

2011
annual report

80
years

NITROGÉN MŰVEK ZRT.





*In the past 80 years
for the hungarian agriculture*

CONSOLIDATED FINANCIAL STATEMENTS

for 2010 and 2011 prepared in accordance with International Financial Reporting Standards as adopted by the EU

Consolidated Statement of Financial Position (Data in THUF)

Description	2010 figures	2011 figures
ASSETS		
Non-current assets		
Property, plant and equipment	29.024.486	31.401.374
Intangible assets	134.651	96.110
Financial assets	17.297	19.793
Other non-current assets	1.165.858	79.912
Deferred tax assets	53.709	70.236
Total non-current assets	30.396.001	31.667.425
CURRENTS ASSETS		
Inventories	11.250.147	11.532.025
Emission rights	193.054	16.479
Income tax asset	82.584	19.982
Trade receivables	6.250.068	6.468.118
Other financial assets and derivatives	3.172.420	4.091.280
Other receivables	9.033.203	6.256.328
Cash and cash equivalents	9.768.409	24.116.799
Assets held for sale	37.012	0
Total current assets	39.786.897	52.501.011
Total assets	70.182.898	84.168.436
EQUITY AND LIABILITIES		
Equity		
Subscribed capital	1.518.000	1.518.000
Translation reserve	5.819	8.446
Retained earnings	16.877.450	27.368.640
Total equity attributable to owners of the company	18.401.269	28.895.086
Total equity	18.401.269	28.895.086
Liabilities		
Long-term liabilities		
Loans and borrowings	16.370.977	17.783.029
Other long-term financial liabilities	1.258.044	1.448.851
Other long-term liabilities	7.782.113	7.328.520
Deferred tax liability	410.870	1.485.389
Total long-term liabilities	25.822.004	28.045.789
CURRENT LIABILITIES		
Loans and borrowings	5.881.270	1.894.215
Income tax liability	624	4.960
Trade payables	2.372.358	5.335.667
Other financial liabilities and derivatives	3.818.933	604.287
Other current liabilities	13.366.351	19.125.826
Provisions	520.089	262.606
Total current liabilities	25.959.625	27.227.561
Total equity and liabilities	70.182.898	84.168.436



Consolidated Statement of Comprehensive Income (Data in THUF)

Description	2010 figures	2011 figures
Net sales revenue	54.820.422	81.187.261
Other income	5.064.488	3.559.798
Total operating income	59.884.910	84.747.059
Material-type expenses	41.202.107	53.100.260
Staff costs	4.536.992	4.459.741
Depreciation and impairment	1.613.999	1.876.535
Other expenses	5.854.805	2.978.315
Changes in self-manufactured stocks	210.857	-89.518
Capitalised value of self-manufactured assets	-314.363	-269.768
Total operating costs	53.104.397	62.055.565
Operating profit	6.780.513	22.691.494
Income from financial transactions	1.202.406	3.111.563
Expenses on financial transactions	3.029.206	5.547.467
Profit/Loss on financial transactions	-1.826.800	-2.435.904
Profit before tax	4.953.713	20.255.590
Income tax expense	168.411	4.467.400
Profit for the period	4.785.302	15.788.190
Other comprehensive income		
Translation difference	5.083	2.627
Total other comprehensive income	5.083	2.627
Total comprehensive income for the period	4.790.385	15.790.817

Dear partner,

2011 WAS A YEAR OF CELEBRATION for the 80th anniversary of Nitrogénművek Zrt. and the history of Hungarian industry as the factory in Pétfürdő, considered the birthplace of nitrogen fertiliser manufacturing in Hungary, began its operations in 1931 and has been supporting Hungarian agriculture ever since. For almost two months the 80-year history of the Hungarian fertiliser industry and Nitrogénművek Zrt. was on display at the Hungarian Museum of Agriculture, and this exhibition brought the anniversary year of Nitrogénművek Zrt. to a close in December 2011.

Day-to-day operations continued at pace though and the plants ran consistently at full capacity which enabled the Company to beat its results from 2010 in terms of production and sales volumes as well as revenue and the result of business management.

In the past year the Company broadened its financial resources by issuing bond in a worth of EUR 50 million. This bond enabled the Company to repay its investment loans drawn in 2005 and the working capital loan drawn in 2009. The terms and conditions of the bond included an appropriate credit rating, which the Company complied with. Ratings agency

Standard and Poor's published the Company's credit rating on 12 January 2012, which was BB- with a negative outlook. Such an assessment provides further clarification as to the viability of our business model and will allow the Company access to a deeper pool of liquidity in the future.

In 2003 the European Fertilizer Manufacturers' Association launched a Product Stewardship programme to which all the main European fertiliser manufacturers joined. Nitrogénművek Zrt., as a member firm of Fertilizers Europe, also joined the Product Stewardship programme since complying with these requirements is important for us.

In May 2011 the Company received the Product Stewardship certificate as part of the Product Stewardship programme's external audit; this verifies that our products on the certificate are managed in accordance with the highest European standards known today, namely that we apply appropriate practices, procedures and methods in developing, manufacturing, storing, transporting and using fertilisers. This means that the products – throughout their entire life cycle – constitute no risk to health, safety or the environment.



LÁSZLÓ TIBOR BIGE
Chairman-CEO

*This year passed in the spirit
of the celebration of our **80** years
existence anniversary*



There will be another full-scale shutdown in August 2012, and one of the main elements here will be upgrading the primary reformer in the ammonia plant. During this project the catalyser support replaced in 1986 will be replaced again, and a pipe system will be put in its place which has a larger internal diameter, can withstand a higher operating temperature and is designed for longer use. Equally in the ammonia plant, the process condensate cleaning unit will be converted to a mid-pressure condensate

cleaning system. We are also carrying out an investment to conserve energy, in which the drop in steam reduction pressure will be used to generate electricity.

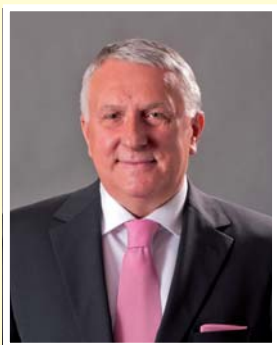
To secure the future of Hungarian agriculture and the Company we shall continue to rely on the support of our partners and dedicated employees to address the challenges of the coming years.

*...the plants ran consistently
at full capacity...*

MANAGING BOARDS OF NITROGÉN MŰVEK ZRT.

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Board of Directors of Nitrogénművek Zrt.



LÁSZLÓ TIBOR BIGE
Chairman-CEO



DR. ISTVÁN BLAZSEK
CEO



ZOLTÁN BIGE
General Manager



ESZTER FÁBRY
Chief Finance Officer



ZALÁN BIGE
Board member

Supervisory Board of Nitrogénművek Zrt.



ZOLTÁN GYENES
member of the Board



RÓBERT SZUROVCSÁK
chairman of the Board



GÉZA TÓSOCKI
*employees' representative,
member of the Board*

MANAGING BOARDS OF NITROGÉN MŰVEK ZRT.

Management of Nitrogénművek Zrt.



LÁSZLÓ TIBOR BIGE
Chairman-CEO



DR. ISTVÁN BLAZSEK
CEO



ZOLTÁN BIGE
General Manager



ESZTER FÁBRY
Chief Finance Officer



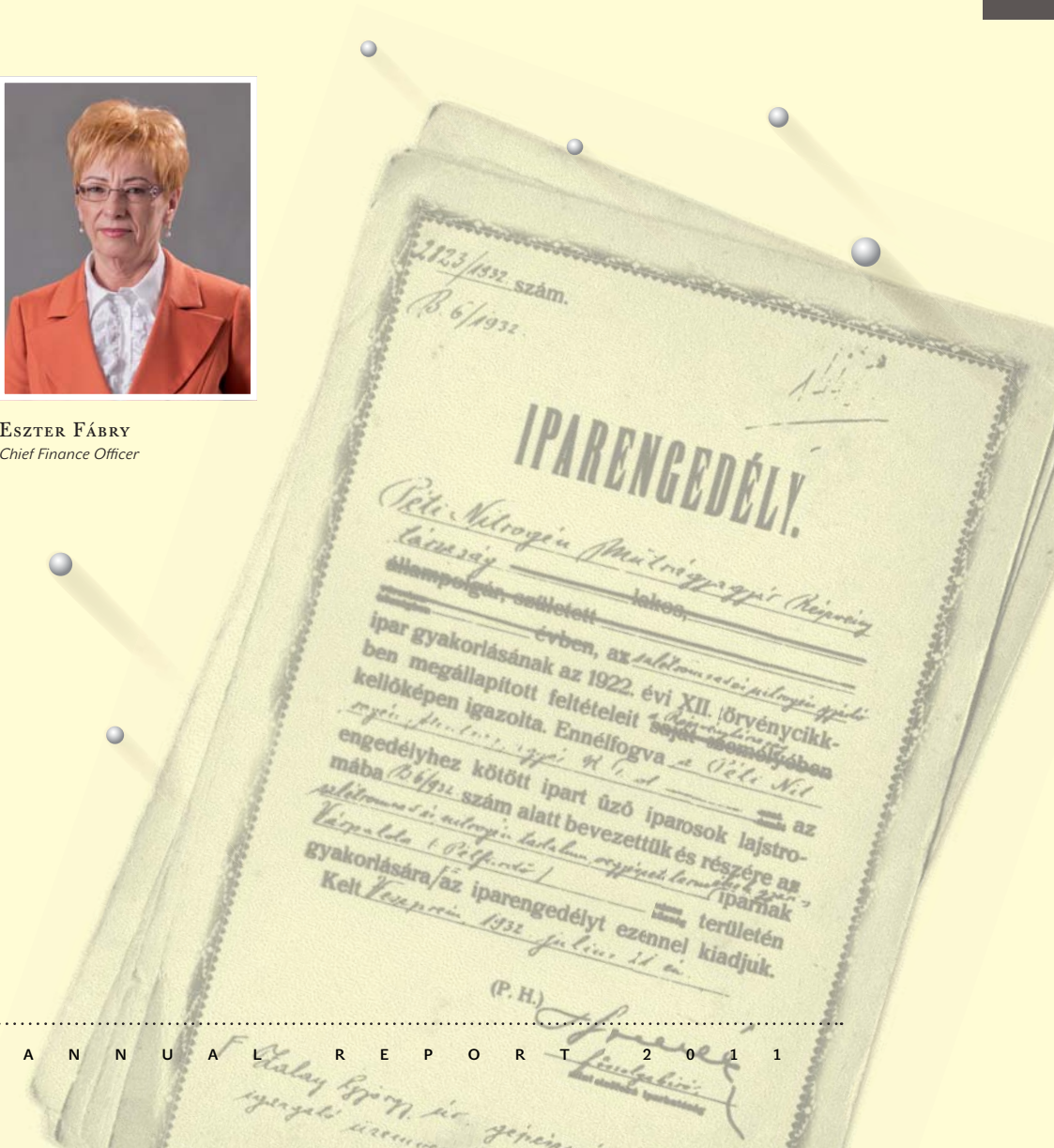
PÉTER SUBA
Commercial Director



JÁNOS SZILÁGYI
Technical Director



JÓZSEF MEDVE
HR Director





DET NORSKE VERITAS MANAGEMENT SYSTEM CERTIFICATE

Certificate No. 108285-2011-OTH-BEL
This is to certify that

Nitrogénművek Corporation
H-8105, Pétfürdő, Hősök tere 14., Hungary
has been found to conform to the Management System Standard:
Fertilizers Europe

**Product Stewardship Standard
Issue 3 (18 October 2010)**

This Certificate is valid for the following scope:

- Product Development
- Sourcing of Raw Materials & Additives
- Manufacturing
- Packaging
- Transportation
- Storage (at the manufacturing site)
- Marketing and Sales
- Product Application and Farmer Services

applied to
Ammonium nitrate, calcium ammonium nitrate (prilled, granulated), urea,
liquid fertilizers (urea ammonium nitrate, CaNO3)
and other special liquid fertilizers containing nitrogen in small quantities.

Product stewardship is also applied to raw materials and intermediate products used and manufactured
including: natural gas, ammonia and nitric acid.

This Certificate is valid from:
24 May 2011

This Certificate is valid until:
24 May 2014

The audit has been performed under the
supervision of:

Nico Roels
Lead Auditor



Place and date:
Antwerp, 30 May 2011

for the Accredited Unit:
DET NORSKE VERITAS CERTIFICATION B.V.,
BELGIUM BRANCH

Joost Vanden Berghe
Management Representative

Lack of fulfillment of conditions as set out in the Certification Agreement may render this Certificate invalid.
DET NORSKE VERITAS CERTIFICATION B.V. - BELGIUM BRANCH, Dabodstraat 39 bis, 2060 Antwerpen, Belgium TEL: +32 3 2066330 - www.dnv.com | www.dnv.be





*In the past 80 years
for the continuous innovation*



In 2011 the parent company won the Business Superbrands award for the fourth time.

THE CORE ACTIVITY OF NITROGÉN MŰVEK ZRT. and its subsidiaries is the production and sale of solid and liquid fertilisers with one or more components and containing macro, micro and mezo elements as well as the distribution of the NPK products of Bige Holding Kft. in Szolnok, part of the parent company's holding network. The fertiliser products are sold under the brand name of GENEZIS through wholesalers and the direct sales system – the Genezis partner network. In addition to producing the entire spectrum of fertilisers our activities include the manufacturing of other chemical products, industrial and agricultural services, and the production of polyethylene wrapping required to package the fertilisers.

Production activities are based in Pétfürdő. The technology used and the business environment has changed and developed radically over the last 80 years but our main objective is still satisfying the long-term needs of Hungarian agriculture with quality fertiliser. At the parent company the principal activity is producing single-component products containing nitrogen. The flagship product of the Company is CAN which has the best environmental and agronomical properties while significant volumes of ammonium-nitrate and nitrogen-rich urea are also sold. The range of nitrogen fertilisers include nitrosol used as top, leaf and irrigation fertiliser, calcinol which is recommended for improving soil with calcium deficiencies, and micramid which apart from nitrogen also contains micro nutrients.

Nitrogénművek Zrt. produces the most important materials required for the production of fertilisers, i.e. ammonia and nitric acid, itself whilst also manufacturing other chemical products – liquid ammonia, industrial gases. After rating the subsidiaries the parent company resolved to consolidate five wholly-owned companies into the consolidated financial statements:

- Nádudvari Agrokémiai Kft. (Hungary),
- Péti Polietilén Zsák Kft. (Hungary),
- Péti Nitrokomplex Kft. (Hungary),
- „Nitro Pet” d.o.o. (Serbia),
- SC BH Chemical Impex s.r.l. (Romania).

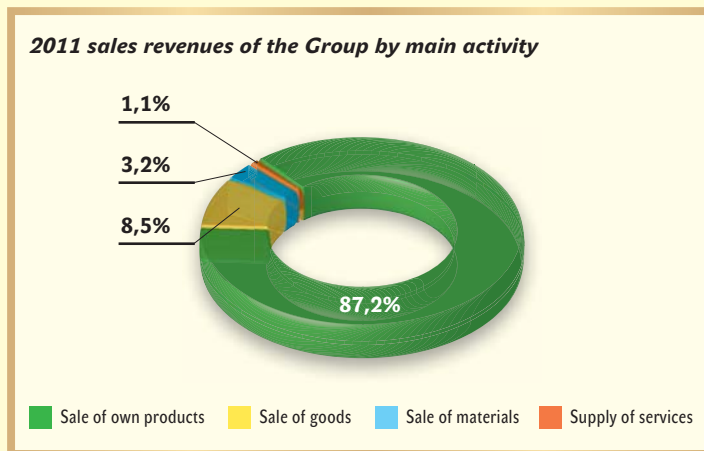


Pétfürdő is also home to Péti Nitrokomplex Kft. and Péti Polietilén Zsák Kft., both on the site of the parent company; the founding company Nitrogénművek Zrt. meets their power, steam, instrument, air supply and other infrastructural needs (e.g. use of land, buildings, changing rooms and shower rooms).

The core activity of Péti Nitrokomplex Kft. is the manufacturing and distribution of products containing special micro and macro elements as well as the sale of small pre-packaged bags of the parent company's fertiliser products. Other chemical industry services (contract manufacturing, contract packaging) were performed in 2011 as well but similarly to previous years it is not significant. In 2011 the Company raised its sales revenue from its own manufactured products by 64%, and from the sale of small pre-packaged bags by 51% compared to the previous year. Dynamic growth was achieved in the sales of the Genezis foliage fertiliser range which was introduced in 2010 and contains nitrogen as well as mezo and micro elements depending on the purpose of use.

Péti Polietilén Zsák Kft. manufactures and distributes polyethylene packaging, bags and wrapping. Its production capacity primarily satisfies the needs of the parent company for bags and wrapping material, with any additional free capacity used to meet external market demands. Alongside the manufacturing and sale of self-manufactured products the company extended its product range with purchased products and stocks derived from contract manufacturing in response to market demand. In 2011 the sales of stretch foil manufactured with the Kft.'s own spooling equipment for different sizes of product exceeded the previous year's quantities, and this significantly boosted sales revenue.

Nádudvari Agrokémiai Kft. is based in the eastern part of the country where it produces liquid nitrogen solution (mainly a 30% solution), along with multi-component fertiliser suspension. In connection with the production of liquid fertiliser the Kft. provides a delivery service for users while its site offers excellent storage capacity. Alongside liquid fertiliser production, another main part of the Kft.'s activity is distributing the fertiliser products of the parent company in eastern Hungary.



„Nitro Pet” d.o.o. is active in the town of Subotica in Serbia and distributes the parent company's products in Serbia. In 2011 the general business climate in Serbia was much worse than in 2010 but the agricultural situation improved. The prices of agricultural products remained relatively high over the year which made production economically efficient. Registered producers received significant funding from the government in the form of allowances and refunds which helped to boost solvent demand. With this financial support the producers now also keep an eye on the quality of their products, and in this field the products of Nitrogénművek Zrt. are market leaders.

The business site of S.C. BH Chemical Impex s.r.l. is in the Romanian town of Satu Mare where they are engaged in the wholesale of Genezis products. The first five months of the year were favourable for the sale of the company's fertilisers on the Romanian fertiliser market. The autumn season failed to materialise on account of the drought that prevented the autumn sowing. Similarly to the Hungarian fertiliser market, sales of CAN dominated in Romania over ammonium nitrate. The prices of urea and NPK products are not competitive on the Romanian fertiliser market and so sales of these products were minimal in 2011.

The parent company works closely with the Fertilizers Europe committees and other international organisations, receiving information, studies and analyses on the EU fertiliser market; the organisation also functions as a body for interest representation and legal remedy vis-à-vis manufacturers outside the European Union.

In 2011 the parent company won the Business Super-brands award for the fourth time.



SALES IN HUNGARY, MARKET ENVIRONMENT OF THE GROUP

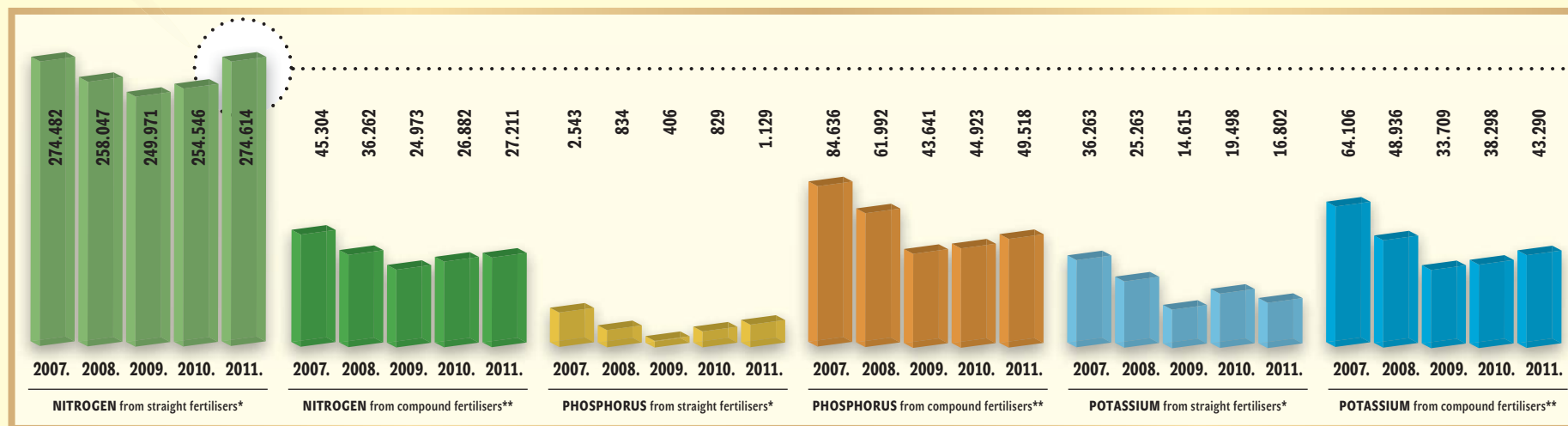
BASED ON AN EXPERT estimate of the Hungarian Chamber of Agriculture from early 2011, the farming economy suffered damage of billions of HUF due to the flooding. The experts believe that autumn sowing – including rape, autumn barley and wheat – was destroyed over an area of 200.000 hectares while massive pieces of land were sodden to the extent that the tillage of the soil carried out in the autumn of the previous year was rendered useless and the water compressed and leached the earth. Consequently when the water receded the tillage had to be performed again and the nutrients supplied once more.

These factors resulted in agricultural life starting later in 2011 than the average, and the spring fertiliser season was longer for the Group as the damp soil was slowly brought back into cultivation.

The flooding at the start of the year was followed by a dry summer and autumn though which was good for the harvests and farmers gathered in good crops. The prices of produce were higher: Hungarian producer prices of soft wheat were up by 29%, feed corn was up 30% and sunflower seeds were up 27% between January and November compared to the previous year.

While the dry autumn that benefited the harvesting made the autumn tillage more difficult, thanks to the relatively high produce prices a significant number of end-users and distributors purchased the nitrogen fertiliser that they needed for the following planting season, as a result of which Nitrogénművek Zrt. sold 222.000 tonnes of fertiliser between September and December.

Sale of fertiliser in Hungary in terms of nutrient (Source: Research Institute of Agricultural Economics)

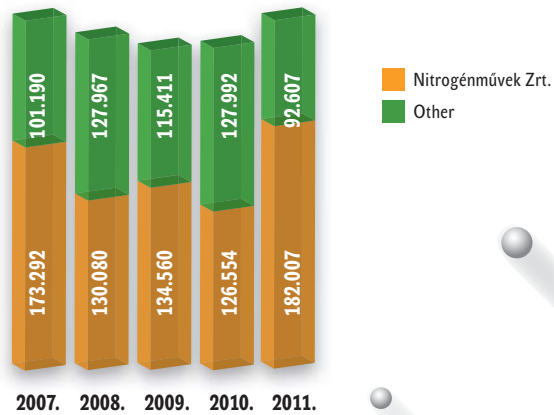


* straight fertiliser: fertiliser containing one nutrient
** compound fertiliser: fertiliser containing several nutrients

In spite of the difficulties, Hungarian agriculture enjoyed an encouraging year overall; the crops were good and the export/import balance was positive. Thanks to the favourable market conditions derived from successful agricultural activities and the permanent export sales opportunities the Company was able to sell all the fertiliser produced during the year.

The commercial weight of the four main fertilisers sold by the Group in Hungary amounted to 602.000 tonnes which is 179.000 tonnes more than in the previous year.

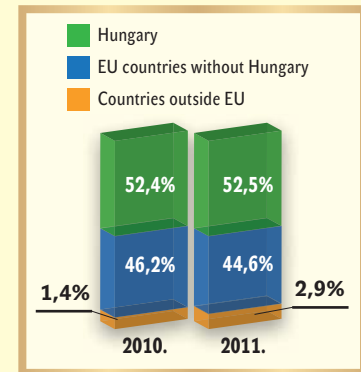
Source of supply of nitrogen sold in the case of straight fertilisers



THE QUANTITY OF ACTIVE ingredient in the straight fertilisers – nitrogen, phosphorus, potassium – sold to agricultural producers totalled 292.545 tonnes which is 6,4% higher than the previous year. Looking more closely at straight fertilisers, sales of nitrogen fertilisers rose 7,9% and phosphorus fertilisers 36,2% while sales of potassium fertilisers dropped 13,8%.

In terms of straight nitrogen fertilisers the ratio of the fertilisers manufactured by the Company and sold to agricultural producers increased from 49,7% to 66,3%, and their use in 2011 reached 2007 levels; use of other fertilisers, however, still falls short of levels achieved prior to the economic crisis.

Sales revenues by geographical regions

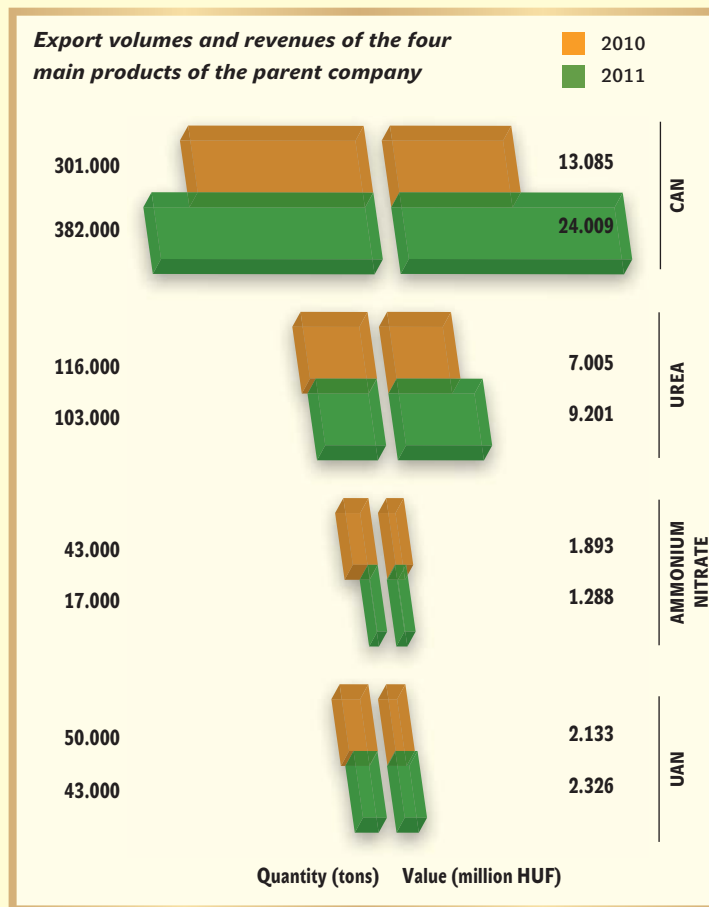
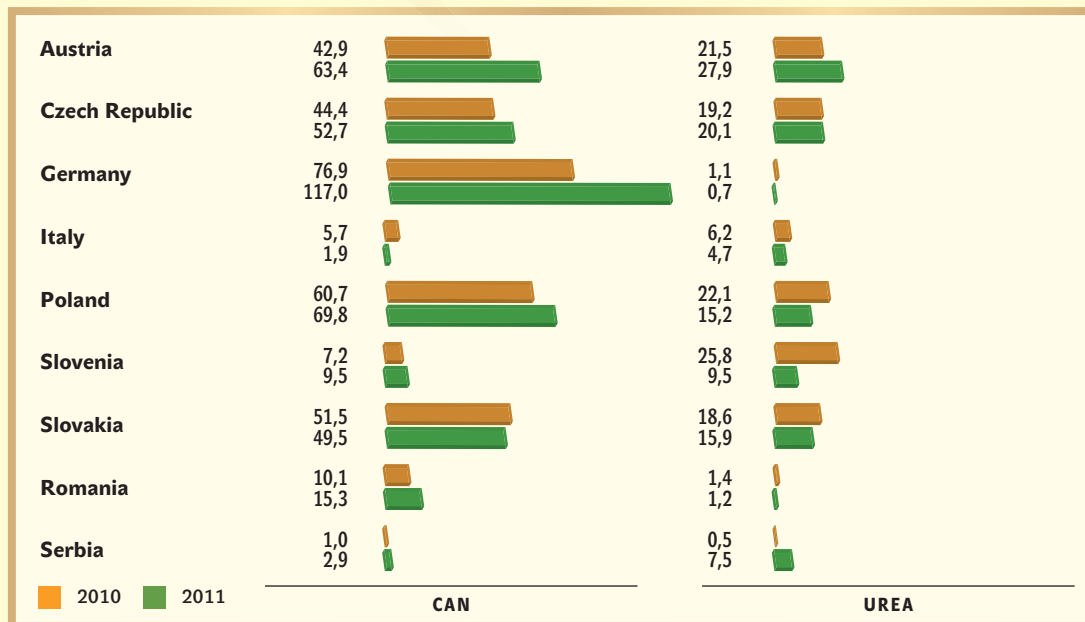


EXPORT SALES OF THE GROUP

IN 2011 THE GLOBAL MARKET was more or less characterised by balanced supply and demand conditions. Starting from a low basis, prices rose continuously, in accordance with the seasonal nature of the products. This was a trend observed across the region covered by the Group although demand and the pace of price growth appeared to lose momentum in the last part of the year. That said there was good solvent demand for the products of the Company all through the year, and monthly sales quantities were balanced compared to the previous year.

In 2011 the export volume of the Company's products increased by 6,8 %, while sales revenues rose by 52,7 %, due to favourable price levels of fertilisers.

Export volumes of CAN and urea by country
(thousand tons)



In line with the established practice, products were primarily sold through Group companies established abroad, with advance payment terms now applied generally.

PRODUCTION

THE PRODUCTION of fertilisers which is at the core of the Group's activities and sales is carried out at the site of the parent company. The parent company endeavoured to maximise capacity utilisation in all production plants in 2011 as well. In the course of the year there was no overhaul of machinery which would have reduced production operations significantly and in the basic plants were only a few faults which caused a significant outage of production. As a result, production reached a highest-ever level of recent years.

The ammonia plant ran at a high daily capacity throughout the year – 1200t/day – which ensured smooth operations for the processing plants. In 2011 there was no full-scale shutdown.

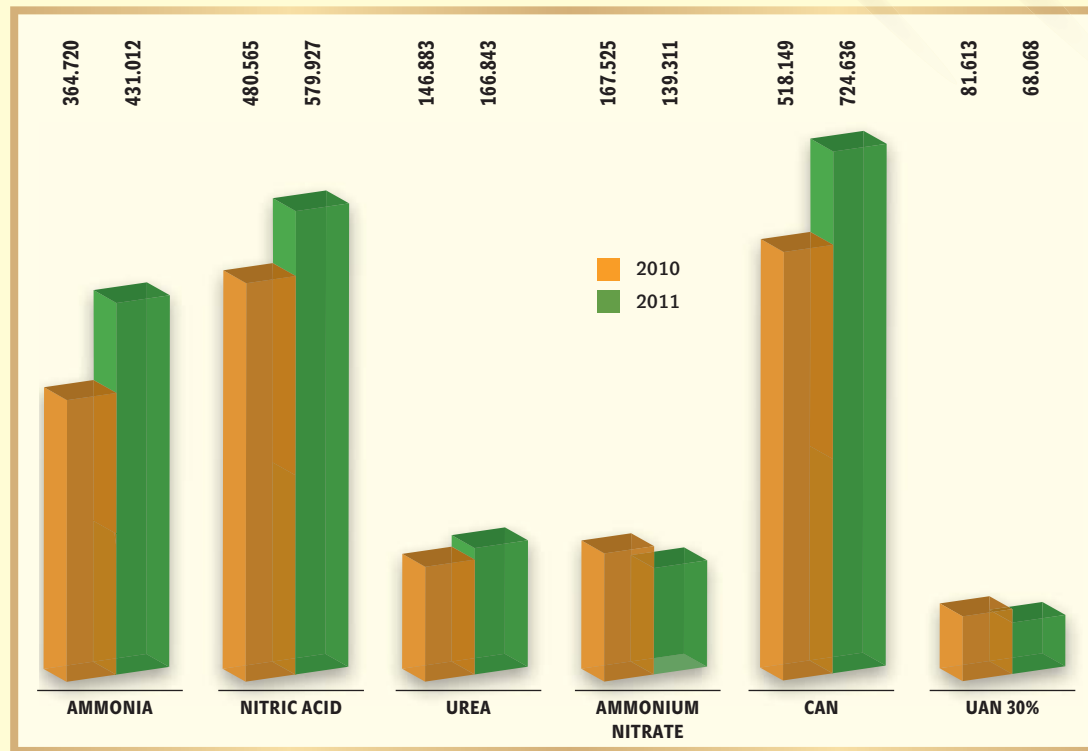
The acid plant operated at full capacity for the whole year – at 1650 t/day. The unit indicators for the plant evolved similarly to the previous year.

The number of days the urea plant is in operation is determined by the amount of ammonia available.

The quantity of nitrate fertiliser is determined in every year by the available volume of nitric acid. In 2011 the quantity of nitrate fertiliser was up by 19 % on the previous year. In terms of the nitrogen active ingredient, production of solid fertiliser in the fertiliser plant was split between two units (granulation, CAN) at a ratio of 50-50 %.


The operational security of the granulation plant rose sharply following the conversion work during the full-scale shutdown in 2010; thanks to this and the systematic maintenance, the annual capacity-in-use of the plant improved considerably.

In the CAN plant the ratio of CAN and ammonium nitrate is determined by commercial demand, and came in at around 66-34%.



Production volumes of the main products of Nitrogénművek Zrt. (tons)



A sunset over a desert landscape. The sun is a bright yellow-orange sphere in the center of the frame, surrounded by a soft glow. The sky is a mix of orange, red, and blue. The ground is a flat, brownish desert floor. Overlaid on the text is a large, stylized number '80' in a black, serif font with a white highlight on the top curve of the second zero.

*In the past 80 years
for the maximal protection
of the environment*



During operations the Group strives to improve its environmental performance ...

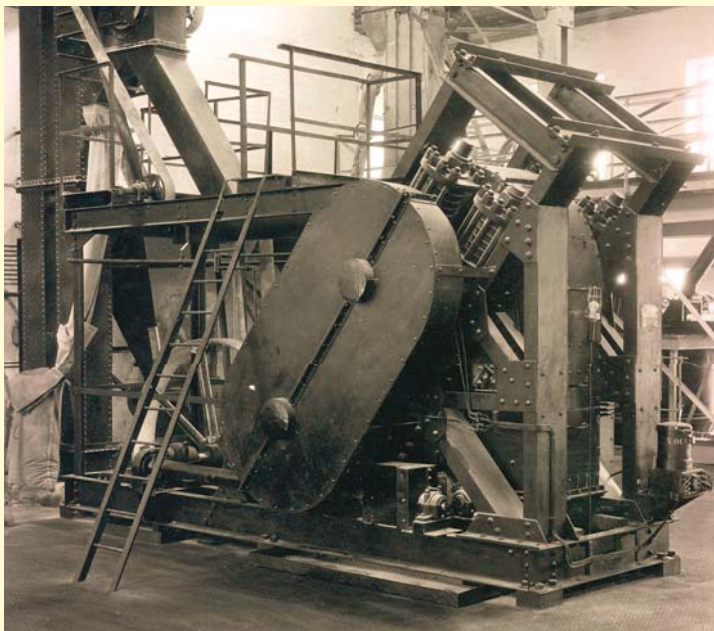
OF ALL THE CONSOLIDATED COMPANIES it is primarily the chemical technology at the site of the parent company which emits various materials polluting the environment, dust, ammonia, nitrogen oxide, carbon monoxide, sulphur dioxide, chemical compounds containing ammonia-ammonium ion and nitrate ion; these all impair certain parts of the environment – air, soil, groundwater.

In line with its statutory obligations, Nitrogénművek Zrt. carries out its activities based on an Integrated Environmental Permit. Our company has an emissions permit for greenhouse gases, an integrated water operator licence, and a business continuity plan for preventing environmental damage. We operate an Environmental Management System certified under ISO 14001:2004 while our environmental laboratory is accredited for water and air quality measurements.

Péti Polietilén Zsák Kft. that manufactures polyethylene packaging materials as well as Nádudvari Agrokémiai Kft. that produces liquid fertiliser also have Environmental Management Systems under ISO 14001.

During operations the Group strives to improve its environmental performance, lower environmental pollution, adhere to official thresholds and reduce harmful impacts on the quality of air, water and soil, and improve the efficiency of energy use.

In terms of the condition of air, surface water, soil and groundwater, Nitrogénművek Zrt.'s point sources polluting the air have not released harmful emissions polluting the air in excess of the set threshold since 1998; furthermore, the wastewater threshold has not been exceeded since 1997. In line with our statutory obligation, monitoring wells have been used for years to inspect the condition of the soil and groundwater, and the results are reported to the authorities.



Environmental performance of our modern production facilities remained at the same level since the plants started operation.

Waste management at the Group companies – both for hazardous and other waste – is ensured with a high level of selective waste collection and utilisation. Our company has an approved waste management plan. Hazardous waste is transported away by a duly licensed company and either utilised or disposed of.

The majority of the production waste is recycled into manufacturing technologies while waste paper, waste plastics and waste office materials are given to the recycling company.



PROFIT: SALES REVENUE AND COSTS

20



NET SALES REVENUES of the Group in 2011 totalled HUF 81.2 billion, 91% of which was attributable to the sale of nitrogen-based fertilisers, which represent the main profile of the Company.

2010-2011 consolidated sales revenue of the Group (HUF million)

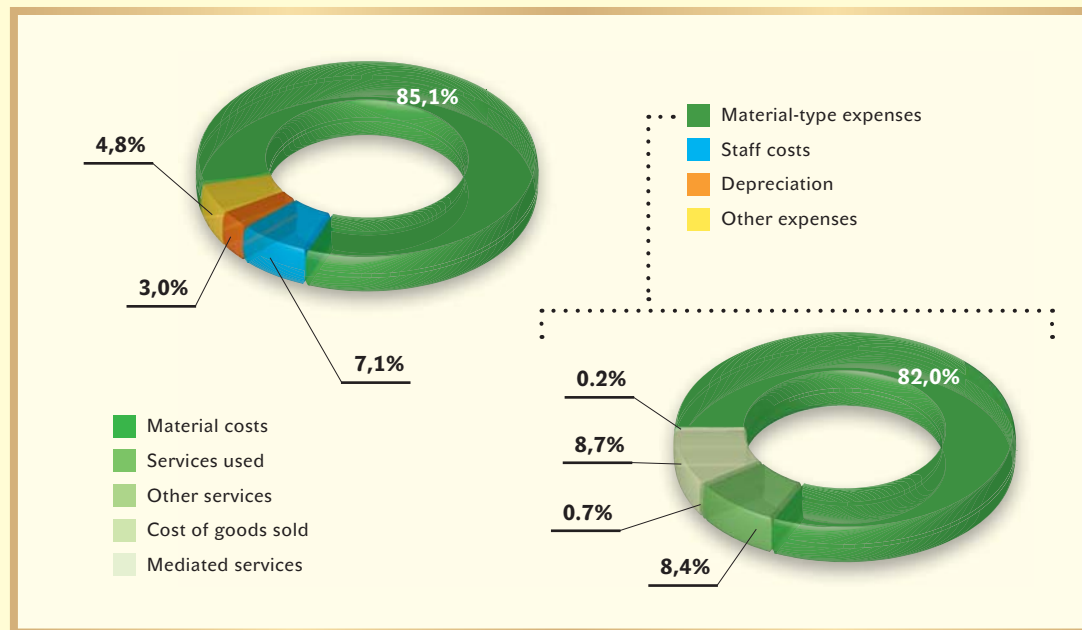
Description	2010	2011
Domestic, of which	28.738	42.739
Nitrogen-based fertilisers	23.107	36.829
NPK and fertilisers containing micro elements	876	1.085
Chemical products, industrial gases, bags	1.372	2.166
Materials and services	3.383	2.659
Export, of which	26.082	38.448
Nitrogen-based fertilisers	24.581	37.150
NPK and fertilisers containing micro elements	228	8
Chemical products, industrial gases, bags	221	269
Materials and services	1.052	1.021

Domestic sales revenue of nitrogen-based fertilisers, which represent the main source of revenue, increased almost by 60%, primarily due to the 179.000 tons increase in volume and the higher average price. The effective trading activities in 2011 of the subsidiaries producing special fertilisers and packaging materials added HUF 1 billion to the Group's sales revenues. Revenue from the sale of superfluous natural gas and electricity is a significant item within domestic sales revenue from materials and services.

The Group sold fertiliser products not needed in the Hungarian market on its export markets. In 2011 volumes grew slightly, while contract prices rose significantly – CAN by 43%, urea by 42%, ammonium nitrate by 64%, UAN

by 27% -, and as a result, sales revenue from nitrogen-based fertilisers was 51% above the prior-year level.

The following diagram presents the composition of operating costs including changes in self-manufactured stocks and capitalised value of self-manufactured assets:



Ammonia, the most important raw material of fertiliser production, is produced by the Company from natural gas, therefore the cost of the use of natural gas is a decisive factor within both material costs and the total operating costs of the Group.

Composition of operating costs of the Group

Natural gas is purchased from Western Europe which is a more favourable environment in terms of competition. This enables the Group to retain its competitiveness and enhance its competitive advantages against its regional competitors.

2010 operations resulted in HUF 15.788 million profit for the period.

H R D E V E L O P M E N T , R E S T R U C T U R I N G , P R E S E R V I N G O U R V A L U E S , C O M M I T M E N T A N D M O T I V A T I O N

OPERATIONS WERE ADAPTED TO THE CHALLENGES of the continuously changing environment in 2011 as well in line with the key employer role that the parent company, Nitrogénművek Zrt. has been performing in the region for decades. In light of this, preservation of core values, i.e. appreciation of employees, social responsiveness, received constant focus; these factors have the same priority as day-to-day operating tasks.

Nitrogénművek Zrt. is still considered an attractive employer in the region. Many people wish to become a member of the company staff thus the managers of the Company are able to recruit future employees from a number of appropriately qualified applicants.

The level of fluctuation was low; the number of staff at the parent company decreased to 665 by 31 December 2011. The closing staff number as at 31 December 2011 of consolidated subsidiaries was 82.

To use the option provided by the amendment to the Act on Corporation tax, in 2011 we supported the following theatres and spectacle team sports.

Supported

Petőfi Theatre, Veszprém

Szigligeti Theatre, Szolnok

Móricz Zsigmond Theatre, Nyíregyháza

Várpalotai Bányász SK

Hungarian Handball Association

Hungarian Basketball Association

Hungarian Football Association

Traditionally, employees are provided with competitive income, and strong emphasis is placed on fringe benefits as well. In 2011 basic wages were increased by 5%, focusing on the elimination of disadvantages arising from changes in taxation and as a result, the net nominal salaries of every staff member increased. The Cafeteria system including fringe benefits was maintained. Particular attention was devoted to social benefits, among others the provision of housing support.

Dialogue between employees and the representative organisations is continuous and effective, the partners co-operate to the fullest extent in order to sustain the stability of the Company.

Our objective is ensuring that the employees have appropriate educational and professional qualifications which comply with legal requirements and company expectations; all necessary conditions are provided by the Company. During the year the training relating to the adoption of International Financial Reporting Standards (IFRS) was a high priority, and the professional training and skill development of sales agents of the Genezis partner network was continued. Within this latter project, the colleagues received support to the successful arrangement of a key project, the "Genezis Round Table" run of programmes started in 2012.

We deem it important that our employees possess appropriate level of language skills necessary for performing their responsibilities. To ensure this, language courses has been organised regularly for several years, and as a result, employees have passed language exams successfully, in accordance with the project schedule.

Corporate responsibility is a high priority for the management of Nitrogénművek Zrt. The Company traditionally has a close relationship with local governments, authorities and NGOs in the region. As one of the major taxpayers in Veszprém county, we contribute considerably to the increasing development of Pétfürdő, and support local and regional health and educational activities, foundations and events.

The objective of Nitrogénművek Zrt., as a responsible economic player, is to remain the dominant and stable employer of the region. Through employing dedicated staff with outstanding professional qualifications, it intends to give room for staff creativity and maintain orderly employment relationships, since such values are nowadays increasingly significant.

DURING ITS 80 YEARS THE COMPANY has always focused on supplying Hungarian agriculture with a suitable quality of fertiliser. The Hungarian market will retain a key strategic role in the future too as Hungary has strong agricultural and farming traditions.

Domestic market participants have always favoured the quality of our fertiliser products and related services over imported products.

Together with higher education institutions that deal with agriculture in Hungary, the Company has carried out Genezis nutrient management tests for years on different types of plant, soil and land; we have also designed specific nutrient-supply technologies based on Genezis products which help Hungarian users to select the best combination of fertilisers. Fertiliser users are regularly informed about the results of the tests via the Genezis Partner Network.

A unique experimental programme in Hungarian and European agriculture with 500 individual farmers was launched in the second half of 2011 called the 500 Club; it aims to present the great results already achieved in practice.

The plans are to launch a fertiliser experimental programme with five hundred end-users in the agricultural sector using the "parcel-halving" method, which is unprecedented in Hungarian agriculture. During the programme the Company provides the optimal quantity of fertiliser to the producers as recommended by the specialist advisors of the Genezis Partner Network to achieve an outstanding yield. The programme is backed up by significant PR and marketing tools, and the results of the experiments will be published on a broad scale within professional circles.



...with 500 individual farmers was launched in the second half of 2011 called the 500 Club...

OUR INTERESTS

The ownership dividends of Nitrogénművek Zrt. in 2011

Description	Site	Main scope of activity
Péti Nitrokomplex Kft.	8105 Pétfürdő, Hősök tere 14. (Hungary)	production, portioning and distribution of fertilizers
Péti Polietilén Zsák Kft.	8105 Pétfürdő, Hősök tere 14. (Hungary)	production and distribution of polyethylene wrapping materials
Nitrogén-Pinkerton Kft.	8105 Pétfürdő, Hősök tere 14. (Hungary)	detective and security activities
Nádudvari Agrokémiai Kft.	4181 Nádudvar, Kabai u. 60. (Hungary)	production and distribution of fertilizer and nitrogen compound
„Nitro Pet” d.o.o.	24000 Subotica, Matie Corvina 15. (Serbia)	transport and agent activity, retail of chemical materials and fertilizers
Nitropet Slovakia s.r.o.	932 01 Vel'ky Meder, Nám. Mládeze 117/27 (Slovakia)	wholesale and retail of agricultural products, chemical materials
S.C.BH Chemical Impex s.r.l.	440011 Satu Mare, Al. I. Cuza 2. (Romania)	wholesale of chemical industry products
Nitropet Deutschland GmbH	85540 Haar, Ladehofstrasse 10. (Germany)	wholesale and retail
Nitropet Italia s.r.l.	39100 Bolzano, Via Galvani 21 (Italy)	wholesale and retail