

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 Contents 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 STATEMENTS SUMMARY FOR 2007

### "HIP-Petrohemija" a.d. Pancevo

#### I BASIC DATA

1. Short name:	"HIP-Petrohemija" a.d. Pancevo	3. Registration number:	08064300
2. Address:	Spoljnostarcevačka 82 Pancevo	4. Taxpayer ID No.:	101052694

#### II FINANCIAL STATEMENTS

##### BALANCE SHEET (in 000 din)

ASSETS	2006.	2007.	LIABILITIES	2006.	2007.
<b>A. NON-CURRENT ASSETS</b>	<b>14.504.793</b>	<b>13.527.479</b>	<b>A. CAPITAL</b>	<b>11.832.783</b>	<b>9.881.917</b>
I Unpaid subscribed capital			I Fixed capital	13.166.398	11.447.659
II Goodwill			II Unpaid subscribed capital		
III Non-material investments			III Reserves	2	
IV Property, plant, equipment and biological means	14.399.816	13.398.462	IV Revaluation reserves	386.023	407.627
V Longterm financial placements	104.977	129.017	V Retained earnings	10.144	21
			VI Loss	-1.729.784	-1.973.390
<b>B. CURRENT ASSETS</b>	<b>6.023.340</b>	<b>7.549.469</b>	VII Repurchased shares		
I Inventories	3.149.146	3.332.375	<b>B. LONG-TERM PROVISIONS AND LIABILITIES</b>	<b>8.695.350</b>	<b>11.195.031</b>
II Non-current assets held for sale and discontinuing activities	46.945		I Longterm liabilities		
III Short-term receivables, placements, and cash	2.827.249	4.217.094	Long-term liabilities	2.107.355	1.130.661
IV Diferred tax funds			Short-term liabilities	6.587.995	10.064.370
<b>C. PROPERTY</b>	<b>20.528.133</b>	<b>21.076.948</b>	IV Diferred tax liabilities		
<b>D. LOSS ABOVE CAPITAL AMOUNT</b>			<b>C. TOTAL LIABILITIES</b>	<b>20.528.133</b>	<b>21.076.948</b>
<b>E. TOTAL ASSETS</b>	<b>20.528.133</b>	<b>21.076.948</b>	<b>D. OFF-BALANCE-SHEET LIABILITIES</b>	26.428	57.622
<b>F. OFF-BALANCE ASSETS</b>	26.428	57.622			

##### CASH FLOW STATEMENT ( in 000 din)

##### INCOME STATEMENT (in 000 din)

A. CASH FLOW FROM OPERATING ACTIVITIES	2006.	2007.	A. INCOME AND EXPENSES FROM OPERATING ACTIVITIES	2006.	2007.
I Cash receipts from operating activities	31.228.482	33.557.814	I Operating income	27.857.548	29.608.663
II Cash outflow from operating activities	34.657.018	32.866.103	II Operating expenses	29.218.912	31.889.622
III Net cash receipts / outflow	-3.428.536	691.711	III Operating profit / loss	-1.361.364	-2.280.959
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			IV Financial income	1.312.298	861.659
I Cash receipts from investing activities	112.045	65.840	V Financial expenses	848.349	701.702
II Cash outflow from investing activities	100.107	194.983	VI Other income	806.786	259.953
III Net cash receipts / outflow	11.938	-129.143	VII Other expenses	1.724.826	112.341
			VIII Operating profit / loss before taxation	-1.815.455	-1.973.390
			IX Net operating profit / loss to be suspended		



### **III AUDITOR'S CONCLUSION (BAKER TILLY WB REVIZIJA DOO Beograd) ABOUT THE FINANCIAL STATEMENTS:**

These financial statements, including all materially significant issues, give a true and fair view of the financial position of the Company as of December 31, 2007, as well as the results of its operating activities and cash flow for the year ended on that day, all 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**

In the period under review there were no status changes, privatization did not take place yet, neither taking over, and there were no other legally valid decisions of competent court or administration bodies, which would financially affect the company.

Note: The Government of the Republic of Serbia brought a decision on July 27, 2006, by which a public tender should be used as a method of privatization.

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

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

**NOTE: The Company makes a consolidated financial statement together with its offshore daughter company Petimex Limasol Cyprus. By the decision of the State Secretary for External Economic Relation the Company Petimex Limasol Cyprus was registered in the Offshore Companies Register under No. P-1835/VII-96. The Company's principal activity is trading exclusively for the needs of its mother Company. The mother Company capital share is 100%.**

ACTING DIRECTOR GENERAL  
**JANO KURAI**