

Pursuant to Art. 66 of the Law on the Market of Securities and Other Financial Instruments (Official gazette "Sluzbeni glasnik RS", No. 47/2006) and Art. 3. of the Rulebook on the Content and Manner of Public Companies' Reporting and Notification on Possession of Voting Shares (Official gazette "Sluzbeni glasnik RS", No. 100/2006, 116/2006), we hereby publish this

FINANCIAL STATEMENT SUMMARY FOR 2010

"HIP-Petrohemija" a.d. Pancevo – in restructuring

I BASIC DATA

| | | | |
|----------------|---|-------------------------|-----------|
| 1. Short name: | "HIP-Petrohemija" a.d. Pancevo – in restructuring | 3. Registration number: | 08064300 |
| 2. Address: | Spoljnostarcevska 82, Pancevo | 4. Taxpayer ID No.: | 101052694 |

II FINANCIAL STATEMENT

BALANCE SHEET (in 000 din)

| ASSETS | 2009 | 2010 | LIABILITIES | 2009 | 2010 |
|--|-------------------|-------------------|--|-------------------|-------------------|
| A. NON-CURRENT ASSETS | 11.600.811 | 10.534.517 | A. CAPITAL | 0 | 0 |
| I Unpaid subscribed capital | | | I Fixed capital | 9.474.028 | 15.020.878 |
| II Goodwill | | | II Unpaid subscribed capital | | |
| III Non-material investment | | | III Reserve | | |
| IV Property, plant, equipment and biological means | 11.481.907 | 10.469.342 | IV Revaluation reserves | 405.108 | 353.216 |
| V Long-term financial placements | 118.904 | 65.175 | V Retained earnings | 210 | 284 |
| B. CURRENT ASSETS | 5.686.396 | 8.010.002 | VI Loss | -9.879.346 | -15.374.378 |
| I Inventories | 3.049.991 | 4.137.465 | VII Repurchased shares | | |
| II Non-current assets held for sale and discontinuing activities | | | B. LONG-TERM PROVISIONS AND LIABILITIES | 25.032.303 | 26.312.281 |
| III Short-term receivables, placements and cash | 2.636.405 | 3.872.537 | I Long-term provisions | 93.110 | 88.957 |
| IV Deferred tax funds | | | II Long-term liabilities | 11.914.953 | 9.650.740 |
| C. PROPERTY | 17.287.207 | 18.544.519 | III Short-term liabilities | 13.024.240 | 16.572.584 |
| D. LOSS ABOVE CAPITAL AMOUNT | 7.745.096 | 7.767.762 | IV Deferred tax liabilities | | |
| E. TOTAL ASSETS | 25.032.303 | 26.312.281 | C. TOTAL LIABILITIES | 25.032.303 | 26.312.281 |
| F. OFF-BALANCE-SHEET ASSETS | 1.338.590 | 2.056.144 | D. OFF-BALANCE-SHEET LIABILITIES | 1.338.590 | 2.056.144 |

CASH FLOW STATEMENT (in 000 din)

INCOME STATEMENT (in 000 din)

| A. CASH FLOW FROM OPERATING ACTIVITIES | 2009 | 2010 | A. INCOME AND EXPENSES FROM OPERATING ACTIVITIES | 2009 | 2010 |
|---|------------|------------|--|-------------------|-------------------|
| I Cash receipts from operating activities | 16.668.337 | 34.047.034 | I Operating income | 14.078.266 | 28.937.835 |
| II Cash outflows from operating activities | 24.682.799 | 37.304.520 | II Operating expenses | 20.898.338 | 33.192.080 |
| III Net cash receipts / outflow | -8.014.462 | -3.257.486 | III Operatig profit / loss | -6.820.072 | -4.254.245 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | IV Financial income | 219.666 | 295.533 |
| I Cash receipts from investing activities | 109.525 | | V Financial expenses | 2.557.300 | 2.075.929 |
| II Cash outflow from investing activities | 48.188 | 299.861 | VI Other income | 30.197 | 580.047 |
| III Net cash receipts / outflow | 61.337 | -299.861 | VII Other expenses | 383.158 | 63.104 |
| C. CASH FLOW FROM FINANCIAL ACTIVITIES | | | VIII Operatig profit / loss before taxation | -9.510.667 | -5.517.698 |
| I Cash receipts from financial activities | 7.948.426 | 5.546.848 | IX Net operatig profit / loss to be suspended | | |
| II Cash outflow from financial activities | | 1.982.771 | B. PROFIT / LOSS BEFORE TAXATION | -9.510.667 | -5.517.698 |
| III Net cash receipts / outflow | 7.948.426 | 3.564.077 | C. TAXATION | | |
| | | | 1. Tax expenses for the period | | |
| | | | 2. Deferred tax income for the period | | |

| | | | | | |
|--|------------|------------|-------------------------------------|------------|------------|
| D. TOTAL CASH RECEIPTS | 24.726.288 | 39.593.882 | D. Personal receivables paid | | |
| E. TOTAL CASH OUTFLOW | 24.730.987 | 39.587.152 | E. NET PROFIT /LOSS | -9.510.667 | -5.517.698 |
| F. NET CASH RECEIPTS / OUTFLOW | -4.699 | 6.730 | F. MINOR INVESTOR NET PROFIT | | |
| G. CASH IN THE BEGINNING OF THE PERIOD UNDER REVIEW | 204.212 | 135.875 | G. ENTITY OWNERS NET PROFIT | | |
| | | | H. EARNING PER SHARE | | |
| H. PROFIT ON EXCHANGE | | 275.120 | 1. Basic earning per share | | |
| | | | 2. Diluted earning per share | | |
| LOSS ON EXCHANGE | 63.638 | | | | |
| I. CASH AT THE END OF THE PERIOD UNDER REVIEW | 135.875 | 417.725 | | | |

CHANGES-IN-EQUITY STATEMENT (in 000 din)

| | 2009 | | | | 2010 | | | |
|----------------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------------|--------------------------|--------------------------|-------------------------------|
| | Status in the beginning of the year | Increase during the year | Decrease during the year | Status at the end of the year | Status in the beginning of the year | Increase during the year | Decrease during the year | Status at the end of the year |
| Registered capital | 11.364.685 | | 1.973.369 | 9.391.316 | 9.391.316 | 5.546.848 | | 14.938.164 |
| Other capital | 82.771 | | 59 | 82.712 | 82.712 | 2 | | 82.714 |
| Unpaid subscribed capital | 0 | | | 0 | 0 | | | 0 |
| Share premium | 0 | | | 0 | 0 | | | 0 |
| Reserves | 0 | | | 0 | 0 | | | 0 |
| Revaluation reserve | 354.677 | | 1.056 | 353.621 | 353.621 | | 405 | 353.216 |
| Unrealized profits on securities | 60.721 | | 9.234 | 51.487 | 51.487 | | 51.487 | 0 |
| Retained earning | 59 | 151 | | 210 | 210 | 74 | | 284 |
| Loss up to capital volume | 10.087.144 | | 207.798 | 9.879.346 | 9.879.346 | 5.517.698 | 22.666 | 15.374.378 |
| Repurchased shares | 0 | | | 0 | 0 | | | 0 |
| TOTAL | 1.775.769 | 151 | 1.775.920 | 0 | 0 | 29.226 | 29.226 | 0 |
| Loss exceeding capital volume | 7.745.096 | | | 7.745.096 | 7.745.096 | 22.666 | | 7.767.762 |

III AUDITORS CONCLUSION (BAKER TILLY WB REVIZIJA DOO Beograd) ABOUT THE FINANCIAL STATEMENTS:

These financial statements, including all materially significant issues, gives a true and fair view of the financial position of the Company as of December 31, 2010, as well as the results of its operating activities and cash flow for the year ended on that day, in accordance with the accounting regulations of the Republic of Serbia.

IV SIGNIFICANT CHANGES IN LEGAL AND FINANCIAL POSITION OF THE COMPANY AND OTHER SIGNIFICANT CHANGES OF THE DATA GIVEN IN THE PROSPECTUS FOR ISSUING AND FOR ORGANIZED TRADING WITH SECURITIES

On May 15, 2009 Privatization Agency of the Republic of Serbia made a Decision on Restructuring of „HIP-Petrohemija“ a.d. Pancevo, on the basis of Conclusion of Government of the Republic of Serbia 05 No. 023-2375/2009 from May 14, 2009; Article 9. Paragraph 1. items 7. and 10. of Law on Privatization Agency; Articles 19, 19a, 20, 20a of Law on Privatization and Articles 7. and 9. of Regulation on Procedure and Manner of Restructuring of Privatization Subject.

V PLACE AND TIME FOR GETTING INSIGHT INTO THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

One can get insight into financial statements and auditor's report every working day from 08 a.m. to 02 p.m. at „HIP-Petrohemija“ a.d. Pancevo, Spoljnostarcevska 82, Pancevo.

DIRECTOR GENERAL
Sasa Pavlov