

**ENCLOSURE 1**

Reporting period:

01.01.

to

30.09.2010

**Quarterly Financial Report-TFI-POD**

Tax number (MB): 01650971

Registration number (MBS): 010049135

Personal identification number (OIB): 04525204420

Issuer: VIRO TVORNICA ŠEĆERA d.d.

Postal code and location: 33000

VIROVITICA

Street and number: MATIJE GUPCA 254

E-mail: viro@secerana.hr

Internet address: www.secerana.hr

Code and city / municipality: 491 VIROVITICA

Code and county: 10 VIROVITIČKO PODRAVSKA

Number of employees: 249  
(at the end of trimester)

Consolidated Report: NO

Business activity code: 1081

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Entities in consolidation (according to IFRS)	Registered seat:	Tax number (MB):

Book-keeping office:

Contact person: ZDENKA SMOJVER

(name and surname of the contact person)

Telephone: 033840122

Fax: 033840103

E-mail: racunovodstvo-viro@secerana.hr

Name and surname: ŽELJKO ZADRO

(authorized representatives)

Documents 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. Statement of persons in charge of making Financial Statements
3. Management Board's Report



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(signature of authorized representative)

## BALANCE SHEET

as at

30.09.2010

Item	EDP #	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) FIXED ASSETS</b>	<b>002</b>	<b>503.729.959</b>	<b>512.495.792</b>
I. INTANGIBLE ASSETS	003	1.153.606	940.452
II. TANGIBLE ASSETS	004	270.165.924	279.187.401
III. FIXED FINANCIAL ASSETS	005	232.155.246	232.191.472
IV. DEBTORS	006	255.183	176.467
V. DEFERRED TAX ASSETS	007		
<b>C) CURRENT ASSETS</b>	<b>008</b>	<b>496.398.402</b>	<b>451.079.880</b>
I. STOCKS	009	191.822.776	93.169.282
II. RECEIVABLES	010	138.152.186	263.818.331
III. CURRENT FINANCIAL ASSETS	011	127.292.829	91.350.236
IV. CASH IN HAND AND AT BANK	012	39.130.611	2.742.031
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>013</b>	<b>6.201.276</b>	<b>1.081.894</b>
<b>E) LOSS ABOVE CAPITAL</b>	<b>014</b>		
<b>F) TOTAL ASSETS</b>	<b>015</b>	<b>1.006.329.637</b>	<b>964.657.566</b>
<b>G) OFF-BALANCE RECORDS</b>	<b>016</b>	<b>13.101.412</b>	<b>9.266.748</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES</b>	<b>017</b>	<b>460.613.286</b>	<b>487.252.950</b>
I. INITIAL (SUBSCRIBED) CAPITAL	018	249.600.060	249.600.060
II. CAPITAL RESERVES	019	9.064.212	9.064.213
III. RESERVES FROM PROFIT	020	21.969.365	19.618.442
IV. REVALUATION RESERVES	021	10.014.539	7.599.588
V. RETAINED PROFIT	022	166.462.784	169.965.110
VI. LOSS BROUGHT FORWARD	023		
VII. PROFIT OF FINANCIAL YEAR	024	3.502.326	31.405.537
VIII. LOSS OF FINANCIAL YEAR	025		
IX. MINORITY INTEREST	026		
<b>B) PROVISIONS</b>	<b>027</b>		
<b>C) LONG-TERM LIABILITIES</b>	<b>028</b>	<b>397.628.223</b>	<b>308.993.479</b>
<b>D) SHORT-TERM LIABILITIES</b>	<b>029</b>	<b>136.554.113</b>	<b>162.004.484</b>
<b>E) DEFERRED SETTLEMENT OF CHARGES AND INCOME OF FUTURE PERIOD</b>	<b>030</b>	<b>11.534.015</b>	<b>6.406.653</b>
<b>F) TOTAL-LIABILITIES</b>	<b>031</b>	<b>1.006.329.637</b>	<b>964.657.566</b>
<b>G) OFF-BALANCE RECORDS</b>	<b>032</b>	<b>13.101.412</b>	<b>9.266.748</b>
<b>ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Assigned to the holders of parent company's capital	033		
2. Assigned to minority interest	034		

## PROFIT AND LOSS ACCOUNT

for the period from 01.01. to 30.09.2010

Item	EDP #	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>OPERATING INCOME</b>	<b>035</b>	<b>383.187.830</b>	<b>138.210.672</b>	<b>497.971.255</b>	<b>250.659.999</b>
1. Sales income	036	380.553.063	137.219.175	495.613.682	249.833.920
2. Income from usage of own products and services	037	367.217	234.247	92.123	70.929
3. Other operating income	038	2.267.550	757.250	2.265.450	755.150
<b>II. OPERATING COSTS</b>	<b>039</b>	<b>362.517.798</b>	<b>126.366.456</b>	<b>458.172.583</b>	<b>240.130.905</b>
1. Reduction on stocks of finished goods and work in progress	040	80.892.228	52.216.925	113.237.162	15.461.262
2. Increase of stocks of finished goods and work in progress	041				
3. Material costs	042	230.517.459	58.225.020	297.039.819	208.327.172
4. Staff expenses	043	21.424.900	6.383.488	19.398.802	7.424.683
5. Depreciation	044	19.126.183	6.418.965	22.188.039	7.317.130
6. Other expenditures	045	10.557.028	3.122.058	6.308.761	1.600.658
7. Value adjustment	046				
8. Reserves	047				
9. Other operating costs	048				
<b>III. FINANCIAL INCOME</b>	<b>049</b>	<b>22.794.163</b>	<b>1.221.579</b>	<b>8.492.669</b>	<b>1.157.777</b>
1. Interest income, foreign exchange differences, dividends and other financial income related to affiliated undertakings	050	1.208	501	627.454	29.721
2. Interest income, foreign exchange differences, dividends and other financial income related to unaffiliated undertakings and other persons	051	22.792.955	1.221.078	7.865.215	1.128.056
3. Income from affiliated undertakings and participating interests	052				
4. Unrealized income of the financial assets	053				
5. Other financial income	054				
<b>IV. FINANCIAL EXPENSES</b>	<b>055</b>	<b>66.373.445</b>	<b>44.668.642</b>	<b>14.731.947</b>	<b>7.335.494</b>
1. Interest, foreign exchange differences and other expenses related to affiliated undertakings	056				
2. Interest, foreign exchange differences and other expenses related to unaffiliated undertakings and other persons	057	29.296.514	7.591.711	14.731.619	7.335.166
3. Unrealized losses (expenses) of the financial assets	058	36.625.717	36.625.717		
4. Other financial expenses	059	451.214	451.214	328	328
<b>V. EXTRAORDINARY - OTHER INCOME</b>	<b>060</b>	<b>7.458.033</b>	<b>3.893.161</b>	<b>4.378.910</b>	<b>1.505.951</b>
<b>VI. EXTRAORDINARY - OTHER COSTS</b>	<b>061</b>	<b>1.437.902</b>	<b>454.486</b>	<b>6.532.767</b>	<b>782.124</b>
<b>VII. TOTAL INCOME</b>	<b>062</b>	<b>413.440.026</b>	<b>143.325.412</b>	<b>510.842.834</b>	<b>253.323.727</b>
<b>VIII. TOTAL COSTS</b>	<b>063</b>	<b>430.329.145</b>	<b>171.489.584</b>	<b>479.437.297</b>	<b>248.248.523</b>
<b>IX. PROFIT BEFORE TAXATION</b>	<b>064</b>			<b>31.405.537</b>	<b>5.075.204</b>
<b>X. LOSS BEFORE TAXATION</b>	<b>065</b>	<b>16.889.119</b>	<b>28.164.172</b>		
<b>XI. PROFIT TAX</b>	<b>066</b>				
<b>XII. PROFIT OF THE PERIOD</b>	<b>067</b>			<b>31.405.537</b>	<b>5.075.204</b>
<b>XIII. LOSS OF THE PERIOD</b>	<b>068</b>	<b>16.889.119</b>	<b>28.164.172</b>		
<b>ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entrepreneur submitting consolidated financial report)</b>					
<b>XIV.* PROFIT ASSIGNED TO HOLDERS OF PARENT COMPANY'S CAPITAL</b>	<b>069</b>				
<b>XV.* PROFIT ASSIGNED TO MINORITY INTEREST</b>	<b>070</b>				
<b>XVI.* LOSS ASSIGNED TO HOLDERS OF PARENT COMPANY'S CAPITAL</b>	<b>071</b>				
<b>XVII.* LOSS ASSIGNED TO MINORITY INTEREST</b>	<b>072</b>				

## CASH FLOW STATEMENT - Indirect method

in the period 01.01.2010 to 30.06.2010

Item	EDP #	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	073	-16.889.119	31.405.537
2. Depreciation	074	19.126.183	22.188.039
3. Increase of short-term liabilities	075		90.500.371
4. Decrease of short-term receivables	076	23.990.964	
5. Decrease of stocks	077	188.830.006	98.653.494
6. Other increase of cash flow	078	8.135.836	41.061.975
<b>I. Total increase of cash flow from operating activities</b>	<b>079</b>	<b>223.193.870</b>	<b>283.809.416</b>
1. Decrease of short-term liabilities	080	93.341.012	
2. Increase of short-term receivables	081		125.666.145
3. Increase of stocks	082		
4. Other decrease of cash flow	083	12.191.412	7.438.906
<b>II. Total decrease of cash flow from operating activities</b>	<b>084</b>	<b>105.532.424</b>	<b>133.105.051</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>085</b>	<b>117.661.446</b>	<b>150.704.365</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>086</b>		
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Cash receipt from sale of tangible and intangible assets	087	462.926	165.765
2. Cash receipt from sale of ownership and debt instruments	088		
3. Cash receipt from interest rates	089	2.441.273	2.311.444
4. Cash receipt from dividends	090	7.716.827	100
5. Other cash receipts from investment activities	091	142.252	42.490
<b>III. Total cash receipts from investment activities</b>	<b>092</b>	<b>10.763.278</b>	<b>2.519.799</b>
1. Cash expenditure for buying tangible and intangible fixed assets	093	22.534.905	31.162.127
2. Cash expenditure for acquiring ownership and debt financial instruments	094	12.167.487	
3. Other expenditures from investment activities	095		
<b>IV. Total cash expenditures from investment activities</b>	<b>096</b>	<b>34.702.392</b>	<b>31.162.127</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>097</b>		
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>098</b>	<b>23.939.114</b>	<b>28.642.328</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash receipt from issuing of ownership and debt financial instruments	099		
2. Cash receipt from loan principal, debentures, loans and other borrowing	100	103.013.892	54.950.000
3. Other receipt from financial activities	101	41.291.280	
<b>V. Total cash receipt from financial activities</b>	<b>102</b>	<b>144.305.172</b>	<b>54.950.000</b>
1. Cash expenditure for the payment of loan principal and bonds	103	238.305.347	207.866.906
2. Cash expenditure for the payment of dividend	104		
3. Cash expenditure for financial lease	105	712.473	767.838
4. Cash expenditure for own shares buy-off	106		2.350.922
5. Other expenditures from financial activities	107		2.414.951
<b>VI. Total cash expenditure from financial activities</b>	<b>108</b>	<b>239.017.820</b>	<b>213.400.617</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>109</b>		
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>110</b>	<b>94.712.648</b>	<b>158.450.617</b>
Total increase of cash flow	111		
Total decrease of cash flow	112	990.316	36.388.580
Cash and cash equivalents at the beginning of the period	113	3.918.777	39.130.611
Increase of cash and cash equivalents	114		
Decrease of cash and cash equivalents	115	990.316	36.388.580
Cash and cash equivalents at the end of the period	116	2.928.461	2.742.031

## CHANGE IN CAPITAL STATEMENT

from 01.01.2010 to 30.06.2010

Item	EDP #	Previous period	Increase	Decrease	Current period
1	2	31 Dec of the previous year		3	4
1. Subscribed capital	117	249.600.060			249.600.060
2. Capital reserves	118	9.064.212	1		9.064.213
3. Profit reserves	119	21.969.365		2.350.923	19.618.442
4. Retained profit or loss carried forward	120	166.462.784	3.502.326		169.965.110
5. Profit or loss of the current year	121	3.502.326	41.405.537	3.502.326	41.405.537
6. Revaluation of fixed tangible assets	122	10.515.039		2.265.451	8.249.588
7. Revaluation of intangible assets	123				0
8. Revaluation of financial financial property available for sale	124	-500.500		149.500	-650.000
9. Other revaluation	125				0
10. Foreign exchange differences from net investments in foreign operations	126				0
11. Current and deferred taxes (part)	127				0
12. Cash flow protection	128				0
13. Changes in accounting policies	129				0
14. Correction of significant mistakes from the previous period	130				0
15. Other equity changes	131				0
<b>16. Total capital increase or decrease</b>	<b>132</b>	<b>460.613.286</b>	<b>44.907.864</b>	<b>8.268.200</b>	<b>497.252.950</b>
16a. Assigned to holders of parent company's capital	133				
16b. Assigned to minority interest	134				

**Notes to the Financial Statements**

THERE WERE NO ACCOUNTING POLICY CHANGES IN RELATION TO HTE ANNUAL FINANCIAL REPORT FOR YEAR 2009.