

**ENCLOSURE 1**

Reporting period:

1 January 2012

to

30 September 2012

**Quarterly Financial Report TFI-POD**Tax number (MB): **03586243**Registration number (MBS): **08000604**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.hr](mailto:investitori@ina.hr)Internet address: [www.ina.hr](http://www.ina.hr)Code and city / municipality: **133 ZAGREB**Code and county: **21 GRAD ZAGREB**Number of employees: **8.863**  
(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.hr](mailto:Ratko.Markovic@trs.ina.hr)Name 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 September 2012

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

Item	AOP	Previous period	Current period
1	2	3	4
<b>A) SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>		
<b>B) NON CURRENT ASSETS (003+010+020+029+033)</b>	<b>002</b>	22.421.000.000	21.476.000.000
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	888.000.000	722.000.000
1. Research & Development expenditure	<b>004</b>		
2. Patents, licences, royalties, trade marks, software&similar rights	<b>005</b>	76.000.000	71.000.000
3. Goodwill	<b>006</b>		
4. Prepayments for intangible assets	<b>007</b>	12.000.000	53.000.000
5. Intangible assets under construction	<b>008</b>	800.000.000	598.000.000
6. Other intangible assets	<b>009</b>		
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	18.576.000.000	17.807.000.000
1. Land	<b>011</b>	987.000.000	1.000.000.000
2. Property	<b>012</b>	8.203.000.000	7.820.000.000
3. Plants and equipment	<b>013</b>	6.181.000.000	6.207.000.000
4. Tools, plants&vehicles	<b>014</b>	352.000.000	335.000.000
5. Biological asset	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>	21.000.000	13.000.000
7. Assets under construction	<b>017</b>	2.823.000.000	2.423.000.000
8. Other tangible assets	<b>018</b>	3.000.000	3.000.000
9. Investments property	<b>019</b>	6.000.000	6.000.000
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	<b>020</b>	2.191.000.000	2.097.000.000
1. Investments in subsidiaries	<b>021</b>	1.033.000.000	945.000.000
2. Loans to subsidiaries	<b>022</b>	444.000.000	613.000.000
3. Participating interests (stakes)	<b>023</b>	40.000.000	40.000.000
4. Loans to participating interest	<b>024</b>		
5. Investments in securities	<b>025</b>		
6. Loans & deposits	<b>026</b>	349.000.000	167.000.000
7. Other non-current financial assets	<b>027</b>	325.000.000	332.000.000
8. Investment accounted by equity method	<b>028</b>		
IV. TRADE RECEIVABLES (030 do 032)	<b>029</b>	174.000.000	165.000.000
1. Receivables from subsidiaries	<b>030</b>	48.000.000	48.000.000
2. Receivables from credit sales	<b>031</b>	126.000.000	117.000.000
3. Other receivables	<b>032</b>		
V. DEFERRED TAX ASSETS	<b>033</b>	592.000.000	685.000.000
<b>C) CURENT ASSETS (035+043+050+058)</b>	<b>034</b>	7.320.000.000	8.381.000.000
I. INVENTORIES (036 do 042)	<b>035</b>	3.030.000.000	3.263.000.000
1. Raw materials & consumables	<b>036</b>	1.026.000.000	1.065.000.000
2. Work in progress	<b>037</b>	1.150.000.000	1.114.000.000
3. Products	<b>038</b>	695.000.000	954.000.000
4. Merchandise	<b>039</b>	159.000.000	130.000.000
5. Prepayments for inventories	<b>040</b>		
6. Other available-for-sale assets	<b>041</b>		
7. Biological asset	<b>042</b>		
II. RECEIVABLES (044 do 049)	<b>043</b>	3.748.000.000	4.591.000.000
1. Receivables for trade debt of subsidiaries	<b>044</b>	1.588.000.000	2.286.000.000
2. Trade receivables	<b>045</b>	1.781.000.000	1.565.000.000
3. Receivables for trade debts of participating entities	<b>046</b>		
4. Amounts receivable from employees	<b>047</b>	3.000.000	7.000.000
5. Receivables from government agencies	<b>048</b>	234.000.000	643.000.000
6. Other receivables	<b>049</b>	142.000.000	90.000.000
III. CURRENT FINANCIAL ASSETS (051 do 057)	<b>050</b>	313.000.000	92.000.000
1. Investments in subsidiaries	<b>051</b>		
2. Loans to subsidiaries	<b>052</b>	239.000.000	65.000.000
3. Participating interests (stakes)	<b>053</b>		
4. Loans to participating interest	<b>054</b>		
5. Investments in securities	<b>055</b>	4.000.000	2.000.000
6. Loans & deposits	<b>056</b>	21.000.000	24.000.000
7. Other financial assets	<b>057</b>	49.000.000	1.000.000
IV. CASH ON HAND AND IN THE BANK	<b>058</b>	229.000.000	435.000.000
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>059</b>	54.000.000	154.000.000
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	29.795.000.000	30.011.000.000
<b>F) OFF-BALANCE SHEET ITEMS</b>	<b>061</b>		

<b>EQUITY AND LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	14.282.000.000	15.654.000.000
I. SHARE CAPITAL	<b>063</b>	9.000.000.000	9.000.000.000
II. CAPITAL RESERVES	<b>064</b>		
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	2.239.000.000	2.167.000.000
1. Legal reserves	<b>066</b>		
2. Reserves for own shares	<b>067</b>		
3. Own shares and stakes (less)	<b>068</b>		
4. Statutory reserves	<b>069</b>	287.000.000	215.000.000
5. Other reserves	<b>070</b>	1.952.000.000	1.952.000.000
IV. REVALUATION RESERVES	<b>071</b>		6.000.000
V. RETAINED EARNINGS OR LOSS BROUGHT FORWARD (073-074)	<b>072</b>	1.076.000.000	3.043.000.000
1. Retained earnings	<b>073</b>	1.076.000.000	3.043.000.000
2. Loss brought forward	<b>074</b>		
VI. PROFIT OR LOSS FOR THE FINANCIAL YEAR (076-077)	<b>075</b>	1.967.000.000	1.438.000.000
1. Profit for the financial year	<b>076</b>	1.967.000.000	1.438.000.000
2. Loss for the financial year	<b>077</b>		
VII. MINORITY INTEREST	<b>078</b>		
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	2.899.000.000	3.256.000.000
1. Provisions for redundancy costs	<b>080</b>	66.000.000	69.000.000
2. Provisions for tax obligations	<b>081</b>		
3. Other provisions	<b>082</b>	2.833.000.000	3.187.000.000
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	5.662.000.000	1.149.000.000
1. Amounts payable to subsidiaries	<b>084</b>		
2. Liabilities for loans, deposits and other	<b>085</b>		
3. Liabilities towards banks and other financial institutions	<b>086</b>	5.556.000.000	1.049.000.000
4. Amounts payable for prepayment	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Amounts payable for securities	<b>089</b>		
7. Liabilities toward participating interests	<b>090</b>		
8. Other non-current liabilities	<b>091</b>	106.000.000	100.000.000
9. Deferred tax	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	6.904.000.000	9.904.000.000
1. Amounts payable to subsidiaries	<b>094</b>	646.000.000	502.000.000
2. Liabilities for loans, deposits and other	<b>095</b>		
3. Liabilities towards banks and other financial institutions	<b>096</b>	3.601.000.000	5.519.000.000
4. Amounts payable for prepayment	<b>097</b>	24.000.000	24.000.000
5. Trade payables	<b>098</b>	1.111.000.000	2.510.000.000
6. Amounts payable for securities	<b>099</b>		
7. Liabilities toward participating interests	<b>100</b>		
8. Amounts payable to employees	<b>101</b>	72.000.000	65.000.000
9. Liabilities for taxes and contributions	<b>102</b>	1.349.000.000	1.250.000.000
10. Dividend payables	<b>103</b>		
11. Liabilities directly associated with the assets classified as held for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	101.000.000	34.000.000
<b>E) ACCRUAL AND DEFERRED INCOME</b>	<b>106</b>	48.000.000	48.000.000
<b>F) TOTAL LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	29.795.000.000	30.011.000.000
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>108</b>		
<b>ANNEX TO THE BALANCE SHEET (to be filled in by entrepreneur submitting consolidated financial report)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributable to equity holders of the parent company's capital	<b>109</b>		
2. Attributable to minority interest	<b>110</b>		

## PROFIT AND LOSS

for the period 1 January 2012 to 30 September 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
<b>I. OPERATING INCOME (112+113)</b>	<b>111</b>	20.927.000.000	7.436.000.000	20.600.000.000	7.658.000.000
1. Sales revenue	112	20.498.000.000	7.389.000.000	20.382.000.000	7.615.000.000
2. Other operating income	113	429.000.000	47.000.000	218.000.000	43.000.000
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	17.281.000.000	6.465.000.000	18.712.000.000	6.450.000.000
1. Changes in inventories of finished products and work in progress	115	-838.000.000	10.000.000	-283.000.000	77.000.000
2. Material costs (117 do 119)	116	14.499.000.000	5.074.000.000	14.128.000.000	5.284.000.000
a) Cost of raw materials & consumables	117	11.702.000.000	3.777.000.000	12.032.000.000	4.582.000.000
b) Cost of goods sold	118	1.718.000.000	907.000.000	938.000.000	313.000.000
c) Other costs	119	1.079.000.000	390.000.000	1.158.000.000	389.000.000
3. Staff costs (121 do 123)	120	1.084.000.000	364.000.000	1.016.000.000	331.000.000
a) Net salaries	121	624.000.000	208.000.000	591.000.000	194.000.000
b) Employee income tax	122	302.000.000	103.000.000	284.000.000	93.000.000
c) Tax on payroll	123	158.000.000	53.000.000	141.000.000	44.000.000
4. Depreciation and amortisation	124	1.765.000.000	726.000.000	1.326.000.000	352.000.000
5. Other expenditures	125	833.000.000	215.000.000	1.019.000.000	273.000.000
6. Value adjustment (127+128)	126	15.000.000	78.000.000	1.175.000.000	159.000.000
a) non-current assets (without financial assets)	127	-5.000.000	-5.000.000	138.000.000	-47.000.000
b) current assets (without financial assets)	128	20.000.000	83.000.000	1.037.000.000	206.000.000
7. Provisions	129	-77.000.000	-2.000.000	331.000.000	-26.000.000
8. Other operating expenses	130				
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	392.000.000	87.000.000	331.000.000	98.000.000
1. Interest income, foreign exchange differences, dividends and other financial income related to subsidiaries	132	202.000.000	190.000.000	203.000.000	128.000.000
2. Interest income, foreign exchange differences, dividends and other financial income related to third parties	133	128.000.000	-67.000.000	116.000.000	98.000.000
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	62.000.000	-36.000.000	12.000.000	-128.000.000
<b>IV. FINANCIAL COSTS (138 do 141)</b>	<b>137</b>	455.000.000	527.000.000	438.000.000	20.000.000
1. Interest, foreign exchange differences and other expenses related to subsidiaries	138	8.000.000	-7.000.000	3.000.000	-1.000.000
2. Interest, foreign exchange differences and other expenses related to third parties	139	185.000.000	374.000.000	125.000.000	-19.000.000
3. Unrealized loss (expenses) from the financial assets	140		0		0
4. Other financial expenses	141	262.000.000	160.000.000	310.000.000	40.000.000
<b>V. SHARE OF INCOME OF ASSOCIATES</b>	<b>142</b>				
<b>VI. SHARE OF LOSS OF ASSOCIATES</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	21.319.000.000	7.523.000.000	20.931.000.000	7.756.000.000
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	17.736.000.000	6.992.000.000	19.150.000.000	6.470.000.000
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	3.583.000.000	531.000.000	1.781.000.000	1.286.000.000
1. Profit before tax (146-147)	149	3.583.000.000	531.000.000	1.781.000.000	1.286.000.000
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. INCOME TAX EXPENSE</b>	<b>151</b>	683.000.000	78.000.000	343.000.000	215.000.000
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	2.900.000.000	453.000.000	1.438.000.000	1.071.000.000
1. Profit for the period (149-151)	153	2.900.000.000	453.000.000	1.438.000.000	1.071.000.000
2. Loss for the period (151-148)	154	0	0	0	0
<b>ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributable to owners of the company	155				
2. Attributable to non-controlling interests	156				
<b>STATEMENTS OF COMPREHENSIVE INCOME (to be filled by entities who work in compliance with IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	2.900.000.000	453.000.000	1.438.000.000	1.071.000.000
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	-170.000.000	498.000.000	-66.000.000	-275.000.000
1. Exchange differences arising from foreign operations	159	-113.000.000	560.000.000	-72.000.000	-273.000.000
2. Revaluation of non-current assets and intangible assets	160		0		0
3. Gains or loss available for sale investments	161	-57.000.000	-62.000.000	6.000.000	-2.000.000
4. Gains or loss on net movement on cash flow hedges	162				0
5. Gains or loss on net investments hedge	163				0
6. Share of the other comprehensive income/loss of associates	164				0
7. Actuarial gain / loss on post employment benefit obligations	165				0
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>166</b>				0
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	<b>167</b>	-170.000.000	498.000.000	-66.000.000	-275.000.000
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	2.730.000.000	951.000.000	1.372.000.000	796.000.000
<b>APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)</b>					
<b>VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD</b>					
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 September 2012**

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

Item	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before taxation	001	3.583.000.000	1.781.000.000
2. Depreciation and amortisation	002	1.765.000.000	1.326.000.000
3. Increase of non-current liabilities	003		1.767.000.000
4. Decrease of current receivables	004	352.000.000	
5. Decrease of inventories	005		
6. Other increase of cash flow	006	551.000.000	1.972.000.000
<b>I. Total increase of cash flow from operating activities (001 do 006)</b>	<b>007</b>	<b>6.251.000.000</b>	<b>6.846.000.000</b>
1. Decrease of non-current liabilities	008	1.258.000.000	
2. Increase of current receivables	009		1.756.000.000
3. Increase of inventories	010	1.803.000.000	341.000.000
4. Other decrease of cash flow	011	1.064.000.000	1.305.000.000
<b>II. Total decrease of cash flow from operating activities (008 do 011)</b>	<b>012</b>	<b>4.125.000.000</b>	<b>3.402.000.000</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>2.126.000.000</b>	<b>3.444.000.000</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Proceeds from sale of non-current assets	015	7.000.000	7.000.000
2. Proceeds from sale of ownership and debt instruments	016		2.000.000
3. Proceeds from interest rates	017		
4. Proceeds from dividends	018	8.000.000	1.000.000
5. Other proceeds from investment activities	019	217.000.000	117.000.000
<b>III. Total cash proceeds from investment activities (015 do 019)</b>	<b>020</b>	<b>232.000.000</b>	<b>127.000.000</b>
1. Purchase of non-current assets	021	818.000.000	656.000.000
2. Payments for acquiring ownership and debt financial instruments	022		18.000.000
3. Other payments from investment activities	023	972.000.000	
<b>IV. Total cash payments from investment activities (021 do 023)</b>	<b>024</b>	<b>1.790.000.000</b>	<b>674.000.000</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>026</b>	<b>1.558.000.000</b>	<b>547.000.000</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Proceeds from issuing of ownership and debt financial instruments	027		
2. Proceeds from loan principal, debentures, loans and other borrowing	028	14.490.000.000	11.213.000.000
3. Other proceeds from financial activities	029	14.000.000	
<b>V. Total proceeds from financial activities (027 do 029)</b>	<b>030</b>	<b>14.504.000.000</b>	<b>11.213.000.000</b>
1. Repayment of loan principal and bonds	031	14.288.000.000	13.775.000.000
2. Dividends paid	032	480.000.000	
3. Payment of finance lease liabilities	033		
4. Payments from repurchase of treasury shares	034		
5. Other payments from financial activities	035	82.000.000	129.000.000
<b>VI. Total payments from financial activities (031 do 035)</b>	<b>036</b>	<b>14.850.000.000</b>	<b>13.904.000.000</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>038</b>	<b>346.000.000</b>	<b>2.691.000.000</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	222.000.000	206.000.000
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	0	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	222.000.000	206.000.000
Decrease of cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of the period	044	482.000.000	435.000.000

**IZVJEŠTAJ O NOVČANOM TIJEKU - Direktna metoda**  
u razdoblju . . . do . . .

Obveznik: _____			
Naziv pozicije	AOP oznaka	Prethodno razdoblje	Tekuće razdoblje
1	2	3	4
<b>NOVČANI TIJEK OD POSLOVNIH AKTIVNOSTI</b>			
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		
<b>I. Ukupno novčani primici od poslovnih aktivnosti (001 do 005)</b>	<b>006</b>	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		
<b>II. Ukupno novčani izdaci od poslovnih aktivnosti (007 do 012)</b>	<b>013</b>	0	0
<b>A1) NETO POVEĆANJE NOVČANOG TIJEKA OD POSLOVNIH</b>	<b>014</b>	0	0
<b>A2) NETO SMANJENJE NOVČANOG TIJEKA OD POSLOVNIH</b>	<b>015</b>	0	0
<b>NOVČANI TIJEK OD INVESTICIJSKIH AKTIVNOSTI</b>			
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		
<b>III. Ukupno novčani primici od investicijskih aktivnosti (016 do 020)</b>	<b>021</b>	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		
<b>IV. Ukupno novčani izdaci od investicijskih aktivnosti (022 do 024)</b>	<b>025</b>	0	0
<b>B1) NETO POVEĆANJE NOVČANOG TIJEKA OD INVESTICIJSKIH</b>	<b>026</b>	0	0
<b>B2) NETO SMANJENJE NOVČANOG TIJEKA OD INVESTICIJSKIH</b>	<b>027</b>	0	0
<b>NOVČANI TIJEK OD FINANCIJSKIH AKTIVNOSTI</b>			
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		
<b>V. Ukupno novčani primici od financijskih aktivnosti (028 do 030)</b>	<b>031</b>	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		
<b>VI. Ukupno novčani izdaci od financijskih aktivnosti (032 do 036)</b>	<b>037</b>	0	0
<b>C1) NETO POVEĆANJE NOVČANOG TIJEKA OD FINANCIJSKIH</b>	<b>038</b>	0	0
<b>C2) NETO SMANJENJE NOVČANOG TIJEKA OD FINANCIJSKIH</b>	<b>039</b>	0	0
<b>Ukupno povećanje novčanog tijeka (014 – 015 + 026 – 027 + 038 – 039)</b>	<b>040</b>	0	0
<b>Ukupno smanjenje novčanog tijeka (015 – 014 + 027 – 026 + 039 – 038)</b>	<b>041</b>	0	0
<b>Novac i novčani ekvivalenti na početku razdoblja</b>	<b>042</b>		
<b>Povećanje novca i novčanih ekvivalenata</b>	<b>043</b>		
<b>Smanjenje novca i novčanih ekvivalenata</b>	<b>044</b>		
<b>Novac i novčani ekvivalenti na kraju razdoblja</b>	<b>045</b>	0	0

## CHANGES IN EQUITY

for the period 1.1.2012 to 30.9.2012

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	2.239.000.000	2.167.000.000
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	2.900.000.000	1.438.000.000
6. Revaluation of fixed tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial financial property available for sale	008	-57.000.000	6.000.000
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	15.158.000.000	15.654.000.000
11. Foreign exchange differences from net investments in foreign operations	011	-113.000.000	-72.000.000
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	2.843.000.000	1.444.000.000
<b>17. Total equity increase or decrease (AOP 011 do 016)</b>	<b>017</b>	2.730.000.000	1.372.000.000
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.



## Q1-Q3 2012 – REPORT INA, D.D. NON-CONSOLIDATED

## INA, d.d. financial results (IFRS)

HRK mln.	Q2 2012	Q3 2012	Q3 2011 Restated	%	Q1-Q3 2011 Restated	Q1-Q3 2012	%
Net sales revenues	6,876	7,615	7,389	3	20,498	20,382	(1)
EBITDA reported <sup>(1)</sup>	1,371	1,693	1,773	(5)	5,349	4,720	(12)
<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>1,369</b>	<b>1,731</b>	<b>1,801</b>	<b>(4)</b>	<b>5,456</b>	<b>4,929</b>	<b>(10)</b>
Operating profit reported	(229)	1,208	971	24	3,646	1,888	(48)
<b>Operating profit excl. special items <sup>(2)</sup></b>	<b>134</b>	<b>1,254</b>	<b>1,020</b>	<b>23</b>	<b>3,870</b>	<b>2,541</b>	<b>(34)</b>
Net financial expenses	(256)	78	(440)	n.a.	(63)	(107)	70
Net profit/(loss) <sup>(3)</sup>	(428)	1,071	453	136	2,900	1,438	(50)
<b>Net profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(166)</b>	<b>1,107</b>	<b>492</b>	<b>125</b>	<b>3,079</b>	<b>1,960</b>	<b>(36)</b>
Operating cash flow	1,756	1,442	1,325	9	2,126	3,444	62
<b>Earnings per share</b>							
Basic and diluted earnings/(loss) per share (kunas per share)	(42.8)	107.1	45.3	136	290.0	143.8	(50)
Net gearing	32.93	28.15	37.79	(26)	37.79	28.15	(26)
USD mln <sup>(4)</sup>	Q2 2012	Q3 2012	Q3 2011 Restated	%	Q1-Q3 2011 Restated	Q1-Q3 2012	%
Net sales revenues	1,174	1,274	1,402	(9)	3,888	3,474	(11)
EBITDA reported <sup>(1)</sup>	234	283	336	(16)	1,014	805	(21)
<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>234</b>	<b>289</b>	<b>342</b>	<b>(15)</b>	<b>1,035</b>	<b>840</b>	<b>(19)</b>
Operating profit reported	(39)	202	184	10	691	322	(53)
<b>Operating profit excl. special items <sup>(2)</sup></b>	<b>23</b>	<b>210</b>	<b>194</b>	<b>8</b>	<b>734</b>	<b>433</b>	<b>(41)</b>
Net financial expenses	(44)	13	(83)	n.a.	(12)	(18)	53
Net profit/(loss) <sup>(3)</sup>	(73)	179	86	108	550	245	(55)
<b>Net profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(28)</b>	<b>185</b>	<b>93</b>	<b>98</b>	<b>584</b>	<b>334</b>	<b>(43)</b>
Operating cash flow	300	241	251	(4)	403	587	46
<b>Earnings per share</b>							
Basic and diluted earnings/(loss) per share (USD per share)	(7.3)	17.9	8.6	108	55.0	24.5	(55)

<sup>(1)</sup> EBITDA = EBIT + Depreciation + Impairment + Provisions

<sup>(2)</sup> Excludes special items related to asset impairment, provision and severance payments. The Q1-Q3 2012 EBIT was negatively influenced by HRK 652 million special items

<sup>(3)</sup> INA d.d. net income attributable to equity holder

<sup>(4)</sup> 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 2011 – 5.2711; Q1-Q3 2011 – 5.2726 HRK/USD; Q1-Q3 2012 – 5.8664 HRK/USD

### Q1-Q3 1 2012 vs Q1-Q3 2011 results

In Q1-Q3 2012, INA d.d. has achieved EBITDA excluding special items of HRK 4,929 million and operating profit excluding special items of HRK 2,541 million. Despite the lack of Syrian revenues, Exploration and Production segment remained the main contributor to the positive overall results, while Refining and Marketing segment also delivered positive EBITDA without special items resulting from healthier crack spread environment and management optimisation efforts.

At the net profit level, INA d.d., realised strong result of HRK 1,438 mln, which, together with constant management efforts in consolidating the Company's financial position, resulted in gearing level improvement compared to the same period last year. INA d.d. realised operating cash flow in Q1-Q3 2012 at the level of over HRK 3.4 billion, which is by 62% higher compared to the Q1-Q3 period 2011, also indicating healthy financial position of the company.

Capital expenditures amounted to HRK 623 million with majority spent on Exploration and Production activities (HRK 402 million) related to 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. Refining and Marketing capital expenditures were HRK 96 million, mostly related to further system developments that include HSE and energy efficiency projects aimed at improving internal operational efficiency and deep conversion project in the Rijeka Refinery. Retail accounted for HRK 93 million related to modernization program of INA's retail network, the so called "Blue Concept".

### **INA d.d. Exploration and Production**

In spite of missed revenues from the Syrian operations EBITDA excl. special items amounted to HRK 5,105 million (USD 870 million) in Q1-Q3 2012. As a result of lack of Syrian production volumes and lower offshore volumes, the hydrocarbon production decreased by 33% compared to the same period last year. This was slightly moderated by improved average realized hydrocarbon prices and a 7% reduced unit opex.

### **INA d.d. Refining and Marketing**

In the first nine months of 2012, the segment recorded an improved EBITDA excluding special items by HRK 449 million compared to the same period last year, driven by healthier crack spread environment and several successful initiatives, but partly offset by decreasing regional demand resulting in lower sales compared to the same period last year and the unfavourable 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.

### **INA d.d. Retail segment**

Despite adverse conditions in the business environment this year, for the first nine months 2012, the Segment reached EBITDA (excluding special items) of HRK 137 million (USD 23 million), a 12% improvement compared to same period in 2011. However, a slowdown in economic activity, higher prices and reduced purchasing power caused decreased sales volumes. This was partially mitigated by lower operating costs, the introduction of diesel fuel with a bio component and optimization of the retail network.

### **INA d.d. Corporate Functions**

The segment delivered an operating loss excluding special items of HRK 394 million (USD 67 million) in Q1-Q3 2012, which is almost the same level as in the Q1-Q3 period last year.

### **Income statement**

**Total sales revenues** in Q1-Q3 2012 amounted to HRK 20,382 million or 1% lower compared to Q1-Q3 2011. This resulted from lower hydrocarbon sales volumes, which were offset by higher realized oil derivatives and natural gas prices compared to the same period last year.

**Costs of raw materials and consumables** increased by 3% to the amount of HRK 12,032 million, as a result of lower volumes of imported crude, while average import price of crude rose by 12% compared to Q1-Q3 2011.

**Costs of goods sold** decreased by 45% to the amount of HRK 938 million compared to the same period last year.

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

- Other material costs increased by 7% to the amount of HRK 1,158 million.
- Service costs in the amount of HRK 885 million recorded an increase of 31% mainly due to higher royalty costs compared to Q1-Q3 2011.
- Depreciation was lower by 25% and amounted to HRK 1,326 million mainly due to no production in Syria that resulted in no depreciation accounted since February 2012
- Adjustments and provisions amounted to HRK 1,506 million and were mainly related to international operations.

**Staff costs** amounted to HRK 1,150 million, which is a decrease of 7% resulting from workforce optimization. INA terminated the contracts of 264 employees and severance payments in the total amount of HRK 77 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.)

**Net financial expenses** in the amount of HRK 107 million were recorded in Q1-Q3 2012, compared to the net financial expenses of HRK 63 million in the same period 2011. The difference is mainly driven by lower realised FX gains compared to the same period previous year.

In Q1-Q3 2012 **income tax expense** decreased by HRK 340 million to the amount of HRK 343 million.

### **Balance sheet**

INA d.d. **total assets** amounted to HRK 30,011 million as at 30 September 2012 and were 1% higher compared to 31 December 2011. **Property, plant and equipment** slightly decreased to the amount of HRK 17,794 million.

**Trade receivables** amounted to HRK 1,565 million and were 12% lower compared to 31 December 2011 as a result of management efforts to collect overdue receivables and decreased sales volumes.

**Total liabilities** amounted to HRK 14,357 million (7% lower than on 31 December 2011), mainly as an effect of lower indebtedness compared to 31 December 2011 level.

INA d.d. **net indebtedness** was HRK 6,133 million as at 30 September 2012, which is a decrease of 31% 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**<sup>1</sup> was 28.2% as at 30 September 2012, decreasing from 38.5% as at 31 December 2011.

**Trade payables** amounted to HRK 2,510 million and were higher compared to the end of 2011 as a result of higher amount of purchased crude oil.

### **Cash flow**

**The operating cash-flow before changes in working capital** amounted to HRK 4,829 million in Q1-Q3 2012, representing a decrease of 8% compared to Q1-Q3 2011, mainly as a result of lower EBITDA.

**Changes in working capital** affected the operating cash flow negatively by HRK 330 million, due to:

- Increased value of inventories by HRK 341 million
- Higher liabilities by HRK 1,767 million
- Higher receivables by HRK 1,756 million

Tax payment affected operating cash flow by HRK 1,055 million. Mentioned factors resulted in HRK 3,444 million net cash inflow from operating activities that INA d.d. generated in Q1-Q3 2012.

<sup>1</sup> 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 September 2011 and 2012**  
**(HRK millions)**

Q2 2012	Q3 2012	Q3 2011 Restated	%		Q1-Q3 2011 Restated	Q1-Q3 2012	%
4,233	4,876	4,345	12	Sales revenue	11,633	13,202	13
2,643	2,739	3,044	(10)	a) domestic	8,865	7,180	(19)
<b>6,876</b>	<b>7,615</b>	<b>7,389</b>	<b>3</b>	b) exports	<b>20,498</b>	<b>20,382</b>	<b>(1)</b>
-	1	1	0	<b>Total sales revenue</b>			
62	42	46	(9)	Income from own consumption of products and services	2	3	50
<b>6,938</b>	<b>7,658</b>	<b>7,436</b>	<b>3</b>	Other operating income	427	215	(50)
				<b>Total operating income</b>	<b>20,927</b>	<b>20,600</b>	<b>(2)</b>
(451)	(77)	(10)	670	Changes in inventories of finished products and work in progress	838	283	(66)
(3,929)	(4,582)	(3,777)	21	Cost of raw materials and consumables	(11,702)	(12,032)	3
(389)	(352)	(726)	(52)	Depreciation and amortization	(1,765)	(1,326)	(25)
(361)	(389)	(390)	(0)	Other material costs	(1,079)	(1,158)	7
(253)	(235)	(178)	32	Service costs	(676)	(885)	31
(391)	(369)	(401)	(8)	Staff costs	(1,241)	(1,150)	(7)
(182)	(313)	(907)	(65)	Cost of other goods sold	(1,718)	(938)	(45)
(951)	(159)	(78)	104	Impairment and charges (net)	(15)	(1,175)	7,733
(260)	26	2	1,200	Provisions for charges and risks (net)	77	(331)	n.a.
<b>(7,167)</b>	<b>(6,450)</b>	<b>(6,465)</b>	<b>(0)</b>	<b>Operating expenses</b>	<b>(17,281)</b>	<b>(18,712)</b>	<b>8</b>
<b>(229)</b>	<b>1,208</b>	<b>971</b>	<b>24</b>	<b>Profit from operations</b>	<b>3,646</b>	<b>1,888</b>	<b>(48)</b>
(16)	98	87	13	Share in the profit of associated companies	392	331	(16)
(240)	(20)	(527)	(96)	Finance income	(455)	(438)	(4)
<b>(256)</b>	<b>78</b>	<b>(440)</b>	<b>n.a.</b>	Finance costs	<b>(63)</b>	<b>(107)</b>	<b>70</b>
<b>(485)</b>	<b>1,286</b>	<b>531</b>	<b>142</b>	<b>Net loss from financial activities</b>	<b>3,583</b>	<b>1,781</b>	<b>(50)</b>
57	(215)	(78)	176	Income tax expense	(683)	(343)	(50)
<b>(428)</b>	<b>1,071</b>	<b>453</b>	<b>136</b>	<b>Profit for the year</b>	<b>2,900</b>	<b>1,438</b>	<b>(50)</b>
(428)	1,071	453	136	Attributable to			
-	-	-	n.a.	Owners of the Company	2,900	1,438	(50)
<b>(428)</b>	<b>1,071</b>	<b>453</b>	<b>136</b>	Non-controlling interests	-	-	n.a.
				<b>Earnings per share</b>			
(42.8)	107.1	45.3	136	Basic and diluted earnings/(loss) per share (kunas per share)	290.0	143.8	(50)

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

Q2 2012	Q3 2012	Q3 2011 Restated	%		Q1-Q3 2011 Restated	Q1-Q3 2012	%
(428)	1,071	453	136	<b>Profit/(loss) for the year</b>	<b>2,900</b>	<b>1,438</b>	<b>(50)</b>
452	(273)	560	n.a.	Other comprehensive income:			
(37)	(2)	(62)	(97)	Exchange differences arising from foreign operations	(113)	(72)	(36)
<b>415</b>	<b>(275)</b>	<b>498</b>	<b>n.a.</b>	Gains/(loss) on available-for-sale investments, net	<b>(57)</b>	<b>6</b>	<b>n.a.</b>
<b>(13)</b>	<b>796</b>	<b>951</b>	<b>(16)</b>	<b>Other comprehensive income, net</b>	<b>(170)</b>	<b>(66)</b>	<b>(61)</b>
				<b>Total comprehensive income/(loss) for the year</b>	<b>2,730</b>	<b>1,372</b>	<b>(50)</b>

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

	1 January 2012	30 Sept 2012	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	876	669	(24)
Property, plant and equipment	18,555	17,794	(4)
Goodwill	-	-	n.a.
Investments in subsidiaries	1,033	945	(9)
Investments in associates and joint ventures	34	34	(0)
Other investments	799	786	(2)
Long-term receivables	207	231	12
Derivative financial instruments	-	-	n.a.
Deferred tax	592	685	16
Available for sale assets	325	332	2
<b>Total non-current assets</b>	<b>22,421</b>	<b>21,476</b>	<b>(4)</b>
<b>Current assets</b>			
Inventories	3,030	3,263	8
Trade receivables net	1,781	1,565	(12)
Intercompany receivables	1,588	2,286	44
Other receivables	379	740	95
Derivative financial instruments	-	-	n.a.
Other current assets	313	92	(71)
Prepaid expenses and accrued income	54	154	185
Cash and cash equivalents	229	435	90
<b>Current assets</b>	<b>7,374</b>	<b>8,535</b>	<b>16</b>
Assets classified as held for sale	-	-	n.a.
<b>Total current assets</b>	<b>7,374</b>	<b>8,535</b>	<b>16</b>
<b>Total assets</b>	<b>29,795</b>	<b>30,011</b>	<b>1</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	9,000	9,000	0
Revaluation reserve	-	6	n.a.
Other reserves	2,239	2,167	(3)
Retained earnings / (Deficit)	3,043	4,481	47
<b>Total equity</b>	<b>14,282</b>	<b>15,654</b>	<b>10</b>
Non-controlling interests	-	-	n.a.
<b>Total equity</b>	<b>14,282</b>	<b>15,654</b>	<b>10</b>
<b>Non-current liabilities</b>			
Long-term loans	5,556	1,049	(81)
Other non-current liabilities	106	100	(6)
Employee benefits obligation	61	66	8
Provisions	2,665	2,736	3
<b>Total non-current liabilities</b>	<b>8,388</b>	<b>3,951</b>	<b>(53)</b>
<b>Current liabilities</b>			
Bank loans and overdrafts	1,784	902	(49)
Current portion of long-term loans	1,817	4,617	154
Calculated derivative agreements	-	-	n.a.
Intercompany payables	646	502	(22)
Trade payables	1,111	2,510	126
Taxes and contributions	1,349	1,250	(7)
Other current liabilities	197	123	(38)
Accruals and deferred income	48	48	0
Employee benefits obligation	5	3	(40)
Provisions	168	451	168
<b>Current liabilities</b>	<b>7,125</b>	<b>10,406</b>	<b>46</b>
Liabilities directly associated with assets classified held for sale	-	-	n.a.
<b>Total current liabilities</b>	<b>7,125</b>	<b>10,406</b>	<b>46</b>
<b>Total liabilities</b>	<b>15,513</b>	<b>14,357</b>	<b>(7)</b>
<b>Total equity and liabilities</b>	<b>29,795</b>	<b>30,011</b>	<b>1</b>

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

Q2 2012	Q3 2012	Q3 2011 Restated	%		Q1-Q3 2011 Restated	Q1-Q3 2012	%
(428)	1,071	453	136	<b>Profit/(loss) for the year</b>	<b>2,900</b>	<b>1,438</b>	<b>(50)</b>
				<b>Adjustments for:</b>			
389	352	726	(52)	Depreciation and amortisation	1,765	1,326	(25)
(57)	215	78	176	Income tax (benefit)/expenses recognized in (loss)/profit	683	343	(50)
985	194	75	159	Impairment charges	429	1,310	205
(34)	(35)	(306)	(89)	Reversal of impairment	(414)	(135)	(67)
-	-	1	n.a.	Gain on sale of property, plant and equipment	(3)	(7)	133
182	(57)	217	n.a.	Foreign exchange loss/(gain)	(146)	(15)	(90)
(30)	(14)	90	n.a.	Interest expense	(33)	(70)	112
70	8	13	(38)	Other financial expense recognised in profit	(55)	90	n.a.
283	3	(70)	n.a.	Increase in provisions	(9)	465	n.a.
24	26	32	(19)	Decommissioning interests	86	74	(14)
5	(3)	13	n.a.	Other non-cash items	36	10	(72)
<b>1,389</b>	<b>1,760</b>	<b>1,322</b>	<b>33</b>	<b>Operating cash flow before working capital changes</b>	<b>5,239</b>	<b>4,829</b>	<b>(8)</b>
				<b>Movements in working capital</b>			
185	(6)	(192)	(97)	(Increase)/decrease in inventories	(1,803)	(341)	(81)
(395)	(659)	394	n.a.	(Increase)/decrease in receivables and prepayments	352	(1,756)	n.a.
1,364	567	(128)	n.a.	(Decrease)/increase in trade and other payables	(1,258)	1,767	n.a.
<b>2,543</b>	<b>1,662</b>	<b>1,396</b>	<b>19</b>	<b>Cash generated from operations</b>	<b>2,530</b>	<b>4,499</b>	<b>78</b>
(787)	(220)	(71)	210	Taxes paid	(404)	(1,055)	161
<b>1,756</b>	<b>1,442</b>	<b>1,325</b>	<b>9</b>	<b>Net cash inflow from operating activities</b>	<b>2,126</b>	<b>3,444</b>	<b>62</b>
				<b>Cash flows used in investing activities</b>			
(185)	(286)	(264)	8	Payments for property, plant and equipment	(763)	(553)	(28)
5	(48)	(6)	700	Payment for intangible assets	(54)	(103)	91
7	-	1	n.a.	Proceeds from sale of non-current assets	6	7	17
2	-	-	n.a.	Proceeds from sale of investments	-	2	n.a.
-	-	-	n.a.	Acquisition of investments in associates and joint ventures and other companies	-	(18)	n.a.
1	-	7	n.a.	Dividends received from companies classified under available for sale and other companies	8	1	(88)
31	1	83	(99)	Proceeds from profit of companies	164	33	(80)
-	78	53	47	Interest received and other financial income	53	78	47
(245)	(71)	(90)	(21)	Investments and loans to third parties	(972)	6	n.a.
<b>(384)</b>	<b>(326)</b>	<b>(216)</b>	<b>51</b>	<b>Net cash (outflow) used for investing activities</b>	<b>(1,558)</b>	<b>(547)</b>	<b>(65)</b>
				<b>Cash flows from financing activities</b>			
122	46	(1)	n.a.	Additional long-term borrowings	25	168	572
(1,415)	(197)	(58)	240	Repayment of long-term borrowings	(1,291)	(1,808)	40
3,700	3,204	5,004	(36)	Additional short-term borrowings	14,464	11,044	(24)
(3,942)	(4,033)	(5,749)	(30)	Repayment of short term borrowings	(12,997)	(11,901)	(8)
-	-	-	n.a.	Payment dividends	(480)	-	n.a.
(22)	(19)	-	n.a.	Interest paid on long-term loans	-	(65)	n.a.
(2)	(3)	(2)	50	Other long-term liabilities	(6)	(7)	17
6	(86)	(23)	274	Interest paid on short term loans and other financing charges	(75)	(107)	43
<b>(1,553)</b>	<b>(1,088)</b>	<b>(829)</b>	<b>31</b>	<b>Net cash from financing activities</b>	<b>(360)</b>	<b>(2,676)</b>	<b>643</b>
(181)	28	280	(90)	Net (decrease)/increase in cash and cash equivalents	208	221	6
594	418	180	132	At 1 January	260	229	(12)
5	(11)	22	n.a.	Effect of foreign exchange rate changes	14	(15)	n.a.
418	435	482	(10)	At the end of period	482	435	(10)

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

	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total
<b>Balance as at 1 January 2011</b>	<b>9,000</b>	<b>1,952</b>	<b>27</b>	<b>1,556</b>	<b>12,535</b>
Profit for the year	-	-	-	2,900	2,900
Other comprehensive loss, net	-	(113)	(57)	-	(170)
Total comprehensive profit for the year	-	(113)	(57)	2,900	2,730
Dividends payable	-	-	-	(480)	(480)
<b>Balance as at 30 September 2011</b>	<b>9,000</b>	<b>1,838</b>	<b>(30)</b>	<b>3,976</b>	<b>14,784</b>
	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total
<b>Balance as at 1 January 2012</b>	<b>9,000</b>	<b>2,239</b>	<b>-</b>	<b>3,043</b>	<b>14,282</b>
Profit for the year	-	-	-	1,438	1,438
Other comprehensive loss net	-	(72)	6	-	(66)
Total comprehensive income for the year	-	(72)	6	1,438	1,372
<b>Balance as at 30 September 2012</b>	<b>9,000</b>	<b>2,167</b>	<b>6</b>	<b>4,481</b>	<b>15,654</b>

### 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	Amounts owed to related parties
	30 September 2012	30 September 2012
<b>Foreign related companies</b>		
Interina Ltd Guernsey	-	136
Holdina Sarajevo	165	5
Interina d.o.o. Ljubljana	2	-
INA – Crna Gora d.o.o. Podgorica	23	1
INA – Beograd d.o.o. Beograd	7	-
<b>Domestic related companies</b>		
Crosco Grupa	1	68
Osijek Petrol d.d.	33	2
STSI d.o.o. Zagreb	8	113
Maziva Zagreb d.o.o. Zagreb	17	6
ITR d.o.o. Zagreb	-	7
Sinaco d.o.o. Zagreb	-	10
Prirodni plin d.o.o. Zagreb	3,033	74
TOP Računovodstvo servisi d.o.o. Zagreb	1	4
<b>Companies available for sale</b>		
JANAF d.d. Zagreb	-	6
<b>Strategic partner</b>		
MOL Plc	12	82
<b>Companies controlled by strategic partner</b>		
Tifon d.o.o.	53	1
MOL SLOVENIJA d.o.o.	3	-
IES-Italiana Energia e Servizi s.p.a.	3	2
Intermol d.o.o.	6	-
Energopetrol d.d.	5	-
<b>Companies controlled by the State</b>		
Hrvatska elektroprivreda	6	2
Other	276	10



INA, d.d. HRK mln	Sales of goods	Purchase of goods
	30 September 2012	30 September 2012
<b>Foreign related companies</b>		
Holdina Sarajevo	1,014	-
Interina d.o.o. Ljubljana	16	-
INA – Crna Gora d.o.o. Podgorica	110	-
<b>Domestic related companies</b>		
Crosco Grupa	8	160
Osijek Petrol d.d.	89	-
STSI d.o.o. Zagreb	16	219
Maziva Zagreb d.o.o. Zagreb	81	8
ITR d.o.o. Zagreb	1	18
Sinaco d.o.o. Zagreb	2	65
Prirodni plin d.o.o. Zagreb	3,752	564
TOP Računovodstvo servisi d.o.o. Zagreb	6	43
<b>Companies available for sale</b>		
JANAF d.d. Zagreb	-	53
<b>Strategic partner</b>		
MOL Plc	313	400
<b>Companies controlled by strategic partner</b>		
Tifon d.o.o.	666	5
Moltrade Mineralimpex Zrt.	-	102
Slovnaft, a.s.	-	76
Mol Lub Kft.	-	1
MOL SLOVENIJA d.o.o.	24	-
IES-Italiana Energia e Servizi s.p.a.	15	6
TVK Nyrt.	-	2
Intermol d.o.o.	54	-
Energopetrol d.d.	269	-
<b>Companies controlled by the State</b>		
Hrvatska elektroprivreda	88	123
Other	464	118

### INA, d.d. Summary Segmental Results of Operations

Q2 2012	Q3 2012	Q3 2011 Restated	%	(HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
				<b>Sales</b>			
2,257	1,901	2,284	(17)	Exploration & Production	7,013	6,459	(8)
5,033	5,829	4,652	25	Refining & Marketing	13,401	14,885	11
1,816	2,253	2,165	4	Retail	5,383	5,554	3
5	4	5	(20)	Corporate and Other	16	22	38
(2,235)	(2,372)	(1,717)	38	Inter-segment revenue	(5,315)	(6,538)	23
<b>6,876</b>	<b>7,615</b>	<b>7,389</b>	<b>3</b>	<b>Sales</b>	<b>20,498</b>	<b>20,382</b>	<b>(1)</b>
				<b>Operating expenses, net other income from operating activities</b>			
(1,748)	(661)	(933)	(29)	Exploration & Production	(2,122)	(3,618)	70
(5,597)	(5,799)	(4,928)	18	Refining & Marketing	(14,231)	(15,455)	9
(1,828)	(2,192)	(2,120)	3	Retail	(5,366)	(5,513)	3
(167)	(127)	(154)	(18)	Corporate and Other	(448)	(446)	(0)
2,235	2,372	1,717	38	Inter-segment eliminations	5,315	6,538	23
<b>(7,105)</b>	<b>(6,407)</b>	<b>(6,418)</b>	<b>(0)</b>	<b>Expenses</b>	<b>(16,852)</b>	<b>(18,494)</b>	<b>10</b>
				<b>Profit (loss) from operations</b>			
509	1,240	1,351	(8)	Exploration & Production	4,891	2,841	(42)
(564)	30	(276)	n.a.	Refining & Marketing	(830)	(570)	(31)
(12)	61	45	36	Retail	17	41	141
(162)	(123)	(149)	(17)	Corporate and Other	(432)	(424)	(2)
<b>(229)</b>	<b>1,208</b>	<b>971</b>	<b>24</b>	<b>Profit from operations</b>	<b>3,646</b>	<b>1,888</b>	<b>(48)</b>
				<b>Share in the profit of associate companies</b>			
<b>(256)</b>	<b>78</b>	<b>(440)</b>	<b>n.a.</b>	<b>Net loss from financial activities</b>	<b>(63)</b>	<b>(107)</b>	<b>70</b>
<b>(485)</b>	<b>1,286</b>	<b>531</b>	<b>142</b>	<b>Profit/(loss) before taxation</b>	<b>3,583</b>	<b>1,781</b>	<b>(50)</b>
57	(215)	(78)	176	Income tax	(683)	(343)	(50)
<b>(428)</b>	<b>1,071</b>	<b>453</b>	<b>136</b>	<b>Profit/(loss) for the year</b>	<b>2,900</b>	<b>1,438</b>	<b>(50)</b>

## INA, d.d. 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	%
856	1,266	1,363	(7)	Exploration & Production	4,948	3,437	(31)
(574)	37	(263)	n.a.	Refining & Marketing	(734)	(556)	(24)
(5)	64	62	3	Retail	51	54	6
(143)	(113)	(142)	(20)	Corporate and Other	(395)	(394)	(0)
<b>134</b>	<b>1,254</b>	<b>1,020</b>	<b>23</b>	<b>Total</b>	<b>3,870</b>	<b>2,541</b>	<b>(34)</b>

  

Q2 2012	Q3 2012	Q3 2011 Restated	%	Depreciation (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
193	166	592	(72)	Exploration & Production	1,381	760	(45)
156	155	89	74	Refining & Marketing	248	448	81
22	21	20	5	Retail	62	65	5
<b>389</b>	<b>352</b>	<b>726</b>	<b>(52)</b>	<b>Total</b>	<b>1,765</b>	<b>1,326</b>	<b>(25)</b>

  

Q2 2012	Q3 2012	Q3 2011 Restated	%	EBITDA* (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,814	1,507	2,042	(26)	Exploration & Production	6,093	4,938	(19)
(352)	229	(202)	n.a.	Refining & Marketing	(445)	23	n.a.
31	76	73	4	Retail	99	118	19
(122)	(119)	(140)	(15)	Corporate and Other	(398)	(359)	(10)
<b>1,371</b>	<b>1,693</b>	<b>1,773</b>	<b>(5)</b>	<b>Total</b>	<b>5,349</b>	<b>4,720</b>	<b>(12)</b>

  

Q2 2012	Q3 2012	Q3 2011 Restated	%	EBITDA Excluding Special Items* (HRK mln)	Q1-Q3 2011 Restated	Q1-Q3 2012	%
1,822	1,524	2,053	(26)	Exploration & Production	6,123	5,105	(17)
(365)	236	(196)	n.a.	Refining & Marketing	(421)	28	n.a.
31	84	82	2	Retail	122	137	12
(119)	(113)	(138)	(18)	Corporate and Other	(368)	(341)	(7)
<b>1,369</b>	<b>1,731</b>	<b>1,801</b>	<b>(4)</b>	<b>Total</b>	<b>5,456</b>	<b>4,929</b>	<b>(10)</b>

\* EBITDA = EBIT + Depreciation + Impairment + Provisions

## INA, d.d. Summary Segment Information

30 September 2012						
Assets and liabilities	Exploration and production	Refining and marketing	Retail	Corporate and other	Elimination	Total
Property, plant and equipment	10,723	5,928	940	203	-	17,794
Intangible assets	582	16	2	69	-	669
Investments in subsidiaries	647	147	18	133	-	945
Investments in associates and joint ventures	34	-	-	-	-	34
Inventories	219	2,881	44	119	-	3,263
Trade receivables, net	2,338	1,109	385	19	(2,286)	1,565
Not allocated assets						5,741
<b>Total assets</b>						<b>30,011</b>
Trade payables	273	2,436	158	145	(502)	2,510
Not allocated liabilities						11,847
<b>Total liabilities</b>						<b>14,357</b>
<b>Other segment information</b>						
<b>Capital expenditure:</b>	402	96	93	32	-	<b>623</b>
Property, plant and equipment	367	93	93	8	-	561
Intangible assets	35	3	-	24	-	62
<b>Depreciation and amortisation</b>	760	448	65	53	-	<b>1,326</b>
Impairment losses/(income) PP&E, net recognized in profit and loss	(16)	-	-	-	-	(16)
Other impairment losses/(income), net recognized in profit and loss	131	17	6	-	-	154
<b>Total impairment losses/(income), net</b>	<b>115</b>	<b>17</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>138</b>
<b>31 December 2011</b>						
Assets and liabilities	Exploration and production	Refining and marketing	Retail	Corporate and other	Elimination	Total
Property, plant and equipment	11,124	6,297	916	218	-	18,555
Intangible assets	780	13	4	79	-	876
Investments in subsidiaries	648	169	-	216	-	1,033
Investments in associates and joint ventures	34	-	-	-	-	34
Inventories	349	2,511	50	120	-	3,030
Trade receivables, net	2,037	965	348	19	(1,588)	1,781
Not allocated assets						4,486
<b>Total assets</b>						<b>29,795</b>
Trade payables	325	1,015	166	251	(646)	1,111
Not allocated liabilities						14,402
<b>Total liabilities</b>						<b>15,513</b>
<b>Other segment information</b>						
<b>Capital expenditure:</b>	659	577	106	47	-	<b>1,389</b>
Property, plant and equipment	586	569	105	8	-	1,268
Intangible assets	73	8	1	39	-	121
<b>Depreciation and amortisation</b>	1,765	447	83	102	-	<b>2,397</b>
Impairment losses/(income) PP&E, net recognized in profit and loss	(33)	655	(79)	-	-	543
Other impairment losses/(income), net recognized in profit and loss	679	(693)	840	(63)	-	763
<b>Total impairment losses/(income), net</b>	<b>646</b>	<b>(38)</b>	<b>761</b>	<b>(63)</b>	<b>-</b>	<b>1,306</b>

### 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
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

Source: Central Clearing Depository 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 Ratafics	Member