

Appendix 1

Reporting period:

1.1.2012

to

30.6.2012

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 243

(at quarter end)

Consolidated statement NO

NKD/NWC code: 1081

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

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

(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	569.899.534	635.422.515
I. INTANGIBLE ASSETS (004 to 009)	003	531.083	565.471
1. Assets development	004	518.268	495.651
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	12.815	69.820
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	250.971.196
1. Land	011	3.685.749	3.685.749
2. Buildings	012	81.588.110	78.970.591
3. Plant and equipment	013	160.293.587	138.273.768
4. Tools, facility inventory and transport assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016	2.587.429	4.465.691
7. Tangible assets in progress	017	23.411.903	23.810.897
8. Other tangible assets	018	9.300	9.300
9. Investments in buildings	019	1.225.266	1.755.200
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	296.542.243	383.861.339
1. Investments (shares) with related parties	021	285.332.803	383.031.683
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	829.656
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	24.864	24.509
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	24.864	24.509
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	455.543.559	540.219.306
I. INVENTORIES (036 to 042)	035	211.954.385	236.359.758
1. Raw-material and supplies	036	20.391.554	23.099.775
2. Work in progress	037		15.069.647
3. Finished goods	038	175.331.477	165.686.921
4. Merchandise	039	2.869.607	20.682.069
5. Prepayments for inventories	040	13.361.747	11.821.346
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	131.418.296	199.856.745
1. Receivables from related parties	044	23.314.628	71.709.741
2. Accounts receivable	045	78.898.405	107.101.616
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047		27.695
5. Receivables from government and other institutions	048	29.020.843	20.989.924
6. Other receivables	049	184.420	27.769
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	85.497.110	89.376.097
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	1.506.678	8.140.799
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	28.410.458
6. Loans, deposits, etc.	056	44.211.071	52.799.560
7. Other financial assets	057		25.280
IV. CASH AT BANK AND IN CASHIER	058	26.673.768	14.626.706
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	2.122.790	1.563.120
E) TOTAL ASSETS (001+002+034+059)	060	1.027.565.883	1.177.204.941
F) OFF-BALANCE RECORDS	061	10.852.530	192.596.006

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	578.505.261
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	1.228.290
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	130.952.109	253.007.879
1. Retained earnings	073	130.952.109	253.007.879
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	122.560.221	46.215.506
1. Profit for the current year	076	122.560.221	46.215.506
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	110.483.131
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	125.286.678	95.334.226
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	486.948.099
1. Liabilities to related parties	094	9.040.876	48.981.334
2. Liabilities for loans, deposits etc.	095	5.198.874	75.587.936
3. Liabilities to banks and other financial institutions	096	65.505.340	100.027.716
4. Liabilities for received prepayments	097	154.321.367	56.356.548
5. Accounts payable	098	111.464.083	189.277.446
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	1.897.442	1.605.346
9. Liabilities for taxes, contributions and similar fees	102	1.906.090	907.863
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	1.652.440	642.744
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	1.855.069	1.268.450
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.027.565.883	1.177.204.941
G) OFF-BALANCE RECORDS	108	10.852.530	192.596.006
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 30.06.2012.

VIRO TVORNICA ŠEĆERA d.d.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	334.895.104	228.676.462	394.520.947	176.968.139
1. Sales revenue	112	328.289.651	223.768.119	376.237.014	160.256.870
2. Other operating revenues	113	6.605.453	4.908.343	18.283.933	16.711.269
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	304.099.279	215.696.383	337.285.515	155.920.219
1. Changes in value of work in progress and finished products	115	-78.815.422	-107.054.304	-5.425.091	-112.711.488
2. Material costs (117 to 119)	116	341.048.180	301.304.512	288.342.352	232.434.075
a) Raw material and material costs	117	242.649.446	237.142.152	209.510.600	203.299.825
b) Costs of goods sold	118	79.140.946	52.069.100	59.340.708	20.049.659
c) Other external costs	119	19.257.788	12.093.260	19.491.044	9.084.591
3. Staff costs (121 to 123)	120	12.651.849	6.798.311	15.372.207	8.712.912
a) Net salaries and wages	121	7.838.398	4.177.756	9.245.582	5.214.095
b) Cost for taxes and contributions from salaries	122	2.963.183	1.629.166	3.965.939	2.309.717
c) Contributions on gross salaries	123	1.850.268	991.389	2.160.686	1.189.100
4. Depreciation	124	16.350.968	8.915.741	18.459.870	9.599.191
5. Other costs	125	4.335.441	2.679.022	4.409.349	3.179.582
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	8.528.263	3.053.101	16.126.828	14.705.947
III. FINANCIAL INCOME (132 to 136)	131	1.504.188	907.773	4.397.141	1.389.495
1. Interest income, foreign exchange gains, dividends and similar income from related	132	3.083	3.083	142.480	99.542
2. Interest income, foreign exchange gains, dividends and similar income from non - related	133	1.501.105	904.690	4.217.723	1.253.015
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136			36.938	36.938
IV. FINANCIAL EXPENSES (138 do 141)	137	4.940.217	2.622.042	15.417.067	11.468.787
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138			260.164	260.164
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139	4.816.361	2.498.186	14.797.764	11.024.615
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141	123.856	123.856	359.139	184.008
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	336.399.292	229.584.235	398.918.088	178.357.634
X. TOTAL EXPENSES (114+137+143 + 145)	147	309.039.496	218.318.425	352.702.582	167.389.006
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	27.359.796	11.265.810	46.215.506	10.968.628
1. Profit before taxation (146-147)	149	27.359.796	11.265.810	46.215.506	10.968.628
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	27.359.796	11.265.810	46.215.506	10.968.628
1. Profit for the period (149-151)	153	27.359.796	11.265.810	46.215.506	10.968.628
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	27.359.796	11.265.810	46.215.506	10.968.628
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	28.870.096	12.020.960	47.467.505	11.465.477
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 30.6.2012

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	27.359.796	46.215.506
2. Depreciation	002	16.350.968	18.459.870
3. Increase in short term liabilities	003	102.527.946	31.038.276
4. Decrease in short term receivables	004		
5. Decrease in inventories	005		
6. Other increase in cash flow	006		559.670
I. Total increase in cash flow from operating activities (001 to 006)	007	146.238.710	96.273.322
1. Decrease in short term liabilities	008		
2. Increase in short term receivables	009	21.636.700	68.438.449
3. Increase in inventories	010	54.069.247	24.405.373
4. Other decrease in cash flow	011	19.987.975	5.872.348
II. Total decrease in cash flow from operating activities (008 to 011)	012	95.693.922	98.716.170
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	50.544.788	-2.442.848
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	3.251.100	12.225.717
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	10.380.355
III. Total cash inflows from investing activities (015 to 019)	020	3.842.443	23.688.401
1. Cash outflow for purchase of long-term tangible and intangible assets	021	10.372.070	8.889.827
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023	900.000	97.699.096
IV. Total cash outflow for investing activities (021 do 023)	024	11.272.070	106.588.923
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	7.429.627	82.900.522
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	3.622.769	157.888.703
3. Other proceeds from financial activities	029	960.000	70.276.800
V. Total cash inflows from financial activities (027 to 029)	030	4.582.769	228.165.503
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	150.499
VI. Total cash outflow for financial activities (031 to 035)	036	78.436.262	154.869.195
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037		73.296.308
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	73.853.493	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039		
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	30.738.332	12.047.062
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	30.738.332	12.047.062
Cash and cash equivalents at the end of the period	044	19.178.557	14.626.706

STATEMENT OF CHANGES IN EQUITY

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

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	253.007.879
5. Profit or loss for the current year	005	122.560.221	46.215.506
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	532.440.254	578.505.261
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		
17 b. Attributed to minority interest	019		

Notes

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



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

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
THREE-MONTH REPORT FOR 2Q 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-VI 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 July 24, 2012

RESPONSIBLE PERSON



[Handwritten signature]
PRESIDENT OF THE
MANAGEMENT BOARD:

Željko Zadro, dipl.oec