Q1-Q3 2012 – REPORT INA GROUP CONSOLIDATED

INA Group (ZB: INA-R-A; LSE: HINA; www.ina.hr) announced its Q1-Q3 2012 results today. This report contains unaudited consolidated financial statements for the period ending 30 September 2012 as prepared by the management in accordance with the International Financial Reporting Standards.

INA Group financial results (IFRS)

HRK mln.	Q2 2012	Q3 2012	Q3 2011 Restated*	%	Q1-Q3 2011 Restated*	Q1-Q3 2012	%
Net sales revenues	7,275	8,089	7,967	2	22,727	22,620	(0)
EBITDA reported (1)	932	1,462	1,649	(11)	5,261	3,691	(30)
EBITDA excl. special items (2)	**975**	**1,504**	**1,701**	**(12)**	**5,420**	**3,954**	**(27)**
Operating profit reported	(97)	1,031	689	50	2,892	1,522	(47)
Operating profit excl. special items (2)	**343**	**1,096**	**772**	**42**	**3,286**	**2,273**	**(31)**
Net financial expenses	(274)	34	(464)	n.a.	(154)	(217)	41
Net profit/loss for the period (3)	(304)	825	126	555	2,057	933	(55)
Net profit for the period excl. special items (2)	**34**	**877**	**192**	**356**	**2,371**	**1,541**	**(35)**
Operating cash flow	**1,461**	**1,500**	**1,422**	**6**	**2,270**	**3,434**	**51**
Earnings per share							
Basic and diluted earnings per share (kunas per share)	(30.4)	82.5	12.6	555	205.7	93.3	(55)
Net gearing	33.95	29.41	39.27	(25)	39.27	29.41	(25)

USD mln (4)	Q2 2012	Q3 2012	Q3 2011 Restated	%	Q1-Q3 2011 Restated	Q1-Q3 2012	%
Net sales revenues	1,242	1,353	1,511	(10)	4,310	3,856	(11)
EBITDA reported (1)	159	245	313	(22)	998	629	(37)
EBITDA excl. special items (2)	**166**	**252**	**323**	**(22)**	**1,028**	**674**	**(34)**
Operating profit reported	(17)	172	131	32	548	259	(53)
Operating profit excl. special items (2)	**59**	**183**	**146**	**25**	**623**	**387**	**(38)**
Net financial expenses	(47)	6	(88)	n.a.	(29)	(37)	27
Net profit/loss for the period (3)	(52)	138	24	477	390	159	(59)
Net profit for the period excl. special items (2)	**6**	**147**	**37**	**302**	**450**	**263**	**(42)**
Operating cash flow	**249**	**251**	**270**	**(7)**	**431**	**585**	**36**
Earnings per share							
Basic and diluted earnings per share (USD per share)	(5.2)	13.8	2.4	477	39.0	15.9	(59)

(1) EBITDA = EBIT + Depreciation + Impairment + Provisions
(2) Excludes special items related to asset impairment, provision, severance payments and special items income. The Q1-Q3 2012 EBIT was negatively influenced by HRK 751 million special items
3) INA Group net profit attributable to equity holder
(4) In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q2 2012 – 5.8577 HRK/USD; Q3 2012 – 5.9788 HRK/USD; Q3 201 - 5.2711; Q1-Q3 2011 – 5.2726 HRK/USD; Q1-Q3 2012 – 5.8664 HRK/USD
**Restatement of the previous periods understands the reclassification relating to financial statements presentations (in line with IAS 1) in respect of netting the revenues and expenses and technical corrections relating to recording of the asset impairment made at 2011 year end to the appropriate corresponding interim period of that year.*

INA Group delivered EBITDA of HRK 1.5 billion in Q3 2012, a significant improvement over Q2 2012, bringing the total EBITDA excl. special items for the first nine months of 2012 to almost HRK 4.0 billion, despite the lack of Syrian revenues. The Company also recorded positive results in both operating profit and net profit excluding special items for the nine month period, which amounted to HRK 2.3 billion and HRK 1.5 billion, respectively. As a result of these positive trends, INA's operating cash flow for nine months 2012 increased by 51 per cent to close to HRK 3.4 billion, compared to the same period last year, thereby strengthening the Company's financial position. Constant management efforts in consolidating the Group's financial position resulted in yet another improvement in gearing levels, which declined from 39% at the end of Q3 2011 to 29% in part coming from unsettled Q3 trading facilities for crude purchases.

Net profit (excl. special items) in Q3 reached HRK 877 million, a significant improvement compared to both HRK 34 million in Q2 2012 and HRK 192 million in Q3 2011.

The Exploration and Production division remained the leading contributor to Group level results. At the same time, the Refining and Marketing segment saw a reversal in the negative contribution trend of the previous quarters in Q3 2012 and turned positive ytd downstream EBITDA contribution mainly reflecting healthier crack spread environment developments during the nine months.

- **Exploration and Production**: In Q1-Q3 2012, EBITDA excl. special items was HRK 4.1 billion (USD 700 million) - despite the lack of revenues from Syria. Mainly due to the lack of Syrian production volumes and lower offshore volumes the hydrocarbon production decreased by 33% compared to the same period last year. Results were additionally burdened with the gas price cap for small industrial customers and regulated prices for supplying tariff household customers although they were changed upwards during the reporting period. These negative drivers were slightly moderated by improved average realized hydrocarbon prices and a 7% reduced unit opex.
- **Refining and Marketing**: In Q1-Q3 2012, the segment reported a HRK 464 million improved result compared to the same period last year reaching positive EBITDA excluding special items in the amount of HRK 21 million driven by healthier crack spread environment and several successful initiatives, but partly offset by decreasing regional demand resulting in lower sales by 7% compared to the same period last year and the unfavorable yield structure of the refineries. The positive contribution of marketable motor fuels improved yield driven by better feedstock selection, inventory management and optimization of refineries' operations underline the successful initiatives. Own consumption continued to decrease, reflecting the results of optimized operation and internal efficiency improvements. However, the higher energy costs and higher depreciation related to the capitalisation of key projects at the end of 2011, were the negative drivers in first nine months of 2012.
- **Retail segment:** Despite adverse conditions in the business environment this year, for the nine months to September 2012, the Segment reached an EBITDA (excluding special items) of HRK 149 million (USD 25 million), a 13% improvement when compared to same period in 2011. However, a slowdown in economic activity, higher prices and reduced purchasing power caused an 8% decrease in sales volumes and 9% decrease in operating profit excl. special items in the first nine months compared to 2011. These negative factors were partially mitigated by lower operating costs, the introduction of diesel fuel with a bio component and optimization of the retail network. As part of the intensive INA Retail network modernisation program, which aims to enhance the visual identity and functionality of filling stations and achieve a high level of customer service and consumer satisfaction, 47 petrol stations were modernised in the first nine months of 2012, and more than 40 stations are in the construction and tendering phases.
- **Corporate and Other**[1]**:** The 3% lower operating loss of the segment (HRK 398 million, excluding special items or USD 68 million) in Q1-Q3 2012 compared to the same period last year demonstrates the results of process optimization and cost control at the Company.
- **Capital expenditure:** In the first nine months of 2012 INA has invested HRK 740 million. The majority of capital expenditure has been spent on a number of Croatian projects including intensified onshore exploration, a retail modernisation programme and downstream HSE and efficiency improvement. The Exploration and Production segment's CAPEX reached HRK 517 million (including one-off OPEX for seismic acquisitions), covering, among other things: a 2D/3D seismic acquisition on South Adriatic, the intensification of the EOR project and an onshore intensified drilling campaign. The temporary suspension of all Syrian exploration activities decreased international spending and placed stronger emphasis on domestic exploration. The completion of significant refinery development programmes last year meant year-to-date 2012 CAPEX was lower compared to the same period in 2011. On the other hand, further system developments starting this year include: HSE and energy efficiency projects aimed at improving internal operational efficiency and a deep conversion project in the Rijeka refinery is also planned. However, major refinery projects are subject to approvals which in some cases, have been delayed. The modernization program of INA's retail network, the so called "Blue Concept", continues with increased intensity this year. The majority of the strong investment cycle planned by INA for this year is expected to be realized towards the year end due to the nature and dynamics of capital projects.

INA's operations are still markedly affected by the changes in the external environment which is characterised by ambiguous movements, i.e. depressed market demand, prolonged economic slowdown in core markets and political and regulatory constraints on one side and the improving crack spread environment with relatively stable crude prices compared to 2011 on the other side. Eased regulatory pressures in respect of the capped natural gas prices for households and small industrial companies, continued negative growth and contracting market demand of Croatian economy, negatively affected retail operations. Internationally, INA's results were negatively affected by the lack of revenues from its Syrian operations. In addition to operational developments, the depreciation of the HRK against USD, which resulted in financial losses of HRK 217 million for the first nine months of 2012 also impacted the Company's performance during this period.
Management's continuous efforts aimed at increasing operational efficiency significantly contributed to the Q1-Q3 2012 results, achieving efficiency improvements of more than HRK 1.9 billion compared to 2010 base line.

[1] Include Corporate Functions and subsidiaries providing safety and protection services, technical services, accounting services, corporate support and other services.

Commenting on the results, Mr Zoltán Áldott, President of the Management Board said:

In the first nine months 2012, INA Group has delivered EBITDA (excl. special items) of HRK 4.0 billion despite a continued economic slowdown in the core region and the lack of revenues from INA's operations in Syria, which was mitigated by the management's committed efforts to improve efficiency.

INA has initiated a new investment cycle to strengthen its activities, with more than 90% of nine months to September 2012 of capital expenditures made in Croatia to strengthen INA's domestic activities. An intensified drilling campaign is being carried out in our onshore fields with strong focus on the ongoing Ivanić and Žutica EOR projects, on the preparation of the Medimurje EOR project and accelerated exploration activities resulting in several major discoveries recently demonstrating our commitment to further develop our Croatian E&P activities and to strengthen energy security supply of Croatia. Further development of our offshore fields in Croatia was constrained by the lack of drilling equipment in the past period.

Efforts by management to improve efficiency and the completed investments in the Refining segment have led to significant improvements in the segment's results, resulted in improved product yield and reduced own consumption; though this still remains high. The utilization of new plants, together with better feedstock selection, have led to a greater share of marketable motor fuels, securing a basis for future production optimization. We are awaiting the necessary permits and licenses from the relevant authorities to execute new plans for the development of our refining system.

As a result of an intensified modernization in the retail business, that led to 63% higher investments compared to the same period last year, INA will have the largest number of modern filling station network in Croatia among all operators by the end of 2012.

INDUSTRIJA NAFTE, d.d.

Management discussion

*Exploration and Production**

Q2 2012	Q3 2012	Q3 2011 Restated	%	Segment IFRS results (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
2,773	2,428	2,883	(16)	Net sales revenues	9,297	8,968	(4)
1,364	1,260	1,904	(34)	EBITDA reported	6,055	3,905	(36)
1,403	1,277	1,917	(33)	EBITDA excl. special items**	6,095	4,106	(33)
673	1,066	1,158	(8)	Operating profit reported	4,466	2,545	(43)
1,057	1,094	1,172	(7)	Operating profit excl. special items**	4,486	3,183	(29)
156	234	136	72	CAPEX***	467	462	(1)

* Exploration and Production refers to the Upstream of INA, d.d. and following subsidiaries: Crosco Group, INA Naftaplin IE&PL, Guernsey, Adriagas S.r.l. Milano, Prirodni plin d.o.o.
** The Q1-Q3 2012 performance was negatively influenced by HRK 638 million special items.
*** Not including one-off exploration Opex

Q2 2012	Q3 2012	Q3 2011	%	Hydrocarbon production*	Q1-Q3 2011	Q1-Q3 2012	%
12,357	**12,134**	**15,941**	**(24)**	**Crude oil production (boe/d)***	**15,773**	**12,396**	**(21)**
8,889	8,914	9,127	(2)	Croatia	9,276	8,841	(5)
-	-	3,302	n.a.	Syria	3,190	146	(95)
1,963	1,878	1,846	2	Egypt	1,718	1,922	12
1,505	1,342	1,665	(19)	Angola	1,589	1,487	(6)
32,226	**27,831**	**48,523**	**(43)**	**Natural gas production (boe/d)**	**49,430**	**34,770**	**(30)**
16,523	14,879	21,166	(30)	Croatia - offshore	22,137	16,718	(24)
15,704	12,952	13,087	(1)	Croatia - onshore	13,953	15,009	8
-	-	14,270	n.a.	Syria	13,339	3,043	(77)
2,719	**2,156**	**9,707**	**(78)**	**Condensate (boe/d)**	**10,325**	**3,477**	**(66)**
2,719	2,156	5,518	(61)	Croatia	6,439	2,546	(60)
-	-	4,189	n.a.	Syria	3,886	931	(76)
47,302	**42,121**	**74,171**	**(43)**	**Total hydrocarbon production (boe/d)**	**75,528**	**50,643**	**(33)**
Q2 2012	**Q3 2012**	**Q3 2011**	**%**	**Average realised hydrocarbon price****	**Q1-Q3 2011**	**Q1-Q3 2012**	**%**
96	90	113	(20)	Crude oil and condensate price (USD/bbl)	102	96	(6)
78	87	78	12	Average realised gas price (USD/boe)	70	77	10
84	88	84	4	Total hydrocarbon price (USD/boe)*	78	82	6
Q2 2012	**Q3 2012**	**Q3 2011**	**%**	**Natural gas trading - mln cm**	**Q1-Q3 2011**	**Q1-Q3 2012**	**%**
244	248	210	18	Natural gas imports	564	859	52
525	425	546	(22)	Total natural gas sales - domestic market	2,058	1,914	(7)

Q2 2012	Q3 2012	Q3 2011	%	Natural gas price differential to import prices (HRK/000 cm)	Q1-Q3 2011	Q1-Q3 2012	%
(638)	(90)	(545)	(84)	Total price	(387)	(539)	39

*Excluding separated condensate
** Calculated based on total external sales revenue including natural gas selling price as well

Third quarter 2012 vs. second quarter 2012 results

In Q3 2012, **operating profit excluding special items was** HRK 1,094 million, 3% higher than Q2 due to the effects of the following positive drivers:
(1) A 4 per cent Increase in total average realised hydrocarbon price and (2) a lower negative contribution from the natural gas trading business. This was due to the eased price cap for tariff customers and liberalised price formulation for industrial customers, coupled with seasonally lower sales during summer months.

However, these positive effects have been mitigated by (1) decreased hydrocarbon production as a result of the natural depletion of domestic fields and the regular turnaround cycle performed on both onshore and offshore concessions, and (2) lower sales of domestic crude oil and condensate due to the September overhaul of the Sisak Refinery resulting in approximately HRK 200 million lower revenues.
Reported operating profit for the third quarter 2012 amounted to HRK 1,066 million and was negatively affected by HRK 28 million of special items (most of which relate to provisions made for litigation).

Third quarter 2012 vs third quarter 2011 results

In Q3 2012, **EBITDA, excluding special items** decreased 33% compared to Q3 2011 reflecting (1) the temporary suspension of activities in Syria and subsequent lack of revenue from the country, (2) lower domestic production, partly due to natural depletion in the Panon basin and in Adriatic off shore fields and (3) loss making gas trading business which was mitigated by the eased price pressure and lower sales volumes. However, EBITDA of the base period was negatively affected by Sisak refinery stoppage in Q3 2011 resulting in lower sales.

INDUSTRIJA NAFTE, d.d.

Q1-Q3 1 2012 vs Q1-Q3 2011 results

Upstream Q1-Q3 2012 **operating profit**, excluding special items has fallen compared to the same period last year, driven by the effects of: (1) a 33% decrease in hydrocarbon production, mainly due to the lack of Syrian production volumes and lower offshore volumes, (2) a 52% increase in volumes of imported natural gas at Prirodni plin combined with (3) a higher negative natural gas price differential coming from an increase in natural gas purchase prices and capped sales prices (Prirodni plin delivered an EBIT loss of HRK 704 million in Q1-Q3 2012). In Q1-Q3 2011, the Company recorded of HRK 2.5 billion revenues from Syria based on an average daily hydrocarbon production level of 20 Mboe/d; which volumes are absent in this reporting period. However, the positive contribution of an increased average hydrocarbon price and continuous efficiency improvement measures, especially considering strict cost control resulting in a 7% lower unit opex, has mitigated the negative effects. The Upstream nine month result was also positively affected by Crosco Group's improved contribution due it optimisation of its operations.

Reported operating profit for the period Q1-Q3 2012 amounted to HRK 2,545 million and was negatively affected by HRK 638 million of special items.

Total **natural gas** production was 30% lower [than the same period last year] reflecting (1) a lack of Syrian production in majority of the period due to announcement of "force majeure", (2) a decrease in offshore production due to severe weather conditions, natural decline, and water cuts and maintenance work on the Barbara T platform in the North Adriatic.

Croatian **crude production** declined in Q1-Q3 2012 due to natural depletion of the fields[2]. International crude production was 12% higher in Egypt due to the positive effects of drilling and workover activities on North Bahariya and drilling activities on West Abu Gharadig; the beneficial effect of this was diminished however by 6% lower crude production in Angola. Syrian crude volumes were significantly lower (with no production recorded in Q2 and Q3) compared to the same period last year as the company temporarily suspended activities in line with international and domestic regulation and local Syrian developments. Production volumes in Syria were accounted for only until "force majeure" announcement, without receiving revenues from October 2011.

As a result of the above trends, Upstream sales revenues were lower than last year's underlining (1) a 33% decrease in hydrocarbon production and lower natural gas sales volumes on one side, (2) a 6% increase in the average realised hydrocarbon price and (3) the positive effect of the exchange rate due to the deterioration of the HRK against the USD.

Q1-Q3 2012 Upstream expenditures increased by 33% to HRK 6.4 billion, driven by increased uncontrollable costs relating to natural gas imports, aforementioned special items and increased royalty payments. A strong increase in imported natural gas quantities (over 50%) and an increased import price due to international market movements, were the main drivers of the increase in uncontrollable costs. Higher imported natural gas volumes of 859 mcm (+52%) were necessary to maintain continuity of supply and stability of the domestic energy system following a technical disruption of deliveries caused by severe weather conditions, a decrease in domestic production and additional imports required for covering peak consumption during periods of exceptionally low temperatures.

Exploration and Production capital expenditures

The Exploration and Production segment's CAPEX in the period Q1-Q3 2012 amounted to HRK 517 million. Capital investments in Croatia amounted to HRK 383 million, capital investments abroad were HRK 59 million and CROSCO's investments were HRK 75 million. Compared with the same period in 2011 capital investments are higher by HRK 46 million or 10%. This increased level of investments is mainly due to intensive activities on the EOR projects Ivanić and Žutica. These activities have resulted in two new discoveries on Privlaka and Žutica fields based on the search for new so-called satellite fields in the Sava Depression.

E&P CAPEX 1Q-3Q 2012 (HRK million)	Croatia	Syria	Egypt	Angola
Exploration	115.1	3.4	1.5	0
o/w expl. one off opex	55.3			
Development	178.9	5.8	33.4	11.6
Exploration (including Iran): 123.7 (23.9%) Development: 229.7 (44.5%) Other: 163.5 (31.6%)	Exploration: Of Central and South Adriatic 2D/3D seismic acquisition was finished in March 2012 and acquired 1215 km^2 of 3D area and 843 km of 2D line. Of onshore finished drilling of exploration wells Hrastilnica-3 (in March) and Đeletovci-1Z (in April). Both wells were tested and resulted in new deposits discoveries.Development: Of Adriatic investments were related to IVANA K platform overhaul. Of onshore in scope of EOR project ongoing construction activities of new CO2 Ethan Plant and Molve Plant compressor stations and construction of new CO2 Ivanić and Žutica pipelines. Drilling of development well Kalinovac-4 R started in May and finished in September. The main of the rest development activities were related to well general workowers which are ongoing.	All planned activities cancelled due to political situation. Investments represent allocated G&A costs and construction activities for the period Jan-Feb 26th before Force Majeure announcement.	On North Bahariya concession drilling of Abrar-4, Abrar-5, Abrar-7 and Ganna-3 development wells was completed. Drilled wells are oil producers and were put in production. Also, finished is drilling of two exploration wells Rawda-SE1 (founded dry) and Sidra-2. On Ras Qattara and West Abu El Gharadig concessions workower operations were performed in order of optimizing production level.	Q1-Q3 investments on block 3/05a were related to FEED (front engineering and design) activities on Punja and Caco Gazela Fields. On block 3/05 investments were related to FSO Palanca dry dock maintenance and GLCC-LLCC separator construction activities. On both blocks planned activities were in delay.

Croatian natural gas trading business environment

The Croatian Parliament passed the Energy Law in effect abolishing the price cap for small industrial customers effective from Q4 this year, while retaining the price cap for households at the level of 2.20 HRK per cm. Although these changes have had a modest positive effect on INA's operational results Prirodni Plin d.o.o. suffered an EBIT loss of HRK 80 million in Q3 2012.

[2] Due to the different methodology the condensate production in Q1-Q3 2012 compared to total production with NGL (C2+) in Q1-Q3 2011 show decrease of 50%. Decrease of 50% is caused by 13% lower condensate production and remaining 37% is caused by modified production process due to discontinued ethane production and in fact results in an increase of Panon natural gas production.

INDUSTRIJA NAFTE, d.d.

*Refining and Marketing**

Q2 2012	Q3 2012	Q3 2011 Restated	%	Segment IFRS results (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
5,091	5,909	4,798	23	Revenues	13,798	15,095	9
(343)	228	(225)	n.a.	EBITDA reported	(486)	16	n.a.
(356)	235	(205)	n.a.	EBITDA excl. special items**	(443)	21	n.a.
(558)	33	(390)	n.a.	Operating profit/(loss) reported	(1,124)	(577)	(49)
(568)	40	(352)	n.a.	Operating profit/(loss) excl. special items**	(844)	(563)	(33)
(166)	152	26	485	Replacement modification gain (+) / loss (-)	261	141	(46)
(27)	30	60	(49)	Impairment on inventories gain (+) / loss (-)	(95)	27	n.a.
(15)	2	2	0	Foreign exchange rate differences gain (+) / loss (-)	96	(2)	n.a.
(360)	(145)	(440)	(67)	CCS-based R&M operating loss***	(1,106)	(730)	(34)
27	31	126	(75)	CAPEX and investments (w/o acquisition)	328	96	(71)

*Refers to Refining & Marketing INA. d.d. and following subsidiaries: Maziva Zagreb, Proplin (until October, 2011), Osijek Petrol, Interlna Ljubljana, INA BH Sarajevo, Holdina Sarajevo, INA Hungary, INA -Crna Gora, INA Beograd, INA Kosovo
**The Q1-Q3 2012 performance includes HRK 14 million negative special items
***Starting from Q2 2011 effect of inventories impairment excluded from Estimated CCS-based Operating profit/(loss)

Q2 2012	Q3 2012	Q3 2011	%	Refinery processing (kt)	Q1-Q3 2011	Q1-Q3 2012	%
117	104	-	n.a.	Domestic crude oil	210	358	71
552	748	698	7	Imported crude oil	2,394	1,872	(22)
40	19	-	n.a.	Condensate	67	79	18
359	223	220	2	Other feedstock	597	802	34
1,069	**1,094**	**918**	**19**	**Total refinery throughput**	**3,268**	**3,112**	**(5)**
Q2 2012	**Q3 2012**	**Q3 2011**	**%**	**Refinery production (kt)**	**Q1-Q3 2011**	**Q1-Q3 2012**	**%**
66	67	48	39	LPG	175	184	5
373	330	223	48	Motor gasoline	696	897	29
420	383	216	77	Diesel	754	1,029	36
22	49	43	14	Heating oil	137	127	(7)
31	35	47	(26)	Kerosene	98	82	(17)
15	10	18	(45)	Naphtha	71	48	(32)
100	122	115	6	Fuel oil	450	319	(29)
11	14	-	n.a.	Bitumen	49	26	(48)
(110)	(50)	73	n.a.	Other products*	349	(6)	n.a.
928	**960**	**783**	**23**	**Total**	**2,779**	**2,705**	**(3)**
8	7	6	22	Refinery loss	23	21	(9)
133	128	129	(1)	Own consumption	465	385	(17)
1,069	**1,094**	**918**	**19**	**Total refinery production**	**3,268**	**3,112**	**(5)**
Q2 2012	**Q3 2012**	**Q3 2011**	**%**	**Refined product sales by country (kt)**	**Q1-Q3 2011**	**Q1-Q3 2012**	**%**
423	544	529	3	Croatia	1,427	1,381	(3)
122	130	142	(8)	B&H	409	356	(13)
334	343	256	34	Other markets	953	852	(11)
879	**1,017**	**927**	**10**	**Total**	**2,789**	**2,588**	**(7)**
Q2 2012	**Q3 2012**	**Q3 2011**	**%**	**Refined product sales by product (kt)**	**Q1-Q3 2011**	**Q1-Q3 2012**	**%**
68	76	60	26	LPG	201	202	1
301	282	235	20	Motor gasoline	713	759	6
315	406	362	12	Diesel	942	990	5
28	31	39	(22)	Heating oil	139	109	(22)
35	52	51	0	Kerosene	98	99	1
15	9	18	(47)	Naphtha	73	49	(33)
82	119	122	(2)	Fuel oil	447	285	(36)
15	20	18	6	Bitumen	69	41	(41)
20	23	22	8	Other products*	108	56	(49)
879	**1,017**	**927**	**10**	**Total**	**2,789**	**2,588**	**(7)**
258	318	429	(26)	o/w Retail segment sales	864	790	(9)

*Other products = FCC gasoline, petrol components, other gasoline, benzene-rich cut, other diesel fuels and components, liquid sulphur, coke, motor oils. Ind, lubricants, base oils, spindle oil, waxes, blend. gas oil “M”, atmosp, residue, intermediaries and other

Third quarter 2012 vs. second quarter 2012

Refining and Marketing positively contributed to the Group’s Q3 results with the segment’s **operating profit (excluding special items)** showing a strong improvement from the Q2 operating loss and amounting to HRK 40 million. This improvement was driven by 16% increase in sales volumes, improved crack spread environment and the positive effect of inventory management materialised in decreased volume levels, especially in the second half of the quarter also demonstrating management’s efforts and focus on efficiency improvement and operations optimisation. The Refining & Marketing segment’s **‘clean’ CCS-based operating loss**[3] decreased but remained negative at HRK 145 million.

[3] excluding effects of special items, inventory revaluation and foreign exchange differences on debtors and creditors

Results for Q3 2012 were positively affected by: (1) a 72kt improvement in sales of marketable motor fuels driven by the optimization of refineries' operations to utilize a favourable crack spread environment (2) extended crude basket and better feedstock selection, (3) lower own consumption and refinery loss, therefore reducing energy costs and (4) an efficiency improvement program (strict costs control and logistics network rationalization).

These positive effects were mitigated by (1) the increased cost of purchased energy (natural gas, electricity), (2) the Brent-Ural spread which was slightly below Q2 2012 levels and (3) the price cap stipulated by the domestic pricing Rulebook.

In Q3 2012 overall sales were 15.7% above the previous quarter, with August sales breaking the 400kt level. Total Q3 sales exceeded one million tons for the first time since Q4 2010.

Reported Q3 2012 operating profit of HRK 33 million was negatively affected by HRK 7 million of special items.

Third quarter 2012 vs. third quarter 2011

In Q3 2012, the R&M segment's operating profit (excluding special items) exceeded that of the same period last year by HRK 392 million, mainly resulting from the favourable external crack spread environment. However, internal efforts made by the management on (1) production yield restructuring (2) lower own consumption derived from better feedstock selection, (3) utilization of new plants, (4) on demand refineries operation, (5) improved motor fuel sales of 91kt amidst contracting markets, (6) inventory management initiatives launched by management in June 2012 strongly supported this result.

The R&M segment achieved profitability and **'clean' CCS-based operating result** improved by HRK 295 million compared to Q3 2011 as a result of above mentioned drivers.

Total refinery throughput was 19% higher than Q3 2011. The main reason behind this increase was the shut-down of the Sisak refinery last year due to a fire incident, resulting in domestic crude processing of 104 kt in Q3 2012 versus no processing in Q3 2011. Total R&M sales rose by 90 kt or 9.7% as a result of strong wholesale efforts levelling off a declining INA Retail segment performance.

Q1-Q3 2012 vs. Q1-Q3 2011 results

The segment improved its EBITDA (excluding special items) and turned positive in the first nine months of 2012, reaching a value of HRK 21 million; an improvement of HRK 464 million compared to last year. This was due to:
The positive effects of: (1) a higher average crack spread, and (2) the fact that the motor fuels product sales share exceeded the same period last year (67.6% in 2012 vs. 59.3% in 2011), (3) better feedstock selection and lower own consumption (13.0% in 2012 vs. 14.9% in 2011), (4) on-demand operation mode of refineries resulting (5) in high white product yields in both refineries with the average 74.8% in 2012 vs. 66.6% in 2011 and (6) strong cost control. These positives were mitigated by the negative effects of: (1) an increase in the price of crude oil (2) a decrease in the Brent-Ural spread, (3) a decline in motor fuel consumption in core markets and (4) higher energy costs, mainly due to higher natural gas prices.
The R&M segment's **operating results (excluding special items)** exceeded the same period last year by HRK 281 million, at HRK 563 million. The positive external environment, especially in terms of the record high gasoline crack spread, was utilized by matching production yield with market yield, i.e. keeping the share of marketable fuel products high while the share of non-profitable black products was kept low. Increased depreciation related to putting new assets on stream and the price cap in the domestic market limited positive effects.

Reported operating loss for Q1-Q3 2012 amounted to HRK 577 million and was negatively affected by HRK 14 million of special items.

Although both the gasoline and diesel markets are contracting for the third consecutive year, the R&M segment managed to achieve higher motor fuel sales in the period which resulted in higher market share due to the continuous efforts of the company. Negative GDP movements and reduced spending are apparent through the industry, mostly in construction and transport.

Refining and Marketing capital expenditures

A large scale refinery development program was completed in 2011. As a result of this, in Q1-Q3 2012 CAPEX spending was lower compared to the same period of the previous year (HRK 96 million vs. 328 million). The successful start-up and putting on-stream of the Isomerization unit in the Sisak Refinery has significantly improved the octane pool in gasoline blending and was the most important project in H1 2012. Numerous growth and HSE/sustainable projects have been launched and further projects are in preparation and approval phase with initiation expected by the end of 2012, in line with preparation for upcoming significant development programs.

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*Retail Services**

Q2 2012	Q3 2012	Q3 2011 Restated	%	Segment IFRS results (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,966	2,423	2,356	3	Revenues	5,854	6,006	3
30	87	90	(3)	EBITDA reported	106	130	23
31	95	101	(6)	EBITDA excl. special items**	132	149	13
(20)	67	61	10	Operating profit/(loss) reported	19	38	100
(12)	70	80	(13)	Operating profit/(loss) excl. special items**	56	51	(9)
34	57	16	258	CAPEX and investments (w/o acquisition)	57	93	63

* Refers to Retail INA. d.d. and Petrol Rijeka and retail of subsidiaries: Proplin (until October 3, 2011), Osijek Petrol, Interina Ljubljana, Holdina Sarajevo, INA - Crna Gora
**The Q1-Q3 2012 performance was negatively influenced by HRK 13 million special items

Q2 2012	Q3 2012	Q3 2011	%	Refined product retail sales (kt)	Q1-Q3 2011	Q1-Q3 2012	%
89	109	118	(8)	Motor gasoline	300	272	(9)
164	206	212	(3)	Gas and heating oils	538	505	(6)
7	8	10	(16)	LPG	27	22	(16)
1	1	1	(11)	Other products	2	2	(14)
261	**324**	**342**	**(5)**	**Total**	**868**	**801**	**(8)**

Q2 2012	Q3 2012	Q3 2011	%	Refined product retail sales (kt)	Q1-Q3 2011	Q1-Q3 2012	%
249	309	326	(5)	Croatia	828	764	(8)
9	11	12	(7)	B&H	29	27	(7)
3	4	4	(8)	Other markets	10	10	(5)
261	**324**	**342**	**(5)**	**Total**	**868**	**801**	**(8)**

Third quarter 2012 vs. second quarter 2012 results

In Q3 2012, the **Retail Segment** achieved an **operating profit excluding special items** of HRK 70 million, representing an improvement of HRK 82 million. Main drivers were (1) an improved fuel margin due to seasonal effects (24% higher sales) and (2) lower receivables from customers.

Third quarter 2012 vs third quarter 2011 results

Compared to Q3 2011, **operating profit excluding special items** was lower by HRK 10 million in Q3 2012, primarily due to (1) a lower sales volumes by 5% caused by decline in consumption and purchasing power, and (2) higher expenditures from value adjustments.
Operating profit in Q3 2012 totalled HRK 67 million, which includes the negative impact of special items in the amount of HRK 3 million.

Q1-Q3 2012 vs Q1-Q3 2011 results

The Retail Segment recorded **operating profit excluding special items** of HRK 5 million lower compared to the same period the previous year. This decrease in operating result was driven by (1) a lower fuel margin, and (2) lower sales volumes, in part mitigated by decreased personnel costs and lower provisions.
Reported operating profit in Q1-Q3 2012 amounted to HRK 38 million, including the negative impact of HRK 13 million special items.

In the first nine months of 2012, **total retail sales** volumes decreased by 8% compared to the same period the previous year, mainly as a consequence of weaker demand driven by economic slowdown and an increase in retail prices, as well as the negative influence of the strong winter and a lower number of operating filling stations in 2012. As a result of aforementioned factors, sales volumes of gasoline fell by 9%, while 6% less gas oil was sold.

Throughput per site in the first three quarters of 2012 was 3% lower compared to the same period previous year, indicating both contracting market and intensified network modernisation programme having a constant number of closed petrol stations for construction works.

At 30 September 2012 INA Group operated a network of 432 filling stations (380 in Croatia and 52 abroad, of which 45 in Bosnia and Herzegovina, 6 in Slovenia and 1 in Montenegro). Since 30 September 2011, INA Group's retail network has been reduced by 22 filling stations, this is the result of an intensive modernization program in 2012.

Retail capital expenditures

Capital expenditures in Q1-Q3 2012 amounted to HRK 93 million and were 63% higher than the same period last year, when amounting HRK 57 million.
As part of the intensive INA Retail network modernisation program, which aims to enhance the visual identity and functionality of filling stations and achieve a high level of customer service and consumer satisfaction, 47 petrol stations were modernised in the first nine months of 2012, and more than 40 stations are in the construction and tendering phases. With the acceleration of the programme INA expects to operate the leading Croatian network through a number of premium modernised stations.

Condensed Consolidated Income Statement – INA-GROUP
For the period ended 30 September 2011 and 2012
(in HRK millions)

Q2 2012	Q3 2012	Q3 2011 Restated	%		Note	Q1-Q3 2011 Restated	Q1-Q3 2012	%
				Sales revenue				
4,252	4,908	4,508	9	a) domestic		12,799	14,274	12
3,023	3,181	3,459	(8)	b) exports		9,928	8,346	(16)
7,275	**8,089**	**7,967**	**2**	**Total sales revenue**	1	**22,727**	**22,620**	**(0)**
59	82	89	(8)	Income from own consumption of products and services		178	165	(7)
68	52	(3)	n.a.	Other operating income		359	238	(34)
7,402	**8,223**	**8,053**	**2**	**Total operating income**		**23,264**	**23,023**	**(1)**
(387)	5	76	(93)	Changes in inventories of finished products and work in progress		904	347	(62)
(3,764)	(4,464)	(3,722)	20	Cost of raw materials and consumables	2	(11,606)	(11,630)	0
(429)	(387)	(768)	(50)	Depreciation and amortization	4	(1,934)	(1,444)	(25)
(430)	(440)	(461)	(5)	Other material costs	4	(1,290)	(1,281)	(1)
(307)	(267)	(280)	(5)	Service costs	4	(866)	(1,015)	17
(656)	(589)	(664)	(11)	Staff costs	5	(2,030)	(1,864)	(8)
(926)	(1,006)	(1,353)	(26)	Cost of other goods sold	3	(3,115)	(3,889)	25
(312)	(70)	(229)	(69)	Impairment and charges (net)		(666)	(370)	(44)
(288)	26	37	(30)	Provisions for charges and risks (net)		231	(355)	n.a.
(7,499)	**(7,192)**	**(7,364)**	**(2)**	**Operating expenses**		**(20,372)**	**(21,501)**	**6**
(97)	**1,031**	**689**	**50**	**Profit from operations**		**2,892**	**1,522**	**(47)**
				Share in the profit of associated companies				
(88)	77	78	(1)	Finance income		207	157	(24)
(186)	(43)	(542)	(92)	Finance costs		(361)	(374)	4
(274)	**34**	**(464)**	**n.a.**	**Net loss from financial activities**	7	**(154)**	**(217)**	**41**
(371)	**1,065**	**225**	**373**	**Profit before tax**		**2,738**	**1,305**	**(52)**
67	(240)	(99)	142	Income tax expense	6	(682)	(365)	(46)
(304)	**825**	**126**	**555**	**Profit for the year**		**2,056**	**940**	**(54)**
				Attributable to				n.a.
(304)	825	126	555	Owners of the Company		2,057	933	(55)
-	-	-	n.a.	Non-controlling interests		(1)	7	n.a.
(304)	**825**	**126**	**555**			**2,056**	**940**	**(54)**
				Earnings per share				
(30.4)	82.5	12.6	555	Basic and diluted earnings per share (kunas per share)		205.7	93.3	(55)

Condensed Consolidated Statement of Comprehensive Income – INA-GROUP
For the period ended 30 September 2011 and 2012
(in HRK million)

Q2 2012	Q3 2012	Q3 2011 Restated	%		Q1-Q3 2011 Restated	Q1-Q3 2012	%
(304)	**825**	**126**	**555**	**Profit for the year**	**2,056**	**940**	**(54)**
				Other comprehensive income:			
462	(278)	564	n.a.	Exchange differences arising from foreign operations	(125)	(71)	(43)
(37)	(2)	(62)	(97)	Gains on available-for-sale investments, net	(57)	6	n.a.
425	**(280)**	**502**	**n.a.**	**Other comprehensive income, net**	**(182)**	**(65)**	**(64)**
121	**545**	**628**	**(13)**	**Total comprehensive income for the year**	**1,874**	**875**	**(53)**
				Attributable to:			
121	545	628	(13)	Owners of the Company	1,875	868	(54)
-	-	-	n.a.	Non- controlling interests	(1)	7	n.a.

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Statement of Financial Position – INA-GROUP
At 30 September 2011 and 2012
(in HRK millions)

	Note	1 January 2012	30 Sept 2012	%
Assets				
Non-current assets				
Intangible assets	9	880	673	(24)
Property, plant and equipment	10	20,294	19,489	(4)
Goodwill		183	183	0
Investments in associates and joint ventures		34	34	(0)
Other investments		355	174	(51)
Long-term receivables		162	189	17
Derivative financial instruments		5	5	0
Deferred tax		662	746	13
Available for sale assets		325	332	2
Total non-current assets		**22,900**	**21,825**	**(5)**
Current assets				
Inventories	12	3,693	4,212	14
Trade receivables net	13	3,282	2,641	(20)
Other receivables		456	970	113
Derivative financial instruments		2	2	0
Other current assets		76	27	(64)
Prepaid expenses and accrued income		79	179	127
Cash and cash equivalents		337	609	81
Current assets		**7,925**	**8,640**	**9**
Assets classified as held for sale		-	-	n.a.
Total current assets		**7,925**	**8,640**	**9**
Total assets	**8**	**30,825**	**30,465**	**(1)**
Equity and liabilities				
Capital and reserves				
Share capital	11	9,000	9,000	0
Revaluation reserve		-	6	n.a.
Other reserves		2,616	2,545	(3)
Retained earnings / (Deficit)		2,759	3,689	34
Equity attributable to equity holder of the parent		**14,375**	**15,240**	**6**
Non-controlling interests		(10)	0	n.a.
Total equity		**14,365**	**15,240**	**6**
Non-current liabilities				
Long-term loans		5,630	1,148	(80)
Other non-current liabilities		126	131	4
Employee benefits obligation		104	100	(4)
Provisions		2,715	2,789	3
Total non-current liabilities		**8,575**	**4,168**	**(51)**
Current liabilities				n.a.
Bank loans and overdrafts		1,918	1,122	(42)
Current portion of long-term debt		1,904	4,690	146
Trade payables	15	2,032	3,034	49
Taxes and contributions		1,524	1,343	(12)
Other current liabilities		246	293	19
Accruals and deferred income		48	42	(13)
Employee benefits obligation		13	10	(23)
Provisions		200	523	162
Current liabilities		**7,885**	**11,057**	**40**
Liabilities directly associated with assets classified held for sale		-	-	n.a.
Total current liabilities		**7,885**	**11,057**	**40**
Total liabilities	**14**	**16,460**	**15,225**	**(8)**
Total equity and liabilities		**30,825**	**30,465**	**(1)**

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Cash Flow Statement - INA GROUP
For the period ended 30 September 2011 and 2012
(in HRK millions)

Q2 2012	Q3 2012	Q3 2011 Restated	%		Note	Q1-Q3 2011 Restated	Q1-Q3 2012	%
(304)	**825**	**126**	**555**	**Profit/(loss) for the year**		**2,056**	**940**	**(54)**
				Adjustments for:				
429	387	768	(50)	Depreciation and amortisation		1,934	1,444	(25)
(67)	240	99	142	Income tax (benefit)/expenses recognized in (loss)/profit		682	365	(46)
-	-	-	n.a.	(Gain) / loss over / under lifting receivable		-	-	n.a.
317	79	204	(61)	Impairment charges (net)		746	533	(29)
(5)	(9)	25	n.a.	Reversal of impairment		(80)	(163)	104
-	(5)	1	n.a.	Gain on sale of property, plant and equipment		(9)	(7)	(22)
-	-	17	n.a.	Gain on sale investments and shares		28	-	n.a.
186	(132)	387	n.a.	Foreign exchange loss/(gain)		(56)	(82)	46
36	29	42	(31)	Interest expense (net)		94	95	1
(1)	84	(35)	n.a.	Other financial expense recognised in profit		(23)	119	n.a.
293	(35)	(32)	9	Increase in provisions		(218)	355	n.a.
24	39	32	23	Decommissioning interests		86	87	1
6	(36)	(22)	64	Other non-cash items		(20)	(6)	(70)
914	**1,466**	**1,612**	**(9)**	**Operating cash flow before working capital changes**	**16**	**5,220**	**3,680**	**(30)**
				Movements in working capital	17			
(60)	(368)	(598)	(38)	(Increase)/decrease in inventories		(1,922)	(618)	(68)
(30)	82	240	(66)	(Increase)/decrease in receivables and prepayments		386	71	(82)
1,425	540	236	129	(Decrease)/increase in trade and other payables		(1,018)	1,363	n.a.
2,249	**1,720**	**1,490**	**15**	**Cash generated from operations**		**2,666**	**4,496**	**69**
(788)	(220)	(68)	224	Taxes paid		(396)	(1,062)	168
1,461	**1,500**	**1,422**	**6**	**Net cash inflow from operating activities**		**2,270**	**3,434**	**51**
				Cash flows used in investing activities				
(140)	(338)	(101)	235	Payments for property, plant and equipment		(781)	(660)	(15)
(16)	(33)	(7)	371	Payment for intangible assets		(55)	(63)	15
-	5	1	400	Proceeds from sale of non-current assets		12	7	(42)
-	-	-	n.a.	Investments of subsidiaries		-	-	n.a.
-	-	-	n.a.	Proceeds from sale of subsidiaries		22	-	n.a.
-	-	7	n.a.	Dividends received from companies classified as available for sale and from other companies		8	1	(88)
8	5	7	(29)	Interest received and other financial income		20	20	0
(8)	-	(8)	n.a.	Investments and loans to third parties, net		(9)	145	n.a.
(156)	**(361)**	**(101)**	**257**	**Net cash used for investing activities**	**18**	**(783)**	**(550)**	**(30)**
				Cash flows from financing activities				
163	46	1	4,500	Additional long-term borrowings		27	276	922
(1,423)	(208)	(285)	(27)	Repayment of long-term borrowings		(1,352)	(1,907)	41
3,771	3,344	5,034	(34)	Additional short-term borrowings		16,022	11,404	(29)
(4,063)	(4,195)	(5,745)	(27)	Repayment of short term borrowings		(15,161)	(12,193)	(20)
-	-	-	n.a.	Dividends paid		(480)	-	n.a.
(25)	(22)	5	n.a.	Interest paid on long-term loans		-	(73)	n.a.
1	-	(3)	n.a.	Other long-term liabilities, net		(7)	(1)	(86)
18	(72)	(113)	(36)	Interest paid on short term loans and other financing charges		(246)	(117)	(52)
(1,558)	**(1,107)**	**(1,106)**	**0**	**Net cash from financing activities**		**(1,197)**	**(2,611)**	**118**
(253)	32	215	(85)	Net (decrease)/increase in cash and cash equivalents		290	273	(6)
843	559	304	84	At 1 January		317	337	6
(31)	18	39	(54)	Effect of foreign exchange rate changes		(49)	(1)	(98)
559	609	558	9	At the end of period		558	609	9

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Statement of Changes in Equity – INA-GROUP
For the period ended 30 September 2011 and 2012
(in HRK millions)

Attributable to equity holders of the parent

	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total	Non controlling interest	Total equity
Balance as at 1 January 2011	**9,000**	**2,340**	**27**	**1,424**	**12,791**	**2**	**12,793**
Profit for the year	-	-	-	2,057	2,057	(1)	2,056
Other comprehensive income, net	-	(125)	(57)	-	(182)	-	(182)
Other comprehensive income, net	-	(125)	(57)	2,057	1,875	(1)	1,874
Dividends payable	-	-	-	(480)	(480)	-	(480)
Balance as at 30 Sept 2011	**9,000**	**2,215**	**(30)**	**3,001**	**14,186**	**1**	**14,187**

	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total	Non controlling interest	Total equity
Balance as at 1 January 2012	**9,000**	**2,616**	**-**	**2,759**	**14,375**	**(10)**	**14,365**
Profit for the year	-	-	-	933	933	7	940
Other comprehensive income, net	-	(71)	6	-	(65)	-	(65)
Purchase of non-controlling interest	-	-	-	(3)	(3)	3	-
Total comprehensive income for the year	-	(71)	6	930	865	10	875
Dividends paid	-	-	-	-	-	-	-
Balance as at 30 Sept 2012	**9,000**	**2,545**	**6**	**3,689**	**15,240**	**-**	**15,240**

INDUSTRIJA NAFTE, d.d.

Financial overview and notes

Income statement

Notes

Q1-Q3 2012 results

1 **Total sales revenues** in Q1-Q3 2012 amounted to HRK 22,620 million and were slightly lower by HRK 107 mln than in Q1-Q3 2011, as lower hydrocarbon sales volumes were offset by higher realized oil derivatives and natural gas prices compared to the same period last year.

2 **Costs of raw materials and consumables** were also slightly lower by HRK 24 mln compared to Q1-Q3 2011 and amounted to HRK 11,630 million, as a result of 22% lower volumes of imported crude, while the average import price of crude rose by 12%.

3 The **costs of goods sold** increased by 25% to HRK 3,889 million mostly due to a combined effect of higher sold volumes of imported natural gas and higher prices compared to Q1-Q3 2011.

4 Within the **other operating costs** realised in Q1-Q3 2012:

- Other material costs slightly decreased by 1% to the amount of HRK 1,281 million.
- Service costs in the amount of HRK 1,015 million recorded an increase of 17% mainly due to higher royalty costs compared to Q1-Q3 2011.
- Depreciation was lower by 25% and amounted to HRK 1,444 million mainly due to "force majeure" announced in February 2012 reducing Upstream depreciation and
- Adjustments and provisions of HRK 725 million were by HRK 290 million higher and related to international operations.

5 **Staff costs** amounted to HRK 1,864 million, which is a decrease of 8% resulting from workforce optimization compared to Q1-Q3 2011. Staff costs include net salaries in the amount of HRK 936 million, employee income tax in the amount of HRK 409 million, tax on payroll in the amount of HRK 246 million and other payroll related costs in the amount of HRK 273 million for the period ended 30 September 2012.
INA terminated the contracts of 264 employees and severance payments in the total amount of HRK 77,2 million were made. (The number of workers includes 127 employees who were gone on 31 December 2011, because the costs of their severance payments were included in Q1-Q3 2012.)

6 In the first nine months 2012 **income tax expense** decreased by HRK 317 million to the amount of HRK 365 million.
Tax costs and deferred taxes during the interim period are calculated on the basis of actual results and the profit tax rate, 20% for the period ending 30 September 2012 and 20% for the period ending 30 September 2011.

7 **Net financial expenses** in the amount of HRK 217 million were recorded in Q1-Q3 2012, compared to the net financial expenses of HRK 154 million in the same period of 2011.

- Net foreign exchange gains were HRK 80 million in Q1-Q3 2012 mainly related to the appreciation of HRK against USD, compared to Q1-Q3 2011 net foreign exchange gains of HRK 330 million
- Interest payable was HRK 130 million in Q1-Q3 2012, while interest received amounted to HRK 17 million.

The Company has recognized revenues in the income statement from hydrocarbon sales in Syria which had been realized, in line with international accounting standards, meaning that the cash principle has been applied since the beginning of 2011. INA until now did not receive the outstanding revenues for its share of hydrocarbon production in Syria neither it expects to realize its production share from its Syrian project for the foreseeable future,i.e. at least until the "force majeure" conditions cease to exist. Following the changes of the parameters for the functional depreciation (INA's production share during the "force majeure") on the major part of the Syrian assets and in line with the IFRS, depreciation would not be booked for the cash generating assets from February 2012 till force majeure conditions will cease to exist.
Under current practice and in line with the international accounting standards the Company adjusts its receivables that are 180 days or older. Accordingly the Company has adjusted a significant amount of its receivables in Egypt that meet these criteria.
Restatement of the previous periods understands the reclassification relating to financial statements presentations (in line with IAS 1) in respect of netting the revenues and expenses and technical corrections relating to recording of the asset impairment made at 2011 year end to the appropriate corresponding interim period of that year.

Until end of September 2012, HRK 1,446 million recurring cost savings (1,145 excluding inter-segmental) and HRK 511 million revenue improvements have been achieved compared to the 2008 baseline at INA Group level. Altogether, HRK 1,957 million of recurring EBIT improvement (1,656 excluding inter-segmental) has been delivered since the program's inception in 2010.

INDUSTRIJA NAFTE, d.d.

Balance sheet

8 As at 30 September 2012, INA Group **total assets** amounted to HRK 30,465 million and were almost at the same level as at 31 December 2011.

9 In the period ending 30 September 2012, the Group invested HRK 63 million in **intangible assets**. The effect of depreciation equals HRK 41 million. Foreign exchange revaluation of oil and gas fields decreased the net book value in amount of HRK 11 million. Value adjusted investments decreased net book value by HRK 104 million. Transfer to Property, Plant & Equipment decreased net book value of intangible assets by HRK 114 million.

10 In the nine month period, ending 30 September 2012, INA Group invested HRK 622 million in **property, plant and equipment**. Reversal of capitalised decommissioning costs decreased the value of assets by HRK 55 million. Retranslation caused by U.S. dollar exchange rate differences on oil and gas fields decreased net book value of INA Group in the amount of HRK 61 million. Reversal of impairment according to IAS 36 in INA Group equals HRK 16 million. The effect of depreciation reduced net book value of property, plant and equipment in the amount of HRK 1,403 million. Value adjusted investments decreased net book value by HRK 51 million. Transfer from intangible assets increased the value of Property, plant & equipment by HRK 114 million. Disposal of assets was HRK 3 million. Increase of INA Group net book value is also a result of foreign exchange differences in the amount of HRK 15 million. Correction of prior year depreciation increased net book value of property, plant and equipment by HRK 1 million.

11 **Issued capital** at 30 September 2012 amounted to HRK 9,000 million. There were no movements in the issued capital of the Company in either the current or the prior financial reporting.

12 **Inventories** amounted to HRK 4,212 million, which is an increase of 14% compared to 31 December 2011, as a result of higher inventories of natural gas (higher volumes and higher prices) and higher crude oil products prices.

13 **Trade receivables** decreased by 20% as a result of management efforts to collect overdue receivables and decreased sales volumes.

14 As at 30 September 2012 **total liabilities** decreased by 8% to the amount of HRK 15,225 million mostly as an effect of lower indebtedness compared to the 31 December 2011 level.
INA Group **net indebtedness** decreased by 30% and amounted to HRK 6,351 million, as INA primarily managed to reduce its long-term debt as a result of higher own cash generating capabilities. **Gearing ratio**[4] decreased from 38.8% as at 31 December 2011, to 29.4% as at 30 September 2012.

15 **Trade payables** increased by 49% to HRK 3,034 million, as a result of higher amount of crude oil and natural gas purchased compared to 31 December 2011.

Cash flow

16 The **operating cash-flow before changes in working capital** amounted to HRK 3,680 million in Q1-Q3 2012, representing a decrease of HRK 1,540 million, or 30%, compared to Q1-Q3 2011, mainly as a result of lower EBITDA.

17 **Changes in working capital** affected the operating cash flow positively by HRK 816 million, primarily due to:

- Higher liabilities by HRK 1,363 million related higher crude purchases.
- Increased value of inventories by HRK 618 million (reflecting both higher prices and higher volumes)

Tax payment affected operating cash flow by HRK 1,062 million. Afore-mentioned factors caused a HRK 3,434 million net cash inflow from operating activities in Q1-Q3 2012.

18 **Net outflows in investing activities** amounted to HRK 550 million, in comparison with HRK 783 million of outflows in Q1-Q3 2011. Positive inflow in the amount of HRK 145 million was recorded resulting from repaid loans by subsidiaries of joint ventures. The lower level of cash inflow was a consequence of the nature of key projects, some of which were completed, and from current less favourable operating market environment.

[4] Net debt / net debt plus equity incl. minority interests

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-Group	Amounts owed from related parties	Amounts owed to related parties
HRK mln	30 Sept 2012	30 Sept 2012
Companies available for sale		
JANAF d.d. Zagreb	1	6
Strategic partner		
MOL Plc	60	85
Companies controlled by strategic partner		
Tifon d.o.o.	53	1
Kalegran Ltd.	22	-
MOL SLOVENIJA d.o.o.	3	9
IES-Italiana Energia e Servizi s.p.a.	3	2
Intermol d.o.o.	6	-
Energopetrol d.d.	6	-
Moltrade Mineralimpex Zrt.	-	-
Companies controlled by the State		
Hrvatska elektroprivreda	200	2
Other	443	39

INA-Group	Sales of goods	Purchase of goods
HRK mln	30 Sept 2012	30 Sept 2012
Companies available for sale		
JANAF d.d. Zagreb	2	53
Strategic partner		
MOL Plc	313	400
Companies controlled by strategic partner		
Tifon d.o.o.	666	5
Moltrade Mineralimpex Zrt.	-	102
Slovnaft, a.s.	-	76
Mol Lub Kft.	-	1
MOL SLOVENIJA d.o.o.	25	69
IES-Italiana Energia e Servizi s.p.a.	15	6
TVK Nyrt.	-	2
Intermol d.o.o.	54	-
Energopetrol d.d.	270	-
Companies controlled by the State		
Hrvatska elektroprivreda	1,936	125
Other	1,739	419

Financial instruments and risk management

Risk Management and Hedging Policy for INA Group is providing the framework under which INA and its consolidated subsidiaries manage and maintain commodity, foreign exchange and interest rate risk at an acceptable level. Beside financial (market) risks, the most important risks include the credit risk and the liquidity risk.

a) Market risk

Commodity price risk management

INA purchases crude oil on a spot market price, mostly through short-term credit facility arrangements in US dollars. The required quantities of gas are purchased at a price denominated in US dollars in accordance to 3-year supply contract with Italian ENI. Domestic prices of refined products are determined under the pricing formula set out in the Highest Retail Refined Product Pricing Regulation which, to a limited extent, is protecting the Group from the changes in crude and oil product prices and the foreign currency risk, enabling refinery products to be reprised bi-weekly. INA may also use derivative instruments in managing its commodity exposure.

Foreign currency risk management

Many Group transactions are priced and denominated in foreign currency and thus the Group is exposed to currency risk. The Group has net long USD and EUR, and net short HRK operative cash flow position. The Group may use cross currency swaps to adjust the currency mix of the debt portfolio. As of September 30, 2012, there were no open cross currency transactions.

Interest rate risk management

INA Group companies use borrowed funds at both fixed and variable interest rates (mostly variable) and the Group is consequently exposed to the interest rate risk. The Group does not speculate on interest rate developments and primarily chooses floating rates. As of September 30, 2012, there were no open interest rate swap transactions.

Other price risk

INA is exposed to equity price risks arising from equity investments held for strategic reasons and not for trading.

b) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the Group. According to existing Credit Risk Management Procedure Group estimates creditworthiness and risk in dealing with customers based on internal model of evaluation as well as using the services of creditworthiness agencies. There is no significant credit risk exposure of INA Group that is not covered with collateral, other than those to the institutions and entities controlled by the state and the local government, and exposure toward customers under certain concession agreements abroad. In order to extend the available measures for collection of receivables, INA is also using services of agencies for “out of court” collection of receivables.

c) Liquidity risk

The Group's liquidity risk is managed by maintaining adequate reserves of liquidity and credit lines and by continuous monitoring of projected and actual cash flow and due dates for account receivables and payables.

As of September 30, 2012, the Group had contracted short-term bank credit lines amounting to HRK 1.7 bn (CNB middle rate), excluding overdrafts and trade financing credit lines established with the purpose to finance the purchase of crude oil and oil products, and contracted long-term revolving credit lines amounting to HRK 6.5 bn (CNB middle rate).

d) Fair value of financial instruments

The Group has concluded some long-term sale or purchase contracts that contain embedded derivatives as defined by IAS 39.

IRAN Moghan-2 Block

Currently INA, d.d. holds a Service Contract for the Exploration and Development of the Moghan-2 Block in Iran signed on 8 April 2008 with the National Iranian Oil Company (NIOC). The contract came into effect on 1 June 2008 and regulates INA as the operator in the exploration, appraisal and development phase while NIOC will conduct production operations. Minimum exploration work commitments include seismic surveys (2D and 3D) and drilling of one exploration well with minimum financial obligation amounting to USD 40.3 million. Obligatory Exploration phase expired on 31 May 2012. Due to the very complex developments regarding the international regulation for operating in Iran, including restrictive measures, actual project costs as of 30 June 2012 amounted to USD 4.5 mln.
The Company is currently not engaged in any activities that would be in breach of the EU and wider international trade sanctions against Iran and will continue with its efforts to ensure all future activities are carried out in compliance with the aforementioned regulation.

Contingent liabilities

EDISON INTERNATIONAL S.p.a arbitration procedure

EDISON INTERNATIONAL S.p.a. in its claim states that INA essentially did not adhere to the Production Sharing Agreement for the contractual area of north Adriatic, Izabela and Iris/Iva blocks, i.e. that it breached the obligations arising from the Agreement, and Edison is consequently claiming the amount of EUR 102.3 million. On 19 July 2011, INA provided its response to the Notice of Arbitration and also set out its Counterclaim. The seat of arbitration is Vienna, Republic of Austria, and the arbitration proceedings are being conducted pursuant to the UNCITRAL Arbitration Rules 2010. Further submissions are currently being exchanged before hearing scheduled for December 2012.

Findings Report received from the Ministry of Finance

On 20 February 2012, INA d.d. received from the Financial Police at the Ministry of Finance a Report on the findings in connection with the supervision of legality, correctness and timeliness of the calculation, declaration and payment of budgetary revenue for the period 1 January 2008 until 31 December 2009. The inspection covered value-added tax and corporate income tax for the period 1 January 2008 - 31 December 2009. According to the Findings Report, the Company has been imposed additional tax liabilities as well as late-payment interest for the period from 2008 to 2009. The potential tax liability and late penalty interest determined by the tax resolution was decreased compared to the initial liabilities determined in the Report and amounts to approximately HRK 124 million INA, d.d. filed the appeal to the tax resolution within the prescribed deadline and is confident of proving its case in the pending administrative proceedings.

Angolan Ministry of Finance audit

INA entered the Block 3 Production Sharing Agreement in Angola as member of related contractor groups in 1980 and started crude oil lifting in 1985. The audit of the activities was completed for the period 2003-2009 by the Angolan Ministry of Finance on all blocks on which INA performs activities and additional tax and profit oil liabilities were imposed to INA. INA, d.d. made provisions in the amount of HRK 122 million for the potential tax and profit oil liability relating to the ongoing audit for 2010. Although the Angolan Ministry of Finance did not start the audit of 2011, INA, d.d. estimates the potential contingent liability in this regard in the amount of approximately HRK 33 million.

Subsequent events

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

INA Group Summary Segmental Results of Operations

Q2 2012	Q3 2012	Q3 2011 Restated	%	(HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
				Sales			
2,773	2,428	2,883	(16)	Exploration & Production	9,297	8,968	(4)
5,091	5,909	4,798	23	Refining & Marketing	13,798	15,095	9
1,966	2,423	2,356	3	Retail	5,854	6,006	3
123	159	158	1	Corporate and Other	382	365	(4)
(2,678)	(2,830)	(2,228)	27	Inter-segment revenue	(6,604)	(7,814)	18
7,275	**8,089**	**7,967**	**2**	**Sales**	**22,727**	**22,620**	**(0)**
				Operating expenses, net other income from operating activities			
(2,100)	(1,362)	(1,725)	(21)	Exploration & Production	(4,831)	(6,423)	33
(5,649)	(5,876)	(5,188)	13	Refining & Marketing	(14,922)	(15,672)	5
(1,986)	(2,356)	(2,295)	3	Retail	(5,835)	(5,968)	2
(315)	(294)	(298)	(1)	Corporate and Other	(851)	(849)	(0)
2,678	2,830	2,228	27	Inter-segment eliminations	6,604	7,814	18
(7,372)	**(7,058)**	**(7,278)**	**(3)**	**Expenses**	**(19,835)**	**(21,098)**	**6**
				Profit/(loss) from operations			
673	1,066	1,158	(8)	Exploration & Production	4,466	2,545	(43)
(558)	33	(390)	n.a.	Refining & Marketing	(1,124)	(577)	(49)
(20)	67	61	10	Retail	19	38	100
(192)	(135)	(140)	(4)	Corporate and Other	(469)	(484)	3
(97)	**1,031**	**689**	**50**	**Profit from operations**	**2,892**	**1,522**	**(47)**
				Share in the profit of associate companies			
(274)	**34**	**(464)**	**n.a.**	**Net loss from financial activities**	**(154)**	**(217)**	**41**
(371)	**1,065**	**225**	**373**	**Profit before taxation**	**2,738**	**1,305**	**(52)**
67	(240)	(99)	142	Income tax expense	(682)	(365)	(46)
(304)	**825**	**126**	**555**	**Profit for the year**	**2,056**	**940**	**(54)**

Sales data include intra-group sales and related costs are included in the operating costs of the business segment making the purchase. Intra-group transactions are eliminated for consolidated sales data and operating costs.

INA Group Summary Segmental Results of Operations

Q2 2012	Q3 2012	Q3 2011 Restated	%	Operating Profit Excluding Special Items (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,057	1,094	1,172	(7)	Exploration & Production	4,486	3,183	(29)
(568)	40	(352)	n.a.	Refining & Marketing	(844)	(563)	(33)
(12)	70	80	(13)	Retail	56	51	(9)
(134)	(108)	(128)	(16)	Corporate and Other	(412)	(398)	(3)
343	**1,096**	**772**	**42**	**Total**	**3,286**	**2,273**	**(31)**

Q2 2012	Q3 2012	Q3 2011 Restated	%	Depreciation (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
221	192	608	(68)	Exploration & Production	1,473	842	(43)
157	154	102	51	Refining & Marketing	280	451	61
23	22	23	(4)	Retail	70	69	(1)
28	19	35	(46)	Corporate and Other	111	82	(26)
429	**387**	**768**	**(50)**	**Total**	**1,934**	**1,444**	**(25)**

Q2 2012	Q3 2012	Q3 2011 Restated	%	EBITDA* (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,364	1,260	1,904	(34)	Exploration & Production	6,055	3,905	(36)
(343)	228	(225)	n.a.	Refining & Marketing	(486)	16	n.a.
30	87	90	(3)	Retail	106	130	23
(119)	(113)	(120)	(6)	Corporate and Other	(414)	(360)	(13)
932	**1,462**	**1,649**	**(11)**	**Total**	**5,261**	**3,691**	**(30)**

Q2 2012	Q3 2012	Q3 2011 Restated	%	EBITDA Excluding Special Items* (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,403	1,277	1,917	(33)	Exploration & Production	6,095	4,106	(33)
(356)	235	(205)	n.a.	Refining & Marketing	(443)	21	n.a.
31	95	101	(6)	Retail	132	149	13
(103)	(103)	(112)	(8)	Corporate and Other	(364)	(322)	(12)
975	**1,504**	**1,701**	**(12)**	**Total**	**5,420**	**3,954**	**(27)**

** EBITDA = EBIT + Depreciation + Impairment + Provisions*

INDUSTRIJA NAFTE, d.d.

Segmental Information

30 September 2012 Assets and liabilities	Exploration and production	Refining and marketing	Retail	Corporate and other	Elimination	Total
Property, plant and equipment	11,968	6,041	1,011	485	(16)	19,489
Intangible assets	584	16	2	71	-	673
Investments in associates and joint ventures	34	-	-	-	-	34
Inventories	1,923	2,965	56	148	(880)	4,212
Trade receivables, net	1,165	1,147	449	146	(266)	2,641
Not allocated assets						3,416
Total assets						**30,465**
Trade payables	631	2,346	197	126	(266)	3,034
Not allocated liabilities						12,191
Total liabilities						**15,225**
Other segment information						
Capital expenditure:	**462**	**96**	**93**	**34**	**-**	**685**
Property, plant and equipment	426	93	93	10	-	622
Intangible assets	36	3	-	24	-	63
Depreciation and amortisation	**835**	**458**	**69**	**82**	**-**	**1,444**
Impairment losses/(income) PP&E, net recognized in profit and loss	16	-	-	-	-	16
Other impairment losses/(income), net recognized in profit and loss	181	144	28	1	-	354
Total impairment losses/(income), net	**197**	**144**	**28**	**1**	**-**	**370**

31 December 2011 Assets and liabilities	Exploration and production	Refining and marketing	Retail	Corporate and other	Elimination	Total
Property, plant and equipment	12,375	6,417	990	524	(12)	20,294
Intangible assets	782	13	4	81	-	880
Investments in associates and joint ventures	34	-	-	-	-	34
Inventories	1,270	2,598	61	150	(386)	3,693
Trade receivables, net	1,977	985	388	318	(386)	3,282
Not allocated assets						2,642
Total assets						**30,825**
Trade payables	2,504	909	176	386	(1,943)	2,032
Not allocated liabilities						14,428
Total liabilities						**16,460**
Other segment information						
Capital expenditure:	**799**	**575**	**106**	**50**	**-**	**1,530**
Property, plant and equipment	726	567	105	11	-	1,409
Intangible assets	73	8	1	39	-	121
Depreciation and amortisation	**1,894**	**502**	**92**	**152**	**-**	**2,640**
Impairment losses/(income) PP&E, net recognized in profit and loss	(33)	655	(62)	-	-	560
Other impairment losses/(income), net recognized in profit and loss	325	351	9	11	-	696
Total impairment losses/(income), net	**292**	**1,006**	**(53)**	**11**	**-**	**1,256**

INDUSTRIJA NAFTE, d.d.

SPECIAL ITEMS IN OPERATING PROFIT AND EBITDA
(in HRK mln)

Q2 2012	Q3 2012	Q3 2011		Q1-Q3 2011	Q1-Q3 2012
			INA GROUP		
(440)	**(65)**	**(83)**	**Total impact of special items on operating profit**	**(394)**	**(751)**
(57)	**(42)**	**(52)**	**Total impact of special items on EBITDA**	**(159)**	**(263)**
(384)	**(28)**	**(14)**	**Exploration & Production**	**(20)**	**(638)**
(39)	(5)	(13)	Incentive measures	(40)	(54)
		-	Impairment of assets in Libya (Crosco)	(65)	
(2)	(10)		Reversal - IAS 36		21
	(12)		Angola - oil tax concession		(136)
	-		Egypt - extra cost of production		(11)
	-		Provisions - Angola		(122)
(131)	-		Impairment of assets		(131)
	-		Reversal of provisions for incentives		8
	23		Reversal of provisions for litigations		23
(8)	-	(1)	Provisions for incentives	(7)	(8)
(204)	7		Provisions for exiting service contract - Iran Moghan-2 Block		(197)
	(31)		Provisions for litigations	(20)	(31)
	-	-	Provisions (Prirodni plin tax case)	112	
10	**(7)**	**(38)**	**Refining & Marketing**	**(280)**	**(14)**
(2)	(7)	(20)	Incentive measures	(43)	(20)
	-	(13)	Impairment of gas bottles - Proplin	(165)	
	-		Impairment of assets - Refinery		(17)
	-		Reversal of provisions for incentives		11
	9		Reversal of provisions for litigations		9
(3)	(8)	(5)	Provisions for incentives	(11)	(11)
	(1)		Provisions for litigations	(61)	(1)
15	-		Revenues from insurance		15
(8)	**(3)**	**(19)**	**Retail**	**(37)**	**(13)**
(1)	(8)	(11)	Incentive measures	(26)	(19)
	(6)		Impairment of assets		(6)
1	(1)		Reversal of provisions for incentives		10
	5		Reversal of provisions for litigations		5
(8)	8	(8)	Provisions for incentives	(11)	
	(1)		Provisions for litigations		(3)
(58)	**(27)**	**(12)**	**Corporate functions**	**(57)**	**(86)**
(16)	(10)	(8)	Incentive measures	(50)	(38)
3	1		Reversal of provisions for incentives		15
	4		Reversal of provisions for litigations		4
(45)	(18)	(4)	Provisions for incentives	(7)	(63)
	(4)		Provisions for litigations		(4)

Main external parameters

Q2 2012	Q3 2012	Q3 2011	%		Q1-Q3 2011	Q1-Q3 2012	%
108.2	109.6	113.5	(3.4)	Brent dtd (USD/bbl)	111.9	112.1	0.1
1,012.7	1,043.9	1,023.3	2.0	Premium unleaded gasoline 10 ppm (USD/t)*	995.0	1,039.0	4.4
937.1	971.6	969.3	0.2	Gas oil – ULSD 10 ppm (USD/t)*	954.8	971.4	1.7
623.9	618.0	625.9	(1.3)	Fuel oil 3,5% (USD/t)*	598.1	638.7	6.8
801.2	888.8	909.7	(2.3)	LPG (USD/t)*	913.8	912.4	(0.1)
90.3	95.6	51.5	85.7	Average crack spread	28.0	87.6	213.1
194.3	214.7	165.0	30.1	Crack spread – premium unleaded (USD/t)*	148.2	191.0	28.9
118.6	142.4	111.0	28.3	Crack spread – gas oil (USD/t)*	108.0	123.4	14.3
(194.6)	(211.1)	(232.4)	(9.1)	Crack spread - fuel oil 3,5% (USD/t)*	(248.7)	(209.3)	(15.8)
(17.3)	59.6	51.4	16.0	Crack spread - LPG (USD/t)*	66.9	64.4	(3.7)
5.86	5.98	5.27	13.4	HRK/USD average	5.27	5.87	11.3
5.97	5.76	5.49	4.8	HRK/USD closing	5.49	5.76	4.8
7.52	7.47	7.45	0.2	HRK/EUR average	7.41	7.52	1.4
7.51	7.45	7.49	(0.6)	HRK/EUR closing	7.49	7.45	(0.6)
0.47	0.43	0.30	41.7	3m USD LIBOR (%)	0.29	0.47	61.5
0.69	0.36	1.56	(76.8)	3m EURIBOR (%)	1.36	0.70	(48.6)

** FOB Mediterranean*

INDUSTRIJA NAFTE, d.d.

Announcements in 2012

January 19, 2012	Response to query
February 14, 2012	Report for Q4 2011, unaudited, consolidated and unconsolidated
February 24, 2012	The Croatian government decision on restrictive measures against Syria
February 27, 2012	Notice on "force majeure" in Syria
March 02, 2012	Extraordinary General Meeting notice
April 06, 2012	Supervisory Board meeting announcement
April 11, 2012	Extraordinary General Meeting decisions
April 12, 2012	Supervisory Board meeting held
April 12, 2012	Annual report for 2011, audited, consolidated and unconsolidated
April 27, 2012	Report for Q1 2012, unaudited, consolidated and unconsolidated
May 11, 2012	Annual document of disclosed information for 2011
May 11, 2012	General Meeting notice
June 03, 2012	Code of Corporate Governance Questionnaire for 2011
June 04, 2012	Announcement on media statements
June 19, 2012	General Meeting decisions
July 06, 2012	Changes in organizational structure of INA, d.d.
July 26, 2012	Exploitation field Žutica extended
July 30, 2012	Report for Q2 and H1 2012, unaudited, consolidated and unconsolidated
September 06, 2012	Answer to Zagreb Stock Exchange query
September 11, 2012	New oil discovery on the Privlaka field

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	30 Sep 12
MOL Plc.	2,500,001	2,500,001	4,715,538	4,715,538	4,715,538	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
Private and institutional investors	2,319,632	3,015,081	800,910	800,910	800,910	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**

Source: Central Clearing Depositary Company As per information available on the MOL Plc. website the Company controls 49.1% of the issue.

Changes in organisation, Management Board or Supervisory Board

Supervisory Board

During the third quarter there was no change in the Supervisory Board.

Management Board

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

Board of Executive Directors

Starting from 01 August 2012, Corporate Service Business Function changed its name to Corporate Centre Business Function. As of 01 September 2012 INA's Executive Director of the Corporate Centre Business Function, Mr. Berislav Gašo has continued his career within MOL Group, and the position of the Executive Director for Corporate Centre has been taken over by Mr. Tvrtko Perković.

Management representation

INA Group's consolidated financial statements for Q3 and Q1-Q3 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