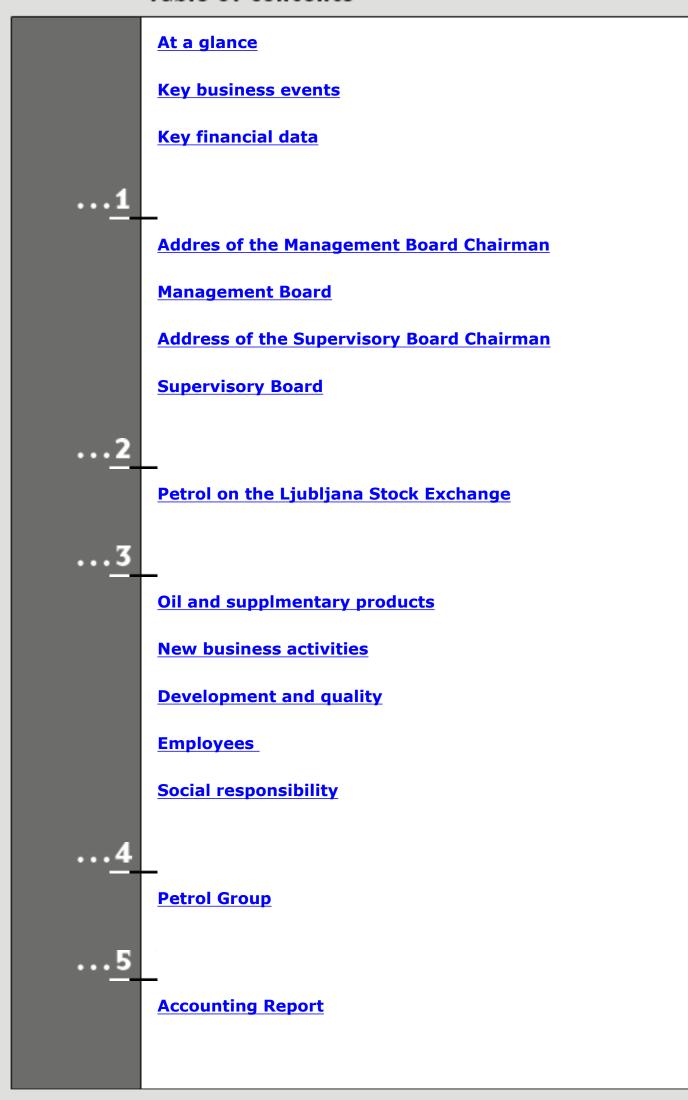
Table of contents



Mission Statement

OPERATIONS

Petrol is the leading oil trading company in Slovenia and is the principal strategic supplier of oil and other energy products to the Slovene market. Petrol distributes oil products through its highly-developed network of service stations and provides drivers on Slovenia's roads and highways with a wide array of automotive goods and services. The Petrol retail network also offers an extensive range of household products, food and sundry goods.

VISION

Petrol is looking beyond Slovenia's borders and transforming itself from the largest domesticl oil company into one of the leading energy providers throughout Southeastern Europe.

BUSINESS PRINCIPLES

Petrol's business conduct is driven by the desire to achieve excellence. It is based on unified standards and on respect for the demands of the markets in which Petrol operates. These include not only energy markets but services, information technology and environmental protection.

E COMPETITIVE CAPABILITY

Petrol has built its reputation through focusing on supplying quality goods and services backed by a record of innovation and the introduction of new products. Petrol enjoys a solid financial and market position. Its extensive state-of-the-art distribution network gives the company a strong competitive advantage.

STRATEGIC DIRECTION

Petrol's core business is oil trading and the Company will continue to maintain its leading position in the Slovene oil market while pursuing a strategy of geographic diversification into the markets of Southeastern Europe.

Petrol's secondary strategic direction and the focus of current development activities is the growing area of new energy activities. These include the marketing of natural gas, heating and electrical energy and, in the longer term, technologies to recycle energy resources. Petrol is entering into strategic partnerships in order to further these goals.

NEXT



At a glance

Over the past decade, Petrol has experienced great success in its core business areas: the marketing of oil products and supplementary goods and services.

The management of the Company has now identified a series of new complementary business areas which offer opportunities for substantial growth in the medium-term future: natural and liquefied gas, electrical energy and environmental products and services.

Petrol has already made significant investment expenditures in these new areas and over time they will begin to generate substantial revenues streams and contribute to Petrol's growing strenght in the energy market.

CORE BUSINESS AREAS

Oil products

Petrol's core business activity is the supply of oil products and the Company has achieved a leading position in the Slovene market, with a share in the region of 70 %. This business segment provides Petrol with stable earnings and reliable cash flow and enables the Company to continue growing and developing.

Petrol generates approximately 84 % of its net sales revenues (excluding excise tax) from the sale of oil products, which in 2001 totalled SIT 141 billion.

Petrol will continue to maintain its leading position in the domestic oil market while at the same time providing one-third of the oil supply needed in Bosnia & Herzegovina. Petrol plans to achieve a 10 % market share in Croatia and a 20 % market share in Serbia by 2005.

Supplementary goods and services

The sales and marketing of a wide range of supplementary goods and services represents an important part of Petrol's core business activity. This is a high-growth segment which has achieved average real annual growth of approximately 5 % for the past five years.

Petrol generates approximately 16 % of its net sales revenues from the sale of supplementary goods and services. In 2001, revenues from these activities amounted to SIT 27 billion.

Petrol intends to broaden its line of non-oil products. The doubling of sales space at its service centers and the implementation of market service centers, for quick daily purchases of food and non-food items will help Petrol strengthen its entire supplementary goods and service offering.

NEW BUSINESS AREAS

Natural and liquefied gas

In 1998, Petrol began to build its capacity in this area, which offers a viable long-term alternative to traditional heating fuels. The construction of a distribution and sales network for liquefied and natural gas represents an important part of Petrol's developing integrated energy line.

In 2001, Petrol had 14 natural gas concessions and was also supplying a number of settlements not yet linked to a concession. Petrol sold 31 thousand tons of liquefied gas and also began serving its first natural gas customers.

Petrol's long-term goals are to operate 30 % of the total gas concessions in Slovenia and supply approximately 15 % of liquefied gas to industrial users and establish 10 % of Slovenia's gas storage facilities.

1/2
NEXT



At a glance

Over the past decade, Petrol has experienced great success in its core business areas: the marketing of oil products and supplementary goods and services.

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Electrical energy

In 2001, Petrol took the first steps in adding electrical energy to its product portfolio. This represents a logical development in the company's strategy to offer a diverse range of energy products.

The Company obtained a license to sell electrical energy and established a joint venture with Estag AG, Austria. Petrol's long-term strategic goal is to provide one-fifth of the electrical energy used by Slovene customers. This goal will be achieved through mergers and other capital combinations with companies that produce and distribute electrical energy.

Environmental projects

Petrol's environmental activities include the construction and administration of installations for recycling municipal waste water. This fits logically with the company's energy activities.

Petrol is a partner in Aquasystems, a company that is involved in the construction and administration of purification facilities in Maribor. Aquasystems has obtained the concession for building and administering a similar installation in Mežica.

Petrol's long-term strategic goal is to build and administer installations that will provide 20 % of Slovenia's waste water purification treatment. Petrol also plans to participate in the construction of waste incinerators and to continue with the manufacture and marketing of biodegradable lubricants and diesel fuels.

Highway tourist facilities

Petrol's strategy is centered on the development of specialized roadside facilities to complete the Company's concept of providing drivers and travellers with all their needs. Petrol's tourism segment is important because of the synergies it offers in combination with the Company's core marketing activities.

The Company operates a chain of roadside tourist facilities and also introduced "Na Jasi", its branded roadside restaurant. Petrol's long-term plan is to establish restaurants near all important traffic arteries in Slovenia and to become the leader in Slovene roadside and tourist facilities.

2/2 NEXT



Key business events

CORE BUSINESS AREAS

- Over SIT 5.5 billion invsted in Petrol's retail network

 This fugure includes the construction and total renovation of 12 service stations and 2 "Na jasi" roadside restaurants and the acquisition of 2,000 square meters of additional sales space.
- 46 service stations added to franchise network
 This brings the total number of franchises in the Petrol service station network up to 207 or 75 % of the total retail network.
- The establishment of Petrol Gostinstvo for all tourist facilities
 Petrol Gostinstvo, a wholly owned subsidiary of Petrol, was established in 2001 to conduct all of Petol tourist facilities: hotel, roadside restaurants and other tourist services.
- Petrol Laboratory received SIST EN ISO 17025 accreditation
 Petrol Laboratory is he only chemical laboratory in Slovenia to have earned this international accreditation.

NEW BUSINESS AREAS

- The establishment of ElektroPetrol for the electrical energy business Petrol and its Austrian business partner, Energie Steiermark, established ElektroPetrol. In 2001, the new mixed-ownership company, in which Petrol has a 51 % stake, obtained the license to sell electrical energy in Slovenia.
- . The establishment of Petrol Plin for the liquefied and natural gas business

Formerly, the liquefied and natural gas business was conducted through Petrol, d.d. (the parent company) and Apegas (a mixed-ownership subsidiary). Now this business has been consolidated and will be conducted through the wholly-owned subsidiary, Petrol Plin.

Acquisition of 3 new gas concessions and a concession for a wastewater purification plant

With the addition of 3 new concessions, Petrol now has a total of 14 concessions, making it the second largest provider of liquefied and natural gas in Slovenia. It also acquired the concession for a wastewater purification plant in the district of Mežica.

 The signing of a long-term contract with the Italian supplier, Acegas, for the import of natural gas

This will substantially increase Petrol's imports of natural gas and broaden its supply base.

■ NEXT



Key operational data and statements

	2001	2000
Net revenues from sales (SIT billion):	262.0	247.6
Net income (SIT billion):	4.1	1.9
Net income per share (SIT):	1,953	916
Investments in fixed assets (SIT billion):	8.2	6.8
Total assets (SIT billion):	121.8	122.4
Share capital (SIT billion):	63.8	56.8
Return on equity:	6.76	3.54
Long-term debt to equity:	12.8	9.0
Number of employees at year end:	1,298	1,860
Number of retail outlets at year end:	280	280

01L PRODUCTS SOLD

Petrol Group sold 1.96 million tons of oil products in 2001. Of that amount, 1.72 million were sold in Slovenia, a 1 % increase over the previous year.

NET REVENUES FROM SALES (NOT INCLUDING EXCISE TAX)

Petrol generated net revenues from sales of SIT 168.4 billion in 2001, 2 % less than the previous year. Of this amount, net revenues from the sale of oil products were SIT 141.3 billion (3 % less than the previous year), net revenues from the sale of supplementary products were SIT 23.7 billion (8 % more than the previous year) and net revenues from services were SIT 3.4 billion (9,5 % less than the previous year).

■ GROSS INCOME

Petrol generated gross income of SIT 32.4 billion, 13.6 % higher than the previous year. Petrol's gross margin in 2001 was 12.4 %.

OPERATING EXPENSES

Petrol incurred operating expenses of SIT 29.1 billion in 2001, an increase of 4 % over 2000 in nominal terms but a 4 % decline in real terms. Service expenses comprised 49.0 %, amortization 17.7 % and labour costs 26.2 % of the total expense structure.

OPERATING INCOME

Petrol generated operating income before amortization an write-downs of SIT 8.9 billion in 2001, an increase of 51.8 % over the previous year. Petrol's operating margin was 3.4 %. Petrol generated operating income after amortization and write-downs of SIT 3.9 billion.

SHORT-TERM OPERATING RECEIVABLES

At year-end 2001, Petrol reported SIT 22.9 billion in short-term operating receivables, 13 % less than at the previous year-end. Short-term operating payables were SIT 32.5 billion, or 31 % less than at the previous year-end.

LONG-TERM FINANCIAL OBLIGATIONS

At year-end 2001, Petrol reported SIT 8.1 billion in long-term financial debt. This was largely the result of the draw-down of two new long-term loans in the amount of SIT 2 billion and EUR 10 million.

SHORT-TERM FINANCIAL OBLIGATIONS

Short-term financial obligations of SIT 6.7 billion at year-end 2001 include the current portion of long-term debt and other short-term loans.

∷ NEXT



The past year will be remembered as one of significant change. Petrol's business was influenced by major external events that led to volatility in the world commodity and financial markets. It is pleasing to report that Petrol's systems and controls allowed us to deal with the implications of events both on domestic and international markets in a calm and appropriate manner. Organizational and structural changes made in the past proved to be efficient and helped Petrol to weather the turbulent markets of 2001. The best proof is in the Company's excellent financial results. In 2001, Petrol closed the year having met forecasts in terms of concrete business results and, in the case of certain financial and profitability ratios, having even exceeded them.



STRONG RESULTS

In 2001, Petrol generated SIT 262 billion in net revenues from sales and closed the year with net profits of SIT 4 billion. As compared to the previous year, revenues rose by nearly 6 %, profits more than doubled and return on equity increased from 3.54 % to 6.76 %. At fiscal year end, Petrol had capital of nearly SIT 64 billion, an increase of 12 % over the previous year-end. In 2001, Petrol invested SIT 8.2 billion into fixed assets, an increase of 20 % over the previous year. Despite the increased level of investment, Petrol maintains a conservative debt-to-equity ratio of 12.8 %.

LEADING POSITION ON THE DOMESTIC MARKET

During 2001, the Company more than lived up to its official corporate name: Petrol, the Slovene Oil Company. The Company sold over 1.72 million tons of oil and petroleum products on the domestic market, exceeding by 1 % the volume sold during the previous year. Petrol also falls in the category of leading Slovene companies on the basis of revenue generated and net profits. In addition to its current business success, Petrol possesses an enormous amount of future business potential and financial strength. Petrol closed the year 2001 in an excellent financial position - with a conservative capital structure and with ample short-term and long-term liquidity. As a result of the Company's minimal exposure to risk, cautious business practices and stable growth, in 2001 Dun & Bradstreet gave Petrol the highest possible credit rating: 5A1.

INCREASED OPERATING EFFICIENCY

Petrol's 2001 business results are in line with forecasts and, in the case of financial and return ratios, even better than forecasted. This particularly applies to net income, which exceeded forecasts by two-thirds. The new and more transparent oil pricing model enabled the Company to generate stable margins despite a high level of price volatility in global energy markets in 2001. However, the excess of actual profits over forecasts is mostly the result of the sale of non-oil products and the greater operating efficiency of the Company as a whole.

The sale of Petrol's supplementary commercial line represents an extremely profitable business segment. It is a business with good added-value that increases over the course of time. In 2001, profits from the supplementary product line increased by 8 %. This segment generated SIT 23.7 billion in net sales revenues, an increase of SIT 1.8 billion over the previous year. At the same time, the real operating costs of this business declined by more than a billion tolars as compared to the previous year. In 2001, Petrol met its forecasts and achieved its goal in the supplementary commercial product line.





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EXPANDING THE FRANCHISE NETWORK

The expansion of Petrol's franchise network is one of the main projects that has contributed to greater operating efficiency. This method of doing business has a strong positive influence both on the entrepreneurial spirit of the sales team and on the lowering of fixed operating costs.

In 2001, 46 additional service stations were put in the hands of independent franchise holders of new franchises, Petrol achieved its goal in terms of the balance between stations run directly by Petrol and those run by independent franchise holders.

In 2001, Petrol also met its goal as regards total number of employees. The Company closed the year with 1,298 employees. In the last four years, Petrol has halved the total number of employees. However, because of a human resource policy that is both proactive and sensitively carried out, this reduction was accomplished relatively painlessly, without significant conflict or social tension. A substantial proportion of employee reduction represents staff who are now employed either at stations in the franchise network or at independent Petrol affiliates.

INNOVATIONS IN THE OIL-MARKETING SEGMENT

The fortification of Petrol's position on the oil-marketing segment in 2001 was largely a result of the continued renovation and modernization of Petrol's retail network and of the expanded line of Petrol products and services.

In Slovenia, Petrol built or completely renovated 12 service stations. Petrol also opened three new service stations in Bosnia & Herzegovina. The Hip Hop program which sells freshly-baked goods and warm snacks was implemented at 31 service stations. Total sales surface area in service stations was expanded by nearly 2,000 square meters. Given the fact that Petrol generates annual revenues on the sale of non-oil products of almost SIT 160,000 per square meter, this expansion is significant.

In 2001, Petrol introduced a new motor oil called Proton Diesel Energy 5W-30 to drivers and owners of trucks with new diesel motors. Petrol also developed two complete lines of petroleum products for auto-mechanics and large industrial users. These products were well-received by their respective markets.

Petrol's service line was augmented by a series of new computer applications. Among other things, Petrol implemented a computer call-in center for ordering heating oil and enabled customers to order heating oil over the internet. Already in 2001, both of these applications proved to be extremely useful: the volume sales of heating oil increased by 3 % over the previous year.

The Petrol laboratory, which regularly monitors the quality of fuels and other oil products, was the first laboratory in Slovenia to be accredited according to the new SIST EN ISO 17025. With this certification, the experiments and results of the Petrol laboratory acquired international validity, giving the laboratory an important competitive advantage from the standpoint of international customers.



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TOTAL ROADSIDE SERVICES

Specialized tourist services are an important element in the newly implemented concept of supplying total roadside services to travelers on Slovene roads. Petrol offers such services to its customers under its proprietary brand name "Na jasi", which is also the name of Petrol's chain of roadside bistros and restaurants.

Because Petrol has had negative operating results in the tourist segment during the past several years, the Company made the strategic decision to spin off this segment and create the independent affiliate, Petrol Gostinstvo, which began operations in 2001. With this organizational change, Petrol succeeded in halting the negative trend in the tourist segment. In its first year of operations, Petrol Gostinstvo reported positive results.

In 2001, Petrol Gostinstvo added two new "Na Jasi" restaurants to the existing chain of eleven restaurants. The first was built at the Lom service station on the Koper - Ljubljana highway and the second on the Zagreb - Ljubljana Magistral road, near the Obrežje border crossing. Petrol's goal is to provide tourist services along all of the principal traffic flows in Slovenia.

■ INTRODUCTION OF NEW BUSINESS SEGMENTS

Because of the maturity of the domestic oil market and limited opportunities for growth, Petrol has supplemented its energy product portfolio with liquefied and natural gas products. In 2000, Petrol also began to include in its strategic plans intensive engagement in other energy-environmental areas. Petrol is beginning to supplement its oil product line with various substitute energy sources. The end result will be an integrated and diversified energy product line that will permit Petrol both to maintain its current leading position in the domestic oil market and to transform itself into one of the most important energy concerns in Southeastern Europe.

In 2001, Petrol acquired three liquefied natural gas concessions so that the year ended with Petrol administering a total of fourteen concessions. Petrol also acquired its first independent concession to construct and administer a municipal waste water purification plant. Petrol is one of ten Slovene companies to successfully obtain a license for the trading of electrical energy in Slovenia.

In order to provide a rational structure for Petrol's individual business segments, Petrol not only created the independent affiliate Petrol Gostinstvo for its tourist activities, but also Petrol Plin for Petrol's activities in natural and liquefied gas and ElektroPetrol for future activities in the electrical energy segment. With these actions, Petrol has ensured the rational and transparent operations of its various businesses and has taken an important step in its transformation into a diversified energy

We believe that the energy segment has the potential to provide another long-term stable flow of profits. As Slovenia comes closer to joining the European Union, energy products are acquiring the status of a market commodity. This means that Petrol will soon be conducting business under conditions that are comparable to those in other European countries.



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CONSTRUCTIVE RELATIONSHIP WITH THE GOVERNMENT

With the gradual liberalization of Slovene energy markets, we at Petrol see the opportunity to build a constructive relationship with the Slovene government. The dialog between Petrol and various government bodies was particularly lively in 2001. Petrol contributed to discussions about modifications to the oil pricing model, about insuring the availability of warehousing services for government oil reserves, about the future of Nafta Lendava (owned by Petrol and the Slovene government). We believe that we reached constructive agreements on these subjects.

BUILDING PARTNERSHIPS INSIDE AND OUTSIDE SLOVENIA

The success of Petrol's operations is the result of a vast network of interconnected activities and above all of the responsible and serious efforts of all those involved with Petrol. In this regard, we must not overlook the professional conduct of the Supervisory Board, the excellent relationship we enjoy with our business partners, the support provided by various institutions and the loyalty of our many customers. We owe special recognition and respect to Petrol employees who are the most crucial participants in Petrol's achievements. I believe that the attainment of our collective goals is promoted by open communication, concern for the training, education and development of Petrol staff, the high level of legal and social integrity and the ongoing confirmation of Petrol's principal methods and values.

PETROL'S FUTURE

The successful story of Petrol's transformation from the Slovene oil company into one of the most important energy concerns in Southeastern Europe continues into the new millennium. The second year of the new millennium has brought about the realization of many of Petrol's development strategies as well as noticeable changes in Petrol's image and way of doing business. We have replaced the old philosophy of the dedicated oil trader with a new concept of the integrated and diversified energy supplier, both the leader of the domestic market and a growing force in the energy markets of Southeastern Europe.

The fact that Petrol's broad strategic plans are being realized can already be seen in our new way of thinking and doing business, but in the long-term our success will become ever more evident. I see the most fundamental guarantee of Petrol's future success in the Company's excellent results, in its thoughtful and well-implemented strategic plans, in the clear definition of concrete goals and above all in our capable and well-trained team of employees.

I am convinced that the Petrol energy concern will soon be testing its competitiveness on the wider international scene and will prevail outside of Slovenia as it has at home.

Janez Lotrič Management Board Chairman

> 4/4 **⊪** NEXT



Management board

CHAIRMAN

Tel.: 00386 (1) 47 14 332 Fax: 00386 (1) 47 14 809 E-mail: janez.lotric@petrol.si

Janez Lotrič

Appointed May 28, 1998 Serving a five-year mandate Born 1955. Attorney-at-law. Joined Petrol in 1989 as legal adviser to the international market department. He then became systems director while also serving as director of the international finance division. In 1995, he was appointed assistant to the then General Director. In 1997, he served on the Management Board in charge

of the supply division.

Tel.: 00386 (1) 47 14 137

MEMBERS OF THE MANAGEMENT BOARD

Janez Bedenk

Technology and quality control Appointed June 24, 1997 Serving a five-year mandate Born 1950. Degree in mechanical engineering. Fax: 00386 (1) 47 14 104 E-mail: janez.bedenk@petrol.si

Joined Petrol in 1976, worked in various management positions before becoming the head of technology and quality control.

Poldka Breznik

Finance and accounting Appointed June 24, 1997 Serving a five-year mandate Born 1949. Economist. Tel.: 00386 (1) 47 14 555 Fax: 00386 (1) 47 14 158 E-mail: poldka.breznik@petrol.si

Joined Petrol in 1970 as an accountant, was promoted to senior accountant and later became head of the accounting department.

1/2 NEXT



Management board

MEMBERS OF THE MANAGEMENT BOARD

Mariča Lah

Tel.: 00386 (1) 47 14 815 Fax: 00386 (1) 47 14 810 E-mail: marija.lah@petrol.si

Sales and marketing Appointed June 24, 1997 Serving a five-year mandate Born 1956. Economist

Joined Petrol in 1980, started as an analyst, was promoted to head of the pricing sector and then became director of the systems and pricing sector.

Tel.: 00386 (1) 47 14 556 Fax: 00386 (1) 47 14 400 E-mail: borut.meh@petrol.si

Borut Meh

Corporate activities Appointed December 23, 1998 Serving a five-year mandate. Born 1953. Economist.

Joined Petrol in 1998 having been assistant to the General Director of ERA and then assistant to the President of the Board. Served as a member of Gorenje's board and was also a management deputy at Nova Ljubljanska Banka while replacing the president of the management of Slovene steel

industry.

Hinko Lobe

Tel.: 00386 (1) 47 14 194 Fax: 00386 (1) 47 14 844 E-mail: hinko.lobe@petrol.si

Director/Representative of Employees

Serving a five-year mandate Born 1952. Degree in sociology.

Appointed September 24, 1997 Joined Petrol in 1984 and served as the board member in charge of general employee relations.

> 2/2 ■ NEXT



Address of the Supervisory Board Chairman

RESPECTED SHAREHOLDERS,

During the 11th general meeting of the Supervisory Board, members discussed all important questions regarding Company business, strategic development, operational policies, cooperation with partners and adoption of various laws and statutes.

The Supervisory Board advised management of the quality of written material and, in accordance with the comments of various members, clarified, supplemented and modified such material. In the case of adopting various resolutions, the Chairman of the Supervisory Board kept all interested parties informed.

The Supervisory Board regularly monitors the financial position and development of the Company. It is regularly informed about measures taken to rationalize business and reduce expenses.

In 2001, the Supervisory Board received reports about the operations of Petrol Trgovina d. d., Zagreb and about plans to expand business interests in both Croatia and Bosnia & Herzegovina. In this regard, the Board issued an opinion that Petrol should certainly not miss out on business opportunities offered by markets in Southeastern Europe. Nevertheless in part because of the risk of these markets and in part because of the entry of other multinational oil companies, expectations should be balanced and appropriate measures should be taken to reduce risk. The Supervisory Board will be monitoring the operations of Petrol in Southeast European markets on a quarterly basis and reviewing reports submitted by management.

The Supervisory Board supported steps taken by management regarding the solidification and expansion of Petrol's activities on the liquefied natural gas market, its tourist operations and the beginning of trading electrical energy. The Board followed the negotiations of management with government institutions and representatives of Nafta Lendava regarding the drafting of an understanding about the basic conditions of the restructuring of Nafta Lendava. The Board also participated in the search for solutions to protect Petrol's interests in this matter. In April 2002, these negotiations were brought to a satisfactory conclusion.

1/2 NEXT

PETROL



Address of the Supervisory Board Chairman

The Chairman of the Supervisory Board regularly receives information from management regarding the most important events effecting the Company as well as information that is vital to the regular meetings of the Supervisory Board and to the opinions issued by the Supervisory Board regarding individual business matters.

The response of Petrol to events in the wider economic environment of 2001, an environment characterized by substantial volatility in global commodity and financial markets, was appropriate and correct. In 2001, it became apparent that many of the organizational and structural changes made in the past have proven to be extremely efficient. In 2001, both actual operating results and financial indicators exceeded forecasts. Business goals and expectations were met. Petrol strengthened its position on the Slovene oil market. According to the amount of business transacted, Petrol is arrayed among the top Slovene companies. Petrol's profitability also saw marked improvement in 2001. Petrol closed the year in excellent financial condition, with a conservative capital structure and ample short and long-term liquidity.

The successful realization of development strategies and good financial results both had a positive effect on the value of Petrol's shares. The growth of Petrol shares in terms of regularly quoted shares on the Ljubljana Exchange was more than 19 %. Including dividend payments of SIT 500 per share, total return per Petrol share was 22 % in 2001. Petrol's capital policy is based on maximizing long-term returns to shareholders and on the long-term stability of dividend payments. In 2001, both the Management and the Supervisory Board adapted Petrol's capital policy to the calculated profit system.

In accordance with its duties and powers, the Supervisory Board approved and confirmed the contents of the 2001 Petrol Annual Report.

The Supervisory Board extends its gratitude to the Management Board and to all the employees of Petrol for their efforts to make 2001 a successful year for Petrol.

dr. Miran Mejak Supervisory Board Chairman

> 2/2 : NEXT



Supervisory Board

CHAIRMAN

Dr. Miran Mejak

President of Pharos Foundation

Appointed for a four-year mandate at the 6th shareholders meeting on March 30, 2001.

Beginning of mandate period: April 5, 2001.

■ Members - Representatives of Capital

Milan M. Cvikl

Executive Director of Nova Ljubljanska Banka, d.d.

Appointed for a four-year mandate at the 6th shareholders meeting on March 30,

Beginning of mandate period: April 5, 2001.

Uroš Slavinec

President of Management of Helios, d.d.

Appointed for a four-year mandate at the 6th shareholders meeting on March 30, 2001.

Beginning of mandate period: April 5, 2001.

Jože Stanič

President of Management of Gorenje, d.d.

Appointed for a four-year mandate at the 7th shareholders meeting on July 5, 2001. Beginning of mandate period: July 15, 2001.

Irena Starman

Management Consultant to capital investors in DZS, d.d.

Appointed for a four-year mandate at the 6th shareholders meeting on March 30, 2001.

Beginning of mandate period: April 5, 2001.

Stanislav Valant

Director of National Finance Company, d.d.

Appointed for a four-year mandate at the 7th shareholders meeting on July 5, 2001. Beginning of mandate period: July 15, 2001

■ NEXT



Supervisory Board

VICE CHAIRMAN

Ciril Pirš

Petrol - Retail Sales Sector

Appointed for a four-year mandate at the meeting of the employee board on February 15, 2001.

Beginning of mandate period: February 20, 2001.

■ Members - Representatives of empoyees

Each appointed for a four-year mandate at the meeting of the employee board on February 15, 2001. Beginning of mandate period: February 20, 2001.

Bojan Herman

Logistics Sector

Tomaž Jamnik

Operations Organization Sector

Andrej Medved

Ljubljana-Kranj Regional Retail Sales Sector

Nina Milač

Human Resources Sector

Silvan Simčič

Technical Service Sector

BODIES WITHIN THE FRAMEWORK OF THE SUPERVISORY BOARD

Audit committee:

Committee Chairman: Stanislav Valant

Members: Milan M. Cvikl, Uroš Slavinec, Irena Starman, Bojan Herman, Silvan Simčič

Committee for coordination with changes in the "Law Governing Economic Companies":

Committee Chairman: Milan M. Cvikl Members: Jože Stanič, Nina Milač, Ciril Pirš

Committee for controlling the issuance of contracts for Petrol Management Board members:

Committee Chairman: Miran Mejak

Members: Irena Starman, Stanislav Valant

PETROL



Share price stability

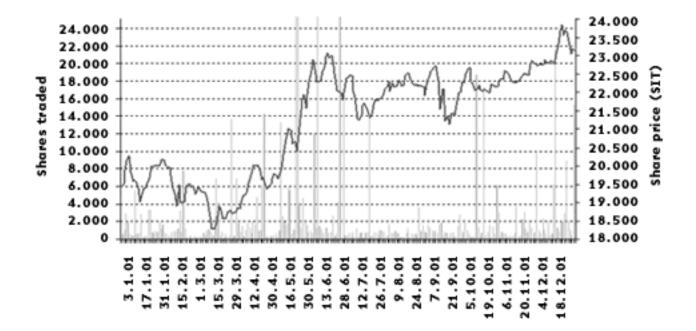
SHARE PRICE

Petrol's shares have been quoted on the Ljubljana Stock Exchange since May 1997 and is one of the most actively traded stocks.

The value of Petrol shares traded in 2001 totalled SIT 13.2 billion, an increase of 23 % over the previous year. The market capitalization of Petrol at year-end was SIT 48.3 billion.

In 2001, Petrol's share price increased by 19.5 % which was 0.5 % more than the SBI index. Petrol's average share price during 2001 of SIT 21,208 was 3.8 % higher than its average share price during 2000.

Trends of Petrol share's unit price and value traded for 2001



Indicator	2001	2000	1999	1998	1997
High	23,850	25,676	29,386	30,067	26,208
Low	18,275	17,966	24,484	19,757	16,001
Daily average share price	21,208	20,426	26,429	24,032	20,861
Increase in share price from January 1 to December 31	19.27 %	(20.39)%	(6.91)%	39.10 %	16.37 %
Growth in daily average price from launch	23.45 %	18.90 %	53.84 %	39.89 %	21.43 %

FINANCIAL RETURNS

In 2001, Petrol's earnings per share were SIT 1,953 which was 53 % above the level of the previous year. Cash flow per share was SIT 4,100, an increase of 45.6 % over the previous year. Total return per share reached 22 % and comprised a return on capital of 19.5 % and dividend of 2.5 % per share. Over the year, Petrol's share price appreciated faster than the Company's book value; the ratio between the two narrowed to 0.76. The company's price earnings ratio at year-end was 11.9.

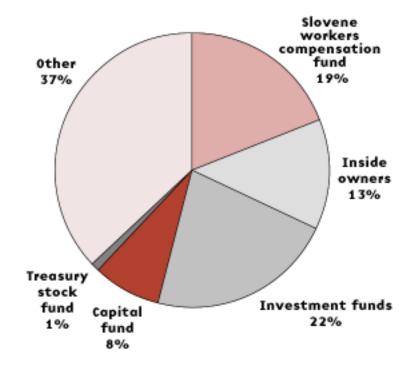
Share price stability

OWNERSHIP STRUCTURE

Petrol's ownership structure did not change substantially in 2001. The Slovene Workers Compensation Fund with 403,981 shares (19 % of share capital) continues to be Petrol's largest shareholder followed by the Capital Fund with 153,241 shares (8 % of share capital). The National Financial Company, Nova KBM and Nova Ljubljanska Banka are among Petrol's other major shareholders.

Approximately 20,500 shares are held outside Slovenia, which represent 1 % of total ownership.

Petrol had 49,121 shareholders at the end of 2001, compared with 53,775 one year earlier.



Petrol's ownership structure changed significantly in 1998 when the Government of the Republic of Slovenia sold its holding to the Slovene Workers Compensation Fund, banks and companies. In 1998, the proportion of shares owned by Slovene companies, banks, insurance companies and investment brokerage houses increased as the number of internally distributed shares, inside purchases and shares owned by the Slovene Development Fund fell. Despite the fact that the number of shareholders has halved in the last five years, the general structure of ownership has remained broadly unchanged.



PETROL



Share price stability

F SHARE REPURCHASE PROGRAM

Petrol did not repurchase any shares in 2001. At fiscal year-end the Company had a treasury stock fund created on the basis of applicable corporate by-laws and in accordance with the Board Resolution dated April 4, 1997. The fund may not exceed 5 % of total capital, 30,782 treasury shares or 1.48 % of registered common capital. The total book value of the fund as of December 31, 2001 was SIT 637.9 million, which was SIT 74.6 million below market value.

DIVIDEND POLICY OF LONG-TERM STABILITY

One of the cornerstones of Petrol's strategy is the maximization of returns to shareholders over the long term. Petrol strives to ensure the stability of dividend payouts. This is the most appropriate policy for the development needs of the Company because it delivers predictable returns to shareholders and the long-term stability of share prices. Petrol has paid out total dividends of SIT 6.57 billion since 1993.

gross dividends per share (SIT)	total amount of paid (SIT million)	business period
700	1.460.4	1993 - 1995
200	417.3	1996
750	1.564.7	1997
600	1.251.8	1998
400	834.5	1999
500	1.043.2	2000

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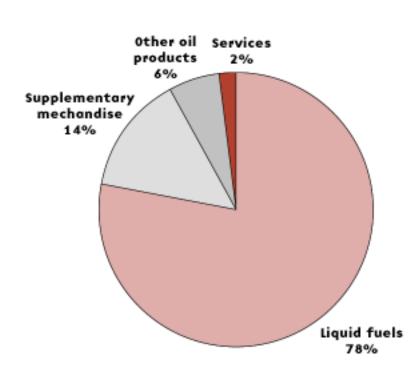
Quality goods and services

Petrol's activities include the supply of oil and supplementary products and services in both domestic and foreign markets. These activities generate the bulk of Petrol's revenue stream. Ongoing development in Petrol's retail business involves primarily the continued construction and renovation of its service station network, the introduction of a new design for sales space, the extension of the pre-sale and post-sale service program, the creation of specific policies for individual customers and the completion of the non-oil product line. In this way, Petrol is enhancing the appeal and quality of its goods and services and strengthening its links with trade and industry.

■ NET REVENUES INCREASE BY 5.8 %

In 2001, Petrol generated net revenues of SIT 235 billion on the sale of oil products, or SIT 141.3 billion not includine excise tax. Petrol generated net revenues of SIT 23.7 billion on the sale of supplementary merchandise and SIT 3.4 billion on the sale of services. Total net revenues were SIT 262 billion, 5.8 % above last year's level.

Breakdown of 2001 net sales revenue (excluding excise tax)



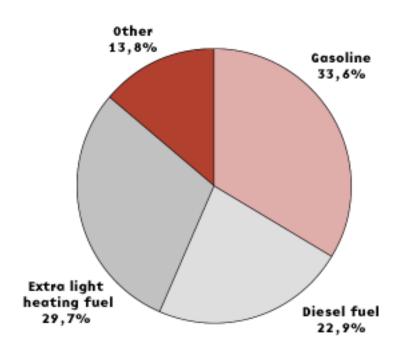
The structure of Petrol's revenue categories in 2001 was similar to that of the previous year. Over 78 %, or SIT 131.1 billion came from the sale of liquid fuels. Sales of other oil products accounted for SIT 10.2 billion or 6 % of total revenues. Petrol generated SIT 23.7 billion or 14 % of total revenues, from the sale of supplementary merchandise. Sales of services generated SIT 3.4 billion or 2 % of total revenues. In terms of their contribution to Petrol's gross sales income, the relationship between the various revenue categories is largely unchanged compared to the previous year: sales of oil products contributed 75 % of gross income, sales of supplementary merchandise contributed 14 % and sales of services 11 %.

SALES OF OIL PRODUCTS APPROACH 2 MILLION TONS

In 2001, Petrol sold 1.96 tons of oil and oil products with 1.72 million tons sold in Slovenia. Domestic oil sales grew by 1 % in the year.

Domestic sales volume of gasoline and automotive and industrial lubricants were similar to last year. In 2001, the volume of diesel fuel sold in Slovenia grew by 2 %, heating oil by 3 % and petroleum spirit by 7 %.

Breakdown of sales volume in oil products



In 2001, Petrol sold 630,000 tons of gasoline, 557,000 tons of extra light heating oil and 429,000 tons of diesel fuel. The remainder of sales was in petroleum spirit, bitumen and liquefied gas.





Quality goods and services

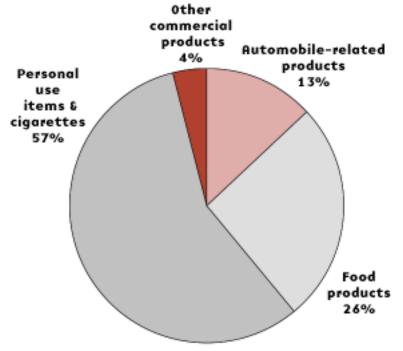
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Among the biggest merchants in Slovenia

In 2001, revenues from the sales of supplementary commercial merchandise increased by 8 %. This is attributed to the physical expansion of sales space, the successful implementation of a number of new selling techniques and above all the widening of Petrol's product line - in particular the introduction of warm snacks and other food items. Customers were especially receptive to the new Hip-Hop sales centers, which offer a wide selection of commercial and food products.

In 2001, Petrol generated additional revenues of SIT 19 from commercial products for every liter of liquid fuel sold. This compares with SIT 17 in the previous year. Another measure of sales efficiency is the average monthly sales of lubricants and supplementary products per square meter of commercial sales space. In 2001, this figure was close to SIT 160,000, which compares favourably with the Austrian average of approximately SIT 100,000.

Breakdown of revenues from the sale of commercial products

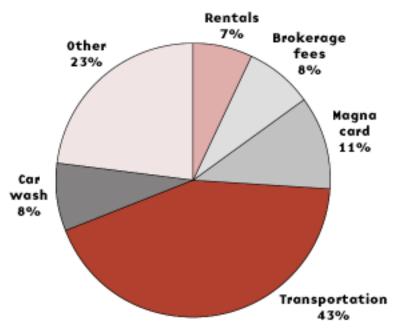


In 2001, the largest revenue increase was in food items, salesof which increased by 16 % over the previous year. This reflected the success of the Hip-Hop sales centers. Sales of personal items, cigarettes and mobile phones increased by 11 %, and sales of automobile-related products increased by 4 %.

SALES OF SERVICES INCREASE BY ONE THIRD

This sales category has been reorganized with sales from tourist activities now classified separately. Net revenues from sales of services, on a like for like basis, increased by 30 % compared to the previous year. Tourist activities, which accounted for 30 % of Petrol's service revenues in 2000, are now carried out by a subsidiary, Petrol Gostinstvo, and revenues from such activities are not included in Petrol d.d's. unconsolidated financial statements.

Breakdown of revenues generated from the sales of services



The largest revenue category in the service segment was transportation services which increased by 60 % compared to the previous year. Revenues generated from sales made with the Magna Card increased by 42 % in 2001. Revenues generated from car wash services increased by 17 % and rental revenues increased by 4 %.

Another important revenue category is other services - comprising 23 % of the total - which represents services provided by Petroservis and the Petrol Laboratory and warehousing services provided to external customers.





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OTHER MAJOR PROJECTS

retail network

In 2001, 46 new service stations were added to Petrol's franchise network. Thirty-one service stations were remodeled to include the Hip-Hop sales centers. The total selling area for non-oil products was increased by nearly 2,000 square meters. Over SIT 5.5 billion of investment was directed at developing the retail network in 2001.

Magna card

The Magna card is now accepted at toll booths on Slovene highways and at some sales points in Croatia. In addition, a central claims system has been introduced for Magna card members as well as a program for returning added-value taxes.

new products

In 2001, Petrol introduced Proton Diesel Energy 5W-30, an oil targeted at owners of the latest specification trucks. It also provided a range of environmentally friendly lubricants for body-shops and auto-mechanics who in turn offered the service to their customers. Petrol introduced a toll-free 24-hour automated call center for ordering heating oil. Petrol customers can also order heating oil over the internet.

sales promotion

Petrol has introduced regular sales promotion campaigns including a brochure on the placement of goods at service stations and loyalty schemes at Petrol car washes.

electronic links

Petrol is updating the information system of its central warehouse-distribution center and linking it to the Company's integrated information system. Petrol's electronic network has been expanded and connected to a number of new customers and has also been developed to allow the placing of orders with suppliers.

optimization of operations

The long-term project of operational optimization was extended in 2001 to the area of optimizing the number, quality and educational level of employees. Petrol is also introducing a system to maximize the profitability of operations. This method was applied to individual sales points in order to determine optimal inventory levels. This information led to stocks of certain types of fuel being increased, while others were reduced or eliminated.



Integrated energy product line

Energy-related activities, occupy the central focus of Petrol's future development plans, and represent a key business area for possible links with strategic business partners. Petrol's long-term strategic goal

Petrol's long-term strategic goal is to expand and diversify its energy business. Deregulation of the energy markets is taking place gradually and the selection of profitable investments in the energy infrastructure will become clear only in the long-term. Nevertheless, these opportunities in the energy sector will offer Petrol another source of long-term stable revenues and returns.

MERGING VARIOUS ENERGY SEGMENTS

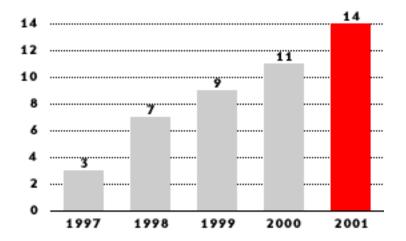
In terms of Petrol's long-term strategic goals in the field of energy, the Company intends to merge its operations involved in the marketing of liquefied gas, heat and electrical energy. It also plans to recycle various sources of energy such as biodegradable diesel fuel and lubricants. In this area, Petrol is actively seeking links with strategic business partners. To facilitate this process, certain activities are being organized within affiliated companies.

A PRINCIPAL PROVIDER OF NATURAL GAS IN SLOVENIA

In 2001, Petrol sold nearly 31,000 tons of liquefied gas, an increase of 7 % over the previous year. Petrol also sold 1,642 tons of natural gas, through its distribution system.

Petrol's natural and liquefied gas activities in 2001 were carried out under two operational frameworks: through Petrol, d.d. (the parent company) and through Apegas, a mixed-ownership subsidiary. Petrol will be consolidating its natural and liquefied gas activities under this subsidiary which just prior to fiscal year end was renamed Petrol Plin, d.o.o.

The acquisition of natural and liquefied gas concessions from 1997 to 2001



Following the consolidation of all liquefied and natural gas activities at the end of 2001, Petrol is operating 14 concessions and also providing liquefied and natural gas to settlements without concessions. In the long-term, Petrol intends to operate 30 % of all Slovene natural and liquefied gas concessions. It also intends to provide 15 % of the liquefied gas needs of large commercial users and to operate 10 % of all gas storage facilities in Slovenia.

One of the most important events in 2001 in terms of Petrol's penetration of the natural and liquefied gas sector was the signing of a supply contract for natural gas with the Italian natural gas distributor, Acegas. As a result of this agreement, Petrol has substantially increased its imports of natural gas and broadened its supply base of this energy product.



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TRADING IN ELECTRICAL ENERGY

In 2001, the business of buying and selling electricity, which formerly had been the domain of a state-run communal distribution company, became a link in the chain of Petrol's integrated business activities. The Company succeeded in obtaining a license to trade in electrical energy and is one of ten companies that are in the process of fulfilling the regulatory requirements to enter this business.

As part of its plan to begin selling electrical energy, Petrol and its Austrian partner company, Energie Steiermark, established ElektroPetrol, in 2001. Petrol has a 51 % stake in the new company.

ElektroPetrol's first transaction will be in 2003 at which time, the Slovene market will be open to imported electrical energy. By 2005, it is forecast that ElektroPetrol will supply one-fifth of the domestic market with electricity.

CHALLENGING ENVIRONMENTAL PROJECTS

In 2001, Petrol's environmental activities were primarely its participation in the construction and administration of purification facilities and incinerators as well as in the development of recycling technologies.

In 2000, Petrol signed a partnership agreement guaranteeing a capital stake in the Aquasystems company which operates a concession for pollution reduction and municipal waste water purification system in the county of Maribor. In 2001, the Company also acquired its first independent concession in this business. At the same time, Petrol became a co-founder of a consortium that is creating the basis for manufacturing collection and purification equipment for the districts of Ravne and Prevalje.

One of Petrol's important environmental projects is its participation in the clean-up of a bitumen deposit dumps in Slovenia and the related construction of an incinerator. Petrol produced a pre-investment report for this project and conducted a trial incineration of bitumen waste. Petrol also started to work with Nafta Lendava on a project to manufacture and market new biodegradable diesel fuel.





Strong development potential

Petrol's business conduct is driven by the desire to achieve excellence. It is based on the implementation of unified business standards and on respect for the demands of the markets in which Petrol operates.

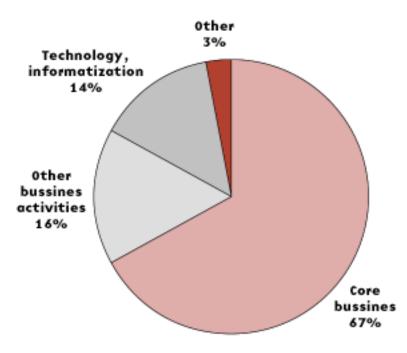
These include not only energy markets but services, information technology and environmental protection. Petrol's future development will be the consequence of effective management in each of these key activities.

Among the strongest Slovene companies

Petrol is recognized as one of the leading Slovene companies in terms of the level of its resources it invests into its business. Petrol annually invests from SIT 6 billion to SIT 10 billion in to its fixed asset structure. Based on Petrol's strategic development plan, the bulk of these funds in recent years has been directed toward the Company's core business activities. In the long-term, however, more and more of these funds will be used for the development of other energy-related activities.

In 2001, Petrol invested SIT 8.2 billion in fixed assets, an increase of 20 % over the previous year, with the largest component of investment (67 %) going towards the modernization of the Company's retail network of service stations.

Breakdown of Petrol's investment in 2001



VPetrol built 6 new service stations, repurchased 2 service stations and totally renovated 6 more. The Hip-Hop sales center concept was added to thirty-one service stations and the total sales area in service stations was expanded by almost 2,000 square meters.

One new "Na Jasi" roadside restaurant was constructed and one of the Company's existing roadside tourist faculties was entirely renovated.

A substantial portion of investment assets were directed into the establishment of new companies, the construction of gas and water networks and the construction of a liquefied natural gas station.

TOTAL INFORMATION SUPPORT

In 2001, the principal aim of investments into information systems was to develop simple application solutions in the following key areas: (1) the standardization of applications; (2) the improvement of the quality of information services; (3) the development of programs for conducting business operations electronically or with payment cards; and (4) the program design of a decision-making support system.

The new computing environment, technology and models for development application solutions are intended to simplify internal and external network applications. In the second half of 2001, the first of the applications were introduced on a new technological platform. With the implementation of this series of technological projects, the quality of Petrol's information services, particularly in the area of reliability, responsiveness and user-friendliness, has been substantially improved.

Another new development in Petrol's electronic business support system was the implementation of an accounts receivable system that links the wholesale area with customer card purchases. The new system was based on the notion of "payment card partners" and enables control and overview of ongoing transactions with individual business partners. In addition, the information system that covers Petrol's warehouse and distribution center, the southern part of its oil terminal and the rail station filling points have been integrated into the information support system of the total Company. The electronic operations system at the Sermin terminal was also brought up to date.

Petrol's fundamental goal as regards the information system is the total integration of all business functions. In addition, the Company is working to link individual information systems, to solve specific operational problems and to implement a unified corporate information system that will be flexible enough to incorporate business changes that take place in Petrol's future.





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Petrol introduced a control system that covers the service station operations as well as an accounting system for the franchised service stations. The Company's electronic payment system was modernized and new systems are being developed to measure collective business success and training.

The "eRA", electronic retail system, was introduced progressively during the year and is now installed at 200 service stations. The system forms the nucleus of Petrol's retail expansion by providing real time data on all aspects of operations at each service station. It enables management to monitor sales and inventory to ensure that product is always available for customers and that service and efficiency levels are maintained.

In terms of electronic sales support, Petrol's lubricants catalog and price list are displayed on a web page. The Company also has initiated a toll-free electronic callcenter for ordering heating oil as well as a system for tracking supply orders.

BUSINESS EXCELLENCE

Petrol has been conducting its operations in accordance with the ISO 9001 standars since 1997. Business standards and processes of Petrol's retail and wholesale network are certified each year according to criteria monitored by outside controllers. Petrol's certification was reconfirmed in 2001.

Petrol's environmental standards system conforms to ISO 14001 standards. In 2000, Petrol achieved certification of the quality relationship to the surrounding environment in all of the Company's operational areas. It was also confirmed that the Company's environmental protection system is efficient and in accordance with good environmental practices.

Petrol's strategy for achieving business excellence is based on the introduction of project and team works as well as the stimulation and analysis of new business ideas. Petrol will conduct these programs through development and business conferences, the unification of individual systems of business standards and the implementation of a system for the protection of people and the environment.

In 2001, the Petrol Laboratory received accreditation according to SIST EN ISO 17025 standards. Petrol Laboratory is the only chemical laboratory in Slovenia to receive this international accreditation.

In 2001, Petrol implemented an internal system to measure business excellence in accordance with the standards of the European Business Excellence Award. Reports of the evaluating committee indicate a positive trend and Petrol intends to correct any shortcomings within the next two years. Petrol will officially apply for Slovene recognition of business excellence in 2003 and for inclusion in the selection of excellent companies in the European framework in 2005.



Culture of development and change

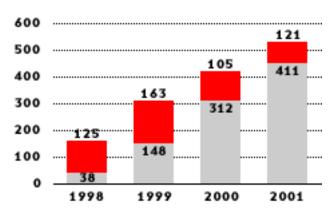
Petrol's goal in human resource management is to obtain the optimal employment structure in terms of staff number, training and education. In addition to rethinking overall employment policies, the main areas of human resource management are to implement an efficient and transparent system of evaluation and rewards and provide ongoing training and development programs, aimed at enhancing employee skills and motivation.

OPTIMAL STAFF NUMBER

At the end of 2001, Petrol had a total of 1,298 employees, representing a 30 % reduction compared with 2000. In the last four years, the number of employees at Petrol has been halved.

In 2001, Petrol's staff reduction was in line with the Company's stated business plan. It is important to recognize the fact the Petrol has succeeded in implementing an extremely proactive human resource policy - namely the optimization of staff number - with a minimum of social friction and with no deterioration in working conditions.

Trend in employment figures at Petrol from 1998 to 2001



The chart demonstrates the extent of the change achieved over the past 5 years. The reduction in the number of employees is for the most part a reflection of the re-employment of staff as independent entrepreneurs - i.e. as franchise holders of service stations - and the restructuring of Petrol into independent organizational units.

shifts to franchises or tourism

In 2001, 232 employees became franchise holders or emplyees at newly-franchised stations and 209 were employed at the newly-formed subsidiary, Petrol Gostinstvo (tourism). The real reduction of employees (technical redundancy, retirement and voluntary resignations) was 9 % of the total or 121 employees.

INTERNAL HIRING AND PLACEMENT

In 2001, Petrol hired 30 new employees, most contractually for time-limited projects linked to long-term business development plans.

In accordance with its hiring policies, Petrol conducts an in-house search for appropriate candidates when a post needs to be filled. For this reason, most new positions were filled via internal placement, with 67 internal transfers or advancements of Petrol staff.

During 2001, 175 employees (or 11 % of total employees) received promotions in accordance with the recently implemented advancement system.

1/3 **NEXT**



Culture of development and change

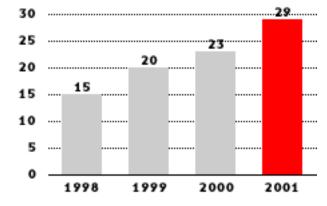
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INTENSIVE SUPPLEMENTARY TRAINING

Training is an essential component of career development and appropriate courses are offered to all staff. In 2001 the total number of employees attending courses was 3,617, indicating that on average each employee participated in three training courses. In addition, certain courses were open to employees of the franchise operations.

In 2001, each Petrol employee received on average 29 hours of supplementary training, as compared to 23 hours in 2000.

Trend in average number of hours of supplementary training for Petrol employees from 1998 to 2001



The number of hours of supplementary training received by Petrol employees has been increasing since 1998. The majority of these programs are organized in-house which allows, among other things, for the maximum adaptation of training to the specific needs of Petrol employees.

In 2001, there was an exceptionally positive response - especially among Petrol managers - to the "Academy Petrol" program which, through a number of educational models, offers special knowledge that is generally not included in more classical approaches. Since the introduction of "Academy Petrol", there has been a sharp increase in the number of Petrol management staff attending training programs. In 2001, each individual manager received on average 160 hours of supplementary training, three times more than they did in 1999 (53 hours).

PETROL



Culture of development and change

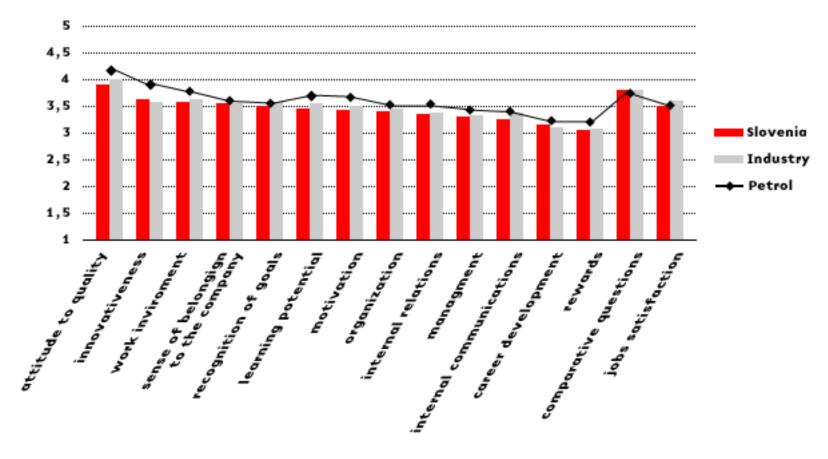
POSITIVE CHANGES IN THE ORGANIZATIONAL CLIMATE

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In 2001, Petrol carried out its fourth poll of employee satisfaction. The primary purpose of the poll is to measure the temperature of the organizational climate in the work place and above all to ascertain the satisfaction of those elements which have the greatest influence on the quality of work.

In order to attain a higher substantive value and better comparative results, Petrol was able to participate in a poll that was run at 25 other large and influential Slovene firms. The coordinator of "Project SiOK" was the Slovene Chamber of Commerce and the research specialist was Biro Praxis. The average satisfaction factor of Petrol employees had improved from 3.37 (the measure at the time of the last poll) to 3.54 on a scale of 5.

Comparative overview of individual categories in the results of job satisfaction research



A comparison of the data indicates that on the level of job satisfaction, Petrol exceeds the Slovene average (of 3.34) by 6 %. In general, Petrol's results were somewhat higher than the Slovene average and the industry average. The largest difference was in the category of learning potential where Petrol was 8 % higher than average. The lowest results were in the sense of belonging to the company and the recognition of the company's visions and goals. Petrol is already in the process of generating employee policies that will improve response in these categories.

3/3 **NEXT**



Respectful relationship to the environment

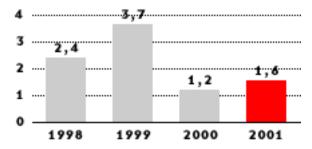
Petrol is one of the leading participants in the Slovene economic and environmental domains. Because of the Company's awareness of its environmental and social responsibility, Petrol assumes an even greater leadership role. As an enterprise with a serious and longterm approach to the environment, Petrol is well aware that its treatment of the surroundings in which it lives and works serves as a model for others.

AN EMPHASIS ON ENVIRONMENTAL STANDARDS

Petrol's system of environmental standards is structured in such a way that it supports the achievement of concrete and measurable goals in the most important environmental areas: clean air, clean soil, clean water and the proper disposal of waste. Among Petrol's most important goals is the renovation of all buildings, installations and processes to meet contemporary ecological standards, the reduced emissions of harmful substances, the sustainable use of natural resources and less accidents involving fuel spillage.

Each and every Petrol employee is responsible for his or her attitude toward the environment and the Petrol management team is responsible for realizing the Company's stated environmental goals. For this reason, environmental themes are an important part of the Company's supplementary training programs, comprising some 30 % of all educational content.

Investments related to environmental improvements from 1998 to 2001



The level of investment related to environmental improvements is one of the most revealing indicators of a company's ecological responsibility. In 2001, in the framework of total assets invested, SIT 1.6 billion was related to environmental improvements. Most of these funds were used to bring service stations up to the highest environmental standards. In the last two years, the Company also invested in the total clean-up and renovation of its central fuel terminal. Substantial investments in this area are also planned for 2002 when the Company will similarly renovate the rest of its fuel terminals and warehouse facilities.

FLAWLESS CHAIN OF DISTRIBUTION

By the year 2000, all of Petrol's truck cisterns for transporting liquid fuels were equipped with closed vapor recovery systems and overfill protection systems. By the end of 2001, the Company had introduced closed vapor recovery systems at 244 of the underground fuel reservoirs at service stations and at all of its fuel storage facilities and terminals. All of the fuel storage facilities and 255 of Petrol's service stations are equipped with double skin underground fuel reservoirs. The Company has also been successful in shifting much of its fuel transport from truck to rail, a measure which contributed to Petrol's perfect no-spill record during the handling and transport of fuel in 2001.



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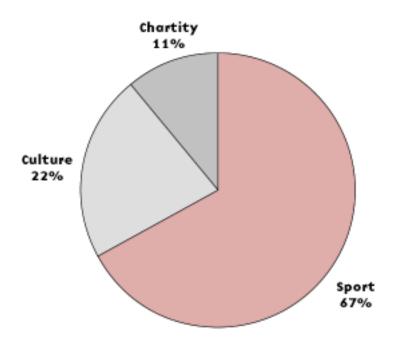
HIGH QUALITY FUEL

Petrol's respectful relationship to the environment is also indicated by the regular monitoring of fuel quality which has been carried out by the Petrol Laboratory since 1999. In 2001, the maximum content of lead, sulfur and benzene in Petrol fuels was significantly lower than maximum amounts permitted by government legislation. Given that such monitoring takes place at more than half of Petrol's service stations, the data gathered offers a realistic picture about the quality of nearly three-quarters of the liquid fuel used in Slovenia.

STRONG REPUTATION AND PROMOTION OF VALUES

For the last several years, Petrol has also attempted through its actions to initiate and motivate healthy and active life styles and a higher quality of life. Its connection and inclusion to this wider social context is demonstrated by a variety of long-term projects related to sports, culture and humanitarian efforts.

Breakdown of funds allocated by Petrol to sponsorship activities in 2001



Sponsorship and charitable giving, which is part of Petrol's over-all communication strategy, is an effective way of strengthening the reputation of Petrol and its brand name. It is Petrol's primary and most important method of engaging with the wider social environment. Twothirds of the funds allocated toward sponsorship in 2001 went into sports projects and the remaining to arts and culture. Charitable giving makes up just over 10 % of the total.

One of the common themes of Petrol's sponsorship is Slovene car racing. This is illustrated by the Seicento Petrol Tournament which is now the biggest automotive tournaments in Slovenia. The event gives young drivers the opportunity to be daring and agile in a safe environment. Petrol makes use of the event both to promote its branded products in oils, lubricants and automotive accessories and to promote values such as cooperation, team work and fair play.

Petrol also plays an important role in supporting cultural events and making them accessible to a wider public. It has participated for several years in the four festivals program which is a part of the Association of Slovene Festivals. In 2001, for the eleventh year running, Petrol sponsored the "Child to Adult" visual arts competition that gives young people the opportunity to express themselves and measure their artistic skills against others. For several years now, Petrol has also sponsored a number of smaller but no less high-quality cultural and artistic projects.

PETROL



Financial highlights of Petrol Group

■ RELATIONSHIP BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES

The Petrol Group is comprised of the main operating and parent company Petrol, d. d., plus five domestic and five international subsidiaries. Although Petrol's international network remains largely unchanged since 1999, the domestic network experienced a number of important changes in 2001. In line with the Group's stated strategic goals, Petrol Gostinstvo began operating at the beginning of 2001, ElektroPetrol was established in October of 2001 and Apegas was restructured into the wholly-owned subsidiary Petrol Plin. provide ongoing training and development programs, aimed at enhancing employee skills and motivation.

Becoming an integrated energy concern involves a long-term approach. New companies can be established only gradually as individual energy areas are spun off from the main operating company. Most of Petrol's international subsidiaries are engaged in the sale and trading of oil and oil products with the main operating company. Trading in oil products remains the primary engine of revenues, incomes and all other financial criteria.

Petrol Group					
oil trading	tourism	tourism gas			
Petrol, d.d.			ElektroPetrol 51%		
Petrol Trgovina 100%		Petrol plin 100%			
Petrol BH Oil Company 100 %	Petrol gostinstvo 100%				
Destilat 100%	Hotel Špik 100%				
Cypet Oils 100%		Affiliated companies			
Petrol-Trade 100%		Instalacija Koper 49%	Nafta Lendava 55%		
Cypet-Trade 100%		Ogrevanje Piran 40%	Aquasistems 26%		



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QUANTITY OF OIL SOLD:

The Petrol Group sold 1.96 million tons of oil products outside of the Group. This is 2 % lower than in 2000 primarily because of the cessation of wholesale oil sales in Croatia.

NET REVENUES FROM SALES:

SIT 273 billion, an increase of 3 % over 2000.

GROSS INCOME:

SIT 36 billion, an increase of 14 % over 2000.

NET INCOME:

SIT 4.4 billion on which income tax payable was SIT 183 million.

NET INCOME ACCRUING TO MAJORITY OWNERS:

SIT 4.2 billion, a five-fold increase over 2000.

TOTAL ASSETS AT YEAR-END:

SIT 120 billion, a 2 % decline as compared to 2000.

FIXED ASSETS AT YEAR-END:

SIT 78 billion, a 9 % increase over 2000.

Working Capital:

SIT 42 billion, 17 % decline as compared to 2000. The reduction was primarily the result of the decreased level of short-term operating receivables and short-term financial investments.

E CAPITAL:

SIT 64 billion, 13 % increase over 2000.

LONG-TERM DEBT:

SIT 19 billion, 16 % increase over 2000.

SHORT-TERM PAYABLES:

SIT 38 billion, 23 % decline as compared to 2000.



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PETROL-TRADE, H.M.B.H.

Address: Austria, Vienna, Elisabethstrasse 10

Activity: The trading of oil, oil derivatives

and chemical products. Director: Marko Malgaj

Petrol ownership: 100 % Telephone: 0043 (1) 585 54 73 E-mail: petrol-trade@via.aat

Petrol-Trade was the first-established subsidiary of the Petrol Group and has been the most important foreign trading subsidiary of the parent company since 1987. In addition to trading in oil and oil derivatives, Petrol-Trade also imports and exports chemical products. It operates actively throughout Central European markets.

In 2001, Petrol-Trade sold 699,035 tons of oil products, generating net sales revenues of SIT 39.1 billion and net income of SIT 123.5 million.

At fiscal year end 2001, Petrol-Trade reported capital of SIT 493 million.

CYPET-TRADE, LTD.

Address: Cyprus, Limassol, Ariadne House,

Office 52, 333 28th October Street Activity: The trading of oil and oil derivatives.

Director: Lojze Blenkuš

Petrol ownership: 100% Telephone: 00357 (5) 586 039 E-mail: cypet@logos.cy.net

Cypet-Trade is the subsidiary of Petrol-Trade, and was established at the end of 1988. The fundamental activity of Cypet-Trade is as an intermediary on the oil and oil derivative markets.

In 2001, Cypet-Trade transacted business from which it generated net sales revenues of SIT 689 million and net income of SIT 661.6 million.

At fiscal year end 2001, Petrol-Trade reported capital of SIT 31.6 million.

CYPET OILS, LTD.

Address: Cyprus, Limassol, Ariadne House,

Office 52, 333 28th October Street Activity: The trading of oil and oil

derivatives. Director: Lojze Blenkuš

Petrol ownership: 100% Telephone: 00357 (5) 586 039 E-mail: cypet@logos.cy.net

Cypet Oils was established at the end of 1988. Similar to the Vienna-based Petrol-Trade, Cypet Oils trades oil and finances oil transactions. Its activities are closely linked to the activities of the Petrol Group.

In 2001, Cypet Oils sold 1,039,529 tons of oil products, generating net sales revenues of SIT 61.9 billion and net income of SIT 170.6 million.

At fiscal year end 2001, Cypet Oils reported capital of SIT 3.2 billion.

> 3/6 NEXT



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PETROL TRGOVINA, D.O.O.

Address: Croatia, Zagreb, Ilica 71 Activity: Sales and marketing of oil

Director: Igor Meh

Petrol ownership: 100% Telephone: 00385 (1) 484 69 16 E-mail: igor.meh@petrol.si Petrol Trgovina was established in 1996 and is engaged in the sale and marketing of oil products and supplementary merchandise on the Croatian market.

In 2001, Petrol Trgovina operated through a network of five retail service stations. It sold 17,235 tons of oil products, generating net sales revenues of SIT 2.8 billion and net income of SIT 10.7 million.

Petrol Trgovina was recapitalized in 2001 so that at fiscal year end 2001, it reported capital of SIT 1.77 billion.

PETROL BH OIL COMPANY, D.O.O.

Address: Bosnia & Herzegovina,

Sarajevo,

Fra Anđela Zvidovića 1 Activity: Sales and marketing of oil

Director: Silvo Komar

Petrol ownership: 100%

Telephone: 00387 (1) 33 483 189 E-mail: silvo.komar@petrol.si

Petrol BH Oil Company began operations in the beginning of 1999. The company was established as an independent subsidiary of Petrol engaging in wholesale, retail and other commercial activities and investments in the Bosnian market.

At the end of 2001, Petrol BH Oil Company operated through a retail network of 9 service stations which are run as franchises. In 2001, Petrol BH Oil Company sold 59,689 tons of oil products, generating net sales revenues of SIT 6.1 billion and net income of SIT 189.5 million.

At fiscal year end 2001, Petrol BH Oil Company reported capital of SIT 432 billion.

DESTILAT, D.O.O.

Address: Ljubljana, Dunajska 50 Activity: Wholesale distribution of

solid,

liquefied and natural gas Director: Mariča Lah

Petrol ownership: 100% Telephone: 00386 (1) 4714 815 E-mail: igor.meh@petrol.si In 1999, Petrol acquired the company Shell Slovenija and registered the subsidiary under the name Destilat. Destilat is the subsidiary through which the parent company distributes franchises of service stations. The revenues generated in this activity are reported at the level of the parent company.

In 2001, Destilat generated rental/franchise revenues of SIT 148.7 million and net income of SIT 299,000.

At fiscal year end 2001, Destilat reported capital of SIT 2.67 million.



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PETROL PLIN, D.O.O.

Address: Ljubljana, Dunajska 50 Activity: Gas activities - gas production, distribution of liquid fuels from liquefied and natural gas networks. Director: Štefan Mitja Lebar

Petrol ownership: 100% Telephone: 00386 (1) 4714 911 E-mail: stefan.lebar@petrol.si The Apegas company, an affiliate of the Petrol Group, began constructing a gas and oil network and supplying customers with liquefied gas in the middle of 1995. In 2001, Petrol d.d. bought out the stakes of the two other Apegas shareholders (the Italian Agipgas and the Ljubljana-based Euroeast) and transformed Apegas into a wholly-owned Petrol subsidiary renamed Petrol Plin.

The newly-structured subsidiary has capital of SIT 1.1 billion and had acquired a total of 14 natural and liquefied gas concessions. Petrol Plin will formally begin operations in 2002.

ELEKTROPETROL, D.O.O.

Address: Ljubljana, Dunajska 50 Activity: Trading, representation, and marketing of electrical energy Director: Bojana Fortuna Vister

Petrol ownership: 100% Telephone: 00386 (1) 4714 880 E-mail: bojana.fortuna@petrol.si ElektroPetrol is the youngest company in the Petrol Group. In October 2001, ElektroPetrol was established as a 51 %-owned subsidiary of Petrol. The Austrian company Estag AG owns the remaining 49 % of the subsidiary.

ElektroPetrol has a license to trade in or act as representative or intermediary in transaction involving electrical energy. It anticipates that its first business transactions will take place in 2003.

At fiscal year end 2001, ElektroPetrol reported capital of SIT 2.1 million.

5/6 **NEXT**



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HOTEL ŠPIK, D.O.O.

Activity: Hotel and tourist

management

Director: Ljudmila Potočnik

Petrol ownership: 100%

Telephone: 00386 (4) 588 01 20 E-mail: hotel.spik@petrol.si

Address: Gozd Martuljek, Jezerzi 21 In 1999, Hotel Špik, was restructured as an independent subsidiary named Hotel Špik d.o.o. The primary reason for spinning off Petrol's tourist activities was to achieve a more active marketing approach to tourist activities.

> In 2001, Hotel Špik recorded 42,890 overnight stays, an increase of 11.6 % over the previous year. The subsidiary generated net revenues from sales of SIT 208 million, 11 % more than in 2000. Despite the increase, Hotel Špik closed the year with a loss of SIT 7.9 million in 2001, a result that was a 41 % decline compared to the previous year.

At fiscal year end 2001, Hotel Špik reported capital of SIT 7.1 million.

PETROL GOSTINSTVO, D.O.O.

Address: Ljubljana, Dunajska 50 Activity: Restaurant and tourist

facilities management

Director: Ljubo Jasnič

Petrol ownership: 100% Telephone: 00386 (1) 47 14 702 E-mail: gostinstvo@petrol.si

Petrol Gostinstvo began operations in 2001 when the restructuring of all of Petrol's tourist activities was completed in 2000.

In 2001, Petrol Gostinstvo operated six roadside cafes, Petrol's corporate restaurants, a motel and five specialized "Na Jasi" roadside restaurants.In 2001, Petrol Gostinstvo generated net revenues from sales of SIT 1.56 billion and net income of SIT 10.4 million.

At fiscal year end 2001, Petrol Gostinstvo reported capital of SIT 588 million.

> 6/6 NEXT

Table of contents

Introduction Remarks of the Finance & Accounting Management Board Member **Preparation of financial statements** PART ONE Financial statements of the Petrol, d.d. **Auditor's report Key data** Petrol employees classifed by level of education **Key financial data Key financial indicators Income statement Balance sheet Cash flow statement Effectiveness, liquidity, profitability and financing ratios Share information PART TWO Accounting rules and valuation methods Valuation adjustments** PART THREE **Income statement of Petrol d.d. Balance sheet of Petrol d.d. Tables and Notes** Part Four **Presentation of Petrol Group** Fundamental accounting principals in the preparation of consolidated financial statements Other accouting principals in the preperation of financial statements **Auditor's report Consolidated financial statement Consolidated balance sheet Consolidated statement of cash flows Tables and Notes** PART FIVE



INTRODUCTION

The Financial Statements of the Petrol Annual Report are presented in five parts.

The first part is comprised of an introduction from the Petrol management board member responsible for the financial and accounting departments and a condensed presentation of key sales data and financial highlights. This section is followed by the three principal financial statements of Petrol, The Slovene Oil Company, d.d. Ljubljana: the income statement, the balance sheet and the cash flow statement. These principal statements are complemented by the presentation of key ratios and indicators of effectiveness, liquidity, profitability and financial structure as well as information about Petrol shares and shareholders.

The third part of the Financial Statements section presents the Company's accounting rules and valuation methods which are based on Slovene accountings standards and are used in the preparation of the financial statements of Petrol, The Slovene Oil Company, d.d. and of the Petrol Group.

The fourth part of the Financial Statements section is the detailed breakdown of the income statement and balance sheet of Petrol, The Slovene Oil Company, d.d. accompanied by detailed notes for individual accounting entries.

The fifth part of the Financial Statements section is comprised of the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement of the Petrol Group accompanied by detailed notes for individual accounting entries.

■ NEXT

Financial health and a successful company

In 2001, Petrol generated net sales revenues of SIT 262 billion (SIT 168.4 million not including excise tax). The Company reported gross income of SIT 32. 4 billion and operating income of SIT 3.9 billion. Petrol's reported net income of SIT 4.08 billion which translated into 6.76% return on average capital. At fiscal year end 2001, total longterm debt to equity was 12.8%. Cash flow coverage of interest obligations was ample as was both short-term and long-term liquidity.

■ REMARKS OF FINANCE & ACCOUNTING MANAGEMENT BOARD MEMBER

Comparisons with 2000

In 2001, Petrol's net revenues from sales (excise tax included) was 5.8 % higher than the previous year. The Company's gross income from sales saw an increase of 13.6 % over the previous year, operating income nearly tripled and net income was more than twice as much as in 2000.

Return on capital went from 3.54 % in 2000 to 6.76 % in 2001 and return on total revenues went from 0.7 % to 1.5 %. Similar trends could be observed in the relationship between operating income and net sales revenue figures.

At fiscal year end 2001, operating payables were one third lower than at the end of the previous year and operating receivables were 13 % lower. In 2001, comparable sales and administrative expenses decreased in real terms by 4 %.

Greater interest among investors

The successful results of the Company were also reflected in the trading of Petrol shares. In 2001, Petrol shares saw the greatest growth of all the SBI stocks and were the most profitable shares traded on the Ljubljana Stock Exchange. The reason for this improvement was primarily the excellent financial results of the Company which enhanced investor confidence in Petrol's future business prospects. Fruitful discussions held with several foreign and domestic analysts, regular disclosure of financial results and other important aspects of Company business, detailed communication about long-term development strategy (presented at an international investment conference in London and elsewhere) all added to investor confidence during 2001.

Excellent investment potential

Petrol is in the process of becoming an integrated and diversified energy concern. In the coming years, the Company intends to invest some SIT 78 billion both into its core business and into new businesses. In 2001 alone, Petrol invested SIT 8.2 billion into existing infrastructure, an investment level that is 20 % higher than the previous year. To fund the increased level of investment, Petrol drew down two new long-term credits (SIT 2 billion and EUR 10 million) in 2001 and, as a consequence, Petrol's long-term debt to equity ratio increased from 9 % in 2000 to 12.8 % in 2001. Nevertheless, Petrol's capital position remains healthy and its leverage moderate. In terms of continued borrowing, Petrol remains open to all prudent possibilities.

Becoming an integrated energy concern

The most important steps in the transformation of Petrol into an integrated and diversified energy concern were taken in 2001. All non-core activities (i.e. activities other than the sale of oil deriviatives and supplementary commercial products) have been spun off from the main operating company into independent affiliates. The Petrol Group, in addition to the parent company (Petrol, d.d.), is now comprised of ten independent affiliates, the activities of which remain closely linked to the core business. It should be noted that, in terms of revenues, profits and all other financial categories, Petrol's core business continues to be the principal engine of the Company.

Strong financial functions

The diversification of Petrol required the strengthening of its financial systems and controls. Petrol's financial function has evolved into a corporate division which directs financial and investment strategies, provides oversight and control, manages risk, formulates tax, capital and dividend policies and ensures financial sources as well as short-term and long-term liquidity for the entire Company.

The Company's strong financial position, its ample short-term and long-term liquidity and its excellent development potential all prove the efficient functioning of Petrol's finance division. Petrol enjoys extremely favorable credit ratings from its banks, creditors and counterparties and as a result is able to borrow under excellent credit conditions. Petrol remains conservative as regards financial risk.

Long-term capital policy

Petrol's capital policy is based on maximizing long-term returns to its shareholders and maintaining an optimal balance between shareholders' capital and debt capital. At each of the annual shareholders meetings, the Company's shareholders have confirmed the need for long-term stability of dividend payments. The distribution of the Company's 2001 calculated profit of SIT 7.02 billion was also dictated by these considerations.





Financial health and a successful company

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Reduction of price and foreign exchange risk

The efficient management of various types of risks (price and foreign exchange risk being the most significant in Petrol's business) is ensured by an integrated risk management strategy and by careful planning and control over all operational areas and processes where risk is present. The principal goal that shapes Petrol's foreign exhange and price risk management strategies is the preservation of the profit margins that are dictated by the prevailing oil pricing model. Price risk, which was already greatly reduced with the introduction of the oil price model, can be further reduced by the precise management of timing between purchases and sales. In certain cases, Petrol protect its margins on oil deriviatives by using appropriate hedging instruments on OTC markets, generally commoditiy swaps and options. All of Petrol's pricing models systematically protect against (tanker) supply risk, again with the primary goal of preserving the margins dictated by the oil derivative price model. Petrol enters into foreign exchange contracts on forward markets (specifically EUR/USD, SIT/USD and SIT/EUR forward contracts) to protect against fluctuations in the US dollar.

Effective management of receivable risk

Petrol dedicates a great deal of attention to receivables and their timely collection. In 2001, there were fewer claims and forced settlements than in 2000 though a considerable number remained. The level of collection was significantly higher than during the period immediately preceding the enactment of the Financial Business Law. In 2001, Petrol successfully halted the negative trend in this area of its business. Namely, accounts receivable reported on the balance sheet at fiscal year end 2001 were SIT 22.9 billion, SIT 3.5 billion less than at fiscal year end 2000 (a reduction of 13 %). The completion of the information system as it relates to accounts receivable control contributed a great degree to this improvement. The system enables the automatic blocking of customer accounts in cases where extended credit exceeds maximum allowed exposure.

Reduction of operating payables

Operating payables decreased by SIT 14.8 billion in 2001. At fiscal year end 2001, Petrol reported SIT 32.6 billion operating payables as compared to SIT 47.4 at the end of the previous year. The principal cause of the 31 % reduction is the result of paying tax obligations for 2000 on the last day of 2001. Tax payables related to business transacted in 2001 did not go on the balance sheet until the beginning of 2002. Another reason for the reduction is lower oil prices in general which also reduced the reported levels of inventory as compared to those reported in 2000.

Firm links to the financial environment

In accordance with reforms related to Slovenian payment regulations, Petrol transfered its paying agent from the state-controlled Payment Agency to a number of commercial banks. The Company opened three payment accounts: at Nova Ljubljanska Banka, Nova Kreditna Banka Maribor and at SKB Bank. These banks adapted and connected their information systems to Petrol's so that payments will be simultaneously recorded on the banks' systems and on Petrol's system. Petrol's relations to both the international and domestic financial environment are entirely proper. Petrol's business relationships with banks and other financial institutions are extremely professional as are its relationships with stock exchanges and financial analysts. In addition, Petrol's clear long-term development strategy and its excellent financial results have enhanced investor confidence in the Company.

A bright future

All of the larger projects that Petrol has successfully completed in the previous mandate have only added to the efficiency of the Company's financial division. These projects include the creation of models for optimization of financial sources, investment policies and capital structure of Petrol Group. They also include a risk management system whereby Petrol can monitor and control the risks to which it is regularly exposed, an integrated corporate planning system, a compensation system that measures individual success and also functions as a mechanism to monitor and control individual responsibility in various corporate positions.

Petrol's success in realizing its principal projects is clearly reflected in its 2001 financial results. I personally am confident that Petrol has the financial capability needed to create a bright long-term future in its transformation into one of the most important integrated energy companies in Southeastern Europe.

Poldka Breznik, Management Board Member



PETROL



Accounting Report

PREPARATION OF FINANCIAL STATEMENTS

The audited financial statements of Petrol, The Slovene Oil Company, d.d. and of the Petrol Group for the year ending on December 31, 2001 were prepared by Deloitte & Touche d.o.o., Ljubljana, in accordance with the recommendations of the seventh annual meeting of Petrol shareholders held on July 5, 2001 and in accordance with the 54th paragraph of the Law Governing Economic Companies. The income statement, balance sheet and statement of cash flow of Petrol, The Slovene Oil Company, d.d. and of the Petrol Group were prepared for the year ending on December 31, 2001. The audit was made in accordance with international auditing standards and general auditing requirements which have been adopted by the Slovenian Institute of Auditors.

The management of Petrol, The Slovene Oil Company, d.d. is responsible for the financial statements. The auditors' opinions expressed therein are the responsibility of Deloitte & Touche d.o.o., Ljubljana.

The audit was carried out from September 24 to October 12, 2001 and from February 11 to March 8, 2002.

■ NEXT

PAUDITOR'S REPORT

Deloitte & Touche

INDEPENDENT AUDITORS REPORT

To the shareholders of the company

PETROL, Slovenska naftna družba, d.d., Ljubljana

We have audited the accompanying balance sheet of PETROL, Slovenska naftna družba, d.d., Ljubljana (»the Company«) as of December 31, 2001 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of the Company as of December 31, 2000, were audited by another auditor, the audit firm PricewaterhouseCoopers, d.d., Ljubljana, whose report dated April 2, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001, and the results of its operations and cash flows for the year then ended in accordance with Slovene Accounting Standards.

Deloitțe & Touche revizija d.o.o., Ljubljana

Alenka Podbevšek Director / Partner Certified Auditor

Deloitte & Touche

Ljubljana, March 25, 2002

Deloitte Touche Tohmatsu

■ NEXT

PETROL Accounting Report

E KEY DATA - PETROL D.D.

	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
A	1 076 160	1 010 452	1 000 200	2.040.520	2.040.520	00
Amount of oil derivatives sold (in tons) Number of service stations	1.876.169 280	1.918.452	1.989.290	2.040.538	2.040.538	98 100
Number of employees	1.298	1.860	2.277	2.588	2.751	70





PETROL



Accounting Report

PETROL EMPLOYEES CLASSIFED BY LEVEL OF EDUCATION

	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Level I.	41	139	206	253	321	29
Level II.	123	167	203	250	284	74
Level III.	12	55	69	97	114	22
Level IV.	403	650	882	1.100	1.205	62
Level V.	464	588	650	610	592	79
Level VI.	75	88	96	108	93	85
Level VII.	150	145	140	143	128	103
Post-graduate level	30	28	31	27	14	107
	1.298	1.860	2.277	2.588	2.751	70



NEXT

E KEY FINANCIAL DATA - PETROL D.D.

	2001	2000	1000	1000	1007	index
SIT 000	2001	2000	1999	1998	1997	01/00
Gross invoiced turnover	308.838.690	290.776.117	204.332.442	186.219.762	190.603.238	106
Taxes	46.814.850	43.202.739	58.330.017	87.224.952	69.006.021	108
Net sales revenues	262.023.840	247.573.378	146.002.425	98.994.810	121.597.217	106
Gross income	32.430.300	28.556.146	27.938.115	29.726.367	26.372.258	114
Operating income	3.964.299	1.424.632	-306.930	2.759.140	2.942.626	278
Net income in financial year	4.075.180	1.911.935	219.176	3.365.083	3.236.234	213
Cash flow (net income + depr. of non-environmental						
assets)	8.553.826	5.872.669	3.939.489	6.872.227	6.812.297	146
Investments in tangible and intangible assets	5.398.069	3.578.885	6.684.160	5.995.987	5.398.100	151
Total assets	121.816.766	122.437.976	102.615.613	85.836.525	88.167.650	99
Equity	63.769.024	56.821.806	51.340.195	48.745.168	43.748.170	112
Financial debt	14.799.571	6.507.622	8.374.099	1.870.434	2.512.298	227
Long-term financial debt	8.136.575	5.155.943	3.929.731	688.651	840.608	158
Short-term financial investments less financial debt	-12.865.750	-1.360.521	-5.751.786	3.124.889	4.390.362	946



■ NEXT

F KEY FINANCIAL INDICATORS - PETROL D.D.

Values in %	2001	2000	1999	1998	1997	index 01/00
Gross income / net revenues from sales less excise tax (%)	19,26	16,63	25,96	30,03	21,69	116
Operating income / net revenues from sales less excise tax (%)	2,42	1,11	0,20	3,40	2,66	218
Net income / average equity (%)	6.76	3,54	0,44	7,28	7,83	191
Operating profits (not incl. amortization and adjustments to fixed assets)/net	5,3	3,42	4,56	6,88	5,96	155
revenues from sales less excise taxes (%)						
Operating profits/net revenues from sales less excise taxes (%)	2,36	0,82	-0,29	2,79	2,42	288
Current assets / current liabilities	0,97	0,95	0,93	1,11	1,11	102
Debt / equity	0,23	0,11	0,16	0,04	0,06	209
Net financial debt/equity	0,20	0,02	0,11	-0,06	-0,10	1.000
Long-term financial debt/equity	0,13	0,09	0,08	0,01	0,02	144
Interest coverage*	9,07	3,02	1,43	6,47	6,03	300

^{* (}net income + interest expenses) / interest expenses



■ NEXT

FINCOME STATEMENT - PETROL D.D.

000 SIT	Note	2001	2000	1999	1998	1997	index 01/00
Net sales revenues*		262.023.840	247.573.378	146.002.425	98.994.810	121.597.217	106
Cost of goods sold*		(229.593.540)	(219.017.232)((118.064.310)	(69.268.443)((95.224.959)	105
Gross Income		32.430.300	28.556.146	27.938.115	29.726.367	26.372.258	114
Sales costs	C.;	(24.482.855)	(23.969.340)	(24.786.216)	(21.586.279)((17.337.484)	102
Administrative costs	C.;	(4.647.852)	(3.964.777)	(4.290.235)	(6.239.682)	(6.092.148)	117
Other operating income	28.;	664.706	802.603	831.406	858.734	,	83
Operating Income	Ĺ	3.964.299	1.424.632	(306.930)	2.759.140	2.942.626	278
Income from investments in group members	07.;	1.167.007	1.379.265	495.961	446.200	714.959	85
Income from investments in other affiliated companies	07.;	0	57.948	0	140.142	0	-
Income from other investments	07.;	249.454	85.600	69.941	54.398	40.704	291
Interest income and other income from investments	E., 08. 10.;	4.256.163	6.383.919	2.456.992	3.467.652	5.272.071	67
Investment Income	,	5.672.624	7.906.732	3.022.894	4.108.392	6.027.734	72
Write-down of long-term and short-term financial investments		(789,211)	(318.581)	(258.757)	(1.015.580)	(1.158.921)	248
Interest expenses and other financial expenses	E.;	(4.588.756)	(8.165.190)	(2.536.590)	(2.794.273)	(4.354.109)	56
Investment Expenses	09.;		(8.483.771)	(2.795.347)	(3.809.853)	(5.513.030)	63
Income from Regular Operations		4.258.956	847.593	(79.383)	3.057.679	3.457.330	502
Extraordinary income	F., 11.;	562.496	2.073.007	796.836	1.455.203	521.028	27
Extraordinary expenses	F., 12.;		(906.167)	(498.277)	(881.535)	(281.696)	79
Pre-Tax Income	, ,	4.103.593	2.014.433	219.176	3.631.347	3.696.662	204
Income taxes	G., 13.;	(28.413)	(102.498)	0	(266.264)	(460.428)	28
After-Tax Net Income for Financial Year		4.075.180	1.911.935	219.176	3.365.083	3.236.234	213

^{*} As a result of the introduction of excise taxes as of July 1, 1999, revenues from sales and cost of goods sold are restated to include the amount of excise taxes in the amount of SIT 38,375,470,000 in 1999, SIT 75,906,218,000 in 2000, and SIT 93,604,633,000 in 2001.



⊪ NEXT

BALANCE SHEET - PETROL D.D.

000 SIT	Note	31.12.01	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
ASSETS							
LONG-TERM ASSETS							
Intangible assets	H., 14.;	408.407	352.659	315.207	275.988	146.372	116
Tangible fixed assets	H., 15. 16.;	63.464.792	59.103.865	55.343.879	49.405.383	44.534.385	107
Long-term investments	I., 17., 18.;	19.457.729	16.107.471	13.107.883	8.120.290	8.714.911	121
Treasury shares	K.;	637.919	617.892	720.115	665.198	141.322	103
Total Long-Term Assets		83.968.847	76.181.887	69.487.084	58.466.859	53.536.990	110
CURRENT ASSETS							
Inventory	L., 19.;	9.349.546	10.511.610	8.268.405	4.228.016	5.464.796	89
Long-term operating receivables	M., 20.;			84.695	227.364	787.165	45
Short-term operating receivables	N., 21., 22.;	22.850.115	26.356.338	17.884.845	14.896.316	18.640.890	87
Short-term investments	I., 23.;		5.147.101	2.622.313	4.995.323	6.902.660	38
Cash	0., 24.;			3.914.396	2.793.501	2.644.962	90
Deferred costs and accrued revenues	P., 25.;			353.875	229.146	190.187	73
Total Current Assets		37.847.919	46.256.089	33.128.529	27.369.666	34.630.660	82
TOTAL ASSETS		121.816.766	122.437.976	102.615.613	85.836.525	88.167.650	99
LIABILITIES AND SHAREHOLDERS EQUITY							
ASSETS							
Basic capital		12.517.806	12.517.806	12.517.806	12.517.806	12.517.806	100
Capital surplus		2.383		930	930	0	256
Reserves*	29.;	14.585.346	11.591.789	11.655.983	9.984.055	8.365.938	126
Retained earnings		2.793.260	2.698.075	3.300.659	2.135.913	2.115.284	104
Capital inflationary adjustments		31.832.639	28.101.271	23.645.641	20.741.381	17.512.908	113
Undistributed current income*		2.037.590	1.911.935	219.176	3.365.083	3.236.234	107
Total Equity	R., 26.;	63.769.024	56.821.806	51.340.195	48.745.168	43.748.170	112
LONG-TERM LIABILITIES							
Long-term provisions	S., 30.;	10.121.586	10.518.328	11.652.283	11.777.744	12.430.191	96
Long-term financial liabilities	T., 31.;	8.136.575	5.155.943	3.929.731	688.651	840.608	158
Long-term accounts payable	U.;	136.025	9.095	8.497	8.122	7.962	1.496
Total Long-Term Liabilities		18.394.186	15.683.366	15.590.511	12.474.517	13.278.761	117
CURRENT LIABILITIES							
Short-term financial liabilities	T., 32.;	6.662.996	1.351.679	4.444.368	1.181.783	1.671.690	493
Accounts payable	U., 33., 34.;			30.969.648	23.281.697	29.289.530	69
Accrued costs and deferred revenues	J., V., 35.;			270.891	153.360	179.499	36
Total Current Liabilities		39.653.556	49.932.804	35.684.907	24.616.840	31.140.719	79
TOTAL LIABILITIES AND SHAREHOLDERS EG	OUITY	121.816.766	122.437.976	102.615.613	85.836.525	88.167.650	99
* In accordance with Daragraph 2 of Article							

* In accordance with Paragraph 3 of Article 228 of the Law Governing Economic Companies - Appendix F, undistributed net income for the year has been reduced by half and transferred to the reserve account.





E CASH FLOW STATEMENT - PETROL D.D.

.000 SIT	2001	2000	1999	1998	i 19970	index 01/00
Cash and cash equivalents at beginning of fiscal year	4.067.293	4.262.777	3.005.807	2.843.334	2.092.955	95
Net revenues Expenses not including amortization and long-term provisions Income taxes and minority interest in net income	268.923.666 (259.676.721) (28.413)	(251.606.183)(150.653.561 146.016.151)(0			104 103 28
Unadjusted net cash flow from operating activities	13.285.825	10.882.741	7.643.217	9.696.113	8.905.252	122
Increase in accounts payable, accruals and deferrals Decrease in accounts payable, accruals and deferrals Increase in accounts receivable, accruals and deferrals Decrease in accounts receivable, accruals and deferrals Increase in inventory	(18.864.951) 0 (5.513.335)	14.560.020 0 (6.841.971) 0 (1.507.317)	6.024.175 0 (1.803.774) 0 (3.719.060)	0 (8.244.585) 0 5.736.784 0	3.256.124 0 (2.617.969) 0 0	- - - -
Decrease in inventory	1.897.876		0	1.646.640	551.617	-
Adjusted net cash flow from operating activities	1.832.085	17.093.473	8.144.558	8.834.952	10.095.024	11
Net increase in intangible long-term assets	(155.098)		(102.226) 0	(180.379) 0	(60.326) 0	142
Net decrease in intangible long-term assets PNet increase in fixed assets Net decrease in fixed assets	5.242.971	(3.469.308) 0		(5.815.608) 0	(5.337.774) 0	121 -
Net increase in long-term investments Net decrease in long-term investments	2.222.736	(1.832.984) 0	(4.370.451) 0	0 1.248.239	0 300.297	-
Net increase in short-term investments	0	(2.291.402)	0	0	0	-
Net decrease in short-term investments	3.573.577	0	2.752.655	2.425.036	3.727.860	-
Net increase (decrease) in cash flow from investing activities	(2.215.143)	9.390.204	(157.397)	6.512.240	8.725.081	-
Increase in capital (not including current operating profits)	(1.105.400)	0	0	0	0	-
Decrease in capital (not including current operating profits) Net increase in long-term provisions	(1.105.488)	(972.529) 0	(1.269.150)	(2.162.474)	(2.084.069)	114 -
Net decrease in treasury shares	23.226	-	3.031			14
Net decrease in long-term provisions	(1.133.025)	(2.171.008)	(1.023.600)	(725.978)	(1.278.832)	52
Net increase in long-term debt	2.619.716	876.466	3.188.743	0	0	299
Net decrease in long-term debt	0	0	0	(215.003)	(3.963.970)	-
Net increase in short-term debt	5.216.699	0	3.172.769	0	1.246.752	-
Net decrease in short-term debt	0	(3.488.238)	0	(615.284)	0	-
Net increase in obligations to shareholders from net income	0	0	0	0	0	-
Net decrease in obligations to shareholders from net income	0	0	0	0	0	-
Cash and cash equivalents at end of fiscal year	3.405.985	3.801.208	3.914.396	2.793.501	2.644.962	90



₩ NEXT



EFFECTIVENESS, LIQUIDITY, PROFITABILITY AND FINANCING RATIOS

RATIO	FORMULA	2001	2000	1999	1998	1997
1 FEECTIVENECC						
1. EFFECTIVENESS 1.1 total effectiveness	total income					
1.1 total effectiveness	/ total expenses;	101.6%	100,8%	100.2%	103.6%	103.0%
	/ total expenses,	101,070	100,070	100,270	105,070	105,070
1.2 operating effectiveness	operating revenues					
. 5	/ operating expenses;	101,5%	100,6%	99,8%	102,8%	102,5%
2. LIQUIDITY						
2.1 current ratio	current assets	4.0	0.0	0.0		4.4
2.2 milet metic	/ current liabilities;	1,0	0,9	0,9	1,1	1,1
2.2 quick ratio	(current assets - inventory) / current liabilities;	0,7	0,7	0,7	0,9	0,9
2.3 accounts receivable turnover	net income from sales	0,7	0,7	0,7	0,9	0,9
2.5 accounts receivable turnover	/ average current operating receivables;	12,6	13,2	12,5	11,1	11,7
2.4 accounts payable turnover	purchase value of goods	12/0	10,2		,_	,
	/ average current payables;	5,8	5,6	4,4	2,6	3,6
2.5 inventory turnover	net income from sales			·	•	•
	/ average inventory;	26,4	26,4	23,4	20,4	22,2
2.6 average days receivables	average current operating receivables					
outstanding	/ (net revenues / 360);	29	27	29	32	31
2.7 average days inventory on B/S	average inventory			4 =	10	4.6
	/ (net revenues / 360)	14	14	15	18	16
3. PROFITABILITY						
3.1 operating profitability	operating income					
	/ net revenues;	1,5%	0,6%		2,8%	2,4%
3.2 return on revenues	net income					
	/ total revenues (operating income and					
2.2. (2.05)	extraordinary income);	1,5%	0,7%	0,2%	3,2%	2,5%
3.3 return on equity (ROE)	net income	6 90/-	3,5%	0.40%	7,3%	7 90%
3.4 return on assets (ROA)	/ equity; net income	6,8%	3,3%	0,4%	7,3%	7,8%
5.4 return on assets (NOA)	/ total assets;	3,3%	1,7%	0,2%	3,9%	3,8%
	, total assets,	37373	2// /0	0,270	3,370	5,070
4. FINANCING AND LEVERAGE						
4.1 debt-equity ratio (D/E)	total debt					
	/ equity	23,2%	11,5%	16,3%	4,0%	5,7%
4.2 long-term debt to total capital ratio						
(D/D+E)	/ (long-term debt + equity);	11,3%	8,3%	7,1%	1,5%	1,9%
4.3 self-financing ratio (equity/assets)		60.70	FF 00/	61 40/	70 F0/	62.70/
4.4 asset structure	/ total assets; fixed assets	60,7%	55,0%	61,4%	70,5%	63,7%
TIT USSEL SUIUCUIE	/ current assets	221 9%	164,7%	209.8%	213.6%	154 6%
	, carrendosco		10 177 70	200,070		13 173 70







F SHARE INFORMATION

	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.19970	index 01/00
						-, -,
Number of shares	2.086.301	2.086.301	2.086.301	2.086.301	2.086.301	100
Book value per share (SIT)	30.566	27.236	24.608	23.364	20.969	112
Market value per share						
Maximum (SIT)	23.850	25.676	29.386	30.067	26.208	93
Minimum (SIT)	18.275		24.484	19.757	16.001	102
Average share price (SIT)	21.208		26.429	24.032	20.861	104
Price on last trading day (SIT)	23.147		24.807	27.722	19.991	120
Market valuation (SIT 000)	48.291.609	40.405.391	51.754.869	57.836.436	41.707.243	120
Return on capital in current year (SIT) *	4.280	(5.040)	(2.315)	8.481	3.712	-
Yield per share in current year (%)	22%	-20%	-8%	42%	22%	-
P/BV (Average share price/book value per						
share)	0,70	0,70	1,10	1,00	1,00	100
P/E (Average share price/earnings per share)	10,86	22,30	251,60	14,90	13,50	49
P/CE (Average share price/cash flow per share)	5,18	7,30	14,00	7,30	6,40	71
EPS - Earnings per share (SIT)	1.953	916	105	1.613	1.551	213
CEPS - Cash flow per share (SIT)	4.100	2.815	1.888	3.294	3.265	146
Dividend policy						
Net earnings (SIT)	4.075.179.467	1.911.934.826.3521	9.175.627,933	3.365.083.074,283	.236.234.220,10	213
Reserves (SIT)	**	955.967.413	01	682.541.537,141	.618.117.110,05	-
Undistributed earnings (SIT)	**	055 067 /1321	0 175 627 021	682.541.537,141	619 117 110 05	
ondistributed earnings (311)		933.907.41321	9.173.027,931	002.541.557,141	.010.117.110,03	
Distributions under profit sharing program (SIT)	**	54.038.636	0	27.076.728.98	49.442.114.00	-
Sources of dividend payments (SIT)	**	1.043.150.50083	4.520.400,001	251.780.600,001	.564.725.750,00	-
Dividends per share (SIT)	**	500	400	600	750	-
Number of shareholders	49.121	53.775	58.004	67.318	77.195	91

^{*} Returns in 1997 were calculated based on the share price as of the first day of trading, May 5, 1997, which was SIT 17,179.



NEXT

^{**} The level of dividends for the current year will be decided at the 8th annual Petrol shareholders meeting.

The Company keeps it books in accordance with all applicable rules and regulations. The accounting statements of Petrol, The Slovene Oil Company, d.d., Ljubljana are prepared in accordance with Slovene accounting and reporting standards. Slovene accounting standards are based in large part on general international accounting practices (in particular, generally accepted international accounting standards), the financial concept of capital and the need for the real preservation of capital. Nevertheless, Slovene standards still differ to a substantial degree from international accounting standards and the process of adaptation to international standards will be completed in 2002. The effects of revalorization are reported in the financial statements as either revalorization effects or financial income (expenses) and therefore have a direct impact on the Company's operating results.

ACCOUNTING POLICIES AND VALUATION METHODS

In the consolidation of the Petrol Group's accounting statements, the effects of all intercompany transactions between the subsidiaries of the Group have been eliminated. Entries in the accounting statements of subsidiaries that conduct business in foreign countries are stated in their domestic equivalent (SIT) using the approximate exchange rate on the day the transaction was entered.

During an inflationary environment, the statement of cash flows is composed on the basis of the fiscal year end balance sheet and values are expressed using the prevailing buying power of the domestic currency (SIT) on that date. Values from the beginning balance sheet and from the income statement are adjusted to express the prevailing buying power of the domestic currency at fiscal year end.

In the calculation of values for the beginning balance sheet of the statement of cash flows and in the calculation of revalorization, the Company used the consumer price index which had reached a level of 107.0 % in 2001 (as compared to 108.9 % in 2000).

A. NET REVENUES FROM SALES

Net revenues from sales represent the market value of goods and services, evidenced in receipts and other documents, less discounts, on the day of sale. Such amounts are reduced later, if necessary, to reflect any goods which are returned.

Added value tax is not accounted for as part of sales revenues but as a tax payable to the government.

B. Cost of goods sold

Cost of goods sold and other material held for sale are accounted for using the average price during the accounting period in accordance with inventory valuation methods.

Cost of goods sold is comprised of the net invoice price of goods, disbursements for customs duties and other import costs. Cost of goods sold also includes the following taxes: excise tax, CO2 tax and other taxes which are included in the suppliers price. Lastly, cost of goods sold includes transportation, insurance and other expenses. Cost of goods sold is reduced by supplier discounts and quantity rebates.

C. Sales and administrative expenses

Sales and administrative expenses are comprised of all expenses related to commercial and administrative activities as well as expenses related to the sales of goods and services.

Because sales and administrative expenses do not effect inventory valuation, they are accounted for as operating expenses in the accounting period during which they are incurred.

D. AMORTIZATION

The Company amortizes the cost of individual intangible and tangible fixed assets on a straight line basis over the estimated useful life of the individual assets. The estimated useful life of individual assets is derived from the expected physical wear, technical age, economic age and other factors which might effect the length of use (such as relevant legal restrictions). When calculating amortization, the shortest estimated useful life for individual assets is utilized. The amount of amortization for each accounting period is the acquisition or revalorized value of an individual asset reduced by the asset's estimated remaining value.

Expenses related to the amortization of environmental assets reduce the value of the corresponding long-term provisions account on the balance sheet and are recovered in the form of operating income. The Company uses the straight-line amortization method. Amortization schedules are calculated on individual assets. Property, advances for fixed assets and fixed assets in the construction process are not amortized.

In an inflationary environment, amortization is calculated on revalorized values that reflect new price levels. The revalorization calculation is performed using a cumulative coefficient based on the consumer price index at the beginning of the financial period, or from the date when the fixed asset in question became operational, until the end of the financial period for which amortization is being calculated. Revalorization effects

arising from the revalorization of amortization are reported as results of revalorization.

The following values were used in the amortization of assets in 2001:

(%)	2001	2000
Intangible fixed assets	10,00 % do 20,00 %	10,00 % do 20,00 %
Tangible fixed assets:		
Plant:		
Buildings at service stations	5,00 %	5,00 %
Underground and above-ground reservoirs	2,85 % -5,00%	2,85 % -5,00%
Underground service roads at service stations	14,30 %	14,30 %
Equipment:		
Equipment - machinery and electricity for maintenance of equipment	25,00 %	25,00 %
Equipment at liquefied gas terminals	10,00 % do 20,00 %	10,00 % do 20,00 %
Pump equipment at service stations	25,00 %	25,00 %
Motor vehicles	14,30 %	14,30 %
Motor verticles	do 33,30 %	do 33,30 %
Trucks - cabins and cisterns	25,00 %	25,00 %
Computer equipment	50,00 %	50,00 %
Other inventory	33,33 %	33,33 %
Environmental fixed assets	5,00 % do 25,00 %	5,00 % do 25,00 %

Equipment at liquefied gas terminals was purchased during fiscal 2000.





The Company keeps it books in accordance with all applicable rules and regulations. The accounting statements of Petrol, The Slovene Oil Company, d.d., Ljubljana are prepared in accordance with Slovene accounting and reporting standards. Slovene accounting standards are based in large part on general international accounting practices (in particular, generally accepted international accounting standards), the financial concept of capital and the need for the real preservation of capital. Nevertheless, Slovene standards still differ to a substantial degree from international accounting standards and the process of adaptation to international standards will be completed in 2002. The effects of revalorization are reported in the financial statements as either revalorization effects or financial income (expenses) and therefore have a direct impact on the Company's operating results.

E. EXCHANGE RATE DIFFERENCES

Assets and liabilities that are expressed in foreign currencies are restated in the domestic equivalent (SIT) using the official exchange rate on financial statement date. Any differences resulting from changes in the exchange rate appear in the income statements as financial income or expenses.

F. EXTRAORDINARY INCOME AND EXPENSES

Extraordinary income and expenses are comprised of exceptional items as well as the recognition of income and expenses from prior accounting periods which has the effect of increasing or decreasing the current period's regular operating results.

■ G. INCOME TAXES

Income taxes are calculated on the basis of income and expenses as reported on the income statement in accordance with applicable tax laws. The applicable tax rate is 25% of taxable income.

H. Intangible assets and tangible fixed assets

The intangible assets of the Company include long-term deferred expenses, material rights and other long-term intangible assets.

The tangible fixed assets of the Company include property, plant and equipment. Also included in this category is certain inventory which has a useful life longer than one year and the individual value of which does not exceed the SIT equivalent of 500 EUR.

Also included in this category are fixed assets in the construction process along with corresponding material and parts.

The Company conducts a separate set of accounts for its so-called environmental assets. These accounts were established when the Company set aside long-term provisions for investment in environmental modernization and clean-up projects and have been adjusted as the provisions have been drawn on and the projects implemented.

The environmental program and the start-up values of the related fixed assets were determined on January 1, 1993 in the context of the privatisation of Petrol and in accordance with asset valuation methods legislated by the government of the Republic of Slovenia. The acquisition of fixed assets that took place after January 1, 1993 were accounted for using the acquisition cost method.

Intangible and tangible fixed assets are stated at acquisition cost plus any expenses which can be directly attributed to these assets. The property of the Company is stated at its acquisition cost and, if that is not known, at fair value. In an inflationary environment, the book value of fixed assets and the value of any adjustment to those assets are revalorized at the end of the year in order to reflect new price levels. The consumer price index is used in the revalorization of asset values.

The effects of revalorization are reported as revalorization results. The Company does not revalorize plant and property, the values of which are determined on the basis of official appraisals, and the revalorized value of which would be higher than fair value.



The Company keeps it books in accordance with all applicable rules and regulations. The accounting statements of Petrol, The Slovene Oil Company, d.d., Ljubljana are prepared in accordance with Slovene accounting and reporting standards. Slovene accounting standards are based in large part on general international accounting practices (in particular, generally accepted international accounting standards), the financial concept of capital and the need for the real preservation of capital. Nevertheless, Slovene standards still differ to a substantial degree from international accounting standards and the process of adaptation to international standards will be completed in 2002. The effects of revalorization are reported in the financial statements as either revalorization effects or financial income (expenses) and therefore have a direct impact on the Company's operating results.

I. FINANCIAL INVESTMENTS

Long-term and current financial investments are initially stated using the valuation method appropriate for each specific investment.

Investments in subsidiaries which are part of the Petrol Group and are included in the Company's consolidated statements are accounted for using the equity method. Investments in minority-owned companies that are not included in the Company's consolidated statements and other affiliated companies are accounted for using the investment method.

Financial investments are accounted for according to the capital method, that is at their original acquisition value. The book value of these investments will increase or decrease to the extent that the Company as investor participates in the income or losses incurred following acquisition of the investment. Participation in the net income of a subsidiary company will reduce the amount of the financial investment on the books of the parent company.

The book value of a financial investment will also be adjusted in cases where the parent company's ownership stake in the capital of a subsdiary changes. Such an ajdustment, however, would not be reflected in the income statement of the subsidiary. An adjustment of this type can also result from the reconciliation of accounting differences that occur in a business merger.

For investments in marketable securities the market value of which was lower than their original book value as of December 31, 2001, the appropriate adjustment is made to the balance sheet account and the loss in value is recorded in the income statement under financial expenses.

Other financial investments that have lost value are marked down to their market value on an ongoing basis and in accordance with documentary evidence of new valuation. Such adjustments are recorded in the income statement under financial expenses.

Investments that are valued in a foreign currency (long-term loans receivable) are stated on the financial statements in their domestic equivalent (SIT) using the prevailing exchange rate on the day they were booked. Any exchange rate difference between the date the asset was booked and balance sheet date is treated as a result of revalorization.

In an inflationary environment, current and long-term investments are revalorized in the capital account on the basis of the consumer price index. Liabilities are revalorized only in the case where such treatment is agreed to by the lender and the borrower in the loan agreement.

Any increase resulting from revalorization of long-term and short-term investments as well as the revalorized portion of interest from such investments is treated as a result of revalorization.

J. FINANCIAL INSTRUMENTS

Financial instruments are contracts entered into between two parties on the basis of which a financial asset will adhere to one party and a financial obligation or a capital instrument to the other party or bank.

Included among financial instruments are contracts for the future sale or purchase of foreign exchange. These contracts are generally entered into in order to hedge foreign exchange and price risk. The Company accounts for these contracts as off-balance sheet items. The gain or loss realized as a result of the exercise of these contracts are shown as financial income or expenses in the income statement. The value of open foreign exchange futures contracts is individually calculated on balance sheet date using the median rates published by the Bank of Slovenia. Differences that arise from the calculation of unexercized foreign exchange contracts are accounted for in the following manner:

- a deficit is an unrealized loss and is reported as a financial expense in the current year. It is classifed under accrued expenses;
- a surplus is an unrealized gain and is not reported in the financial income of the current year.



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K. ADJUSTMENTS TO CAPITAL - TREASURY STOCK

Adjustments to capital are principally comprised of the repurchase of treasury shares. Treasury shares are stated at acquisition cost and are revalorized from the day the shares are repurchased to balance sheet date. If the revalorization is a positive adjustment to the capital account, then it is accounted for as a result of revalorization.

In the case that the market price of treasury shares reported on the balance sheet is less than the revalorized acquisition cost of such shares, the difference is reported as an adjustment to reserves.

Any decrease in the value of treasury shares is accounted for using the average price system. At the time of sale, any resulting gains are accounted for as an increase to the additional paid-in capital account and any losses are accounted for as a reduction to reserves.

On the basis of corporate by-laws and in accordance with the board resolution of April 4, 1997, the Company created a fund of treasury shares which may not exceed 5% of capital.

During the period from May 1997 to December 2000, the Company purchased 36,142 shares which represent 1.73% of total registered common shares. The aggregate value of the repurchased shares was SIT 691,887,493. At the time of the purchase, the price of the treasury shares was lower than their market value.

Of the total amount of repurchased shares reported in 1997 and 1998 respectively, 1,144 shares with the aggregate value of SIT 25.1 million and 1,092 shares with an aggregate value of SIT 23.5 million were distributed in compensation and profit sharing arrangements to members of the management board and other management employees.

In accordance with the board resolution reached at Petrol's fourth shareholders meeting, members of the board and the management team are authorized to repurchase treasures shares in the year 2002 with a collective value of SIT 43.5 million.

In 2001, 1,122 Petrol shares with a value of SIT 22.8 million were distributed under the profit sharing program to members of the supervisory and management boards of Petrol, d.d.

Transaction	Number of shares	Value SIT
Purchases		
Fiscal year 1997	9,218	150,747,915
Fiscal year 1998	25,748	523,280,666
Fiscal year 1999	1,176	17,858,912
Total purchases	36,142	691,887,493
Sales and payouts		
Profit sharing in 1997	1,144	25,125,672
Profit sharing in 1998	1,092	23,517,312
Sale of shares in 1999	715	14,902,866
Sale of shares in 2000	1,287	28,663,072
Sale of shares in 2001	1,122	22,826,276
Total sales and payouts	5,360	115,035,198
	Aggregate number of shares	Market value (000 SIT)
As of 31.12.2001	30,782	712,508

L. INVENTORY

Inventory is stated at lower of cost or its realizable market value.

Inventory of goods and material intended for sale are stated at cost which is composed of original purchase price plus import duties and direct expenses, or at sales price less margin. Original purchase price is reduced by the amount of discounts. Direct expenses include transportation and transportation insurance expenses, loading, reloading, unloading and handling expenses, expenses related to brokerage and agency arrangements and other sundry expenses. Discounts include those which are indicated on the sales bill as well as those which are given at a later date and relate to specific transactions.

Inventory of oil derivatives not held in the excise warehouse as well as inventory at service stations are stated at cost which includes the following components: import tax, excise tax, CO2 tax, contributions and fees related to obligatory reserves of the Republic of Slovenia.

At the end of each month, a new value for inventory is calculated which reflects average market price during the accounting period. In the event of an increase in the market price of non-oil inventory, the resulting gain is accounted for as a result of revalorization. An increase in the market price of oil inventory is reported as a decrease in the purchase price of a corresponding quantity of that specific inventory. The reduction in original purchase price results in a higher realized gain when the inventory is sold.

Sold inventory and the cost of goods sold is calculated on the basis of average market price of goods during the previous month.

Inventory at the end of each month is evaluated according to the valuation method described above. If the valuation is less than the original purchase price, the corresponding inventory is marked down and the unrealized loss is accounted for as an operating expense.

Inventory at the end of the fiscal year is evaluated according to the valuation method described above. If the valuation is less than the prevailing market price, the corresponding inventory is marked down to market and the unrealized loss is accounted for as an operating expense.

4/7

■ NEXT



The Company keeps it books in accordance with all applicable rules and regulations. The accounting statements of Petrol, The Slovene Oil Company, d.d., Ljubljana are prepared in accordance with Slovene accounting and reporting standards. Slovene accounting standards are based in large part on general international accounting practices (in particular, generally accepted international accounting standards), the financial concept of capital and the need for the real preservation of capital. Nevertheless, Slovene standards still differ to a substantial degree from international accounting standards and the process of adaptation to international standards will be completed in 2002. The effects of revalorization are reported in the financial statements as either revalorization effects or financial income (expenses) and therefore have a direct impact on the Company's operating results.

M. LONG-TERM OPERATING RECEIVABLES

Long-term term operating receivables are stated at the acquisition cost of automobiles leased plus direct expenses. Long-term receivables expressed in foreign currencies are stated in their domestic equivalent (SIT) using the prevailing foreign exchange rate on the date the asset was booked. Any difference in the foreign exchange rate as of balance sheet date is accounted for as a result of revalorization.

Long-term deferred income are amounts due to the Company which at the time they were entered into the books were not included in operating results and will only be recognized in accordance with contractual stipulations.

	31.12.2001	31.12.200031	1.12.19993	1.12.19983	1.12.1997
Long-term operating receivables	21,019	46.501	84 694	227,364	787 165

N. CURRENT OPERATING RECEIVABLES

Receivables for which there exists the possibility that they will not be repaid in full by a certain date and overdue receivables are reported as doubtful or disputed. Based on the Company's past experience and expectations for the current accounting period, the Company makes appropriate charges against outstanding accounts receivable. Such adjustments are based on the age of the receivable in question and allow for the gradual write-off of the receivable.

The following adjustments are made to domestic receivables that are doubtful or disputed:

- 70% against doubtful or disputed receivables (not including insured receivables)
- 100% against receivables that are over 60 days past due (not including insured receivables).

The Company takes a 100% charge against receivables from foreign companies or individuals that are doubtful or disputed.

0. Cash

Cash is comprised of domestic and foreign currency in cash registers, money in transit, and deposits held at banks and other financial institutions. It is stated at its current nominal value.

Foreign currency is stated at its domestic equivalent (SIT) using the median exchange rate of the Bank of Slovenia.

P. ACCRUALS AND DEFERRALS (ASSETS)

On the asset side of the balance sheet, this category includes deferred expenses and unrecognized future income. Deferred expenses represent those amounts which at the time they are incurred do not arise from the current operational activities of the Company and therefore do not, at that time, have an influence on the Company's operating results. Such deferred expenses will flow through the income statement in future financial periods. Unrecognized future income is generated when the completion of current operating results is based on the recognition of income, the payment of which the Company has not yet received.

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R. CAPITAL

The capital account expresses the investment of shareholders in the Company and from the standpoint of the Company reflects its obligations to the shareholders. Included in this category are not only amounts that the Company's shareholders originally invested into the Company but also the net profits of the Company which also belong to the shareholders.

The basic capital of Petrol, d.d. represents the capital nominally defined in the Company's by-laws that has been officially registered. The value of these common shares is SIT 12,517,806,000. The number of common shares issued is 2,086,301 and the nominal value per share is SIT 6,000.00.

The prevailing share price at fiscal year end 2001 was SIT 23,147 (as compared to SIT 19,367 at fiscal year end 2000).

Reserves are that portion of net earnings earmarked to cover any potential future losses as well as the purchase of treasury shares. The Company posts reserves at the legally stipulated level of 10% of common capital plus revalorization adjustments. The Company's fund of treasury shares may not exceed 5% of capital. In addition to these two reserve categories, the Company also sets aside additional reserves.

Retained earnings from previous years is that portion of net income that has not been allocated toward reserves or used in any other manner. This account can be used for future payments to shareholders or can be transferred into basic capital or reserve accounts.

Revalorization adjustments to capital are included in a supplementary capital account and emerge from changes in the purchasing power of the Slovene domestic currency. Revalorization adjustments are not treated as real increases to capital but rather as an instrument for the preservation of the real value of capital. Undistributed income from the current operating year includes amounts which may be paid out to shareholders and others or transferred to capital, reserve or retained

S. LONG-TERM PROVISIONS

earnings accounts.

Long-term provisions for capital improvements represent long-term accruals and deferrals posted to cover future obligations related to investment in and the maintenance of sales and service stations, warehouses, terminals and other plants. Long-term provisions for capital improvements are drawn against actual expenses for capital improvements.

Long-term environmental provisions are earmarked for that portion of fixed assets that should be equipped with environmentally-safe plant and machinery. The provisions were set up as a charge against the capital of Petrol's opening balance sheet dated January 1, 1993. The provisions are treated in a similar fashion as deferred income in that they are transferred from operating income at the time that related expenses are created (amortization). The coverage of such expenses with provisions has no effect on Petrol's reported results as the Company does not realize a profit when these provisions are drawn on.

In an inflationary environment, long-term provisions are revalorized at the close of the financial year using the consumer price index. The effects of revalorization are reported under revalorization results.





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T. FINANCIAL DEBT

Long-term financial debt initially expressed in foreign currencies is restated in its domestic equivalent (SIT) using the prevailing exchange rate on the date the obligations are booked. Any difference in the exchange rate as of balance sheet date is treated as a result of revalorization.

In an inflationary environment, long-term financial debt is revalorized at the end of the financial year if such treatment is agreed to in the loan agreement by both the lender and the borrower. When revalorization, determined using a coefficient based on the consumer price index, results in a lower amount, the reduction of the liability is reported under revalorization adjustments. When revalorization results in a higher amount, the increase in the liability is booked as a financial expense.

Short-term financial debt is composed of payables on loans with tenors of less than one year.

U. OPERATING PAYABLES

Short-term and long-term operating payables are booked at the amounts which creditors demand from the Company as payment.

Payables to foreign suppliers are calculated using the applicable exchange rate on the day the obligations are booked. Any difference in the exchange rate between the booking date and the balance sheet date is accounted for as financial income or expense.

In an inflationary environment, the revalorization of current operating payables is calculated, along with interest payments and exchange rate differences, in accordance with the terms agreed to between the Company and its suppliers. Any amounts emerging from such calculations appear in the income statement as financial expenses.

V. ACCRUALS AND DEFERRALS (LIABILITIES)

On the liability side of the balance sheet, this category includes accrued expenses and short-term deferred revenues. Accrued expenses arise when there is a charge taken for an amount equal to one of the Company's operating activities or results, or when expenses related to inventory are anticipated but not yet recognized. Accrued expenses cover expenses which will be taken in a subsequent period.

Z. Cash flow statement

The cash flow statement shows the effect of cash flows on the Company's cash position during the financial period.

In an inflationary environment, the cash flow statement is based on the account values presented in the ending balance sheet, expressed using the prevailing buying power of the domestic currency, and the account value presented in the starting balance sheet and the income statement.

The consumer price index is used to recalculate values in the starting balance sheet.

PETROL IN

INDEX # #

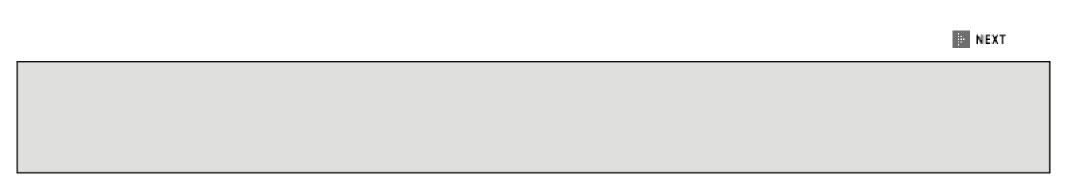
Accounting Report

VALUATION ADJUSTMENT

In accordance with valuation practice, the following represent adjusted values:

ADJUSTED VALUES (SIT 000)	2001	2000	1999	1998	1997
Long-term investments	774.013	301.443	246.492	458.391	1.063.538
Short-term investments	15.198	17.138	12.265	557.190	95.383
Current operating receivables	481.368	493.993	1.490.108	545.506	732.696
Other current receivables	0	0	0	0	0
TOTAL	1.270.579	812.574	1.748.865	1.561.087	1.891.617





INCOME STATEMENT OF PETROL D.D.

SIT 000	Note	2001	2000	1999	1998	1997 (index 01/00
Net sales revenues*	A., 01.;	262.023.840	247.573.378	146.002.425	98.994.810	121.597.217	106
Cost of goods sold*	B., 02.;	(229.593.540)	(219.017.232)(118.064.310)	(69.268.443)	(95.224.959)	105
Gross sales income		32.430.300	28.556.146	27.938.115	29.726.367	26.372.258	114
Material		(1.162.771)	(1.661.861)	•	(1.987.994)	•	70
Services		(14.283.286)	(8.012.902)	•	(5.443.147)	•	119
Labor	03.;	(7.618.437)	` '	•	(9.534.801)	•	91
Amortization	D., 04.;	(5.143.352)	(4.735.104)	•	(4.346.430)	•	109
Other expenses	06.;	(441.493)	· · · · · · · · · · · · · · · · · · ·	(876.329)	(461.276)	•	65
Adjustments	05.;	(481.368)	(493.993)	(1.490.108)	(545.506)	(732.696)	97
Operating expenses	02.;	(29.130.707)	(27.934.117)	(29.076.451)	(27.825.961)	(23.429.632)	104
Other operating income		664.706	802.603	831.406	858.734	0	83
Operating income		3.964.299	1.424.632	(306.930)	2.759.140	2.942.626	278
Income from investments in group members	07.;	1.167.007	1.379.265	495.961	446.200	714.959	85
Income from investments in affiliated companies	07.;	0	57.948	0	140.142	0	-
Income from investments in unaffiliated							
companies	07.;	249.454	85.600	69.941	54.398	40.704	291
Interest income and other income from investments	E, 08., 10.;	4.256.163	6.383.919	2.456.992	3.467.652	5.272.071	67
Investment income		5.672.624	7.906.732	3.022.894	4.108.392	6.027.734	72
Write-downs of short-term and long-term financial investments		(789.211)	(318.581)	(258.757)	(1.015.580)	(1.158.921)	248
Interest expense and other financial expenses	E.;	(4.588.756)	(8.165.190)	(2.536.590)	(2.794.273)	(4.354.109)	56
Investment expenses	09.;	(5.377.967)	(8.483.771)	(2.795.347)	(3.809.853)	(5.513.030)	63
Income from regular operations		4.258.956	847.593	(79.383)	3.057.679	3.457.330	502
Extraordinary income	F., 11.;	562.496	2.073.007	796.836	1.455.203	521.028	27
Extraordinary expenses	F., 12.;	(717.859)	(906.167)	(498.277)	(881.535)	(281.696)	79
Pre-tax income		4.103.593	2.014.433	219.176	3.631.347	3.696.662	204
Income tay	C 12.	(29 412)	(102.400)	0	(266.264)	(460 439)	20
Income tax	G., 13.;	(28.413)	, ,	0	(266.264)	(460.428)	28
Other taxes		0	0	0	0	0	-
After-tax Net Income		4.075.180	1.911.935	219.176	3.365.083	3.236.234	213

^{*} As a result of the introduction of excise taxes on July 1, 1999, revenues from sales and cost of goods sold are restated to include the amount of excise taxes in the amount of SIT 38,375,470,000 in 1999, SIT 75,906,218,000 in 2000, and SIT 93,604,633,000 in 2001.





BALANCE SHEET OF PETROL D.D.

		24 42 2004	24 42 2000	24 42 4000	24 42 4000	24 42 4007	index
SIT 000	Note	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	01/00
ASSETS							
A. LONG-TERM ASSETS							
I. Intangible long-term assets	H., 14.;	408.407	352.659	315.207	275.988	146.372	116
Property		16.282.849	15.062.331	14.027.062	12.004.921	10.878.182	108
Plant		38.304.313	34.014.134	33.684.862	27.196.279	22.540.522	113
Other equipment		4.248.118		5.370.651	5.117.553	5.259.311	99
Fixed assets in the construction process Advances for fixed assets		4.490.345 139.167		2.174.552 86.752	4.965.644 120.986	5.653.014 203.356	80 135
II. Tangible fixed assets	H., 15. 16.;		59.103.865	55.343.879	49.405.383	44.534.385	107
Investments in group members	111, 131 101,	11.617.813	9.463.529	7.324.922	2.749.559	2.007.853	123
Investments in other affiliated companies		2.488.781	2.251.387	1.794.392	1.668.610	1.569.645	111
Other participations and investments		3.305.229		2.750.612	2.506.649	2.477.534	110
Long-term loans to group members		1.553.884	963.107	751.236	114.553	1.636.341	161
Long-term loans to affiliated comanies		402.022	425 427	0 486.721	302.278	0 1.023.538	112
Long-term loans to unaffiliated companies III. Long-term investments	I., 17., 18.;	492.022 19.457.729	435.437 16.107.471	13.107.883	778.641 8.120.290	8.714.911	113 121
Treasury stock	K.;	637.919		720.115	665.198	141.322	103
Adjustment to capital	,	637.919		720.115	665.198	141.322	103
Total long-term assets		83.968.847	76.181.887	69.487.084	58.466.859	53.536.990	110
B. CURRENT ASSETS							
Material		353.574	402.217	476.911	592.513	569.745	88
Finished goods		8.995.972	10.109.393	7.791.494	3.635.503	4.895.051	89
I. Inventory	L., 19.;	9.349.546	10.511.610	8.268.405	4.228.016	5.464.796	89
Receivables from customers		21.019	46.501	84.695	227.364	787.165	45
Warranties		0	0	0	0	0	-
II. Operating receivables due within one year	M., 20.;	21.019	46.501	84.695	227.364	787.165	45
Short-term accounts receivable from group members		631.469	1.526.827	3.537.962	3.436.038	7.897.460	41
Short-term accounts receivable from					3.430.036		
affiliated companies Short-term accounts receivable from		1.082.113	14.015	11.193	0	26.571	7721
customers		16.706.634	20.640.720	11.888.233	9.743.893	9.379.764	81
Other short-term receivables		4.306.102	4.161.499	2.435.649	1.665.152	1.305.487	103
Advances		123.797		11.808	51.233	31.608	932
	N., 21., 22.;		26.356.338	17.884.845	14.896.316	18.640.890	87
Investments and shares held for sale		57.233 241.246	163.727 724.930	159.790 198.415	183.033	195.890 52.058	35 33
Short-term loans to group members Short-term loans to affiliated companies		241.240	724.930	318.918	0	244.512	-
Short-term loans to unaffiliated			<u>_</u>	310.310	<u>_</u>	244.312	
companies		1.598.791	4.232.913	1.912.666	4.415.577	5.846.378	38
Marketable securities held for sale		36.551	25.531	32.524	396.709	563.822	143
IV. Short-term investments	I., 23.;			2.622.313	4.995.323	6.902.660	38
Cash Bank deposits		1.748.198		2.205.272	1.961.323	1.546.431	119
Bank deposits V. Liquid assets	0., 24.;	1.657.787 3.405.985	2.336.449 3.801.208	1.709.124 3.914.396	832.178 2.793.501	1.098.531 2.644.962	71 90
Accrued revenues	0., 24.,	287.433		353.875	229.146	190.187	73
VI. Accruals and deferrals	P., 25.;			353.875	229.146	190.187	73
Total current assets		37.847.919	46.256.089	33.128.529	27.369.666	34.630.660	82
TOTAL ASSETS		121.816.766	122.437.976	102.015.013	85.836.525	88.167.650	99
LIABILITIES AND SHAREHOLDERS EQUITY							
A. EQUITY							
I. Comon stock-par value		12.517.806	12.517.806	12.517.806	12.517.806	12.517.806	100
II. Additional paid-in capital		2.383	930	930	930	0	256
Statutory reserves Other reserves		4.444.752 8.530.609		4.469.752 5.537.051	4.468.732 3.854.510	4.450.966 2.236.393	100 154
Treasury stock fund		1.609.985	1.628.240	1.649.180	1.660.813	1.678.579	99
III. Reserves	29.;			11.655.983	9.984.055	8.365.938	126
IV. Retained earnings	==-,	2.793.260		3.300.659	2.135.913	2.115.284	104

Revalorization of common stock		19.190.517	17.116.141	14.694.267	12.772.225	11.007.804	112
Revalorization of additional paid-in capital		282	177	87	15	0	159
Revalorization of reserves		11.187.358	9.683.586	8.016.550	6.668.066	5.600.369	116
Revalorization of retained earnings		1.454.482	1.301.367	934.737	1.301.075	904.735	112
V. Revalorization of capital	K.;	31.832.639	28.101.271	23.645.641	20.741.381	17.512.908	113
VI. Undistributed current income*		2.037.590	1.911.935	219.176	3.365.083	3.236.234	107
TOTAL EQUITY	R., 26., 27., 28.;	63.769.024	56.821.806	51.340.195	48.745.168	43.748.170	112
LONG-TERM LIABILITIES							
Long-term provisions for capital							
improvements		10.121.586	10.511.602	11.610.551	11.635.436	11.989.857	96
Other long-term provisions		0	6.726	41.732	142.308	440.333	-
B. LONG-TERM PROVISIONS	C 20 .	10 121 F06	10 510 220	11 652 202	11 777 744	12 420 101	96
	S., 30.;	10.121.586	10.518.328 5.155.943	11.652.283	11.777.744 688.651	12.430.191	
Long-term loan payables to bank		8.136.575		3.929.731		840.608	158
Long-term non-bank loan payables		U	0	0	0	0	_
C. LONG-TERM DEBT	T., 31.;	8.136.575	5.155.943	3.929.731	688.651	840.608	158
Other long-term operating payables	, - ,	136.025	9.095	8.497	8.122	7.962	1496
, , , , , , , , , , , , , , , , , , ,							
D. LONG-TERM OPERATING PAYABLES	U.;	136.025	9.095	8.497	8.122	7.962	1496
TOTAL LONG-TERM LIABILITIES		18.394.186	15.683.366	15.590.511	12.474.517	13.278.761	117
CURRENT LIABILITIES							
Short-term debt to group members		480.904	221.798	1.114.598	0	0	217
Short-term debt to banks		6.161.945	1.110.259	3.316.638	1.169.499	1.654.933	555
Other short-term debt		20.147	19.622	13.132	12.284	16.757	103
Commercial paper outstanding		0	0	0	0	0	-
E. SHORT-TERM DEBT	T., 32.;	6.662.996	1.351.679	4.444.368	1.181.783	1.671.690	493
Short-term operating payables to group members		9.432.073	13.999.586	10.945.990	5.983.108	14.578.524	67
Short-term operating payables to		5.452.075	13.555.500	10.545.550	3.903.100	14.570.524	07
affiliated companies		217.540	288.351	160.474	0	163.210	75
Short-term operating payables to							
suppliers		8.159.298	8.983.922	5.772.981	6.723.696	5.550.413	91
Payables to employees		708.220	914.664	956.532	889.138	1.460.022	77
Payables to government		12.522.008	20.699.550	12.959.534	9.334.284	6.791.173	60
Other payables /advances received	33.;	540.685	1.052.080	24.818	55.316	261.659	51
Dividends payable		93.580	86.743	102.651	80.125	53.498	108
Other short-term payables		875.966	1.338.579	46.668	216.030	431.031	65
F. SHORT-TERM OPERATING PAYABLES	U., 33., 34.;	32.549.370	47.363.475	30.969.648	23.281.697	29.289.530	69
Deferred revenues		10.396	1.106	2.628	143.054	45.638	940
Accrued expenses		430.794	1.216.544	268.263	10.306	133.861	35
G. DEFERRALS AND ACCRUALS	J., V., 35.;	441.190	1.217.650	270.891	153.360	179.499	36
TOTAL CURRENT LIABILITIES		39.653.556	49.932.804	35.684.907	24.616.840	31.140.719	79
TOTAL LIABILITIES AND SHAREHOLDERS							
EQUITY		121.816.766	122.437.976	102.615.613	85.836.525	88.167.650	99

^{*} In accordance with Paragraph 3 of Article 228 of the Law Governing Economic Companies - Appendix F, undistributed net income for the year has been reduced by half and transferred into the reserve account.



■ NEXT

Net sales revenues

Cost of goods sold and other expenses

Compensation expenses

Amortization

Write-down of operating receivables

Other operating expenses

Income from investments

Interest income and other financial income

Interest expense and other financial expenses

Revalorization results

Extraordinary income

Extraordinary expenses

Income taxes

Intangible assets

Tangible fixed assets

Environmental fixed assets

Long-term financial investments

Long-term loans receivables & investments in debt securities

Inventory

Long-term operating receivables

Short-term operating receivables

Receivables due within one year

Short-term financial investments

Liquid assets

Defferred expenses and accrued revenues

Shareholders equity

Breakdown of capital accounts

Calculated profit

<u>Reserves</u>

Long-term provisions

Long-term debt

Short-term debt

Current payables

Other short-term payables

Accruals and deferrals (liabilities)

Intercompany accounts

Conditional liabilities and off-balance sheet items

Important events following balance sheet date	
	NEXT



TABLES AND NOTES

NOTE 01: NET SALES REVENUES - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Oil derivatives*	224.830.169	211.426.830	114.744.925	71.543.348	94.358.797	106
Other oil products	10.102.371	10.510.866	8.337.619	6.985.780	7.661.199	96
Services	3.426.635	3.785.641	3.832.098	4.292.605	5.374.075	91
Supplementary products	23.664.665	21.850.041	19.087.783	16.173.077	14.203.146	108
Total	262.023.840	247.573.378	146.002.425	98.994.810	121.597.217	106
	2001	2000	1999	1998	1997	01/00
Domestic sales revenues	252.243.916	231.943.823	136.193.438	92.682.753	112.981.549	109
- group members	596.658	161.472	108.929	42.748	15.471	370
- affiliated companies	38.283	72.952	95.621	262.439	190.151	52
- other	251.608.975	231.709.399	135.988.888	92.377.566	112.775.927	109
Revenues from sales of services and products	0	71.977	90.069	96.051	195.232	-
Foreign sales revenues	9.779.924	15.557.578	9.718.918	6.216.006	8.420.436	63
- group members	2.101.786	3.767.533	3.201.471	4.479.562	3.506.344	56
- affiliated companies	0	0	0	0	0	-
- other	7.678.138	11.790.045	6.517.447	1.736.444	4.914.092	65
Total	262.023.840	247.573.378	146.002.425	98.994.810	121.597.217	106

* As a result of the introduction of excise taxes on July 1, 1999, revenues from sales and cost of goods sold are restated to include excise taxes in the amount of SIT 38,375,470,000 in 1999, SIT 75,906,218,000 in 2000 and SIT 93,604,633,000 in 2001.



In 2001, Petrol, d.d. generated total net revenues from sales of SIT 262 billion. Of this amount, SIT 225 billion was generated from the sales of liquid fuels and SIT 10 billion from the sales of other oil products. In addition to oil and natural gas sales, Petrol generated net revenues of SIT 23.7 billion from the sale of supplementary commercial products and SIT 3.4 billion from the sales of services.

NOTE 02: COST OF GOODS SOLD AND OTHER EXPENSES - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Cost of goods sold	229.593.540	219.017.232	118.064.310	69.268.443	95.224.959	105
Materials	1.162.771	1.661.861	1.800.592	1.987.994	1.986.000	70
Services	14.283.286	12.035.561	11.099.173	10.949.954	6.155.711	119
Adjustments to current assets	481.368	493.993	1.490.108	545.506	732.696	97
Amortization	5.143.352	4.735.104	4.482.228	4.346.430	3.576.063	109
Labor costs	7.618.437	8.326.454	9.328.021	9.534.801	10.441.508	91
Other expenses	441.493	681.144	876.329	461.276	537.654	65
Total Expenses	258.724.247	246.951.349	147.140.761	97.094.404	118.654.591	105

In 2001, the Company incurred operating expenses of SIT 29.1 billion, a nominal increase of 4 % over the previous year and a 4 % decrease in real terms.



In 2001, expenses related to services, which represent 49 % of the total expense structure, increased by 19% in nominal terms and by 9 % in real terms as compared to 2000. The largest component in the service category is transportation expenses. In 2001, the Company reported SIT 4,282,640,000 in transportation expenses, an increase of 6 % in nominal terms and a decrease of 2 % in real terms as compared to 2000. The Company reported SIT 4,312,873,000 in other services expenses, a 56 % increase in nominal terms and a 44 % increase in real terms. The largest component in the other service expense category is expenses paid to franchise holders. In 2001, the Company reported SIT 3,231,118,000 in such expenses, an increase of 84 % in nominal terms and 70 % in real terms as compared to 2000.

In 2001, the Company made charges against the value of its customer receivables in the amount of SIT 481,368,000. The following is a breakdown of the charges:

- SIT 34,670,000 were actual write-offs.
- SIT 60,342,000 against trade receivables that are 60 days past due;
- SIT 170,336,000 representing 70 % of doubtful or disputed trade receivables;
- SIT 54,261,000 against receivables from foreign customers;
- SIT 44,176,000 against interest receivables that are 60 days past due;
- SIT 117,566,000 against other receivables.

In 2001, amortization expenses include the amortization of long-term environmental assets in the amount of SIT 665 million. In 2001, compensation costs decreased in nominal terms by 9 % as compared to the previous year, a 16 % decrease in real terms, and represented 26 % of total expenses. The reduction in compensation expenses was a result of a 30 % reduction in the number of employees. This reduction was primarily the consequence of Petrol's successful program of converting service stations into independent franchises (232 employees) and the spin-off of the tourist sector into the independent affiliated company, Petrol Gostinstvo, d.o.o. (209 employees).

Other expenses include severance pay for terminated employees (SIT 214,142,000) charitable donations to cultural, scientific and sports organizations (SIT 25,688,000) and sponsorship costs (SIT 113,394,000).

Cost of goods sold includes the purchase price of oil products (1,858,000 tons) sourced from the following affiliated companies:

997,000 tons from Cypet Oil Ltd.;
621,000 tons from Petrol Trade H.m.b.H Vienna;
240,000 tons from other affiliates.

PETROL



Accounting Report

TABLES AND NOTES

NOTE 03: COMPENSATION EXPENSES - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
Salaries:						
Payroll	5.528.022	6.062.106	6.773.171	6.916.279	7.465.209	91
Food expenses	191.135	264.658	309.475	323.974	330.955	72
Transportation expenses	214.505	255.972	252.561	236.802	208.279	84
Contract expenses	9.424	11.049	9.608	14.711	17.981	85
Other (subsidies, severence, awards)	394.782	380.996	482.689	529.434	823.961	104
Total salary expenses	6.337.868	6.974.781	7.827.504	8.021.200	8.846.385	91
Health insurance, retirement and other benefits	1.280.569	1.351.673	1.500.517	1.513.601	1.595.123	95
Total	7.618.437	8.326.454	9.328.021	9.534.801	10.441.508	91



NOTE 04: AMORTIZATION - PETROL, d.d.

	2004					index
SIT 000	2001	2000	1999	1998	1997	01/00
Regular amortization	4.268.242	3.744.318	3.597.420	3.354.124	3.394.613	114
Revalorization of amortization	181.781	178.926	122.893	153.020	181.450	102
Amortization - environmental fixed assets	664.706	774.371	733.375	803.502	0	86
Revalorization of amortization - env. fixed assets	28.623	37.489	28.540	35.784	0	76
Total	5.143.352	4.735.104	4.482.228	4.346.430	3.576.063	109



NOTE 05: WRITE-DOWN OF OPERATING RECEIVABLES - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
Adjustment to operating receivables	481.368	493.993	1.490.108	545.506	732.696	97



NOTE 06: OTHER OPERATING EXPENSES - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Environmental safety expenses and other contributions	6.523	1.458	3.506	8.222	215.365	447
Other (severence, early retirement and awards)	426.677	668.904	858.869	436.128	306.256	64
Stipends and educational expenses	8.293	10.782	13.954	16.926	16.033	77
Total	441.493	681.144	876.329	461.276	537.654	65



2/22 ::: NEXT



TABLES AND NOTES

NOTE 07: INCOME FROM INVESTMENTS - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
Income from investments in group members	1.167.007	1.379.265	495.961	446.200	714.959	85
Income from investments in affiliated companies	0	57.948	0	140.142	0	-
Income from other investments	249.454	85.600	69.941	54.398	40.704	291
Total	1 416 461	1.522.813	565 902	640 740	755 663	93



NOTE 08: INTEREST INCOME AND OTHER FINANCIAL INCOME - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
Interest income	1.364.158	1.471.986	1.335.940	1.736.593	2.251.209	93
Foreign exchange rate differences	1.804.086	2.804.495	797.885	1.381.137	2.389.010	64
Other financial income	1.087.919	1.586.764	200.488	349.922	631.852	69
Revalorization surplus	0	520.674	122.679	0	0	-
Total	5.344.082	6.383.919	2.456.992	3.467.652	5.272.071	67

In 2001, Petrol generated interest income of SIT 1,364,158,000. The principal component of this revenue category is late interest payments related to sales of goods and services (SIT 811,690,000) and regular interest payments related to installment sales of heating oil (SIT 267,109,000).



In 2001, Petrol generated other financial income of SIT 1,087,919,000. The principal component of this revenue category is financial income arising from the settlement of futures contracts which are entered into in order to hedge against foreign exchange rate risk (SIT 1,001,013,000). This amount should be looked at in combination with financial expenses arising from the settlement of such futures contracts (SIT 697,019,000), with foreign exchange gains on such contracts (SIT 1,804,086,000) and foreign exchange losses on such contracts (SIT 3,274,484,000). In 2001, the negative net result of these four categories was SIT 1,166,405,000. Petrol's exposure to foreign exchange risk is hedged on a daily basis, generally with forward EUR/USD contracts. The goal of such hedging activities is to protect the profit margin on oil prices dictated by the prevailing oil price model. Despite the Company's hedging activities, it cannot entirely avoid losses. The principal reasons for the net negative effect of foreign exchange hedging activities in 2001 are:

- the difference between the average exchange rates of the Bank of Slovenia on contract booking date and the bid foreign exchange rate for businesses;
- the increase in the SIT/EUR exchange rate between the contract booking date and the date of payment.

NOTE 09: INTEREST EXPENSE AND OTHER FINANCIAL EXPENSES - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/0
•						
Interest expenses	508.693	998.834	512.808	664.119	735.462	51
Foreign exchange rate differences	3.274.484	5.591.565	2.006.010	1.083.827	3.372.132	59
Capital improvements and write-downs to investments	789.211	318.581	258.757	1.015.580	1.158.921	248
Other financial expenses	788.101	1.574.791	17.772	378.427	233.728	50
Revalorization deficit	17.478	0	0	667.900	12.787	-
Total	5.377.967	8.483.771	2.795.347	3.809.853	5.513.030	63

In 2001, Petrol incurred interest expenses of SIT 508,693,000. This was comprised of interest payments made on loans from domestic banks in the amount of SIT 339,201,000 and interest payments made on loans from foreign banks in the amount of SIT 126,536,000.



In 2001, the Company made adjustments to the value of long-term financial investments. Adjustments made to investments in affiliated companies totalled SIT 714,261,000. Adjustments made to investments in unaffiliated companies were comprised principally of adjustments to Petrol's Elan, d.d investment (SIT 27,081,000) and to its TGRC Kranj investment (SIT 29,928,000).

In 2001, the Company made adjustments to the value of short-term financial investments in the amount of SIT 15,198,000. The largest component of this category was an adjustment to the investment in the commercial paper of Gradbeno podjetje Grosuplje, d.d. (SIT 9,304,000).

The Company also made an adjustment to its long-term financial investment in the affiliated company Destilat, d.o.o. (the renamed Shell Slovenija, d.o.o. which Petrol purchased in 1999) in the amount of SIT 587,716,000. This adjustment resulted from the write-down and amortization of overstated goodwill.

The Company made an adjustment to its financial investment in Petrol Plin, d.o.o. in the amount of SIT 118,681,000. Petrol Plin, d.o.o. was formerly called Apegas, d.o.o. but was renamed in December 2001 when it became a wholly-owned subsidiary of Petrol. The adjustment was made to reflect Petrol's share of losses during previous years (when Petrol was a minority owner) and to reflect losses incurred in 2001 (SIT 118,681,000).

The Company made an adjustment to its investment in Hotel Špik, d.o.o. to reflect losses of SIT 7,865,000 incurred in 2001. The principal component of other financial expenses arose from the settlement of futures contracts entered into in order to

hedge against foreign exchange risk (SIT 697,019,000).

3/22

NEXT



F TABLES AND NOTES

NOTE 10: REVALORIZATION RESULTS - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
						·
Assets						
Revalorization of investments	3.583.981	4.486.282	3.504.956	2.946.770	3.447.518	80
Revalorization of amortization	210.404	216.415	151.416	188.804	181.450	97
Revalorization of inventory	123.419	131.640	61.351	46.886	342.636	94
Revalorization of long-term investments and receivables	1.284.497	1.335.524	1.037.874	300.566	1.087.798	96
Total	5.202.301	6.169.861	4.755.597	3.483.026	5.059.402	84
Liabilities and Shareholders Equity						
Revalorization of capital	3.951.822	4.542.205	3.645.001	3.228.473	3.480.916	87
Revaloritization of long-term provisions	662.160	860.918	898.005	904.235	1.050.411	77
Revalorization of liabilities	605.797	246.064	89.912	18.218	540.862	246
Revalorization deficit	(17.478)	520.674	122.679	(667.900)	(12.787)	-
Total	5.202.301	6.169.861	4.755.597	3.483.026	5.059.402	84

Revalorization results are created on the basis of revalorized assets, liabilities and future cash flows. In accordance with Slovene accounting standards, closing balances are reported on the income statement as financing income or expense. In exceptional cases, adjustments arising from the revalorization of short-term receivables and payables and cash balances are reported as a result of financing.



NOTE 11: EXTRAORDINARY INCOME - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Recognition of income from affiliated companies from prior						
financial periods	39.216	20.886	6.813	9.684	11.840	188
Recognition of income from prior fin'l periods	122.032	275.657	276.114	230.115	56.959	44
Gain on sale of fixed assets	221.911	214.147	211.110	81.241	111.460	104
Adjustments to liabilities	24.617	406.517	187.003	11.917	195.514	6
Reduction of provisions	0	941.552	0	0	0	-
Adjustments to environmental investments	41.605	85.076	8.225	993.360	0	49
Other extraordinary income	113.115	129.172	107.571	128.886	145.255	88
Total	562,496	2.073.007	796.836	1,455,203	521.028	27

In 2001, the principal components of extraordinary income (SIT 113,115,000) were the reversal of charges against receivables and collection of insurance payments subsequent to damage claims.



4/22 **NEXT**



TABLES AND NOTES

NOTE 12: EXTRAORDINARY EXPENSES - PETROL, d.d.

SIT 000	2001	2000	1999	1998	1997	index 01/00
Recognition of expenses of affiliated						
companies from prior financial periods	61.952	216.988	4.305	110.439	25.517	29
Recognition of other expenses from prior						
financial periods	276.212	119.931	270.378	290.551	67.390	230
Losses on sale of fixed assets	353.022	319.185	108.599	135.010	114.390	111
Write-down of fixed assets	0	192.510	37.621	74.075	328	-
Damages	14.831	38.639	43.374	14.361	4.591	38
Fines	1.678	2.012	5.722	209.591	13.157	83
Other extraordinary expenses	10.164	16.902	28.278	47.508	56.323	60
Total	717.859	906.167	498.277	881.535	281.696	79

In 2001, the largest component of extraordinary expenses (SIT 116,616,000) related to an expense from a prior financial period. Namely, in accordance with Slovene Accounting Standards, futures contracts which were open on December 31, 2000 had to be revalued using the average exchange rates of the Bank of Slovenia rather than the bid foreign exchange rate for businesses. The difference in valuation was realized in 2001 when the contracts were settled.



Also among extraordinary expenses was the Company's write-down of certain plant and equipment in the amount of SIT 353,022,000. The write-down resulted from the renovation and construction of certain buildings and adjustments related to certain ongoing investments.

NOTE 13: INCOME TAXES - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
•						
Income (following ZDDPO provisions)	267.533.586	256.426.388	150.087.658	104.776.400	127.379.787	104
Expenses (following ZDDPO provisions)	(264.398.126)	(255.596.020)	(148.783.018)	(101.073.768)	(123.099.873)	103
Tax Basis I	3.135.460	830.368	1.304.640	3.702.632	4.279.914	378
Increase in tax basis	1.952.138	2.490.474	30.534	74.749	624.560	78
Decrease in tax basis	(1.567.028)	(355.735)	(926)	(1.067)	(33.836)	441
Tax Basis II	3.520.570	2.965.107	1.334.248	3.776.314	4.870.638	119
Tax abatement	(3.406.918)	(2.555.116)	(1.334.248)	(2.711.258)	(3.028.925)	133
Tax Basis III	113.652	409.991	0	1.065.056	1.841.713	28
Total income taxes	28.413	102.498	0	266.264	460.428	28

The increased amount of Tax Basis I is principally the consequence of the sales of fixed assets for which the Company had received a tax abatement in previous years (SIT 328,437,000). These assets were sold prior to the three-year period from acquisition required for such tax abatements.



In 2001, the Company created investment provisions in the amount of SIT 352,057,000 and received tax abatements for new investments in the amount of SIT 3,008,634,000 which, as in previous years, prohibits the Company from distributing dividends for the next five years from earnings retained in 2001. In the event that the Company does pay dividends out of 2001 retained earnings, its tax basis for that year will be increased to the extent that dividends are paid out.

The principal component of both the increase and the decrease in Tax Basis I arises from Petrol's participation in income reported by its foreign affiliates (SIT 1,566,692,000) for which income taxes were already paid in the foreign countries where the affiliates are located.

The principal components of the decrease in Tax Basis II are as follows: 40% of the total amount invested in tangible fixed assets (with the exception of motor vehicles used by individuals) and in intangible fixed assets (SIT 3,008,634,000), investment reserves created in the amount of 10% of Tax Basis II (SIT 352,057,000) and other compensation expenses related to the financing of Petrol's pension plan (SIT 46,226,000).

5/22 **NEXT**



F TABLES AND NOTES

NOTE 14: INTANGIBLE ASSETS - PETROL, d.d.

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Gross value						
Position as of Jan. 1	675.551	584.218	451.266	251.839	173.772	116
Additions / Purchases	203.708	112.874	108.551	177.658	59.733	180
Reductions / Write-offs	(79.476)	(70.393)	(13.809)	(3.122)	(323)	113
Revalorization	49.604	48.852	38.210	24.890	18.657	102
Net acquisition value at December 31, 2001	849.387	675.551	584.218	451.265	251.839	126
Adjustments						
Position as of Jan. 1.	322.892	269.011	175.278	105.468	55.686	120
Amortization	118.937	95.580	81.171	59.150	41.015	124
Reductions	(29.505)	(67.925)	(6.750)	(1.289)	0	43
Revalorization adjustment	28.656	26.226	19.312	11.949	8.766	109
Value of adjustments at December 31, 2001	440.980	322.892	269.011	175.278	105.467	137
Current net value at December 31, 2001	408.407	352.659	315.207	275.987	146.372	116

CHANGES IN INTANGIBLE ASSETS - PETROL, d. d.

SIT 000	Long-term development costs and deferred expenses	Patents and licenses	Material rights and other expenses	Intangible assets being acquired	Total
Acquisition value					
At December 31, 2000	273.652	282.012	82.801	37.086	675.551
Purchases	0	0	0	203.708	203.708
Transfer from assets in process	3.027	97.875	32.328	(133.230)	0
Reductions	(27.244)	(671)	(2.721)	(48.840)	(79.476)
Revalorization	17.321	23.202	6.264	2.817	49.604
Net acquisition value at December 31, 2001	266.756	402.418	118.672	61.541	849.387
Adjustments					
At December 31, 2000	(146.962)	(111.364)	(64.566)	-	(322.892)
Amortization	(33.408)	(72.812)	(12.717)	-	(118.937)
Reductions	27.244	179	2.082	-	29.505
Revalorization	(10.692)	(5.154)	(12.811)	-	(28.656)
Value of adjustments at December 31, 2001	(163.818)	(189.151)	(88.012)	-	(440.980)
Current value at December 31, 2001	102.938	213.268	30.661	61.541	408.407
Current value at December 31, 2000	126.690	170.648	18.235	37.086	352.659

The principal component of increases in intangible assets was the purchase of licenses for software programs and payments for material rights for acquired liquefied and natural gas concessions which were a constituent part of the Company's investment in and recapitalization of Petrol Plin, d.o.o. in December 2001 (SIT 48,841,000). This transaction also gave rise to most of the decreases in the intangible asset category in 2001.



NOTE 15: TANGIBLE FIXED ASSETS - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
						, , , ,
Property	16.282.849	15.062.331	14.027.062	12.004.921	10.878.182	108
Plant	38.304.313	34.014.134	33.684.863	27.196.279	22.540.522	113
Equipment	4.248.118	4.303.220	5.370.650	5.117.553	5.259.311	99
Fixed assets in the construction process	4.490.345	5.620.915	2.174.552	4.965.644	5.653.014	80
Advances for fixed assets	139.167	103.265	86.752	120.986	203.356	135
Total	63.464.792	59.103.865	55.343.879	49.405.383	44.534.385	107
At January 1	98.640.456	89.513.360	79.115.263	70.015.424	60.204.795	110
Purchases	7.623.773	6.128.678	6.903.732	5.868.199	6.386.758	124
Sales	(4.270.680)	(4.328.525)	(2.204.509)	(1.605.170)	(2.041.218)	99
Revalorization	6.434.164	7.783.875	5.733.108	4.919.180	5.690.420	83
Change in advances	(55.491)	(456.932)	(34.234)	(82.370)	(225.331)	-
Net acquisition value at December 31, 2001	108.372.222	98.640.456	89.513.360	79.115.263	70.015.424	110

Adjustments						
Position as of January 1	39.536.591	34.169.481	29.709.880	25.481.039	21.146.720	116
Amortization	4.149.305	3.648.738	3.487.710	3.259.190	3.394.613	114
Amortization of environmental fixed assets	664.706	774.371	761.915	839.286	335.752	86
Adjustments to environmental fixed assets	0	0	0	(722.985)	0	-
Disinvestment and sales	(2.314.303)	(2.376.218)	(2.037.074)	(1.132.001)	(1.648.837)	97
Revalorization	2.871.131	3.320.219	2.247.050	1.985.351	2.252.791	86
Value of adjustments at December 31, 2001	44.907.430	39.536.591	34.169.481	29.709.880	25.481.039	114
Current value at December 31, 2001	63.464.792	59.103.865	55.343.879	49.405.383	44.534.385	107

All of the tangible fixed assets presented on the balance sheet are the property of the Company and are entirely unencumbered.

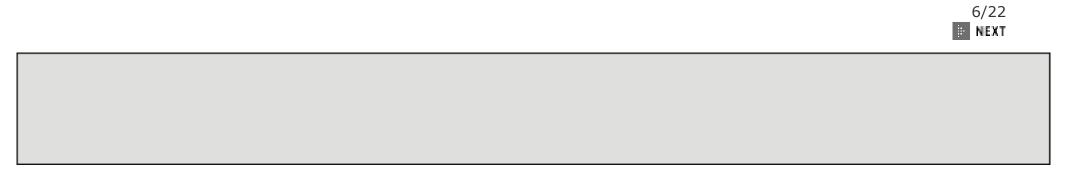


The increase in the level of fixed assets in the process of construction at balance sheet date is due to ongoing restoration work at the Obrežje service station (SIT 774 million), the Lom II service station (SIT 487 million), the Podsmreka service station (SIT 439 million), the Kamnik service station (SIT 397 million), the Žalec service station (SIT 367 million), the Ptuj service station (SIT 198 million) and the Rogatec service station (SIT 138 million). In accordance with the recommendations of the inventory committee, investments in progress the completion of which were no longer viewed as realizable were written off in the amount of SIT 171 million. The largest component of these write-offs arose from a feasibility study related to the shift to natural gas in Postojna and Ilirska Bistrica.

The increase in the level of fully operational plant and equipment is due to the completion of the following investments projects: the Kozina service station (SIT 631 million), the Kranj Labore service station (SIT 401 million), the Ivančna Gorica service station (SIT 396 million), the Rakovnik service station (SIT 353 million), the Šmartinska service station (SIT 382 million), the Tepanje service station (SIT 282 million), the Martjanci service station (SIT 248 million), the Železniki service station (SIT 156 million), the Cerklje service station (SIT 155 million) and the tourist facilities at Tepanje I and II (SIT 534 million).

Reductions in the category of fixed assets (in terms of current value) were principally the result of the following:

- the recapitalization of material investments in the subsidiary company Petrol Plin, d.o.o. which took place on December 28, 2001 (SIT 977 million)
- the sale of Petrolservis business space (SIT 330 million)
- a write-off related to the reconstruction of the Lom II tourist facilities (SIT 74 million)
- the sale of the Novo Mesto terminal (SIT 32 million)
- a write-off related to the reconstruction of the Ivančna Gorica service station (SIT 27 million)
- the sale of property and plant at the Kobarid service station (SIT 26 million).





TABLES AND NOTES

INVESTMENT IN INTANGIBLE AND TANGIBLE FIXED ASSETS - PETROL, d.d.

	2001					index
SIT 000	2001	2000	1999	1998	1997	01/00
Fuel terminals	99.294	725.196	2.070.722	1.534.990	1.908.894	14
Service stations	5.031.858	3.386.433	4.091.954	3.298.268	2.967.188	149
Information systems	575.260	262.551	267.008	355.678	367.134	219
Other investments	1.983.249	1.445.264	752.848	679.263	1.143.542	137
Investment in tangible fixed assets:	7.689.662	5.819.444	7.182.532	5.868.199	6.386.758	132
Investment in intangible assets:	206.526	115.905	111.223	177.658	59.733	178
Total	7.896.188					133

CHANGE IN TANGIBLE FIXED ASSETS - PETROL, d.d.

SIT 000

311 000				0		
	Zemljišča	Cradhani		Osnovna		
Acquisition value	-	Gradbeni objekti	Oprema	sredstva v pridobivanju	Dani predujmi	Skupaj
·	15 062 221		•	•		
At December 31, 2000	15.062.331	57.076.018	20.777.927	5.620.915	103.265	98.640.456
Purchases	0	0	0	7.532.380	91.393	7.623.773
Transfer from assets in process	533.228	5.632.466	1.836.799	(8.002.493)	0	0
Sales	(321.568)	(1.802.180)	(1.329.193)	(817.739)	(55.491)	(4.326.171)
Revalorization	1.008.858	3.765.979	1.502.045	157.282	0	6.434.164
Net acquisition value at December 31,						
2001	16.282.849	64.672.283	22.787.578	4.490.345	139.167	108.372.222
Adjustments						
At December 31, 2000	0	(23.061.884)	(16.474.707)	0	0	(39.536.591)
Amortization	0	(2.891.859)	(1.922.153)	0	0	(4.814.012)
Amortization from the past year	0	86	5.690	0	0	5.776
Sales	0	1.196.243	1.112.284	0	0	2.308.527
Revalorization	0	(1.610.556)	(1.260.575)	0	0	(2.871.131)
Value of adjustments at December 31,						
2001	0	(26.367.970)	(18.539.461)	0	0	(44.907.430)
Current value at December 31, 2001	16.282.849	38.304.314	4.248.118	4.490.345	139.167	63.464.792
Current value at December 31, 2000	15.062.331	34.014.134	4.303.220	5.620.915	103.265	59.103.865

7/22 ::: NEXT



F TABLES AND NOTES

NOTE 16: ENVIRONMENTAL FIXED ASSETS - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	index 01/00
Plant	8.082.847	7.546.932	7.014.245	4.458.865	107
Equipment	3.468.921	3.280.309	3.034.111	2.901.896	106
Adjustment in valuation of plant	(1.697.436)	(1.209.665)	(766.666)	(481.134)	140
Adjustment in valuation of equipment	(3.359.487)	(2.878.825)	(2.237.154)	(1.678.380)	117
Total	6.494.845	6.738.751	7.044.536	5.201.247	96

CHANGES IN ENVIRONMENTAL FIXED ASSETS - PETROL, d.d.

Plant	Equipment	Total
7.546.932	3.280.309	10.827.241
11.750	(11.750)	-
(4.619)	(26.576)	(31.195)
528.784	226.939	755.723
8.082.847	3.468.922	11.551.769
(1.209.665)	(2.878.825)	(4.088.490)
(377.742)	(286.963)	(664.706)
1.018	26.080	27.098
(111.047)	(219.779)	(330.826)
(1.697.436)	(3.359.487)	(5.056.924)
6.385.411	109.435	6.494.845
6.337.267	401.484	6.738.751
	7.546.932 11.750 (4.619) 528.784 8.082.847 (1.209.665) (377.742) 1.018 (111.047) (1.697.436) 6.385.411	7.546.932 3.280.309 11.750 (11.750) (4.619) (26.576) 528.784 226.939 8.082.847 3.468.922 (1.209.665) (2.878.825) (377.742) (286.963) 1.018 26.080 (111.047) (219.779) (1.697.436) (3.359.487) 6.385.411 109.435

Included in the category of fixed assets are environmental fixed assets which relate to the environmental restructuring and modernization of the Company's service stations, warehouses and fuel terminals. The revalorized value of these assets as of December 31, 2001 was SIT 11,551,769,000. This represents the total amount of long-term reserves set aside for this purpose.



The current value of these assets as of December 31, 2001 was SIT 6,494,845,000.

8/22 **NEXT**

TOTAL LONG - TERM INVESTMENTS

TABLES AND NOTES

NOTE 17: LONG-TERM FINANCIAL INVESTMENTS - PETROL, d.d.

SIT 000		31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Investments and participations Long-term loans to other companies Total		17.411.823 2.045.906 19.457.729	1.398.544	11.869.926 1.237.957 13.107.883	6.924.818 1.195.472 8.120.290	6.055.030 2.659.881 8.714.911	118 146 121
EQUITY INVESTMENTS IN SLOVENE AFFILIATES							
SIT 000	Percent ownership		31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Nafta, d. o. o., Lendava Petrol Plin, d. o. o., Ljubljana Petrol Gostinstvo, d. o. o., Ljubljana Destilat, d. o. o., Ljubljana Hotel Špik, d. o. o., Gozd Martuljek Petrol BPH, d.d., Ljubljana Elektropetrol, d. o. o., Ljubljana Total Investments in Slovene Affiliates	55% 100% 100% 100% 100%	1.076.849 588.179 3.321.379 7.090 0 1.071 4.994.568	0 0 540.000 3.653.080 13.977 0 4.207.057	182.546 0 0 3.354.198 25.148 0	0 0 0 0 0 10.250	0 17.834 0 0 0 31.948 49.782	- - 91 51
EQUITY INVESTMENTS IN FOREIGN AFFILIATES							
SIT 000	Percent ownership	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Petrol Trade, H.m.b.h., Vienna, Austria Cypet Oils Ltd, Limassol, Cyprus Petrol Trgovina, d.o.o., Zagreb, Croatia Petrol BH Oil Company, d.o.o., Sarajevo, Bosnia&Herzegovina Total Investments in Foreign Affiliates	100% 100% 100% 100%	1.174.780 3.215.642 1.800.854 431.968 6.623.244	1.926.351 2.759.056 339.418 231.647 5.256.472	903.336 2.183.193 563.101 113.400 3.763.030	488.619 1.721.824 432.512 96.354 2.739.309	124.808 1.725.221 108.041 0 1.958.070	61 117 531 186
EQUITY INVESTMENTS IN UNAFFILIATED COMPA	NIES						
SIT 000	Percent ownership	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Primofin, d.d., Maribor Instalacija, d. o. o., Koper Terminal, d.d., Ilirska Bistrica Aquasystems d. o. o., Maribor	30,05% 49,00% 23,72% 26,00%	2.008.851 0	0 1.877.431 76.236 0	391 1.723.995 70.006 0	1.323 1.602.226 65.061 0	18.613 1.490.443 60.589	107 - -
Geoplin, d. o. o., Ljubljana Nafta Lendava, d. o. o., Lendava	13,13% 55,00%	2.470.994 0	2.309.340 0	2.120.606 0	1.970.823 0	1.833.324 0	107
Other Total Investments in Unaffiliated Companies		1.080.476 5.794.011	982.391 5.245.398	630.006 4.545.004	535.826 4.175.259	644.209 4.047.178	110 110
		24 42 2224	24 42 2000	24 42 4000	24 42 4000	04 40 4007	index

31.12.2001 31.12.2000 31.12.1999 31.12.1998 31.12.1997

17.411.823 14.708.927 11.869.926 6.924.818 6.055.030

01/00



TABLES AND NOTES

LONG-TERM INVESTMENTS - PETROL, d.d.

						index
SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	01/00
Position as of Jan. 1	16.107.471	13.107.883	8.120.290	8.714.911	8.369.771	123
Gain on investments	1.167.006	1.379.266	485.695	446.200	714.958	85
Loss on investments	(1.566.692)	(72.684)	0	0	(594.849)	-
New investments and share purchases	2.977.786	855.151	3.634.969	510.512	553.027	348
New loans	1.871.997	293.951	958.694	1.193.277	1.794.275	637
Sale of shares	(115.158)	(124.739)	(141.909)	(37.819)	0	-
Repayment of loans	(185.382)	(59.741)	(394.413)	(2.437.550)	(273.883)	-
Other reductions	(405)	(234)	0	0	0	-
Adjustments	(774.014)	(95.595)	(95.034)	(572.682)	(1.158.921)	-
Foreign exchange difference and revalorization	1.049.237	1.452.360	1.124.558	452.759	1.090.280	72
Transfer to short-term investments	(1.074.117)	(628.147)	(584.967)	(149.318)	(1.779.747)	-
Position as of December 31, 2001	19.457.729	16.107.471	13.107.883	8.120.290	8.714.911	121

Long-term investments are comprised of investments and participations in companies, long-term loans receivable and repurchased shares of the Company. The value of these assets is evaluated and revalorized when necessary. The Company repurchased its own shares for the first time in 1997.



SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997
Other investments and participations	17.411.823	14.708.927	11.869.926	6.924.818	6.055.030
Long-term loans receivable and bank deposits	2.045.906	1.398.544	1.237.957	1.195.472	2.659.881
Total	19.457.729	16.107.471	13.107.883	8.120.290	8.714.911

In December 2001, Petrol, in accordance with it long-term business plans, recapitalized the subsidiary companies Petrol Plin, d.o.o. in the amount of SIT 1,195,480,000 and Petrol Trgovina Zagreb, d.o.o. in the amount of SIT 1,431,172,000. As of December 31, 2001, Petrol's investment in Nafta Lendava, d.o.o. was accounted for using the investment method and a 100% provision had been taken against this asset.



If the Company's investment in the affilliated company, Instalacija, d.o.o. Koper, were accounted for using the equity method, its value as of December 31, 2001 would have been SIT 1,010,582,000 higher than indicated on the balance sheet. As of December 31, 2001, Petrol's investment in the affiliated company, Aquasystems, d.o.o. Maribor was valued at SIT 233,689,000, against which the Company has taken a long-term provision for unpaid capital of SIT 126,683,000. In 2001, Petrol acquired a 40% share in Kmetijstvo Črnci, d.d. which was in forced bankruptcy proceedings (SIT 64,340,000). Petrol then sold this share on to the affiliated company TIB Terminal d.d., Ilirska Bistrica for a book value of SIT 80,106,000.

On June 29, 2001 and in agreement with Elan's management, Petrol wrote off its investment in the shares of Elan, d.d., Begunje in the amount of SIT 90,270,000. Because Petrol had already taken a 70% provision against this investment, only 30% of the Elan write-off (SIT 27,081,000) had a negative effect on Petrol's financial results. The loss was accounted for as a financing expense. Because of the necessity to cover losses of the previous years and of the current year, all of the effected shares of Elan were annulled and its shareholder capital was reduced by a corresponding amount.



TABLES AND NOTES

18. NOTE: LONG-TERM LOANS RECEIVABLE AND DEBT SECURITIES PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Domestic:						
Long-term loans to Group members	1.054.754	411.586	377.948	114.553	106.561	256
Long-term loans to affiliated companies	166.938	-	-	302.278	18.219	-
Long-term loans to other companies	137.632	222.211	262.711	512.456	560.029	62
Other	158.947	184.723	195.508	237.682	298.879	86
Investments in debt securities	0	0	0	0	8.496	-
Foreign long-term loans receivable	499.131	551.521	373.288	-	1.529.780	91
Total long-term loans and debt securities	2.017.402	1.370.041	1.209.455	1.166.969	2.521.964	147

Long-term loan receivables in the amount of SIT 1,054,754,000 is a loan receivable from Petrol's affiliated company Petrol Plin, d.o.o. and represents the entire indebtedness of that subsidiary.



In 2001, Petrol, in accordance with the long-term business plans of Petrol Plin, d.o.o. and with the approval of the Supervisory Board, converted Petrol Plin, d.o.o.'s short-term loans payable in the amount of SIT 317,737,000 SIT and short-term operating payables in the amount of SIT 132,450,000 into a long-term loan payable. A portion of this was taken from the long-term obligation of Agipgas, S.p.A. (SIT 192,981,000 SIT) which emerged from the purchase of its participation in the company and the remaining amount represents loans from previous years.

The principal component of other long-term loans receivable from affiliated companies is a long-term loan to Aquasystems, d.o.o., Maribor (SIT 166,938,000).

SIT 499,131,000 of long-term loans receivable are loans to foreign subsidiaries: namely, SIT 283,012,000 long-term loan receivable from the subsidiary company, Petrol Trgovina, d.o.o., Zagreb and SIT 216,118,000 long-term loan receivable from Petrol BH Oil Company, Sarajevo.

NOTE 19: INVENTORY - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	01/00
Raw material	349.180	397.761	469.646	582.231	560.404	88
Other inventory	4.394	4.456	7.265	10.282	9.341	99
Finished goods	8.995.972	10.109.393	7.791.494	3.635.503	4.895.051	89
- fuel	6.514.911	8.214.003	6.122.292	2.060.315	3.521.723	79
- other oil products	586.341	594.820	492.711	425.897	540.785	99
- other merchandise	1.894.720	1.300.570	1.176.491	1.149.291	832.543	146
Total	9.349.546	10.511.610	8.268.405	4.228.016	5.464.796	89

On December 31, 2001, inventory was accounted for at its current market value. Oil and oil derivatives represent 79% of total inventory at December 31, 2001 and supplementary goods and other products held for sale represent 21%.



NOTE 20: LONG-TERM OPERATING RECEIVABLES - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Financial leasing receivables	21.019	46.501	84.695	227.364	787.165	55
Total	21.019	46.501	84.695	227.364	787.165	55



NOTE 21: SHORT-TERM OPERATING RECEIVABLES - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
·						
Domestic accounts receivable	19.001.698	19.058.633	12.535.993	9.142.158	12.539.220	87
Adjustment to the value of domestic receivables	(2.963.736)	(2.885.424)	(3.450.014)	(2.137.042)	(1.783.015)	103
Foreign accounts receivable	1.945.561	3.122.929	2.689.528	2.314.027	3.271.347	61
Adjustment to the value of foreign receivables	(81.576)	(46.785)	(61.716)	0	0	174
Other short-term receivables	5.455.631	4.161.499	2.538.478	3.149.730	1.865.630	115
Adjustment to the value of short-term receivables	(631.260)	(575.250)	(138.950)	(1.745.378)	(1.674.565)	110
Deposits and advances	123.797	13.277	120.846	290.401	964.693	932
Total	22.850.115	26.356.338	17.884.845	14.896.316	18.640.890	87

At December 31, 2001, the Company reported net domestic customer receivables of SIT 16,026 million. Of this amount, SIT 10,147 million were current and SIT 5,878 million were overdue. These overdue receivables were less than 60 days past maturity or they belonged in groups of individual customers who received special credit arrangements. The following adjustments in the aggregate amount of SIT 2,963 million, were made to the value of current operating



- SIT 1,381,536,000 for receivables more than 60 days past due;
- SIT 982,400,000 for receivables from customers in claims court or in bankruptcy proceedings;
- SIT 599,800,000 for late interest payments;

receivables in 2001:

Not including a receivable in the amount of SIT 489 million from Nafta Lendava, most adjustments to the value of individual customer receivables did not exceed SIT 10 million.

At December 31, 2001, the Company reported net accounts receivable from foreign customers of SIT 1,864 million. Of this amount, SIT 1,051 million are current and SIT 812 million are overdue. Foreign receivables are generally secured by the hypothecation of assets or a guarantee. Of the current (not overdue) portion of foreign receivables, SIT 327 million is due from affiliated companies operating abroad and the remainder are due from other foreign customers (mostly in Croatia and Bosnia).

Adjustments in the aggregate amount of SIT 81,576,000 have been made to the value of foreign receivables from customers against which legal claims have been filed. No individual receivable in this category exceeds SIT 10 million with the exception of a receivable from the Directorate of Banja Luka in the amount of SIT 36 million.

At December 31, 2001, the Company reported other short-term recievables of SIT 4,824 million of which SIT 3,657 million are from individuals who made payment with payment (debit) cards, SIT 694 million are receivables arising from added value taxation and SIT 473 million are sundry receivables.

The following adjustments in the aggregate amount of SIT 631,260,000 have been made to the value of other current receivables:

- SIT 488,889,000 for receivables related to the recapitalization of Nafta Lendava (official approval pending in the courts) and,
- SIT 142,371,000 against receivables from individuals.





F TABLES AND NOTES

NOTE 22: RECEIVABLES DUE WITHIN ONE YEAR - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
	3211212001	31.12.1200	3111211333	0111211100	0111211997	02,00
Affiliated companies						
Nafta Lendava, d.o.o.	0	0	0	0	205.111	-
Apegas, d.o.o.	0	0	0	236.699	220.435	-
Cypet Oils, Ltd.	0	0	0	0	0	-
Petrol Trade, GmbH.	0	0	109.038	2.469	507.538	-
Total Affiliated Companies	0	0	109.038	239.168	933.084	-
Unaffiliated companies:	123.797	13.277	11.808	51.233	31.609	932
Total	123.797	13.277	120.846	290.401	964.693	932



NOTE 23: SHORT-TERM INVESTMENTS - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
						·
Certificates of deposit	1.124.724	3.911.873	1.506.000	3.830.000	4.500.000	260
S-T loans receivable-Petrol Group members	241.246	724.930	198.415	4	52.058	365
S-T loans receivable-unaffiliated companies	1.052.392	929.747	1.777.751	1.761.216	2.284.653	52
Bank notes	0	0	0	348.940	339.566	-
Investments in equities	57.233	163.727	159.790	183.033	195.889	102
Investments in bonds	18.928	18.443	26.015	232.232	183.389	71
Assets under management	17.623	7.087	6.509	6.048	27.527	109
Forward contracts	0	0	0	8.282	115.116	-
Adjustments	(578.325)	(608.706)	(1.052.167)	(1.374.432)	(795.538)	58
Total	1.933.821	5.147.101	2.622.313	4.995.323	6.902.660	196

Among short-term investments is the Company's investment in the shares of GPG: 13,310 shares with a market value of SIT 57,233,000 on December 31, 2001.



Short-term loans receivable on December 31, 2001 include (in addition to other loans against which appropriate provisions have already been made in the past) an insured credit extended to SCT, d.d. in the amount of SIT 201,413,000. This receivable has been appropriately insured.

In 2001, adjustments were made to the following short-term loans receivable: KBT d.d. (SIT 318,060,000), Štern d.o.o. (SIT 130,324,000), Rajko Pregelj (SIT 44,191,000) and others (SIT 85,750,000).

12/22 NEXT

PETROL



Accounting Report

TABLES AND NOTES

NOTE 24: LIQUID ASSETS - PETROL , d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Cash	1.748.198	1.464.759	2.205.272	1.961.323	1.546.431	119
Bank deposits	1.657.787	2.336.449	1.709.124	832.178	1.098.531	71
Total	3.405.985	3.801.208	3.914.396	2.793.501	2.644.962	90



NOTE 25: DEFERRED EXPENSES AND ACCRUED REVENUES - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Short-term deferred expenses	29.771	23.508	4.611	82.326	50.673	127
Accrued revenues	257.662	369.823	349.264	146.820	139.514	70
Total	287.433	393.331	353.875	229.146	190.187	73





TABLES AND NOTES

NOTE 26: SHAREHOLDERS EQUITY - PETROL, d.d.

SIT 000	31.12.2001	31.12.00	31.12.99	31.12.98	31.12.97	index 01/00
<u></u>	311212031	32112100	31.12.133	31.12.130	31112137	01,00
Common stock-par value	12.517.806	12.517.806	12.517.806	12.517.806	12.517.806	100
Additional paid-in capital	2.383	930	930	930	0	256
Reserves*	12.975.361	9.963.549	10.006.803	8.323.242	6.687.359	130
Fund for share repurchase	1.609.986	1.628.240	1.649.180	1.660.813	1.678.579	99
Retained earnings	2.793.260	2.698.075	3.300.659	2.135.913	2.115.284	104
Undistributed current income (loss)*	2.037.590	1.911.935	219.176	3.365.083	3.236.234	107
Revalorization of capital						
Revalorization of common stock	19.190.517	17.116.141	14.694.267	12.772.225	11.007.804	112
Revalorization of additional paid-in capital	282	177	87	15	0	159
Revalorization of reserves	10.213.966	8.870.314	7.394.764	6.205.795	5.280.982	115
Revalorization of share repurchase fund	973.391	813.272	621.786	462.271	319.387	120
Revalorization of retained earnings	1.454.482	1.301.367	934.737	1.301.075	904.735	112
Total	63.769.024	56.821.806	51.340.195	48.745.168	43.748.170	112

CHANGES IN SHAREHOLDERS EQUITY - PETROL, d.d.

SIT 000	31.12.2001	31.12.00	31.12.99	31.12.98	31.12.97	index 01/00
511 000	31.12.2001	31.12.00	31.12.33	31.12.30	31.12.37	01,00
At January 1, 2001	56.821.806	51.340.195	48.745.168	43.748.170	38.936.019	111
Payment of dividends	(1.027.198)	(821.760)	(1.231.460)	(1.548.046)	(1.871.324)	125
Distributions made under profit sharing plan	(54.039)	(20.941)	(27.077)	(49.442)	(33.675)	258
Effects of trading in treasury shares	1.453	(129.828)	(10.613)	930	0	-
Transfer to reserves*	2.037.590	0	0	0	0	-
Revalorization adjustment	3.951.822	4.542.205	3.645.001	3.228.473	3.480.916	87
Net income*	2.037.590	1.911.935	219.176	3.365.083	3.236.234	107
At December 31, 2001	63.769.024	56.821.806	51.340.195	48.745.168	43.748.170	112
Capital revaluation adjustments At January 1, 2001	28.101.271	23.645.641	20.741.381	17.512.908	14.031.992	119
Revalorization adjustment	3.951.822	4.542.205	3.645.001	3.228.473	3.480.916	87
Effects of trading in treasury shares	0	(86.575)	0	0	0	-
Revalorization draw-down for dividend payout	(220.454)	0	(740.741)	0	0	-
At December 31, 2001	31.832.639	28.101.271	23.645.641	20.741.381	17.512.908	113

^{*} In accordance with Paragraph 3 of Article 228 of the Law Concerning Economic Companies - Appendix F, undistributed net income for the year has been reduced by half and transferred into the reserve account.



The common stock of Petrol, d.d. in the amount of SIT 12,517,806,000 is divided among 2,086,301 common shares of which the nominal value per share is SIT 6,000 .

On December 28, 1998, 2,086,301 Petrol shares carrying a G symbol were listed on the Ljubljana Stock Exchange. The market price per share on balance sheet date was SIT 23,147 as compared to SIT 19,367 at fiscal year end 2000. During the seventh annual meeting of Petrol, d.d. shareholders, which took place on July 5, 2001, the following measures were adopted.

- Net income for the fiscal year 2000 in the amount of SIT 1,911,934,826.35 to be distributed in the Company's reserve accounts.
- Dividends for 2000 will be paid out to Petrol shareholders and to members of the management and supervisory boards under the profit sharing plan from 1998 undistributed net income which on December 31, 1999 stood at SIT 1,174,160,720.56.
- Dividends paid out to shareholders for 2000 will be in the amount of SIT SIT 1,043,150,500.00 or SIT 500 per share (gross).
- Bonuses will be paid out to members of the management board (as participants in net income) in the gross amount of SIT 31,538,636.00. This payment will be made in shares of the Company using with the prevailing market value of shares on the day such payment is made.
- Bonuses will be paid out to members of the supervisory board (as participants in net income) in the gross amount of SIT 22,500,000.00. This payment will be made in shares of the Company using with the prevailing market value of shares on the day such payment is made.



PETROL Accounting Report Tables and Notes

NOTE 27: BREAKDOWN OF CAPITAL ACCOUNTS in accordance with new SRS rules of January 1, 2002

SIT 000	At January 1, 2002
•	
Capital	
Paid-in capital	12.517.806
Common stock - par value	12.517.806
2. Unpaid capital	0
II. Capital reserves	2.665
III. Reserves from net income	25.772.704
1. Legal reserves	14.701.323
2. Reserves for treasury shares	637.919
3. Statutary reserves	0
4. Other reserves	10.433.462
IV. Retained earnings	4.247.741
V. Net income from operating year*	2.037.590
VI. Adjustments to capital	19.190.517
1. Adjustments to capital (general)	19.190.517
2. Adjustments to capital (specific)	0
Total capital	63.769.024

In accordance with Paragraph 3 of Article 228 of the Law Governing Economic Companies - Appendix F, net income from the operating year has been reduced by half and transferred into the reserve account.



In the preparation of financial statements for the accounting period ending December 31, 2001, the Company must, as a publicly-traded company, adhere to certain provisions of the recently passed statute regarding corporate and other economic entities (published in the Official Gazette of the Republic of Slovenia No. 45/01). These provisions refer to adjustments in capital account entries for publicly-traded companies (paragraph 228 of the statute) and also respect the requirements set out in paragraph 60 of the same statute. The new Slovene accounting standards went into effect on January 1, 2002 (Official Gazette of the Republic of Slovenia No. 22/01) and all companies are obligated to adhere to them. The new SRS accounting rule 8.53 calls for the uniform presentation of capital entries in accordance with the statute regarding corporate and economic entities. Financial tables and notes explicating capital account entries as of January 1, 2002 have been formulated with respect to the new statutes and regulations.

28. NOTE: CALCULATED PROFIT - PETROL, d.d.

SIT 000	31.12.01
REQUIRED DISTRIBUTION OF NET INCOME	
2001 net income	4.075.180
Distributions to cover prior losses	0
Distributions to legal reserves	0
Distributions to reserves for treasury stock fund	0
Distributions to statutory reserves	0
2001 net income following required distributions	4.075.180
Distribution to other reserves accounts	2.037.590
Remaining net income 2001	2.037.590
CALCULATED PROFIT	
Remaining net income 2001	2.037.590
+ retained earnings	4.247.742
+ other reserves	736.791
CALCULATED PROFIT	7.022.123







TABLES AND NOTES

NOTE 29: RESERVES - PETROL, d.d.

SIT 000	31.12.2001	31.12.00	31.12.99	31.12.98	31.12.97	index 01/00
Legal reserves	4.444.752	4.426.498	4.469.752	4.468.732	4.450.966	100
Other reserves	6.493.019	5.537.051	5.537.051	3.854.510	2.236.393	117
Treasury stock fund	1.609.985	1.628.240	1.649.180	1.660.813	1.678.579	99
Total	12.547.756	11.591.789	11.655.983	9.984.055	8.365.938	108

In 2000, other reserves increased by SIT 955,967,000, an amount equal to half of net income. This was offset by a decrease of SIT 28,756,000, the extent to which the treasury fund was reduced as a result of payments made to members of the supervisory and management boards under the profit sharing program.



The fund for the purchase of treasury shares (the treasury stock fund) was established in 1997. It was funded from legal reserves in the amount of SIT 1,697,192,000.

In 2001, the calculated value of treasury shares decreased by SIT 28,756,000 (together with revalorization adjustments) and there was a corresponding increase in the source of funds legal reserves from which the treasury stock fund was created.

NOTE 30: LONG-TERM PROVISIONS - PETROL, d.d.

SIT 000	31.12.2001	31.12.00	31.12.99	31.12.98	31.12.97	index
	31.12.2001	31.12.00	31.12.33	31.12.30	31.12.37	01/00
Long-term provisions for environmental investments	8.083.822	8.225.754	8.443.440	8.620.727	9.055.162	98
Long-term provisions for capital improvements	2.037.764	2.285.848	3.167.111	3.014.709	2.934.696	89
Long-term provisions for leasing activities	0	6.726	41.732	142.308	440.333	-
Total	10.121.586	10.518.328	11.652.283	11.777.744	12.430.191	96

In 2001, provisions set aside for capital improvements were drawn on in the amount of SIT 381,396,000. The establishment of long-term provisions for investments into the environmental modernization and improvement of service stations, transport cisterns, fuel terminals and Pesniška Jama was approved by the Slovene Ministry of the Environment in the framework of laws related to the ownership transformation of Slovene companies and have been used as a source of funds posted against the capital account in the Company's opening balance sheet on January 1, 1993. The implementation of an investment program in the amount of SIT 5,357,597,000 (as of January 1, 1993) was, from both an economic and environmental standpoint, viewed as an appropriate response to an urgent problem.



In 2001, reductions to the amount of long-term provisions related to environmental investments in the amount of SIT 670,780,000 were the result of the following:

- the utilization of long-term provisions for Pesniška Jama in the amount of SIT 29,633,000 to cover normal operating expenses related to maintenance costs and SIT 5,268,000 annual payment on a loan taken from the Slovene Ministry of the Environment in connection with Pesniška Jama.
- the utilization of long-term provisions for other environmental investments in the amount of SIT 664,706,000 to cover operating and amortization expenses in 2001.
- In 2001, the Company increased the amount of long-term reserves in the amount of SIT 62,544,000. This was the amount of an indemnity paid for a building lot. The indemnity payment was the consequence of an improper elimination made by the Auditing Commission of the Republic of Slovenia and related to the establishment of long-term environmental provisions that occurred during the privatization and restructuring of the Company.

PETROL



Accounting Report

F TABLES AND NOTES

NOTE 31: LONG-TERM DEBT - PETROL, d.d.

y 000 SIT	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Long-term debt						
Long-term borrowings from affiliated companies						
Long-term borrowings from banks	8.136.575	5.155.943	3.929.731	688.651	840.608	158
Long term borrowings from banks	0.130.373	3.133.343	3.323.731	000.031	040.000	130
Total	8.136.575	5.155.943	3.929.731	688.651	840.608	158

Long-term debt in the amount of SIT 8,136,575,000 is comprised of foreign currency loans of EUR 21,282,052 (SIT 4,712,048,000) and DEM 2,621,123 (SIT 296,724,000) and domestic currency loans with the aggregate total of SIT 3,127,803,000.



On December 31, 2001, the current portion of long-term debt (maturing in 2002) was transferred into the short-term debt account. The total amount transferred was SIT 1,461,945,000: EUR 3,974,358 (SIT 879,961,000), DEM 1,310,561 (SIT 148,362,000) and SIT 428,571,000.

NOTE 32: SHORT-TERM DEBT - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Loans payable to companies:						
-to affiliated companies	480.904	221.798	1.114.599	0	0	217
-to unaffiliated companies	20.147	14.021	13.131	12.284	16.757	144
Loans payable to domestic banks	4.700.000	0	2.550.000	1.000.000	1.462.387	-
Loans payable to foreign banks	0	0	0	0	0	-
Current portion of long-term debt:						
- banks	1.461.945	1.110.259	766.638	169.499	192.546	132
- other companies	0	5.601	-	-	-	-
Total	6.662.996	1.351.679	4.444.368	1.181.783	1.671.690	493



NOTE 33: CURRENT PAYABLES/ADVANCES RECEIVED - PETROL, d.d.

SIT 000 31.12.	. <mark>.2001</mark> 31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Affiliated companies	0 (05)	0	0	90.440	-
	0.685 1.052.080 0.685 1.052.080		55.316 55.316	171.219 261.659	51



16/22 NEXT



TABLES AND NOTES

NOTE 34: OTHER SHORT-TERM PAYABLES - PETROL, d.d.

						index
SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	01/00
Payables to suppliers	17.807.972	23.271.859	16.879.445	12.706.804	20.292.147	-
Salaries	708.220	914.664	956.532	889.139	1.460.022	77
Taxes	12.522.008	19.133.150	11.767.357	8.345.855	5.760.305	-
Customs duties	0	0	0	0	0	-
Interest	15.385	22.685	23.424	489	5.123	68
Income taxes	0	1.566.400	1.192.176	988.428	1.030.868	-
Dividends	93.580	86.743	102.651	80.125	53.498	108
Other	861.520	1.315.894	23.244	215.541	425.908	65

Gross compensation payable in the amount of SIT 708,220,000 includes severence pay to 33 employees whose employment at Petrol ended in 2002 (SIT 157,400,000) and salaries payable in the amount of SIT 550,820,000.



Payables to government institutions include customs and import duties payable (SIT 669,884,000), payables related to fines for carbon dioxide emissions (SIT 709,959,000), excise taxes payable (SIT 7,595,218,000), fees payable for obligatory commodities reserves (SIT 323,401,000) and a payable arising from the difference between input VAT and output VAT (SIT 3,123,831,000) and other sundry payables.

Other payables in the amount of SIT 861,520,000 represent an obligation to domestic business partners related to irregularities in certain foreign payables (SIT 549,256,000) and obligations related to purchases made with the Magna payment card at external purchase points (SIT 305,962,000).

NOTE 35: ACCRUALS AND DEFERRALS (LIABILITIES) - PETROL, d.d.

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	index 01/00
Accrued expenses :						
- Maintenance expenses	0	0	0	0	0	-
- Other accruals	430.794	1.216.544	268.263	10.306	54.909	35
- Deferred revenues	10.396	1.106	2.628	143.054	124.590	940
Total	441.190	1.217.650	270.891	153.360	179.499	36

On December 31, 2001, the Company accrued expenses of SIT 175,612,000 for potential future outlays related to the settlement of law suits. All of these law suits are currently in the courts and in the opinion of the Company's legal counsel will most likely be settled during 2002.



Deferred liabilities in the amount of SIT 181,425,000 represent accrued expenses related to fuel inventory shrinkage detected at the Company's 2001 regular inventory audit.





TABLES AND NOTES

NOTE 36: Intercompany accounts - PETROL, d.d.

The following summarizes the Company's accounts with Petrol Group members and other affiliated companies:

	2001	2001	2000	2000
	Affiliated companies	Group members	Affiliated companies	Group members
Balance sheet				
Long-term financial investments	11.617.813	2.488.781	9.463.529	2.251.387
Short-term financial investments	241.246	0	724.930	-
Operating receivables	631.062	1.082.113	1.526.828	17.545
Short-term financial payables	481.251	0	559.446	-
Short-term operating payables	9.432.073	217.540	17.572	288.351
Income statement				
Operating income	2.698.444	38.283	3.929.005	72.952
Operating expenses	96.914.670	1.380.795	112.587.368	6.507.987
Financial income	1.208.152	70.733	1.485.033	268.892
Financial expenses	745.011	637	411.555	4.421
Extraordinary income	39.216	0	20.337	407.067
Extraordinary expenses	61.952	0	216.988	-







F TABLES AND NOTES

NOTE 37: Conditional liabilities and other off-balance sheet items - PETROL, d.d.

A) Conditional liabilities related to guarantees

As of December 31, 2001, Petrol, d.d., Ljubljana guaranteed the financial obligations of its affiliated companies principally to foreign banks in the aggregate amount of SIT 34,846 million. As of December 31, 2001, borrowings by Petrol affiliates in the amount of SIT 9,382 million under guaranteed lines of credit were as follows:

• Cypet Oils Ltd, Limassol, Ciper:

BANK/COMPANY	VALUE	OF GUARANTEES	IN USD	VALUE OF UTI	LIZED GUARANTE	ES IN USD
·	2001	2000	1999	2001	2000	1999
UEB Geneva		35.000.000	35.000.000		8.712.000	5.586.000
BBL Geneva	19.000.000			4.005.353		
Credit Lyonnaise Paris	10.000.000					
LHB Frankfurt			15.000.000			
B. Paribas Geneva	30.000.000	22.000.000	22.000.000			5.030.000
Credit Agricole Indosuez London B.	20.000.000	20.000.000	20.000.000	1.440.835		1.545.381
ING Vienna		8.000.000	8.500.000		118.066	674.665
Bank of Tokyo-Mitsubishi London			10.000.000			
RZB Vienna	15.000.000	15.000.000	10.000.000	25.353	3.452.084	5.297.491
Glencore Int. AG, Baar	8.399.092	12.746.467	UNLIMITED	8.399.092	12.746.467	13.365.153
Statoil, Stavanger		7.600.000			7.600.000	
ELF Trading SA, Geneva	4.837.783	7.351.762	UNLIMITED	4.837.783	7.351.762	138.141
J. Aron&Co.	UNLIMITED	UNLIMITED				
Morgan Stanley	UNLIMITED	UNLIMITED				
TOTAL IN USD	107.236.875	127.698.229	120.500.000	18.708.416	39.980.379	31.636.831

• Petrol Trade, H.m.b.H, Vienna, Austria:

BANK/COMPANY	VALU	JE OF GUARANTEE USD, ATS	S IN	VALUE C	OF UTLIZED GUAR IN USD, ATS	ANTEES
	2001	2000	1999	2001	2000	1999
RZB Vienna	With Cypet Oils	With Cypet Oils		2.086.830 USD	7.271.931 USD	
BBL Geneva	With Cypet Oils					
Creditanstalt Vienna	5.000.000 USD	5.000.000 USD	5.000.000 USD	130.625 USD	276.932 USD	
Creditanstalt Vienna	20.000.000 ATS	20.000.000 ATS	20.000.000 ATS			
Zveza slovenskih zadrug Celovec	5.000.000 USD	5.000.000 USD	5.000.000 USD	377.388 USD	476.877 USD	2.585.549 USD
ING Vienna		8.000.000 USD	8.000.000 USD		6.001.224 USD	414 USD
TOTAL	11.282.388 USD	19.352.010 USD	19.457.525 USD	2.594.843 USD	14.026.964 USD	2.585.963USD





TABLES AND NOTES

• Petrol Trgovina, Zagreb:

BANK/COMPANY		VALUE OF GUARANTEES IN USD, EUR, HRK 2001 2000 1999			VALUE OF UTILIZED GUARANTEES IN USD, EUR, HRK 2001 2000 1999		
Societe Generale, Zagreb			500.000 USD				
INTER INA (Guersey) Ltd.			UNLIMITED			54.280 USD	
Ina d.d.	UNLIMITED	UNLIMITED	UNLIMITED	6.170.986 HRK	4.485.293 HRK	15.391.157 HRK	
Bank Austria CA, Zagreb	2.722.000 EUR	20.000.000 HRK	20.000.000 HRK	2.722.000 EUR	20.000.000 HRK	20.000.000 HRK	
TOTAL	2.722.000 EUR	20.000.000 HRK	3.118.451 USD	3.563.203 EUR	3.013.244 USD	4.687.782 USD	

In addition to the above-mentioned guarantees, Petrol, d.d. also guaranteed the obligations of the affiliated company Petrol Plin, d.o.o., and its affiliates:

BANK/COMPANY	VALUE OF GUARAN		NTEES IN SIT 000 VALUE OF I		UTILIZED GUARANTEES SIT 000	
	2001	2000	1999	2001	2000	1999
for Petrol Plin d. o. o., Ljubljana	587.740	576.618	30.764	587.740	576.618	30.764
Bank Austria d. d., Ljubljana						
for Instalacija d. o. o., Koper	578.101	655.058		578.101	655.058	
B. Societe Generale Paris						
for Aquasystems d. o. o., Maribor	2.080.870	1.434.913		2.080.870	1.434.913	
Multiple borrowers						
TOTAL IN SIT 000	3.246.711	2.666.589	30.764	3.246.711	2.666.589	30.764

PETROL





TABLES AND NOTES

B) Conditional liabilities related to lawsuits

At December 31, 2001, Petrol, d.d. had lawsuits filed against it by customers and creditors with an aggregate total of SIT 430,216,000. The management of Petrol believes that the Company may experience losses as a result of certain of these lawsuits. Therefore, at December 31, 2001 the Company had short-term provisions specifically related to these claims in the amount of SIT 175,612,000 (SIT 252,320,000 at fiscal year end 2000):

C) Inventory not owned by Petrol

SIT 000	2001	2000
Inventory taken on commission	1.560.894	1.113.222
Commodity reserves of the Republic of Slovenia	2.925.310	3.692.835
Total	4.486.204	4.806.057

Liabilities under commission contracts are reported at original purchase price. Government inventory is reported at forecasted sales prices.

D) Foreign exchange contracts

As of December 31, 2001, the Company had contracts with banks for the future purchase and sale of foreign currency (with exchange rates fixed for future date of payment) as follows:

Currency	2001		2000		
	SIT 000	foreign currency	SIT 000	foreign currency	
Obligations in USD	(6.334.498)	(25.354.000)	(2.387.131)	(10.498.000)	
Obligations in EUR	(1.640.053)	(7.415.772)	(17.838.626)	(84.340.913)	
Receivables in EUR	6.326.388	28.581.800	2.367.421	11.193.151	
Receivables in USD	1.640.808	6.650.000	16.926.633	74.443.000	
Surplus/(deficit)	(7.355)		(931.703)		

Most foreign exchange contracts are entered into in order to hedge against the foreign exchange risk arising from the purchase and sale of oil derivatives.

21/22 ... NEXT

PETROL Accounting Report

E) Breakdown of receivables from the Development Fund of the Republic of Slovenia

Type of receivable SIT 000	2001	2000	1999
Long-term fin'l receivables-less developed	2.877	2.877	2.877
Short-term customer receivables	856.572	856.572	856.572
Total	859.449	859.449	859.449

During its ownership transformation, Petrol, d.d. wrote down its opening capital account for amounts corresponding to receivables from and other assets located in the republics of the former Yugoslavia. These receivables and assets have been removed from the balance sheet and posted as an off-balance sheet contractual agreement between Petrol, d.d. and the Development Fund of the Republic of Slovenia.

TABLES AND NOTES



This contract also created a conditional financial obligation on the part of Petrol, d.d. to the Development Fund. The contract stipulates that no more than one month after the collection of such receivables the Company must deposit such funds with the Development Fund of the Republic of Slovenia. During fiscal 2001, Petrol, d.d. did not receive any such payments. In January 2002, the Company signed an annex to this contract regarding Petrol's exposure to off-balance sheet items and conditional liabilities to the Development Fund. The estimated value of long-term financial investments in the former Federation of Yugoslavia is nil and the estimated value of short-term receivables from Bosnia & Herzegovina is SIT 184 million.

F) Pledges

An unresolved conflict exists between Slovenia, as represented by the current government of the Republic of Slovenia, Nafta Lendava, d.o.o. and Petrol, d.d. regarding the repayment of loans under a Paris and London club deal. In the current opinion of the Slovene Finance Ministry, Petrol, d.d. pledged DEM 1,040,000, FRF 1,012,000 and USD 3,093,000 in liquid assets to cover the obligations of Nafta Lendava, d.o.o.. The opinion of the management of Company is that the claims of the government are unsubstantiated and for this reason the Company has not set aside any provisions for this purpose.

NOTE 38: Important events after balance sheet date

Increase of gross margins on gasoline sales by 0.40 SIT/l in the official oil price model. Introduction of an environmental tax of 38 SIT/kg on the sale of lubricating oils and liquids.

Passage of a decree regarding the prohibited transit of oil products through Croatia.

Signing of an agreement with the Russian company, Tyumen Oil, regarding business cooperation in the markets of the former Yugoslavia.

Implementation of new SRS rules and Provision 7 of the first part of the new law governing economic companies.

22/22 ... NEXT





THE PETROL GROUP

The Petrol Group is comprised of the parent company, Petrol, The Slovene Oil Company, d.d., Ljubljana and the following subsidiaries:

Subsidiary	Country	Petr	ol, d.d., % ownership
		31.12.2001 3	31.12.2000
1. Destilat, d.o.o., Ljubljana	Slovenia	100	100
2. Hotel Špik, d.o.o., Gozd Martuljek	Slovenia	100	100
3. Petrol Plin, d.o.o., Ljubljana	Slovenia	100	51
4. Petrol Gostinstvo, d.o.o., Ljubljana	Slovenia	100	100
5. ElektroPetrol, d.o.o., Ljubljana	Slovenia	51	0
6. Cypet Oils Ltd, Limassol	Cyprus	100	100
7. Petrol-Trade, H.m.b.H., Wien	Austria	100	100
8. Cypet-Trade, Ltd., Limassol (Petrol-Trade, H.m.b.H., Wien)	Cyprus	100	100
9. Petrol Trgovina, d.o.o., Zagreb	Croatia	100	100
10. Petrol BH Oil Company, d.o.o., Sarajevo	Bosnia & Herzegovina	100	100

The Petrol Group subsidiary ElektroPetrol, d.o.o., Ljubljana, was established and registered in December 2001.



In 2000, the management of Petrol d.d. determined that, despite its 55% majority ownership of Nafta Lendava d.o.o., Petrol no longer exerts an influence on the business decisions of the affiliated company and that Nafta Lendava, d.o.o. will no longer be included in the consolidated financial statements of the Petrol Group. As a result of this conclusion, the accounts of Nafta Lendava d.o.o. were eliminated from Petrol's consolidated statements in 2000 and 2001. The conclusion of Petrol's management was based on the following points:

- that, on December 23, 1999, the Company entered a contract with the owner of a limited partnership company in which the limited partnership declares its clear intent in paragraph 02.01 to purchase a 55% share of the capital of Nafta Lendava d.o.o. This purchase would give the limited partnership a majority ownership in Nafta Lendava;
- that the auditor of Nafta Lendava, d.o.o. stated opinions in the notes to the financial statements of 1997, 1998 and 1999 about the problems of the above-mentioned company's operations and warned that the company's continuing losses were too large to be sustained;
- that both parties to the contract have agreed, despite Petrol's majority ownership, to collectively make all decisions with regard to Nafta Lendava, d.o.o. with the consensus of the board and the management of Nafta Lendava d.o.o.. In accordance with the terms of the contract, Nafta Lendava's board of directors decide on the operations program, the strategic development plan, fundamental business policies, distribution of any profits and coverage of losses and the content of business reports about ongoing changes. Any issues specifically effecting the contract must be agreed to and signed by a qualified (3/4) majority. Nafta Lendava has a two-member management team in which each party to the contract has its own representative. The president of management has independent discretion over business decisions and financial outlays of up to SIT 5 million. For allocations greater than this amount, he must obtain the consent of the two-member management team. Petrol d.d., despite its actual majority ownership, has agreed to these terms and to the independent decision-making powers of the board in settling crucial issues regarding the management and the existence of the company Nafta Lendava, d.o.o.

The financial statements of all Petrol Group's subsidiary companies have been audited and the auditors have issued unqualified opinions. Cypet Oils Ltd. Limassol and Cypet Trade Ltd., Limassol were audited by Horwath Philippides & Partners; Petrol Trade H.m.B.H., Vienna was audited by Mr. Harald Hruschka; Petrol Trgovina d.o.o., Zagreb and Petrol BH Oil Company d.o.o., Sarajevo was audited by Ernst & Young Audit d.o.o.; Destilat d.o.o., Ljubljana, Petrol Plin d.o.o., Ljubljana, Petrol Gostinstvo d.o.o. Ljubljana and Hotel Špik, d.o.o., Gozd Martuljek were audited, like Petrol, d.d., by Deloitte&Touche d.o.o. Ljubljana.

The fiscal year of Petrol and of all of its subsidiaries ends on December 31.

All of the operating subsidiaries in the Group generated aggregate income of SIT 1,167,006,000 in 2001 and these earnings flow into and increase the level of financial income of the unconsolidated parent company. Hotel Špik, d.o.o. and Petrol Plin, d.o.o. (formerly Apegas, d.o.o.) closed the year with losses in the amount of SIT 53,520,000. This amount is accounted for as an adjustment to long-term investments in the financial statement of the unconsolidated parent company.

In 2001, net income accruing to Petrol Group majority owners was SIT 4.2 billion, a more than five-fold increase over the previous year. The difference between income of the unconsolidated parent company and the income of the consolidated group in the amount of SIT 162 million is primarily the consequence of the elimination of intercompany accounts, exchange rate differences, increase in gains on inventory and the write-off of goodwill.

FUNDAMENTAL ACCOUTING PRINCIPALS IN THE PREPARATION OF CONSOLIDATED FINANCAL STATEMENTS

The consolidated financial statements of Petrol Group are prepared in accordance with Slovene Accounting Standards. According to these standards, the Group is comprised of the parent company and its subsidiaries. Subsidiaries are those companies which are directed by the parent company.

Other affiliated companies and unaffiliated companies are also included in the consolidated financial statements of the parent company. Affiliated companies are those where the parent company exerts significant management control but are not wholly-owned subsidiaries. Companies are included in this category of affiliates if the parent company owns a 20% to 50% share of capital or of voting rights.

It is considered that the parent company exercises majority control in affiliated companies in the following cases:

- the parent company has an absolute majority of votes among shareholders or in the board of directors of the company;
- the parent company has the right to name an absolute majority of the management, operational or controlling board of the company and is also an owner of shares or has a long-term equity investment in the company;
- the parent company has the right to a dominant role in the company without owning shares or having a long-term equity investment in the company;
- on the basis of a contract or agreement, the parent company has at its disposal an absolute majority of shareholder votes or board votes of the company.

The following accounts are eliminated from the consolidated financial statements:

- the accounts of subsidiaries that the parent company directs only temporarily, the interests of which the parent company has only purchased with the intention of selling, and,
- the accounts of subsidiaries that operate within strict long-term guidelines which substantially reduce the possibility of effecting the financial results of the parent company.

Consolidated financial statements do not include intercompany settlements of transactions that result in an unrealized gain outside the Group. Similarly, losses are not recognized on intercompany transactions and are not accounted for outside of the Group if they cannot be covered.

The financial accounts of foreign subsidiaries are consolidated into the Group financial statements according to the following guidelines:

- assets and liabilities, both monetary and non-monetary, are restated in the domestic equivalent (SIT) using the applicable rate of exchange of the Bank of Slovenia on balance sheet date;
- revenues and expenses are restated in the domestic equivalent (SIT) using the average applicable rate of exchange of the Bank of Slovenia during the accounting period;
- - all foreign exchange rate differences are reported in the capital account up until the time that the net financial investment in the subsidiary is sold.

∷ NEXT

OTHER ACCOUNTING PRINCIPALS IN THE PREPARATION OF **FINANCIAL STATEMENTS**

To the extent possible, the financial statements of Petrol Group are prepared with the same standards of other companies engaged in similar activities and with companies engaged in different activities but operating in the same business environment. The following are the standards used by the parent company in the preparation of its unconsolidated financial statements:

Long-term investments

Long-term investments in affiliated companies are accounted for in the parent company's financial statements using the investment method.

Acquisitions and goodwill

In the case of an acquisition by the parent company of a company which begins to function as a subsidiary and the accounts of which will be consolidated, the parent company as the buyer initially accounts for the acquisition as a long-term investment valued at the acquisition value of the net assets of the acquired company. When subsequent financial statements are prepared, the assets and liabilities of the acquired company are accounted for using fair value method on the date of acquisition. In the event that the acquistion value exceeds fair value, the surplus is accounted for as goodwill in the category of intangible long-term assets. In the event that the acquisition value is less than fair value, the deficit ("bad will") is accounted for in the category of long-term provisions.

Capital

In the consolidation of capital on the balance sheet, common paid-in capital and other capital entries of subsidiary companies are reconciled with the long-term financial investments of the parent company. The capital entry in the consolidated balance sheet is for an equivalent amount of the financial investment less the interest belonging to other owners which is characterized as minority interest. When the capital of subsidiary companies engaged in business in foreign countries is consolidated, said accounts are restated in domestic equivalent (SIT) on the consolidated balance sheet using the prevailing exchange rate on balance sheet date.

Net income of subsidiaries generated during the accounting period is distributed proportionately to Petrol, d.d. (the parent company) and to minority owners.

Income tax

Income tax on the consolidated level includes income taxes levied on the parent company and income taxes levied on subsidiaries. The amount of income taxes is determined by the income tax rate and the amount of income generated in individual accounting periods.

■ NEXT

Deloitte & Touche

INDEPENDENT AUDITORS REPORT

To the shareholders of the company

PETROL, Slovenska naftna družba, d.d., Ljubljana

We have audited the accompanying balance sheet of PETROL, Slovenska naftna družba, d.d., Ljubljana (»the Company«) as of December 31, 2001 and the related statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

The financial statements of the Company as of December 31, 2000, were audited by another auditor, the audit firm PricewaterhouseCoopers, d.d., Ljubljana, whose report dated April 2, 2001, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2001, and the results of its operations and cash flows for the year then ended in accordance with Slovene Accounting Standards.

Deloitțe & Touche revizija d.o.o., Ljubljana

Alenka Podbevšek Director / Partner Certified Auditor

Deloitte & Touche

Ljubljana, March 25, 2002

Deloitte Touche Tohmatsu

₩ NEXT



CONSOLIDATED INCOME STATEMENT - PETROL GROUP

							Index
SIT 000	Note	2001	2000	1999	1998	1997	01/00
Net sales revenues	A., 1.;	272.567.636	264.514.696	168.028.181	117.123.459	153.349.441	103
Cost of goods sold	В.;	(236.820.297)	(233.156.855)((137.615.836)	(85.685.283)(124.703.988)	102
Gross Sales Income		35.747.339	31.357.841	30.412.345	31.438.176	28.645.453	114
Sales costs	C.;	(26.519.603)	(25.031.407)	(24.846.054)	(23.391.516)	(18.355.150)	106
Administrative costs	C.;	(5.194.495)	(4.623.467)	(4.787.237)	•	(6.612.611)	
Other operating income	,	666.019	837.961	846.645	876.796	231.067	
Operating Income		4.699.260	2.540.928	1.625.699		3.908.759	
Income from investments in group members		0	0	0	0	0	_
Income from investments in other affiliated companies		0	57.948	10.265	140.142	0	
Income from other investments		249.454	85.600	91.506	373.412	48.614	291
Interest income and other income from investments	E., 05.;	4.720.617	6.488.341	2.488.927	3.443.920	5.097.336	73
Investment Income	03,;	4.970.071	6.631.889	2.590.698	3.957.474	5.145.950	75
Long-term and short-term investment write-offs		(74.949)	(32.963)	(67.130)	(1.091.300)	(846.025)	227
Interest expenses and other financial expenses	E.;	(5.071.606)	(8.792.426)	(3.286.196)	(3.188.875)	(5.471.019)	58
Expenses	04.;	(5.146.555)	(8.825.389)	(3.353.326)	(4.280.175)	(6.317.044)	58
Income from regular operations		4.522.776	347.428	863.071	1.855.890	2.737.665	1.302
Extraordinary income	F., 06.;	683.598	2.342.957	2.722.236	1.838.490	541.854	29
Extraordinary expenses	F., 07.;	(786.190)	(1.857.977)	(2.564.674)	(857.656)	(275.764)	
Pre-tax Income for Financial Year		4.420.184	832.408	1.020.633	2.836.724	3.003.755	531
Income tax	G., 08.;	(183.118)	(208.016)	(56.030)	(311.178)	(593.025)	88
Net Income for Financial Year	, ,	4.237.066	624.392	964.603	2.525.546	2.410.730	
Net Income of the Parent Company		4.237.066	645.762	1.040.126	2.915.729	2.929.709	656
Net Income (Loss) of Minority Shareholders		0	(21.370)	(75.523)	(390.183)	(518.979)	-



₩ NEXT

F CONSOLIDATED BALANCE SHEET - PETROL GROUP

Assets

							Index
SIT 000	Note	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	01/00
Long-term assets							
Intangible assets	H., 09.;	553.680	1.385.088	399.131	380.703	291.259	40
Tangible fixed assets	H., 10.;	70.545.388	63.875.941	62.834.517	55.139.878	50.054.172	110
Long-term investments	I.;	6.303.538	5.697.559	9.438.183	6.309.132	5.971.486	111
Treasury stock	K.;	637.919	617.892	720.115	665.199	141.322	103
Total Long-Term Assets		78.040.525	71.576.480	73.391.946	62.494.912	56.458.239	103
Current assets							
Inventory	L., 11.;	9.846.821	10.636.291	11.561.365	5.726.439	9.332.449	93
Operating recivables due within one year	M., 12.;	21.019	46.501	84.695	227.364	787.502	45
Current operating receivables	N., 13.;	24.915.027	28.515.536	19.254.612	15.546.041	14.049.300	87
Short-term investments	I., 14.;	1.820.001	4.502.984	2.888.719	5.646.344	6.989.578	40
Cash	0.;	5.119.316	6.215.251	5.509.430	4.120.438	3.971.755	82
Deferred costs and accrued revenues	P.,15.;	298.806	409.103	428.166	415.395	344.556	73
Total Current Assets		42.020.990	50.325.666	39.726.987	31.682.021	35.475.140	83
Total Assets		120.061.515	121.902.146	113.118.933	94.176.933	91.933.379	98

Liabilities and shareholders equity

Equity							
Common stock-par value		12.517.806	12.517.806	12.517.806	12.517.806	12.517.806	100
Additional paid-in capital		2.383	930	930	930	0	256
Reserves *		14.585.346	11.591.789	11.655.983	9.984.055	8.365.938	126
Retained earnings		2.604.234	3.775.221	3.536.231	1.829.213	2.115.109	69
Capital inflationary adjustments	17.;	31.832.638	28.101.271	23.666.269	20.717.143	17.509.456	113
Undistributed current income *		2.199.476	645.762	1.040.126	2.915.729	2.929.709	341
Total Equity Excluding Minority Owners	R., 16.;	63.741.883	56.632.779	52.417.345	47.964.876	43.438.018	113
Minority interest	16.;	1.029	(33.489)	138.678	(620.461)	(210.651)	-
Total Equity	R., 16.;	63.742.912	56.599.290	52.556.023	47.344.415	43.227.367	113
Long-term liabilities							
Provisions for liabilities and charges	S., 18.;	10.302.812	10.675.448	11.885.359	13.783.692	14.142.158	97
Long-term debt	T., 19.;	8.166.575	5.392.143	6.949.259	3.696.720	3.339.475	151
Payables	U., 20.;	136.217	9.641	9.383	9.234	9.685	1.413
Total Long-Term Liabilities		18.605.604	16.077.232	18.844.001	17.489.646	17.491.318	116
Current liabilities							
Short-term debt	T., 21.;	8.941.843	6.144.838	9.751.594	4.725.896	8.568.031	146
Accounts payable	U., 22.;	28.260.606	41.717.720	29.213.826	22.650.900	20.955.759	68
Accrued costs and deferred revenues	J., V., 23.;	510.550	1.363.066	2.753.489	1.966.076	1.690.904	37
Total Current Liabilities		37.712.999	49.225.624	41.718.909	29.342.872	31.214.694	77
Total Liabilities and Shareholders Equitiy		120.061.515	121.902.146	113.118.933	94.176.933	91.933.379	98

^{*} In accordance with Paragraph 3 of Article 228 of the Law Governing Economic Companies - Appendix F, undistributed net income for the year has been reduced by half and transferred into the reserve account.

■ NEXT



F CONSOLIDATED CASH FLOWS STATEMENT - PETROL GROUP

Sources and uses of cash

						Index
SIT 000	2001	2000	1999	1998	1997	01/00
Cash Balance at Beginning of Financial Year	6.650.319	5.999.769	4.433.591	4.269.637	4.958.510	111
Net income in financial year	4.237.066		964.603	2.525.546	2.410.730	
Depreciation	5.063.865	5.193.330	4.908.245	4.772.642	4.142.525	98
Utilization of long-term provisions	664.706	(811.860)	(761.915)	(858.734)	0	-
Change in receivables and liabilities	(11.435.116)	823.440	3.130.573	401.796	(388.528)	-
Change in inventory	1.534.010	1.954.035	(5.399.717)	4.305.944	(1.509.640)	79
Total Cash Flow Provided by Operating Activities	64.531	7.783.337	2.841.789	11.147.194	4.655.087	1
Investments in intangible and tangible fixed assets	(6.998.338)	(1.592.916)	(8.401.748)	(6.171.885)	(5.913.807)	439
Long-term financial investments	(207.150)	4.580.622	(2.649.557)	110.215	486.080	-
Short-term financial investments	2.998.192	(1.357.169)	3.186.747	1.867.452	3.674.044	-
Total Cash Flow Used in Investing Activities	(4.207.296)	1.630.537	(7.864.558)	(4.194.218)	(1.753.683)	-
Capital increase (not including profits from current year)	(1.032.170)	(1.092.298)	644.467	(2.163.828)	(2.208.451)	94
Change in long-term provisions (leasing)	(1.119.917)	(1.455.848)	(2.183.979)	(560.394)	(1.262.972)	77
Change in long-term debt	2.396.982	(2.175.600)	2.971.590	106.784	(5.095.424)	-
Change in short-term debt	2.366.866	(4.474.646)	4.666.530	(4.484.737)	4.678.688	-
Total Cash Flow Provided by Financing Activities	2.611.762	(9.198.392)	6.098.608	(7.102.175)	(3.888.159)	-
Cash Balance at End of Financial Year	5.119.316	6.215.251	5.509.430	4.120.438	3.971.755	82



⊪ NEXT

Net sales revenues

Cost of goods sold and other expenses

Finance income

Finance expenses

Revalorization results

Extraordinary income

Extraordinary expenses

Income taxes

Intangible assets

Tangible fixed assets

Inventory

Long-term operating receivables

Short-term operating receivables

Short-term financial investments

Accruals and deferrals (assets)

Changes in the capital of Petrol d.d.

Revalorization adjustments to capital

Long-term provisions

Long-term debt

Long-term operating payables

Short-term debt

Short-term accounts payable

Accruals and deferrals (liabilities)

NEXT



TABLES AND NOTES

Note 1: Net revenues from sales

SIT 000	2001	2000	1999	1998	1997	Index 01/00
Goods	268.489.814	260.347.487	164.143.676	111.377.781	145.701.907	103
Services	4.021.337	4.075.227	3.776.800	4.689.590	6.134.817	99
Internal use of goods and services	56.485	91.982	107.705	1.172.398	1.533.704	61
Skupaj	272.567.636	264.514.696	168.028.181	117.239.769	153.370.428	103

Revenues from the sales of goods include excise taxes in the amount of SIT 93,604,633,000 in 2001, SIT 75,906,218,000 in 2000 and SIT 38,375,470,000 in 1999.



Od skupnih prihodkov od prodaje skupine jih je 95,2 % ustvarila obvladujoča družba, 2,2 % podjetje Petrol BH Oil Company d.o.o., preostali del pa so ustvarile ostale družbe v skupini.

Note 2: Cost of goods sold and other expenses - Petrol Group

SIT 000	2001	2000	Index 01/00
Cost of goods sold	236.820.297	233.156.855	102
Materials	1.338.288	1.744.704	77
Services	14.581.246	12.420.704	117
Adjustments to current assets	850.996	722.032	118
Amortization	5.728.569	5.193.327	110
Labor costs	8.626.057	8.730.063	99
Other Expenses	588.942	844.044	70
Total Expenses	268.534.395	262.811.729	102

In 2001, consolidated cost of goods sold and other expenses of the Petrol Group could be allocated as follows: 56% of cost of goods sold was incurred by Petrol, d.d. (the parent company), 26% by the subsidiary company Cypet Oils Ltd., 16% by the subsidiary company Petrol Trade, H.m.b.H. and 2% by the other companies in the group.



In 2001, adjustments to current assets include charges against receivables from other companies made in the amount of SIT 850,996,000. Of the total such charges made in 2001, SIT 481,368,000 were allocated to Petrol,d.d. (the parent company) and SIT 153,686,000 were allocated to Petrol BH Oil Company, d.o.o.

The majority of other expenses in the amount of SIT 588,942,000 were incurred by Petrol, d.d. (the parent company).

Note 3: Income from financial activities - Petrol Group

SIT 000	2001	2000	1999	1998	1997	Index 01/00
Profit participation						
Share in profits from affiliated companies	0	57.948	10.265	140.142	0	-
Share in profits from other companies	249.454	85.600	91.506	373.412	48.614	291
	249.454	143.548	101.771	513.554	48.614	174
Interest income and other financial income						
Interest income	1.636.645	1.455.608	1.131.581	1.379.799	1.757.682	112
Foreign exchange rate differences	1.995.625	3.004.908	831.132	1.361.789	2.138.681	66
Income from FX futures contracts	1.001.013	1.526.495	100.423	260.224	469.863	66
Other financial income	87.334	96.247	271.851	442.108	673.739	91
Revalorization surplus	0	405.083	153.940	0	57.371	-
Total	4.720.617	6.488.341	2.488.927	3.443.920	5.097.336	73
Total	4.970.071	6.631.889	2.590.698	3.957.474	5.145.950	75





TABLES AND NOTES

Note 4: Interest expenses and other financial expenses - Petrol Group

						index
SIT 000	2001	2000	1999	1998	1997	01/00
Write-offs and adjustments to investments	74.949	67.130	1.091.300	846.025	1.757.797	227
Interest expenses and other financial expenses						
Interest expenses	752.903	1.511.962	996.301	1.184.035	1.692.115	50
Foreign exchange rate differences	3.313.293	5.678.230	2.211.132	953.229	3.313.107	58
Expenses from FX futures contracts	697.019	1.572.964	17.311	333.782	224.787	944
Other financial expenses	203.297	29.270	61.452	414.187	241.010	695
Revalorization deficit	105.094	0	0	303.642	0	-
Total	5.071.606	8.792.426	3.286.196	3.188.875	5.471.019	58
Total	5.146.555	8.825.389	3.353.326	4.280.175	6.317.044	58



Note 5: Revalorization results - Petrol Group

SIT 000	2001	2000	1999	1998	1997	indeks 01/00
Sources						
Jources						
Revalorization of intangible fixed assets	22.597	117.104	21.354	17.591	18.650	19
Revalorization of tangible fixed assets	3.735.843	4.635.822	3.866.155	3.309.481	3.888.749	81
Revalorization of financial investments	1.259.981	1.167.969	1.036.886	332.142	1.040.513	108
Revalorization adjustments to capital	42.852	56.268	51.960	23.184	6.435	76
Revalorization of inventory	130.096	134.429	62.584	46.963	346.618	97
Revalorization of long-term operating receivables	1.639	21.058	17.734	9.536	57.198	8
Revalorization of short-term operating receivables	2.093	0	0	286	328	-
Revalorization of amortization	214.625	221.047	164.599	207.087	199.711	97
Other	0	0	0	13.332	0	-
	5.409.726	6.353.697	5.221.272	3.959.602	5.558.202	85
Uses						
Revalorization of capital	(4.160.699)	(4.542.201)	(3.632.176)	(3.207.687)	(3.477.464)	92
Revalorization of long-term provisions	(662.160)	(860.918)	(1.035.384)	(1.030.348)	(1.194.892)	77
Revalorization of long-term debt	(505.747)	(506.347)	(376.381)	16.532	(780.992)	100
Revalorization of short-term debt	(152.856)	0	0	0	0	-
Revalorization of operating payables	(208)	(18.852)	(23.391)	(41.741)	(47.483)	1
Consolidation adjustments	(33.150)	(20.296)	-	-	-	163
Total	(5.514.820)	(5.948.614)	(5.067.332)	(4.263.244)	(5.500.831)	93
Revalorization surplus/(deficit)	(105.094)	405.083	153.940	(303.642)	57.371	-





TABLES AND NOTES

Note 6: Extraordinary income - Petrol Group

						Index
SIT 000	2001	2000	1999	1998	1997	01/00
Recognition of income from prior periods	228.412	361.328	331.931	1.284.158	70.209	63
Gain on sale of fixed assets	226.422	214.147	212.451	314.906	112.751	106
Collection of A/R written off in prior periods	64.292	509.747	49.893	18.078	195.514	13
Fines and damages received	0	0	90.188	58.758	6.421	-
Recaptured reserves	0	945.036	1.954.801	9.394	0	0
Other extraordinary income	164.472	312.699	82.972	153.196	156.959	53
Total	683,598	2.342.957	2.722.236	1.838.490	541.854	29



Note 7: Extraordinary expenses - Petrol Group

SIT 000	2001	2000	1999	1998	1997	Index 01/00
Recognition of expenses from prior periods	360.475	120.223	340.464	310.839	68.930	300
Coverage of Nafta Lendava losses	0	0	1.945.002	0	0	-
Provisions for Nafta Lendava receivables	0	1.120.187	0	0	0	-
Losses on sale of fixed assets	355.578	483.071	112.083	137.897	114.390	74
Write-down of fixed assets	0	48.210	37.621	74.075	328	-
Monetary fines and damages	16.512	40.816	9.177	225.129	17.748	40
Other extraordinary expenses	53.625	45.470	120.327	109.716	74.368	118
Total	786.190	1.857.977	2.564.674	857.656	275.764	42

Extraordinary expenses on the Group level are for the most part the consolidation of extraordinary expenses of the parent company. These include the recognition of expenses from previous accounting periods related to futures contracts open on December 31, 2001 (SIT 116,616,000) which in accordance with Slovene Accounting Standards had to be valued using the applicable average exchange rate of the Bank of Slovenia, the write-off of inventory related to investments in the construction process (SIT 170,084,000) and an inventory write-off related to the reconstruction of the Lom service station (SIT 108,186,000).



Note 8: Income taxes - Petrol Group

						Index
SIT 000	2001	2000	1999	1998	1997	01/00
Income (according to ZDDPO provisions)	267.533.586	256.426.388	150.087.658	104.776.400	127.379.787	104
Expenses (according to ZDDPO provisions)	(264.398.126)	(255.596.020)	(148.783.018)	(101.073.768)	(123.099.873)	103
Tax Basis I	3.135.460	830.368	1.304.640	3.702.632	4.279.914	378
Increase in tax basis	1.952.138	2.490.474	30.534	74.749	624.560	78
Decrease in tax basis	(1.567.028)	(355.735)	(926)	(1.067)	(33.836)	-
Tas Basis II	3.520.570	2.965.107	1.334.248	3.776.314	4.870.638	119
Tax abatement	(3.406.918)	(2.555.116)	(1.334.248)	(2.711.258)	(3.028.925)	133
Tax Basis III	113.652	409.991	0	1.065.056	1.841.713	-
Cypet Oils Ltd. and Cypet Trade Ltd.	36.654	54.112	3.823	4.486	25.064	68
Petrol Trade H.m.b.H	117.950	51.406	52.207	32.635	88.973	229
Petrol Trgovina, d.o.o., Zagreb	0	0	0	7.794	18.560	-
Destilat d.o.o., Ljubljana	101	0	0	0	0	-
Total income taxes		208.016	56.030	311.178	593.025	371

The increased amount of Tax Basis I is principally the consequence of the elimination of fixed assets for which the Company had received a 40% tax abatement in previous years (SIT 328,437,000). These assets were eliminated prior to the three-year period from acquisition required for such tax abatements.



In 2001, the holding company will, as it did in 2000, receive tax abatements for new investments in the amount of SIT 3,008,634,000 which similarly prohibits Petrol from distributing dividends for the next five years from earnings retained in 2001. In the event that Petrol does pay dividends out of 2001 retained earnings, its tax basis for that year will be increased to the extent that dividends are paid out.

In 2001, the income tax of the parent company was SIT 28,413,000. The combined 2001 income tax of the two subsidiary companies, Cypet Oils Ltd. and Cypet Trade Ltd., was SIT 36,654,000. The 2001 income tax of the subsidiary company, Petrol Trade H.m.B.H., was SIT 117,950,000.

F TABLES AND NOTES

Note 9: Intangible assets - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Gross value						
Position as of January 1	1.385.088	399.131	380.703	291.259	274.322	347
Increases	278.906	1.211.923	129.834	181.645	89.883	23
Reductions	(726.240)	(5.336)	(7.068)	(2.360)	(6.073)	13610
Amortization	(459.309)	(340.804)	(127.328)	(107.432)	(85.523)	135
Revalorization results	75.235	120.174	22.990	17.591	18.650	63
Total	553.680	1.385.088	399.131	380.703	291.259	40

Change in intangible assets - Petrol Group

SIT 000	Long-term development costs and deferred expenses	Patents and licenses	Goodwill	Material rights and other expenses	Intangible assets being acquired	Total
At December 31, 2000	135.666	205.760	944.877	58.509	40.276	1.385.088
Additions	340	2.060	-	755	275.752	278.906
Transfer from assets being acquired	3.027	98.724	-	33.045	(134.796)	0
Reductions	(4.981)	(883)	(662.205)	(638)	(57.532)	(726.240)
Amortization	(34.518)	(87.280)	(316.763)	(20.748)		(459.309)
Foreign exchange rate differences	399	1.362	-	886	251	2.898
Revalorization	6.629	18.088	49.740	(4.938)	2.817	72.335
At December 31, 2001	106.561	237.830	15.648	66.872	126.767	553.680

The reduction of goodwill in the amount of SIT 662,205,000 is a result of the write-off of goodwill that arose from the acquisition of the assets of Shell d.o.o., Ljubljana in 1999 (renamed Destilat, d.o.o. at the time of the acquisition). Goodwill is defined as the surplus of the acquisition value of acquired assets over fair value.



(19.861)

Note 10: Tangible fixed assets - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Zemljišča	18.229.573	16.091.320	16.340.548	14.054.569	12.661.465	113
Gradbeni objekti	41.183.522	36.264.241	37.317.608	29.969.436	25.288.931	114
Druga oprema	5.171.479	4.834.928	6.372.293	5.842.263	6.061.884	107
Investicije v teku in nadomestni deli	5.814.516	6.532.118	2.712.409	5.152.624	5.838.062	89
Predujmi za opredmetena osnovna sredstva	146.298	153.334	91.659	120.986	203.830	95
Skupaj	70.545.388	63.875.941	62.834.517	55.139.878	50.054.172	110

Change in tangible fixed assets - Petrol Group

Foreign exchange rate differences

				Fixed assets		
				under	Advance	
SIT 000	Property	Plant	Equipment	construction	payments	Total
Purchase value						
At December 31, 2000	16.091.320	59.571.829	21.777.179	6.335.896	153.334	103.929.558
Purchases	823.380	252.924	163.516	8.802.567	125.275	10.167.662
Transfer from assets in process	557.046	5.938.250	2.111.079	(8.606.375)	(52.414)	(52.414)
Sales	(325.548)	(1.802.180)	(1.522.574)	(922.926)	(82.242)	(4.655.470)
Revalorization	1.052.816	3.849.872	1.538.392	192.390	-	6.633.470
Foreign exchange rate differences	30.559	100.281	38.246	12.965	2.344	184.395
Net acquisition value at December 31,	10 220 572	67.910.977	24.105.838	5.814.516	146.298	116.207.201
2001	18.229.573	07.910.977	24.105.030	5.614.510	140.290	110.207.201
Adjustments						
At December 31, 2000	-	(23.307.579)	(16.746.038)	-	-	(40.053.617)
Amortization	-	(2.985.074)	(2.068.029)	-	-	(5.053.103)
Sales	-	1.198.351	1.165.959	-	-	2.364.310
Revalorization	-	(1.624.398)	(1.275.145)	-	-	(2.899.543)

(8.755)

(11.106)

Value of adjustments at December 31, 2001 - (26.727.455) (18.934.359) - - (45.661.813)

Current value at December 31, 2001 18.229.573 41.183.522 5.171.479 5.814.516 146.298 70.545.388

Ninety percent of all fixed assets on the consolidated financial statements are the assets of Petrol, d.d. (the parent company). The assets of the subsidiary company Petrol Plin, d.o.o., its natural liquefied gas concessions, storage units and other assets comprise 3.1% of the consolidated total, the assets of subsidiary company Destilat, d.o.o. and Petrol Trgovina each comprise 2.5% of the fixed assets of the consolidated Petrol Group.





PETROL



Accounting Report

TABLES AND NOTES

Note 11: Inventory - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Raw material	379.199	407.717	1.801.718	984.878	2.969.271	93
Unfinished goods	0	0	8.905	22.384	6.013	-
Finished goods	0	0	721.683	504.100	762.792	-
Advanced for inventory	22.864	28.867	0	0	0	79
Merchandise for supplementary businesses	9.444.758	10.199.707	9.029.059	4.215.077	5.594.373	93
Total	9.846.821	10.636.291	11.561.365	5.726.439	9.332.449	93



Note 12: Long-term operating receivables - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Financial leasing receivables	21.019	46.501	84.695	227.364	786.106	45
Guarantees	0	0	0	0	1.396	-
Total	21.019	46.501	84.695	227.364	787.502	45



Note 13: Current operating receivables - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Short-term customer receivables	19.994.117	24.459.598	16.254.293	11.771.778	11.875.640	82
Advances given for the return of assets/g'tees	124.253	13.776	146.572	305.465	143.086	902
Short-term foreign receivables	0	4.547	12.100	1.352.332	356.705	-
Short-term financing receivables	222.593	181.903	118.503	175.125	229.781	122
Other short-term receivables						
 Receivables from gov't/other institutions 	832.831	753.737	792.492	551.599	271.004	110
- Other	3.741.233	3.101.975	1.930.652	1.389.742	1.173.084	121
Total	24.915.027	28.515.536	19.254.612	15.546.041	14.049.300	87



5/9 **NEXT**



F TABLES AND NOTES

Note 14: Short-term financial investments - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Short-term loans to affiliated companies	0	0	318.918	4	244.512	-
Short-term loans to unaffiliated companies	1.726.217	400.664	690.710	943.462	1.328.512	431
Bank deposits	0	3.913.062	1.686.777	4.123.136	4.524.496	-
Shares and participations held for sale	57.233	163.727	159.790	183.032	328.235	35
Other securities held for sale	36.551	18.444	26.016	382.379	421.180	198
Other	0	7.087	6.508	14.331	142.643	-
Total	1.820.001	4.502.984	2.888.719	5.646.344	6.989.578	40



Note 15: Deferred expenses and accrued revenues - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Short-term deferred expenses	250	4.659	78.824	192.038	161.264	5
Accrued revenues (interest)	263.371	301.284	292.850	146.820	139.514	87
Accrued revenues (other)	35.185	103.160	56.492	76.537	43.777	34
Total	298.806	409.103	428.166	415.395	344.555	73

Accrued revenues in the amount of SIT 263,371,000 arose from the accounting treatment of interest due on overdue customer receivable accounts (SIT 190,527,000 in 2001 and SIT 242,960,000 in 2000) which had not yet been received on balance sheet date. Late interest payments were calculated only on those accounts against which no bad debt provision had been established.



Note 16: Shareholders equity - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
21. 000	3212212002	3111212000	3111211333	01.12.1330	0111211007	02,00
Common stock - par value	12.517.806	12.517.806	12.517.806	12.517.806	12.517.806	100
Additional paid-in capital	2.383	930	930	930	0	256
Reserves *	14.585.346	11.591.789	11.655.983	9.984.055	8.365.938	126
Retained earnings	2.604.234	3.775.221	3.536.231	1.829.213	2.115.109	69
Revalorization adjustment	31.832.638	28.101.271	23.666.269	20.717.143	17.509.456	113
Undistributed current income (loss) *	2.199.476	645.762	1.040.126	2.915.729	2.929.709	341
Total capital not including minority int.	63.741.883	56.632.779	52.417.345	47.964.876	43.438.018	113
Minority interest	1.029	(33.489)	138.678	-620.461	(210.651)	-
Total capital	63.742.912	56.599.290	52.556.023	47.344.415	43.227.367	113

Change in shareholder equity - Petrol Group

						T 1
CIT 000	2001	2000	1000	1000	1007	Index
SIT 000	2001	2000	1999	1998	1997	01/00
to a contract of the contract						
At January 1	56.632.779	52.417.345	47.964.876	43.438.018	38.899.354	108
Dividends	(1.027.198)	(821.760)	(1.231.460)	(1.548.046)	(1.871.324)	125
Profit sharing program (man. and sup. boards)	(54.039)	(20.941)	(27.077)	(49.442)	(33.675)	258
Effects of transactions in treasury shares	1.453	(129.828)	(10.613)	930	0	-
Transfer to reserves *	2.037.590	0	0	0	0	-
Revalorization	3.951.822	4.542.201	3.632.176	3.207.687	3.477.464	87
Loss coverage (Nafta Lendava d.o.o.)	0	0	1.069.751	0	0	-
Other	0	0	(20.434)	0	36.490	-
Net income*	2.199.476	645.762	1.040.126	2.915.729	2.929.709	341
At December 31	63.741.883	56.632.779	52.556.023	47.344.415	43.227.367	113
Capital revaluation adjustments						
At January 1	28.101.271	23.666.269	20.717.143	17.509.456	14.031.992	119
Revalorization	3.951.822	4.542.201	3.632.176	3.207.687	3.477.464	87
Effects of transactions in treasury shares	0	(86.575)	0	0	0	-
Reduction in revalorization	(220.454)	0	(740.741)	0	0	-

Loss coverage (Nafta Lendava)	0	0	57.691	0	0	-
Other	0	(20.624)	0	0	0	-
At December 31	31.832.639	28.101.271	23.666.269	20.717.143	17.509.456	113

* To fund dividend payouts.



6/9 **NEXT**





TABLES AND NOTES

Note 17: Revalorization adjustments to capital accounts - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Revalorization of common stock - par value	19.190.517	17.116.141	14.694.267	12.772.225	11.007.804	112
Revalorization of additional paid-in capital	282	177	87	15	0	159
Revalorization of reserves	11.187.358	9.683.582	8.016.550	6.668.066	5.600.369	116
Revalorization of retained earnings	1.454.481	1.301.371	955.365	1.276.837	901.283	112
Total	31.832.638	28.101.271	23.666.269	20.717.143	17.509.456	113



Note 18: Long-term provisions - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1997	31.12.1997	Index 01/00
Long-term accruals	25.310	6.726	41.732	142.308	440.333	376
Provisions for capital improvements	2.037.764	2.285.848	3.167.111	3.014.709	2.934.696	89
Provisions for environmental improvements	8.083.822	8.225.754	8.443.440	10.428.350	10.736.672	98
Other provisions	155.916	157.120	233.076	198.325	30.457	99
Total	10.302.812	10.675.448	11.885.359	13.783.692	14.142.158	97



7/9 | NEXT

PETROL



Accounting Report

TABLES AND NOTES

Note 19: Long-term debt - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
•						
Loans from domestic banks	6.548.123	3.246.755	1.794.546	78.273	118.621	202
Loans from international banks						
Paris club	0	0	835.903	798.374	783.908	-
Commercial bank consortium (NFA)	0	0	1.942.375	1.635.280	1.694.623	-
Creditanstalt-Bankverein A.G Vienna	1.518.928	1.889.451	2.198.528	631.393	742.323	-
RS - Ministry for Economic Activities	0	0	0	553.400	0	-
Merryll Lynch	0	0	0	0	0	-
Other	99.524	255.937	177.907	0	0	-
Total long-term debt	8.166.575	5.392.143	6.949.259	3.696.720	3.339.475	151

Long-term debt borrowed in foreign currencies, including the current portion of long-term debt, stood at DEM 3,931,685 and EUR 26,089,743 at December 31, 2001. The majority of long-term debt is borrowed by the holding company.



Note 20: Long-term operating payables - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Advances received	0	171	171	171	171	-
Financial leasing payables	9.534	9.470	9.131	8.957	9.005	101
Other long-term operating payables	126.683	0	81	106	509	-
Total	136.217	9.641	9.383	9.234	9.685	14

The principal component of long-term operating payables in the amount of SIT 136,217,000 are long-term obligations related to unpaid capital reported due from the parent company to the subsidiary company Aquasystems, d.o.o. Maribor (SIT 126,683,000).



Note 21: Short-term debt - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Short-term loans from companies	20.147	19.622	1.186.948	12.287	16.757	103
Short-term loans from banks	8.921.696	6.125.216	8.564.646	4.713.609	8.551.274	146
Total	8.941.843	6.144.838	9.751.594	4.725.896	8.568.031	146



8/9 ⊪ NEXT

PETROL



Accounting Report

TABLES AND NOTES

Note 22: Short-term operating payables - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Short-term payables to suppliers	13.241.223	17.491.989	14.733.903	11.634.654	11.297.114	76
Advances received	562.745	1.098.931	58.367	59.120	469.914	51
Short-term foreign payables	9.162	3.756	21.155	148.700	401.190	244
Short-term compensation payable	765.613	929.337	1.008.718	1.006.814	1.596.418	82
Other short-term payables						
- to government and other institutions	12.687.359	20.733.236	13.207.018	9.449.067	6.848.619	61
- other	994.504	1.460.471	184.665	352.545	342.503	68

Payables to government institutions include customs and import duties (SIT 669,884,000), payables related to fines for CO2 emissions (SIT 709,959,000), excise taxes payable (SIT 7,595,218,000), fees payable for obligatory commodities reserves (SIT 323,401,000) and a payable arising from the difference between input VAT and output VAT (SIT 3,123,831,000) and other sundry payables.



Note 23: Accruals and deferrals (liabilities) - Petrol Group

SIT 000	31.12.2001	31.12.2000	31.12.1999	31.12.1998	31.12.1997	Index 01/00
Kratkoročno vnaprej vračunani stroški						
Vračunane obresti za dolgoročna posojila	0	0	1.726.509	1.543.200	1.372.319	-
Vračunani stroški naftovoda Janaf	0	0	482.518	205.776	0	-
Drugi vnaprej vračunani stroški	500.153	1.361.960	541.834	74.046	193.995	37
Kratkoročno odloženi prihodki	10.397	1.106	2.628	143.054	124.590	940
Skupaj	510.550	1.363.066	2.753.489	1.966.076	1.690.904	37

In 2001, Petrol Group accrued expenses for potential future outlays related to the settlement of lawsuits in the amount of SIT 175,612,000 and accruals related to inventory shrinkage detected in regular inventory audits in the amount of SIT 181,425,000.



9/9 **⊪ NEXT**

Petrol The Slovene Oil Company, d.d.

Dunajska 50, 1527, Ljubljana telephone: 01/ 47 14 332 fax: 01/ 47 14 809 e-mail: info@petrol.si http://www.petrol.si

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10/10