

Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first three months of 2012



May 2012

PETROL

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STATEMENT OF THE MANAGEMENT BOARD

Members of the Management Board of Petrol d.d., Ljubljana, which comprises Tomaž Berločnik, President of the Management Board, Rok Vodnik, Member of the Management Board, Janez Živko, Member of the Management Board, and Samo Gerdin, Member of the Management Board/Worker Director, declare that to their best knowledge:

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first three months of 2012 has been drawn up in accordance with International Financial Reporting Standards and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other companies included in the consolidation as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first three months of 2012 gives a fair view of the development and results of the Company's operations and its financial position, including the description of significant risks that the company Petrol d.d., Ljubljana and other companies included in the consolidation are exposed to as a whole;
- the report of the Petrol Group and the company Petrol d.d., Ljubljana for the first three months of 2012 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.

Tomaž Berločnik

President of the Management Board

Rok Vodnik

Member of the Management Board

Janez Živko

Member of the Management Board

Samo Gerdin

Member of the Management Board/Worker Director

INTRODUCTORY NOTES

Publication of the report on the operations of the Petrol Group and the company Petrol, d.d., Ljubljana, Dunajska 50, in the first three months of 2012 is in compliance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanations concerning the operations have been prepared on the basis of unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of the company Petrol, d.d., Ljubljana for the first three months of 2012 in compliance with the Companies Act and International Financial Reporting Standards (IFRS).

Subsidiaries are included in the consolidated financial statements prepared in accordance with IFRS on the basis of the full consolidation method, while jointly controlled entities and associates are included on the basis of the equity method.

In the stand-alone financial statements prepared in accordance with IFRS, investments in subsidiaries are carried at historical cost, while investments in jointly controlled entities and associates are carried at fair value as available-for-sale assets.

The report on the operations in the first three months of 2012 has been published on the website of Petrol d.d., Ljubljana (<http://www.petrol.si>) and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1527 Ljubljana, every working day between 8 am and 3 pm.

The Company's Supervisory Board discussed the report on the Company's operations in the first three months of 2012 at its meeting held on 17 May 2012.

Table 1: Profile of the parent company Petrol d.d., Ljubljana

Company name	Petrol, slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1527 Ljubljana
Phone	(01) 47 14 234
Fax	(01) 47 14 809
Website	http://www.petrol.si
Activity code	47,301
Company registration number	5025796000
VAT ID	SI 80267432
Called-up capital	EUR 52.24m
Number of shares	2.086.301
President of the Management Board	Tomaž Berločnik
Members of the Management Board	Rok Vodnik, Janez Živko, Samo Gerdin (worker director)
President of the Supervisory Board	Tomaž Kuntarič

List of acronyms and explanation of financial ratio calculations

Ratio/acronym	Explanation
SEE	Southeastern Europe
Merchandise	Includes automotive products, foodstuffs, accessories, tobacco and lottery products, coupons, cards, coffee-to-go and other merchandise (chemical products, wood biomass)
EEC	Efficient energy consumption
EBITDA	Operating profit or loss + regular depreciation and amortisation
Earnings per share	Net profit or loss for the period / weighted average number of issued ordinary shares, excluding own shares
Book value of share	Equity as at period end / total number of shares

HIGHLIGHTS

Significant performance indicators for the Petrol Group

The Petrol Group	Unit	I-III 2012	I-III 2011	Index 2012 / 2011
Sales revenues	EUR million	903.3	749.3	121
Gross profit or loss	EUR million	86.9	78.0	111
Operating profit or loss	EUR million	23.9	21.1	113
Net profit or loss	EUR million	12.9	9.8	132
EBITDA	EUR million	33.4	29.4	114
Non-current (long-term) assets as per day	EUR million	789.0	611.1	129
Earnings per share	EUR	6.4	4.7	134
Net debt / equity		1.50	1.34	112

The Petrol Group	Unit	I-III 2012	I-III 2011	Index 2012 / 2011
Volume of petroleum products sold	thousand tons	598.0	547.3	109
Volume of liquefied petroleum gas sold	thousand tons	16.8	13.0	129
Volume of natural gas sold	thousand m ³	51,444	50,073	103
Electricity sold	MWh	521,924	253,307	206
Heat sold	MWh	34,592	34,085	101
Revenue from the sale of merchandise	EUR million	128.7	109.9	117
Investments in fixed assets	EUR million	50.7	7.8	-
Number of service stations on the last day of the period ¹		453	454	100

¹Number of service stations for the year 2011 as at 31.12.2011.

Figure 1: Volume of petroleum products sold by the Petrol Group

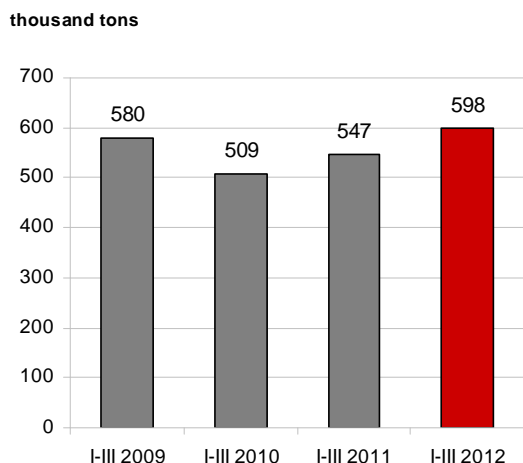


Figure 4: Net profit or loss of the Petrol group

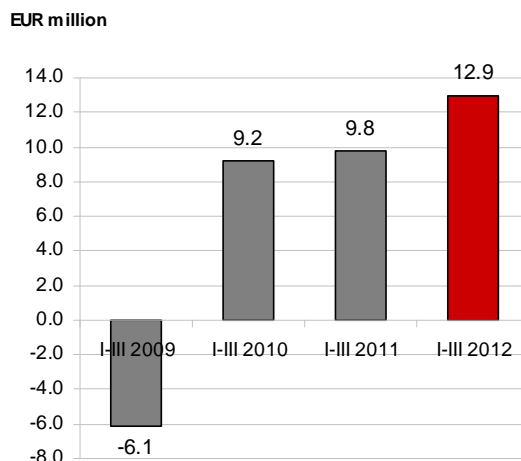


Figure 2: The Petrol Group's revenue from the sale of merchandise

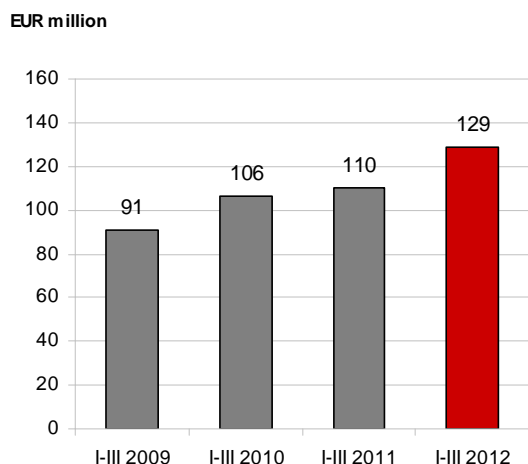


Figure 5: EBITDA of the Petrol Group

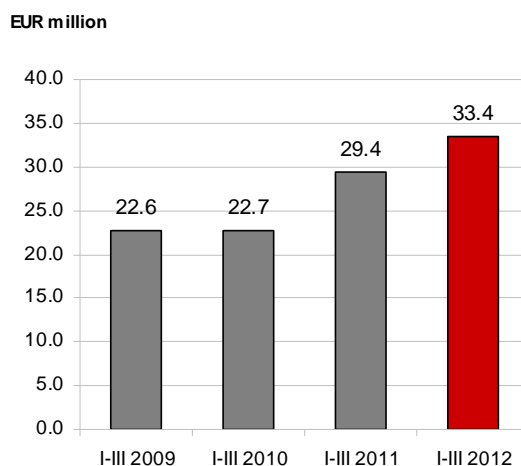


Figure 3: Increase in the number of service stations of the Petrol Group

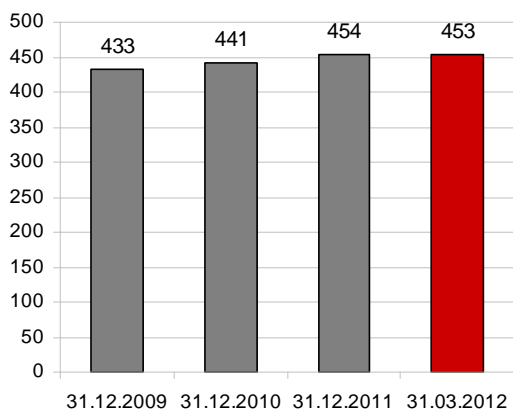
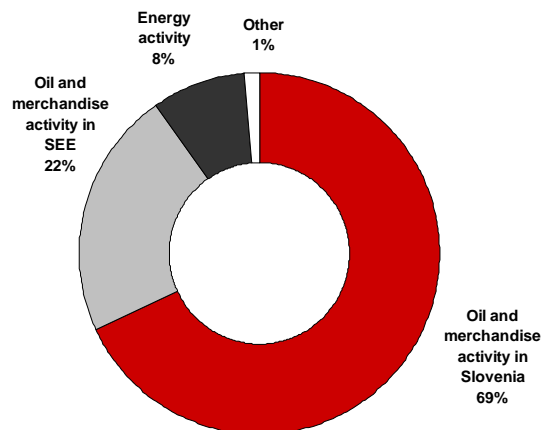


Figure 6: Breakdown of the Petrol Group's investments in the first three months of 2012



BUSINESS REPORT

Operations of the Petrol Group

The Petrol Group continues to perform well also this year, concluding the first quarter with strong operating results despite the still difficult economic situation in Slovenia, the EU and the SE Europe markets where it operates and the continuing upward trend in petroleum product prices on global markets. In 2012 Slovenia is expected to witness a 0.9-percent drop in economic activity. Business conditions remain severe, mainly due to payment defaults and lack of liquidity (bankruptcies) on the part of construction and other companies. Compared with 2011, unemployment numbers will continue to increase, and the rate of inflation is also expected to rise slightly¹.

Table 2: The Petrol Group's financial performance indicators

The Petrol Group	EUR		
	Results I-III 2012	Results I-III 2011	2012/2011
Sales revenues	903,266,244	749,250,590	121
Gross profit or loss	86,887,662	77,998,168	111
EBITDA	33,414,502	29,403,297	114
Net profit or loss	12,945,158	9,803,629	132
Non-current (long-term) assets as per day	789,020,509	611,056,595	129

In the first three months of 2012, the Petrol Group sold 598 thousand tons of petroleum products, which represents a year-on-year increase of 9 percent. In **Slovenia**, the Petrol Group sold 409 thousand tons of petroleum products in the period concerned, which accounted for 68 percent of its total sales. In the same period, the Group sold 138 thousand tons of petroleum products in **SEE markets**, representing 23 percent of the Petrol Group's total sales, and 51 thousand tons in **EU markets**, which represents 9 percent of the Group's total sales.

In the first three months of 2012, the Petrol Group generated 49 percent of petroleum product sales in the retail market; the remaining 51 percent were generated in the wholesale market. At the end of March 2012, the Petrol Group's retail network consisted of 453 service stations, of which 313 in Slovenia, 86 in Croatia, 37 in Bosnia and Herzegovina, 7 in Serbia, 6 in Montenegro and 4 in Kosovo.

The Petrol Group generated EUR 129 million in revenue from the sale of merchandise in the period concerned, an increase of 17 percent compared with the same period of the previous year.

In the same period, the Petrol Group sold 17 thousand tons of liquefied petroleum gas, a year-on-year increase of 29 percent, and 36 thousand tons (51 million m³) of natural gas or 3 percent more than in the same period of the previous year.

¹ Institute of Macroeconomic Analysis and Development (IMAD): Economic Mirror, March 2012

In addition, the Petrol Group sold 522 thousand MWh of electricity, which was 106 percent more than in the same period of the previous year, and 35 thousand MWh of heat, up 1 percent from the same period of the previous year.

Below we give a detailed presentation of the Petrol Group's operations in the first three months of 2012 broken down by type of activity:

- A. Oil and merchandise sales in Slovenia and in the EU
- B. Oil and merchandise sales in SEE markets
- C. Energy activities

A. Oil and merchandise sales in Slovenia and in the EU

The company engaged in oil and merchandise sales in Slovenia and in the EU in the first three months of 2012 was Petrol d.d., Ljubljana².

In the first three months of 2012, the Petrol Group's **net sales revenue** generated from oil and merchandise sales in Slovenia and in the EU stood at EUR 661 million, which accounted for 73 percent of the Petrol Group's total revenue. The revenue was 21 percent higher than in the same period of 2011, mainly thanks to higher oil prices.

The Petrol Group's sales of petroleum products in Slovenia and in the EU

In the first three months of 2012, the Petrol Group sold 409 thousand tons of petroleum products in Slovenia, which was 8 percent more than in the same period of 2011. Of this quantity, liquid fuels accounted for 401 thousand tons and other petroleum products for 7 thousand tons. Year-on-year, the Group sold 16 percent more motor fuels (petrol and diesel fuel).

As far as retail sales are concerned, the Group achieved good results compared with the previous year. Due to deteriorated economic conditions and the resulting decrease in sales to businesses, wholesale sales nevertheless recorded a drop relative to the previous year's results for the same period.

The Group's sales of petroleum products in EU markets stood at 51 thousand tons, which was 90 percent more than in the same period of 2011.

Key impacts on operations

Setting of fuel prices in Slovenia

In Slovenia, fuel prices are set in accordance with the Regulation on the Price Methodology for Petroleum Products, which entered into force on 9 October 2011 and shall remain in force for a period of 1 year. In the regulation, the model-based margin for government-regulated petroleum products is set at a fixed amount (EUR 0.08530 for a litre of petrol, EUR 0.07998 for a litre of diesel fuel and EUR 0.05265 for a litre of extra light heating oil).

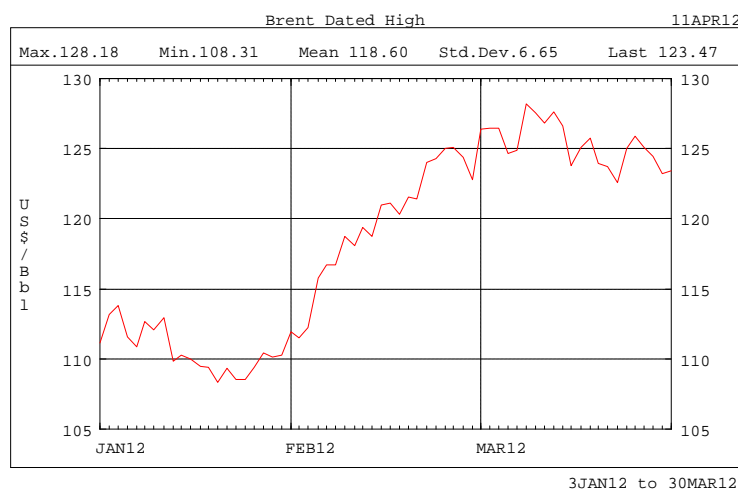
² The activities supporting oil and merchandise sales are performed by the companies Petrol Maloprodaja Slovenija d.o.o., Petrol Tehnologija d.o.o., Petrol VNC d.o.o., Petrol-Trade Handelsges.m.b.H. and Instalacija d.o.o.

In Slovenia, gross margins for petroleum products, which are, under the model, set at a fixed amount and do not reflect changes in retail prices, are still below European average. In the case of petrol, they amounted to 89 percent of the average gross margin in EU countries, in the case of diesel fuel to 70 percent and in the case of extra light heating oil to no more than 55 percent.

Changes in oil and petroleum product prices in the world market

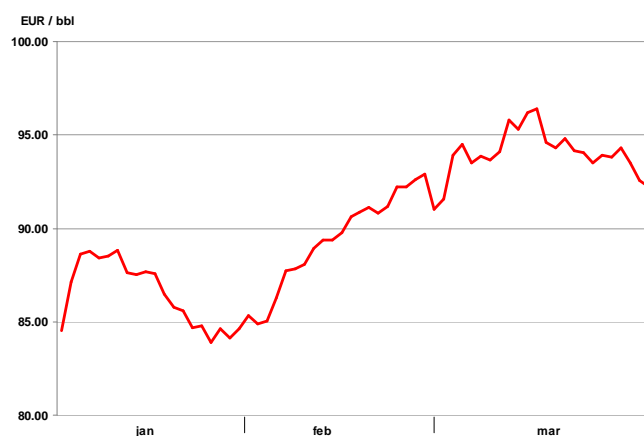
In the first three months of 2012, the average price of Brent Dated crude oil was USD 118.60 per barrel. In the period concerned, the price of Brent crude peaked on 8 March 2012, reaching USD 128.18 per barrel. Its lowest price was recorded on 20 January 2012 at USD 108.31 per barrel. In 2012 the average price of oil expressed in US dollars was 12.5 percent higher year-on-year, while the average price expressed in euros increased by 17.0 percent. The prices of petrol and middle distillates followed the same trends as crude oil prices.

Figure 7: Changes in Brent Dated High oil price in the first three months of 2012 in USD/barrel



SOURCE: Petrol, 2012

Figure 8: Changes in Brent Dated High oil price in the first three months of 2012 in EUR/barrel



SOURCE: Petrol, 2012

Oil prices were mainly on an upward trend in the first three months of 2012. During this period, they were mainly affected by the deterioration of the situation in the Middle East (Iran) and the announced embargo on the imports of oil from Iran to the EU effective July 2012.

Oil price movements will continue to be most affected by the situation in the Middle East as well as by economic growth expectations, US oil stocks and unemployment figures and demand in China and India.

Changes in the US dollar to the euro exchange rate

The US dollar to the euro exchange rate ranged between 1.27 and 1.35 EUR/USD in the first three months of 2012. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.31 US dollars for 1 euro in the period concerned.

The Petrol Group's sales of merchandise in Slovenia

The Petrol Group generated EUR 119 million in revenue from the sale of merchandise in Slovenia in the first three months of 2012, an increase of 16 percent compared with the same period of the previous year. During this period, the sales within the lottery ticket, coupon, card and tobacco segments increased the most compared with the previous year. As of 2012, the coffee-to-go revenue, which was previously classified under services, is recorded under merchandise and stood at EUR 1.3 million in the first three months of 2012. The range available at Petrol's points of sale is modified and expanded as it being quickly adjusted to the needs of customers opens up new business opportunities.

The Petrol Group's sales of services in Slovenia

Services include renting of business premises and hospitality facilities, transport, carwash services, Magna services, management of storage facilities of ZORD and ZRSBR, sales promotions and other services. As of 2012, the coffee-to-go service is recorded under revenue from merchandise sales. In the first three months of 2012, the Petrol Group generated EUR 6.3 million in revenue from the services related to oil and merchandise sales³ in Slovenia, which was 12 percent less than in the same period of 2011.

B. Oil and merchandise sales in SEE markets

The following companies were engaged in oil and merchandise sales in SEE markets in the first three months of 2012:

- Petrol d.d., Ljubljana,
- Petrol Hrvatska d.o.o.,
- Euro - Petrol, d.o.o., Rijeka,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol d.o.o. Beograd,
- Petrol Jadranplin d.o.o.,
- Petrol - Butan d.o.o., and
- Petrol - Bonus d.o.o.

³ Coffee-to-go was classified under services in 2011, but was reclassified as merchandise in 2012. Comparable revenue from the sale of services, i.e. excluding coffee-to-go, increased 6 percent in the first quarter of 2012 compared with the same period of 2011.

In addition to the above companies, the jointly controlled entity Petrol – Oti – Slovenija L.L.C. is also engaged in oil and merchandise sales in SEE markets.

In the first three months of 2012, the Petrol Group's **net sales revenue** from oil and merchandise sales in SEE markets stood at EUR 158 million. The revenue accounted for 18 percent of the Petrol Group's total revenue and was 5 percent higher than in the same period of 2011.

The Petrol Group's sales of petroleum products in SEE markets

In the first three months of 2012, the Petrol Group sold 138 thousand tons of petroleum products in SEE markets, which represents a year-on-year decrease of 3 percent. The sales of extra light heating oil increased by 35 percent year-on-year, with the sales of motor fuels decreasing by 13 percent.

In addition, the jointly controlled entity Petrol – Oti – Slovenija L.L.C. sold 1.8 thousand tons of petroleum products, up 16 percent from the same period of the previous year.

Key impacts on operations

Setting of fuel prices in Croatia

Similar to Slovenia, the prices of petroleum products, i.e. petrol, diesel fuel and extra light heating oil, are government-regulated also in Croatia.

Since 31 March 2011, the prices have been set in accordance with new Rules for Determining Maximum Retail Prices of Petroleum Products ("Pravilnikom o utvrđivanju najviših maloprodajnih cijena naftnih derivata"). Retail prices of petroleum products change fortnightly according to the prescribed methodology, but the change in the retail price relative to the previous period may not exceed 3 percent.

The gross margin is fixed at HRK 0.76 (EUR 0.103) for a litre of diesel or petrol and HRK 0.58 (EUR 0.078) for a litre of extra light heating oil. The prescribed methodology for setting maximum permitted retail prices of fuel is similar to the methodology in place in Slovenia. Also, the adjustment of prices is subject to changes in prices in the oil market and changes in the exchange rate of the US dollar against the national currency. The retail price includes a premium of HRK 0.05 (EUR 0.006) per litre of fuel which aims to encourage biofuel production. Retail prices may also be lower than the maximum price permitted. At motorway service areas and at certain service stations on the coast, however, they may exceed the model-based prices.

Setting of fuel prices in Bosnia and Herzegovina

In Bosnia and Herzegovina, the prices of petroleum prices are not government-regulated and are set freely in accordance with market conditions. The prices change weekly. In the Federation of Bosnia and Herzegovina, retailers notify the Federal Ministry of Commerce of new retail prices a day in advance, whereas in the Republic of Srpska changes in prices need not be notified in advance. Despite the free setting of prices, retail fuel prices do not vary significantly between service stations, but they are lower in the Republic of Srpska where lower procurement prices can be achieved thanks to its supply sources. In addition,

there is increasingly more unfair competition which, as a result of dumping and poor quality of fuel, has an appreciably detrimental impact on Petrol's market position.

Setting of fuel prices in Serbia

Since the new legislation liberalising Serbia's oil market (unregulated imports of oil and petroleum products) entered into force on 1 January 2011, the prices of petroleum products have no longer been government-regulated and are set freely in accordance with market conditions.

Setting of fuel prices in Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices ("Uredba o načinu obrazovanja maksimalnih maloprodajnih cijena"), which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platt's European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent. In addition to market oil prices and changes in the exchange rates of the euro and the US dollar, the price calculation methodology includes all taxes and charges as well as an oil companies' margin. The gross margin is fixed at EUR 0.063 for a litre of petrol, EUR 0.064 for a litre of eurodiesel and EUR 0,076 for a litre of extra light heating oil. In addition, retailers are allowed by the model to include the costs of transshipment, handling, bank charges, storage, transport, distribution, retail operations and internationally recognised maximum loss of 0.5 percent into the margin.

Setting of fuel prices in Kosovo

In Kosovo, retail and wholesale prices of petroleum products are not government-regulated. Only in the case of sales of petroleum products to government institutions and state-owned companies are prices set in accordance with the prescribed methodology, which takes into account market prices, changes in the exchange rate of the euro and the US dollar, logistics costs and the maximum margin. These prices represent an unofficial basis for setting retail prices, which change two to three times a month.

The Petrol Group's sales of merchandise in SEE markets

The Petrol Group generated EUR 7 million in revenue from the sale of merchandise in SEE markets in the first three months of 2012, an increase of 1 percent compared with the same period of the previous year. The economic crisis, which affected the purchasing power of the general population, has also had an adverse impact on purchases at service stations.

Procurement and logistics of petroleum products and merchandise

Efficient procurement and logistics of petroleum products and merchandise are the key factors of the Petrol Group's successful operating performance. The main goals in this area for the year 2012 consist of the Petrol Group improving the procurement terms achieved in 2011 and, as far as subsidiaries are concerned, continuing the optimisation of logistics processes. By acquiring the remaining interest in the company Instalacija d.o.o., which owns the petroleum product storage facility in Sermin, Petrol considerably improved the security and reliability of its fuel supply chain in Slovenia and in the wider region. At the same time, this will enable Petrol to develop and expand its petroleum product sales.

Petrol buys most of its petroleum products from the largest multinational oil companies and some from major global oil and petroleum products traders. Many years of continuous cooperation with reliable and competitive suppliers give Petrol the status of a partner. As in 2011, purchased petroleum products were mostly delivered by sea in the period concerned.

In the procurement of merchandise, the main goal and task is to ensure availability of goods and provide adequate support for the provision of services at service stations in Slovenia and in SE Europe while attempting to secure optimal procurement terms. On the operational level, merchandise is procured directly from manufacturers, official distributors and strategic business partners. When putting together our range, we take into account customer requests, market shares for specific goods, as well as prices and product quality.

Logistics activities were focused on ensuring a cost-efficient supply of fuel and merchandise to all our points of sale and to customers.

C. Energy activities

In the first three months of 2012, the Petrol Group's **net sales revenue** from energy activities stood at EUR 84 million, which accounted for 9 percent of its total revenue. The revenue was 59 percent higher than in the same period of 2011.

Gas and heat

The following companies were engaged in the sale of gas and heat in the first three months of 2012:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol Hrvatska d.o.o.,
- Euro - Petrol, d.o.o., Rijeka,
- Petrol – Jadranplin d.o.o.,
- Petrol – Butan d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol d.o.o. Beograd,
- Rodgas a.d.,
- Petrol Gas Group d.o.o., and
- Petrol-Trade Handelsges.m.b.H.

During this period, the Petrol Group operated 30 gas supply concessions (24 for the supply of natural gas and 6 for the supply of liquefied petroleum gas). 23 concessions are operated by Petrol d.d., Ljubljana, 5 by Petrol Energetika d.o.o., 1 by Rodgas AD in Bačka Topola, and 1 by Petrol Gas Group d.o.o. in the municipality of Pećinci. In addition, the company Petrol-Jadranplin d.o.o. has gas supply contracts in the towns of Šibenik and Rijeka.

In March 2012, Petrol d.d., Ljubljana acquired the remaining 51-percent interest in the company Petrol-Jadranplin d.o.o. By purchasing an 85-percent interest in the company Beogas Invest d.o.o. in April 2012, Petrol d.d., Ljubljana acquired a company that distributes natural gas in three Belgrade municipalities.

At the end of March 2012, liquefied petroleum gas was supplied to customers also from 2,325 gas storage tanks in Slovenia and 402 gas storage tanks in Croatia, a total of 2,727 gas storage tanks.

In the first three months of 2012, the Petrol Group sold 17 thousand tons of liquefied petroleum gas, a year-on-year increase of 29 percent. It also sold 36.1 thousand tons (51,444 thousand m³) of natural gas, which was 3 percent more than in the same period of the previous year.

In the same period, the Petrol Group operated 5 district heating concessions, selling 35 thousand MWh of heat or 1 percent more than in the previous year.

Electricity

The following companies were engaged in the production, sale and distribution of electricity in the first three months of 2012:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol d.o.o., Beograd, and
- Petrol Hrvatska d.o.o.

During this period, the Petrol Group sold 522 thousand MWh of electricity, a year-on-year increase of 106 percent. The quantity of the electricity distributed stood at 83 thousand MWh.

The Petrol Group positioned itself as an important electricity market player already in 2011. It set up an entire infrastructure for wholesale electricity trading in Slovenia and in the neighbouring countries as well as for the sale of electricity to end users in Slovenia (businesses and households). At the end of March 2012, Petrol d.d., Ljubljana supplied electricity to approximately 25,000 households. In 2012 an electricity trading licence was acquired also in Bosnia and Herzegovina, and electricity sales were launched in Serbia and Croatia.

Environmental and energy solutions

The following companies were engaged in environmental and energy solutions in the first three months of 2012:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- the EI-tec Petrol Group, and
- the IGES Group.

Environmental solutions

During this period, the Petrol Group held three concessions for the operation of municipal wastewater treatment plants and the performance of public economic service of municipal wastewater treatment: in the municipality of Murska Sobota (capacity of 42,000 population equivalents), the municipality of Mežica (capacity of 4,000 population equivalents) and the municipality of Sežana (capacity of 6,000 population equivalents). In addition, Petrol d.d. operates the wastewater treatment plant at Vevče Paper Mill.

In the period concerned, the Petrol Group generated EUR 841 thousand in revenue from environmental solution services.

At all waste treatment plants, the treatment process and financial performance were in line with the plan in the period concerned.

As an important member of Aquasystems d.o.o., Petrol d.d., Ljubljana is involved in the treatment of municipal wastewaters in the municipality of Maribor (capacity of 190,000 population equivalents).

By acquiring a biogas plant in Ihan at the end of 2010, Petrol entered the field of energy production from waste. Biogas is used for electricity production with heat as the by-product. In 2012 Petrol plans to construct a dehydration plant for sludge from treatment plants. This will enable it to use waste heat in the production of electricity. Through dehydration, sludge will be processed from waste to substitute fuel to be used for co-incineration in cement plants.

Energy solutions

Energy solutions comprise the energy range related to:

- the preparation of alternative solutions for supplying heat and other forms of energy to households and small-business customers;
- the implementation of more complex comprehensive energy solution projects;
- the production of energy from renewable sources.

By acquiring the companies El-tec Petrol d.o.o. and IGES d.o.o., the Petrol Group expanded its operations and strengthened its market position in the field of energy solutions.

In the first three months of 2012, the Petrol Group generated EUR 2.7 million in revenue from the sale of merchandise (wood biomass) and EUR 1.4 million in revenue from services.

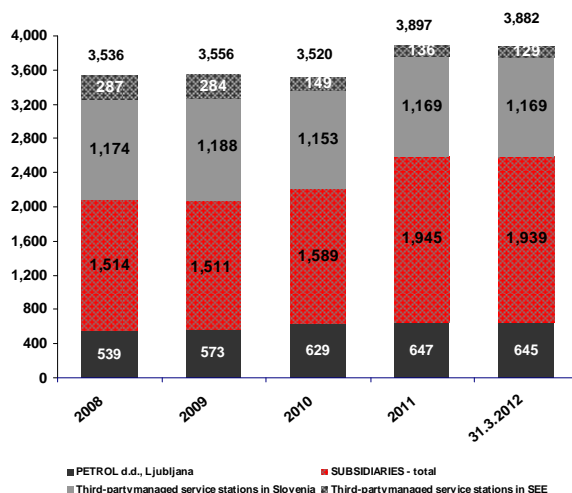
Petrol obtained product declarations for solar power plants constructed in 2011 and continues to set up solar power plants also in 2012. In addition, activities were underway to get more customers for EEC and renewable energy projects.

Sustainable development

Employees

On 31 March 2012, the Petrol Group had 3,882 employees, of which 31 percent worked for subsidiary companies and at third-party managed service stations abroad.

Figure 9: Changes in the number of employees of the Petrol Group and at third-party managed service stations 2008-2012



Changes in the number of employees in the first three months of 2012

In the first three months of 2012, the Petrol Group employed 72 workers, the employment of 87 workers was terminated, while 33 employees were transferred to new posts within the Group.

Table 3: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the first three months of 2012

	Balance as at 31.03.2012	New employments/employment terminations in 2011 in the Copmany		Internal transfer of employees in the petrol Group		Total number of people joined in 2012	Total number of people left in 2012	Balance as at 31.12.2011
		Joined	Left	Joined	Left			
Petrol d.d.	645	4	6	1	1	5	7	647
Subsidiaries	1,939	51	55	15	17	66	72	1,945
Third-party managed service stations in Slovenia	1,169	16	22	17	11	33	33	1,169
Third-party managed service stations in SEE	129	1	4	0	4	1	8	136
The Petrol Group	3,882	72	87	33	33			3,897

Employee structure

At the end of March 2012, the average age of Petrol Group employees was 39 years. 69 percent of employees were male and 31 percent were female.

The educational structure of the Petrol Group has been improving over the years. This is a result of employee training on the one hand and HR policy on the other. Newly hired employees with higher education thus improve the educational structure, while at the same time employees with lower education leave the company. Here it should be noted that the Petrol Group is interested in the training of its employees as knowledge represents one of Petrol's key competitive advantages.

As at 31 March 2012, the average education level of the Petrol Group employees, as measured on a scale of 1 to 8, stood at 4.9, meaning that on average the employees have completed secondary school.

Training

In the first three months of 2012, 2,104 individuals took part in various forms of training. In all, the Petrol Group provided 12,428 teaching hours of training, which represents, on average, 3.3 teaching hours of training per employee in the period concerned.

Organised as part of the Petrol Group is Petrol Academy. Its main goal is systematic and comprehensive training of all employees. In the first three months of 2012, technical and legally required training was carried out.

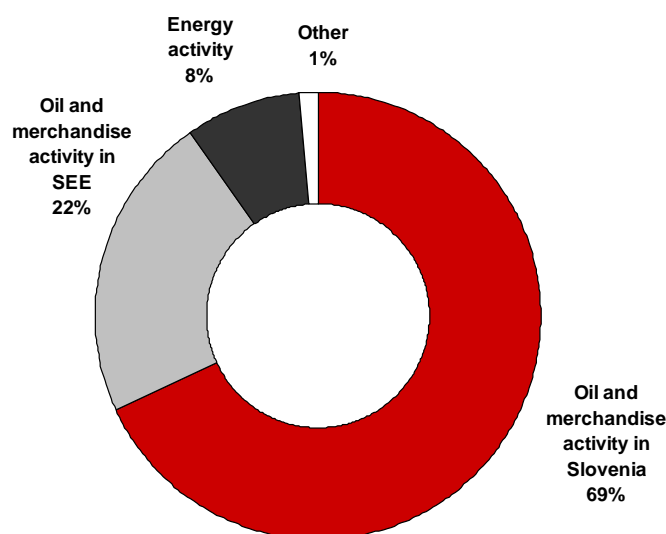
At the Petrol Group, particular attention is given to the training of outworkers (hauliers and students) and customers. In the period concerned, several seminars were organised in this field which were attended by 186 participants.

Investments

In the first three months of 2012, EUR 50.7 million was allocated to investments in property, plant and equipment, intangible assets and long-term investments. Out of the above amount, 69 percent was allocated to oil and merchandise sales in Slovenia, 22 percent to oil and merchandise sales in SE Europe markets, 8 percent to energy activities and 1 percent to the upgrading of information and other infrastructure.

The majority of the funds were allocated to the acquisition of the interest in the company Instalacija d.o.o., which will eventually become fully owned by Petrol d.d., Ljubljana, in accordance with contractually agreed payments for the interests. Investments were also made in the development of the retail network in Slovenia and SEE markets, particularly in the expansion of the retail network in Montenegro. In addition, Petrol acquired the remaining 49-interest in the company Petrol-Jadran Plin d.o.o. and invested in other energy-related projects. A portion of the funds was also used to upgrade the information infrastructure.

Figure 9: Breakdown of the Petrol Group's investments in the first three months of 2012



The quality management system

Although quality management systems used to focus mainly on increasing efficiency and excellence, they now progressively incorporate an increasing number of sustainable development elements. These need to contain safeguards that are meant to provide an overall protection not only of the people's environment but also of the people themselves.

The Petrol Group's operations are based on the implementation of strict quality standards. Since 1997, we have been constantly upgrading and expanding the Group's quality management system, which is certified to the ISO 9001 standard. In addition to certified quality and environment management systems (listed in Table 4), the comprehensive quality management system incorporates the requirements of the HACCP food safety management system, the requirements of the OSHS occupational health and safety system, and the ISO 27001 information security system.

In January 2012, a recertification audit of the quality management system accredited to the ISO 9001 standard took place at the company Petrol Hrvatska d.o.o. The company passed the audit and no non-compliance was noted by the auditors, meaning the validity of the certificate will be extended for another three-year period.

Petrol Laboratory has in place a quality management system that is certified to the SIST EN ISO/IEC 17025:2005 standard (General requirements for the competence of testing and calibration laboratories). Petrol Laboratory has 75 accredited methods altogether.

Table 4: Overview of certificates and laboratory accreditations

Company	Quality management system	Environmental management system	Laboratory accreditations
Petrol d.d., Ljubljana	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17025:2005
Petrol Tehnologija d.o.o.	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17020:2004
Petrol Energetika d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/
Petrol Hrvatska d.o.o., Zagreb	ISO 9001: 2008	/	/
Euro Petrol d.o.o., Rijeka	ISO 9001: 2008	ISO 14001: 2004	/
El-Tec Petrol d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/

Social responsibility

Caring for social and environmental issues has been part of the Petrol's operations for a number of years. The demands and challenges of our time are addressed based on a long-term growth strategy and a strong awareness that supporting the environment in which we operate significantly affects our operations and development. For many years we have been helping wider social and local communities achieve a dynamic lifestyle and better quality of life. We demonstrate our social accountability by supporting numerous sports, cultural, humanitarian and environmental projects. The Petrol Group perceives social responsibility as a lasting commitment to cooperate with its business environment.

Business risks

Risk management

In the first three months of 2012, the deteriorated economic conditions had an impact on business in general, but also on business risk management within the Petrol Group.

The Business Risk Management Committee held three meetings in 2012, discussing the preparation of the Annual Business Risk Report of the Petrol Group for 2011 and assessing the effectiveness of internal control, internal audit and the risk management system in accordance with the guidelines of the EU 8th Company Law Directive.

Petrol's business risk model comprises 20 business risk categories that are divided into two groups:

- environment risks and
- performance risks.

The most relevant and probable business risks comprise chiefly financial risks: price, credit, foreign exchange, liquidity and interest rate risks.

In addition to financial risks, the most relevant and probable risks include commercial risks, financial environment risks, business and financial decision-making risks, economic environment risks, strategic decision-making risks, and legislation and regulation risks.

Price and foreign exchange risk

The Petrol Group purchases petroleum products under international market conditions, pays for them mostly in US dollars and sells them in local currencies. Because the global oil market and the US dollar market constitute two of the most volatile global markets, the Petrol Group is exposed to both the price risk (changes in the prices of petroleum products) and the foreign exchange risk (changes in the EUR/USD exchange rate) while pursuing its core line of business. The petroleum product pricing model enables the changes in global petroleum product prices and exchange rates to be passed on to domestic selling prices. The exposure of the Petrol Group to price and foreign exchange risks is thus considerably reduced.

As regards supplying electricity to end customers, the controlling company has managed price and quantity risks in an appropriate manner by matching the terms of sale applying to customers with suppliers' terms of procurement.

The controlling company supervises and offers advice on hedging against foreign exchange risks also at the level of subsidiaries. This mainly concerns the risks arising from changes in the EUR/HRK exchange rate in Croatia. Because there were no significant fluctuations in the EUR/HRK exchange rate in the first three months of 2012, no forward contracts to hedge the foreign exchange rate risk were concluded.

Transactions with derivatives are entered into only to hedge against price and foreign exchange risks and not for reasons of speculative nature.

Credit risk

In 2011 the operating receivables management system was overhauled to provide for even more efficient control. We have updated the instructions on the management of receivables from legal entities, we stepped up the collection of receivables, we are quicker to discontinue sales on open account to defaulting customers and we accelerated the use of legal remedies to collect receivables. Particular attention is given to an individual treatment of major customers. In the first three months of 2012, we have also tightened even more the conditions for approving the amount of exposure (limits) to individual buyers and broadened the range of first-class credit insurance instruments as a requirement to approve sales (mortgages, pledges, bank guarantees, insurance with SID - Prva kreditna zavarovalnica d.d. Ljubljana, collaterals, corporate guarantees, securities, promissory notes, bills of exchange etc.).

In the first three months of 2012, significant attention was still devoted to the collection of receivables from construction companies in Slovenia and collection of receivables in SEE markets where the solvency of the business sector is even worse than in Slovenia. Receivables are systematically monitored by age, region and organisational unit as well as by quality and individual customer. To monitor receivables, we use a joint computer-based receivables management application which provides us with automated control over the exposure to individual customers and the possibility to respond immediately.

Credit risk was also the most significant risk to which the controlling company was exposed in connection with electricity sales to natural and legal entities in the first three months of 2012, but was successfully managed using the above measures.

Despite the general weakening of the financial strength of our customers due to liquidity problems, decreased production and a drop in exports, we estimate that credit risks are successfully managed within the Petrol Group. Our estimate is based on the nature of our products, our market share, our large customer base and the big range of credit insurance instruments. In 2012, however, the Petrol Group will again not be able to completely avoid the consequences of a large number of bankruptcies and liquidations that are expected to take place this year.

Liquidity risk

The financial crisis in the Slovene and global financial market resulted in a substantially increased vigilance of the banking sector when it comes to financing individuals and companies.

Despite the above, we managed to secure for the Petrol Group sufficient short-term funds in the first three months of 2012, which provided us with good-quality short-term financing. Increases in petroleum product prices require a higher amount of short-term financing. This, however, is being successfully ensured for the time being. In view of the forecasts of further increases in oil prices in the coming period and the resulting increase in the Group's needs for short-term financing, we are constantly actively working with existing banking partners to increase our credit lines and also looking for new banking partners.

Cash flow management requires considerable attention and prudence, especially as regards the planning of cash inflows from lay away sales, because a large number of our customers

have problems financing their operations due to a general increase in the number of defaults and weaker sales.

The Petrol Group is capable of meeting all of its outstanding liabilities at any given moment. The Group's successful operations in particular are a guarantee for the Group's long-term solvency and increase the amount of its equity capital. In December 2011, Petrol carried out another issue of ordinary registered bonds, followed by a successful issue of its commercial papers at the end of March. The first in the series of consecutive issues of commercial papers received a warm welcome from investors, who submitted binding offers for the purchase of commercial papers in a total nominal value that was more than double the total nominal value initially envisaged for the entire issue.

Interest rate risk

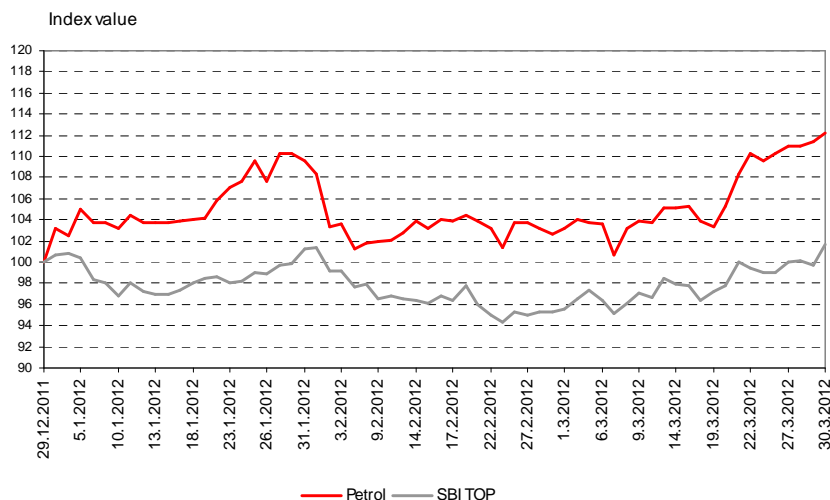
The Petrol Group regularly monitors its exposure to the interest rate risk. The controlling company's long-term loans contain a variable interest rate which is linked to EURIBOR. The average EURIBOR rate was lower in the first three months of 2012 than at the end of 2011 and thus remains very low. The Petrol Group's overall borrowing interest rate as at 31 March 2012 was slightly higher than at the end of 2011.

To hedge against exposure to the interest rate risk, a portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments. The exposure to the interest rate risk can be hedged up to 75 percent of the Petrol Group's net interest position. When deciding whether to pursue additional hedging activities, forecasts regarding interest rate changes are considered. The time of hedging and the type of instruments used to this effect are determined on the basis of market conditions. In the first three months of 2012, Petrol did not increase the extent of interest rate hedging relative to the end of 2011, issuing the commercial papers carrying a fixed interest rate instead.

Petrol's shares

In the first three months of 2012, share prices at the Ljubljana Stock Exchange were on average slightly higher than at the end of 2011. This is also reflected in the SBITOP, the Slovene blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. Relative to the end of 2011, the SBITOP rose 1.6 percent as at the end of March 2012, with Petrol's shares gaining 12.2 percent of their value. In terms of trading volume, which amounted to EUR 3.3 million between January and March 2012, Petrol's shares were ranked fifth among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 363.0 million as at 30 March 2012, the shares were ranked fourth and accounted for 7.4 percent of the total Slovene stock market capitalisation on the said date.

Figure 10: Changes in Petrol d.d., Ljubljana’s closing share price base index and changes in the SBITOP index in the first three months of 2012 compared with the end of 2011



In the first three months of 2012, the price of Petrol’s shares ranged between EUR 156.20 and EUR 174.00 per share, while their average price in the period stood at EUR 163.02. Earnings per share stood at EUR 6.64, with a share's book value amounting to EUR 190. Petrol d.d., Ljubljana had 36,767 shareholders as at 31 March 2012. At the end of March 2012, 70,358 shares or 3.37 percent of all shares were held by foreign legal or natural persons. Compared with the end of 2011, the number of foreign shareholders increased by 0.3 percentage points.

Figure 11: Closing price and the volume of trading in Petrol's shares in the first three months of 2012

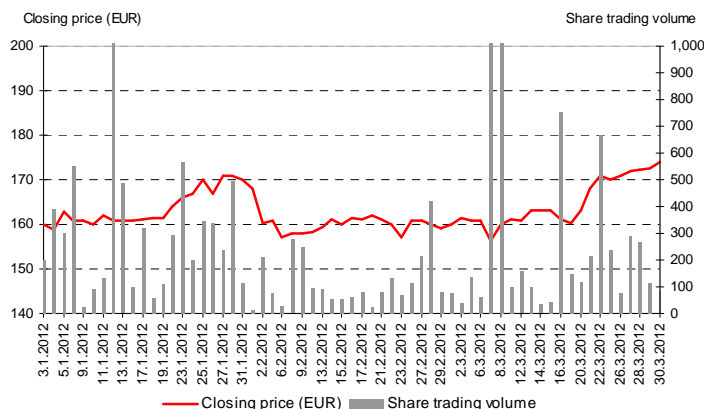


Figure 12: Ownership structure of Petrol d.d., Ljubljana as at 31 March 2012

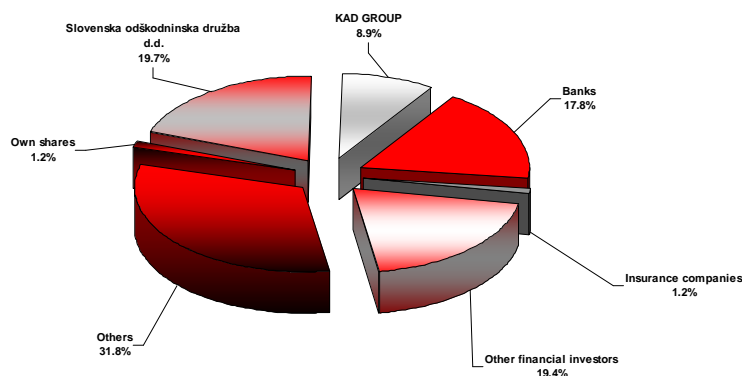


Table 5: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 31 March 2012 and 31 December 2011)

	31.3.2012		31.12.2011	
	Number of shares	v %	Number of shares	v %
Slovenska odškodninska družba d.d.	412,009	19.7%	412,009	19.7%
KAD GROUP	184,852	8.9%	184,852	8.9%
Banks	370,981	17.8%	365,230	17.5%
Insurance companies	25,489	1.2%	25,489	1.2%
Other financial investors	405,768	19.4%	409,166	19.6%
Others	662,499	31.8%	664,852	31.9%
Own shares	24,703	1.2%	24,703	1.2%
Total	2,086,301	100.0%	2,086,301	100.0%

Table 6: 10 largest shareholders of Petrol d.d., Ljubljana as at 31 March 2012

	Shareholder name	Adress	No. of shares	Holding in %
1	SLOVENSKA ODŠKODNINSKA DRUŽBA, D.D.	MALA ULICA 5, 1000 LJUBLJANA	412,009	19.75%
2	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
3	NLB d.d.	TRG REPUBLIKE 2, 1000 LJUBLJANA	126,365	6.06%
4	ISTRABENZ D.D.	CESTA ZORE PERELLO-GODINA 2, 6000 KOPER	84,490	4.05%
5	GB D.D., KRANJ	BLEIWEISOVA CESTA 1, 4000 KRANJ	84,299	4.04%
6	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
7	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
8	NFD 1, DELNIŠKI PODSKLAD	TRDINOVA ULICA 4, 1000 LJUBLJANA	60,951	2.92%
9	HYPO BANK D.D.	DUNAJSKA CESTA 117, 1000 LJUBLJANA	43,500	2.09%
10	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	42,985	2.06%

Table 7: Shares owned by members of the Supervisory and Management Board as at 31 March 2012

Name and Surname	Position	No.of shares	Share of equity
Supervisory board		135	0.01%
Internal members		135	0.01%
1. Boštjan Trstenjak	Supervisory Board Member	0	0.0000%
2. Franc Premrn	Supervisory Board Member	135	0.0065%
3. Andrej Tomplak	Supervisory Board Member	0	0.0000%
External members		0	0.00%
1. Tomaž Kuntarič	Supervisory Board President	0	0.0000%
2. Bruno Korelič	Supervisory Board Vice-president	0	0.0000%
3. Irena Prijović	Supervisory Board Member	0	0.0000%
4. Urban Golob	Supervisory Board Member	0	0.0000%
5. Dari Južna*	Supervisory Board Member	0	0.0000%
Management Board		260	0.01%
1. Tomaž Berločnik	Management Board President	0	0.0000%
2. Janez Živko	Management Board Member	40	0.0019%
3. Rok Vodnik	Management Board Member	220	0.0105%
4. Samo Gerdin	Management Board Member/Worker Director	0	0.0000%

* The number of shares owned together with related entities as at 31 March 2012 totals 194,266, accounting for 9.31 percent of equity.

Authorised capital

At the 20th General Meeting of Petrol d.d., Ljubljana of 6 May 2010, the resolution on the proposed amendment to the Articles of Association granting power to the Management Board to increase, with the approval of the Supervisory Board and without an additional resolution of the General Meeting, the share capital of the company, within five years after the entry of this amendment in the Register of Companies, up to the amount of one half of the share capital as at the date of the adoption of this resolution, which totals EUR 26,120,488.52 in nominal terms, by issuing new shares as consideration (authorised capital) was adopted.

Contingent increase in called-up capital

In the period up to 31 March 2012, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in called-up capital.

Dividends

Petrol d.d., Ljubljana did not pay dividends in the first three months of 2012.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first three months of 2012. As at 31 March 2012, the Company held 24,703 own shares, representing 1.2 percent of its

registered share capital. The total cost of own shares equalled EUR 2.6 million as at 31 March 2012 and was EUR 1.69 million lower than their market value on the said date.

Own shares, in total 36,142, were purchased between 1997 and 1999. The Company may acquire own shares only for the purposes laid down in Article 247 of the Companies Act (ZGD-1) and as remuneration to the Management Board and the Supervisory Board. Own shares are used in accordance with the Company's Articles of Association.

Regular participation at investors' conferences and external communication

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. The company regularly attends investors' conferences that are organised each year by the Ljubljana Stock Exchange, Vienna Stock Exchange and various banks. In the first three months of 2012, several individual investor and analyst meetings were held, with preparations already underway for the first investors' conferences to be held in April.

Supervisory Board

The Supervisory Board proposed to the General Meeting of Petrol's shareholders that Andreja Kert be appointed replacement Supervisory Board member for a term of office beginning on 24 May 2012 and ending on 7 April 2013.

Other explanations by Petrol d.d., Ljubljana

The prospectus of the company Petrol d.d., Ljubljana, which has been prepared for the purpose of listing the shares on the stock exchange, is published on the Company's website. All amendments have been published in the company's strategy document, annual report of Petrol d.d., Ljubljana and public announcements that are available at the company's website and at the website of the Ljubljana Stock Exchange, d.d. (SEOnet). In February 2012, a new prospectus of Petrol d.d., Ljubljana for admission of bonds to trading on a regulated market was prepared.

Events after the end of the period

- By purchasing an 85-percent interest in the company Beogas Invest d.o.o., Belgrade, in April 2012, Petrol d.d., Ljubljana acquired a company that distributes natural gas in three Belgrade municipalities.

FINANCIAL REPORT

FINANCIAL STATEMENTS OF THE PETROL GROUP AND THE COMPANY PETROL D.D., LJUBLJANA

Income statement of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Notes	Petrol Group			Petrol d.d.		
		1-3 2012	1-3 2011	Index 12/11	1-3 2012	1-3 2011	Index 12/11
Sales revenue		903,266,244	749,250,590	121	777,081,277	638,294,208	122
Cost of merchandise sold		(816,378,582)	(671,252,422)	122	(713,334,314)	(579,223,119)	123
Gross profit		86,887,662	77,998,168	111	63,746,963	59,071,089	108
Cost of materials	3	(10,105,783)	(8,369,046)	121	(3,084,724)	(3,160,041)	98
Cost of services	4	(28,356,144)	(27,862,165)	102	(29,083,502)	(27,915,458)	104
Labour costs	5	(14,759,015)	(12,461,342)	118	(5,947,543)	(5,979,072)	99
Depreciation and amortisation	6	(9,932,461)	(8,685,020)	114	(5,966,223)	(5,769,569)	103
Other costs	7	(913,444)	(760,843)	120	(584,224)	(511,622)	114
Operating costs		(64,066,847)	(58,138,416)	110	(44,666,216)	(43,335,762)	103
Other revenue	2	1,456,301	1,449,660	100	1,090,480	1,235,551	88
Other expenses		(390,473)	(186,272)	210	(4,782)	(4,219)	113
Operating profit		23,886,643	21,123,140	113	20,166,444	16,966,659	119
Share of profit from equity accounted investees		3,480,424	2,845,281	122	-	-	-
Finance income from dividends from subsidiaries, associates and jointly		-	-	-	5,952,841	5,443,673	109
Other finance income		19,355,723	16,745,271	116	18,136,480	14,956,907	121
Other finance expenses		(30,931,723)	(29,107,052)	106	(28,684,333)	(26,120,936)	110
Net finance costs	8	(11,576,000)	(12,361,781)	94	(10,547,853)	(11,164,029)	94
Profit before tax		15,791,067	11,606,640	136	15,571,431	11,246,303	138
Tax expense		(3,123,976)	(1,885,964)	166	(2,100,295)	(1,193,395)	176
Deferred tax		278,066	82,953	335	208,646	0	-
Tax		(2,845,910)	(1,803,011)	158	(1,891,649)	(1,193,395)	159
Net profit for the period		12,945,157	9,803,629	132	13,679,782	10,052,908	136
Net profit attributable to:							
Owners of the controlling company		13,107,552	9,791,266	134	-	-	-
Non-controlling interest		(162,395)	12,363	-	-	-	-
Basic and diluted earnings per share	9	6.36	4.75		6.64	4.88	

Statement of comprehensive income of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Net profit for the period	12,945,157	9,803,629	13,679,782	10,052,908
Net effective portion of changes in fair value of cash flow hedges	20,044	2,559,804	20,044	2,559,803
Foreign exchange differences	(1,716,864)	394,864	-	-
Other comprehensive income	(1,696,820)	2,954,668	20,044	2,559,803
Total comprehensive income for the year	11,248,337	12,758,297	13,699,826	12,612,711
Total comprehensive income attributable to:				
Owners of the controlling company	11,341,359	12,691,472	-	-
Non-controlling interest	(93,022)	66,825	-	-

Statement of financial position of the Petrol Group and Petrol d.d., Ljubljana

(In EUR)	Notes	Petrol Group			Petrol d.d.		
		31 December 2012	31 December 2011	Index 12/11	31 December 2012	31 December 2011	Index 12/11
ASSETS							
Non-current (long-term) assets							
Intangible assets	10	176,215,647	176,628,810	100	55,419,629	55,683,732	100
Property, plant and equipment	11	599,442,485	601,702,624	100	279,325,567	281,269,534	99
Investment property		13,362,377	13,557,862	99	13,220,232	13,422,848	98
Investments in subsidiaries	12	-	-	-	315,824,342	298,499,439	106
Investments in jointly controlled entities	13	38,086,524	37,964,476	100	2,703,500	2,583,500	105
Investments in associates	14	102,885,087	99,406,712	103	135,743,305	135,743,305	100
Available for sale financial assets	15	7,483,097	7,568,721	99	7,353,151	7,438,775	99
Financial receivables		2,512,350	2,924,920	86	8,059,042	8,104,316	99
Operating receivables		850,232	925,709	92	725,897	748,164	97
Deferred tax assets		43,602,637	43,457,608	100	44,011,702	43,808,067	100
		984,440,436	984,137,442	100	862,386,367	847,301,680	102
Current assets							
Inventories	16	148,006,517	100,583,405	147	125,760,640	79,861,445	157
Assets held for disposal		9,094,914	9,129,811	100	0	0	-
Financial receivables	17	16,024,647	15,671,856	102	5,945,163	12,993,255	46
Operating receivables	18	370,083,096	352,044,457	105	333,092,364	317,225,816	105
Corporate income tax receivables		142,507	76,210	187	0	0	-
Financial assets at fair value through profit or loss	19	1,485,207	7,942,414	19	1,485,207	7,942,414	19
Prepayments and other assets	20	7,992,175	6,675,014	120	4,376,724	4,155,951	105
Cash and cash equivalents		23,995,428	60,701,551	40	24,805,672	32,949,888	75
		576,824,491	552,824,718	104	495,465,770	455,128,769	109
Total assets		1,561,264,927	1,536,962,160	102	1,357,852,137	1,302,430,449	104
EQUITY AND LIABILITIES							
Equity attributable to owners of the Petrol Group							
Called-up capital		52,240,977	52,240,977	100	52,240,977	52,240,977	100
Capital surplus		80,991,385	80,991,385	100	80,991,385	80,991,385	100
Legal reserves		62,007,289	62,007,289	100	61,749,884	61,749,884	100
Reserves for own shares		2,604,670	2,604,670	100	2,604,670	2,604,670	100
Own shares		(2,604,670)	(2,604,670)	100	(2,604,670)	(2,604,670)	100
Other revenue reserves		131,624,154	132,714,209	99	119,107,103	119,107,103	100
Fair value reserves		-	-	-	66,586,771	66,586,771	100
Hedging reserves		(4,801,970)	(4,822,014)	100	(4,801,970)	(4,822,014)	100
Revaluation reserves		244,566	244,566	100	-	-	-
Foreign exchange differences		(5,959,284)	(4,173,047)	143	-	-	-
Retained earnings		104,724,944	91,617,392	114	19,483,339	5,803,557	336
		421,072,061	410,820,757	102	395,357,489	381,657,663	104
Non-controlling interest		29,447,377	30,815,344	96			
Total equity		450,519,438	441,636,101	102	395,357,489	381,657,663	104
Non-current liabilities							
Provisions for employee benefits		4,213,686	4,215,098	100	2,066,543	2,066,543	100
Other provisions		2,609,411	2,814,557	93	2,538,403	2,538,403	100
long-term deferred revenue		13,005,019	13,148,814	99	12,362,135	12,684,493	97
Financial liabilities	21	363,924,104	373,306,652	97	304,488,468	311,942,456	98
Operating liabilities		27,905,324	27,380,320	102	27,816,786	27,291,782	102
Deferred tax liabilities		6,160,204	6,332,403	97	16,646,693	16,646,694	100
		417,817,748	427,197,844	98	365,919,028	373,170,370	98
Current liabilities							
Financial liabilities	21	335,144,939	238,316,123	141	313,293,933	212,757,746	147
Operating liabilities	22	326,294,922	406,362,859	80	267,766,716	327,506,950	82
Corporate income tax liabilities		2,530,999	2,034,195	124	1,168,553	891,348	131
Liabilities held for disposal		12,803,306	12,812,196	100	0	0	-
Other liabilities	23	16,153,575	8,602,842	188	14,346,418	6,446,372	223
		692,927,741	668,128,215	104	596,575,620	547,602,416	109
Total liabilities		1,110,745,489	1,095,326,059	101	962,494,648	920,772,786	105
Total equity and liabilities		1,561,264,927	1,536,962,160	102	1,357,852,137	1,302,430,449	104

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Hedging reserve	Investment revaluation reserves	Foreign exchange differences	Retained earnings	Equity attributable to owners of the Petrol Group	Equity attributable to non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
As at 1 January 2011	52,240,977	80,991,385	61,989,613	2,604,670	(2,604,670)	119,367,602	(6,003,684)	401,641	(3,803,768)	64,940,254	370,124,020	34,458,004	404,582,024
Transactions with owners	0	0	-	0	0	0	0	0	0	0	0	0	0
Net profit for the current year							2,559,804		340,402	9,791,266	9,791,266	12,363	9,803,629
Other changes in comprehensive income											2,900,206	54,462	2,954,668
Total changes in comprehensive income	0	0	0	0	0	0	2,559,804	0	340,402	9,791,266	12,691,472	66,825	12,758,297
As at 31 March 2011	52,240,977	80,991,385	61,989,613	2,604,670	(2,604,670)	119,367,602	(3,443,881)	401,641	(3,463,366)	74,731,521	382,815,492	34,524,828	417,340,320
As at 1 January 2012	52,240,977	80,991,385	62,007,289	2,604,670	(2,604,670)	132,714,209	(4,822,014)	244,566	(4,173,047)	91,617,392	410,820,757	30,815,344	441,636,101
Decrease of non-controlling						(1,090,055)					(1,090,055)	(1,274,945)	(2,365,000)
Transactions with owners	0	0	0	0	0	(1,090,055)	0	0	0	0	(1,090,055)	(1,274,945)	(2,365,000)
Net profit for the current year							20,044		(1,786,237)	13,107,552	13,107,552	(162,395)	12,945,157
Other changes in comprehensive income											(1,766,193)	69,373	(1,696,820)
Total changes in comprehensive income	0	0	0	0	0	0	20,044	0	(1,786,237)	13,107,552	11,341,359	(93,022)	11,248,337
As at 31 March 2012	52,240,977	80,991,385	62,007,289	2,604,670	(2,604,670)	131,624,154	(4,801,970)	244,566	(5,959,284)	104,724,944	421,072,061	29,447,377	450,519,438

Statement of changes in equity of Petrol d.d., Ljubljana

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
As at 1 January 2011	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	109,792,331	101,857,024	(6,003,684)	18,973,201	419,601,118
Net profit for the current year									10,052,908	10,052,908
Other changes in comprehensive income									2,559,803	2,559,803
Total changes in comprehensive income	0	0	0	0	0	0	0	0	2,559,803	10,052,908
As at 31 March 2011	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	109,792,331	101,857,024	(3,443,882)	29,026,109	432,213,828
As at 1 January 2012	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	119,107,103	66,586,771	(4,822,014)	5,803,557	381,657,663
Net profit for the current year									13,679,782	13,679,782
Other changes in comprehensive income									20,044	20,044
Total changes in comprehensive income	0	0	0	0	0	0	0	0	20,044	13,699,826
As at 31 March 2012	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	119,107,103	66,586,771	(4,801,970)	19,483,339	395,357,489

Cash flow statement of the Petrol Group and Petrol d.d., Ljubljana

(in EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Cash flows from operating activities				
Net profit for the period	12,945,157	9,803,629	13,265,024	10,052,908
Adjustments for:				
Taxes	2,845,910	1,803,011	1,891,649	1,193,395
Depreciation of property, plant and equipment	8,938,370	7,830,430	5,138,319	5,062,362
Amortisation of intangible assets	994,091	854,590	827,904	707,207
(Gain) / loss on disposal of property, plant and equipment	(25,842)	(13,193)	5,184	(12,923)
Revenues from assets under management	(16,350)	(16,350)	(16,350)	(16,350)
Net (decrease in)/creation of provisions for employee benefits	(348,940)	(255,815)	(322,357)	(240,443)
Change in inventories	340,992	(296,675)	116,441	(52,080)
Net write-down of operating receivables	28,501	(69,674)	27,749	(22,130)
Net (decrease in)/creation of allowance for operating receivables	1,355,362	576,003	1,071,425	0
Net finance (income)/expense	5,659,416	3,910,159	5,290,150	3,654,107
Share of profit of jointly controlled entities	(2,049)	(675,251)	0	0
Share of profit of associates	(3,478,375)	(2,170,030)	0	0
Finance income from dividends received from subsidiaries	0	0	(5,952,841)	(5,183,683)
Finance income from dividends received from associates	0	0	0	(259,990)
Cash flow from operating activities before the change of working capital	29,236,243	21,280,834	21,342,297	14,882,380
Net (decrease in)/creation of other liabilities	7,550,733	874,503	7,900,046	1,168,728
Net decrease in/(creation of) other assets	(1,103,936)	(677,906)	(978,967)	(343,690)
Change in inventories	(47,764,104)	(25,019,234)	(45,906,324)	(25,035,792)
Change in operating and other receivables	(11,540,093)	(14,676,702)	(9,028,158)	(9,417,629)
Change in operating and other liabilities	(63,869,130)	(43,466,703)	(52,064,066)	3,486,681
Cash generated from operations	(87,490,287)	(61,685,208)	(78,735,172)	(15,259,322)
Interest paid	(8,241,544)	(4,322,798)	(6,848,172)	(3,639,845)
Taxes paid	(2,686,198)	(2,018,116)	(1,823,091)	(1,699,747)
Net cash from operating activities	(98,418,029)	(68,026,122)	(87,406,435)	(20,598,914)
Cash flows from investing activities				
Payments for investments in subsidiaries	(2,321,844)	0	(16,995,000)	0
Payments for investments in jointly controlled entities	(120,000)	0	(120,000)	0
Receipts from intangible assets	8,715	201,160	0	0
Payments for intangible assets	(762,462)	(4,898,080)	(741,679)	(4,767,922)
Receipts from property, plant and equipment	909,636	757,087	139,576	439,947
Payments for property, plant and equipment	(21,778,903)	(9,897,227)	(7,933,142)	(4,423,909)
Receipts from loans granted	1,249,912	658,638	9,602,968	7,045,776
Payments for loans granted	(1,185,769)	(2,071,310)	(2,489,129)	(8,236,980)
Interest received	1,365,432	1,836,302	1,533,423	2,642,492
Dividends received from subsidiaries	0	0	5,952,841	5,183,683
Dividends received from associates	0	259,990	0	259,990
Dividends received from others	0	48,111	0	48,111
Net cash from investing activities	(22,635,283)	(13,105,329)	(11,050,142)	(1,808,812)
Cash flows from financing activities				
Payments for bonds issued	(29,044)	(5,118)	(29,044)	(5,118)
Proceeds from borrowings	423,347,815	466,856,868	420,570,926	237,384,331
Repayment of borrowings	(338,317,133)	(387,304,674)	(330,220,210)	(217,756,533)
Dividends paid to shareholders	(9,311)	(5,895)	(9,311)	(5,895)
Net cash from financing activities	84,992,327	79,541,181	90,312,361	19,616,786
Increase / (decrease) in cash and cash equivalents	(36,060,985)	(1,590,270)	(8,144,217)	(2,790,941)
Changes in cash and cash equivalents				
At the beginning of the year	60,701,551	17,543,771	32,949,888	14,773,479
Translation differences	(645,138)	27,090	0	0
Increase/(decrease)	(36,060,985)	(1,590,270)	(8,144,217)	(2,790,941)
At the end of the period	23,995,428	15,980,591	24,805,672	11,982,538

NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. The address of the Company's registered office is Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 31 March 2012 and separate financial statements of the company Petrol d.d., Ljubljana for the year ended 31 March 2012. The consolidated financial statements comprise the Company and its subsidiaries and the Group's interests in associates and jointly controlled entities (together referred to as the "Group"). A more detailed overview of the Group's structure is presented chapter Organisational structure of the Petrol Group in Appendix 1 of this report.

BASIS OF PREPARATION

a. Statement of compliance

The financial statements of Petrol d.d., Ljubljana and consolidated financial statements of the Petrol Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Company's management approved the Company's financial statements and the Group's consolidated financial statements on 9 May 2012.

These financial statements are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2011. For interim financial reporting IAS 34 - Interim Financial Reporting is applied.

b. Basis of measurement

The consolidated and separate financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are carried at fair value:

- derivative financial instruments,
- financial assets at fair value through profit or loss,
- available-for-sale financial assets,
- investments in associates and jointly controlled entities (applies to the Company).

c. Functional and presentation currency

These financial statements are presented in euros (EUR) without cents, the euro also being the Company's functional currency. Due to rounding, some immaterial differences may arise as concerns the sums presented in tables.

d. Use of estimates and judgements

Preparation of financial statements requires management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of financial statements, and the reported amounts of revenue and expenses in the reporting period.

Estimates and assumptions are used in the following judgements:

- estimating useful lives of depreciable assets,
- asset impairment testing,
- estimating the fair value of investments in associates and jointly controlled entities (applies to the Company only),
- estimating the fair value of available-for-sale financial assets,
- estimating the fair value of financial assets at fair value through profit or loss,
- estimating the fair value of derivative financial instruments,
- estimating the net realisable value of inventories,
- estimating the collectible amount of receivables,
- estimating the necessary amount of provisions, etc.

Because estimates are subject to subjective judgement and a certain degree of uncertainty, actual results might differ from the estimates. How the estimates are produced and the related assumptions and uncertainties are disclosed in the notes to the above items.

Estimates are reviewed regularly. Changes in accounting estimates are recognised in the period in which the estimates are changed if a change affects that period only. If a change affects future periods, they are recognised in the period of the change and in any future periods.

NOTES TO INDIVIDUAL ITEMS IN THE FINANCIAL STATEMENTS

1. Segment reporting

Because the financial report consists of the financial statements and the accompanying notes of the Group as well as of the Company, only the Group's operating segments have been disclosed.

An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses that relate to transactions with any of the Group's other components. The operating results of operating segments are reviewed regularly by the executive officers of the Group to make decisions about resources to be allocated to a segment and assess the performance of the Group.

The Group's executive officers monitor information on two levels: on the micro level, in which case individual units are monitored, and on the macro level, where information is monitored only in terms of certain key information that can be used to make comparisons with similar companies in Europe. Given the enormous amount of information and their sensitivity on the micro level, the Group only discloses macro-level information in its annual report.

The Group thus uses the following segments in the preparation and presentation of the financial statements:

- oil and merchandise sales,
- energy activities.

Oil and merchandise sales consist of:

- sale of petroleum products,
- sale of merchandise.

Supplementary merchandise is comprised of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards.

Energy activities consist of:

- gas and heat

- electricity
- environmental and energy solution.

The Group's operating segments in the period 1-3 2011:

(in EUR)	Oil and merchandise sales	Gas, environmental and other energy activities	Total	Income statement/ Statement of financial position
Sales revenue	1,030,919,067	59,914,415	1,090,833,482	
Revenue form subsidiaries	(334,711,803)	(6,871,089)	(341,582,892)	
Sales revenue	696,207,264	53,043,325	749,250,590	749,250,590
Estimated net profit for the year	4,814,146	4,989,483	9,803,629	9,803,629
Interest income*	1,568,412	593,221	2,161,633	2,161,633
Interest expense*	(3,406,419)	(1,288,411)	(4,694,830)	(4,694,830)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(7,076,845)	(1,608,175)	(8,685,020)	(8,685,020)
Share of profit form equity accounted investees	426,311	2,418,970	2,845,281	2,845,281
Total assets	1,072,579,904	236,621,420	1,309,201,324	1,309,201,324
Equity accounted investees	39,145,693	99,361,664	138,507,357	138,507,357
Property, plant and equipment, intangible assets and investment property	504,713,945	106,342,650	611,056,595	611,056,595
Other assets	528,720,266	30,917,106	559,637,372	559,637,372

* Interest income and expenses are estimated based on a segment's share of investments and assets in total investments and assets.

The Group's operating segments in the period 1-3 2012:

(in EUR)	Oil and merchandise sales	Gas, environmental and other energy activities	Total	Income statement/ Statement of financial position
Sales revenue	911,135,178	96,656,868	1,007,792,047	
Revenue form subsidiaries	(92,287,275)	(12,238,529)	(104,525,804)	
Sales revenue	818,847,904	84,418,339	903,266,244	903,266,244
Estimated net profit for the year	7,612,156	5,333,001	12,945,157	12,945,157
Interest income*	1,474,127	618,279	2,092,406	2,092,406
Interest expense*	(5,333,378)	(2,236,926)	(7,570,304)	(7,570,304)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(7,768,406)	(2,164,055)	(9,932,461)	(9,932,461)
Share of profit form equity accounted investees	(121,645)	3,602,069	3,480,424	3,480,424
Total assets	1,235,622,974	325,641,952	1,561,264,927	1,561,264,927
Equity accounted investees	2,309,604	138,662,007	140,971,611	140,971,611
Property, plant and equipment, intangible assets and investment property	652,881,972	136,138,537	789,020,509	789,020,509
Other assets	580,431,398	50,841,408	631,272,807	631,272,807

* Interest income and expenses are estimated based on a segment's share of investments and assets in total investments and assets.

2. Other revenue

(In EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Reversal of accrued costs, expenses	115,449	506,956	85,634	483,339
Utilisation of environmental provisions	409,869	404,870	404,603	404,870
Cash discounts, rebates received	167,635	79,537	(10,336)	56,675
Compensation from insurance companies	23,066	55,289	21,116	26,308
Payment of court fees	56,856	28,616	51,266	23,948
Gain on disposal of fixed assets	41,795	28,123	6,622	27,954
Penalties received	17,268	20,388	17,268	20,350
Other revenue	624,363	325,881	514,307	192,107
Total other revenue	1,456,301	1,449,660	1,090,480	1,235,551

3. Costs of material

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Costs of energy	8,265,748	6,510,448	2,066,213	1,844,932
Costs of consumables	1,559,840	1,621,977	925,960	1,170,129
Write-off of small tools	78,465	31,422	5,200	5,895
Other costs of materials	201,731	205,199	87,352	139,085
Total costs of materials	10,105,783	8,369,046	3,084,724	3,160,041

4. Costs of services

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Costs of service station managers	7,743,638	7,260,117	7,439,843	6,908,629
Costs of transport services	6,336,408	7,043,020	6,691,517	6,726,788
Lease payment	1,324,273	2,564,398	2,179,606	2,238,952
Costs of fixed asset maintenance services	2,493,756	1,973,542	2,207,065	1,997,806
Costs of fairs, advertising and entertainment	1,658,052	1,494,953	1,403,040	1,323,193
Costs of payment transactions and bank services	1,914,370	1,485,993	1,462,108	1,210,939
Costs of professional services	1,351,981	1,166,670	725,464	855,785
Contributions for operating along motorways	1,109,095	1,112,162	974,922	890,505
Costs of insurance premiums	1,037,687	903,190	668,232	665,137
Costs of fire protection and physical and technical security	409,789	428,678	377,582	428,762
Costs of environmental services	285,662	299,997	231,427	257,423
Property management	286,366	266,972	3,667,056	3,267,067
Concession charges	280,204	263,686	168,540	152,998
Fees for the building site use	337,487	262,565	309,318	234,014
Reimbursement of work-related costs to employees	248,375	219,392	66,829	64,284
Outsourcing costs	455,180	109,669	0	520
Membership fees	160,224	63,653	46,561	27,263
Other costs of services	923,597	943,508	464,392	665,393
Total costs of services	28,356,144	27,862,165	29,083,502	27,915,458

5. Labour costs

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Salaries	10,935,441	9,197,386	4,398,321	4,481,232
Costs of pension insurance	795,706	651,654	417,980	420,085
Costs of other insurance	1,079,286	855,257	342,405	303,412
Transport allowance	547,870	441,218	166,014	154,955
Meal allowance	403,162	294,861	140,929	130,567
Annual leave allowance	322,786	339,745	141,225	141,439
Supplementary pension insurance	228,475	200,367	127,983	123,380
Other allowances and reimbursements	446,289	480,854	212,686	224,002
Total labour costs	14,759,015	12,461,342	5,947,543	5,979,072

6. Depreciation and amortisation

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Amortisation of intangible assets	994,091	854,590	827,903	707,207
Depreciation of property, plant and equipment	8,737,027	7,627,839	4,929,845	4,852,640
Depreciation of investment property	201,343	202,591	208,475	209,722
Total depreciation and amortisation	9,932,461	8,685,020	5,966,223	5,769,569

7. Other costs

(in EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Sponsorships and donations	430,426	327,944	321,244	289,810
Environmental charges and charges unrelated to operations	221,895	36,469	80,971	74,174
Loss on sale/elimination of property, plant and equipment	15,953	15,031	11,807	15,031
Other costs	245,170	381,399	170,202	132,607
Total other costs	913,444	760,843	584,224	511,622

8. Other financial income and expenses

(in EUR)	Petrol Group		Petrol d.d.	
	1-3.2012	1-3.2011	1-3.2012	1-3.2011
Foreign exchange differences	7,738,610	10,299,439	7,235,478	9,272,270
Gain on derivatives	8,599,824	4,056,970	8,599,824	4,056,970
Interest income	2,092,406	2,161,633	1,546,081	1,557,426
Allowances for receivables reversed	176,274	177,717	6,488	0
Other finance income	748,609	49,512	748,609	70,241
Total other finance income	19,355,723	16,745,271	18,136,480	14,956,907
Loss on derivatives	(14,801,381)	(18,084,817)	(14,801,381)	(18,084,817)
Foreign exchange differences	(6,909,516)	(5,117,276)	(6,038,195)	(3,843,651)
Interest expense	(7,570,304)	(4,694,830)	(6,651,895)	(3,882,615)
Allowance for operating receivables	(1,560,137)	(880,432)	(1,105,661)	0
Other finance expenses	(90,385)	(329,697)	(87,201)	(309,853)
Total other finance expenses	(30,931,723)	(29,107,052)	(28,684,333)	(26,120,936)
Net total	(11,576,000)	(12,361,781)	(10,547,853)	(11,164,029)

9. Earnings per share

	Petrol Group		Petrol d.d.	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Net profit (in EUR)	13,107,552	9,791,266	13,679,782	10,052,908
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at beginning of the year	24,703	24,703	24,703	24,703
Number of own shares at end of the year	24,703	24,703	24,703	24,703
Weighted average number of ordinary shares issued	2,061,598	2,061,598	2,061,598	2,061,598
Diluted average number of ordinary shares	2,061,598	2,061,598	2,061,598	2,061,598
Basic and diluted earnings per share (in EUR/share)	6.36	4.75	6.64	4.88

Basic earnings per share are calculated by dividing the owners' net profit by the weighted average number of ordinary shares, excluding ordinary shares owned by the Company. The Group and the Company have no potential dilutive ordinary shares, so the basic and diluted earnings per share are identical.

10. Intangible assets

Intangible assets of the Petrol Group

(In EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2011	5,561,566	78,122,277	15,175,764	123,170	98,982,777
New acquisitions	0	0	0	4,897,546	4,897,546
Disposals	0	(162,479)	0	(38,691)	(201,170)
Transfer from ongoing investments	298,606	656,755	0	(955,361)	0
Translation differences	261	2,276	0	64	2,601
As at 31 March 2011	5,860,433	78,618,829	15,175,764	4,026,728	103,681,754
Accumulated amortisation					
As at 1 January 2011	(4,096,899)	(14,864,423)	0	0	(18,961,323)
Amortisation	(137,966)	(716,624)	0	0	(854,590)
Disposals	0	0	0	0	0
Translation differences	(209)	(856)	0	0	(1,065)
As at 31 March 2011	(4,235,074)	(15,581,903)	0	0	(19,816,978)
Net carrying amount as at 1 January 2011	1,464,666	63,257,854	15,175,764	123,170	80,021,454
Net carrying amount as at 31 March 2011	1,625,360	63,036,926	15,175,764	4,026,728	83,864,777

(In EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2012	6,523,405	81,843,672	108,891,075	1,872,829	199,130,981
New acquisitions	0	0	0	762,462	762,462
Disposals	(96,064)	(4,126,310)	0	(471,320)	(4,693,694)
Transfer from ongoing investments	1,372,689	8,658	0	(1,381,347)	0
Translation differences	653	6,756	0	188	7,597
As at 31 March 2012	7,800,683	77,732,776	108,891,075	782,812	195,207,346
Accumulated amortisation					
As at 1 January 2012	(4,747,029)	(17,755,141)	0	0	(22,502,171)
Amortisation	(216,501)	(777,590)	0	0	(994,091)
Disposals	80,888	4,426,216	0	0	4,507,104
Translation differences	(5)	(2,538)	0	0	(2,543)
As at 31 March 2012	(4,882,647)	(14,109,053)	0	0	(18,991,701)
Net carrying amount as at 1 January 2012	1,776,375	64,088,531	108,891,075	1,872,829	176,628,810
Net carrying amount as at 31 March 2012	2,918,037	63,623,723	108,891,075	782,812	176,215,647

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Software	Right to use concession infrastructure	Ongoing investments	Total
Cost				
As at 1 January 2011	5,120,637	62,427,315	18,000	67,565,952
New acquisitions	0	0	4,767,922	4,767,922
Transfer from ongoing investments	298,606	521,577	(820,183)	0
As at 31 March 2011	5,419,243	62,948,892	3,965,739	72,333,874
Accumulated amortisation				
As at 1 January 2011	(3,776,141)	(11,726,464)	0	(15,502,605)
Amortisation	(123,289)	(583,918)	0	(707,207)
As at 31 March 2011	(3,899,430)	(12,310,382)	0	(16,209,812)
Net carrying amount as at 1 January 2011	1,344,496	50,700,851	18,000	52,063,347
Net carrying amount as at 31 March 2011	1,519,813	50,638,510	3,965,739	56,124,062

(in EUR)	Software	Right to use concession infrastructure	Ongoing investments	Total
Cost				
As at 1 January 2012	6,040,559	66,667,367	1,768,582	74,476,508
New acquisitions	0	0	741,679	741,679
Disposals	(78,281)	(4,112,970)	(476,635)	(4,667,886)
Transfer from ongoing investments	1,310,847	3,391	(1,314,238)	0
As at 31 March 2012	7,273,125	62,557,788	719,388	70,550,301
Accumulated amortisation				
As at 1 January 2012	(4,368,791)	(14,423,985)	0	(18,792,776)
Amortisation	(196,674)	(631,229)	0	(827,903)
Disposals	59,478	4,430,529	0	4,490,007
As at 31 March 2012	(4,505,987)	(10,624,685)	0	(15,130,672)
Net carrying amount as at 1 January 2012	1,671,768	52,243,382	1,768,582	55,683,732
Net carrying amount as at 31 March 2012	2,767,138	51,933,103	719,388	55,419,629

11. Property, plant and equipment

Property, plant and equipment of Petrol group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2011	182,403,963	489,361,836	24,644,975	140,877,033	34,166,147	871,453,954
New acquisitions	0	0	0	0	4,781,351	4,781,351
Disposals/impairments	(521,664)	(41,878)	(959,355)	(725,312)	(33,127)	(2,281,336)
Transfer from ongoing investments	3,006,807	4,704,322	79,864	5,336,379	(13,127,372)	0
Transfer to investment property	0	(4,050)	0	0	0	(4,050)
Foreign exchange differences	164,475	509,433	0	61,241	403,793	1,138,942
As at 31 March 2011	185,053,582	494,529,664	23,765,485	145,549,342	26,190,793	875,088,866
Accumulated depreciation						
As at 1 January 2011	0	(235,436,168)	(12,241,499)	(107,041,781)	0	(354,719,448)
Depreciation	0	(4,646,595)	(382,664)	(2,605,267)	0	(7,634,526)
Depreciation - impairment	0	6,102	0	585	0	6,687
Disposals	0	0	560,859	8,854	0	569,713
Foreign exchange differences	0	(178,782)	0	(35,510)	0	(214,292)
As at 31 March 2011	0	(240,255,443)	(12,063,304)	(109,673,119)	0	(361,991,866)
Net carrying amount as at 1 January 2011	182,403,963	253,925,668	12,403,476	33,835,252	34,166,147	516,734,506
Net carrying amount as at 31 March 2011	185,053,582	254,274,221	11,702,181	35,876,223	26,190,793	513,097,000
(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2012	202,113,869	544,737,719	26,157,134	158,752,367	46,479,468	978,240,557
New acquisitions	0	0	0	0	8,213,916	8,213,916
Disposals/impairments	(42,521)	(24,561)	(285,376)	(1,003,914)	0	(1,356,372)
Transfer from ongoing investments	607,006	2,242,217	624,253	3,879,520	(7,352,996)	0
Transfer to investment property	0	(5,859)	0	0	0	(5,859)
Transfer from investment property	0	0	0	0	0	0
Foreign exchange differences	1,256	(774,978)	0	2,724	(481,017)	(1,252,015)
As at 31 March 2012	202,679,611	546,174,539	26,496,012	161,630,698	46,859,372	983,840,232
Accumulated depreciation						
As at 1 January 2012	0	(254,256,882)	(11,338,665)	(110,942,387)	0	(376,537,933)
Depreciation	0	(5,452,110)	(407,781)	(2,895,040)	0	(8,754,931)
Depreciation - impairment	0	17,804	0	100	0	17,904
Disposals	0	8,710	0	641,754	0	650,464
Foreign exchange differences	0	243,812	0	(17,062)	0	226,750
As at 31 March 2012	0	(259,438,666)	(11,746,446)	(113,212,635)	0	(384,397,746)
Net carrying amount as at 1 January 2012	202,113,869	290,480,837	14,818,469	47,809,980	46,479,468	601,702,624
Net carrying amount as at 31 March 2012	202,679,611	286,735,873	14,749,566	48,418,063	46,859,372	599,442,485

Property, plant and equipment of Petrol d.d., Ljubljana

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2011	95,443,789	353,479,316	110,843,245	18,014,449	577,780,799
New acquisitions	0	0	0	242,967	242,967
Disposals/impairments	(272,866)	0	(642,168)	(43,766)	(958,800)
Transfer from ongoing investments	2,585,169	1,895,537	3,558,823	(8,039,529)	0
Transfer to investment property	0	(4,050)	0	0	(4,050)
As at 31 March 2011	97,756,092	355,370,803	113,759,900	10,174,121	577,060,916
Accumulated depreciation					
As at 1 January 2011	0	(205,479,128)	(90,824,026)	0	(296,303,154)
Depreciation	0	(3,278,253)	(1,574,387)	0	(4,852,640)
Disposals	0	0	531,850	0	531,850
As at 31 March 2011	0	(208,757,381)	(91,866,563)	0	(300,623,944)
Net carrying amount as at 1 January 2011	95,443,789	148,000,188	20,019,219	18,014,449	281,477,644
Net carrying amount as at 31 March 2011	97,756,092	146,613,422	21,893,337	10,174,121	276,436,972

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2012	98,143,207	364,918,983	118,297,842	11,471,153	592,831,185
New acquisitions	0	0	0	3,299,114	3,299,114
Disposals/impairments	(21,126)	(4,828)	(851,755)	0	(877,709)
Transfer from ongoing investments	35,906	336,245	1,261,032	(1,633,183)	0
Transfer to investment property	0	(5,859)	0	0	(5,859)
As at 31 March 2012	98,157,987	365,244,541	118,707,119	13,137,084	595,246,731
Accumulated depreciation					
As at 1 January 2012	0	(219,208,644)	(92,353,008)	0	(311,561,652)
Depreciation	0	(3,444,725)	(1,485,120)	0	(4,929,845)
Disposals	0	8,715	561,618	0	570,333
As at 31 March 2012	0	(222,644,654)	(93,276,510)	0	(315,921,164)
Net carrying amount as at 1 January 2012	98,143,207	145,710,339	25,944,834	11,471,153	281,269,534
Net carrying amount as at 31 March 2012	98,157,987	142,599,887	25,430,609	13,137,084	279,325,567

12. Investment in subsidiaries

Investments in subsidiaries are eliminated from the Group's financial statements during consolidation.

(in EUR)	Petrol d.d.	
	31 March 2012	31 March 2011
As at 1 January	298,499,439	200,531,434
New acquisitions	17,530,000	0
Disposals	(205,097)	0
As at 31 March	315,824,342	200,531,434

13. Investments in jointly controlled entities

	Petrol Group		Petrol d.d.	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
As at 1 January	37,964,476	16,386,748	2,583,500	61,270,000
New acquisitions	2,049	675,251	0	0
Disposals	120,000	0	120,000	0
As at 31 March	38,086,524	17,061,999	2,703,500	61,270,000

14. Investments in associates

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
As at 1 January	99,406,712	119,535,318	135,743,305	154,860,000
Attributed profit	3,478,375	2,170,031	0	0
Dividends received	0	(259,991)	0	0
As at 31 March	102,885,087	121,445,358	135,743,305	154,860,000

15. Available for sale financial assets

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
As at 1 January	7,568,721	11,338,780	7,438,775	11,259,737
Disposals	(85,624)	0	(85,624)	0
As at 31 March	7,483,097	11,338,781	7,353,151	11,259,737

16. Inventories

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Spare parts and materials inventories	2,028,844	1,916,840	70,843	43,382
Merchandise:				
- fuel	145,695,778	98,368,841	125,407,953	79,520,339
- other petroleum products	115,445,587	67,708,833	100,396,570	54,725,699
- other mercandise	6,775,699	6,686,401	5,484,839	5,421,425
Virtual cards inventories	23,474,492	23,973,607	19,526,544	19,373,215
	281,895	297,724	281,844	297,724
Total inventories	148,006,517	100,583,405	125,760,640	79,861,445

17. Short-term financial receivables

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Loans granted	16,337,774	16,168,386	6,434,367	13,486,421
Allownace for loans granted	(724,525)	(724,733)	(607,684)	(607,890)
Time deposit with banks (3months to 1 year)	346,538	160,906	0	0
Finance lease receivables	0	3,940	0	3,940
Interest receivables	85,252	71,182	137,930	117,669
Allowance for interest receivables	(20,392)	(7,825)	(19,452)	(6,885)
Total current financial receivables	16,024,647	15,671,856	5,945,163	12,993,255

18. Current operating receivables

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Trade receivables	389,555,994	369,173,511	340,920,358	322,842,219
Allowance of trade receivables	(45,803,486)	(44,525,739)	(24,091,650)	(22,993,200)
Operating receivables from state and other institutions	14,695,829	16,614,453	7,424,728	8,557,492
Operating interest receivables	4,604,611	3,815,380	2,822,040	2,916,701
Allowance for operating interest receivables	(2,218,106)	(2,327,557)	(1,256,816)	(1,355,659)
Receivables form insurance companies (loss events)	174,714	173,573	166,808	163,946
Other operating receivables	9,073,540	9,120,836	7,106,896	7,094,317
Total current operating receivables	370,083,096	352,044,457	333,092,364	317,225,816

19. Financial assets at fair value through profit or loss

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Assets arising from forward contracts	0	6,558,462	0	6,558,462
Assets arising from interest rate swaps	0	14,256	0	14,256
Assets arising from commodity swaps	216,345	172,657	216,345	172,657
financial assets under management	1,268,862	1,197,039	1,268,862	1,197,039
Total fin. assets at fair value through profit or loss	1,485,207	7,942,414	1,485,207	7,942,414

20. Prepayments and other assets

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Prepayments	3,869,278	3,656,053	1,255,804	2,013,998
Prepaid insurance premiums	499,295	657,650	181,039	473,456
Uninvoices services and goods	1,288,061	540,810	1,243,462	528,997
Prepaid subscriptions, specialised literature, etc.	514,506	488,736	494,216	475,146
Other current deferred costs and expenses	1,821,035	1,331,765	1,202,203	664,354
Total prepaymnets and other assets	7,992,175	6,675,014	4,376,724	4,155,951

21. Financial liabilities

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Current				
Bank loans	273,342,133	229,462,647	241,374,664	196,320,140
Liabilities to banks arising from interest rate swaps	5,751,037	5,744,138	5,737,164	5,723,956
Liabilities to banks arising from forward transactions	1,677,395	0	1,677,395	0
Liabilities to banks arising from commodity swaps	716,276	254,478	716,276	254,478
Finance lease liabilities	653,292	963,499	0	0
Other loans and financila liabilities	53,004,806	1,891,361	63,788,435	10,459,172
	335,144,939	238,316,123	313,293,933	212,757,746
Non-current				
Bank loans	274,865,648	284,166,462	221,630,006	229,054,950
Bond issued	82,858,462	83,331,215	82,858,462	82,887,506
Finance lease liabilities	4,576,224	4,620,314	0	0
Loans obtained form other companies	1,623,770	1,188,661	0	0
	363,924,104	373,306,652	304,488,468	311,942,456
Total financial liabilities	699,069,043	611,622,775	617,782,401	524,700,202

22. Current operating liabilities

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Trade liabilities	213,975,902	269,519,326	176,549,183	212,505,309
Excise duty liabilities	52,614,354	49,795,483	49,150,542	46,291,421
Value added tax liabilities	22,462,916	20,831,879	20,100,956	17,713,832
Import duty liabilities	13,074,781	12,743,775	6,280,891	5,780,860
Liabilities to employees	7,976,181	6,944,340	4,409,055	3,774,656
Environment pollution charge liabilities	5,094,997	3,250,143	5,074,517	3,221,645
Social security contribution contributions	760,501	635,126	262,283	262,635
Liabilities arising from prepayments and collateral	1,070,519	1,104,148	966,146	943,889
Liabilities associated with the distribution of profit	412,261	426,232	412,261	418,873
Other liabilities to state and other state institutions	510,842	329,781	229,857	105,035
Liabilities arising from interests acquired	2,861,978	34,661,978	2,861,978	34,661,978
Other liabilities	5,479,690	6,120,648	1,469,048	1,826,817
Total current operating and other liabilities	326,294,922	406,362,859	267,766,716	327,506,950

23. Other liabilities

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Accrued environmental expenses	1,293,132	1,293,132	1,293,132	1,293,132
Accrued annual leave expenses	1,482,185	1,511,914	889,792	889,792
Accrued litigation expenses	311,099	281,476	206,684	206,684
Accrued goods shortages	1,086,330	543,165	1,086,330	543,165
Accrued expenses for tanker demurrage	565,583	502,665	565,583	502,665
Accrued concession fee expenses	100,036	142,102	51,681	142,102
Accrued motorway site lease payments	150,518	342,654	150,518	285,014
Other accrued cost	4,878,143	1,312,868	4,361,739	574,655
Deferred Magna prepayment card revenues	462,956	474,832	462,956	474,832
Deferred revenue from interest income	614,443	614,443	614,443	614,443
Other deferred revenue	5,209,150	1,583,591	4,663,560	919,888
Total accrued and deferred revenues	16,153,575	8,602,842	14,346,418	6,446,372

24. Financial instruments and risks

This chapter presents disclosures about financial instruments and risks. Risk management is explained in chapter Business risks.

Credit risk

The Group is exposed to various types of financial risks, which are regularly monitored by relevant departments and responded to in time by taking appropriate measures and using various hedging instruments.

Having maximum exposure to credit risk is the carrying amount of financial assets which was the following as at 31 March 2012:

(in EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Available-for-sale financial assets	7,483,097	7,568,721	7,353,151	7,438,775
Non-current financial receivables	2,512,350	2,924,920	8,059,042	8,104,316
Non-current operating receivable	2,276,636	2,352,113	2,152,301	2,174,568
Current financial receivables	16,769,564	16,404,414	6,572,298	13,608,030
Current operating receivable	418,104,688	398,897,753	358,440,830	341,574,675
Financial assets at fair value through profit or loss	1,485,207	7,942,414	1,485,207	7,942,414
Cash and cash equivalents	23,995,428	60,701,551	24,805,672	32,949,888
Total assets	472,626,970	496,791,886	408,868,501	413,792,666

The item that was most exposed to credit risk on the reporting date were short-term operating receivables.

The Group's short-term operating receivables by maturity:

(in EUR)	breakdown by maturity					Total
	not yet due	up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	more than 90 days overdue	
Trade receivables	258,155,204	42,808,178	13,069,263	5,318,508	49,822,358	369,173,511
Allowances for trade receivables	0	(7,899)	(11,694)	(3,899,769)	(40,606,377)	(44,525,739)
Operating receivables from state and other institutions	16,223,575	129,531	250,445	10,902	0	16,614,453
Interest receivables	1,028,583	336,369	132,492	295,483	2,022,453	3,815,380
Allowances for interest receivables	0	0	(29,665)	(292,692)	(2,005,200)	(2,327,557)
Other receivables	8,445,294	1,101	1,825	4,255	841,934	9,294,409
As at 31 December 2011	283,852,656	43,267,280	13,412,666	1,436,687	10,075,168	352,044,457

(in EUR)	breakdown by maturity					Total
	not yet due	up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	more than 90 days overdue	
Trade receivables	272,856,228	39,462,883	10,595,627	8,762,117	57,879,139	389,555,994
Allowances for trade receivables	0	(15,250)	(1,300)	(3,469,737)	(42,317,199)	(45,803,486)
Operating receivables from state and other institutions	14,329,356	266,029	100,444	0	0	14,695,829
Interest receivables	1,153,788	657,472	321,424	208,192	2,263,735	4,604,611
Allowances for interest receivables	0	(10,845)	0	(53,102)	(2,154,159)	(2,218,106)
Other receivables	8,161,044	81,652	9,322	8,697	987,539	9,248,254
As at 31 March 2012	296,500,416	40,441,941	11,025,517	5,456,167	16,659,055	370,083,096

The Company's short-term operating receivables by maturity:

(in EUR)	breakdown by maturity					Total
	not yet due	up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	more than 90 days overdue	
Trade receivables	234,346,336	40,925,310	14,505,767	1,542,326	31,522,480	322,842,219
Allowances for trade receivables	0	0	0	(976,124)	(22,017,076)	(22,993,200)
Interest receivables	487,843	77,791	73,489	318,806	1,344,332	2,302,261
Allowances for interest receivables	0	0	0	(151,319)	(1,204,340)	(1,355,659)
Other receivables	16,430,195	0	0	0	0	16,430,195
As at 31 December 2011	251,264,374	41,003,101	14,579,256	733,689	9,645,396	317,225,816

(in EUR)	breakdown by maturity					Total
	not yet due	up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	more than 90 days overdue	
Trade receivables	243,958,926	43,978,262	12,185,082	4,630,454	36,167,634	340,920,358
Allowances for trade receivables	0	0	0	(3,286,924)	(20,804,726)	(24,091,650)
Interest receivables	398,819	85,837	59,658	91,785	1,571,498	2,207,597
Allowances for interest receivables	0	0	0	(48,037)	(1,208,779)	(1,256,816)
Other receivables	15,312,875	0	0	0	0	15,312,875
As at 31 March 2012	259,670,620	44,064,099	12,244,740	1,387,278	15,725,627	333,092,364

Changes in allowances for operating receivables of the Group:

(in EUR)	Allowance for short-term operating receivables	Allowance for short-term interest receivables	Total
As at 1 January 2011	(26,419,513)	(1,066,993)	(27,486,506)
Net changes in allowances affecting profit or loss	(18,579,856)	(1,137,592)	(19,717,448)
Changes in allowances not affecting profit or loss	1,598,574	(134,765)	1,463,809
New acquisitions as a result of business combination	(1,362,800)	0	(1,362,800)
Foreign exchange differences	237,856	11,793	249,649
As at 31 December 2011	(44,525,739)	(2,327,557)	(46,853,296)
(in EUR)	Allowance for short-term operating receivables	Allowance for short-term interest receivables	Total
As at 1 January 2012	(44,525,739)	(2,327,557)	(46,853,296)
Net changes in allowances affecting profit or loss	(1,468,081)	112,719	(1,355,362)
Changes in allowances not affecting profit or loss	27,743	(999)	26,744
Write-downs	203,695	0	203,695
Foreign exchange differences	(41,104)	(2,269)	(43,373)
As at 31 March 2012	(45,803,486)	(2,218,106)	(48,021,592)

Changes in allowances for operating receivables of the Company:

(in EUR)	Allowance for short-term operating receivables	Allowance for short-term interest receivables	Total
As at 1 January 2011	(17,211,342)	(1,002,968)	(18,214,310)
Net changes in allowances affecting profit or loss	(6,901,847)	(217,982)	(7,119,829)
Changes in allowances not affecting profit or loss	0	(187,386)	(187,386)
Write-downs	1,119,989	52,676	1,172,665
As at 31 December 2011	(22,993,200)	(1,355,660)	(24,348,860)
(in EUR)	Allowance for short-term operating receivables	Allowance for short-term interest receivables	Total
As at 1 January 2012	(22,993,200)	(1,355,660)	(24,348,860)
Net changes in allowances affecting profit or loss	(178,032)	106,607	(71,425)
Changes in allowances not affecting profit or loss	0	(7,763)	(7,763)
Write-downs	79,582	0	79,582
As at 31 March 2012	(23,091,650)	(1,256,816)	(24,348,466)

The Group/Company measures the degree of receivables management using days sales outstanding:

(in days)	Petrol Group		Petrol d.d.	
	1 - 3 2012	1 - 12 2011	1 - 3 2012	1 - 12 2011
Days sales outstanding				
Contract days	40	38	40	40
Overdue receivables ind avs	19	21	15	17
Total days sales outstanding	58	59	55	57

Liquidity risk

The Group/Company manages liquidity risks through:

- standardised and centralised treasury management at Group level,
- uniform approach to banks in Slovenia and abroad,
- computer-assisted system for the management of cash flows of the parent company and all its subsidiaries,
- centralised collection of available cash through cash pooling.

Half of the Group's/Company's total revenue is generated through its retail network in which cash and payment cards are used as the means of payment. This ensures regular daily inflows and mitigates liquidity risks.

In addition, the Group/Company has credit lines at its disposal both in Slovenia and abroad, the size of which enables the Group to meet all its due liabilities at any given moment. Due to the financial crisis, the Group/Company now devotes even more attention to the planning of cash flows, which enables it to anticipate any liquidity surpluses or shortages in time and manage them optimally.

The majority of financial liabilities arising from long-term and short-term loans are those of the parent company, which also generates the majority of revenue.

The Group's liabilities as at 31 December 2011 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	more than 5 years
Non-current financial liabilities	373,306,652	0	0	332,740,608	40,566,044
Non-current operating liabilities	27,380,320	0	0	45,137	27,335,183
Short-term financial liabilities	238,316,123	166,480,796	71,835,327	0	0
Short-term operating liabilities	406,362,859	404,697,083	1,665,776	0	0
As at 31 December 2011	1,045,365,954	571,177,879	73,501,103	332,785,745	67,901,227

The Group's liabilities as at 30 March 2012 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	more than 5 years
Non-current financial liabilities	363,924,104	0	0	339,960,982	23,963,122
Non-current operating liabilities	27,905,324	0	0	26,521,091	1,384,233
Short-term financial liabilities	335,144,939	277,646,729	57,498,210	0	0
Short-term operating liabilities	326,294,922	324,169,358	2,125,564	0	0
As at 31 March 2012	1,053,269,289	601,816,087	59,623,774	366,482,073	25,347,355

The Company's liabilities as at 31 December 2011 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	more than 5 years
Non-current financial liabilities	311,942,456	0	0	291,800,835	20,141,621
Non-current operating liabilities	27,291,782	0	0	27,291,782	0
Short-term financial liabilities	212,757,746	154,566,101	58,191,644	0	0
Short-term operating liabilities	327,506,950	326,059,470	1,447,480	0	0
As at 31 December 2011	879,498,933	480,625,571	59,639,124	319,092,617	20,141,621

The Company's liabilities as at 30 March 2012 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	more than 5 years
Non-current financial liabilities	304,488,468	0	0	299,224,440	5,264,028
Non-current operating liabilities	27,816,786	0	0	27,816,786	0
Short-term financial liabilities	313,293,933	261,833,328	51,460,605	0	0
Short-term operating liabilities	267,766,716	266,281,089	1,485,627	0	0
As at 31 March 2012	913,365,903	528,114,417	52,946,232	327,041,226	5,264,028

Foreign exchange risk

Because the Group/Company purchases petroleum products in US dollars, while sales in the domestic and foreign markets are made in local currencies, it is exposed to the risk of changes in the EUR/USD exchange rate.

Hedging is performed in accordance with the Group's rules for the management of price and foreign exchange risks prepared on the basis of the Regulation on the Price Methodology for Petroleum Products. The exposure to changes in the EUR/USD exchange rate is hedged against using foreign exchange hedging. The EUR/USD exchange rate is thus fixed at the rate recognised under the Regulation on the Price Methodology for Petroleum Products and the margin is maintained. The hedging instruments used are forward contracts entered into with banks.

Considering that forward contracts for hedging against foreign exchange risks are entered into with first-class Slovene banks, the Group/Company estimates that the counterparty default risk is nil.

The Group is exposed to foreign exchange risks also in dealing with subsidiaries in SE Europe. The risk incurred is a risk of changes in the EUR/HRK exchange rate arising from the sales of euro-denominated goods in Croatia and a risk of changes in the EUR/RSD exchange rate arising from a bank loan of a Serbian subsidiary denominated in EUR. Considering that due to an illiquid market the cost of hedging against changes in the above exchange rates would be excessive and that the above items represent only a small part of the Group's operations, the Group is not exposed to significant risks in this area.

Price risk

The Group/Company hedges petroleum product prices primarily by using commodity swaps (variable to fixed price swap). Partners in this area include global financial institutions and banks or suppliers of goods, which is why the Group/Company believes that the counterparty default risk is nil.

Interest rate risk

In the financing of capital investments and current operations, interest rate risks are incurred as the Group/Company enters into long-term loan agreements based on Euribor, which changes on a daily basis. As far as short-term financing is concerned, loan agreements have a fixed interest rate, but they too are progressively adapted to the changes in Euribor. Interest rate hedging is conducted in accordance with the Group's policy for hedging against business risks as laid down in the rules on business risk management and instructions for hedging against interest rate risks.

Cash flow hedging is performed as follows:

- partly through current operations (the Group's/Company's interest rate on operating receivables being Euribor-based)
- partly through financial markets (the interest rate on bank deposits being Euribor-based)
- partly through forward markets by entering into interest rate swaps.

Hedging through the use of derivatives is aimed at achieving a fixed interest rate and, consequently, constant cash flows (cash flow hedging) amounting to the fixed interest rate plus an interest margin. The Group/Company therefore recognises the instrument designated as effective directly in equity.

To hedge against interest rate risks, the Group/Company uses multiple financial instruments, of which most frequently the interest rate swap.

Because partners in this area include first-class Slovene banks, the Group/Company estimates that the counterparty default risk is nil

Equity management

The main purpose of equity management is to ensure capital adequacy, the best possible financial stability, and long-term solvency for the purpose of financing operations and achieving maximum shareholder value. The Group/Company achieves this also through a dividend payout policy to the Company's owners.

To this end, the Company and the Group regularly monitor the debt-to-equity ratio:

(in EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Non-current financial liabilities	363,924,104	373,306,652	304,488,468	311,942,456
Short-term financial liabilities	335,144,939	238,316,123	313,293,933	212,757,746
Total financial liabilities	699,069,043	611,622,775	617,782,401	524,700,202
Total equity	450,519,438	441,636,101	395,357,489	381,657,663
Debt/Equity	1.55	1.38	1.56	1.37
Net financial liabilities	675,073,615	550,921,224	592,976,729	491,750,314
Net Debt/Equity ratio	1.50	1.25	1.50	1.29

High prices of petroleum products result in high net working capital of the Petrol Group, which needs to be financed and thus the indebtedness of the Group is increased.

Carrying amount and fair value of financial instruments

	Petrol group			
	31 March 2012		31 December 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Available-for-sale financial assets	7,483,097	7,483,097	7,568,721	7,568,721
Non-derivative financial assets at amortised cost				
Financial receivables	18,536,997	18,536,997	18,596,776	18,596,776
Operating receivables	370,933,328	370,933,328	352,970,166	352,970,166
Cash	23,995,428	23,995,428	60,701,551	60,701,551
Total non-derivative financial assets	420,948,850	420,948,850	439,837,214	439,837,214
Non-derivative financial liabilities at amortised cost				
Bank loans an other liabilities	(690,924,336)	(694,028,874)	(605,624,158)	(609,236,652)
Operating liabilities	(354,200,246)	(354,200,246)	(433,743,179)	(433,743,179)
Total non-derivative financial liabilities	(1,045,124,582)	(1,048,229,120)	(1,039,367,337)	(1,042,979,831)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,485,207	1,485,207	7,942,414	7,942,414
Derivative financial instruments (liabilities)	(8,144,707)	(8,144,707)	(5,998,617)	(5,998,617)
Total derivative financial instruments	(6,659,500)	(6,659,500)	1,943,797	1,943,797

	Petrol d.d.			
	31 March 2012		31 December 2011	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Available-for-sale financial assets	7,353,151	7,353,151	7,438,775	7,643,872
Non-derivative financial assets at amortised cost				
Financial receivables	14,004,205	14,004,205	21,097,571	21,097,571
Operating receivables	333,818,261	333,818,261	317,973,980	317,973,980
Cash	24,805,672	24,805,672	32,949,888	32,949,888
Total non-derivative financial assets	379,981,289	379,981,289	379,460,214	379,665,311
Non-derivative financial liabilities at amortised cost				
Bank loans an other liabilities	(609,651,566)	(612,756,104)	(518,721,768)	(522,334,262)
Operating liabilities	(295,583,502)	(295,583,502)	(353,543,035)	(353,543,035)
Total non-derivative financial liabilities	(905,235,068)	(908,339,606)	(872,264,803)	(875,877,297)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,485,207	1,485,207	7,942,414	7,942,414
Derivative financial instruments (liabilities)	(8,130,835)	(8,130,835)	(5,978,434)	(5,978,434)
Total derivative financial instruments	(6,645,628)	(6,645,628)	1,963,980	1,963,980

25. Related party transactions

(In EUR)	Petrol Group		Petrol d.d.	
	1-3 2012	1-3 2011	1-3 2012	1-3 2011
Sales revenues:				
Subsidiaries	-	-	72,073,826	57,885,676
Joint ventures	3,036,238	2,345,597	2,832,526	2,338,319
Associates	577,310	509,805	577,310	509,805
Cost of merchandise sold:				
Subsidiaries	-	-	13,058,137	270,674,997
Joint ventures	1,101	0	0	0
Associates	24,050,569	18,808,814	783	907,943
Selling costs:				
Subsidiaries	-	-	689,004	818,766
Joint ventures	7,173	431	0	431
Associates	0	3,859	0	3,539
General and administrative costs:				
Subsidiaries	-	-	6,430,393	4,242,430
Joint ventures	10,302	1,869,857	0	1,868,807
Associates	7,984	11,753	7,662	11,541
Other costs:				
Subsidiaries	-	-	28,906	42,525
Joint ventures	0	0	0	0
Associates	30	0	30	0
Financial revenues				
Subsidiaries	-	-	5,952,841	5,183,683
Joint ventures	2,037,966	784,901	0	0
Associates	3,570,643	2,370,613	0	259,990
Financial expenses arising from interests in group				
Joint ventures	35,917	109,650	0	0
Associates	92,268	200,583	0	0
Financial revenues s from interests:				
Subsidiaries	-	-	525,093	529,885
Financial revenues from interest - joint ventures	0	121,760	0	27,102
Associates	0	1,029	0	1,029
Financial expenses for interest				
Subsidiaries	-	-	105,363	130,452
Joint ventures	0	14,201	15,470	14,201
Associates	0	0	678,395	0

(In EUR)	Petrol Group		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Investments:				
Subsidiaries	-	-	315,824,343	298,499,440
Joint ventures	40,086,524	37,964,476	2,703,500	2,583,500
Associates	102,885,087	99,406,712	135,743,305	135,743,305
Non-current financial receivables:				
Subsidiaries	-	-	5,881,628	5,461,671
Current operating receivables:				
Subsidiaries	-	-	75,979,781	78,520,419
Joint ventures	94,152	184,533	85,517	75,776
Associates	302,575	266,562	302,575	266,562
Current financial receivables:				
Subsidiaries	-	-	2,281,419	9,043,276
Short-term deposits(up to 3 months)				
Subsidiaries	-	-	4,296,245	1,297,988
Current financial liabilities:				
Current financial liabilities to subsidiaries	-	-	11,913,124	9,010,560
Current financial liabilities to joint ventures	1,256,440	1,245,347	1,256,440	1,240,971
Non-current operating liabilities				
Associates	26,475,954	26,000,000	26,475,954	26,000,000
Current operating liabilities:				
Current operating liabilities to subsidiaries	-	-	10,338,474	45,717,023
Current operating liabilities to joint ventures	49,529	3,051	1,049	350
Current operating liabilities to associates	6,157,899	40,738,076	471	31,925,342

26. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Guarantee issued to:	Value of guarantee issued		Value of contingent liability	
Cypet-Trade Ltd.	0	177,072,880	0	44,218,255
Petrol Hrvatska d.o.o.	54,323,899	53,159,144	34,396,509	32,863,123
Euro - Petrol d.o.o.	35,360,050	31,459,759	20,494,550	22,109,039
Petrol Energetika d.o.o.	17,660,007	13,462,006	7,486,841	5,375,492
Petrol-Trade Handelsges.m.b.H	28,319,563	12,364,287	0	437,611
Bio goriva d.o.o.	5,406,000	5,406,000	436,000	436,000
Petrol d.o.o. Beograd	4,183,920	5,245,500	4,075,500	5,245,500
Petrol-Jadranplin d.o.o.	5,387,787	4,182,860	3,630,180	1,912,858
Petrol BH Oil Company d.o.o. Sarajevo	2,914,364	2,914,364	1,023,480	2,254,661
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Petrol Tehnologija, d.o.o.	50,000	50,000	0	1,206
Petrol Oti d.o.o.	0	0	439,297	0
Total	154,516,899	306,228,109	72,893,666	115,765,054
Other guarantees	10,084,941	8,409,047	10,084,941	8,409,047
Bills of exchange issued as security	23,861,767	25,320,990	23,861,767	25,320,990
Total contingent liabilities for guarantees issued	188,463,607	339,958,146	106,840,374	149,495,091

Contingent liabilities for lawsuits

In the period between 31 December 2011 and till the day of these financial statements, there were no new lawsuits filled against The Group or Company that would materially affect the financial statements in the first quarter of 2012.

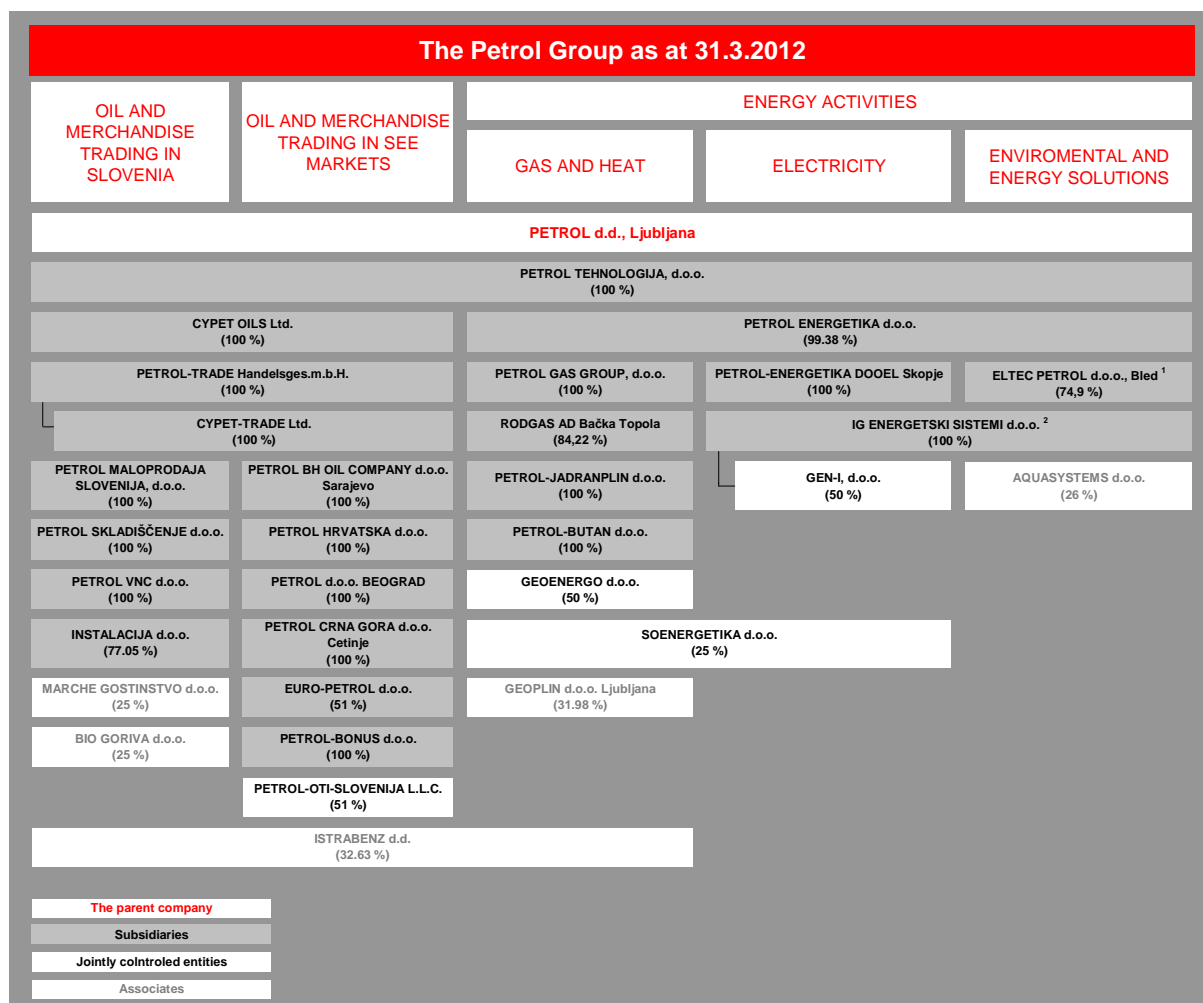
Off-balance-sheet assets and liabilities to D.S.U. d.o.o.

In accordance with provisions of Article 57 of the Regulation on the Methodology for Preparing Opening Balance Sheets and a contract for the establishment of off-balance-sheet records of assets and contingent liabilities entered into with the Development Fund of the Republic of Slovenia (whose legal successor is the company D.S.U. d.o.o.), the Company reduced its assets on account of their elimination from the balance sheet and establishment of off-balance-sheet records of investments and receivables for goods due from Energoinvest, Bosanski Brod, in the republics of former Yugoslavia. The value of the contingent liability arising from investments is estimated at SIT 0, whereas the estimated value of the receivables for goods totals SIT 184,000,000. The Company's off-balance-sheet assets and liabilities arising from the above items stood at EUR 767,818 as at 31 March 2011.

27. Events after the reporting date

There were no events after the reporting date that would significantly affect the financial statements for the first quarter of 2012.

Appendix 1: Organisational structure of the Petrol Group



¹ Subsidiaries of EL-TEC PETROL d.o.o., Bled are as follows: ENERGOGLOBAL d.o.o., El-Tec Mulej, d.o.o., Niš, El-Tec Mulej BH, d.o.o., Tuzla and UNI ENERGIJA, d.o.o.

² Subsidiaries of IG ENERGETSKI SISTEMI d.o.o. beside GEN-I are as follows: IG AP d.o.o., IGIN, d.o.o., IGENS d.o.o., IG investicijski inženiring d.o.o., VITALES d.o.o. Nova Bila, Travnik, VITALES d.o.o. Bihač, Viales energie biomasse Italia s.r.l., VITALES d.o.o., Sokolac and Viales RTH d.o.o.