

Appendix 1

Reporting period:

1.1.2011

to

30.6.2011

Quarterly Financial Report - TFI-POD

Registration number (MB) 01650971

Identification number of subject (MBS) 010049135

Personal identification number (OIB) 04525204420

Issuer company: VIRO TVORNICA ŠEĆERA d.d.

Postal code and place 33000 VIROVITICA

Street and number MATIJE GUPCA 254

E-mail address: viro@secerana.hr

Internet address: www.secerana.hr

Code and name of comune/town 491 VIROVITICA

Code and county name 10 VIROVITIČKO-PODRAVSKA Number of employees 584

(at quarter end)

Consolidated statement YES NKD/NWC code: 1081

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

Subsidiary name	Registration number
<u>SLADORANA d.d.</u> <u>ŽUPANJA, ŠEĆERANA 63</u>	<u>03307484</u>

Book keeping service: _____

Contact person: SMOJVER ZDENKA

(fill in only surname and name of contact person)

Phone number: 033840122 Fascimile: 033840103

E-mail address: racunovodstvo-viro@secerana.hr

Surname and name ZADRO ŽELJKO
(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Statement of responsible persons for preparation of financial statements
3. Report of the Management Board on position of the Company



[Handwritten signature]

(signed by authorised person for representation)

BALANCE SHEET

as at

30.6.2011

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+029+033)	002	615.716.560	671.239.562
I. INTANGIBLE ASSETS (004 to 009)	003	5.026.559	3.663.388
1. Assets development	004	368.866	409.275
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	2.341.601	2.384.303
3. Goodwill	006	2.316.092	869.810
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	597.016.129	596.312.532
1. Land	011	33.729.172	33.729.172
2. Buildings	012	199.733.792	195.297.709
3. Plant and equipment	013	346.713.059	330.743.789
4. Tools, facility inventory and transport assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016	2.874.452	3.531.418
7. Tangible assets in progress	017	12.659.056	31.739.862
8. Other tangible assets	018	9.300	9.300
9. Investments in buildings	019	1.297.298	1.261.282
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	13.532.973	71.085.671
1. Investments (shares) with related parties	021	1.000.000	59.186.800
2. Loans given to related parties	022		
3. Participating interest (shares)	023	458.205	513.029
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	12.074.768	11.385.842
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	140.899	177.971
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	140.899	177.971
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	771.283.184	767.355.661
I. INVENTORIES (036 to 042)	035	366.716.814	393.237.934
1. Raw-material and supplies	036	51.632.052	78.268.947
2. Work in progress	037		78.617.143
3. Finished goods	038	243.409.271	132.052.895
4. Merchandise	039	53.620.832	80.478.937
5. Prepayments for inventories	040	18.054.659	23.820.012
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	215.175.721	242.223.844
1. Receivables from related parties	044	20.470.164	10.840.792
2. Accounts receivable	045	139.136.144	180.705.799
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	64.468	20.365
5. Receivables from government and other institutions	048	55.414.908	50.634.511
6. Other receivables	049	90.037	22.377
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	130.113.129	99.239.265
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		785.014
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055	4.350.000	37.824.074
6. Loans, deposits, etc.	056	102.460.737	46.529.692
7. Other financial assets	057	23.302.392	14.100.485
IV. CASH AT BANK AND IN CASHIER	058	59.277.520	32.654.618
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	5.706.555	7.555.360
E) TOTAL ASSETS (001+002+034+059)	060	1.392.706.299	1.446.150.583
F) OFF-BALANCE RECORDS	061	740.636.185	816.250.726

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	622.938.288	632.363.069
I. SUBSCRIBED CAPITAL	063	249.600.060	249.600.060
II. CAPITAL RESERVES	064	9.064.213	9.064.213
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	14.845.835	17.980.863
1. Reserves prescribed by law	066	12.480.003	12.480.003
2. Reserves for treasury shares	067	3.015.832	33.866.670
3. Treasury stocks and shares (deduction)	068	8.747.611	28.365.810
4. Statutory reserves	069		
5. Other reserves	070	8.097.611	
IV. REVALUATION RESERVES	071	7.494.439	3.033.638
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	163.421.726	157.278.336
1. Retained earnings	073	163.421.726	157.278.336
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	27.892.840	35.933.031
1. Profit for the current year	076	27.892.840	35.933.031
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078	150.619.175	159.472.928
B) PROVISIONS (080 to 082)	079	61.164.647	57.469.147
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082	61.164.647	57.469.147
C) LONG - TERM LIABILITIES (084 to 092)	083	293.753.859	257.967.427
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	2.204.010	3.865.444
3. Liabilities to banks and other financial institutions	086	290.938.030	253.498.676
4. Liabilities for received prepayments	087		
5. Accounts payable	088		
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091	611.819	603.307
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	383.355.727	490.500.329
1. Liabilities to related parties	094	224.975	228.364
2. Liabilities for loans, deposits etc.	095	1.118.745	1.682.286
3. Liabilities to banks and other financial institutions	096	63.435.078	123.641.126
4. Liabilities for received prepayments	097	108.417.000	41.306.542
5. Accounts payable	098	200.483.070	308.829.422
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	4.495.863	3.743.892
9. Liabilities for taxes, contributions and similar fees	102	4.317.005	10.237.139
10. Liabilities to share - holders	103	11.874	11.874
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	852.117	819.684
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	31.493.778	7.850.611
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.392.706.299	1.446.150.583
G) OFF-BALANCE RECORDS	108	740.636.185	816.250.726
APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated annual financial report)			
CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	109	472.319.113	472.890.141
2. Attributed to minority interest	110	150.619.175	159.472.928

PROFIT AND LOSS ACCOUNT
for the period 01.01.2011. do 30.06.2011.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	438.657.083	0	509.157.624	0
1. Sales revenue	112	434.460.504		501.514.061	
2. Other operating revenues	113	4.196.579		7.643.563	
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	406.813.366	0	453.277.437	0
1. Changes in value of work in progress and finished products	115	172.812.086		32.946.705	
2. Material costs (117 to 119)	116	155.836.789	0	336.624.671	0
a) Raw material and material costs	117	29.738.144		233.730.804	
b) Costs of goods sold	118	108.773.129		74.088.608	
c) Other external costs	119	17.325.516		28.805.259	
3. Staff costs (121 to 123)	120	35.874.272	0	35.761.978	0
a) Net salaries and wages	121	22.182.693		21.556.154	
b) Cost for taxes and contributions from salaries	122	8.423.779		8.975.462	
c) Contributions on gross salaries	123	5.267.800		5.230.362	
4. Depreciation	124	25.648.870		28.314.668	
5. Other costs	125	9.678.714		10.481.069	
6. Impairment (127+128)	126	543.510	0	473.962	0
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short-term assets (financial assets excluded)	128	543.510		473.962	
7. Provisions	129				
8. Other operating costs	130	6.419.125		8.674.384	
III. FINANCIAL INCOME (132 to 136)	131	6.837.533	0	1.580.507	0
1. Interest income, foreign exchange gains, dividends and similar income from related	132			3.083	
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	6.837.533		1.577.424	
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136				
IV. FINANCIAL EXPENSES (138 do 141)	137	12.100.748	0	8.272.223	0
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138				
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-	139	12.038.902		7.753.086	
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141	61.846		519.137	
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142				
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	445.494.616	0	510.738.131	0
X. TOTAL EXPENSES (114+137+143 + 145)	147	418.914.114	0	461.549.660	0
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	26.580.502	0	49.188.471	0
1. Profit before taxation (146-147)	149	26.580.502	0	49.188.471	0
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151	164.867		5.025.546	
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	26.415.635	0	44.162.925	0
1. Profit for the period (149-151)	153	26.415.635	0	44.162.925	0
2. Loss for the period (151-148)	154	0	0	0	0
APPENDIX to P&L account (to be filled in by entrepreneur that prepares consolidated financial report)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	155	26.145.649		35.933.031	
2. Attributed to minority interest	156	269.986		8.229.894	
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	26.415.635	0	44.162.925	0
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	0	0	1.510.300	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and intangible assets	160			1.510.300	
3. Profit or loss from reevaluation of financial assets available for sale	161				
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	167	0	0	1.510.300	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	26.415.635	0	45.673.225	0
APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	169	26.145.649		37.443.331	
2. Attributed to minority interest	170	269.986		8.229.894	

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2011 do 30.6.2011

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001		49.188.471
2. Depreciation	002		28.314.668
3. Increase in short term liabilities	003		47.347.748
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other increase in cash flow	006		41.676.760
I. Total increase in cash flow from operating activities (001 to 006)	007	0	166.527.647
1. Decrease in short term liabilities	008		
2. Increase in short term receivables	009		48.463.658
3. Increase in inventories	010		15.592.858
4. Other decrease in cash flow	011		20.384.421
II. Total decrease in cash flow from operating activities (008 to 011)	012	0	84.440.937
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	0	82.086.710
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015		3.251.100
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017		591.187
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		156
III. Total cash inflows from investing activities (015 to 019)	020	0	3.842.443
1. Cash outflow for purchase of long-term tangible and intangible assets	021		30.356.100
2. Cash outflow for acquisition of equity and debt financial instruments	022		57.286.800
3. Other cash outflow for investing activities	023		954.824
IV. Total cash outflow for investing activities (021 do 023)	024	0	88.597.724
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	0	84.755.281
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028		53.516.162
3. Other proceeds from financial activities	029		965.769
V. Total cash inflows from financial activities (027 to 029)	030	0	54.481.931
1. Cash outflow for repayment of credit principal and bonds	031		26.777.832
2. Cash outflow for dividends paid	032		29.816.710
3. Cash outflow for financial lease	033		1.398.113
4. Cash outflow for purchase of treasury shares	034		17.514.972
5. Other cash outflow for financial activities	035		2.928.635
VI. Total cash outflow for financial activities (031 to 035)	036	0	78.436.262
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	23.954.331
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	26.622.902
Cash and cash equivalents at the beginning of the period	041		59.277.520
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	0	26.622.902
Cash and cash equivalents at the end of the period	044	0	32.654.618

STATEMENT OF CHANGES IN EQUITY
for the period **1.1.2011** do **30.6.2011**

Item 1	AOP code 2	Last year 3	Current year 4
1. Subscribed capital	001	249.600.060	249.600.060
2. Capital reserves	002	9.064.213	9.064.213
3. Reserves from profit	003	15.495.835	17.980.863
4. Retained earnings or accumulated loss	004	163.421.726	157.278.336
5. Profit or loss for the current year	005	27.892.840	35.933.031
6. Revaluation of long - term tangible assets	006	7.494.438	5.984.138
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	-650.000	-2.950.500
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	472.319.112	472.890.141
11. Currency gains and losses arising from net investment in foreign operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016		
17. Total increase or decrease in capital (AOP 011 do 016)	017	0	0
17 a. Attributed to equity holders of parent company	018	472.319.113	472.890.141
17 b. Attributed to minority interest	019	150.619.175	159.472.928

Notes

THERE WERE NO ACCOUNTING POLICY CHANGES IN RELATION TO HTE ANNUAL FINANCIAL REPORT FOR YEAR 2010.