



TVORNICA ŠEĆERA d.d.
ZAGREB, ULICA GRADA VUKOVARA 269 G

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE
CONSOLIDATED REPORT FOR 2Q 2017**

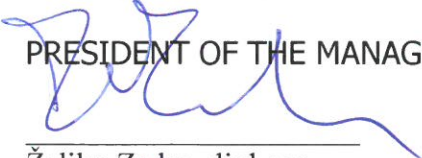
With this statement, in compliance with article 410 of the Law on capital market, I state that to the best of our knowledge

- the set of consolidated financial reports of VIRO TVORNICA ŠEĆERA d.d., Zagreb and its subsidiaries for the period I-VI 2017, 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 Zagreb, on July 27, 2017

RESPONSIBLE PERSON:

PRESIDENT OF THE MANAGEMENT BOARD


Željko Zadro, dipl.oec.



MEMBER OF THE MANAGEMENT BOARD


Darko Krstić, dipl.oec

MEMBER OF THE MANAGEMENT BOARD


Ivo Rešić, mr.sc.

Appendix 1

Reporting period:

01.01.2017.

to

30.06.2017.

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.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:
(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



Handwritten signature of Zadro Željko in blue ink.

(signed by authorised person for representation)

BALANCE SHEET

as at

30.06.2017.

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	543.336.279	521.360.097
I. INTANGIBLE ASSETS (004 to 009)	003	769.909	619.611
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	769.909	619.611
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	536.749.935	514.950.344
1. Land	011	38.540.921	38.540.921
2. Buildings	012	228.037.294	231.413.100
3. Plant and equipment	013	194.768.612	187.777.669
4. Tools, facility inventory and transport assets	014	2.712.606	2.550.465
5. Biological assets	015		
6. Prepayments for tangible assets	016	34.576.964	33.887.917
7. Tangible assets in progress	017	35.993.969	18.735.444
8. Other tangible assets	018	44.900	44.900
9. Investments in buildings	019	2.074.669	1.999.928
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	5.226.520	5.200.227
1. Investments (shares) with related parties	021	900.000	907.669
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	910.606	921.115
6. Loans, deposits and similar assets	026	3.415.914	3.371.443
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	589.915	589.915
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032	589.915	589.915
V. DEFERRED TAX ASSETS	033		
C) SHORT TERM ASSETS (035+043+050+058)	034	928.099.253	835.062.223
I. INVENTORIES (036 to 042)	035	635.711.354	584.811.908
1. Raw-material and supplies	036	76.486.835	157.409.922
2. Work in progress	037		68.659.181
3. Finished goods	038	373.566.269	235.051.131
4. Merchandise	039	134.836.805	57.779.193
5. Prepayments for inventories	040	50.821.445	65.912.481
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	241.144.333	229.574.142
1. Receivables from related parties	044	2.422.079	3.017.395
2. Accounts receivable	045	173.217.676	216.361.417
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	5.785	5.808
5. Receivables from government and other institutions	048	64.791.695	9.463.567
6. Other receivables	049	707.098	725.955
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	23.373.920	18.888.676
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		5.766.878
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	14.000.408	12.252.198
7. Other financial assets	057	9.373.512	869.600
IV. CASH AT BANK AND IN CASHIER	058	27.869.646	1.787.497
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	11.332.940	7.223.262
E) TOTAL ASSETS (001+002+034+059)	060	1.482.768.472	1.363.645.582
F) OFF-BALANCE RECORDS	061	1.739.081.455	1.465.012.736

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	479.530.197	486.866.720
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	56.410.827	56.418.135
1. Reserves prescribed by law	066	12.525.652	12.532.960
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	18.505	18.505
IV. REVALUATION RESERVES	071		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	99.270.607	155.502.739
1. Retained earnings	073	99.270.607	155.502.739
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	57.514.007	8.695.095
1. Profit for the current year	076	57.514.007	8.695.095
2. Loss for the current year	077		
IX. MINORITY INTERESTS	078	6.366.595	6.282.590
B) PROVISIONS (080 to 082)	079	453.209	453.209
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082	453.209	453.209
C) LONG - TERM LIABILITIES (084 to 092)	083	243.460.737	203.922.474
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	1.936.506	1.634.415
3. Liabilities to banks and other financial institutions	086	241.447.754	202.211.582
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	76.477	76.477
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	755.547.863	672.097.419
1. Liabilities to related parties	094	35.000	13.898
2. Liabilities for loans, deposits etc.	095	12.921.646	13.608.500
3. Liabilities to banks and other financial institutions	096	202.505.024	296.782.356
4. Liabilities for received prepayments	097	1.675.462	13.998.672
5. Accounts payable	098	419.205.766	240.112.458
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	3.153.292	3.833.808
9. Liabilities for taxes, contributions and similar fees	102	4.916.880	8.857.295
10. Liabilities to share - holders	103	30.963	30.963
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	111.103.830	94.859.469
E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	3.776.466	305.760
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	1.482.768.472	1.363.645.582
G) OFF-BALANCE RECORDS	108	1.739.081.455	1.465.012.736
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	473.163.602	480.584.130
2. Attributed to minority interest	110	6.366.595	6.282.590

PROFIT AND LOSS ACCOUNT
for the period 01.01.2017. do 30.06.2017.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	359.011.300	177.477.995	533.665.040	342.984.772
1. Sales revenue	112	353.154.054	176.658.531	530.410.476	341.014.066
2. Other operating revenues	113	5.857.246	819.464	3.254.564	1.970.706
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	364.198.289	182.934.250	528.404.862	337.222.533
1. Changes in value of work in progress and finished products	115	40.538.720	-50.727.228	70.017.289	12.180.338
2. Material costs (117 to 119)	116	253.707.585	198.472.539	386.120.026	287.470.029
a) Raw material and material costs	117	127.132.736	118.177.511	156.268.637	147.718.432
b) Costs of goods sold	118	101.163.238	65.717.588	203.329.908	122.463.737
c) Other external costs	119	25.411.611	14.577.440	26.521.481	17.287.860
3. Staff costs (121 to 123)	120	24.949.194	12.619.103	26.445.418	13.917.776
a) Net salaries and wages	121	15.487.940	7.834.940	16.704.069	8.750.938
b) Cost for taxes and contributions from salaries	122	5.821.387	2.942.048	5.946.324	3.179.918
c) Contributions on gross salaries	123	3.639.867	1.842.115	3.795.025	1.986.920
4. Depreciation	124	29.798.369	14.843.079	27.484.085	13.828.432
5. Other costs	125	12.705.988	6.461.997	14.069.477	7.544.435
6. Impairment (127+128)	126	55.218	0	0	0
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short-term assets (financial assets excluded)	128	55.218	0		
7. Provisions	129				
8. Other operating costs	130	2.445.215	1.264.760	4.268.567	2.281.523
III. FINANCIAL INCOME (132 to 136)	131	9.504.217	1.086.217	19.962.173	2.662.249
1. Interest income, foreign exchange gains, dividends and similar income from related parties povezanim poduzetnicima	132	62.153	60.169	85.562	63.918
2. Interest income, foreign exchange gains, dividends and similar income from non-related	133	8.911.234	510.263	12.482.509	2.582.994
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135	500.000	500.000		
5. Other financial income	136	30.830	15.785	7.394.102	15.337
IV. FINANCIAL EXPENSES (138 do 141)	137	14.853.114	7.425.963	16.611.262	9.699.936
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138			689.048	144.725
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non-	139	14.847.721	7.425.963	15.325.282	9.253.379
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141	5.393	0	596.932	301.832
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	368.515.517	178.564.212	553.627.213	345.647.021
X. TOTAL EXPENSES (114+137+143 + 145)	147	379.051.403	190.360.213	545.016.124	346.922.469
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-10.535.886	-11.796.001	8.611.089	-1.275.448
1. Profit before taxation (146-147)	149	0	0	8.611.089	0
2. Loss before taxation (147-146)	150	10.535.886	11.796.001	0	1.275.448
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-10.535.886	-11.796.001	8.611.089	-1.275.448
1. Profit for the period (149-151)	153	0	0	8.611.089	0
2. Loss for the period (151-148)	154	10.535.886	11.796.001	0	1.275.448
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	-10.494.648	-11.718.319	8.695.095	-1.221.875
2. Attributed to minority interest	156	-41.238	-77.682	-84.006	-53.573
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	-10.535.886	-11.796.001	8.611.089	-1.275.448
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from revaluation 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	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-10.535.886	-11.796.001	8.611.089	-1.275.448
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	-10.494.648	-11.718.319	8.695.095	-1.221.875
2. Attributed to minority interest	170	-41.238	-77.682	-84.006	-53.573

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2017 do 30.6.2017

Item	AOP code	Last year	Current year
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-10.535.886	8.611.089
2. Depreciation	002	29.798.369	27.484.085
3. Increase in short term liabilities	003		
4. Decrease in short term receivables	004	57.513.658	237.368
5. Decrease in inventories	005	113.686.631	65.290.476
6. Other increase in cash flow	006	6.949.068	3.224.336
I. Total increase in cash flow from operating activities (001 to 006)	007	197.411.840	104.847.354
1. Decrease in short term liabilities	008	90.960.110	200.405.237
2. Increase in short term receivables	009		
3. Increase in inventories	010	74.868.436	15.665.599
4. Other decrease in cash flow	011	39.844.569	
II. Total decrease in cash flow from operating activities (008 to 011)	012	205.673.115	216.070.836
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	0	0
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	8.261.275	111.223.482
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	015	1.118.940	81.751
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	134.964	562.607
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019	971.398	20.391.298
III. Total cash inflows from investing activities (015 to 019)	020	2.225.302	21.035.656
1. Cash outflow for purchase of long-term tangible and intangible assets	021	7.866.710	5.656.917
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023	4.360.031	28.663
IV. Total cash outflow for investing activities (021 do 023)	024	12.226.741	5.685.580
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	15.350.076
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	10.001.439	0
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	164.228.453	249.436.142
3. Other proceeds from financial activities	029	109.528.278	8.000.000
V. Total cash inflows from financial activities (027 to 029)	030	273.756.731	257.436.142
1. Cash outflow for repayment of credit principal and bonds	031	146.879.979	185.195.292
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033	3.455.447	1.804.931
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	108.949.061	644.662
VI. Total cash outflow for financial activities (031 to 035)	036	259.284.487	187.644.885
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	14.472.244	69.791.257
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	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	3.790.470	26.082.149
Cash and cash equivalents at the beginning of the period	041	36.849.204	27.869.646
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	3.790.470	26.082.149
Cash and cash equivalents at the end of the period	044	33.058.734	1.787.497

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2017** do **30.6.2017**

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	10.368.101	10.368.101
3. Reserves from profit	003	56.410.827	56.418.135
4. Retained earnings or accumulated loss	004	99.270.607	155.502.739
5. Profit or loss for the current year	005	57.514.007	8.695.095
6. Revaluation of long - term tangible assets	006		
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	473.163.602	480.584.130
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	473.163.602	480.584.130
17 b. Attributed to minority interest	019	6.366.595	6.282.590