



Petrokemija, Plc. Fertilizer Company
Aleja Vukovar 4, 44320 Kutina, Croatia

Ordinary share, PTKM-R-A ISIN HRPTKMRA0005
listed on the Official Market of the Zagreb Stock Exchange
Notice pursuant to the Capital Market Act

Actual loss of HRK 153 million for January through August 2013 - accelerated actions to restructure
business operations

In view of the fact that Petrokemija, Plc. continued to operate in the third quarter with a loss greater than previously, publicly disclosed estimates, the Management Board of the Company has decided to release some new estimations for achieving key business performance indicators by the end of 2013.

Due to the non-seasonal consumption in the domestic market and the wider region, the demand for fertilizers in the summer months was reduced. In addition to the decrease of fertilizer price in the world market, the drop in demand caused an actual loss of HRK 153 million for the first eight months of 2013. The prices of key products in the world market fell by 20-30 % in the last twelve months, while the fall of raw material prices was substantially smaller. This fact suggests that the company may sustain actual loss in business on an annual basis, more serious than the one in 2012.

As the market situation has not changed significantly during September and the first week of October, the Management of Petrokemija Kutina is undertaking a number of measures to mitigate the negative effects of the deteriorated market position:

- Cost-cutting measures have been initiated at all levels of the company;
- Preparatory work is underway to reduce the number of employees by about 7 % by the end of the year (through redundancy programs);
- Petrokemija's subsidiary in Slovenia, whose operation is not needed anymore, is being closed down;

As a key measure, the activity was initiated to find a strategic partner, in accordance with the decision of the Government. On the basis of the received bids, the process of selecting a consultant for finding a strategic partner is underway. Concurrently with the activities on finding a strategic partner, Petrokemija will be implementing a restructuring project in collaboration with the AT Kearney consulting firm, which in late 2012 had done an in-depth analysis of the business for the procedure of the recently implemented capital increase.

Source:

Petrokemija, Plc. Fertilizer Company
Aleja Vukovar 4, 44320 Kutina, Croatia
Phone: +385 44 647 270
Fax: + 385 44 680 882
e-mail: uprava@petrokemija.hr
web: www.petrokemija.hr