



TVORNICA ŠEĆERA d.d.
VIROVITICA, MATIJE GUPCA 254

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
CONSOLIDATED REPORT FOR 2Q 2014**

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

- the set of consolidated financial reports of VIRO TVORNICA ŠEĆERA d.d., Virovitica and its subsidiaries for the period I-VI 2014, 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 Group.
- The Management report contains a true overview of business results and position of the Group, with a description of the most significant risks and uncertainties to which the Group is exposed.

In Virovitica, on July 28, 2014

RESPONSIBLE PERSON

PRESIDENT OF THE
MANAGEMENT BOARD:


Željko Zadro, dipl.oec.


Appendix 1

Reporting period:

01.01.2014

to

30.06.2014.

Quarterly Financial Report - TFI-PODRegistration 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.hrInternet address: www.secerana.hrCode and name of comune/town **491 VIROVITICA**Code and county name **10 VIROVITIČKO-PODRAVSKA**Number of employees **482**

(at quarter end)

Consolidated statement **YES**NKD/NWC code: **1081**

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

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

Book keeping service:

Contact person: **DRAGIĆ NEVENA**


(fill in only surname and name of contact person)

Phone number: **033840117**Fascimile: **033840103**E-mail address: nevena.dragic@secerana.hrSurname 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

30.06.2014.

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	663.774.888	636.523.319
I. INTANGIBLE ASSETS (004 to 009)	003	1.684.426	1.498.757
1. Assets development	004	195.493	95.440
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	1.111.383	1.025.767
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008	377.550	377.550
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 to 019)	010	625.999.685	595.777.789
1. Land	011	38.528.588	38.528.588
2. Buildings	012	263.793.539	257.559.233
3. Plant and equipment	013	308.256.888	284.691.393
4. Tools, facility inventory and transport assets	014	5.183.657	3.886.157
5. Biological assets	015		
6. Prepayments for tangible assets	016	562.042	1.162.963
7. Tangible assets in progress	017	7.106.959	7.456.183
8. Other tangible assets	018	44.900	44.900
9. Investments in buildings	019	2.523.112	2.448.372
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	35.886.711	38.930.505
1. Investments (shares) with related parties	021	900.000	900.000
2. Loans given to related parties	022		
3. Participating interest (shares)	023	1.953.434	1.598.433
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025	44.624	46.453
6. Loans, deposits and similar assets	026	32.988.653	36.385.619
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	204.066	316.268
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032	204.066	316.268
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	1.105.840.624	776.219.455
I. INVENTORIES (036 to 042)	035	667.626.864	467.555.423
1. Raw-material and supplies	036	109.636.635	49.721.307
2. Work in progress	037		72.044.815
3. Finished goods	038	478.422.404	217.667.583
4. Merchandise	039	65.634.902	61.005.264
5. Prepayments for inventories	040	13.932.923	67.116.454
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	223.956.769	186.101.399
1. Receivables from related parties	044	80.154	342.792
2. Accounts receivable	045	170.271.981	175.192.396
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	22.706	4.034
5. Receivables from government and other institutions	048	53.188.279	10.383.581
6. Other receivables	049	393.649	178.596
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	61.295.149	40.746.871
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	16.099.403	22.367.280
7. Other financial assets	057	45.195.746	18.379.591
IV. CASH AT BANK AND IN CASHIER	058	152.961.842	81.815.762
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	12.533.399	7.410.369
E) TOTAL ASSETS (001+002+034+059)	060	1.782.148.911	1.420.153.143
F) OFF-BALANCE RECORDS	061	1.365.025.525	2.057.505.263

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	653.569.981	545.052.475
I. SUBSCRIBED CAPITAL	063	249.600.060	249.600.060
II. CAPITAL RESERVES	064	10.368.101	10.368.101
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	56.376.876	56.379.460
1. Reserves prescribed by law	066	12.514.967	12.517.551
2. Reserves for treasury shares	067	43.866.670	43.866.670
3. Treasury stocks and shares (deduction)	068		
4. Statutory reserves	069		
5. Other reserves	070	-4.761	-4.761
IV. REVALUATION RESERVES	071	1.222.294	
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	312.519.613	327.506.744
1. Retained earnings	073	312.519.613	327.506.744
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	13.395.619	-108.960.640
1. Profit for the current year	076	13.395.619	
2. Loss for the current year	077		108.960.640
IX. MINORITY INTERESTS	078	10.087.418	10.158.750
B) PROVISIONS (080 to 082)	079	35.102.579	34.881.317
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082	35.102.579	34.881.317
C) LONG - TERM LIABILITIES (084 to 092)	083	240.753.734	218.155.256
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	17.384.649	15.233.257
3. Liabilities to banks and other financial institutions	086	223.063.175	202.616.089
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	305.910	305.910
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	849.063.739	619.595.160
1. Liabilities to related parties	094	568.145	280.998
2. Liabilities for loans, deposits etc.	095	12.144.346	38.950.147
3. Liabilities to banks and other financial institutions	096	248.930.776	299.068.582
4. Liabilities for received prepayments	097	69.339.528	7.897.755
5. Accounts payable	098	294.783.369	66.366.111
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	5.470.406	3.159.554
9. Liabilities for taxes, contributions and similar fees	102	9.258.619	8.165.182
10. Liabilities to share - holders	103	32.539	31.703
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	208.536.011	195.675.128
E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	3.658.878	2.468.935
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.782.148.911	1.420.153.143
G) OFF-BALANCE RECORDS	108	1.365.025.525	2.057.505.263
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	643.482.563	534.893.725
2. Attributed to minority interest	110	10.087.418	10.158.750

PROFIT AND LOSS ACCOUNT
for the period 01.01.2014. do 30.06.2014.

Item	AOP code	Last year		Current year	
		Comulative	Quartely	Comulative	Quartely
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	393.582.685	225.579.244	424.255.270	244.206.543
1. Sales revenue	112	386.499.463	222.214.447	420.955.460	242.322.165
2. Other operating revenues	113	7.083.222	3.364.797	3.299.810	1.884.378
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	371.457.683	210.248.115	521.056.986	337.556.934
1. Changes in value of work in progress and finished products	115	38.162.441	56.848.596	134.555.942	75.749.882
2. Material costs (117 to 119)	116	238.687.573	102.542.362	233.264.072	152.197.181
a) Raw material and material costs	117	129.429.440	48.121.524	152.642.108	133.090.366
b) Costs of goods sold	118	74.051.459	33.814.785	49.395.187	4.597.712
c) Other external costs	119	35.206.674	20.606.053	31.226.777	14.509.103
3. Staff costs (121 to 123)	120	42.186.857	23.058.845	31.618.640	14.570.981
a) Net salaries and wages	121	25.141.953	13.468.526	19.312.011	8.918.503
b) Cost for taxes and contributions from salaries	122	11.517.476	6.570.180	7.948.730	3.528.316
c) Contributions on gross salaries	123	5.527.428	3.020.139	4.357.899	2.124.162
4. Depreciation	124	36.756.441	18.300.149	34.857.925	17.256.814
5. Other costs	125	11.916.261	7.807.770	24.564.864	18.467.720
6. Impairment (127+128)	126	0	0	55.509.995	55.381.888
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short-term assets (financial assets excluded)	128			55.509.995	55.381.888
7. Provisions	129				
8. Other operating costs	130	3.748.110	1.690.393	6.685.548	3.932.468
III. FINANCIAL INCOME (132 to 136)	131	13.698.944	12.681.877	7.322.145	6.398.774
1. Interest income, foreign exchange gains, dividends and similar income from related parties povezanim poduzetnicima	132			3.714	
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	13.273.348	12.270.174	7.210.696	6.303.740
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135	399.500	399.500		
5. Other financial income	136	26.096	12.203	107.735	95.034
IV. FINANCIAL EXPENSES (138 do 141)	137	9.779.337	2.773.145	19.410.882	10.453.370
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138	1.850	233		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-	139	9.740.600	2.808.754	13.190.414	6.575.685
3. Unrealized losses (expenses) on financial assets	140		-45.500	250.000	250.000
4. Other financial expenses	141	36.887	9.658	5.970.468	3.627.685
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	407.281.629	238.261.121	431.577.415	250.605.317
X. TOTAL EXPENSES (114+137+143 + 145)	147	381.237.020	213.021.260	540.467.868	348.010.304
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	26.044.609	25.239.861	-108.890.453	-97.404.987
1. Profit before taxation (146-147)	149	26.044.609	25.239.861	0	0
2. Loss before taxation (147-146)	150	0	0	108.890.453	97.404.987
XII. PROFIT TAX	151	510.486	417.210	0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	25.534.123	24.822.651	-108.890.453	-97.404.987
1. Profit for the period (149-151)	153	25.534.123	24.822.651	0	0
2. Loss for the period (151-148)	154	0	0	108.890.453	97.404.987
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	25.433.508	24.708.154	-108.960.640	-97.560.255
2. Attributed to minority interest	156	100.615	114.497	70.187	155.268
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	25.534.123	24.822.651	-108.890.453	-97.404.987
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	1.251.999	626.000	1.222.294	596.295
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	1.251.999	626.000	1.222.294	596.295
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	1.251.999	626.000	1.222.294	596.295
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	26.786.122	25.448.651	-107.668.159	-96.808.692
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	26.685.507	25.334.154	-107.738.346	-96.963.960
2. Attributed to minority interest	170	100.615	114.497	70.187	155.268

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 01.01.2014 do 30.06.2014

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	26.044.609	-108.890.453
2. Depreciation	002	36.756.441	34.857.925
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004	11.529.842	59.370.485
5. Decrease in inventories	005	19.564.141	200.444.183
6. Other increase in cash flow	006	20.242.028	15.787.959
I. Total increase in cash flow from operating activities (001 to 006)	007	114.137.061	201.570.099
1. Decrease in short term liabilities	008	43.611.395	327.066.594
2. Increase in short term receivables	009		
3. Increase in inventories	010	26.813.709	
4. Other decrease in cash flow	011	8.310.565	21.103.859
II. Total decrease in cash flow from operating activities (008 to 011)	012	78.735.669	348.170.453
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	35.401.392	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	146.600.354
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015		162.481
2. Cash inflows from sales of equity and debt instruments	016	21.043.800	
3. Interests receipts	017	458.845	6.119.947
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	14.964.828	1.580.778
III. Total cash inflows from investing activities (015 to 019)	020	36.467.473	7.863.206
1. Cash outflow for purchase of long-term tangible and intangible assets	021	10.865.224	4.612.635
2. Cash outflow for acquisition of equity and debt financial instruments	022	390.000	
3. Other cash outflow for investing activities	023	147.294.016	4.624.571
IV. Total cash outflow for investing activities (021 do 023)	024	158.549.240	9.237.206
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	122.081.767	1.374.000
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	302.028.479	140.326.920
3. Other proceeds from financial activities	029	91.500.000	125.000.000
V. Total cash inflows from financial activities (027 to 029)	030	393.528.479	265.326.920
1. Cash outflow for repayment of credit principal and bonds	031	181.252.784	85.505.455
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033	3.527.468	3.626.547
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	109.554.733	99.366.644
VI. Total cash outflow for financial activities (031 to 035)	036	294.334.985	188.498.646
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	99.193.494	76.828.274
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	0
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	12.513.119	0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	71.146.080
Cash and cash equivalents at the beginning of the period	041	31.508.315	152.961.842
Increase of cash and cash equivalents	042	12.513.119	0
Decrease of cash and cash equivalents	043	0	71.146.080
Cash and cash equivalents at the end of the period	044	44.021.434	81.815.762

STATEMENT OF CHANGES IN EQUITY

for the period 01.01.2014 do 30.06.2014

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	10.368.101	10.368.101
3. Reserves from profit	003	56.376.876	56.379.460
4. Retained earnings or accumulated loss	004	312.519.613	327.506.744
5. Profit or loss for the current year	005	13.395.619	-108.960.640
6. Revaluation of long - term tangible assets	006	1.222.294	0
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	643.482.563	534.893.725
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	643.482.563	534.893.725
17 b. Attributed to minority interest	019	10.087.418	10.158.750

Notes

THERE WERE NO ACCOUNTING POLICY CHANGES IN RELATION TO THE ANNUAL FINANCIAL REPORT FOR YEAR 2013.