

Appendix 1

Reporting period:

01.01.2012

to

30.06.2012

Quarterly Financial Report - TFI-POD

Registration 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:

SLADORANA d.d.	ŠEĆERANA 63, ŽUPANJA	03307484
SLAVONIJA NOVA d.d.	J.J.STROSSMAYERA 65, ŽUPANJA	01841009
VIRO-KOOPERACIJA d.o.o.	ŠEĆERANA 63, ŽUPANJA	02835398

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 30.6.2012

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	700.703.243	686.256.383
I. INTANGIBLE ASSETS (004 to 009)	003	2.561.187	8.115.007
1. Assets development	004	518.268	495.651
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	1.326.159	1.573.253
3. Goodwill	006	716.760	5.799.103
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		247.000
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	610.109.883	671.918.800
1. Land	011	33.729.172	36.566.577
2. Buildings	012	208.464.753	257.852.924
3. Plant and equipment	013	331.084.051	329.115.521
4. Tools, facility inventory and transport assets	014	7.745.791	8.865.641
5. Biological assets	015		
6. Prepayments for tangible assets	016	2.587.429	4.465.691
7. Tangible assets in progress	017	25.264.121	33.252.346
8. Other tangible assets	018	9.300	44.900
9. Investments in buildings	019	1.225.266	1.755.200
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	88.007.309	6.160.746
1. Investments (shares) with related parties	021	63.166.800	2.300.000
2. Loans given to related parties	022		
3. Participating interest (shares)	023	7.378.475	2.976.715
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		54.375
6. Loans, deposits and similar assets	026	11.209.440	829.656
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028	6.252.594	
IV. RECEIVABLES (030 to 032)	029	24.864	61.830
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	24.864	24.509
3. Other receivables	032		37.321
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	899.086.337	819.155.206
I. INVENTORIES (036 to 042)	035	480.650.927	436.230.855
1. Raw-material and supplies	036	48.399.921	54.835.119
2. Work in progress	037		56.211.693
3. Finished goods	038	405.945.345	275.822.652
4. Merchandise	039	8.743.623	32.815.310
5. Prepayments for inventories	040	17.562.038	16.546.081
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	247.477.072	262.253.276
1. Receivables from related parties	044	33.424.549	18.484.146
2. Accounts receivable	045	143.844.580	205.715.905
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	20.182	51.276
5. Receivables from government and other institutions	048	69.998.437	37.675.564
6. Other receivables	049	189.324	326.385
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	143.164.104	103.300.726
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	8.803.709	1.072.692
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	45.246.250
6. Loans, deposits, etc.	056	46.428.978	56.956.504
7. Other financial assets	057	48.152.056	25.280
IV. CASH AT BANK AND IN CASHIER	058	27.794.234	17.370.349
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	2.516.731	7.345.572
E) TOTAL ASSETS (001+002+034+059)	060	1.602.306.311	1.512.757.161
F) OFF-BALANCE RECORDS	061	882.103.298	819.145.062

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	624.482.442	566.045.879
I. SUBSCRIBED CAPITAL	063	249.600.060	249.600.060
II. CAPITAL RESERVES	064	9.064.213	9.464.213
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	1.228.290
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	130.952.109	212.741.442
1. Retained earnings	073	130.952.109	212.741.442
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	128.257.928	43.770.259
1. Profit for the current year	076	128.257.928	43.770.259
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078	86.344.481	29.852.302
B) PROVISIONS (080 to 082)	079	55.955.921	55.955.921
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082	55.955.921	55.955.921
C) LONG - TERM LIABILITIES (084 to 092)	083	253.375.825	227.469.793
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	16.985.496	15.148.905
3. Liabilities to banks and other financial institutions	086	235.854.987	211.793.564
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	535.342	527.324
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	655.216.468	661.865.839
1. Liabilities to related parties	094	2.258.095	4.724.683
2. Liabilities for loans, deposits etc.	095	6.198.874	77.055.936
3. Liabilities to banks and other financial institutions	096	67.377.410	137.039.698
4. Liabilities for received prepayments	097	264.959.247	140.888.380
5. Accounts payable	098	303.159.725	269.855.157
6. Liabilities arising from debt securities	099		13.540.426
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	4.517.795	4.547.684
9. Liabilities for taxes, contributions and similar fees	102	5.004.257	12.770.137
10. Liabilities to share - holders	103	11.874	20.740
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	1.729.191	1.422.998
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	13.275.655	1.419.729
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.602.306.311	1.512.757.161
G) OFF-BALANCE RECORDS	108	882.103.298	819.145.062
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	538.137.961	536.193.577
2. Attributed to minority interest	110	86.344.481	29.852.302

PROFIT AND LOSS ACCOUNT
for the period 01.01.2012. do 30.06.2012.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	509.157.624	315.848.147	602.219.251	275.480.879
1. Sales revenue	112	501.514.061	310.115.746	595.293.876	272.411.257
2. Other operating revenues	113	7.643.563	5.732.401	6.925.375	3.069.622
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	453.277.437	285.844.236	535.796.919	257.461.178
1. Changes in value of work in progress and finished products	115	32.946.705	-40.559.801	76.410.786	-83.722.580
2. Material costs (117 to 119)	116	336.624.671	282.968.886	360.410.156	288.709.721
a) Raw material and material costs	117	233.730.804	217.961.686	210.849.367	182.830.264
b) Costs of goods sold	118	74.088.608	46.715.913	107.902.891	79.012.444
c) Other external costs	119	28.805.259	18.291.287	41.657.898	26.867.013
3. Staff costs (121 to 123)	120	35.761.978	19.568.922	45.848.026	25.944.090
a) Net salaries and wages	121	21.556.154	11.635.151	27.141.717	15.121.003
b) Cost for taxes and contributions from salaries	122	8.975.462	5.077.476	12.248.341	7.285.788
c) Contributions on gross salaries	123	5.230.362	2.856.295	6.457.968	3.537.299
4. Depreciation	124	28.314.668	14.919.492	35.871.127	18.229.210
5. Other costs	125	10.481.069	6.629.404	14.372.279	7.488.650
6. Impairment (127+128)	126	473.962	473.962	305.436	305.436
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short-term assets (financial assets excluded)	128	473.962	473.962	305.436	305.436
7. Provisions	129				
8. Other operating costs	130	8.674.384	1.843.371	2.579.109	506.651
III. FINANCIAL INCOME (132 to 136)	131	1.580.507	37.087	5.039.712	-2.001.251
1. Interest income, foreign exchange gains, dividends and similar income from related	132	3.083	3.083	8.891	8.814
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	1.577.424	396.335	4.966.787	-1.772.593
3. Share in income from affiliated entrepreneurs and participating interests	134		-54.825		-210.513
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136		-307.506	64.034	-26.959
IV. FINANCIAL EXPENSES (138 do 141)	137	8.272.223	4.569.893	25.761.617	16.083.309
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138			268.978	268.978
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-related	139	7.753.086	4.311.342	24.441.480	14.944.880
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141	519.137	258.551	1.051.159	869.451
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	510.738.131	315.885.234	607.258.963	273.479.628
X. TOTAL EXPENSES (114+137+143 + 145)	147	461.549.660	290.414.129	561.558.536	273.544.487
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	49.188.471	25.471.105	45.700.427	-64.859
1. Profit before taxation (146-147)	149	49.188.471	25.471.105	45.700.427	0
2. Loss before taxation (147-146)	150	0	0	0	64.859
XII. PROFIT TAX	151	5.025.546	3.439.369	2.894.868	510.464
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	44.162.925	22.031.736	42.805.559	-575.323
1. Profit for the period (149-151)	153	44.162.925	22.031.736	42.805.559	0
2. Loss for the period (151-148)	154	0	0	0	575.323
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	35.933.031	16.273.473	43.770.259	2.350.796
2. Attributed to minority interest	156	8.229.894	5.758.263	-964.700	-2.926.119
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	44.162.925	22.031.736	42.805.559	-575.323
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	1.510.300	755.150	1.251.999	496.849
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	755.150	1.251.999	496.849
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	1.510.300	755.150	1.251.999	496.849
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	45.673.225	22.786.886	44.057.558	-78.474
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	37.443.331	17.028.623	45.022.258	2.847.645
2. Attributed to minority interest	170	8.229.894	5.758.263	-964.700	-2.926.119

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2012 do 30.6.2012

Item 1	AOP code 2	Last year 3	Current year 4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	49.188.471	45.700.427
2. Depreciation	002	28.314.668	35.871.127
3. Increase in short term liabilities	003	47.347.748	
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		119.985.889
6. Other increase in cash flow	006	41.676.760	35.139.001
I. Total increase in cash flow from operating activities (001 to 006)	007	166.527.647	236.696.444
1. Decrease in short term liabilities	008		187.593.874
2. Increase in short term receivables	009	48.463.658	17.743.383
3. Increase in inventories	010	15.592.858	26.830.291
4. Other decrease in cash flow	011	20.384.421	5.873.566
II. Total decrease in cash flow from operating activities (008 to 011)	012	84.440.937	238.041.114
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	82.086.710	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	1.344.670
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	3.251.100	12.431.587
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	591.187	1.058.750
4. Dividend receipts	018		23.579
5. Other cash inflows from investing activities	019	156	15.030.196
III. Total cash inflows from investing activities (015 to 019)	020	3.842.443	28.544.112
1. Cash outflow for purchase of long-term tangible and intangible assets	021	30.356.100	33.274.681
2. Cash outflow for acquisition of equity and debt financial instruments	022	57.286.800	400.000
3. Other cash outflow for investing activities	023	954.824	97.736.417
IV. Total cash outflow for investing activities (021 do 023)	024	88.597.724	131.411.098
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	84.755.281	102.866.986
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	173.764.387
3. Other proceeds from financial activities	029	965.769	70.676.800
V. Total cash inflows from financial activities (027 to 029)	030	54.481.931	244.441.187
1. Cash outflow for repayment of credit principal and bonds	031	26.777.832	151.210.005
2. Cash outflow for dividends paid	032	29.816.710	
3. Cash outflow for financial lease	033	1.398.113	3.508.691
4. Cash outflow for purchase of treasury shares	034	17.514.972	
5. Other cash outflow for financial activities	035	2.928.635	208.853
VI. Total cash outflow for financial activities (031 to 035)	036	78.436.262	154.927.549
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	89.513.638
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	23.954.331	0
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	26.622.902	14.698.018
Cash and cash equivalents at the beginning of the period	041	59.277.520	32.068.367
Increase of cash and cash equivalents	042		
Decrease of cash and cash equivalents	043	26.622.902	14.698.018
Cash and cash equivalents at the end of the period	044	32.654.618	17.370.349

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2012** do **30.6.2012**

Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	249.600.060	249.600.060
2. Capital reserves	002	9.064.213	9.464.213
3. Reserves from profit	003	19.389.313	19.389.313
4. Retained earnings or accumulated loss	004	130.952.109	212.741.442
5. Profit or loss for the current year	005	128.257.928	43.770.259
6. Revaluation of long - term tangible assets	006	4.473.838	4.978.290
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	-3.599.500	-3.750.000
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	538.137.961	536.193.577
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	538.137.961	536.193.577
17 b. Attributed to minority interest	019	86.344.481	29.852.302

Notes

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



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

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
CONSOLIDATED FINANCIAL REPORT FOR 2Q 2012**

With this statement, in compliance with the Law on capital market (official gazette 88/08 and 146/08) I state that to the best of our knowledge

- the set of consolidated financial reports of VIRO TVORNICA ŠEĆERA d.d., Virovitica and the company included in consolidation for the period 01.01.-30.06.2012, which was 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 July 27, 2012



RESPONSIBLE PERSON

CEO:

Željko Zadro, dipl.oec