

ENCLOSURE 1

Reporting period:

1 January 2012

to

30 June 2012

Quartely Financial Report TFI-PODTax number (MB): **03586243**Registration number (MBS): **080000604**Personal identification
number (OIB): **27759560625**Issuer: **INA - Industrija nafte d.d.(Matica)**Postal code and location: **10 000****ZAGREB**Street and number: **Avenija Većeslava Holjevca 10**E-mail: investitori@ina.hrInternet address: www.ina.hrCode and city / municipality: **133** **ZAGREB**Code and county: **21** **GRAD ZAGREB**Number of employees: **8774**
(at the end of year)Consolidated Report: **NO**Business activity code: **1920**

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Book-keeping office: **Top Računovodstvo Servisi d.o.o.**Contact person: **Ratko Marković**

(Name and surname of contact person)

Telephone: **01 612 3143**Telefaks: **01 612-3115**E-mail: Ratko.Markovic@trs.ina.hrName and surname: **Zoltán Sándor Áldott**

(authorized representatives)

Documents to be published:

1. Financial Statements (Balance Sheet, Profit and Loss Account, Cash Flow Statement, Change in Capital Statement and Notes to Financial Statements)
2. Statement of persons in charge of making Financial Statements
3. Management Board's Report

(seal)

(signature of authorized representative)

Balance Sheet

as at 30 June 2012

Issuer: INA, d.d. (Matica) ZAGREB, Avenija Većeslava Holjevca 10, 10000 Zagreb

Item	AOP	Previous period	Current period
1	2	3	4
A) SUBSCRIBED CAPITAL UNPAID	001		
B) NON CURRENT ASSETS (003+010+020+029+033)	002	22.421.000.000	22.353.000.000
I. INTANGIBLE ASSETS (004 do 009)	003	888.000.000	699.000.000
1. Research & Development expenditure	004		
2. Patents, licences, royalties, trade marks, software&similar rights	005	76.000.000	62.000.000
3. Goodwill	006		
4. Prepayments for intangible assets	007	12.000.000	38.000.000
5. Intangible assets under construction	008	800.000.000	599.000.000
6. Other intangible assets	009		
II. TANGIBLE ASSETS (011 do 019)	010	18.576.000.000	18.509.000.000
1. Land	011	987.000.000	1.000.000.000
2. Property	012	8.203.000.000	8.338.000.000
3. Plants and equipment	013	6.181.000.000	6.509.000.000
4. Tools, plants&vehicles	014	352.000.000	347.000.000
5. Biological asset	015		
6. Prepayments for tangible assets	016	21.000.000	21.000.000
7. Assets under construction	017	2.823.000.000	2.285.000.000
8. Other tangible assets	018	3.000.000	3.000.000
9. Investments property	019	6.000.000	6.000.000
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	2.191.000.000	2.091.000.000
1. Investments in subsidiaries	021	1.033.000.000	937.000.000
2. Loans to subsidiaries	022	444.000.000	606.000.000
3. Participating interests (stakes)	023	40.000.000	40.000.000
4. Loans to participating interest	024		
5. Investments in securities	025		
6. Loans & deposits	026	349.000.000	174.000.000
7. Other non-current financial assets	027	325.000.000	334.000.000
8. Investment accounted by equity method	028		
IV. TRADE RECEIVABLES (030 do 032)	029	174.000.000	168.000.000
1. Receivables from subsidiaries	030	48.000.000	48.000.000
2. Receivables from credit sales	031	126.000.000	120.000.000
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	592.000.000	886.000.000
C) CURENT ASSETS (035+043+050+058)	034	7.320.000.000	7.763.000.000
I. INVENTORIES (036 do 042)	035	3.030.000.000	3.291.000.000
1. Raw materials & consumables	036	1.026.000.000	1.074.000.000
2. Work in progress	037	1.150.000.000	1.086.000.000
3. Products	038	695.000.000	1.077.000.000
4. Merchandise	039	159.000.000	54.000.000
5. Prepayments for inventories	040		
6. Other available-for-sale assets	041		
7. Biological asset	042		
II. RECEIVABLES (044 do 049)	043	3.748.000.000	3.956.000.000
1. Receivables for trade debt of subsidiaries	044	1.588.000.000	1.666.000.000
2. Trade receivables	045	1.781.000.000	1.700.000.000
3. Receivables for trade debts of participating entities	046		
4. Amounts receivable from employees	047	3.000.000	5.000.000
5. Receivables from government agencies	048	234.000.000	445.000.000
6. Other receivables	049	142.000.000	140.000.000
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	313.000.000	98.000.000
1. Investments in subsidiaries	051		
2. Loans to subsidiaries	052	239.000.000	76.000.000
3. Participating interests (stakes)	053		
4. Loans to participating interest	054		
5. Investments in securities	055	4.000.000	
6. Loans & deposits	056	21.000.000	22.000.000
7. Other financial assets	057	49.000.000	
IV. CASH ON HAND AND IN THE BANK	058	229.000.000	418.000.000
D) PREPAYMENTS AND ACCRUED INCOME	059	54.000.000	173.000.000
E) TOTAL ASSETS (001+002+034+059)	060	29.795.000.000	30.289.000.000
F) OFF-BALANCE SHEET ITEMS	061		

EQUITY AND LIABILITIES			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	14.282.000.000	14.858.000.000
I. SHARE CAPITAL	063	9.000.000.000	9.000.000.000
II. CAPITAL RESERVES	064		
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	2.239.000.000	2.440.000.000
1. Legal reserves	066		
2. Reserves for own shares	067		
3. Own shares and stakes (less)	068		
4. Statutory reserves	069	287.000.000	488.000.000
5. Other reserves	070	1.952.000.000	1.952.000.000
IV. REVALUATION RESERVES	071		8.000.000
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	072	1.076.000.000	3.043.000.000
1. Retained earnings	073	1.076.000.000	3.043.000.000
2. Loss brought forward	074		
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	075	1.967.000.000	367.000.000
1. Profit for the financial year	076	1.967.000.000	367.000.000
2. Loss for the financial year	077		
VII. MINORITY INTEREST	078		
B) PROVISIONS (080 do 082)	079	2.899.000.000	3.693.000.000
1. Provisions for redundancy costs	080	66.000.000	67.000.000
2. Provisions for tax obligations	081		
3. Other provisions	082	2.833.000.000	3.626.000.000
C) NON-CURRENT LIABILITIES (084 do 092)	083	5.662.000.000	1.313.000.000
1. Amounts payable to subsidiaries	084		
2. Liabilities for loans, deposits and other	085		
3. Liabilities towards banks and other financial institutions	086	5.556.000.000	1.211.000.000
4. Amounts payable for prepayment	087		
5. Trade payables	088		
6. Amounts payable for securities	089		
7. Liabilities toward participating interests	090		
8. Other non-current liabilities	091	106.000.000	102.000.000
9. Deferred tax	092		
D) CURRENT LIABILITIES (094 do 105)	093	6.904.000.000	10.324.000.000
1. Amounts payable to subsidiaries	094	646.000.000	530.000.000
2. Liabilities for loans, deposits and other	095		
3. Liabilities towards banks and other financial institutions	096	3.601.000.000	6.502.000.000
4. Amounts payable for prepayment	097	24.000.000	31.000.000
5. Trade payables	098	1.111.000.000	2.091.000.000
6. Amounts payable for securities	099		
7. Liabilities toward participating interests	100		
8. Amounts payable to employees	101	72.000.000	83.000.000
9. Liabilities for taxes and contributions	102	1.349.000.000	1.041.000.000
10. Dividend payables	103		
11. Liabilities directly associated with the assets classified as held for sale	104		
12. Other current liabilities	105	101.000.000	46.000.000
E) ACCRUAL AND DEFERRED INCOME	106	48.000.000	101.000.000
F) TOTAL LIABILITIES (062+079+083+093+106)	107	29.795.000.000	30.289.000.000
G) OFF-BALANCE SHEET ITEMS	108		
ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)			
A) CAPITAL AND RESERVES			
1. Attributable to equity holders of the parent company's capital	109		
2. Attributable to minority interest	110		

PROFIT AND LOSS
for the period 1 January 2012 to 30 June 2012

Issuer: INA, d.d. (Matica) ZAGREB, Avenija Većeslava Holjevca 10, 10000 Zagreb

Item	AOP	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112+113)	111	13.491.000.000	7.502.000.000	12.942.000.000	6.938.000.000
1. Sales revenue	112	13.109.000.000	7.375.000.000	12.767.000.000	6.876.000.000
2. Other operating income	113	382.000.000	127.000.000	175.000.000	62.000.000
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	10.816.000.000	6.047.000.000	12.262.000.000	7.167.000.000
1. Changes in inventories of finished products and work in progress	115	-848.000.000	132.000.000	-360.000.000	451.000.000
2. Material costs (117 do 119)	116	9.425.000.000	4.751.000.000	8.844.000.000	4.472.000.000
a) Cost of raw materials & consumables	117	7.925.000.000	3.967.000.000	7.450.000.000	3.929.000.000
b) Cost of goods sold	118	811.000.000	426.000.000	625.000.000	182.000.000
c) Other costs	119	689.000.000	358.000.000	769.000.000	361.000.000
3. Staff costs (121 do 123)	120	720.000.000	355.000.000	685.000.000	341.000.000
a) Net salaries	121	416.000.000	205.000.000	397.000.000	198.000.000
b) Employee income tax	122	199.000.000	98.000.000	191.000.000	96.000.000
c) Tax on payroll	123	105.000.000	52.000.000	97.000.000	47.000.000
4. Depreciation and amortisation	124	1.039.000.000	636.000.000	974.000.000	389.000.000
5. Other expenditures	125	618.000.000	378.000.000	746.000.000	303.000.000
6. Value adjustment (127+128)	126	-63.000.000	-101.000.000	1.016.000.000	951.000.000
a) non-current assets (without financial assets)	127	0	0	185.000.000	185.000.000
b) current assets (without financial assets)	128	-63.000.000	-101.000.000	831.000.000	766.000.000
7. Provisions	129	-75.000.000	-104.000.000	357.000.000	260.000.000
8. Other operating expenses	130				
III. FINANCIAL INCOME (132 do 136)	131	600.000.000	172.000.000	233.000.000	81.000.000
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	12.000.000	-50.000.000	75.000.000	-20.000.000
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	490.000.000	132.000.000	18.000.000	-37.000.000
3. Part of income from associates and participating interests	134		0		0
4. Unrealized gains (income) from the financial assets	135		0		0
5. Other financial income	136	98.000.000	90.000.000	140.000.000	138.000.000
IV. FINANCIAL COSTS (138 do 141)	137	223.000.000	78.000.000	418.000.000	337.000.000
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	15.000.000	5.000.000	4.000.000	0
2. Interest, foreign exchange differences and other expenses related to third parties	139	106.000.000	40.000.000	144.000.000	191.000.000
3. Unrealized loss (expenses) from the financial assets	140		0		0
4. Other financial expenses	141	102.000.000	33.000.000	270.000.000	146.000.000
V. SHARE OF INCOME OF ASSOCIATES	142				
VI. SHARE OF LOSS OF ASSOCIATES	143				
VII. EXTRAORDINARY - OTHER INCOME	144				
VIII. EXTRAORDINARY - OTHER EXPENSES	145				
IX. TOTAL INCOME (111+131+142 + 144)	146	14.091.000.000	7.674.000.000	13.175.000.000	7.019.000.000
X. TOTAL EXPENSES (114+137+143 + 145)	147	11.039.000.000	6.125.000.000	12.680.000.000	7.504.000.000
XI. PROFIT OR LOSS BEFORE TAX (146-147)	148	3.052.000.000	1.549.000.000	495.000.000	-485.000.000
1. Profit before tax (146-147)	149	3.052.000.000	1.549.000.000	495.000.000	0
2. Loss before tax (147-146)	150	0	0	0	485.000.000
XII. INCOME TAX EXPENSE	151	605.000.000	257.000.000	128.000.000	-57.000.000
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	2.447.000.000	1.292.000.000	367.000.000	-428.000.000
1. Profit for the period (149-151)	153	2.447.000.000	1.292.000.000	367.000.000	0
2. Loss for the period (151-148)	154	0	0	0	428.000.000

ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to owners of the company	155				
2. Attributable to non-controlling interests	156				
STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	2.447.000.000	1.292.000.000	367.000.000	-428.000.000
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)	158	-668.000.000	-679.000.000	209.000.000	415.000.000
1. Exchange differences arising from foreign operations	159	-673.000.000	-673.000.000	201.000.000	452.000.000
2. Revaluation of non-current assets and intangible assets	160				
3. Gains or loss available for sale investments	161	5.000.000	-6.000.000	8.000.000	-37.000.000
4. Gains or loss on net movement on cash flow hedges	162				
5. Gains or loss on net investments hedge	163				
6. Share of the other comprehensive income/loss of associates	164				
7. Actuarial gain / loss on post employment benefit obligations	165				
III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)	167	-668.000.000	-679.000.000	209.000.000	415.000.000
V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)	168	1.779.000.000	613.000.000	576.000.000	-13.000.000
APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)					
VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD					
1. Attributable to owners of the company	169				
2. Attributable to non-controlling interests	170				

CASH FLOW STATEMENT - Indirect method
in the period 1 January 2012 to 30 June 2012

Issuer: INA, d.d. (Matica) ZAGREB, Avenija Većeslava Holjevca 10, 10000 Zagreb

Item	AOP	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before taxation	001	3.052.000.000	495.000.000
2. Depreciation and amortisation	002	1.039.000.000	974.000.000
3. Increase of non-current liabilities	003		1.200.000.000
4. Decrease of current receivables	004		0
5. Decrease of inventories	005		0
6. Other increase of cash flow	006	469.000.000	1.763.000.000
I. Total increase of cash flow from operating activities (001 do 006)	007	4.560.000.000	4.432.000.000
1. Decrease of non-current liabilities	008	1.130.000.000	0
2. Increase of current receivables	009	42.000.000	1.097.000.000
3. Increase of inventories	010	1.611.000.000	335.000.000
4. Other decrease of cash flow	011	976.000.000	998.000.000
II. Total decrease of cash flow from operating activities (008 do 011)	012	3.759.000.000	2.430.000.000
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	801.000.000	2.002.000.000
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTMENT ACTIVITIES			
1. Proceeds from sale of non-current assets	015	5.000.000	7.000.000
2. Proceeds from sale of ownership and debt instruments	016		2.000.000
3. Proceeds from interest rates	017		0
4. Proceeds from dividends	018	81.000.000	33.000.000
5. Other proceeds from investment activities	019	1.000.000	77.000.000
III. Total cash proceeds from investment activities (015 do 019)	020	87.000.000	119.000.000
1. Purchase of non-current assets	021	547.000.000	322.000.000
2. Payments for acquiring ownership and debt financial instruments	022		18.000.000
3. Other payments from investment activities	023	882.000.000	0
IV. Total cash payments from investment activities (021 do 023)	024	1.429.000.000	340.000.000
B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES	026	1.342.000.000	221.000.000
CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuing of ownership and debt financial instruments	027		
2. Proceeds from loan principal, debentures, loans and other borrowing	028	9.486.000.000	7.962.000.000
3. Other proceeds from financial activities	029		
V. Total proceeds from financial activities (027 do 029)	030	9.486.000.000	7.962.000.000
1. Repayment of loan principal and bonds	031	8.532.000.000	9.546.000.000
2. Dividends paid	032	480.000.000	0
3. Payment of finance lease liabilities	033		0
4. Payments from repurchase of treasury shares	034		0
5. Other payments from financial activities	035	13.000.000	8.000.000
VI. Total payments from financial activities (031 do 035)	036	9.025.000.000	9.554.000.000
C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES	037	461.000.000	0
C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES	038	0	1.592.000.000
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	189.000.000
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	80.000.000	0
Cash and cash equivalents at the beginning of the period	041	260.000.000	229.000.000
Increase of cash and cash equivalents	042	0	189.000.000
Decrease of cash and cash equivalents	043	80.000.000	0
Cash and cash equivalents at the end of the period	044	180.000.000	418.000.000

IZVJEŠTAJ O NOVČANOM TIJEKU - Direktna metoda
u razdoblju do

Obveznik: _____			
Naziv pozicije	AOP oznaka	Prethodno razdoblje	Tekuće razdoblje
1	2	3	4
NOVČANI TIJEK OD POSLOVNIH AKTIVNOSTI			
1. Novčani primici od kupaca	001		
2. Novčani primici od tantijema, naknada, provizija i sl.	002		
3. Novčani primici od osiguranja za naknadu šteta	003		
4. Novčani primici s osnovne povrata poreza	004		
5. Ostali novčani primici	005		
I. Ukupno novčani primici od poslovnih aktivnosti (001 do 005)	006	0	0
1. Novčani izdaci dobavljačima	007		
2. Novčani izdaci za zaposlene	008		
3. Novčani izdaci za osiguranje za naknade šteta	009		
4. Novčani izdaci za kamate	010		
5. Novčani izdaci za poreze	011		
6. Ostali novčani izdaci	012		
II. Ukupno novčani izdaci od poslovnih aktivnosti (007 do 012)	013	0	0
A1) NETO POVEĆANJE NOVČANOG TIJEKA OD POSLOVNIH	014	0	0
A2) NETO SMANJENJE NOVČANOG TIJEKA OD POSLOVNIH	015	0	0
NOVČANI TIJEK OD INVESTICIJSKIH AKTIVNOSTI			
1. Novčani primici od prodaje dugotrajne materijalne i nematerijalne imovine	016		
2. Novčani primici od prodaje vlasničkih i dužničkih instrumenata	017		
3. Novčani primici od kamata	018		
4. Novčani primici od dividendi	019		
5. Ostali novčani primici od investicijskih aktivnosti	020		
III. Ukupno novčani primici od investicijskih aktivnosti (016 do 020)	021	0	0
1. Novčani izdaci za kupnju dugotrajne materijalne i nematerijalne imovine	022		
2. Novčani izdaci za stjecanje vlasničkih i dužničkih financijskih instrumenata	023		
3. Ostali novčani izdaci od investicijskih aktivnosti	024		
IV. Ukupno novčani izdaci od investicijskih aktivnosti (022 do 024)	025	0	0
B1) NETO POVEĆANJE NOVČANOG TIJEKA OD INVESTICIJSKIH	026	0	0
B2) NETO SMANJENJE NOVČANOG TIJEKA OD INVESTICIJSKIH	027	0	0
NOVČANI TIJEK OD FINANIJSKIH AKTIVNOSTI			
1. Novčani primici od izdavanja vlasničkih i dužničkih financijskih instrumenata	028		
2. Novčani primici od glavnice kredita, zadužnica, pozajmica i drugih posudbi	029		
3. Ostali primici od financijskih aktivnosti	030		
V. Ukupno novčani primici od financijskih aktivnosti (028 do 030)	031	0	0
1. Novčani izdaci za otplatu glavnice kredita i obveznica	032		
2. Novčani izdaci za isplatu dividendi	033		
3. Novčani izdaci za financijski najam	034		
4. Novčani izdaci za otkup vlastitih dionica	035		
5. Ostali novčani izdaci od financijskih aktivnosti	036		
VI. Ukupno novčani izdaci od financijskih aktivnosti (032 do 036)	037	0	0
C1) NETO POVEĆANJE NOVČANOG TIJEKA OD FINANIJSKIH	038	0	0
C2) NETO SMANJENJE NOVČANOG TIJEKA OD FINANIJSKIH	039	0	0
Ukupno povećanje novčanog tijeka (014 – 015 + 026 – 027 + 038 – 039)	040	0	0
Ukupno smanjenje novčanog tijeka (015 – 014 + 027 – 026 + 039 – 038)	041	0	0
Novac i novčani ekvivalenti na početku razdoblja	042		
Povećanje novca i novčanih ekvivalenata	043		
Smanjenje novca i novčanih ekvivalenata	044		
Novac i novčani ekvivalenti na kraju razdoblja	045	0	0

CHANGES IN EQUITY

for the period 1.1.2012 to 30.6.2012

Item	AOP	Previous period	Current period
1	2	3	4
1. Share capital	001	9.000.000.000	9.000.000.000
2. Capital reserves	002		
3. Profit reserves	003	1.279.000.000	2.440.000.000
4. Retained earnings or loss carried forward	004	1.076.000.000	3.043.000.000
5. Profit or loss of the current year	005	2.447.000.000	367.000.000
6. Revaluation of fixed tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial financial property available for sale	008	32.000.000	8.000.000
9. Other revaluation	009		
10. Total capital and reserves (AOP 001 do 009)	010	13.834.000.000	14.858.000.000
11. Foreign exchange differences from net investments in foreign operations	011	-673.000.000	201.000.000
12. Current and deferred taxes (part)	012		
13. Cash flow hedge	013		
14. Changes in accounting policies	014		
15. Correction of significant mistakes from the previous period	015		
16. Other equity changes	016	2.452.000.000	375.000.000
17. Total equity increase or decrease (AOP 011 do 016)	017	1.779.000.000	576.000.000
17 a. Attributable to equity holders of the parent company's capital	018		
17 b. Attributable to minority interest	019		

Items that decrease equity have negative sign

Items from 001 to 009 are state of balance sheet date

Notes with financial statements

(1) Notes to Financial Statements provide additional and supplementary information which are not presented in the statement of financial position, income statement, cash flow statement and statement of changes in equity in accordance with the regulations of the relevant international financial reporting standards.

H1 2012 – REPORT INA, D.D. NON-CONSOLIDATED

INA, d.d. financial results (IFRS)

HRK mln.	Q1 2012	Q2 2012	Q2 2011	%	H1 2011	H1 2012	%
Net sales revenues	5,891	6,876	7,375	(7)	13,109	12,767	(3)
EBITDA reported ⁽¹⁾	1,656	1,371	1,886	(27)	3,576	3,027	(15)
EBITDA excl. special items ⁽²⁾	1,830	1,369	1,965	(30)	3,655	3,199	(12)
Operating profit reported	909	(229)	1,455	n.a.	2,675	680	(75)
Operating profit excl. special items ⁽²⁾	1,137	151	1,464	(90)	2,850	1,288	(55)
Net financial expenses	71	(256)	94	n.a.	377	(185)	n.a.
Net profit/(loss) ⁽³⁾	795	(428)	1,292	n.a.	2,447	367	(85)
Net profit/(loss) excl. special items ⁽²⁾	1,006	(153)	1,299	n.a.	2,587	853	(67)
Operating cash flow	246	1,756	2,487	(29)	801	2,002	150
Earnings per share							
Basic and diluted earnings/(loss) per share (kunas per share)	79.5	(42.8)	129.2	n.a.	244.7	36.7	(85)
Net gearing	36.26	32.93	41.34	(20)	41.34	32.93	(20)
USD mln ⁽⁴⁾	Q1 2012	Q2 2012	Q2 2011	%	H1 2011	H1 2012	%
Net sales revenues	1,022	1,174	1,437	(18)	2,486	2,198	(12)
EBITDA reported ⁽¹⁾	287	234	367	(36)	678	521	(23)
Operating profit reported	158	(39)	283	n.a.	507	117	(77)
Operating profit excl. special items ⁽²⁾	197	26	285	(91)	540	222	(59)
Net financial expenses	12	(44)	18	n.a.	71	(32)	n.a.
Net profit/(loss) ⁽³⁾	138	(73)	252	n.a.	464	63	(86)
Net profit/(loss) excl. special items ⁽²⁾	175	(26)	253	n.a.	491	147	(70)
Operating cash flow	43	300	485	(38)	152	345	127
Earnings per share							
Basic and diluted earnings/(loss) per share (USD per share)	13.8	(7.3)	25.2	n.a.	46.4	6.3	(86)

⁽¹⁾ EBITDA = EBIT + Depreciation + Impairment + Provisions

⁽²⁾ Excludes special items related to asset impairment, provision and severance payments. The H1 2012 EBIT was negatively influenced by HRK 608 million special items

⁽³⁾ INA d.d. net income attributable to equity holder

⁽⁴⁾ In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q1 2012: 5.7621 HRK/USD; Q2 2011: 5.1325; Q2 2012 – 5.8577 HRK/USD; H1 2011 – 5.2733 HRK/USD; H1 2012 – 5.8084 HRK/USD

H1 2012 results

In the first half of 2012, INA d.d. has achieved EBITDA excluding special items of HRK 3,199 million and operating profit excluding special items of HRK 1,288 million. Positive contribution of Exploration and Production segment's performance was partially offset with negative Refining and Marketing and Retail segments' results, related to deteriorated market conditions and unfavourable market developments in Q2 2012. In spite of not received revenues from Syrian operations as well as tightened market demand for crude oil products and regulatory constraints in the respect of the capped natural gas prices for households and small industrial companies on Croatian market, INA d.d. managed to deliver strong positive results in the first half of 2012.

INA d.d. realised operating cash flow in H1 2012 at the level of over HRK 2.0 billion, which indicates healthy financial position of the company. Net profit level of first half of 2012 reflected mentioned operational developments as well as depreciation of the HRK against USD, resulting in net financial loss of HRK 185 million.

Capital expenditures amounted to HRK 295 million with majority spent on Exploration and Production activities (HRK 173 million) related to 2D/3D seismic acquisition on South Adriatic, continuation of EOR projects on shore and intensified drilling campaign. Due to announced "force majeure", all Syrian exploration activities are cancelled and focus is on domestic exploration. Refining and Marketing capital expenditures were HRK 63 million, mostly related to further system developments. Retail accounted for HRK 36 million spent on retail network modernisation and revitalisation.

INA d.d. Exploration and Production

In spite of missed revenues from the Syrian operations as well as capped natural gas prices for households and small industrial companies and decreased hydrocarbon production, EBITDA excluding special items amounted to HRK 3,582 million (USD 617 million) in H1 2012. The INA d.d. Exploration and Production result was supported by improved average realized hydrocarbon prices and 5% lower unit OPEX resulting from the achievements in the management's effort to rationalize costs.

INA d.d. Refining and Marketing

In the first half of 2012, the segment recorded an improved EBITDA, excluding special items by HRK 17 million compared to the same period last year, as a result of improved yield of marketable motor fuels, driven by better feedstock selection and the optimization of refineries' operations. Own consumption continued to improve, demonstrating results of continuous optimization of operations and internal efficiency improvements. However, the result was deteriorated by negative effect of inventory revaluation driven by crude oil price drop and decreasing Brent-Ural spread in Q2 2012.

INA d.d. Retail segment

In H1 2012, the segment generated EBITDA (excluding special items) in the amount of HRK 53 million (USD 9 million). Result of the first six months 2012 was influenced by optimized sales and operations with introduction of premium CLASS fuel, decreased operating costs and network optimization. The positive effects were partially offset with reduced sales volumes as result of unfavourable operating environment of increasing prices and shrinking purchase power in Croatia.

INA d.d. Corporate Functions

The segment delivered an operating loss excluding special items of HRK 281 million (USD 48 million) in H1 2012. This represents higher operating loss by HRK 28 million compared to the same period last year.

Income statement

Total sales revenues in H1 2012 amounted to HRK 12,767 million or 3% lower compared to H1 2011. This resulted from decreased crude oil and oil derivatives sales volumes, while realized hydrocarbon and oil derivatives prices were slightly higher than in H1 2011.

Costs of raw materials and consumables decreased by 6% to the amount of HRK 7,450 million, as a result of lower volumes of imported crude, while average import price of crude rose by 15% compared to H1 2011.

Costs of goods sold decreased by 23% to the amount of HRK 625 million in H1 2012 compared to the same period last year.

Within the **other operating costs** realised in H1 2012:

- Other material costs increased by 12% to the amount of HRK 769 million.
- Service costs in the amount of HRK 650 million recorded an increase of 31% mainly due to higher royalty costs compared to H1 2011.
- Depreciation was lower by 6% and amounted to HRK 974 million mainly due to no production in Syria that resulted in no depreciation accounted since February 2012
- Adjustments and provisions of HRK 1,373 million were by HRK 1,511 million higher related to international operations.

Staff costs amounted to HRK 781 million, which is a decrease of 7% resulting from workforce optimization compared to H1 2011. The headcount as at 30 June 2012 was 8,774 compared to the 9,029 employees as at 30 June 2011.

Net financial expenses in the amount of HRK 185 million were recorded in H1 2012, compared to the net financial profit of HRK 377 million in the same period 2011. The difference primarily reflected net foreign exchange losses related to the depreciation of HRK against USD.

In H1 2012 **income tax expense** decreased by HRK 477 million to the amount of HRK 128 million.

Balance sheet

INA d.d. **total assets** amounted to HRK 30,289 million as at 30 June 2012 and were 2% higher compared to 31 December 2011. **Property, plant and equipment** slightly decreased compared to the end of 2011.

Trade receivables were almost at the same level as at 31 December 2011 and amounted to HRK 3,366 million.

Total liabilities amounted to HRK 15,431 million (1% lower than on 31 December 2011), mainly as an effect of lower indebtedness compared to 31 December 2011 level.

INA d.d. **net indebtedness** amounted to HRK 7,294 million as at 30 June 2012, which is a decrease of 18% compared to the end of 2011 primarily because INA managed to reduce its long-term debt as a result of higher own cash generating capabilities. **Gearing ratio**¹ was 32.9% as at 30 June 2012, decreasing from 38.5% as at 31 December 2011.

Trade payables increased by 49% to HRK 2,622 million, as a result of higher amount of crude oil purchased compared to 31 December 2011.

Cash flow

The operating cash-flow before changes in working capital amounted to HRK 3,069 million in H1 2012, representing a decrease of 22% compared to H1 2011, mainly as a result of lower EBITDA.

Changes in working capital affected the operating cash flow negatively by HRK 232 million, due to:

- Increased value of inventories by HRK 335 million
- Higher liabilities by HRK 1,200 million
- Higher receivables by HRK 1,097 million

Tax payment affected operating cash flow by HRK 835 million. Mentioned factors resulted in HRK 2,002 million net cash inflow from operating activities that INA d.d. generated in H1 2012.

¹ Net debt / net debt plus equity incl. minority interests

INA—INDUSTRIJA NAFTE d.d. ZAGREB
INA, d.d. Unconsolidated Income Statement
For the period ended 30 June 2011 and 2012
(HRK millions)

Q1 2012	Q2 2012	Q2 2011	%		H1 2011	H1 2012	%
				Sales revenue			
4,093	4,233	3,839	10	a) domestic	7,288	8,326	14
1,798	2,643	3,536	(25)	b) exports	5,821	4,441	(24)
5,891	6,876	7,375	(7)	Total sales revenue	13,109	12,767	(3)
2	0	1	n.a.	Income from own consumption of products and services	1	2	100
111	62	126	(51)	Other operating income	381	173	(55)
6,004	6,938	7,502	(8)	Total operating income	13,491	12,942	(4)
				Changes in inventories of finished products and work in progress			
811	(451)	(132)	242		848	360	(58)
(3,521)	(3,929)	(3,967)	(1)	Cost of raw materials and consumables	(7,925)	(7,450)	(6)
(585)	(389)	(636)	(39)	Depreciation and amortization	(1,039)	(974)	(6)
(408)	(361)	(358)	1	Other material costs	(689)	(769)	12
(397)	(253)	(293)	(14)	Service costs	(498)	(650)	31
(390)	(391)	(440)	(11)	Staff costs	(840)	(781)	(7)
(443)	(182)	(426)	(57)	Cost of other goods sold	(811)	(625)	(23)
(65)	(951)	101	n.a.	Impairment and charges (net)	63	(1,016)	n.a.
(97)	(260)	104	n.a.	Provisions for charges and risks (net)	75	(357)	n.a.
(5,095)	(7,167)	(6,047)	19	Operating expenses	(10,816)	(12,262)	13
909	(229)	1,455	n.a.	Profit from operations	2,675	680	(75)
				Share in the profit of associated companies			
249	81	172	n.a.	Finance income	600	233	(61)
(178)	(337)	(78)	332	Finance costs	(223)	(418)	87
71	(256)	94	n.a.	Net loss from financial activities	377	(185)	n.a.
980	(485)	1,549	n.a.	Profit before tax	3,052	495	(84)
(185)	57	(257)	n.a.	Income tax expense	(605)	(128)	(79)
795	(428)	1,292	n.a.	Profit for the year	2,447	367	(85)
				Attributable to			
795	(428)	1,292	n.a.	Owners of the Company	2,447	367	(85)
0	0	0	n.a.	Non-controlling interests	0	0	n.a.
795	(428)	1,292	n.a.		2,447	367	(85)
				Earnings per share			
				Basic and diluted earnings/(loss) per share (kunas per share)			
79.5	(42.8)	129.2	n.a.		244.7	36.7	(85)

INA—INDUSTRIJA NAFTE d.d. ZAGREB
INA, d.d. Unconsolidated Statement of Comprehensive Income
For the period ended 30 June 2011 and 2012
(HRK millions)

Q1 2012	Q2 2012	Q2 2011	%		H1 2011	H1 2012	%
795	(428)	1,292	n.a.	Profit/(loss) for the year	2,447	367	(85)
				Other comprehensive income:			
(251)	452	(673)	n.a.	Exchange differences arising from foreign operations	(673)	201	n.a.
45	(37)	(6)	517	Gains/(loss) on available-for-sale investments, net	5	8	60
(206)	415	(679)	n.a.	Other comprehensive income, net	(668)	209	n.a.
589	(13)	613	n.a.	Total comprehensive income/(loss) for the year	1,779	576	(68)

INA-INDUSTRIJA NAFTE, d.d.
INA, d.d. Unconsolidated Statement of Financial Position
At 30 June 2011 and 2012
(HRK millions)

	1 January 2012	30 June 2012	%
Assets			
Non-current assets			
Intangible assets	876	661	(25)
Property, plant and equipment	18,555	18,488	(0)
Goodwill	0	0	n.a.
Investments in subsidiaries	1,033	937	(9)
Investments in associates and joint ventures	34	34	(0)
Other investments	799	785	(2)
Long-term receivables	207	227	10
Derivative financial instruments	0	0	n.a.
Deferred tax	592	886	50
Available for sale assets	325	335	3
Total non-current assets	22,421	22,353	(0)
Current assets			
Inventories	3,030	3,291	9
Trade receivables net	1,781	1,700	(5)
Intercompany receivables	1,588	1,666	5
Other receivables	379	590	56
Derivative financial instruments	0	0	n.a.
Other current assets	313	98	(69)
Prepaid expenses and accrued income	54	173	220
Cash and cash equivalents	229	418	83
Current assets	7,374	7,936	8
Assets classified as held for sale	0	0	n.a.
Total current assets	7,374	7,936	8
Total assets	29,795	30,289	2
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Revaluation reserve	0	8	n.a.
Other reserves	2,239	2,440	9
Retained earnings / (Deficit)	3,043	3,410	12
Total equity	14,282	14,858	4
Non-controlling interests	0	0	n.a.
Total equity	14,282	14,858	4
Non-current liabilities			
Long-term loans	5,556	1,211	(78)
Other non-current liabilities	106	102	(4)
Employee benefits obligation	61	65	7
Provisions	2,665	3,171	19
Total non-current liabilities	8,388	4,549	(46)
Current liabilities			
Bank loans and overdrafts	1,784	1,782	(0)
Current portion of long-term loans	1,817	4,719	160
Calculated derivative agreements	0	0	n.a.
Intercompany payables	646	530	(18)
Trade payables	1,111	2,092	88
Taxes and contributions	1,349	1,041	(23)
Other current liabilities	197	160	(19)
Accruals and deferred income	48	101	110
Employee benefits obligation	5	2	(60)
Provisions	168	455	171
Current liabilities	7,125	10,882	53
Liabilities directly associated with assets classified held for sale	0	0	n.a.
Total current liabilities	7,125	10,882	53
Total liabilities	15,513	15,431	(1)
Total equity and liabilities	29,795	30,289	2

INA—INDUSTRIJA NAFTE d.d. ZAGREB
INA, d.d. Unconsolidated Statement of Cash Flow
For the period ended 30 June 2011 and 2012
(HRK millions)

Q1 2012	Q2 2012	Q2 2011	%		H1 2011	H1 2012	%
795	(428)	1,292	n.a.	Profit/(loss) for the year	2,447	367	(85)
				Adjustments for:			n.a.
585	389	636	(39)	Depreciation and amortisation	1,039	974	(6)
185	(57)	257	n.a.	Income tax (benefit)/expenses recognized in (loss)/profit	605	128	(79)
131	985	(93)	n.a.	Impairment charges	354	1,116	215
(66)	(34)	301	n.a.	Reversal of impairment	(108)	(100)	(7)
(7)	0	(2)	n.a.	Gain on sale of property, plant and equipment	(4)	(7)	75
0	0	0	n.a.	Gain on sale investments and shares	0	0	n.a.
(140)	182	(52)	n.a.	Foreign exchange loss/(gain)	(363)	42	n.a.
(26)	(30)	(18)	67	Interest expense	(123)	(56)	(54)
12	70	(35)	n.a.	Other financial expense recognised in profit	(68)	82	n.a.
0	0	0	n.a.	Decommissioning interests	0	0	n.a.
179	283	18	1,472	Increase in provisions	61	462	657
0	0	0	n.a.	Reversal of impairment	0	0	n.a.
24	24	27	(11)	Decommissioning interests	54	48	(11)
8	5	10	(50)	Other non-cash items	23	13	(43)
1,680	1,389	2,341	(41)	Operating cash flow before working capital changes	3,917	3,069	(22)
				Movements in working capital			
(520)	185	(101)	n.a.	(Increase)/decrease in inventories	(1,611)	(335)	(79)
(702)	(395)	(315)	25	(Increase)/decrease in receivables and prepayments	(42)	(1,097)	2,512
(164)	1,364	895	52	(Decrease)/increase in trade and other payables	(1,130)	1,200	n.a.
0	0	0	n.a.	Decrease/(increase) in provisions	0	0	n.a.
294	2,543	2,820	(10)	Cash generated from operations	1,134	2,837	150
(48)	(787)	(333)	136	Taxes paid	(333)	(835)	151
246	1,756	2,487	(29)	Net cash inflow from operating activities	801	2,002	150
				Cash flows used in investing activities			
(82)	(185)	(422)	(56)	Payments for property, plant and equipment	(499)	(267)	(46)
(60)	5	(30)	n.a.	Payment for intangible assets	(48)	(55)	15
0	7	3	133	Proceeds from sale of non-current assets	5	7	40
0	2	0	n.a.	Proceeds from sale of investments	0	2	n.a.
(18)	0	0	n.a.	Acquisition of investments in associates and joint ventures and other companies	0	(18)	n.a.
0	1	(56)	n.a.	Dividends received from companies classified under available for sale and other companies	1	1	0
1	31	81	(62)	Proceeds from profit of companies	81	32	(60)
0	0	0	n.a.	Interest received	0	0	n.a.
322	(245)	(663)	(63)	Investments and loans to third parties	(882)	77	n.a.
163	(384)	(1,087)	(65)	Net cash (outflow) used for investing activities	(1,342)	(221)	(84)
				Cash flows from financing activities			
0	122	1	12,100	Additional long-term borrowings	26	122	369
(196)	(1,415)	(33)	4,188	Repayment of long-term borrowings	(1,233)	(1,611)	31
4,140	3,700	4,236	(13)	Additional short-term borrowings	9,460	7,840	(17)
(3,926)	(3,942)	(5,163)	(24)	Repayment of short term borrowings	(7,248)	(7,868)	9
0	0	(480)	n.a.	Payment dividends	(480)	0	n.a.
(24)	(22)	0	n.a.	Interest paid on long-term loans	0	(46)	n.a.
(2)	(2)	(2)	0	Other long-term liabilities	(4)	(4)	0
(27)	6	(29)	n.a.	Interest paid on short term loans and other financing charges	(52)	(21)	(60)
(35)	(1,553)	(1,470)	6	Net cash from financing activities	469	(1,588)	n.a.
374	(181)	(70)	159	Net (decrease)/increase in cash and cash equivalents	(72)	193	n.a.
229	594	265	124	At 1 January	260	229	(12)
(9)	5	(15)	n.a.	Effect of foreign exchange rate changes	(8)	(4)	(50)
594	418	180	132	At the end of period	180	418	132

INA – INDUSTRIJA NAFTE, d.d.
INA d.d. Unconsolidated Statement of Changes in Equity
For the period ended 30 June 2011 and 2012
(HRK million)

	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total
Balance as at 1 January 2011	9,000	1,952	27	1,556	12,535
Profit for the year	0	0	0	2,447	2,447
Other comprehensive loss, net	0	(673)	5	0	(668)
Total comprehensive profit for the year	0	(673)	5	2,447	1,779
Dividends payable	0	0	0	(480)	(480)
Balance as at 30 June 2011	9,000	1,279	32	3,523	13,834
	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total
Balance as at 1 January 2012	9,000	2,239	0	3,043	14,282
Profit for the year	0	0	0	367	367
Other comprehensive loss net	0	201	8	0	209
Total comprehensive income for the year	0	201	8	367	576
Dividends paid	0	0	0	0	0
Balance as at 30 June 2012	9,000	2,440	8	3,410	14,858

Related party transactions

The company has dominant positions in Croatia in oil and gas exploration and production, oil refining and the sale of gas and petroleum products. As a result of the Company's strategic position within the Croatian economy, a substantial portion of its business and the business of its subsidiaries is transacted with the Croatian Government, its departments and agencies, and the companies with the Republic of Croatia being their majority shareholder. Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on Group level consolidation. Details of transactions between INA, d.d. and the Group companies and other related parties are disclosed below.

Product sales between related parties were made at the usual prices of the Group, reduced by discounts and rebates depending on each particular relationship. Purchases of products between related parties were made at market prices, including appropriate discounts depending on each particular relationship. INA d.d. generally seeks collateral for oil product sold to its related parties, except from customers who are state budget beneficiaries or fully owned by the state. The liabilities of the related parties to INA, d.d. are presented net of impairment of for bad and doubtful receivables.

INA, d.d. HRK mln	Amounts owed from related parties 30 June 2012	Amounts owed to related parties 30 June 2012
Foreign related companies		
Interina Ltd Guernsey	0	141
Holdina Sarajevo	130	5
Interina d.o.o. Ljubljana	1	0
Interina Ltd London	0	0
Adriagas Milano	0	0
INA – Crna Gora d.o.o. Podgorica	23	1
INA – Beograd d.o.o. Beograd	7	0
Domestic related companies		
Crosco Grupa	1	62
Osijek Petrol d.d.	32	2
Proplin d.o.o. Zagreb	0	0
STSI d.o.o. Zagreb	12	92
Maziva Zagreb d.o.o. Zagreb	25	12
ITR d.o.o. Zagreb	0	9
Sinaco d.o.o. Zagreb	1	28
Prirodni plin d.o.o. Zagreb	2,311	100
TOP Računovodstvo servisi d.o.o. Zagreb	1	0
Companies available for sale		
JANAF d.d. Zagreb	0	8
Strategic partner		
MOL Plc	3	31
Companies controlled by strategic partner		
Tifon d.o.o.	49	1
Kalegran Ltd.	0	0
Slovnaft, a.s.	0	21
Slovnaft, Petrochemicals s.r.o.	0	0
Mol Lub Kft.	0	0
MOL SLOVENIJA d.o.o.	2	0
IES-Italiana Energia e Servizi s.p.a.	1	4
TVK Nyrt.	0	1
Geoinform Kft.	0	0
Intermol d.o.o.	0	0
Energopetrol d.d.	25	0
Moltrade Mineralimpex Zrt.	0	102
Companies controlled by the State		
Hrvatska elektroprivreda	6	5
Other	192	7

INA, d.d. HRK mln	Sales of goods 30 June 2012	Purchase of goods 30 June 2012
Foreign related companies		
Interina Ltd Guemsey	0	0
Holdina Sarajevo	584	0
Interina d.o.o. Ljubljana	11	0
Interina Ltd London	0	0
Adriagas Milano	0	0
INA – Crna Gora d.o.o. Podgorica	66	0
INA – Beograd d.o.o. Beograd	0	0
Domestic related companies		
Croscos Grupa	5	107
Osijek Petrol d.d.	57	0
Proplin d.o.o. Zagreb	0	0
STSI d.o.o. Zagreb	11	115
Maziva Zagreb d.o.o. Zagreb	60	24
ITR d.o.o. Zagreb	1	13
Sinaco d.o.o. Zagreb	2	58
Prirodni plin d.o.o. Zagreb	2,555	387
TOP Računovodstvo servisi d.o.o. Zagreb	4	31
Companies available for sale		
JANAF d.d. Zagreb	0	0
Strategic partner		
MOL Plc	266	241
Companies controlled by strategic partner		
Tifon d.o.o.	407	3
Moltrade Mineralimpex Zrt.	0	102
Slovnaft, a.s.	0	43
Slovnaft, Petrochemicals s.r.o.	0	0
Mol Lub Kft.	0	1
MOL SLOVENIJA d.o.o.	13	0
IES-Italiana Energia e Servizi s.p.a.	8	0
TVK Nyrt.	0	0
Intermol d.o.o.	15	0
Energopetrol d.d.	183	0
Geophysical services Ltd.	0	0
Companies controlled by the State		
Hrvatska elektroprivreda	84	79
Other	544	192

INA, d.d. Summary Segmental Results of Operations

Q1 2012	Q2 2012	Q2 2011	%	(HRK mln)	H1 2011	H1 2012	%
Sales							
2,301	2,257	2,742	(18)	Exploration & Production	4,729	4,558	(4)
4,023	5,033	4,796	5	Refining & Marketing	8,749	9,056	4
1,485	1,816	1,819	(0)	Retail	3,218	3,301	3
13	5	6	(17)	Corporate and Other	11	18	64
(1,931)	(2,235)	(1,988)	12	Inter-segment revenue	(3,598)	(4,166)	16
5,891	6,876	7,375	(7)	Sales	13,109	12,767	(3)
Operating expenses, net other income from operating activities							
(1,209)	(1,748)	(637)	174	Exploration & Production	(1,189)	(2,957)	149
(4,059)	(5,597)	(5,279)	6	Refining & Marketing	(9,303)	(9,656)	4
(1,493)	(1,828)	(1,824)	0	Retail	(3,246)	(3,321)	2
(152)	(167)	(168)	(1)	Corporate and Other	(294)	(319)	9
1,931	2,235	1,988	12	Inter-segment eliminations	3,598	4,166	16
(4,982)	(7,105)	(5,920)	20	Expenses	(10,434)	(12,087)	16
Profit (loss) from operations							
1,092	509	2,105	(76)	Exploration & Production	3,540	1,601	(55)
(36)	(564)	(483)	17	Refining & Marketing	(554)	(600)	8
(8)	(12)	(5)	140	Retail	(28)	(20)	(29)
(139)	(162)	(162)	0	Corporate and Other	(283)	(301)	6
909	(229)	1,455	n.a.	Profit from operations	2,675	680	(75)
Share in the profit of associate companies							
71	(256)	94	n.a.	Net loss from financial activities	377	(185)	n.a.
980	(485)	1,549	n.a.	Profit/(loss) before taxation	3,052	495	(84)
(185)	57	(257)	n.a.	Income tax	(605)	(128)	(79)
795	(428)	1,292	n.a.	Profit/(loss) for the year	2,447	367	(85)

INA, d.d. Summary Segmental Results of Operations

Q1 2012	Q2 2012	Q2 2011	%	Operating Profit Excluding Special Items (HRK mln)	H1 2011	H1 2012	%
1,316	856	2,111	(59)	Exploration & Production	3,585	2,172	(39)
(36)	(557)	(491)	13	Refining & Marketing	(471)	(593)	26
(5)	(5)	(4)	25	Retail	(11)	(10)	(9)
(138)	(143)	(152)	(6)	Corporate and Other	(253)	(281)	11
1,137	151	1,464	(90)	Total	2,850	1,288	(55)
Q1 2012	Q2 2012	Q2 2011	%	Depreciation (HRK mln)	H1 2011	H1 2012	%
401	193	499	(61)	Exploration & Production	789	594	(25)
137	156	91	71	Refining & Marketing	159	293	84
22	22	21	5	Retail	42	44	5
25	18	25	(28)	Corporate and Other	49	43	(12)
585	389	636	(39)	Total	1,039	974	(6)
Q1 2012	Q2 2012	Q2 2011	%	EBITDA* (HRK mln)	H1 2011	H1 2012	%
1,617	1,814	2,331	(22)	Exploration & Production	4,051	3,431	(15)
146	(352)	(343)	3	Refining & Marketing	(243)	(206)	(15)
11	31	28	11	Retail	26	42	62
(118)	(122)	(130)	(6)	Corporate and Other	(258)	(240)	(7)
1,656	1,371	1,886	(27)	Total	3,576	3,027	(15)
Q1 2012	Q2 2012	Q2 2011	%	EBITDA Excluding Special Items* (HRK mln)	H1 2011	H1 2012	%
1,760	1,822	2,350	(22)	Exploration & Production	4,070	3,582	(12)
157	(365)	(325)	12	Refining & Marketing	(225)	(208)	(8)
22	31	42	(26)	Retail	40	53	33
(109)	(119)	(102)	17	Corporate and Other	(230)	(228)	(1)
1,830	1,369	1,965	(30)	Total	3,655	3,199	(12)

* EBITDA = EBIT + Depreciation + Impairment + Provisions

INA, d.d. Summary Segment Information

30 June 2012	Exploration and production	Refining and marketing	Retail	Corporate and other	Elimination	Total
Assets and liabilities						
Property, plant and equipment	11,324	6,053	904	207	0	18,488
Intangible assets	580	14	2	65	0	661
Investments in subsidiaries	623	148	18	148	0	937
Investments in associates and joint ventures	34	0	0	0	0	34
Inventories	226	2,902	48	115	0	3,291
Trade receivables, net	1,787	1,166	389	23	(1,665)	1,700
Not allocated assets						5,178
Total assets						30,289
Trade payables	280	1,773	129	440	(530)	2,092
Not allocated liabilities						13,339
Total liabilities						15,431
Other segment information						
Capital expenditure:	173	63	36	23	0	295
Property, plant and equipment	160	63	36	7	0	266
Intangible assets	13	0	0	16	0	29
Depreciation and amortisation	594	293	44	43	0	974
Impairment losses/(income) PP&E, net recognized in profit and loss	31	0	0	0	0	31
Other impairment losses/(income), net recognized in profit and loss	131	17	6	0	0	154
Total impairment losses/(income), net	162	17	6	0	0	185
31 December 2011						
Assets and liabilities						
Property, plant and equipment	11,124	6,297	916	218	-	18,555
Intangible assets	780	13	4	79	0	876
Investments in subsidiaries	648	169	0	216	0	1,033
Investments in associates and joint ventures	34	0	0	0	0	34
Inventories	349	2,511	50	120	0	3,030
Trade receivables, net	2,037	965	348	19	(1,588)	1,781
Not allocated assets						4,486
Total assets						29,795
Trade payables	325	1,015	166	251	(646)	1,111
Not allocated liabilities						14,402
Total liabilities						15,513
Other segment information						
Capital expenditure:	659	577	106	47	0	1,389
Property, plant and equipment	586	569	105	8	0	1,268
Intangible assets	73	8	1	39	0	121
Depreciation and amortisation	1,765	447	83	102	0	2,397
Impairment losses/(income) PP&E, net recognized in profit and loss	(33)	655	(79)	0	0	543
Other impairment losses/(income), net recognized in profit and loss	679	(693)	840	(63)	0	763
Total impairment losses/(income), net	646	(38)	761	(63)	0	1,306

INA. d.d. Shareholders structure by number of shares

	31 Dec 06	31 Dec 07	31 Dec 08	31 Dec 09	31 Dec 10	31 Dec 11	31 March 12	30 June 12
MOL Plc.	2,500,001	2,500,001	4,715,538	4,715,538	4,715,538	4,725,620	4,725,620	4,725,620
Government of the Republic of Croatia	5,180,367	4,484,918	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552
Private and institutional investors	2,319,632	3,015,081	800,910	800,910	800,910	790,828	790,828	790,828
Total	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Source: Central Clearing Depository Company As per information available on the MOL Plc. website the Company controls 49.08% of the issue.

Changes in organisation, Management Board or Supervisory Board

Supervisory Board

At the Extraordinary General meeting of INA-INDUSTRIJA NAFTE d.d. held on April 11, 2012 Ábel Galács and József Simola were recalled and Szabolcs I. Ferencz and Ferenc Horváth were appointed Supervisory Board members with the term of office until June 10, 2013.

Management Board

During the second quarter there was no change in the Management Board.

Board of Executive Directors

Starting from 01 August 2012 Corporate Service Business Function would change its name to Corporate Centre Business Function. As of 01 September 2012 INA's Executive director of Corporate Centre Business Function, Mr. Berislav Gašo will continue his career within MOL Group, and the position of the Executive director for Corporate Centre will be taken over by Mr. Tvrtko Perković.

Management representation

INA Group's consolidated financial statements for Q2 and H1 2012 have been prepared in accordance with the International Financial Reporting Standards (IFRS). i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows.

Management Board:

Zoltán Áldott	President of INA, d.d. Board
Niko Dalić	Member
Pál Zoltán Kara	Member
Ivan Krešić	Member
Davor Mayer	Member
Péter Ratatics	Member