

ANNOUNCEMENT OF CONSOLIDATED NON-AUDITED FINANCIAL  
STATEMENTS OF THE DIOKI GROUP FOR THE YEAR 2008

Although in the first eight months of 2008 the financial result of DIOKI Group was positive, at the end of the financial year DIOKI was 90.6 million Croatian Kunas in the red, while the loss at the Group level, after consolidation, was 132.3 million Croatian Kunas. A negative operating result was caused by a plunge in the prices of oil, petrochemical products and plastics due to global recession the effects of which were most felt in the last quarter of 2008. As the movements in prices of finished products did not follow those in raw material prices, a significant drop in demand in foreign polymer markets and considerably reduced consumption in the food, construction and motor car industries, i.e. direct processors of the Group's products, were recorded. The negative result at the Group level was additionally caused by a huge increase in utilities prices and an unfavourable EUR and USD exchange rates to Croatian Kuna.

"In the first quarter of 2009, DIOKI was operating with profit in compliance with the business plan that also includes a continuation of an investment cycle aimed at introduction of new production and expansion of existing capacities. The investment cycle started in 2007 is valued at above 80 million EUR. Up to the present, 30 million EUR have been invested in both locations, i.e. DIOKI at Žitnjak and DINA-Petrokemija on Krk Island. This year, further investment of 40 million EUR in DINA will be made.

All these investments make it possible for the DIOKI Group to achieve its clearly established strategic goals involving, among other things, the strengthening of our position as regional petrochemical leader and Croatian exporter." – said Mr. Zdenko Belošević, President of the DIOKI d.d. Management Board.