

Report on the operations of the Petrol Group and the company Petrol d.d., Ljubljana in the first nine months of 2014



November 2014

PETROL

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STATEMENT OF THE MANAGEMENT BOARD

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

- the financial report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2014 has been drawn up in accordance with International Financial Reporting Standards and gives a true and fair view of the assets and liabilities, financial position, financial performance and comprehensive income of the company Petrol d.d., Ljubljana and other companies included in the consolidation as a whole;
- the business report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2014 gives a fair view of the development and results of the Company's operations and its financial position, including the description of significant risks that the company Petrol d.d., Ljubljana and other companies included in the consolidation are exposed to as a whole;
- the report of the Petrol Group and Petrol d.d., Ljubljana for the first nine months of 2014 contains a fair presentation of significant transactions with related entities, which has been prepared in accordance with International Financial Reporting Standards.

Tomaž Berločnik

President of the Management Board

Rok Vodnik

Member of the Management Board

Janez Živko

Member of the Management Board

Samo Gerdin

Member of the Management Board/Worker Director

INTRODUCTORY NOTES

The report on the operations of the Petrol Group and the company Petrol, d.d., Ljubljana, Dunajska 50, in the first nine months of 2014 has been published in accordance with the Market in Financial Instruments Act, the Ljubljana Stock Exchange Rules, Guidelines on Disclosure for Listed Companies and other relevant legislation.

The figures and explanation of the operations are based on unaudited consolidated financial statements of the Petrol Group and unaudited financial statements of the company Petrol, d.d., Ljubljana for the first nine months of 2014 prepared in compliance with the Companies Act and International Financial Reporting Standards (IFRS).

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

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

The report on the operations in the first nine months of 2014 has been published on the website of Petrol d.d., Ljubljana (<http://www.petrol.eu>), and is available on demand at the registered office of Petrol d.d., Ljubljana, Dunajska cesta 50, 1527 Ljubljana, every working day between 8.00 am and 3.00 pm.

The Company's Supervisory Board discussed the report on the Company's operations in the first nine months of 2014 at its meeting held on 20 November 2014.

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

Company name	Petrol, Slovenska energetska družba, d.d., Ljubljana
Abbreviated company name	Petrol d.d., Ljubljana
Registered office	Dunajska cesta 50, 1527 Ljubljana
Phone	(01) 47 14 234
Fax	(01) 47 14 809
Website	http://www.petrol.eu
Activity code	47.301
Company registration number	5025796000
VAT ID	SI 80267432
Called-up capital	EUR 52.24m
Number of shares	2,086,301
President of the Management Board	Tomaž Berločnik
Members of the Management Board	Rok Vodnik, Janez Živko, Samo Gerdin (worker director)
President of the Supervisory Board	Tomaž Kuntarič

List of acronyms and explanation of financial ratio calculations

Ratio/acronym	Explanation
SEE	South Eastern Europe
Merchandise	Consists of automotive products, foodstuffs, accessories, tobacco and lottery products, coupons and cards, coffee-to-go, chemical products, wood biomass.
EEC	Efficient energy consumption
EBITDA	Operating profit or loss + regular depreciation and amortisation
Earnings per share	Net profit or loss for the period / weighted average number of issued ordinary shares, excluding own shares
Book value of share	Equity as at period end / total number of shares
ZRSBR	The Agency of the Republic of Slovenia for Commodity Reserves, which is in charge of setting up and maintaining the compulsory stocks of oil and petroleum products.

HIGHLIGHTS

Significant performance indicators for the Petrol Group

The Petrol Group	Unit	I-IX 2014	I-IX 2013	Index 2014 / 2013
Net sales revenues	EUR million	2,972.4	2,913.2	102
Gross profit or loss	EUR million	247.7	251.1	99
Operating profit or loss	EUR million	66.1	70.4	94
Net profit or loss	EUR million	45.7	44.3	103
EBITDA	EUR million	97.5	100.0	97
Cash flow from operating activities before changes in working capital	EUR million	98.5	99.0	100
Non-current (long-term) assets as at period end	EUR million	797.1	802.3	99
Earnings per share	EUR	22.2	21.5	103
Net debt ¹ / Equity		1.21	1.31	93

¹ Long term financial liabilities + short term financial liabilities - cash and cash equivalents

The Petrol Group	Unit	I-IX 2014	I-IX 2013	Index 2014 / 2013
Volume of petroleum products sold (sales to ZRSBR included)	thousand tons	2,052.2	2,028.7	101
Volume of petroleum products sold (sales to ZRSBR excluded)	thousand tons	1,929.5	1,913.2	101
Volume of liquefied petroleum gas sold	thousand tons	49.9	50.7	98
Volume of natural gas sold	million m ³	73.9	83.2	89
Electricity sold	TWh	6.0	3.5	169
Heat sold	thousand MWh	45.1	44.9	100
Revenue from the sale of merchandise	EUR million	358.3	354.8	101
Investments in fixed assets	EUR million	37.4	64.3	58
Number of service stations as at period end ¹		480	476	101

¹ Number of service stations for the year 2013 as at 31 December 2013.

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

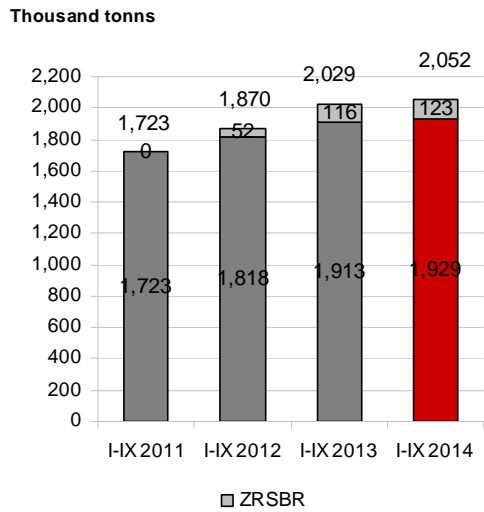


Figure 2: The Petrol Group's revenue from the sale of merchandise

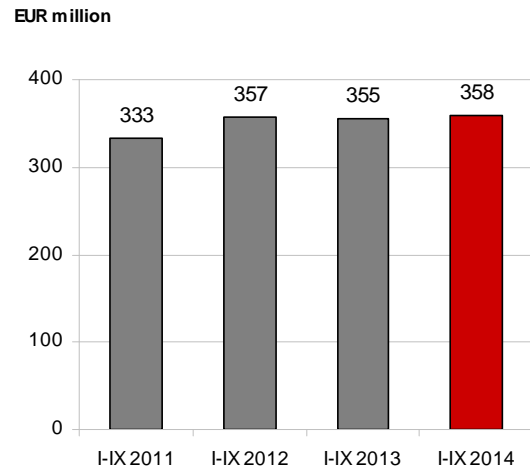


Figure 3: Increase in the number of service stations of the Petrol Group

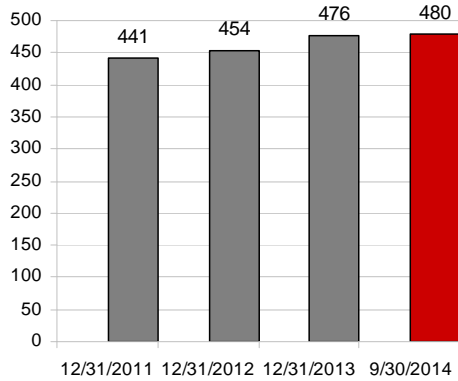


Figure 4: Net profit or loss of the Petrol group

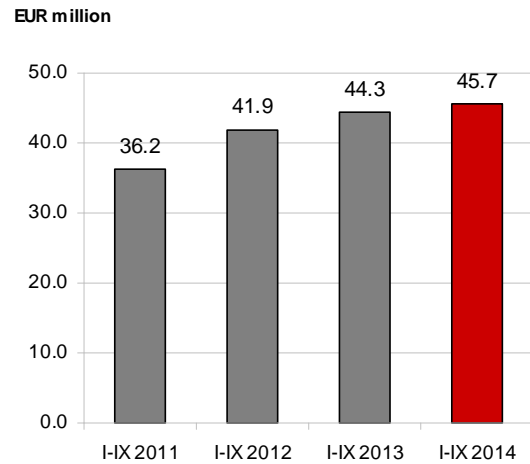


Figure 5: Cash flow from operating activities before changes in the Petrol Group's working capital

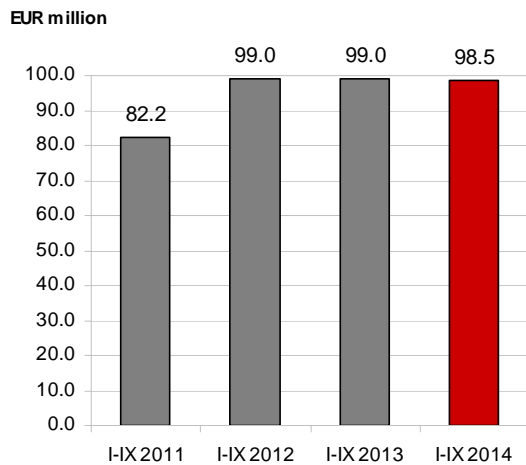
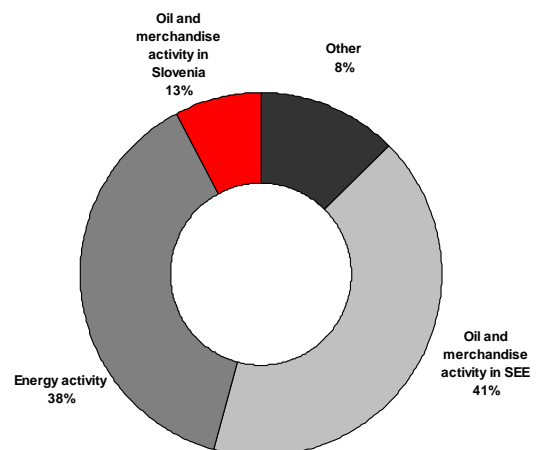


Figure 6: Breakdown of the Petrol Group's investments in the first nine months of 2014



BUSINESS REPORT

Operations of the Petrol Group

The Petrol Group operates in a competitive environment which is, to a large degree, subject to global and domestic economic developments. Slovenia and Croatia, Petrol's biggest sales markets, have been struggling for several years with tough economic conditions, which are reflected in declining economic activity, deteriorated payment discipline, illiquidity and business bankruptcies, as well as in falling private consumption and rising unemployment. In the first nine months of 2014, weather dealt an additional blow to the Group's operations, especially severe floods in Bosnia and Herzegovina and Serbia, and glaze ice in Slovenia. Considering the extremely demanding economic situation, the Petrol Group has nevertheless delivered reasonable sales performance.

Table 2: The Petrol Group's financial performance indicators

The Petrol Group	EUR million		
	I - IX 2014	I - IX 2013	Index 2014 / 2013
Net sales revenues	2,972.4	2,913.2	102
Gross profit or loss	247.7	251.1	99
EBITDA	97.5	100.0	97
Cash flow from operating activities before changes in working capital	98.5	99.0	100
Net profit or loss	45.7	44.3	103
Non-current (long-term) assets as at period end	797.1	802.3	99

In the first nine months of 2014, the Petrol Group sold 2.1 million tons of petroleum products¹, a year-on-year increase of 1 percent. In **Slovenia**, the nine-month sales of petroleum products stood at 1.1 million tons, accounting for 55 percent of the Petrol Group's total sales. In this period, the Group sold 553.5 thousand tons of petroleum products in **SEE** markets, representing 27 percent of the Petrol Group's total sales, and 368.9 thousand tons in **EU markets**, which represented 18 percent of the Group's total sales.

The Petrol Group generated 47 percent of petroleum product sales in the retail market and 53 percent in the wholesale market in the first nine months of 2014. At the end of September 2014, the Petrol Group's retail network consisted of 480 service stations, of which 318 were in Slovenia, 99 in Croatia, 38 in Bosnia and Herzegovina, 8 in Serbia, 9 in Montenegro and 8 in Kosovo.

The Petrol Group generated EUR 358.3 million in revenue from the sale of merchandise in the period under review, an increase of 1 percent compared to the same period of the previous year.

In the first nine months of 2014, the Petrol Group sold 49.9 thousand tons of liquefied petroleum gas, a year-on-year decrease of 2 percent, and 51.8 thousand tons (73.9 million m³) of natural gas or 11 percent less than in the same period of the previous year.

¹ This includes liquefied petroleum gas sales, which are described in more detail and presented separately also under energy operations.

In addition, the Petrol Group sold 6.0 TWh of electricity, which was 69 percent more than in the same period of the previous year, and 45.1 thousand MWh of heat, on a par with the previous year's sales for this period.

What follows is a detailed presentation of the Petrol Group's operations in the first nine months of 2014 broken down by type of activity:

- A. Oil and merchandise sales in Slovenia
- B. Oil and merchandise sales in EU markets
- C. Oil and merchandise sales in SEE markets
- D. Energy operations

A. Oil and merchandise sales in Slovenia

The company engaged in oil and merchandise sales in Slovenia in the first nine months of 2014 was Petrol d.d., Ljubljana².

During this period, the Petrol Group's **net sales revenue** from oil and merchandise sales in Slovenia stood at EUR 1.7 billion, which accounted for 57 percent of the Petrol Group's total revenue and was 3 percent less year-on-year as a result of a smaller volume of petroleum product sales.

The Petrol Group's sales of petroleum products in Slovenia

In the first nine months of 2014, the Petrol Group sold 1,129.8 thousand tons of petroleum products³ in Slovenia, a year-on-year decrease of 2 percent. Of the above quantity, liquid fuels accounted for 1,079.7 thousand tons and other petroleum products for 50.1 thousand tons. Motor fuel sales (petrol and diesel fuel) were on a par with the previous year's figures for this period. The Group sold 16 percent less extra light heating oil in the period concerned, this being mainly due to this energy product being substituted by other, more affordable energy sources, and a relatively mild winter. Retail sales were down 1 percent year-on-year, with wholesale from the ordinary course of business (excluding the sales to ZRSBR) decreasing by 4 percent.

Key impacts on operations

Fuel pricing in Slovenia

In Slovenia, fuel prices were set in accordance with the Decree setting prices for petroleum products ("Uredba o oblikovanju cen naftnih derivatov") in force from 9 October 2013 to 9 October 2014. In the Decree, the model-based margin applicable to government-regulated petroleum products was set at a fixed amount (EUR 0.08530 for a litre of petrol, EUR 0.07998 for a litre of diesel fuel and EUR 0.05265 for a litre of extra light heating oil).

The Government of the Republic of Slovenia adopted a new Decree setting prices for petroleum products, which shall remain in force until 9 October 2015. The pricing mechanism

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

³ This includes liquefied petroleum gas sales, which are described in more detail and presented separately also under energy operations.

remains unchanged, and the model-based margin applicable to government-regulated petroleum products continues to be set at a fixed amount, specifically EUR 0.08701 for a litre of petrol, EUR 0.08158 for a litre of diesel fuel and EUR 0.05370 for a litre of extra light heating oil.

Slovenia's gross margins for petroleum products, which are, under the model, set at a fixed amount and do not reflect changes in retail prices, are still below European average. In the case of petrol, they amount to 80 percent of the average gross margin in the EU countries, in the case of diesel fuel to 63 percent and in the case of extra light heating oil to no more than 52 percent.

Changes in oil and petroleum product prices in the world market

The average price of Brent Dated North Sea crude oil stood at USD 106.5 per barrel in the first nine months of 2014, down 2 percent year-on-year. The average price in euros was down 5 percent. During this period, the price of Brent crude peaked on 19 June, reaching USD 115.3 per barrel. The lowest price was recorded on 24 September at USD 94.6 per barrel. The prices of petrol and middle distillates followed the same trends as crude oil prices.

Figure 7: Changes in Brent Dated High oil price in the first nine months of 2014 in USD/barrel



SOURCE: Petrol, 2014

Figure 8: Changes in Brent Dated High oil price in the first nine months of 2014 in EUR/barrel



SOURCE: Petrol, 2014

Oil prices were rather steady in the period concerned, ranging from USD 106 to USD 110 per barrel. In June they increased as a result of tensions in Iraq, the second largest oil producer in OPEC. In the period from July to September 2014, the prices dropped significantly, even falling below USD 95 per barrel. The main reason for the lower oil prices lies in increased crude oil extraction (United States currently extract more crude oil than Saudi Arabia) and weaker economic activity in the leading global economies.

Oil price movements will continue to depend for the most part on the situation in the Middle East as well as on economic growth expectations, US and EU oil stocks and unemployment figures, and demand in China and India.

Changes in the US dollar to the euro exchange rate

The US dollar to the euro exchange rate ranged between 1.27 and 1.40 USD/EUR in the first nine months of 2014. The average exchange rate of the US dollar according to the exchange rate of the European Central Bank stood at 1.36 US dollars for 1 euro in the period concerned.

The Petrol Group's sales of merchandise in Slovenia

The Petrol Group generated EUR 313.0 million in revenue from the sale of merchandise in Slovenia in the first nine months of 2014, a decrease of 1 percent compared to the same period of the previous year. The range at Petrol's points of sale is modified and expanded as we try to mitigate the impact of adverse economic conditions by quickly adapting the range to the needs of our service station customers.

The Petrol Group's sales of services in Slovenia

Services consist of revenue from storage and petroleum-product handling services, renting of business premises and hospitality facilities, transport, carwash services, revenue from Petrol Club cards, revenue from the management of storage facilities on behalf of ZRSBR and other services. In the first nine months of 2014, the Petrol Group generated EUR 24.7 million in revenue from the services related to oil and merchandise sales in Slovenia.

B. Oil and merchandise sales in EU markets

The companies engaged in oil and merchandise sales in EU markets in the first nine months of 2014 were Petrol d.d., Ljubljana and Petrol Trade-Handelsges.m.b.H.

In the period concerned, the Petrol Group's **net sales revenue** generated from oil and merchandise sales in EU markets stood at EUR 273.7 million, which accounted for 9 percent of the Petrol Group's total revenue. The revenue was 8 percent lower than in the same period of 2013, due to lower sales volumes.

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

In the first nine months of 2014, the Petrol Group sold 368.9 thousand tons of petroleum products in EU markets, a year-on-year decrease of 3 percent. The most important item sold in EU markets is diesel fuel.

C. Oil and merchandise sales in SEE markets

The following companies were engaged in oil and merchandise sales in SEE markets in the first nine months of 2014:

- Petrol d.d., Ljubljana,
- Petrol d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol d.o.o. Beograd,
- Petrol Crna Gora MNE d.o.o., and
- Petrol Plin d.o.o.

In addition to these companies, the jointly controlled entities Petrol - Oti - Slovenija L.L.C. and Petrol LPG d.o.o. Beograd are also engaged in oil and merchandise sales in SEE markets.

In the first nine months of 2014, the Petrol Group's **net sales revenue** from oil and merchandise sales in SEE markets stood at EUR 630.5 million. The revenue accounted for 21 percent of the Petrol Group's total revenue and was 9 percent higher than in the same period of 2013, thanks to higher petroleum product and merchandise sales.

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

In the first nine months of 2014, the Petrol Group sold 553.5 thousand tons of petroleum products in SEE markets, a year-on-year increase of 10 percent. The sales of motor fuels rose by 12 percent compared to the previous year.

Adding to that, the jointly controlled entity Petrol - Oti - Slovenija L.L.C. sold 9.4 thousand tons of petroleum products, up 6 percent from the same period of the previous year, and the company Petrol LPG d.o.o. Beograd 18.6 thousand tons of petroleum products.

Key impacts on operations

Fuel pricing in Croatia

In Croatia, the Oil and Petroleum Products Market Act was adopted on 31 January 2014, which fully liberalises the pricing of petroleum products. Before 22 February 2014, when the law entered into force, the prices of petroleum products had been set in accordance with the Rules for Determining Maximum Retail Prices of Petroleum Products ("Pravilnik o oblikovanju najvišjih maloprodajnih cen naftnih derivatov").

On 18 April 2014, the government adopted the Decree Changing the Amount of Excise Duty, increasing excise duty on petrol and liquefied petroleum gas for vehicle propulsion by KN 0.20 per litre (EUR 0.026 per litre).

Fuel pricing in Bosnia and Herzegovina

In Bosnia and Herzegovina, the prices of petroleum products are not government-regulated and are set freely in accordance with market conditions. The prices change weekly. In the Federation of Bosnia and Herzegovina, retailers notify the Federal Ministry of Commerce of new retail prices four days in advance, whereas in the Republic of Srpska changes in prices need not be notified in advance. Due to the free setting of prices, retail fuel prices vary according to the location of a service station: they are lower in the Republic of Srpska where lower procurement prices can be achieved thanks to its supply sources. In addition, there is increasingly more unfair competition, which, as a result of poor fuel quality, has an appreciably detrimental impact on Petrol's market position. The problem of unfair competition has been recently observed also in the Federation of Bosnia and Herzegovina.

Fuel pricing in Serbia

In Serbia, the prices of petroleum products are set freely in accordance with market conditions.

Fuel pricing in Montenegro

In Montenegro, the prices of petroleum products are set in accordance with the Regulation on the Method of Setting Maximum Retail Prices ("Uredba o načinu obrazovanja maksimalnih maloprodajnih cijena"), which has been in force since 1 January 2011. The prices change fortnightly, provided that prices on the oil market (Platts European Marketscan) and the exchange rates of the euro and the US dollar change by more than 5 percent. In addition to market oil prices and changes in the exchange rates of the euro and the US dollar, the methodology used to calculate selling prices includes taxes, the costs of transshipment, handling, bank charges, storage, transport and distribution, as well as (excise) duties and an oil companies' margin. The gross margin is fixed at EUR 0.063 for a litre of petrol, EUR 0.064 for a litre of eurodiesel and EUR 0.076 for a litre of extra light heating oil.

Fuel pricing in Kosovo

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

The Petrol Group's sales of merchandise in SEE markets

The Petrol Group generated EUR 34.6 million in revenue from the sale of merchandise in SEE markets in the first nine months of 2014, an increase of 15 percent compared to the same period of the previous year. The best results were achieved in tobacco sales.

Procurement and logistics of petroleum products and merchandise

Efficient procurement and logistics of petroleum products and merchandise are key factors of the Petrol Group's successful operating performance. In the first nine months of 2014, procurement conditions for petrol were improved compared to 2013.

Petrol buys most of its petroleum products from the largest multinational oil companies and some from major global oil and petroleum products traders. Many years of continuous cooperation with reliable and competitive suppliers give Petrol the status of a partner. As in 2013, purchased petroleum products were mostly delivered by sea in the period concerned. Despite adverse weather conditions (glaze ice), there were no disruptions in the supply of Slovenia's market with petroleum products. In the first nine months of 2014, particular attention was devoted to the optimisation of logistics processes.

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

D. Energy operations

In the first nine months of 2014, the Petrol Group's **net sales revenue** from energy operations stood at EUR 362.6 million, which accounted for 12 percent of the Petrol Group's total revenue. The revenue was 27 percent higher than in the same period of 2013.

Gas and heat

The following companies were engaged in the sale of gas and heat in the first nine months of 2014:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol d.o.o.,
- Petrol Plin d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo,
- Petrol d.o.o. Beograd,
- Rodgas AD Bačka Topola,
- Petrol Gas Group, d.o.o., and
- Petrol-Trade Handelsges.m.b.H.

In addition to these companies, the jointly controlled entity Petrol LPG d.o.o. Beograd is also engaged in LPG sales.

During this period, the Petrol Group operated 28 gas supply concessions in Slovenia (22 for the supply of natural gas and 6 for the supply of liquefied petroleum gas) and, in Serbia, supplied natural gas to the municipalities of Bačka Topola and Pećinci as well as three Belgrade municipalities. In addition, the company Petrol Plin d.o.o. has gas supply contracts in the towns of Šibenik and Rijeka.

In the first nine months of 2014, the Petrol Group sold 49.9 thousand tons of liquefied petroleum gas, a year-on-year decrease of 2 percent. It also sold 51.8 thousand tons (73.9 million m³) of natural gas, which was 11 percent down on the previous year's figures for the period. This was mainly due to the particularly mild winter (the average temperature⁴ in the first quarter of 2014 was more than 4°C higher than in the same period of the previous year).

In the first nine months of 2014, heat was supplied to customers through district heating systems. During this period, the Group sold 45.1 thousand MWh of heat or approximately the same quantity as in the comparable period of the previous year.

Electricity

The following companies were engaged in the production, sale and distribution of electricity in the first nine months of 2014:

- Petrol d.d., Ljubljana,
- Petrol Energetika d.o.o.,
- Petrol d.o.o. Beograd,
- Petrol d.o.o.,
- Petrol Crna Gora MNE d.o.o.,
- Petrol BH Oil Company d.o.o., Sarajevo, and
- Petrol-Energetika DOOEL Skopje.

During this period, the Petrol Group sold 6.0 TWh of electricity, a year-on-year increase of 69 percent.

The Petrol Group has positioned itself as an important electricity market player. It set up a complete infrastructure for wholesale electricity trading in Slovenia, EU countries and in the neighbouring countries as well as for the sale of electricity to end users in Slovenia (businesses and households). At the end of September 2014, Petrol d.d., Ljubljana supplied electricity to nearly 37 thousand households.

Environmental and energy solutions

The following companies were engaged in environmental and energy solutions in the first nine months of 2014:

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

Environmental solutions

In the first nine months of 2014, the Petrol Group operated four concessions for the public utility service of municipal wastewater treatment. The capacity of the treatment plant in Murska Sobota is 42,000 population equivalents (PE), in Sežana 6,000 PE, in Ig and Matena 6,000 PE and in Mežica 4,000 PE. Petrol also managed the industrial waste treatment plant at Vevče Paper Mill. As an important member of the company Aquasystems d.o.o., Petrol

⁴ The Slovene Environment Agency's website

d.d., Ljubljana is also involved in the treatment of municipal wastewater in the Municipality of Maribor, the capacity of which is 190,000 PE. The investment in the new waste treatment plant in Ig will be completed by the end of 2014.

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

At the end of 2010, Petrol became involved in energy production from waste by acquiring Ihan Biogas Plant. In the second year of operating the plant, Petrol optimised its processes and stabilised its supply sources in terms of organic waste delivery. In 2013 it acquired a second biogas plant in Črnomelj, which also processes organic waste and produces green electricity. Petrol thus became Slovenia's biggest producer of green electricity from organic waste. For greater efficiency, Petrol built in Ihan a dehydration plant for sludge obtained from treatment plants. Dehydrated sludge is transformed into secondary fuel.

In the first nine months of 2014, the Petrol Group generated EUR 3.9 million in revenue from environmental solution services.

Energy solutions

The area of energy solutions comprises an energy range consisting of:

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

In the first nine months of 2014, the public economic service of public lighting was performed in several municipalities, and the Guaranteed Energy Savings Programme for end customers and other energy solutions projects were continued. Comprehensive energy solutions projects were carried out at several companies and public institutions. Three well-attended events were organised together with our partners at the Energy Solutions Centre (CER) in Ljubljana's BTC. In cooperation with our business partners, we launched, on 1 July 2014, an energy solutions centre also in Zagreb.

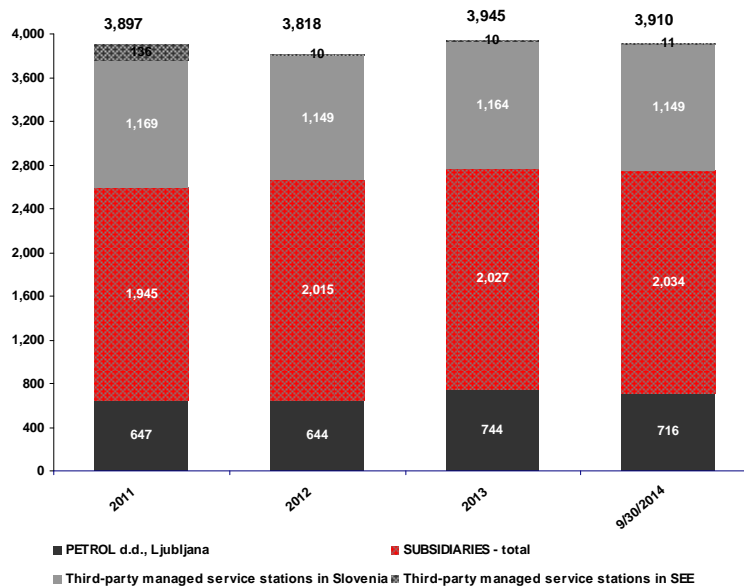
In the area of energy solutions, the Petrol Group generated during this period EUR 10.6 million in revenue from the sale of merchandise (wood biomass) and EUR 8.2 million in revenue from the sale of services.

Sustainable development

Employees

On 30 September 2014, the Petrol Group had 3,910 employees, of which 31 percent worked for subsidiary companies and at third-party managed service stations abroad. The number of employees decreased by 35 compared to the end of 2013.

Figure 9: Changes in the number of employees of the Petrol Group and at third-party managed service stations in the period 2011–2014



Employee structure

At the end of September 2014, the average age of the Petrol Group employees was 39 years. 66 percent of the employees were male and 34 percent were female.

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

Training

In the first nine months of 2014, 7,441 individuals took part in various forms of training. In all, the Petrol Group provided 51,329 teaching hours of training, which represents, on average, 13 teaching hours of training per employee in the period concerned.

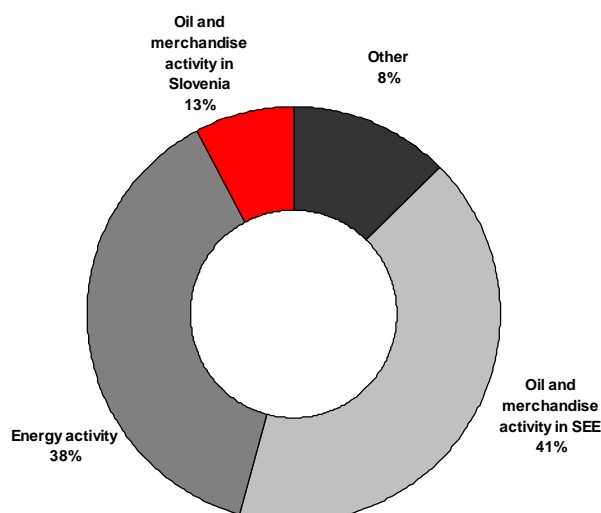
Organised as part of the Petrol Group is Petrol Academy. Its main goal is systematic and comprehensive training of all employees. In the first nine months of 2014, the Group carried out technical and legally required training.

At the Petrol Group, particular attention is given to the training of outworkers (hauliers, students, etc.) and education of customers. In the period concerned, several seminars were organised in this field, which were attended by 2,179 participants.

Investments

In the first nine months of 2014, EUR 37.4 million was allocated to investments in property, plant and equipment, intangible assets and long-term investments. Out of the above amount, 13 percent was allocated to oil and merchandise sales in Slovenia, 41 percent to oil and merchandise sales in SE Europe, 38 percent to energy operations and 8 percent to the upgrading of information and other infrastructure.

Figure 10: Breakdown of the Petrol Group’s investments in the first nine months of 2014



The quality management system

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

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

Table 3: Overview of certificates and laboratory accreditations

Company	Quality management system	Environmental management system	Laboratory accreditations	Other certificates
Petrol d.d., Ljubljana	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17025:2005	RC*, FSC**
Petrol Tehnologija, d.o.o.	ISO 9001: 2008	ISO 14001: 2004	SIST EN ISO/IEC 17020:2004	
Petrol Energetika d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Petrol d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Eltec Petrol d.o.o.	ISO 9001: 2008	ISO 14001: 2004	/	
Petrol Geoterm d.o.o.	ISO 9001: 2008	/	/	
Beogas Invest d.o.o.	ISO 9001: 2008	/	/	

*Based on the Report on the implementation of the Responsible Care Global Charter commitments, Petrol d.d., Ljubljana was awarded a Responsible Care Certificate for its activities relating to storage, logistics and retail network of service stations in Slovenia and granted the right to use the initiative's logo.

**Petrol d.d., Ljubljana is a holder of an FSC certificate for the production of wood chips used for heat generation. The FSC certificate, which is issued by an international NGO called the Forest Stewardship Council, promotes environmentally appropriate, socially beneficial and economically viable management of forests.

In February 2014, a follow-up audit of the quality and environmental management system took place at the company Petrol d.o.o., which passed the audit.

In April 2014, a recertification audit of ISO 9001 quality management systems and ISO 14001 environmental management systems took place at the companies Petrol d.d., Ljubljana, Petrol Energetika d.o.o. and Petrol Tehnologija, d.o.o. All companies passed the audit, minor non-compliance issues were rectified within the set deadline, and the validity of the companies' certificates was extended until May 2017.

The company Petrol Tehnologija, d.o.o. has in place a quality management system that is certified to the SIST EN ISO/IEC 17020 standard "General criteria for the operation of various types of bodies performing inspection". The company has 18 accredited test methods relating to the following areas: inspection of flow and tyre pressure measuring devices, inspection of pressure equipment, measures for the prevention of leakage of hazardous liquids from fixed reservoirs, tightness of fixed steel reservoirs, inspection of wall thickness of liquid fuel reservoirs, measurement of dielectric strength of liquid fuel reservoir insulation and measurement of noise in the natural and living environment. In April 2014, a certification body performed a follow-up audit of the company. The audit was passed and the company is now in the process of expanding its accreditation to two new methods, i.e. reservoir volumetric measurements and inspection of devices for level measurement of liquids in reservoirs.

In August 2014, Forest Stewardship Council (FSC) performed a first follow-up audit of wood fuel production, identifying no non-compliance issues in the process. During the audit, the scope of the certificate was extended to four more groups of products.

In September 2014, a recertification audit of the ISO 9001 quality management system took place at the company Petrol Geoterm d.o.o. The company's certification was renewed until October 2017. At the same time, procedures were launched to integrate the company's quality management system into the system of the parent company Petrol d.d., Ljubljana.

Based on the 2014 Report on the Implementation of the Responsible Care Global Charter Commitments, Petrol's Responsible Care Certificate received in respect of activities relating to storage, logistics and retail network of service stations in Slovenia and the right to use the initiative's logo were renewed until the end of 2015.

Petrol Laboratory has in place a quality management system that is certified to the SIST EN ISO/IEC 17025:2005 standard (General requirements for the competence of testing and calibration laboratories). Petrol Laboratory has 58 accredited methods altogether (a decrease compared to the previous years, due to a change in the way the methods are registered).

The project to put in place an ISO-certified energy management system is also underway. The project is scheduled to be completed in 2015 as the parent company Petrol d.d., Ljubljana obtains the certificate.

In September 2014, the survey "Measurement of Internal Services Quality" was carried out within the Petrol Group. This year, the survey also included the assessment of overall satisfaction with sales functions and subsidiaries.

Social responsibility

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

The following marked Petrol's social responsibility activities in the period concerned:

- Together with our Energy Solutions Centre partners we helped a family in distress rebuild their home.
- We co-sponsored cultural events (Ljubljana Festival).
- To celebrate the Slovene Blood Donation Day (4 June), we joined forces with the Slovene Red Cross and the Blood Transfusion Centre of Slovenia to organise the pan-Slovene blood donation initiative "Give Energy to Save Lives!" for the fourth time already. This year's slogan was "Do not let things boil your blood. Rather, give it to those in need." The initiative is primarily aimed at encouraging solidarity, tolerance and mutual respect, all of which are at the core of giving blood. This year's initiative also appealed for more mutual help and tolerance in online communication, public statements, traffic, etc.
- We were the first to join the Include.All project, which aims to integrate talented individuals into management regardless of their gender.
- We were one of the sponsors of Slovenia's athletes at the Sochi Winter Olympics, and also supported the Pokljuka Biathlon World Cup and the Vitranc Cup.

Business risks

Risk management

The ongoing financial crisis and economic downturn continue to weigh heavily on businesses, but also on business risk management within the Petrol Group.

The Business Risk Management Committee has held three meetings this year. The first two meetings were devoted to the preparation of the Annual Business Risk Management Report of the Petrol Group for 2013, while at the third meeting the Committee discussed the framework risk management policy in connection with the Business Risk Management Rules.

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

- environment risks and
- performance risks.

According to the results of the 2013 business risk assessment, the most relevant and probable business risks comprise the following financial risks: price, credit and foreign exchange risks.

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

Price and foreign exchange risk

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

When it comes to supplying electricity to end customers, the parent company manages price and quantity risks by matching suppliers' terms of procurement with the terms of sale applying to customers. By managing electricity-related risks, the Company aims to keep pace with the quick expansion of this business.

The controlling company supervises and offers advice on hedging against foreign exchange risks also at the level of subsidiaries. This mainly concerns risks arising from changes in the EUR/HRK exchange rate in Croatia. For this very purpose, the impact of changes in the EUR/HRK exchange rate on operations of Croatian-based companies was analysed – with the analysis being later updated on a regular basis – and suggestions for foreign exchange

risk hedging prepared. As the spread between the minimum and maximum level of the EUR/HRK exchange rate stood at 1.3 percent in the first nine months of 2014, no forward contracts to hedge the foreign exchange risk were concluded during this period. In Croatia, the foreign exchange risk in procurement was reduced by substantially increasing the volume of procurement done in HRK in Croatia directly and by placing surplus liquidity with the parent company in euros.

Foreign exchange risks are also encountered in Serbia with regard to the EUR/RSD exchange rate. There, the procurement of petroleum products is done mostly in RSD, which enables us to largely avoid the foreign exchange risks. Certain foreign exchange risks are also incurred as a result of electricity trading in Serbia. In the first nine months of 2014, the EUR/RSD exchange rate was rather stable, ranging from RSD 116.06 to RSD 114.50 per 1 euro. In the last quarter, a downward trend was observed, with the exchange rate dipping to RSD 119.00 per 1 euro.

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

Credit risk

The credit risk was the most significant financial risk to which the Petrol Group was exposed in connection with the sale of goods and services to natural and legal entities in the first nine months of 2014, but was contained using the measures presented below.

The operating receivables management system provides us with an efficient credit risk management. In 2014 we expanded the cataloguing of the sales process and, related to that, put in place additional defences to help us contain operating risks. The cataloguing enabled us to define even more the responsibility of individual players in the sales process. We keep actively pursuing the collection of receivables, we are quicker to discontinue sales on open account to defaulting customers and we accelerated the use of legal remedies to collect receivables. Particular attention is given to individual treatment of major customers or customers in relation to which outstanding receivables balances exceed EUR 250,000. We continue to attach stricter conditions to approving the amount of exposure (limits) to individual buyers and expand the range of first-class credit insurance instruments as a requirement to approve sales (mortgages, pledges, bank guarantees, letters of credit, insurance with SID - Prva kreditna zavarovalnica d.d., Ljubljana and other insurance companies, collaterals, corporate guarantees, securities). The enforcement draft, as one of the more recent credit insurance and payment instruments, is also turning out to be an effective receivables collection instrument. In addition, a contract was concluded with HKO d.d., Zagreb to cover credit risk to which our companies in Croatia are exposed.

A great deal of work is being put into managing receivables from large customers in Slovenia, and significant attention is also devoted to the collection of receivables in SE Europe markets, where the solvency of the business sector is even worse than in Slovenia. Receivables are systematically monitored by age, region and organisational unit as well as by quality and individual customer. To monitor receivables, we use a joint computer-based receivables management application, which provides us with automated control over the exposure to individual customers and the possibility to respond immediately. Through experience, the application is being continuously improved. In addition to the above, control

over credit insurance instruments received in connection with trade receivables is now organisationally centralised and done using a single computer system.

Despite the general weakening of the financial strength of our customers due to liquidity problems, decreased production and a drop in exports, we estimate that credit risks are adequately managed within the Petrol Group. Our estimate is based on the nature of our products, our market share, our large customer base, the vast range of credit insurance instruments and a higher volume of secured receivables. The Petrol Group too, however, is unable to avoid the consequences of a large number of bankruptcies, compulsory composition proceedings and personal bankruptcies.

Liquidity risk

The financial crisis in the Slovene and global financial market resulted in a substantially increased vigilance of the banking sector when it comes to financing individuals and companies. The Petrol Group enjoys a very good credit rating with the banking community and was thus able to secure sufficient short-term and long-term funds in the first nine months of 2014, providing it with good-quality financing.

This year, we made significant progress towards securing financing sources for the Petrol Group over the long term by obtaining a credit rating. In June 2014, Standard & Poor's Ratings Services assigned us the "BBB-" long-term international credit rating and the "A-3" short-term credit rating.

This rating made it possible for Petrol to tap the international institutional investor market, carrying out in June 2014 a very successful first international issue of corporate eurobonds in Slovenia. The issue was worth EUR 265 million, with the bonds carrying a nominal yield of 3.25 percent p.a. (the market price stood at 3.40 percent p.a.). Petrol thus satisfied its long-term funding needs in 2014 and used nearly half of the funds to repay early the long-term loans that were raised at higher interest rates in recent years. Funds were also used for the repayment of the first issue of PET1 bonds from 2009 worth EUR 50 million and the fifth issue of PEK05 commercial papers worth EUR 50 million, which was due according to the schedule. The falling due of the commercial papers in September did not require another issue to be carried out.

The new eurobonds were admitted to the regulated market of the Irish Stock Exchange (www.ise.ie) on 23 June 2014.

In 2014 the levels of petroleum product prices still require a high amount of short-term financing, which is being successfully ensured. Despite the current decline in petroleum product prices, we are constantly actively working with banks to increase our existing credit lines as well as looking for credit lines with new banks.

Cash flow management requires considerable attention and prudence especially as regards the planning of cash inflows from lay away sales, seeing that a large number of our customers have problems financing their operations due to a general increase in the number of defaults and weaker sales.

The Petrol Group is capable of meeting all of its outstanding liabilities at any given moment. The Group's successful operations in particular are a guarantee for the Group's long-term solvency and boost its equity capital.

Interest rate risk

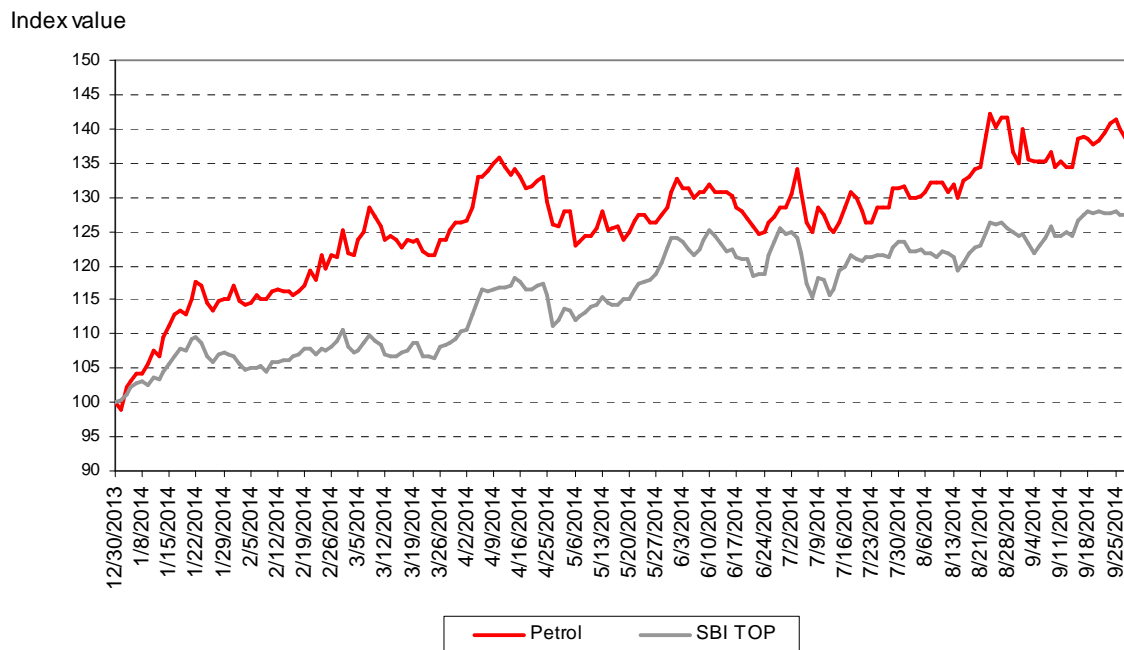
The Petrol Group regularly monitors its exposure to the interest rate risk. The controlling company's long-term loans contain a variable interest rate, which is linked to EURIBOR. The average EURIBOR rate was slightly lower in the first nine months of 2014 than at the end of 2013. Despite the signs of a slight increase, it still remains at historically low levels. At the end of September 2014, the Petrol Group's overall borrowing interest rate was lower than at the end of 2013. This is the result of low EURIBOR rates, maturity of interest rate swaps with a high fixed interest rate from previous years, Petrol's very competitive and low short-term borrowing interest rates, the early repayment of long-term loans having a higher interest rate, and the new long-term borrowing at a favourable interest rate.

To hedge against exposure to the interest rate risk, a portion of variable interest rates is transformed into a fixed interest rate using derivative financial instruments. Under internal rules, the exposure to the interest rate risk is hedged up to 75 percent of the Petrol Group's net interest position. When deciding whether to pursue additional hedging activities, forecasts regarding interest rate changes are considered. The time of hedging and the type of instruments used to this effect are determined based on market conditions. In the first nine months of 2014, interest rate hedging contracts worth EUR 10 million were concluded in connection with the raising of additional long-term loans. We also issued fixed-coupon eurobonds worth EUR 265 million.

Petrol's shares

At the end of September 2014, share prices at the Ljubljana Stock Exchange were on average higher than at the end of 2013. This was also reflected in the SBITOP, the Slovene blue-chip index, which is used as a benchmark and provides information on changes in the prices of the most important and liquid shares traded on the regulated market. The index also comprises Petrol's shares. The SBITOP stood at 837.68 as at the end of September 2014 and was up 28 percent relative to the end of 2013. During this period, Petrol's shares gained 40 percent in value. In terms of trading volume, which in the case of Petrol's shares amounted to EUR 37.6 million between January and September, the shares were ranked third among the shares traded on the Ljubljana Stock Exchange. In terms of market capitalisation, which stood at EUR 636.3 million as at 30 September 2014, the shares were ranked third and accounted for 10 percent of the total Slovene stock market capitalisation on the said date.

Figure 11: Base index changes for Petrol d.d., Ljubljana's closing share price and changes in the SBITOP index in the first nine months of 2014 compared to the end of 2013



In the first nine months of 2014, the price of Petrol's shares ranged between EUR 215.45 and EUR 310.00 per share, while their average price in the period stood at EUR 275.70. Earnings per share stood at EUR 13.97, with a share's book value amounting to EUR 226. Petrol d.d., Ljubljana had 34,830 shareholders as at 30 September 2014. At the end of September 2014, 203,757 shares or 10 percent of all shares were held by foreign legal or natural persons. Compared to the end of 2013, the number of foreign shareholders increased by 2.3 percentage points.

Figure 12: Closing price and the volume of trading in Petrol's shares in the first nine months of 2014

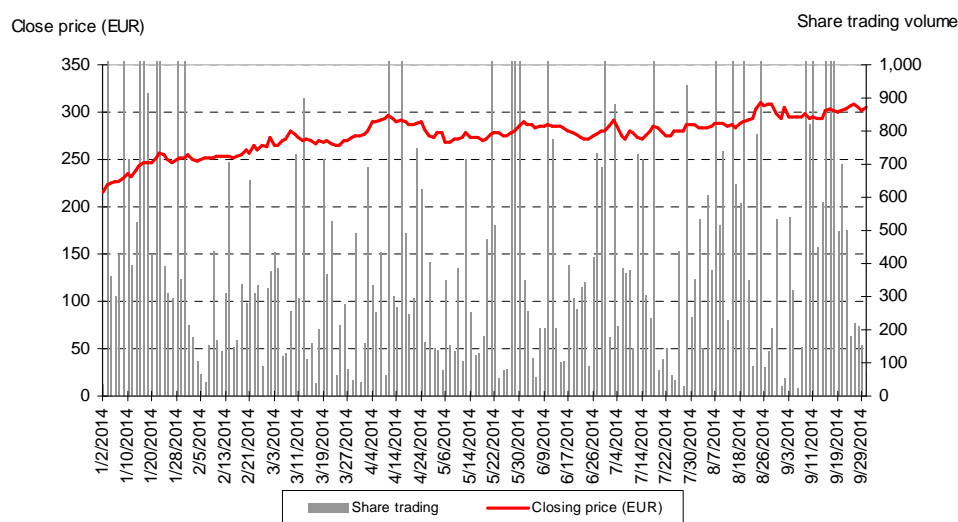


Figure 13: Ownership structure of Petrol d.d., Ljubljana as at 30 September 2014

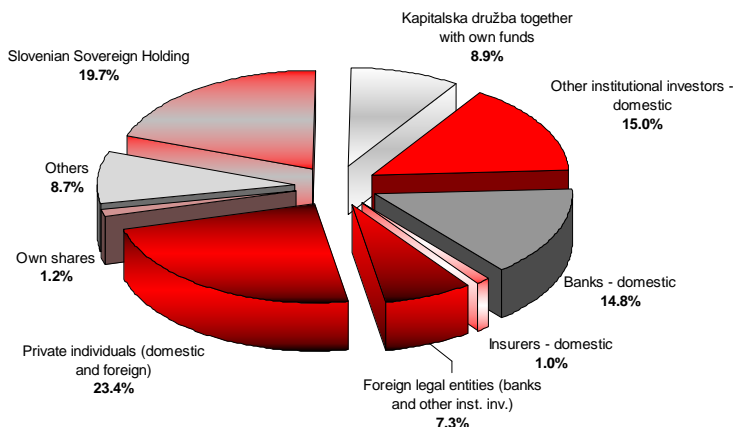


Table 4: Changes in the ownership structure of Petrol d.d., Ljubljana (comparison between 30 September 2014 and 31 December 2013)

	30.9.2014		31.12.2013	
	No. of Shares	in %	No. of Shares	in %
Slovenian Sovereign Holding	412,009	19.7%	412,009	19.7%
Kapitalska družba together with own funds	184,852	8.9%	184,852	8.9%
Other institutional investors - domestic	322,342	15.0%	307,317	14.7%
Banks - domestic	256,930	14.8%	319,525	15.3%
Insurers - domestic	21,347	1.0%	21,118	1.0%
Foreign legal entities (banks and other inst. inv.)	198,751	7.3%	150,494	7.2%
Private individuals (domestic and foreign)	486,591	23.4%	484,970	23.2%
Own shares	24,703	1.2%	24,703	1.2%
Others	178,776	8.7%	181,313	8.7%
Sum	2,086,301	100.0%	2,086,301	100.0%

Table 5: 10 largest shareholders of Petrol d.d., Ljubljana as at 30 September 2014

Top 10 shareholders of Petrol d.d., Ljubljana as per 30.9.2014				
	Shareholder	Address	No. of Shares	Share in %
1	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 5, 1000 LJUBLJANA	412,009	19.75%
2	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
3	NLB d.d.	TRG REPUBLIKE 2, 1000 LJUBLJANA	126,365	6.06%
4	ISTRABENZ D.D.	CESTA ZORE PERELLO-GODINA 2, 6000 KOPER	84,490	4.05%
5	GB D.D., KRANJ	BLEIWEISOVA CESTA 1, 4000 KRANJ	84,299	4.04%
6	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
7	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
8	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 4, 2000 MARIBOR	42,985	2.06%
9	ČEŠKOSLOVENSKA OBCHODNI BANK, A.S. - FID	RADLIČKA 333/150, 150 57 PRAGA 5, REPUBLIKA ČEŠKA	42,598	2.04%
10	ZVON ENA HOLDING D.D. - V STEČAJU	SLOVENSKA ULICA 17, 2000 MARIBOR	36,000	1.73%

Table 6: Shares owned by members of the Supervisory and Management Board as at 30 September 2014

Name and Surname	Position	No. of shares	Share of equity
Supervisory board		5	0.0002%
Internal members		0	0.0000%
1. Ika Krevzel Panič	Supervisory Board Member	0	0.0000%
2. Zoran Gračner	Supervisory Board Member	0	0.0000%
3. Andrej Tomplak	Supervisory Board Member	0	0.0000%
External members		5	0.0002%
1. Tomaž Kuntarič	Supervisory Board President	0	0.0000%
2. Irena Prijović	Supervisory Board Vice-president	0	0.0000%
3. Igo Gruden	Supervisory Board Member	0	0.0000%
4. Matija Blažič	Supervisory Board Member	0	0.0000%
5. Klemen Ferjančič	Supervisory Board Member	0	0.0000%
6. Mladen Kaliterna	Supervisory Board Member	5	0.0002%
Management Board		260	0.0125%
1. Tomaž Berločnik	Management Board President	0	0.0000%
2. Janez Živko	Management Board Member	40	0.0019%
3. Rok Vodnik	Management Board Member	220	0.0105%
4. Samo Gerdin	Management Board Member/Worker Director	0	0.0000%

Authorised capital

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

Contingent increase in called-up capital

In the period up to 30 September 2014, the General Meeting of Petrol d.d., Ljubljana did not adopt any resolutions regarding the contingent increase in called-up capital.

Dividends

In accordance with a resolution of the 24th General Meeting held on 24 April 2014, Petrol d.d., Ljubljana paid 2013 gross dividends of EUR 10.10 per share in August 2014. The gross dividend per share for 2012, which was paid in 2013, stood at EUR 10.00.

Own shares

Petrol d.d., Ljubljana did not repurchase its own shares in the first nine months of 2014. As at 30 September 2014, the Company held 24,703 own shares, representing 1.2 percent of its registered share capital. The total cost of own shares equalled EUR 2.6 million as at 30 September 2014 and was EUR 4.9 million lower than their market value on the said date.

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

Regular participation at investors' conferences and external communication

Petrol d.d., Ljubljana has set up a programme of regular cooperation with domestic and foreign investors, which consists of public announcements, individual meetings and presentations, and public presentations. The Company regularly attends investors' conferences that are organised each year by stock exchanges, banks and brokerage companies. In the first nine months of 2014, several individual investor and analyst meetings were held. At the end of February, Petrol participated in the Investors' Day @ InterCapital event in Zagreb; in March and September, it took part in an online roadshow organised by Alta; at the beginning of May, it attended a joint investors' conference in Zagreb, which was organised by Ljubljana and Zagreb Stock Exchanges.

General Meeting of Petrol d.d., Ljubljana

At the 24th General Meeting of Petrol d.d., Ljubljana held on 24 April 2014, the following resolutions were adopted:

- Accumulated profit of EUR 20,863,010.00 as at 31 December 2013 shall be used as follows: accumulated profit of EUR 20,822,139.80 shall be used to pay gross dividends of EUR 10.10 per share (own shares excluded) and the remaining accumulated profit of EUR 40,870.20 shall be allocated to other revenue reserves. The dividends are to be paid out of the net profit for 2013 and other revenue reserves. The Company shall pay the dividends on 12 August 2014 to shareholders which were registered with KDD – the Central Securities Clearing Corporation on 28 April 2014, as laid down in a Management Board decision.
- The Company's Management Board shall be granted discharge from liability for the year 2013.
- The Company's Supervisory Board shall be granted discharge from liability for the year 2013.
- The audit firm ERNST & YOUNG Revizija, poslovno svetovanje, d.o.o., Ljubljana shall be appointed auditor for the year 2014.

Management Board of Petrol d.d., Ljubljana

At its 7th meeting held on 8 May 2014, the Supervisory Board of Petrol d.d., Ljubljana unanimously appointed Rok Vodnik, MSc, and Janez Živko, both already serving as Management Board members, for another five-year term of office beginning on 30 August 2014.

Other explanations by Petrol d.d., Ljubljana

The prospectus of the company Petrol d.d., Ljubljana, which has been prepared for the purpose of listing its shares on the stock exchange, is published on the Company's website. All changes to the prospectus are published in the Company's Strategy Document, Annual Report of Petrol d.d., Ljubljana and its public announcements available from the Company's website and the website of the Ljubljana Stock Exchange (SEOnet). At the end of March 2014, Petrol d.d., Ljubljana published a presentation document prepared upon the admission of the 6-month commercial papers issued by Petrol d.d., Ljubljana under identification code PEK05 to trading on a regulated market.

On 16 June 2014, Petrol d.d. Ljubljana successfully issued 5-year bonds worth a total of EUR 265 million. The bonds were initially priced at 99.32 percent of their notional amount, and carry a 3.25-percent annual coupon and a yield to maturity of 3.4 percent. The decision to issue the bonds was taken upon receiving a preliminary "BBB" credit rating (assigned to financially stable companies operating in uncertain business environments) from the U.S. agency Standard and Poor's on 5 June 2014. This was the first international issuance of corporate bonds in Slovenia since 2009 and the country's second ever issuance of corporate bonds. The funds received through the issuance of bonds will be used to finance the Petrol Group's business operations, including the refinancing of its debt. Following the successful eurobond issue on 4 July 2014, Petrol d.d., Ljubljana received a final "BBB-" long-term credit rating and an "A-3" short-term credit rating from Standard & Poor's Rating Services. Standard and Poor's thus affirmed their preliminary rating of 5 June 2014, assigning the same rating also to Petrol's eurobonds. Reflecting a change in Slovenia's credit rating outlook from "stable" to "negative", Petrol d.d., Ljubljana's credit rating outlook was also revised accordingly.

Events after the end of the accounting period

The ownership structure of Petrol d.d., Ljubljana changed significantly on 30 October 2014, i.e. after the end of the accounting period:

- On 30 October 2014, NLB d.d. disposed of 63,182 Petrol d.d., Ljubljana (PETG) shares, which represented 3.0284 percent of voting rights. Following the disposal, NLB d.d. now owns 63,183 PETG shares or 3.0285 percent of the issuer's equity and, as a result, no longer exceeds the 5-percent significant holding threshold in respect of Petrol d.d., Ljubljana.
- On 30 October 2014, Istrabenz, holdinška družba, d.d. disposed of 84,490 Petrol d.d., Ljubljana (PETG) shares, which represented 4.05 percent of Petrol d.d., Ljubljana share capital. As a result of this transaction, the company no longer owns PETG shares.
- On 30 October 2014, Gorenjska Banka d.d., Kranj disposed of 84,299 Petrol d.d., Ljubljana (PETG) shares, which represented 4.04 percent of Petrol d.d., Ljubljana share capital. As a result of this transaction, the company no longer owns PETG shares.

Table 7: 10 largest shareholders of Petrol d.d., Ljubljana as at 31 October 2014

Top 10 shareholders of Petrol d.d., Ljubljana as per 31. October 2014				
	Delničar	Naslov	Število delnic	Delež v %
1	SLOVENSKI DRŽAVNI HOLDING, D.D.	MALA ULICA 005, 1000 LJUBLJANA	412,009	19.75%
2	ČEŠKOSLOVENSKÁ OBCHODNÍ BANK, A.S. - FID	RADLICKA 333/150, 15057 PRAGA 5	245,141	11.75%
3	KAPITALSKA DRUŽBA, D.D.	DUNAJSKA CESTA 119, 1000 LJUBLJANA	172,639	8.27%
4	VIZIJA HOLDING, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	71,676	3.44%
5	VIZIJA HOLDING ENA, K.D.D.	DUNAJSKA CESTA 156, 1000 LJUBLJANA	63,620	3.05%
6	NLB D.D.	TRG REPUBLIKE 002, 1000 LJUBLJANA	63,183	3.03%
7	NOVA KBM D.D.	ULICA VITA KRAIGHERJA 004, 2000 MARIBOR	42,985	2.06%
8	ZVON ENA HOLDING, D.D.- V STEČAJU	SLOVENSKA ULICA 017, 2000 MARIBOR	36,000	1.73%
9	SOP LJUBLJANA	VOŠNJAKOVA ULICA 006, 1000 LJUBLJANA	25,658	1.23%
10	PETROL D.D., LJUBLJANA	DUNAJSKA CESTA 050, 1000 LJUBLJANA	24,703	1.18%

FINANCIAL REPORT

Financial performance of the Petrol Group and the company Petrol d.d., Ljubljana

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

(in EUR)	Note	The Petrol Group			Petrol d.d.		Index 14/13
		1-9 2014	1-9 2013	Index 14/13	1-9 2014	1-9 2013	
Sales revenue		2,972,434,712	2,913,226,128	102	2,433,370,080	2,380,645,578	102
Cost of goods sold		(2,724,750,776)	(2,662,102,971)	102	(2,253,825,530)	(2,194,786,894)	103
Gross profit		247,683,936	251,123,157	99	179,544,550	185,858,685	97
Costs of materials	3	(18,685,584)	(21,795,285)	86	(8,168,399)	(7,448,639)	110
Costs of services	4	(85,234,760)	(84,661,719)	101	(80,528,318)	(79,419,412)	101
Labour costs	5	(47,142,309)	(44,948,025)	105	(20,520,004)	(19,913,492)	103
Depreciation and amortisation	6	(32,581,209)	(30,834,595)	106	(22,006,501)	(20,610,541)	107
Other costs	7	(2,608,797)	(2,253,481)	116	(1,289,295)	(1,370,451)	94
Operating costs		(186,252,659)	(184,493,105)	101	(132,512,517)	(128,762,535)	103
Other revenue	2	5,018,669	3,849,301	130	3,563,477	2,428,457	147
Other expenses		(395,447)	(70,995)	-	(156,981)	(29,423)	-
Operating profit		66,054,499	70,408,358	94	50,438,528	59,495,183	85
Share of profit of equity accounted investees		8,672,766	5,498,680	158	-	-	-
Finance income from dividends paid by subsidiaries, associates and jointly controlled entities		-	-	-	1,189,287	1,856,033	64
Other finance income	8	27,495,761	32,733,180	84	23,063,262	29,005,293	80
Other finance expenses	8	(50,243,638)	(55,815,726)	90	(41,494,562)	(47,877,588)	87
Net finance expense		(22,747,877)	(23,082,546)	99	(18,431,300)	(18,872,295)	98
Profit before income tax		51,979,388	52,824,492	98	33,196,516	42,478,921	78
Income tax expense		(3,156,423)	(5,613,246)	56	(2,316,129)	(4,937,332)	47
Deferred income tax		(3,149,919)	(2,884,416)	109	(2,073,118)	(2,934,584)	71
Income tax		(6,306,342)	(8,497,662)	74	(4,389,246)	(7,871,916)	56
Net profit for the period		45,673,046	44,326,830	103	28,807,270	34,607,005	83
Net profit for the period attributable to:							
Owners of the controlling company		45,725,514	44,686,043	102	28,807,270	34,607,005	83
Non-controlling interest		(52,468)	(359,213)	15	-	-	-
Basic and diluted earnings per share	9	22.15	21.50	103	13.97	16.79	83

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

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

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Net profit for the period	45,673,045	44,326,830	28,807,270	34,607,005
Attribution of changes in the equity of associates	123,144	15,909	-	-
Effective portion of changes in the fair value of cash flow variability hedging	19,887	3,748,955	625,472	3,152,392
Change in deferred taxes	4,319	(593,365)	(106,330)	(472,859)
Foreign exchange differences	(652,014)	(1,336,996)	-	-
Other comprehensive income reclassified to profit or loss in future periods	(504,664)	1,834,503	519,142	2,679,533
Other comprehensive income	(504,664)	1,834,503	519,142	2,679,533
Total comprehensive income for the period	45,168,380	46,161,333	29,326,412	37,286,538
Total comprehensive income attributable to:				
Owners of the controlling company	45,255,183	46,529,937	29,326,412	37,286,538
Non-controlling interest	(86,803)	(368,604)	-	-

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

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

(in EUR)	Note	The Petrol Group			Petrol d.d.		
		30 September 2014	31 December 2013	Index 14/13	30 September 2014	31 December 2013	Index 14/13
ASSETS							
Non-current (long-term) assets							
Intangible assets	10	176,445,995	176,258,529	100	141,666,227	141,120,875	100
Property, plant and equipment	11	609,124,934	618,597,466	98	319,031,282	327,985,005	97
Investment property		11,526,789	12,349,949	93	11,313,325	12,157,881	93
Investments in subsidiaries	12	-	-	-	293,095,268	293,746,174	100
Investments in jointly controlled entities	13	49,970,982	47,660,111	105	5,972,012	5,820,277	103
Investments in associates	14	106,721,467	100,847,540	106	121,596,000	121,596,000	100
Available-for-sale financial assets	15	1,666,159	1,666,159	100	1,536,212	1,536,212	100
Financial receivables		6,469,426	7,049,936	92	21,759,272	23,433,149	93
Operating receivables		454,782	1,399,606	32	454,782	1,399,606	32
Deferred tax assets		24,905,010	28,090,265	89	22,926,827	25,106,275	91
		987,285,544	993,919,561	99	939,351,208	953,901,454	98
Current assets							
Inventories	16	124,679,209	152,374,390	82	103,128,247	131,176,426	79
Financial receivables	17	18,990,061	15,745,516	121	18,839,776	14,234,319	132
Operating receivables	18	371,919,174	376,545,501	99	316,230,801	289,939,480	109
Corporate income tax assets		13,134	117,679	11	0	0	-
Financial assets at fair value through profit or loss	19	3,366,503	1,588,030	212	3,366,503	1,588,030	212
Prepayments and other assets	20	19,611,250	10,301,458	190	13,263,875	6,733,681	197
Cash and cash equivalents		39,234,677	69,742,729	56	32,149,483	56,407,034	57
		577,814,008	626,415,303	92	486,978,685	500,078,970	97
Total assets		1,565,099,552	1,620,334,864	97	1,426,329,893	1,453,980,424	98
EQUITY AND LIABILITIES							
Equity attributable to owners of the Petrol Group							
Called-up capital		52,240,977	52,240,977	100	52,240,977	52,240,977	100
Capital surplus		80,991,385	80,991,385	100	80,991,385	80,991,385	100
Legal reserves		61,987,886	61,987,886	100	61,749,884	61,749,884	100
Reserves for own shares		2,604,670	2,604,670	100	2,604,670	2,604,670	100
Own shares		(2,604,670)	(2,604,670)	100	(2,604,670)	(2,604,670)	100
Other revenue reserves		150,023,664	155,748,074	96	144,084,801	149,809,212	96
Fair value reserve		-	-	-	104,820,040	104,820,040	100
Hedging reserve		(2,508,228)	(2,542,902)	99	(1,373,861)	(1,893,003)	73
Revaluation reserves		201,804	89,128	226	0	0	-
Foreign exchange differences		(9,011,616)	(8,393,935)	107	0	0	-
Retained earnings		160,086,351	129,458,567	124	28,807,270	15,097,730	191
		494,012,223	469,579,180	105	471,320,495	462,816,224	102
Non-controlling interest		(1,979,899)	(1,911,003)	104	-	-	-
Total equity		492,032,324	467,668,177	105	471,320,495	462,816,224	102
Non-current liabilities							
Provisions for employee benefits		4,750,119	4,757,559	100	2,572,256	2,572,256	100
Other provisions		2,999,070	3,596,712	83	2,524,862	2,524,862	100
Long-term deferred revenue		9,705,869	9,227,333	105	8,566,425	8,793,553	97
Financial liabilities	21	498,285,077	357,174,203	140	405,257,888	254,496,730	159
Operating liabilities		10,925,125	14,638,547	75	10,925,125	14,638,547	75
Deferred tax liabilities		5,961,865	6,008,299	99	5,973,799	5,973,799	100
		532,627,125	395,402,653	135	435,820,355	288,999,747	151
Current liabilities							
Financial liabilities	21	138,754,393	243,167,684	57	203,951,798	280,385,392	73
Operating liabilities	22	388,267,521	495,155,432	78	307,538,591	406,005,643	76
Corporate income tax liabilities		1,674,566	5,010,189	33	1,521,069	5,072,648	30
Other liabilities	23	11,743,623	13,930,729	84	6,177,584	10,700,770	58
		540,440,103	757,264,034	71	519,189,043	702,164,453	74
Total liabilities		1,073,067,228	1,152,666,687	93	955,009,398	991,164,200	96
Total equity and liabilities		1,565,099,552	1,620,334,864	97	1,426,329,893	1,453,980,424	98

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Statement of changes in equity of the Petrol Group

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Hedging reserve	Revaluation reserve	Foreign exchange differences	Retained earnings	Equity attributable to owners of the Petrol Group	Non-controlling interest	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves							
As at 1 January 2013	52,240,977	80,991,385	62,001,962	2,604,670	(2,604,670)	131,103,142	(5,854,616)	(6,093)	(6,954,981)	122,017,539	435,539,315	(1,877,984)	433,661,331
Dividend payments for 2012						(3,372,642)				(17,243,338)	(20,615,980)		(20,615,980)
Decrease in non-controlling interest											0	(1,805)	(1,805)
Loss offset against other revenue reserves						(2,259,381)				2,259,381	0		0
Elimination of legal reserves			(15,251)							15,251	0		0
Other changes						(22,219)					(22,219)		(22,219)
Transactions with owners	0	0	(15,251)	0	0	(5,654,242)	0	0	0	(14,968,706)	(20,638,199)	(1,805)	(20,640,004)
Net profit for the period										44,686,043	44,686,043	(359,213)	44,326,830
Other changes in comprehensive income							3,156,783	14,716	(1,327,605)		1,843,894	(9,391)	1,834,503
Total changes in comprehensive income	0	0	0	0	0	0	3,156,783	14,716	(1,327,605)	44,686,043	46,529,937	(368,604)	46,161,333
As at 30 September 2013	52,240,977	80,991,385	61,986,711	2,604,670	(2,604,670)	125,448,900	(2,697,833)	8,623	(8,282,586)	151,734,876	461,431,053	(2,248,393)	459,182,660
As at 1 January 2014	52,240,977	80,991,385	61,987,886	2,604,670	(2,604,670)	155,748,074	(2,542,902)	89,128	(8,393,935)	129,458,567	469,579,180	(1,911,003)	467,668,177
Dividend payments for 2013						(5,724,410)				(15,097,730)	(20,822,140)		(20,822,140)
Decrease in non-controlling interest											0	17,907	17,907
Transactions with owners	0	0	0	0	0	(5,724,410)	0	0	0	(15,097,730)	(20,822,140)	17,907	(20,804,233)
Net profit for the period										45,725,514	45,725,514	(52,469)	45,673,045
Other changes in comprehensive income							34,674	112,676	(617,681)		(470,331)	(34,334)	(504,665)
Total changes in comprehensive income	0	0	0	0	0	0	34,674	112,676	(617,681)	45,725,514	45,255,183	(86,803)	45,168,380
As at 30 September 2014	52,240,977	80,991,385	61,987,886	2,604,670	(2,604,670)	150,023,664	(2,508,228)	201,804	(9,011,616)	160,086,351	494,012,223	(1,979,899)	492,032,324

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

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

(in EUR)	Called-up capital	Capital surplus	Revenue reserves				Fair value reserve	Hedging reserve	Retained earnings	Total
			Legal reserves	Reserves for own shares	Own shares	Other revenue reserves				
As at 1 January 2013	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	125,145,815	73,629,197	(4,710,774)	17,243,338	406,289,822
Business combinations						(2,259,380)				(2,259,380)
Dividend payments for 2012						(3,372,642)			(17,243,338)	(20,615,980)
Transactions with owners	0	0	0	0	0	(5,632,023)	0	0	(17,243,338)	(22,875,361)
Net profit for the period									34,607,005	34,607,005
Other changes in comprehensive income								2,679,533		2,679,533
Total changes in comprehensive income	0	0	0	0	0	0	0	2,679,533	34,607,005	37,286,538
As at 30 September 2013	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	119,513,793	73,629,197	(2,031,241)	34,607,005	420,700,999
As at 1 January 2014	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	149,809,212	104,820,040	(1,893,003)	15,097,730	462,816,224
Dividend payments for 2013						(5,724,410)			(15,097,730)	(20,822,140)
Transactions with owners	0	0	0	0	0	(5,724,410)	0	0	(15,097,730)	(20,822,140)
Net profit for the period									28,807,270	28,807,270
Other changes in comprehensive income								519,142		519,142
Total changes in comprehensive income	0	0	0	0	0	0	0	519,142	28,807,270	29,326,412
As at 30 September 2014	52,240,977	80,991,385	61,749,884	2,604,670	(2,604,670)	144,084,801	104,820,040	(1,373,861)	28,807,270	471,320,495

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

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

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Cash flows from operating activities				
Net profit	45,673,046	44,326,830	28,807,270	34,607,005
Adjustment for:				
Taxes	6,306,342	8,497,662	4,389,247	7,871,916
Depreciation of property, plant and equipment	28,873,294	27,451,267	18,857,703	17,775,436
Amortisation of intangible assets	3,707,915	3,383,328	3,148,798	2,835,105
(Gain)/loss on disposal of property, plant and equipment	(1,165,098)	(539,752)	(639,760)	(35,256)
Revenue from assets under management	(49,050)	(49,050)	(49,050)	(49,050)
Net (decrease in)/creation of provisions for employee benefits	(6,147)	0	0	0
Net (decrease in)/creation of other provisions and long-term deferred revenue	(117,441)	(884,350)	(227,128)	(992,587)
Net goods shortages	1,171,522	1,409,438	1,316,018	1,408,043
Net (decrease in)/creation of allowance for receivables	2,895,575	2,849,746	1,163,381	1,441,941
Net finance (income)/expense	19,861,428	18,016,201	18,165,734	16,077,109
Impairment of investments	0	0	676,886	0
Share of profit of jointly controlled entities	(2,377,285)	(2,109,923)	0	0
Share of profit of associates	(6,295,481)	(3,388,757)	0	0
Finance income from dividends received from subsidiaries	0	0	(494,589)	(1,259,781)
Finance income from dividends received from joint controlled entities	0	0	(150,000)	(43,355)
Finance income from dividends received from associates	0	0	(544,698)	(552,897)
Cash flow from operating activities before the changes in working capital	98,478,620	98,962,640	74,419,812	79,083,629
Net (decrease in)/creation of other liabilities	(2,177,610)	367,264	(4,523,186)	899,793
Net decrease in/(creation of) other assets	(5,921,634)	(2,370,919)	(4,809,667)	(2,491,025)
Change in inventories	26,466,819	36,967,797	26,732,159	33,845,471
Change in operating and other receivables	285,624	7,124,251	(29,197,361)	34,089,200
Change in operating and other liabilities	(103,805,621)	(66,483,831)	(97,148,667)	(81,341,379)
Cash generated from operating activities	13,326,198	74,567,202	(34,526,910)	64,085,689
Interest paid	(18,665,480)	(19,585,060)	(14,853,841)	(17,056,945)
Taxes received/(paid)	(6,631,175)	5,073,361	(5,867,706)	5,565,910
Net cash from (used in) operating activities	(11,970,457)	60,055,503	(55,248,456)	52,594,654
Cash flows from investing activities				
Payments for investments in subsidiaries	0	(1,419,833)	(1,500,000)	(2,513,927)
Receipts from investments in subsidiaries	0	11,209	1,474,020	1,597,273
Payments for investments in jointly controlled entities	(2,151,735)	(2,332,644)	(151,735)	(2,332,644)
Receipts from intangible assets	21,847	15,516	0	0
Payments for intangible assets	(3,928,780)	(3,392,846)	(3,694,151)	(3,309,015)
Receipts from property, plant and equipment	7,893,544	7,008,815	5,601,077	1,597,979
Payments for property, plant and equipment	(35,791,730)	(39,697,279)	(20,446,928)	(18,456,795)
Receipts from available-for-sale assets	700	3,550,595	700	3,550,595
Receipts from financial assets held for trading	0	8,297	0	8,297
Receipts from loans granted	40,282,131	15,053,412	42,193,316	35,557,723
Payments for loans granted	(42,613,243)	(29,702,894)	(45,063,534)	(35,983,784)
Interest received	4,185,428	4,662,394	3,922,817	3,833,022
Dividends received from subsidiaries	0	0	494,589	1,259,781
Dividends received from jointly controlled entities	2,150,000	1,443,355	150,000	43,355
Dividends received from associates	544,698	552,897	544,698	552,897
Dividends received from others	20,807	41,359	20,807	41,359
Net cash from (used in) investing activities	(29,386,333)	(44,197,647)	(16,454,324)	(14,553,884)
Cash flows from financing activities				
Payments for bonds issued	211,162,353	1,885	211,162,353	1,885
Proceeds from borrowings	577,200,536	795,453,520	810,725,323	658,115,915
Repayment of borrowings	(756,693,200)	(802,988,512)	(953,727,685)	(687,471,121)
Dividends received from/(paid to) shareholders	(20,714,763)	(20,518,081)	(20,714,763)	(20,518,081)
Net cash from (used in) financing activities	10,954,926	(28,051,188)	47,445,228	(49,871,402)
Increase/(decrease) in cash and cash equivalents	(30,401,864)	(12,193,332)	(24,257,551)	(11,830,632)
Changes in cash and cash equivalents				
At the beginning of the year	69,742,729	37,625,459	56,407,034	28,813,254
Translation differences	(106,188)	(71,594)	0	0
Increase/(decrease)	(30,401,864)	(12,193,332)	(24,257,551)	(11,830,632)
At the end of the period	39,234,677	25,360,533	32,149,483	16,982,622

Accounting policies and notes are an integral part of these financial statements and should be read in conjunction with them.

Notes to the financial statements

Reporting entity

Petrol d.d., Ljubljana (hereinafter the "Company") is a company domiciled in Slovenia. The address of the Company's registered office is Dunajska cesta 50, 1527 Ljubljana. Below we present consolidated financial statements of the Group for the period ended 30 September 2014 and separate financial statements of the company Petrol d.d., Ljubljana for the period ended 30 September 2014. The consolidated financial statements comprise the Company and its subsidiaries and the Group's interests in associates and jointly controlled entities (together referred to as the "Group"). A more detailed overview of the Group's structure is presented chapter Organisational structure of the Petrol Group in Appendix 1 of this report.

Basis of preparation

a. Statement of compliance

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

The Company's management approved the Company's financial statements and the Group's consolidated financial statements on 10.11.2014.

These financial statements are prepared based on the same accounting policies used for the preparation of financial statements for the year ended 31 December 2013. For interim financial reporting IAS 34 - Interim Financial Reporting is applied.

b. Basis of measurement

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

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

c. Functional and presentation currency

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

d. Use of estimates and judgements

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

Estimates and assumptions are used in the following judgements:

- estimating useful lives of depreciable assets,

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

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

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

Notes to individual items in the financial statements

1. Segment reporting

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

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

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

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

- oil and merchandise sales,
- energy activities.

Oil and merchandise sales consist of:

- sale of petroleum products,
- sale of merchandise.

The sale of merchandise consists of selling automotive products, foodstuffs, accessories, tobacco and lottery products, coupons, cards, raw materials and chemical products.

Energy activities consist of:

- gas and heat,
- generation, sale and distribution of electricity,
- environmental and energy solution.

The Group's operating segments in the period 1-9 2013:

(in EUR)	Oil and merchandise sales	Gas, environmental and other energy activities	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,913,419,576	329,748,964	3,243,168,540	
Revenue from subsidiaries	(285,901,294)	(44,041,119)	(329,942,413)	
Sales revenue	2,627,518,282	285,707,845	2,913,226,128	2,913,226,128
Net profit for the period	32,964,029	11,362,801	44,326,830	44,326,830
Interest income *	3,561,196	1,713,262	5,274,458	5,274,458
Interest expense *	(14,143,815)	(6,804,474)	(20,948,289)	(20,948,289)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(24,204,992)	(6,629,603)	(30,834,595)	(30,834,595)
Share of profit of equity accounted investees	58,048	5,440,632	5,498,680	5,498,680
Total assets	1,170,308,190	348,143,482	1,518,451,672	1,518,451,672
Equity accounted investments	3,325,679	143,240,901	146,566,580	146,566,580
Property, plant and equipment, intangible assets and investment property	637,318,661	164,967,875	802,286,536	802,286,536
Other assets	529,663,850	39,934,706	569,598,556	569,598,556

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

The Group's operating segments in the period 1-9 2014:

(in EUR)	Oil and merchandise sales	Gas, environmental and other energy activities	Total	Statement of profit or loss/ Statement of financial position
Sales revenue	2,939,702,021	419,625,686	3,359,327,707	
Revenue from subsidiaries	(329,884,378)	(57,008,617)	(386,892,995)	
Sales revenue	2,609,817,643	362,617,069	2,972,434,712	2,972,434,712
Net profit for the period	38,928,892	6,744,154	45,673,046	45,673,046
Interest income *	2,817,775	1,460,177	4,277,952	4,277,952
Interest expense *	(14,465,582)	(7,496,096)	(21,961,678)	(21,961,678)
Depreciation of property, plant and equipment, depreciation of investment property, amortisation of intangible assets	(24,393,654)	(8,187,554)	(32,581,209)	(32,581,209)
Share of profit of equity accounted investees	131,600	8,541,166	8,672,766	8,672,766
Total assets	1,182,917,464	382,182,088	1,565,099,552	1,565,099,552
Equity accounted investments	3,340,357	153,352,092	156,692,449	156,692,449
Property, plant and equipment, intangible assets and investment property	624,896,227	172,201,491	797,097,718	797,097,718
Other assets	554,680,881	56,628,504	611,309,385	611,309,385

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

2. Other revenue

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Gain on disposal of fixed assets	1,310,494	571,241	662,786	45,348
Utilisation of environmental provisions	1,118,051	1,226,096	1,118,051	1,226,096
Reversal of accrued litigation expenses	1,048,780	0	1,018,665	0
Compensation received from insurance companies	413,893	174,057	81,919	54,618
Cash discounts and rebates received	256,740	251,980	141,509	102,376
Compensation, litigation proceeds and contractual penalties received	180,755	178,672	157,332	62,655
Payment of court fees	99,350	168,940	70,232	151,033
Reversal of accrued costs, expenses	27,996	172,830	24,464	172,830
Other revenue	562,610	1,105,485	288,519	613,501
Total other revenue	5,018,669	3,849,301	3,563,477	2,428,457

3. Costs of material

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Costs of energy	13,149,340	16,030,629	4,409,643	4,727,354
Costs of consumables	4,880,426	5,014,092	3,486,055	2,384,451
Write-off of small tools	201,882	240,112	17,967	22,788
Other costs of materials	453,936	510,452	254,734	314,046
Total costs of materials	18,685,584	21,795,285	8,168,399	7,448,639

4. Costs of services

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Costs of service station managers	21,463,583	21,237,335	21,631,888	21,172,259
Costs of transport services	20,052,702	19,089,170	17,992,982	16,776,784
Costs of fixed-asset maintenance services	8,004,175	8,566,901	7,867,283	7,986,006
Costs of payment transactions and bank services	6,044,097	6,094,090	4,469,838	4,640,197
Lease payments	5,495,530	3,732,383	2,276,506	2,924,807
Costs of professional services	4,293,502	4,438,561	2,604,855	2,484,073
Contributions for operations at motorway service areas	3,996,058	3,883,840	3,011,196	3,042,042
Outsourcing costs	2,993,136	4,505,864	5,230	1,477
Costs of insurance premiums	2,937,731	2,859,614	2,141,942	2,159,483
Costs of fairs, advertising and entertainment	2,770,655	2,711,299	2,166,043	1,960,790
Costs of fire protection and physical and technical security	1,245,636	1,235,402	958,570	998,108
Fees for the building site use	1,175,700	1,179,664	1,072,882	1,072,281
Costs of environmental protection services	1,080,501	1,331,072	687,662	1,033,061
Concession charges	597,579	654,785	302,314	342,620
Reimbursement of work-related costs to employees	561,329	553,003	197,946	201,152
Membership fees	337,008	389,925	154,013	208,583
Property management	254,376	276,099	11,160,667	10,688,911
Other costs of services	1,931,462	1,922,712	1,826,501	1,726,779
Total costs of services	85,234,760	84,661,719	80,528,318	79,419,412

5. Labour costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Salaries	34,095,282	32,473,461	15,087,628	14,697,497
Costs of other insurance	3,459,696	3,292,819	1,229,226	1,196,509
Costs of pension insurance	2,793,472	2,917,577	1,423,181	1,457,943
Transport allowance	1,774,093	1,770,226	532,024	523,641
Meal allowance	1,354,759	1,248,572	499,192	465,118
Annual leave allowance	1,216,880	1,184,356	506,151	496,181
Supplementary pension insurance	726,862	689,128	441,118	424,013
Other allowances and reimbursements	1,721,265	1,371,886	801,484	652,590
Total labour costs	47,142,309	44,948,025	20,520,004	19,913,492

6. Depreciation and amortisation

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Amortisation of intangible assets	3,707,915	3,383,328	3,148,798	2,835,105
Depreciation of property, plant and equipment	28,310,477	26,861,924	18,273,491	17,171,157
Depreciation of investment property	562,817	589,343	584,212	604,279
Total depreciation and amortisation	32,581,209	30,834,595	22,006,501	20,610,541

7. Other costs

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Sponsorships and donations	1,077,022	1,162,579	886,995	949,841
Environmental charges and charges unrelated to operations	850,764	644,936	171,421	143,049
Loss on sale/disposal of property, plant and equipment	145,397	31,489	23,026	10,092
Other costs	535,614	414,477	207,853	267,469
Total other costs	2,608,797	2,253,481	1,289,295	1,370,451

8. Other financial income and expenses

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Gain on derivatives	13,327,847	11,290,447	13,137,954	11,290,447
Foreign exchange differences	8,499,040	14,352,996	5,721,037	12,281,277
Interest income	4,277,952	5,274,458	4,046,084	4,018,729
Allowances for receivables reversed and bad debt recovered	1,095,535	644,925	9,696	158,246
Other finance income	295,387	1,170,354	148,491	1,256,594
Total other finance income	27,495,761	32,733,180	23,063,262	29,005,293
Interest expense	(21,961,678)	(20,948,289)	(20,287,856)	(18,224,585)
Foreign exchange differences	(14,707,563)	(14,967,549)	(10,212,272)	(12,032,476)
Loss on derivatives	(8,600,693)	(15,452,682)	(8,233,857)	(15,081,763)
Allowance for operating receivables	(3,991,110)	(3,494,671)	(1,173,077)	(1,522,354)
Impairment of investments	0	0	(676,886)	0
Other finance expenses	(982,594)	(952,535)	(910,614)	(1,016,411)
Total other finance expenses	(50,243,638)	(55,815,726)	(41,494,562)	(47,877,588)
Net finance expense	(22,747,877)	(23,082,546)	(18,431,300)	(18,872,295)

9. Earnings per share

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Net profit (in EUR)	45,673,046	44,326,830	28,807,270	34,607,005
Number of shares issued	2,086,301	2,086,301	2,086,301	2,086,301
Number of own shares at the beginning of the period	24,703	24,703	24,703	24,703
Number of own shares at the end of the period	24,703	24,703	24,703	24,703
Weighted average number of ordinary shares issued	2,061,598	2,061,598	2,061,598	2,061,598
Diluted average number of ordinary shares	2,061,598	2,061,598	2,061,598	2,061,598
Basic and diluted earnings per share (EUR/share)	22.15	21.50	13.97	16.79

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

10. Intangible assets

Intangible assets of the Petrol Group

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2013	8,996,859	83,128,631	111,583,568	3,409,531	207,118,590
New acquisitions as a result of takeover	0	15,755	(1,011,205)	300	(995,150)
New acquisitions	0	0	0	3,392,846	3,392,846
Disposals	(13,734)	(7,524)	0	0	(21,258)
Transfer from ongoing investments	966,274	1,863,285	0	(2,829,559)	0
Foreign exchange differences	(1,343)	(32,691)	(8,133)	(916)	(43,083)
As at 30 September 2013	9,948,056	84,967,456	110,564,230	3,972,202	209,451,945
Accumulated amortisation					
As at 1 January 2013	(5,475,687)	(20,950,013)	0	0	(26,425,701)
New acquisitions as a result of takeover	0	(12,038)	0	0	(12,038)
Amortisation	(845,242)	(2,538,086)	0	0	(3,383,328)
Disposals	5,742	0	0	0	5,742
Foreign exchange differences	768	8,322	0	0	9,090
As at 30 September 2013	(6,314,419)	(23,491,815)	0	0	(29,806,235)
Net carrying amount as at 1 January 2013	3,521,172	62,178,618	111,583,568	3,409,531	180,692,889
Net carrying amount as at 30 September 2013	3,633,637	61,475,641	110,564,230	3,972,202	179,645,710
(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2014	10,919,441	87,829,133	106,768,742	1,730,918	207,248,235
New acquisitions	0	0	0	3,928,780	3,928,780
Disposals	(8,202)	(32,288)	0	0	(40,490)
Transfer from ongoing investments	1,556,217	400,633	0	(1,956,850)	0
Foreign exchange differences	(609)	(5,903)	(5,022)	(2,348)	(13,882)
As at 30 September 2014	12,466,847	88,191,575	106,763,720	3,700,500	211,122,643
Accumulated amortisation					
As at 1 January 2014	(6,588,623)	(24,401,082)	0	0	(30,989,706)
Amortisation	(1,099,337)	(2,608,578)	0	0	(3,707,915)
Disposals	2,113	16,530	0	0	18,643
Foreign exchange differences	552	1,778	0	0	2,330
As at 30 September 2014	(7,685,295)	(26,991,352)	0	0	(34,676,649)
Net carrying amount as at 1 January 2014	4,330,818	63,428,051	106,768,742	1,730,918	176,258,529
Net carrying amount as at 30 September 2014	4,781,552	61,200,223	106,763,720	3,700,500	176,445,995

Intangible assets of Petrol d.d., Ljubljana

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2013	8,535,540	65,535,730	0	3,328,512	77,399,782
New acquisitions as a result of merger by absorption	85,055	0	31,813,862	0	31,898,917
New acquisitions	0	0	0	3,309,020	3,309,020
Disposals	(3,263)	0	0	0	(3,263)
Transfer from ongoing investments	915,937	1,841,133	0	(2,757,070)	0
As at 30 September 2013	9,533,269	67,376,863	31,813,862	3,880,462	112,604,456
Accumulated amortisation					
As at 1 January 2013	(5,174,594)	(17,019,131)	0	0	(22,193,725)
New acquisitions as a result of merger by absorption	(65,449)	0	0	0	(65,449)
Amortisation	(811,234)	(2,023,871)	0	0	(2,835,105)
Disposals	3,259	0	0	0	3,259
As at 30 September 2013	(6,048,018)	(19,043,002)	0	0	(25,091,020)
Net carrying amount as at 1 January 2013	3,360,946	48,516,599	0	3,328,512	55,206,057
Net carrying amount as at 30 September 2013	3,485,251	48,333,861	31,813,862	3,880,462	87,513,436

(in EUR)	Right to use concession		Goodwill	Ongoing investments	Total
	Software	infrastructure			
Cost					
As at 1 January 2014	10,469,968	69,829,890	85,266,022	1,648,870	167,214,750
New acquisitions as a result of merger by absorption	0	0	0	0	0
New acquisitions	0	0	0	3,694,150	3,694,150
Disposals	0	(16,531)	0	0	(16,531)
Impairments	0	0	0	0	0
Transfer between asset categories	0	0	0	0	0
Transfer from ongoing investments	1,440,666	281,479	0	(1,722,145)	0
As at 30 September 2014	11,910,634	70,094,838	85,266,022	3,620,875	170,892,370
Accumulated amortisation					
As at 1 January 2014	(6,309,454)	(19,784,421)	0	0	(26,093,875)
New acquisitions as a result of merger by absorption	0	0	0	0	0
Amortisation	(1,038,961)	(2,109,837)	0	0	(3,148,798)
Disposals	0	16,530	0	0	16,530
Transfer between asset categories	0	0	0	0	0
As at 30 September 2014	(7,348,415)	(21,877,728)	0	0	(29,226,143)
Net carrying amount as at 1 January 2014	4,160,514	50,045,469	85,266,022	1,648,870	141,120,875
Net carrying amount as at 30 September 2014	4,562,219	48,217,110	85,266,022	3,620,875	141,666,227

11. Property, plant and equipment

Property, plant and equipment of Petrol Group

(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2013	210,117,344	571,317,104	36,477,246	161,605,380	32,568,502	1,012,085,576
New acquisitions as a result of takeover	1,130,733	9,429,746	0	5,178,502	1,150	15,740,131
New acquisitions	0	0	0	0	27,694,531	27,694,531
Disposals	(718,084)	(4,560,091)	(67,210)	(5,554,152)	(780,268)	(11,679,805)
Disposal as a result of a company sale	0	0	0	(87,996)	0	(87,996)
Transfer between assets categories	0	0	179,483	(179,483)	0	0
Transfer from ongoing investments	1,552,288	12,456,201	411,656	15,923,897	(30,344,042)	0
Transfer to investment property	0	(490,150)	0	0	0	(490,150)
Transfer from investment property	0	37	0	0	0	37
Foreign exchange differences	(586,468)	(999,607)	(78,410)	(233,174)	(101,301)	(1,998,960)
As at 30 Sept 2013	211,495,813	587,153,240	36,922,765	176,652,974	29,038,572	1,041,263,364
Accumulated depreciation						
As at 1 January 2013	0	(275,628,306)	(13,029,048)	(109,589,878)	0	(398,247,231)
New acquisitions as a result of takeover	0	(7,447,208)	0	(4,464,882)	0	(11,912,090)
Depreciation	0	(17,087,217)	(1,400,493)	(8,374,214)	0	(26,861,924)
Disposals	0	602,917	71,207	4,536,618	0	5,210,742
Disposal as a result of a company sale	0	0	0	0	0	0
Transfer between assets categories	0	0	(170,294)	170,294	0	0
Transfer to investment property	0	152,074	0	0	0	152,074
Transfer from investment property	0	0	0	69,610	0	69,610
Foreign exchange differences	0	266,651	4,108	132,969	0	403,728
As at 30 Sept 2013	0	(299,141,089)	(14,524,520)	(117,519,483)	0	(431,185,091)
Net carrying amount as at 1 January 2013	210,117,344	295,688,798	23,448,198	52,015,502	32,568,502	613,838,344
Net carrying amount as at 30 September 2013	211,495,813	288,012,151	22,398,245	59,133,491	29,038,572	610,078,272
(in EUR)	Land	Buildings	Plant	Equipment	Ongoing investments	Total
Cost						
As at 1 January 2014	217,218,606	592,479,016	38,000,898	170,163,186	21,041,934	1,038,903,640
New acquisitions	0	0	0	0	26,500,574	26,500,574
Disposals	(2,468,321)	(4,153,500)	(81,644)	(3,576,210)	(571,431)	(10,851,106)
Transfer from ongoing investments	4,534,102	9,323,910	69,898	10,630,308	(24,558,218)	0
Transfer to investment property	0	(201,968)	0	0	0	(201,968)
Transfer from investment property	28,798	867,655	0	0	0	896,453
Foreign exchange differences	(344,866)	(702,016)	(272,810)	(113,286)	(64,567)	(1,497,545)
As at 30 September 2014	218,968,319	597,613,097	37,716,342	177,103,998	22,348,292	1,053,750,048
Accumulated depreciation						
As at 1 January 2014	0	(297,557,093)	(14,885,820)	(107,863,261)	0	(420,306,173)
Depreciation	0	(17,275,190)	(191,716)	(10,843,571)	0	(28,310,477)
Disposals	0	1,359,461	26,409	2,736,182	0	4,122,052
Transfer from investment property	0	(434,141)	0	0	0	(434,141)
Foreign exchange differences	0	225,716	13,890	64,020	0	303,626
As at 30 September 2014	0	(313,681,247)	(15,037,237)	(115,906,630)	0	(444,625,113)
Net carrying amount as at 1 January 2014	217,218,606	294,921,923	23,115,078	62,299,925	21,041,934	618,597,466
Net carrying amount as at 30 September 2014	218,968,319	283,931,850	22,679,105	61,197,368	22,348,292	609,124,934

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

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2013	100,211,622	369,197,089	120,897,814	17,660,999	607,967,524
New acquisitions as a result of merger by absorption	9,577,755	74,779,200	18,349,664	1,282,163	103,988,782
New acquisitions	0	0	0	19,075,726	19,075,726
Disposals	(342,623)	(1,236,530)	(4,543,040)	(776,767)	(6,898,960)
Transfer from ongoing investments	914,739	9,602,850	13,191,482	(23,709,071)	0
Transfer to investment property	0	(490,150)	0	0	(490,150)
Transfer from investment property	0	37	0	0	37
As at 30 September 2013	110,361,493	451,852,496	147,895,920	13,533,050	723,642,959
Accumulated depreciation					
As at 1 January 2013	0	(232,933,288)	(95,101,816)	0	(328,035,104)
New acquisitions as a result of merger by absorption	0	(42,746,205)	(14,936,826)	0	(57,683,031)
Depreciation	0	(12,058,286)	(5,112,871)	0	(17,171,157)
Disposals	0	349,952	3,950,486	0	4,300,438
Transfer to investment property	0	152,074	0	0	152,074
As at 30 September 2013	0	(287,235,753)	(111,201,027)	0	(398,436,780)
Net carrying amount as at 1 January 2013	100,211,622	136,263,801	25,795,998	17,660,999	279,932,420
Net carrying amount as at 30 September 2013	110,361,493	164,616,743	36,694,893	13,533,050	325,206,180

(in EUR)	Land	Buildings	Equipment	Ongoing investments	Total
Cost					
As at 1 January 2014	110,383,113	457,714,227	144,975,961	12,032,695	725,105,996
New acquisitions	0	0	0	14,020,741	14,020,741
Disposals	(2,163,806)	(3,003,716)	(2,267,574)	(571,431)	(8,006,527)
Transfer from ongoing investments	1,698,535	3,836,428	6,682,560	(12,217,523)	0
Transfer to investment property	28,798	(201,968)	0	0	(173,170)
Transfer from investment property	0	867,655	0	0	867,655
As at 30 September 2014	109,946,640	459,212,626	149,390,947	13,264,482	731,814,695
Accumulated depreciation					
As at 1 January 2014	0	(291,281,638)	(105,839,353)	0	(397,120,991)
Depreciation	0	(11,974,044)	(6,299,447)	0	(18,273,491)
Disposals	0	1,206,758	1,838,452	0	3,045,210
Transfer from investment property	0	(434,141)	0	0	(434,141)
As at 30 September 2014	0	(302,483,065)	(110,300,348)	0	(412,783,413)
Net carrying amount as at 1 January 2014	110,383,113	166,432,589	39,136,608	12,032,695	327,985,005
Net carrying amount as at 30 September 2014	109,946,640	156,729,561	39,090,599	13,264,482	319,031,282

12. Investment in subsidiaries

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

(in EUR)	Petrol d.d.	
	30 September 2014	30 Sept 2013
As at 1 January	293,746,174	364,715,239
New acquisitions	1,500,000	2,513,927
Merger by absorption	0	(64,841,413)
Impairment	(676,886)	0
Disposals	(1,474,020)	(114,834)
As at 30 Sept	293,095,268	302,272,919

13. Investments in jointly controlled entities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
As at 1 January	47,660,111	41,931,824	5,820,277	4,740,464
Attributed profit	2,377,285	2,109,923	0	0
Dividends received	(2,150,000)	(1,443,355)	0	0
New acquisitions	2,151,735	2,332,644	151,735	2,332,644
Attribution of changes in the equity of jointly controlled entities	(68,149)	(23,879)	0	0
As at 30 Sept	49,970,982	44,907,156	5,972,012	7,073,108

14. Investments in associates

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
As at 1 January	100,847,540	98,807,655	121,596,000	131,235,000
Attributed profit/loss	6,295,481	3,388,757	0	0
Dividends received	(544,698)	(552,897)	0	0
Attributed changes in the equity of associates	123,144	15,909	0	0
As at 30 September	106,721,467	101,659,424	121,596,000	131,235,000

15. Available for sale financial assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013
As at 1 January	1,666,159	6,488,024	1,536,212	6,358,078
Disposals	0	(2,513,405)	0	(2,513,405)
Balance as at 30 September	1,666,159	3,974,619	1,536,212	3,844,673

16. Inventories

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Spare parts and materials	2,510,596	2,212,365	132,804	88,319
Merchandise:	122,168,613	150,162,025	102,995,443	131,088,107
- fuel	86,949,736	118,184,463	72,164,107	103,424,277
- other petroleum products	5,482,491	5,503,696	4,922,134	4,920,310
- other merchandise	29,736,386	26,473,866	25,909,202	22,743,520
Total inventories	124,679,209	152,374,390	103,128,247	131,176,426

17. Short-term financial receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Loans granted	17,241,319	12,098,570	18,412,989	11,429,977
Adjustment for loans granted	(758,556)	(855,510)	(2,091,589)	(2,091,589)
Bank deposits (3 months to 1 year)	1,731,521	4,032,638	1,000,000	3,490,287
Interest receivables	757,548	475,551	2,791,434	2,524,487
Allowance for interest receivables	(48,569)	(31,708)	(1,339,856)	(1,144,818)
Finance lease receivables	66,798	25,975	66,798	25,975
Total current financial receivables	18,990,061	15,745,516	18,839,776	14,234,319

18. Current operating receivables

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade receivables	405,124,709	401,340,661	333,594,426	300,193,633
Allowance for trade receivables	(50,118,151)	(47,394,331)	(28,754,201)	(27,701,515)
Operating receivables from state and other institutions	12,830,338	18,699,595	7,668,624	13,374,052
Operating interest receivables	3,258,757	3,282,419	4,205,689	3,871,702
Allowance for interest receivables	(2,071,463)	(1,919,460)	(1,737,813)	(1,452,559)
Receivables from insurance companies (loss events)	378,313	312,256	91,383	103,847
Other operating receivables	2,669,581	2,377,271	1,162,693	1,550,320
Allowance for other receivables	(152,910)	(152,910)	0	0
Total current operating receivables	371,919,174	376,545,501	316,230,801	289,939,480

19. Financial assets at fair value through profit or loss

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Financial assets under management	1,527,153	1,434,401	1,527,153	1,434,401
Assets arising from forward contracts	1,036,563	0	1,036,563	0
Assets arising from commodity swaps	802,787	153,629	802,787	153,629
Total financial assets at fair value through profit or loss	3,366,503	1,588,030	3,366,503	1,588,030

20. Prepayments and other assets

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Prepayments	9,880,927	6,490,678	5,622,415	3,901,888
Uninvoiced services and goods	4,922,553	568,150	4,386,883	770,947
Prepaid insurance premiums	1,236,921	747,999	908,850	522,266
Prepaid subscriptions, specialised literature, etc.	860,542	810,959	799,377	801,060
Uninvoiced natural gas and LPG	0	510,306	0	510,306
Other deferred costs and accrued revenue	2,710,307	1,173,366	1,546,350	227,214
Total prepayments and other assets	19,611,250	10,301,458	13,263,875	6,733,681

21. Financial liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Current financial liabilities				
Bank loans	106,837,800	118,553,994	92,981,148	108,318,321
Bonds issued	5,544,770	50,000,000	5,544,770	50,000,000
Liabilities to banks arising from interest rate swaps	3,060,737	3,147,251	1,655,255	2,280,726
Liabilities arising from commodity swaps	953,499	338,584	953,499	325,817
Liabilities to banks arising from forward contracts	685,750	1,103,610	685,750	1,103,610
Finance lease liabilities	221,232	754,812	15,447	64,568
Commercial papers issued	0	55,564,320	0	55,564,320
Other loans and financial liabilities	21,450,605	13,705,113	102,115,929	62,728,030
	138,754,393	243,167,684	203,951,798	280,385,392
Non-current financial liabilities				
Bonds issued	324,118,635	62,956,395	324,118,635	62,956,395
Bank loans	171,403,967	291,111,549	81,051,103	191,452,185
Finance lease liabilities	2,378,598	2,715,198	88,150	88,150
Loans obtained from other companies	383,877	391,061	0	0
	498,285,077	357,174,203	405,257,888	254,496,730
Total financial liabilities	637,039,470	600,341,887	609,209,686	534,882,122

22. Current operating liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Trade liabilities	259,055,397	378,907,580	206,700,974	308,837,833
Excise duty liabilities	58,941,210	51,623,887	49,450,527	45,699,196
Value added tax liabilities	24,635,433	22,592,245	12,916,374	15,009,545
Import duty liabilities	19,959,064	13,990,548	17,058,723	12,652,878
Environment pollution charge liabilities	10,648,128	13,937,013	10,608,657	13,435,026
Liabilities to employees	6,569,308	5,783,156	3,532,664	3,068,745
Liabilities arising from prepayments and collaterals	2,341,801	1,857,536	1,745,392	1,502,835
Other liabilities to the state and other state institutions	1,350,966	534,384	863,923	152,142
Liabilities arising from interests acquired	1,268,852	3,000,000	1,518,852	3,250,000
Liabilities associated with the allocation of profit or loss	587,579	502,218	587,579	502,218
Social security contribution liabilities	492,163	529,033	283,296	280,011
Other liabilities	2,417,620	1,897,832	2,271,630	1,615,215
Total current operating and other liabilities	388,267,521	495,155,432	307,538,591	406,005,643

23. Other liabilities

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Accrued annual leave expenses	1,897,756	1,886,230	1,084,434	1,084,434
Accrued litigation expenses	898,198	1,938,344	744,946	1,763,612
Accrued costs for uninvoiced goods	222,336	1,682,052	275,726	1,615,516
Accrued expenses for tanker demurrage	183,694	180,745	183,694	180,745
Accrued motorway site lease payments	150,092	115,920	150,092	114,655
Accrued concession fee costs	99,176	165,109	28,633	153,416
Accrued goods shortages	41,281	516,684	41,281	516,684
Other accrued costs	4,820,987	3,740,147	833,324	2,382,764
Deferred revenue from rebates granted	1,020,536	454,001	1,020,536	454,001
Deferred default interest income	839,929	839,929	839,929	839,929
Deferred prepaid card revenue	537,915	1,172,351	537,915	1,172,351
Other deferred revenue	1,031,723	1,239,217	437,074	422,663
Total other liabilities	11,743,623	13,930,729	6,177,584	10,700,770

24. Financial instruments and risks

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

Credit risk

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

Having maximum exposure to credit risk is the carrying amount of financial assets which was the following as at 30 September 2014:

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Available-for-sale financial assets	1,666,159	1,666,159	1,536,212	1,536,212
Non-current financial receivables	6,469,426	7,049,936	21,759,272	23,433,149
Non-current operating receivables	1,881,186	2,826,010	1,881,186	2,826,010
Current financial receivables	19,797,186	16,632,734	22,271,221	17,470,726
Current operating receivables	424,261,698	426,012,202	346,722,815	319,093,554
Financial assets at fair value through profit or loss	3,366,503	1,588,030	3,366,503	1,588,030
Cash and cash equivalents	39,234,677	69,742,729	32,149,483	56,407,034
Total assets	496,676,835	525,517,800	429,686,692	422,354,715

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

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

(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	280,978,132	42,517,591	10,088,713	3,602,334	64,153,891	401,340,661
Allowances for trade receivables	0	0	0	(2,944,108)	(44,450,223)	(47,394,331)
Operating receivables from state and other institutions	18,699,595	0	0	0	0	18,699,595
Interest receivables	1,024,040	145,900	93,049	154,217	1,865,213	3,282,419
Allowances for interest receivables	0	0	0	(61,796)	(1,857,664)	(1,919,460)
Other receivables	2,536,617	0	0	0	152,910	2,689,527
Allowance for other receivables	0	0	0	0	(152,910)	(152,910)
Total balance as at 31 December 2013	303,238,384	42,663,491	10,181,762	750,647	19,711,217	376,545,501
(in EUR)	Breakdown by maturity					Total
	Not yet due	Up to 30 days overdue	31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	310,549,780	17,140,664	9,262,692	2,561,617	65,609,956	405,124,709
Allowances for trade receivables	0	0	(3,181)	(2,579,249)	(47,535,721)	(50,118,151)
Operating receivables from state and other institutions	12,830,338	0	0	0	0	12,830,338
Interest receivables	938,902	115,707	125,485	158,601	1,920,062	3,258,757
Allowances for interest receivables	0	0	(45,227)	(152,206)	(1,874,030)	(2,071,463)
Other receivables	2,894,984	0	0	0	152,910	3,047,894
Allowance for other receivables	0	0	0	0	(152,910)	(152,910)
Total balance as at 30 September 2014	327,214,004	17,256,371	9,339,769	(11,237)	18,120,267	371,919,174

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

(in EUR)	Not yet due	Up to 30 days overdue	Breakdown by maturity			Total
			31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	226,688,978	23,625,645	5,997,634	1,701,786	42,179,590	300,193,633
Allowances for trade receivables	0	0	0	(1,701,645)	(25,999,870)	(27,701,515)
Interest receivables	872,206	93,642	145,504	82,170	2,678,180	3,871,702
Allowances for interest receivables	0	0	0	(51,195)	(1,401,364)	(1,452,559)
Other receivables	15,028,219	0	0	0	0	15,028,219
Total balance as at 31 December 2013	242,589,403	23,719,287	6,143,138	31,116	17,456,536	289,939,480

(in EUR)	Not yet due	Up to 30 days overdue	Breakdown by maturity			Total
			31 to 60 days overdue	61 to 90 days overdue	More than 90 days overdue	
Trade receivables	269,429,600	14,033,494	5,567,297	1,766,878	42,797,156	333,594,426
Allowances for trade receivables	0	0	0	(1,766,237)	(26,987,964)	(28,754,201)
Interest receivables	973,351	53,317	114,293	52,998	3,011,729	4,205,689
Allowances for interest receivables	0	0	0	(52,998)	(1,684,815)	(1,737,813)
Other receivables	8,922,700	0	0	0	0	8,922,700
Total balance as at 30 September 2014	279,325,651	14,086,812	5,681,590	641	17,136,106	316,230,801

Changes in allowances for operating receivables of the Group:

(in EUR)	Allowance for current operating receivables	Allowance for current interest receivables	Total
As at 1 January 2013	(42,653,537)	(1,679,878)	(44,333,415)
Net changes in allowances affecting profit or loss	(6,765,833)	(52,696)	(6,818,529)
Changes in allowances not affecting profit or loss	(1,276,681)	(198,114)	(1,474,795)
Reversal of allowances for receivables	3,069,071	5,664	3,074,735
New acquisitions as a result of takeovers	(37,649)	0	(37,649)
Disposals as a result of a company sale	14,277	1,639	15,916
Foreign exchange differences	103,111	3,925	107,036
As at 31 December 2013	(47,547,241)	(1,919,460)	(49,466,701)
(in EUR)	Allowance for current operating receivables	Allowance for current interest receivables	Total
As at 1 January 2014	(47,547,241)	(1,919,460)	(49,466,701)
Net changes in allowances affecting profit or loss	(3,208,582)	21,806	(3,186,776)
Changes in allowances not affecting profit or loss	342,620	(254,199)	88,421
Reversal of allowances for receivables	80,206	79,877	160,083
Disposals as a result of a company sale	(1,091)	0	(1,091)
Foreign exchange differences	63,027	513	63,540
As at 30 September 2014	(50,271,061)	(2,071,463)	(52,342,524)

Changes in allowances for operating receivables of the Company:

(in EUR)	Allowance for current operating receivables	Allowance for current interest receivables	Total
As at 1 January 2013	(25,525,701)	(1,313,181)	(26,838,882)
New acquisitions as a result of merger by absorption	(1,648,155)	0	(1,648,155)
Net changes in allowances affecting profit or loss	(3,146,288)	53,436	(3,092,852)
Changes in allowances not affecting profit or loss	0	(198,114)	(198,114)
Write-downs	2,618,629	5,300	2,623,929
As at 31 December 2013	(27,701,515)	(1,452,559)	(29,154,074)

(in EUR)	Allowance for current operating receivables	Allowance for current interest receivables	Total
As at 1 January 2014	(27,701,515)	(1,452,559)	(29,154,074)
Net changes in allowances affecting profit or loss	(1,109,976)	(34,032)	(1,144,008)
Changes in allowances not affecting profit or loss	0	(251,222)	(251,222)
Write-downs	57,290	0	57,290
As at 30 September 2014	(28,754,201)	(1,737,813)	(30,492,014)

The Group/Company measures the degree of receivables management using day's sales outstanding:

(in days)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Days sales outstanding				
Contract days	34	34	33	32
Overdue receivables in days	15	16	13	15
Total days sales outstanding	49	50	46	47

Liquidity risk

The Group/Company manages liquidity risks through:

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

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

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

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

The Group's liabilities as at 31 December 2013 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	365,621,373	0	0	326,709,354	38,912,019
Non-current operating liabilities	14,638,547	0	0	13,477,565	1,160,982
Current financial liabilities	245,921,558	184,653,245	61,268,313	0	0
Current operating liabilities	495,155,432	485,519,135	9,636,297	0	0
As at 31 December 2013	1,121,336,910	670,172,380	70,904,610	340,186,919	40,073,001

The Group's liabilities as at 30 September 2014 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	509,272,263	0	0	476,070,675	33,201,588
Non-current operating liabilities	10,925,125	0	0	9,747,793	1,177,332
Current financial liabilities	140,207,845	93,422,754	46,785,092	0	0
Current operating liabilities	388,267,521	381,186,283	7,081,238	0	0
As at 30 September 2014	1,048,672,754	474,609,037	53,866,330	485,818,468	34,378,920

The Company's liabilities as at 31 December 2013 by maturity:

(v EUR)	Obveznost	Od 0 do 6 mesecev	Od 6 do 12 mesecev	Od 1 do 5 let	Nad 5 let
Nekratkoročne finančne obveznosti	260,515,578	0	0	255,589,605	4,925,973
Nekratkoročne poslovne obveznosti	14,638,547	0	0	13,477,565	1,160,982
Kratkoročne finančne obveznosti	283,560,757	202,395,678	81,165,078	0	0
Kratkoročne poslovne obveznosti	406,005,643	403,323,220	2,682,423	0	0
Stanje 31. decembra 2013	964,720,524	605,718,898	83,847,502	269,067,170	6,086,955

The Company's liabilities as at 30 September 2014 by maturity:

(in EUR)	Liability	0 to 6 months	6 to 12 months	1 to 5 years	More than 5 years
Non-current financial liabilities	414,193,824	0	0	410,027,089	4,166,735
Non-current operating liabilities	10,925,125	0	0	9,747,793	1,177,332
Current financial liabilities	206,088,193	163,452,602	42,635,591	0	0
Current operating liabilities	307,538,591	305,018,373	2,520,218	0	0
As at 30 September 2014	938,745,734	468,470,975	45,155,809	419,774,882	5,344,067

Foreign exchange risk

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

Hedging is performed in accordance with the Group's Rules for the Management of Price and Foreign Exchange Risks prepared on the basis of the Regulation on the Price Methodology for Petroleum Products. The exposure to changes in the EUR/USD exchange rate is hedged against using foreign exchange hedging. The EUR/USD exchange rate is thus

fixed at the rate recognised under the Regulation on the Price Methodology for Petroleum Products and the margin is maintained. The hedging instruments used are forward contracts entered into with banks.

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

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

Price risk

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

Interest rate risk

In the financing of capital investments and current operations, interest rate risks are incurred as the Group/Company enters into long and short-term loan agreements based on Euribor, which changes on a daily basis. Interest rate hedging is conducted in accordance with the Group's policy for hedging against business risks as laid down in the Rules on Business Risk Management and Instructions for Hedging Against Interest Rate Risks.

Cash flow hedging is performed as follows:

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

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

To hedge against interest rate risks, the Group/Company uses multiple financial instruments, of which most frequently the interest rate swap (IRS). In addition, several derivative instruments are used, which are based on IRSs (collar, IRS with triggers, IRS with the possibility of cancellation).

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

Equity management

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

Testifying to our financial stability are the "BBB-" credit rating received from S&P at the end of June and the successful international issuance of eurobonds worth a total of EUR 265 million. Thanks to the long-term funds obtained we have been able to improve significantly our capital structure and the financing of our long-term investments with long-term funding sources.

Carrying amount and fair value of financial instruments

(in EUR)	The Petrol Group			
	30 September 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Available-for-sale financial assets	1,666,159	1,666,159	1,666,159	1,666,159
Non-derivative financial assets at amortised cost				
Financial receivables	26,986,640	26,986,640	24,229,853	24,229,853
Operating receivables	372,373,956	372,373,956	377,945,107	377,945,107
Cash, cash equivalents and corporate income tax assets	39,247,811	39,247,811	69,860,408	69,860,408
Total non-derivative financial assets	440,274,566	440,274,566	473,701,527	473,701,527
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities	(632,339,484)	(640,741,859)	(592,705,183)	(597,613,768)
Operating liabilities	(399,192,646)	(399,192,646)	(509,793,979)	(509,793,979)
Total non-derivative financial liabilities	(1,031,532,130)	(1,039,934,505)	(1,102,499,162)	(1,107,407,747)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,839,350	1,839,350	153,629	153,629
Derivative financial instruments (liabilities)	(4,699,986)	(4,699,986)	(4,589,445)	(4,589,445)
Total derivative financial instruments	(2,860,636)	(2,860,636)	(4,435,816)	(4,435,816)

(in EUR)	Petrol d.d.			
	30 September 2014		31 December 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-derivative financial assets at fair value				
Available-for-sale financial assets	1,536,213	1,536,213	1,536,212	1,536,212
Non-derivative financial assets at amortised cost				
Financial receivables	42,126,201	42,126,201	40,576,539	40,576,539
Operating receivables	316,685,583	316,685,583	291,339,086	291,339,086
Cash, cash equivalents and corporate income tax assets	32,149,483	32,149,483	56,407,034	56,407,034
Total non-derivative financial assets	392,497,480	392,497,480	389,858,871	389,858,871
Non-derivative financial liabilities at amortised cost				
Bank loans and other financial liabilities	(605,915,182)	(614,317,557)	(531,171,968)	(536,080,553)
Operating liabilities	(318,463,716)	(318,463,716)	(420,644,190)	(420,644,190)
Total non-derivative financial liabilities	(924,378,898)	(932,781,273)	(951,816,158)	(956,724,743)
Derivative financial instruments at fair value				
Derivative financial instruments (assets)	1,839,350	1,839,350	153,629	153,629
Derivative financial instruments (liabilities)	(3,294,504)	(3,294,504)	(3,710,154)	(3,710,154)
Total derivative financial instruments	(1,455,154)	(1,455,154)	(3,556,525)	(3,556,525)

25. Related party transactions

(in EUR)	The Petrol Group		Petrol d.d.	
	1-9 2014	1-9 2013	1-9 2014	1-9 2013
Sales revenue				
Subsidiaries	-	-	273,609,664	176,371,141
Jointly controlled entities	2,995,101	3,349,730	2,187,250	3,105,714
Associates	1,072,764	1,195,592	1,072,764	1,195,592
Cost of goods sold				
Subsidiaries	-	-	19,153,760	107,361,339
Jointly controlled entities	12,972,136	23,928,871	3,097,223	3,343,743
Associates	20,345,206	30,782,363	784	3,032,787
Cost of materials				
Subsidiaries	-	-	1,370,915	1,358,901
Jointly controlled entities	484,147	293,416	118	517
Associates	10,645	16,939	0	16,939
Cost of services				
Subsidiaries	-	-	14,025,370	13,725,489
Jointly controlled entities	173	0	0	0
Associates	23,627	37,461	23,076	35,607
Other costs				
Subsidiaries	-	-	59,708	80,300
Jointly controlled entities	0	2,700	0	2,700
Associates	0	741	0	254
Other revenues				
Associates	0	114,287	0	0
Finance income from interests in Group companies				
Subsidiaries	-	-	123,923	1,259,781
Jointly controlled entities	2,432,774	2,269,632	150,000	43,355
Associates	6,295,481	3,388,757	544,698	552,897
Finance expenses for interests in Group companies				
Jointly controlled entities	55,489	159,709	0	0
Finance income from interest				
Subsidiaries	-	-	1,088,399	729,999
Jointly controlled entities	229,266	121,784	229,266	0
Associates	0	0	0	121,784
Finance expenses due to impairment of investments and goodwill				
Subsidiaries	-	-	676,886	0
Finance expenses for interest				
Subsidiaries	-	-	2,132,320	220,444
Jointly controlled entities	44,783	52,356	0	0
Associates	404,466	164,227	404,466	159,288

(in EUR)	The Petrol Group		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Investments in Group companies				
Subsidiaries	-	-	293,095,268	293,746,174
Jointly controlled entities	49,970,982	47,660,111	5,972,012	5,820,277
Associates	106,721,467	100,847,540	121,596,000	121,596,000
Non-current financial receivables				
Subsidiaries	-	-	16,480,465	17,587,213
Jointly controlled entities	2,747,033	2,747,033	2,747,033	2,747,033
Current operating receivables				
Subsidiaries	-	-	69,824,880	37,619,174
Jointly controlled entities	466,326	1,002,500	379,666	922,799
Associates	200,747	248,442	200,747	248,442
Current financial receivables				
Subsidiaries	-	-	6,008,940	5,275,014
Jointly controlled entities	3,718,133	4,808,451	3,718,133	2,808,451
Short-term deposits (up to 3 months)				
Subsidiaries	-	-	2,215,801	1,309,514
Accrued revenue				
Subsidiaries	-	-	1,995,114	325,709
Current financial liabilities				
Subsidiaries	-	-	80,679,379	51,080,490
Jointly controlled entities	1,271,910	3,277,855	1,271,910	1,271,910
Associates	20,046,849	10,032,274	20,046,849	10,032,274
Current operating liabilities				
Subsidiaries	-	-	6,592,813	22,953,055
Jointly controlled entities	1,620,243	8,913,728	120,259	497,005
Associates	1,552,565	13,084,979	7,739	11,988

26. Contingent liabilities

Contingent liabilities for guarantees issued

(in EUR)	Petrol d.d.		Petrol d.d.	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Guarantee issued to:	Value of guarantee issued		Guarantee amount used	
Petrol d.o.o.	125,607,228	139,210,930	85,163,438	90,678,115
Petrol BH Oil Company d.o.o.	34,908,402	4,857,273	34,505,846	3,715,310
Petrol-Trade Handelsges.m.b.H.	25,200,000	64,536,524	1,260,000	14,483,736
Petrol Energetika d.o.o.	20,068,000	14,028,007	3,376,641	11,594,008
Petrol Crna Gora MNE	8,500,000	2,450,000	6,560,034	109,566
Bio goriva d.o.o.	5,406,000	5,406,000	436,000	436,000
Petrol d.o.o., Beograd	4,669,722	3,674,064	2,500,000	2,500,000
Petrol Plin d.o.o.	1,895,077	1,896,120	1,114,809	1,617,310
Petrol-Oti-Slovenija L.L.C.	1,200,000	1,200,000	0	1,078,457
Aquasystems d.o.o.	911,309	911,309	911,309	911,309
Petrol Geoterm d.o.o.	746,954	0	746,954	0
Eltec Petrol Srbija	529,885	0	424,538	0
ELTEC Petrol Hrvatska	96,827	97,030	54,991	48,515
Petrol Tehnologija d.o.o.	50,000	50,000	0	33,141
Eltec Petrol Slovenija	93,152	0	93,152	0
Total	229,882,556	238,317,257	137,147,712	127,205,467
Other guarantees	12,809,915	13,222,432	12,809,915	13,222,432
Bills of exchange issued as security	6,062,300	46,283,729	6,062,300	46,283,729
Total contingent liabilities for guarantees issued	248,754,771	298,952,830	156,019,927	187,841,040

The value of a guarantee issued represents the maximum value of the guarantee issued, whereas the guarantee amount used represents a value corresponding to a company's liability for which the guarantee has been issued.

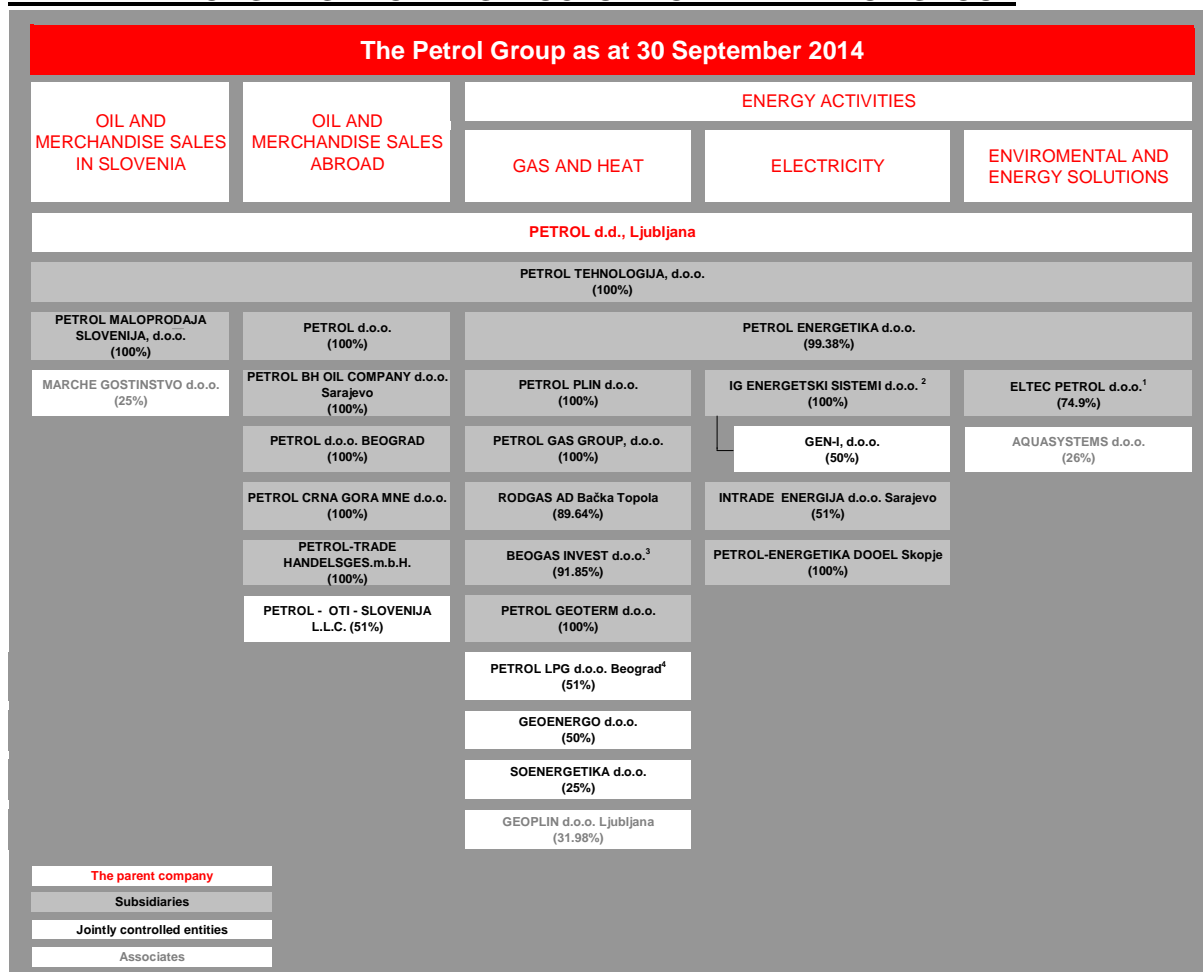
Contingent liabilities for lawsuits

In the period between 31 December 2013 and till the day of these financial statements, there were no new lawsuits filled against The Group or Company that would materially affect the financial statements in the first nine months of year 2014.

27. Events after the reporting date

There were no events after the reporting date that would significantly affect the financial statements for the first nine months of year 2014.

APPENDIX 1: ORGANISATIONAL STRUCTURE OF THE PETROL GROUP



² IG Energetski sistemi d.o.o. has, in addition to GEN-I, d.o.o., the subsidiary: Vitales energie biomasse Italia s.r.l. (in liquidation).

³ Beogas Invest d.o.o. has the subsidiaries Beogas d.o.o. and Domingas d.o.o.

⁴ Petrol LPG d.o.o. Beograd has the subsidiary Tigar Petrol d.o.o.