

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
THREE-MONTH REPORT FOR 1Q 2014**

With this statement, in compliance with 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 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 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 28, 2014

RESPONSIBLE PERSON

PRESIDENT OF THE
MANAGEMENT BOARD:




Željko Zadro, dipl.oec

Appendix 1

Reporting period:

01.01.2014

to

31.03.2014

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 208

Consolidated statement NO

(at quarter end)
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 31.03.2014

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	775.985.064	767.592.177
I. INTANGIBLE ASSETS (004 to 009)	003	316.235	285.676
1. Assets development	004	195.493	145.467
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	120.742	140.209
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	215.793.031	206.917.603
1. Land	011	5.548.592	5.548.592
2. Buildings	012	82.190.900	80.739.707
3. Plant and equipment	013	121.912.660	114.533.593
4. Tools, facility inventory and transport assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016	562.042	490.745
7. Tangible assets in progress	017	3.046.425	3.109.924
8. Other tangible assets	018	9.300	9.300
9. Investments in buildings	019	2.523.112	2.485.742
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	559.875.798	560.388.898
1. Investments (shares) with related parties	021	419.450.043	419.450.043
2. Loans given to related parties	022	107.437.102	106.086.767
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	32.988.653	34.852.088
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	0	0
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	597.160.584	525.610.039
I. INVENTORIES (036 to 042)	035	242.757.915	257.947.250
1. Raw-material and supplies	036	58.277.961	72.362.421
2. Work in progress	037		19.387.010
3. Finished goods	038	142.138.156	74.220.601
4. Merchandise	039	38.981.065	32.823.147
5. Prepayments for inventories	040	3.360.733	59.154.071
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	113.893.822	111.238.294
1. Receivables from related parties	044	18.580.617	24.590.132
2. Accounts receivable	045	77.165.193	58.510.376
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	1.838	
5. Receivables from government and other institutions	048	18.024.163	28.001.901
6. Other receivables	049	122.011	135.885
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	96.712.123	150.444.464
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	49.051.228	131.510.171
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	16.058.515	10.161.292
7. Other financial assets	057	31.602.380	8.773.001
IV. CASH AT BANK AND IN CASHIER	058	143.796.724	5.980.031
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	6.748.252	8.220.769
E) TOTAL ASSETS (001+002+034+059)	060	1.379.893.900	1.301.422.985
F) OFF-BALANCE RECORDS	061	163.693.716	162.308.128

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	696.742.017	693.638.716
I. SUBSCRIBED CAPITAL	063	249.600.060	249.600.060
II. CAPITAL RESERVES	064	10.368.101	10.368.102
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	56.346.673	56.346.673
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	0	0
4. Statutory reserves	069		
5. Other reserves	070		
IV. REVALUATION RESERVES	071	1.222.294	596.294
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	366.184.481	379.830.888
1. Retained earnings	073	366.184.481	379.830.888
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	13.020.408	-3.103.301
1. Profit for the current year	076	13.020.408	
2. Loss for the current year	077		3.103.301
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	220.700.195	210.347.805
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	15.290.681	13.742.370
3. Liabilities to banks and other financial institutions	086	205.409.514	196.605.435
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	461.214.194	397.111.012
1. Liabilities to related parties	094	568.146	227.209
2. Liabilities for loans, deposits etc.	095	8.458.487	8.434.065
3. Liabilities to banks and other financial institutions	096	183.304.662	156.960.939
4. Liabilities for received prepayments	097	61.072.205	62.315.250
5. Accounts payable	098	146.758.286	92.137.711
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	1.697.852	1.338.764
9. Liabilities for taxes, contributions and similar fees	102	7.350.150	3.275.285
10. Liabilities to share - holders	103	32.539	32.539
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	51.971.867	72.389.250
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	1.237.494	325.452
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.379.893.900	1.301.422.985
G) OFF-BALANCE RECORDS	108	163.693.716	162.308.128
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 01.01.2014. do 31.03.2014.

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	91.983.432	91.983.432	134.055.764	134.055.764
1. Sales revenue	112	88.367.005	88.367.005	133.631.633	133.631.633
2. Other operating revenues	113	3.616.427	3.616.427	424.131	424.131
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	87.179.470	87.179.470	133.135.229	133.135.229
1. Changes in value of work in progress and finished products	115	-50.712.062	-50.712.062	48.530.545	48.530.545
2. Material costs (117 to 119)	116	117.970.042	117.970.042	66.075.778	66.075.778
a) Raw material and material costs	117	75.525.114	75.525.114	7.563.956	7.563.956
b) Costs of goods sold	118	35.799.215	35.799.215	49.237.646	49.237.646
c) Other external costs	119	6.645.713	6.645.713	9.274.176	9.274.176
3. Staff costs (121 to 123)	120	7.297.366	7.297.366	5.777.553	5.777.553
a) Net salaries and wages	121	4.420.081	4.420.081	3.505.233	3.505.233
b) Cost for taxes and contributions from salaries	122	1.915.421	1.915.421	1.512.689	1.512.689
c) Contributions on gross salaries	123	961.864	961.864	759.631	759.631
4. Depreciation	124	9.204.714	9.204.714	9.058.212	9.058.212
5. Other costs	125	1.670.264	1.670.264	2.825.965	2.825.965
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	1.749.146	1.749.146	867.176	867.176
III. FINANCIAL INCOME (132 to 136)	131	1.097.097	1.097.097	3.352.893	3.352.893
1. Interest income, foreign exchange gains, dividends and similar income from related	132	203.726	203.726	2.556.128	2.556.128
2. Interest income, foreign exchange gains, dividends and similar income from non -	133	893.371	893.371	796.765	796.765
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	3.975.287	3.975.287	7.376.729	7.376.729
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138	1.617	1.617		
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139	3.928.170	3.928.170	5.200.347	5.200.347
3. Unrealized losses (expenses) on financial assets	140	45.500	45.500		
4. Other financial expenses	141		0	2.176.382	2.176.382
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	93.080.529	93.080.529	137.408.657	137.408.657
X. TOTAL EXPENSES (114+137+143 + 145)	147	91.154.757	91.154.757	140.511.958	140.511.958
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	1.925.772	1.925.772	-3.103.301	-3.103.301
1. Profit before taxation (146-147)	149	1.925.772	1.925.772	0	0
2. Loss before taxation (147-146)	150	0	0	3.103.301	3.103.301
XII. PROFIT TAX	151				
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	1.925.772	1.925.772	-3.103.301	-3.103.301
1. Profit for the period (149-151)	153	1.925.772	1.925.772	0	0
2. Loss for the period (151-148)	154	0	0	3.103.301	3.103.301
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	1.925.772	1.925.772	-3.103.301	-3.103.301
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	625.999	625.999	625.999	625.999
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and intangible assets	160	625.999	625.999	625.999	625.999
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	625.999	625.999	625.999	625.999
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	2.551.771	2.551.771	-2.477.302	-2.477.302
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 01.01.2014 do 31.03.2014

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	1.925.772	-3.103.301
2. Depreciation	002	9.204.714	9.058.212
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004	37.433.264	2.655.528
5. Decrease in inventories	005		
6. Other increase in cash flow	006	4.881.056	732.373
I. Total increase in cash flow from operating activities (001 to 006)	007	53.444.806	9.342.812
1. Decrease in short term liabilities	008	41.532.275	37.735.037
2. Increase in short term receivables	009		
3. Increase in inventories	010	23.806.219	15.189.335
4. Other decrease in cash flow	011	2.700.477	57.217.480
II. Total decrease in cash flow from operating activities (008 to 011)	012	68.038.971	110.141.852
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013		
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	14.594.165	100.799.040
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015		162.040
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	199.248	1.100.580
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	5.370.235	2.734.095
III. Total cash inflows from investing activities (015 to 019)	020	5.569.483	3.996.715
1. Cash outflow for purchase of long-term tangible and intangible assets	021	688.831	314.265
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023	4.884.204	3.247.195
IV. Total cash outflow for investing activities (021 do 023)	024	5.573.035	3.561.460
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025		435.255
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	3.552	
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	41.766.192	15.177.315
3. Other proceeds from financial activities	029	39.250.000	64.000.000
V. Total cash inflows from financial activities (027 to 029)	030	81.016.192	79.177.315
1. Cash outflow for repayment of credit principal and bonds	031	27.310.730	50.994.095
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033	1.776.602	1.656.128
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	39.350.000	63.980.000
VI. Total cash outflow for financial activities (031 to 035)	036	68.437.332	116.630.223
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	12.578.860	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038		37.452.908
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039		0
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	2.018.857	137.816.693
Cash and cash equivalents at the beginning of the period	041	4.468.679	143.796.724
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	2.018.857	137.816.693
Cash and cash equivalents at the end of the period	044	2.449.822	5.980.031

STATEMENT OF CHANGES IN EQUITY
for the period 01.01.2014 do 31.03.2014

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	10.368.102
3. Reserves from profit	003	56.346.673	56.346.673
4. Retained earnings or accumulated loss	004	366.184.481	379.830.888
5. Profit or loss for the current year	005	13.020.408	-3.103.301
6. Revaluation of long - term tangible assets	006	1.222.294	596.294
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	696.742.017	693.638.716
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 2013.