



**TVORNICA ŠEĆERA d.d.
VIROVITICA, MATIJE GUPCA 254**

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
THREE-MONTH REPORT FOR 1Q 2012**

With this statement, in compliance with article 407, paragraph 2, and article 410 of the Law on capital market, I state that to the best of our knowledge

- the set of financial reports of VIRO TVORNICA ŠEĆERA d.d., Virovitica for the period I-III 2012, produced by applying International standards of financial reporting and in compliance with the Croatian Law on Accounting, provides an integral and true overview of assets and liabilities, loss and profit, financial position and operations of the company.
- the Management report contains a true overview of business results and position of the company, with a description of the most significant risks and uncertainties to which the company is exposed.

In Virovitica, on April 27, 2012

RESPONSIBLE PERSON

PRESIDENT OF THE
MANAGEMENT BOARD:

Željko Zadro, dipl.oec



Appendix 1

Reporting period:

1.1.2012

to

31.3.2012

Quarterly Financial Report - TFI-PODRegistration number (MB) Identification number of subject (MBS) Personal identification number (OIB) Issuer company: Postal code and place Street and number E-mail address: Internet address: Code and name of comune/town Code and county name Number of employees
(at quarter end)Consolidated statement NKD/NWC code:

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

Subsidiaries subject to consolidation (according to IFRS):	Registration number:

Book keeping service: Contact person:


(fill in only surname and name of contact person)

Phone number: Fascimile: E-mail address: Surname and name:

(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


 (signed by authorised person for representation)


BALANCE SHEET

as at

31.3.2012

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	569.899.534	575.028.895
I. INTANGIBLE ASSETS (004 to 009)	003	531.083	472.625
1. Assets development	004	518.268	472.625
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	12.815	
3. Goodwill	006		
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	272.801.344	268.324.922
1. Land	011	3.685.749	3.685.749
2. Buildings	012	81.588.110	80.315.065
3. Plant and equipment	013	160.293.587	155.167.118
4. Tools, facility inventory and transport assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016	2.587.429	2.506.372
7. Tangible assets in progress	017	23.411.903	24.860.946
8. Other tangible assets	018	9.300	9.300
9. Investments in buildings	019	1.225.266	1.780.372
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	296.542.243	306.206.674
1. Investments (shares) with related parties	021	285.332.803	294.997.704
2. Loans given to related parties	022		
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	11.209.440	11.208.970
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	24.864	24.674
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	24.864	24.674
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	455.543.559	397.454.010
I. INVENTORIES (036 to 042)	035	211.954.385	206.968.283
1. Raw-material and supplies	036	20.391.554	114.642.828
2. Work in progress	037		25.720.867
3. Finished goods	038	175.331.477	42.324.213
4. Merchandise	039	2.869.607	15.531.422
5. Prepayments for inventories	040	13.361.747	8.748.953
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	131.418.296	91.870.700
1. Receivables from related parties	044	23.314.628	38.638.174
2. Accounts receivable	045	78.898.405	51.167.856
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047		25.000
5. Receivables from government and other institutions	048	29.020.843	1.671.475
6. Other receivables	049	184.420	368.195
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	85.497.110	73.190.251
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	1.506.678	2.827.306
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055	39.779.361	9.948.439
6. Loans, deposits, etc.	056	44.211.071	60.414.506
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	26.673.768	25.424.776
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	2.122.790	1.941.154
E) TOTAL ASSETS (001+002+034+059)	060	1.027.565.883	974.424.059
F) OFF-BALANCE RECORDS	061	10.852.530	107.657.923

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	532.440.254	567.786.633
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	19.389.313	19.389.313
1. Reserves prescribed by law	066	12.480.003	12.480.003
2. Reserves for treasury shares	067	43.866.670	43.866.670
3. Treasury stocks and shares (deduction)	068	36.957.360	36.957.360
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	874.338	218.688
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	130.952.109	254.267.481
1. Retained earnings	073	130.952.109	254.267.481
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	122.560.221	35.246.878
1. Profit for the current year	076	122.560.221	35.246.878
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	0	0
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082		
C) LONG - TERM LIABILITIES (084 to 092)	083	142.272.174	129.699.967
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	16.985.496	16.585.948
3. Liabilities to banks and other financial institutions	086	125.286.678	113.114.019
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		
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	350.998.386	276.783.635
1. Liabilities to related parties	094	9.040.876	922.566
2. Liabilities for loans, deposits etc.	095	5.198.874	5.392.672
3. Liabilities to banks and other financial institutions	096	65.505.340	79.745.607
4. Liabilities for received prepayments	097	154.321.367	47.648.545
5. Accounts payable	098	111.464.083	138.624.755
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	1.897.442	1.491.757
9. Liabilities for taxes, contributions and similar fees	102	1.906.090	1.459.302
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	1.652.440	1.486.557
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	1.855.069	153.824
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.027.565.883	974.424.059
G) OFF-BALANCE RECORDS	108	10.852.530	107.657.923
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		
2. Attributed to minority interest	110		

PROFIT AND LOSS ACCOUNT
for the period 01.01.2012. do 31.03.2012.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	106.218.642	106.218.642	217.552.808	217.552.808
1. Sales revenue	112	104.521.532	104.521.532	215.980.144	215.980.144
2. Other operating revenues	113	1.697.110	1.697.110	1.572.664	1.572.664
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	88.402.896	88.402.896	181.365.296	181.365.296
1. Changes in value of work in progress and finished products	115	28.238.882	28.238.882	107.286.397	107.286.397
2. Material costs (117 to 119)	116	39.743.668	39.743.668	55.908.277	55.908.277
a) Raw material and material costs	117	5.507.294	5.507.294	6.210.775	6.210.775
b) Costs of goods sold	118	27.071.846	27.071.846	39.291.049	39.291.049
c) Other external costs	119	7.164.528	7.164.528	10.406.453	10.406.453
3. Staff costs (121 to 123)	120	5.853.538	5.853.538	6.659.295	6.659.295
a) Net salaries and wages	121	3.660.642	3.660.642	4.031.487	4.031.487
b) Cost for taxes and contributions from salaries	122	1.334.017	1.334.017	1.656.222	1.656.222
c) Contributions on gross salaries	123	858.879	858.879	971.586	971.586
4. Depreciation	124	7.435.227	7.435.227	8.860.679	8.860.679
5. Other costs	125	1.656.419	1.656.419	1.229.767	1.229.767
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short - term assets (financial assets excluded)	128				
7. Provisions	129				
8. Other operating costs	130	5.475.162	5.475.162	1.420.881	1.420.881
III. FINANCIAL INCOME (132 to 136)	131	596.415	596.415	3.007.646	3.007.646
1. Interest income, foreign exchange gains, dividends and similar income from related	132			42.938	42.938
2. Interest income, foreign exchange gains, dividends and similar income from non - related	133	596.415	596.415	2.964.708	2.964.708
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	2.318.175	2.318.175	3.948.280	3.948.280
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	2.318.175	2.318.175	3.773.149	3.773.149
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141			175.131	175.131
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	106.815.057	106.815.057	220.560.454	220.560.454
X. TOTAL EXPENSES (114+137+143 + 145)	147	90.721.071	90.721.071	185.313.576	185.313.576
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	16.093.986	16.093.986	35.246.878	35.246.878
1. Profit before taxation (146-147)	149	16.093.986	16.093.986	35.246.878	35.246.878
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	16.093.986	16.093.986	35.246.878	35.246.878
1. Profit for the period (149-151)	153	16.093.986	16.093.986	35.246.878	35.246.878
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				
2. Attributed to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	16.093.986	16.093.986	35.246.878	35.246.878
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	755.150	755.150	755.150	755.150
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long - term tangible and intangible assets	160	755.150	755.150	755.150	755.150
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	755.150	755.150	755.150	755.150
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	16.849.136	16.849.136	36.002.028	36.002.028
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				
2. Attributed to minority interest	170				

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2012 do 31.3.2012

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	16.849.136	35.246.878
2. Depreciation	002	7.435.227	8.860.679
3. Increase in short term liabilities	003	33.303.856	
4. Decrease in short term receivables	004	24.226.780	39.547.596
5. Decrease in inventories	005		4.986.102
6. Other increase in cash flow	006		12.488.495
I. Total increase in cash flow from operating activities (001 to 006)	007	81.814.999	101.129.750
1. Decrease in short term liabilities	008		88.648.816
2. Increase in short term receivables	009		
3. Increase in inventories	010	50.757.608	
4. Other decrease in cash flow	011	15.200.907	2.623.148
II. Total decrease in cash flow from operating activities (008 to 011)	012	65.958.515	91.271.964
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	15.856.484	9.857.786
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014		
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	481.324	
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	404.144	359.835
4. Dividend receipts	018		23.679
5. Other cash inflows from investing activities	019	15.282	190
III. Total cash inflows from investing activities (015 to 019)	020	900.750	383.604
1. Cash outflow for purchase of long-term tangible and intangible assets	021	1.443.705	3.981.397
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023		9.664.901
IV. Total cash outflow for investing activities (021 do 023)	024	1.443.705	13.646.298
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	542.955	13.262.694
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		127.635.470
3. Other proceeds from financial activities	029		99.971
V. Total cash inflows from financial activities (027 to 029)	030	0	127.735.441
1. Cash outflow for repayment of credit principal and bonds	031	21.171.768	123.437.242
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033	280.985	2.142.283
4. Cash outflow for purchase of treasury shares	034	1.934.052	
5. Other cash outflow for financial activities	035	3.006.272	
VI. Total cash outflow for financial activities (031 to 035)	036	26.393.077	125.579.525
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037		2.155.916
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	26.393.077	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039		
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	11.079.548	1.248.992
Cash and cash equivalents at the beginning of the period	041	49.916.889	26.673.768
Increase of cash and cash equivalents	042	0	
Decrease of cash and cash equivalents	043	11.079.548	1.248.992
Cash and cash equivalents at the end of the period	044	38.837.341	25.424.776

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2012** do **31.3.2012**

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	19.389.313	19.389.313
4. Retained earnings or accumulated loss	004	130.952.109	254.267.481
5. Profit or loss for the current year	005	122.560.221	35.246.878
6. Revaluation of long - term tangible assets	006	4.473.838	3.718.688
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	-3.599.500	-3.500.000
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	532.440.254	567.786.633
11. Currency gains and losses arising from net investement 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		
17 b. Attributed to minority interest	019		

Notes

THERE WERE NO ACCOUNTING POLICY CHANGES IN RELATION TO HTE ANNUAL FINANCIAL REPORT FOR YEAR 2011.