrokemija Group had total actual income of HRK 3.053,7 million and total expense of HRK 3.238,4 million. The total annual income of Petrokemija Group was increased by 2.7% and total expenses were up by 13.0% on the same period of 2011. Out of the total loss, HRK 164.5 million or 89.0% is loss from business operations, while HRK 20.2 million, or 11.0% is loss from financial operations. The EBITDA indicator (earnings before interest, taxes, depreciation and amortization) is HRK 64.7 million in the negative.

In the reporting period, the operating income of Petrokemija Group, was 2.5% greater compared to 2011, despite the lower volume of sales. The total sales of fertilizers decreased by 6.2% compared to the previous year, which indicates the growth of the average actual sales prices, but at a level (under very strong competition) that could not cover the increase in costs.

Higher actual operating expenses compared to the previous year reflect the growth in input prices of raw materials, primarily natural gas. The average actual purchase price of gas in 2012 was 31.1% higher than in 2011, and as high as 71.0% compared to the comparable period of 2010 (cumulative growth). Such high growth rates of the basic raw material, which has a share of 57% in the total expenditures in the reporting period, could not be covered by measures to increase income and savings, undertaken by the Management Board and this led to reporting the loss.

In addition to the high price of gas as the primary cause for the reported loss, the next important is the impact of lower volumes of production and sales, which contributed to the growth of fixed costs per unit of product, although in total these costs are approximately at the level of the previous year. Compared to the year before, in 2012 Petrokemija had a 10.2% drop in production largely due to market reasons, in order to balance the dynamics of inventories and deliveries of fertilizers at an acceptable level, and partly due to unplanned production stoppages.

Natural gas, as the most important raw material is supplied in the domestic market under the so-called Russian formula based on the price of oil derivatives and gas price in US\$. In the period from September 2011 to September 2012, Petrokemija, Plc. was not included in the Government Decision on the limited gas prices for privileged consumers and in the regulatory part of the gas market the Company did not have the possibility of simultaneous gas purchase from multiple suppliers. Therefore, the extreme growth of gas price is greatly reflected in the Company financial loss in the reporting period. On the basis of relevant decisions of the Government on the regulation of the gas market in the Republic of Croatia, Petrokemija was finally able to buy gas from multiple suppliers starting as of the third quarter of 2012. The gas volumes supplied at a lower price from a foreign supplier, E.ON Ruhrgas AG and Prvo plinarsko društvo, Ltd. (Gas Company) Vukovar, partially mitigated the cost impact which the Company was faced with during the reporting period.

Unfortunately, previous contractual restrictions still prevent the Company to purchase significant gas quantities on the free market in 2013, so that approximately only 20% of the total required volumes can be purchased on the free market. On 15 January 2013, Petrokemija signed a Contract on Supply of 130 million Sm<sup>3</sup> of natural gas with Prvo plinarsko društvo, Ltd. Vukovar (on behalf of GAZPROM Schweiz AG) yesterday,. At the time of preparation of these financial statements, Petrokemija are presently negotiating the current supplies and future cooperation with their current authorized dealer – Prirodni plin d.o.o from Zagreb, a company owned by INA Oil Industry, Plc. Zagreb.

Due to the market situation, some facilities had been halted in the second half of 2009 and this problem was carried over into the period of 2013. The crisis caused by disparity of in- and output prices in the carbon black market is still ongoing. Petrokemija is influenced by developments in the global market which gives space to significant potential price risks and financial fluctuations in 2013.

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.

Because of the long collection of claims for fertilizers in the domestic market and the liquidity problems of domestic buyers due to their own lack of working capital, Petrokemija, Plc. has been using factoring as a form of financing and debt collection in the agreed due payment period (with the obligation of the buyer to bear all costs and interest associated with the factoring).

In reporting the status of current assets (accounts receivable) and current liabilities (contingent recourse



In reporting the status of current assets (accounts receivable) and current liabilities (contingent recourse obligations to the factoring companies, in the event that the debtor fails to meet its obligation), Petrokemija as of 31 December 2012 included these claims in its Balance Sheet. In the Balance Sheet positions they are indicated in the current assets and liabilities in the amount of HRK 224.16 million.

Compared with the balance on 31 December 2011, when these transactions were shown in the records outside the Balance Sheet, this significantly increased the level of assets and liabilities reported in these Balance Sheet positions, so this report presents comparable status (balance) of current assets and current liabilities on 31 December 2012 and 31 December 2011.

The future trends in financial results of Petrokemija Group will be influenced by many factors. In addition to 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 market (MAP, DAP, phosphate, potassium chloride, sulfur);
2. Change in demand and sales price of fertilizers;
3. Price fluctuation of energy fluids - gas and heating 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.

At the end of the second quarter, Petrokemija, Plc. bought 6,030 shares of Luka Šibenik (Port of Šibenik) Ltd. company business in the value of HRK 24,253,051. This has made Petrokemija, Plc. become the owner of a total of 79.72% stake in the company.

Luka Šibenik is of strategic interest to Petrokemija's business because most raw materials are shipped from overseas and a significant portion of exports of finished product is delivered through the sea port in Šibenik. As a preparation of this Report, the valuation of Luka Šibenik, Ltd. (Port of Šibenik) was conducted to determine the value of the goodwill of the Petrokemija, Plc. share in the Luka Šibenik Company. The difference between the acquisition cost and the share value of Petrokemija, Plc. of the subsidiary net assets (which was found to adequately reflect the fair value of the company), is an impairment expense of HRK 9.2 million and is reported in the audited annual financial statements of Petrokemija for 2012.