

**ENCLOSURE 1**

Reporting period:

1 January 2013

to

31 March 2013

**Quartely Financial Report TFI-POD**Tax number (MB): **03586243**Registration number (MBS): **080000604**Personal identification  
number (OIB): **27759560625**Issuer: **INA - Industrija nafte d.d.**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: **8.585**  
(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 31 March 2013

Issuer: INA - Industrija nafte d.d. Zagreb

Item	AOP	Previous period	Current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED AND NON-PAID CAPITAL</b>	<b>001</b>		
<b>B) LONG-TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	20.771.000.000	20.886.000.000
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	733.000.000	753.000.000
1. Assets development	<b>004</b>		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	<b>005</b>	79.000.000	94.000.000
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>	62.000.000	63.000.000
5. Intangible assets in preparation	<b>008</b>	591.000.000	596.000.000
6. Other intangible assets	<b>009</b>	1.000.000	
<b>II. TANGIBLE ASSETS (011 do 019)</b>	<b>010</b>	17.085.000.000	17.092.000.000
1. Land	<b>011</b>	1.000.000.000	1.002.000.000
2. Buildings	<b>012</b>	7.432.000.000	7.368.000.000
3. Plant and equipment	<b>013</b>	5.787.000.000	5.907.000.000
4. Instruments, plant inventories and transportation assets	<b>014</b>	311.000.000	306.000.000
5. Biological asset	<b>015</b>		
6. Advances for tangible assets	<b>016</b>	22.000.000	25.000.000
7. Tangible assets in preparation	<b>017</b>	2.524.000.000	2.475.000.000
8. Other material assets	<b>018</b>	3.000.000	3.000.000
9. Investment in property	<b>019</b>	6.000.000	6.000.000
<b>III. LONG-TERM FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	2.333.000.000	2.312.000.000
1. Investments in subsidiaries	<b>021</b>	1.161.000.000	1.118.000.000
2. Loans given to related parties	<b>022</b>	612.000.000	617.000.000
3. Participating interests (shares)	<b>023</b>	40.000.000	40.000.000
4. Loans to entrepreneurs in which the entity holds participating interests	<b>024</b>		
5. Investments in securities	<b>025</b>		
6. Loans, deposits and similar assets	<b>026</b>	180.000.000	181.000.000
7. Other long-term financial assets	<b>027</b>	340.000.000	356.000.000
8. Investment accounted by equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 do 032)</b>	<b>029</b>	126.000.000	123.000.000
1. Receivables from subsidiaries	<b>030</b>	11.000.000	11.000.000
2. Receivables based on trade loans	<b>031</b>	115.000.000	112.000.000
3. Other receivables	<b>032</b>		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>	494.000.000	606.000.000
<b>C) SHORT-TERM ASSETS (035+043+050+058)</b>	<b>034</b>	6.595.000.000	7.985.000.000
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	2.485.000.000	3.098.000.000
1. Raw materials & consumables	<b>036</b>	445.000.000	727.000.000
2. Work in progress	<b>037</b>	1.156.000.000	1.292.000.000
3. Finished goods	<b>038</b>	815.000.000	1.034.000.000
4. Merchandise	<b>039</b>	69.000.000	45.000.000
5. Advances for inventories	<b>040</b>		
6. Long-term assets held for sale	<b>041</b>		
7. Biological asset	<b>042</b>		
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	3.757.000.000	3.842.000.000
1. Receivables from subsidiaries	<b>044</b>	2.226.000.000	1.841.000.000
2. Trade receivables	<b>045</b>	1.103.000.000	1.500.000.000
3. Receivables from participating entities	<b>046</b>		
4. Receivables from employees and shareholders	<b>047</b>	8.000.000	6.000.000
5. Receivables from government and other institutions	<b>048</b>	311.000.000	357.000.000
6. Other receivables	<b>049</b>	109.000.000	138.000.000
<b>III. SHORT-TERM FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>	83.000.000	82.000.000
1. Investments in subsidiaries	<b>051</b>	54.000.000	37.000.000
2. Loans given to related parties	<b>052</b>		
3. Participating interests (shares)	<b>053</b>		
4. Loans to entrepreneurs in which the entity holds participating interests	<b>054</b>		
5. Investments in securities	<b>055</b>		
6. Loans, deposits and similar assets	<b>056</b>	22.000.000	28.000.000
7. Other financial assets	<b>057</b>	7.000.000	17.000.000
<b>IV. CASH AT BANK AND IN CASH REGISTER</b>	<b>058</b>	270.000.000	963.000.000
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	79.000.000	218.000.000
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	27.445.000.000	29.089.000.000
<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>	15.502.000.000	15.897.000.000
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>	2.123.000.000	2.359.000.000
1. Legal reserves	<b>066</b>		
2. Reserves for treasury shares	<b>067</b>		
3. Treasury shares and stakes (deduction)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	2.123.000.000	2.359.000.000
IV. REVALUATION RESERVES	<b>071</b>	13.000.000	17.000.000
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	3.043.000.000	4.366.000.000
1. Retained earnings	<b>073</b>	3.043.000.000	4.366.000.000
2. Accumulated loss	<b>074</b>		
VI. PROFIT/LOSS FOR THE FINANCIAL YEAR (076-077)	<b>075</b>	1.323.000.000	155.000.000
1. Profit for the financial year	<b>076</b>	1.323.000.000	155.000.000
2. Loss for the financial year	<b>077</b>		
VII. NON-CONTROLLING INTERESTS	<b>078</b>		
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	3.020.000.000	3.067.000.000
1. Provisions for redundancy costs, severance pays and similar liabilities	<b>080</b>	72.000.000	83.000.000
2. Provisions for tax obligations	<b>081</b>		
3. Other provisions	<b>082</b>	2.948.000.000	2.984.000.000
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	1.124.000.000	1.010.000.000
1. Liabilities to subsidiaries	<b>084</b>		
2. Liabilities for loans, deposits and other	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	1.053.000.000	941.000.000
4. Liabilities for received advances	<b>087</b>		
5. Trade payables	<b>088</b>		
6. Liabilities arising from debt securities	<b>089</b>		
7. Liabilities to entrepreneurs in which the entity holds participating interests	<b>090</b>		
8. Other non-current liabilities	<b>091</b>	71.000.000	69.000.000
9. Deferred tax liability	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	7.765.000.000	9.097.000.000
1. Liabilities to subsidiaries	<b>094</b>	383.000.000	265.000.000
2. Liabilities for loans, deposits and other	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	5.705.000.000	6.671.000.000
4. Liabilities for received advances	<b>097</b>	22.000.000	19.000.000
5. Trade payables	<b>098</b>	964.000.000	1.272.000.000
6. Liabilities arising from debt securities	<b>099</b>		
7. Liabilities to entrepreneurs in which the entity holds participating interests	<b>100</b>		
8. Liabilities to employees	<b>101</b>	96.000.000	68.000.000
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	385.000.000	568.000.000
10. Dividend payables	<b>103</b>		
11. Liabilities for long-term assets held for sale	<b>104</b>		
12. Other current liabilities	<b>105</b>	210.000.000	234.000.000
<b>E) ACCRUAL AND DEFERRED INCOME</b>	<b>106</b>	34.000.000	18.000.000
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	27.445.000.000	29.089.000.000
<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 non controlling interest	<b>110</b>		

Note 1.: APPENDIX TO THE BALANCE SHEET (to be filled in by entities who submitting consolidated financial statements).

**PROFIT AND LOSS**  
for the period 1 January 2013 to 31 March 2013

Issuer: INA - Industrija nafte d.d. 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>	6.004.000.000	6.004.000.000	5.886.000.000	5.886.000.000
1. Sales revenue	112	5.891.000.000	5.891.000.000	5.726.000.000	5.726.000.000
2. Other operating income	113	113.000.000	113.000.000	160.000.000	160.000.000
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	5.095.000.000	5.095.000.000	5.575.000.000	5.575.000.000
1. Changes in inventories of finished products and work in progress	115	-811.000.000	-811.000.000	-369.000.000	-369.000.000
2. Material costs (117 do 119)	116	4.372.000.000	4.372.000.000	4.578.000.000	4.578.000.000
a) Cost of raw materials & consumables	117	3.521.000.000	3.521.000.000	3.979.000.000	3.979.000.000
b) Cost of goods sold	118	443.000.000	443.000.000	273.000.000	273.000.000
c) Other costs	119	408.000.000	408.000.000	326.000.000	326.000.000
3. Staff costs (121 do 123)	120	344.000.000	344.000.000	314.000.000	314.000.000
a) Net salaries and wages	121	199.000.000	199.000.000	187.000.000	187.000.000
b) Costs for taxes and contributions from salaries	122	95.000.000	95.000.000	86.000.000	86.000.000
c) Contributions on gross salaries	123	50.000.000	50.000.000	41.000.000	41.000.000
4. Depreciation and amortisation	124	585.000.000	585.000.000	376.000.000	376.000.000
5. Other costs	125	443.000.000	443.000.000	278.000.000	278.000.000
6. Impairment charges (127+128)	126	65.000.000	65.000.000	382.000.000	382.000.000
a) impairment of long-term assets (excluding financial assets)	127				
b) impairment of short-term assets (excluding financial assets)	128	65.000.000	65.000.000	382.000.000	382.000.000
7. Provisions	129	97.000.000	97.000.000	16.000.000	16.000.000
8. Other operating expenses	130				
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	249.000.000	249.000.000	126.000.000	126.000.000
1. Interest income, foreign exchange gains, dividends and other financial income from subsidiaries	132	95.000.000	95.000.000	71.000.000	71.000.000
2. Interest income, foreign exchange gains, dividends and other financial income from third parties	133	152.000.000	152.000.000	12.000.000	12.000.000
3. Part of income from associates and participating interests	134				
4. Unrealized gains (income) from the financial assets	135				
5. Other financial income	136	2.000.000	2.000.000	43.000.000	43.000.000
<b>IV. FINANCIAL COSTS (138 do 141)</b>	<b>137</b>	178.000.000	178.000.000	248.000.000	248.000.000
1. Interest, foreign exchange losses and other expenses from subsidiaries	138	4.000.000	4.000.000	28.000.000	28.000.000
2. Interest, foreign exchange losses and other expenses from third parties	139	50.000.000	50.000.000	145.000.000	145.000.000
3. Unrealized loss (expenses) on financial assets	140				0
4. Other financial expenses	141	124.000.000	124.000.000	75.000.000	75.000.000
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTITIES</b>	<b>142</b>				
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATES ENTITIES</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>	6.253.000.000	6.253.000.000	6.012.000.000	6.012.000.000
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	5.273.000.000	5.273.000.000	5.823.000.000	5.823.000.000
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	980.000.000	980.000.000	189.000.000	189.000.000
1. Profit before tax (146-147)	149	980.000.000	980.000.000	189.000.000	189.000.000
2. Loss before tax (147-146)	150	0	0	0	0
<b>XII. CORPORATE INCOME TAX EXPENSE</b>	<b>151</b>	185.000.000	185.000.000	34.000.000	34.000.000
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	795.000.000	795.000.000	155.000.000	155.000.000
1. Profit for the period (149-151)	153	795.000.000	795.000.000	155.000.000	155.000.000
2. Loss for the period (151-148)	154	0	0	0	0

**ANNEX TO THE PROFIT AND LOSS ACCOUNT (to be filled in by entities submitting consolidated financial statements)**
**XIV. PROFIT OR LOSS FOR THE PERIOD**

1. Attributable to equity holders of the parent company	155				
2. Attributable to non-controlling interests	156				

**STATEMENTS OF COMPREHENSIVE INCOME (to be filled in by entities who work in compliance with IFRS)**

<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	795.000.000	795.000.000	155.000.000	155.000.000
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	-206.000.000	-206.000.000	240.000.000	240.000.000
1. Exchange differences on translation of foreign operations	159	-251.000.000	-251.000.000	236.000.000	236.000.000
2. Movements in revaluation reserves of long-term tangible and intangible assets	160				
3. Gains or loss from reevaluation of financial assets available for sale	161	45.000.000	45.000.000	13.000.000	13.000.000
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investments in foreign countries	163				
6. Share in other comprehensive income/loss of associates companies	164				
7. Acturial gain / losses on defined benefit plans	165			-9.000.000	-9.000.000
<b>III. TAX ON OTHER COMPREHENSIVE INCOME OF THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE YEAR (158-166)</b>	<b>167</b>	-206.000.000	-206.000.000	240.000.000	240.000.000
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	589.000.000	589.000.000	395.000.000	395.000.000

**APPENDIX Statement of Comprehensive Income (to be filled in by entities submitting consolidated financial statements)**
**VI. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD**

1. Attributable to equity holders of the parent company	169				
2. Attributable to non-controlling interests	170				

**CASH FLOW STATEMENT - Indirect method**  
in the period 1 January 2013 to 31 March 2013

Issuer: INA - Industrija nafte d.d. Zagreb			
Item	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	980.000.000	189.000.000
2. Depreciation and amortisation	002	585.000.000	376.000.000
3. Increase in short-term liabilities	003		314.000.000
4. Decrease in short-term receivables	004		
5. Decrease in inventories	005		
6. Other cash flow increases	006	346.000.000	1.515.000.000
<b>I. Total increase of cash flow from operating activities (001 do 006)</b>	<b>007</b>	<b>1.911.000.000</b>	<b>2.394.000.000</b>
1. Decrease in short-term liabilities	008	164.000.000	
2. Increase in short-term receivables	009	702.000.000	563.000.000
3. Increase in inventories	010	520.000.000	633.000.000
4. Other cash flow decreases	011	279.000.000	1.099.000.000
<b>II. Total decrease of cash flow from operating activities (008 do 011)</b>	<b>012</b>	<b>1.665.000.000</b>	<b>2.295.000.000</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>246.000.000</b>	<b>99.000.000</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of long-term tangible and intangible assets	015		6.000.000
2. Cash inflows from sale of equity and debt instruments	016		
3. Interest receipts	017		
4. Dividends receipts	018		
5. Other cash inflows from investment activities	019	323.000.000	35.000.000
<b>III. Total cash inflows from investment activities (015 do 019)</b>	<b>020</b>	<b>323.000.000</b>	<b>41.000.000</b>
1. Cash outflows for purchase of long-term tangible and intangible assets	021	142.000.000	160.000.000
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investment activities	023	18.000.000	18.000.000
<b>IV. Total cash outflows from investment activities (021 do 023)</b>	<b>024</b>	<b>160.000.000</b>	<b>178.000.000</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>025</b>	<b>163.000.000</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>026</b>	<b>0</b>	<b>137.000.000</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash receipts from issuance of equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028	4.140.000.000	3.605.000.000
3. Other cash inflows from financial activities	029		48.000.000
<b>V. Total cash inflows from financial activities (027 do 029)</b>	<b>030</b>	<b>4.140.000.000</b>	<b>3.653.000.000</b>
1. Cash outflows for repayment of loans and bonds	031	4.122.000.000	2.897.000.000
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034		
5. Other cash outflows from financial activities	035	62.000.000	25.000.000
<b>VI. Total cash outflows from financial activities (031 do 035)</b>	<b>036</b>	<b>4.184.000.000</b>	<b>2.922.000.000</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>731.000.000</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>038</b>	<b>44.000.000</b>	<b>0</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	365.000.000	693.000.000
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	229.000.000	270.000.000
Increase of cash and cash equivalents	042	365.000.000	693.000.000
Decrease of cash and cash equivalents	043		
Cash and cash equivalents at the end of the period	044	594.000.000	963.000.000

## STATEMENT OF CHANGES IN EQUITY

for the period      1.1.2013      to      31.3.2013

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. Reserves from profit	003	1.988.000.000	2.359.000.000
4. Retained earnings or accumulated loss	004	3.043.000.000	4.366.000.000
5. Profit / loss for the current year	005	795.000.000	155.000.000
6. Revaluation of long-term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008	45.000.000	17.000.000
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	14.871.000.000	15.897.000.000
11. Currency gains and losses arising from net investments in foreign operations	011	-251.000.000	236.000.000
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policies	014		
15. Correction of significant mistakes in prior period	015		
16. Other changes in capital	016	840.000.000	159.000.000
<b>17. Total increase or decrease in capital (AOP 011 do 016)</b>	<b>017</b>	589.000.000	395.000.000
17 a. Attributable to equity holders of the parent company's capital	018		
17 b. Attributable to non-controlling interests	019		

Items that decrease equity have negative sign

Items from 001 to 009 are state of balance sheet date

## **Notes with financial statements**

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 2013 – REPORT INA, D.D. NON-CONSOLIDATED

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

HRK mln.	Q4 2012	2012	Q1 2012	Q1 2013	%
Net sales revenues	6,022	26,404	5,891	5,726	(3)
EBITDA reported <sup>(1)</sup>	977	5,697	1,656	1,085	(34)
Operating profit reported	(125)	1,763	909	311	(66)
Net financial expenses	13	(94)	71	(122)	n.a.
Net profit/(loss) <sup>(2)</sup>	(115)	1,323	795	155	(81)
Operating cash flow	258	3,702	246	99	(60)
<b>Earnings per share</b>					
Basic and diluted earnings/(loss) per share (kunas per share)	(11.5)	132.3	79.5	15.5	(81)
Net gearing	29.50	29.50	36.26	29.49	(19)
USD mln <sup>(3)</sup>	Q4 2012	2012	Q1 2012	Q1 2013	%
Net sales revenues	1,038	4,513	1,022	998	(2)
EBITDA reported <sup>(1)</sup>	168	974	287	189	(34)
Operating profit reported	(22)	301	158	54	(66)
Net financial expenses	2	(16)	12	(21)	n.a.
Net profit/(loss) <sup>(2)</sup>	(20)	226	138	27	(80)
Operating cash flow	44	633	43	17	(60)
<b>Earnings per share</b>					
Basic and diluted earnings/(loss) per share (USD per share)	(2.0)	22.6	13.8	2.7	(80)

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

<sup>(2)</sup> INA d.d. net income attributable to equity holder

<sup>(3)</sup> In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q4 2012 – 5.8038 HRK/USD; Q1-Q4 2012 – 5.8509 HRK/USD; Q1 2012 – 5.7621 HRK/USD; Q1 2013 – 5.0000 HRK/USD

### Q1 2013 results

In Q1 2013 INA d.d. realized EBITDA in the amount of HRK 1,085 million and operating profit of HRK 311 million. Difficult conditions prevalent in INA Group's operating environment during the second half of 2012 continued into Q1 2013, presenting the Company with a number of operational challenges. These included adjusting INA Group's operations to depressed market demand for crude oil products and the decreasing natural gas demand driven by the prolonged economic slowdown in the Company's core markets. Although the overall crack spread environment was slightly deteriorating, INA took advantage of partial improvements, mainly as a result of improved product yield.

On net profit level, INA, d.d. realized HRK 155 million, and operating cash flow of HRK 99 million.

### **Income statement**

**Total sales revenues in Q1 2013** amounted HRK 5,726 million, slightly below Q1 2012 level, primarily triggered by lower average realized crude oil price and crude oil products prices compared to the same period last year.

**Costs of raw materials and consumables** were 13% higher and amounted to HRK 3,979 million, as average import price and volumes of imported crude oil were higher.

**Costs of goods sold** recorded a decrease of 38%, and amounted HRK 273 million, resulting from lower sold volumes of imported natural gas and lower import of refined products compared to Q1 2012.

Within the **other operating costs** realized in Q1 2013:

- Other material costs were lower by 20% and amounted to HRK 326 million
- Service costs in the amount of HRK 250 million recorded a decrease of 37% mainly due to lower royalty and decreased VAT costs
- Depreciation was 36% lower and amounted to HRK 376 million mainly due to “force majeure” announced in February 2012 that reduced Exploration and Production depreciation.
- Adjustments and provisions of HRK 16 million were by 84% lower.

**Staff costs** in the amount HRK 342 million were 12% lower compared to Q1 2012 as a result of workforce optimization.

**Net financial expenses** in the amount of HRK 122 million were recorded in Q1 2013, compared to the net financial income of HRK 71 million in Q1 2012.

### **Balance sheet**

**Total assets** of INA, d.d., as at 31 March 2013 amounted to HRK 29,089 million and were 6% higher compared to 31 December 2012.

**Property, plant and equipment** remained at almost the same level as December 2012 and amounted to HRK 17,067 million.

**Trade receivables** amounted to HRK 1,500 million and were 36% higher compared to 31 December 2012.

**Total liabilities** amounted to HRK 13,192 million (10% higher compared to 31 December 2012), mainly as a result of higher crude import volumes.

**Net indebtedness** of INA, d.d., amounted to HRK 6,649 million as at 31 March 2013 what is almost the same level as December 2012.

**Gearing ratio**<sup>1</sup> amounted to 29,49% as at 31 March 2013, almost the same level as December 2012.

**Trade payables** amounted to HRK 1,249 million, an increase compared to 2012 end, as a result of higher crude import volumes.

### **Cash flow**

**The operating cash-flow before changes in working capital** amounted to HRK 1,012 million in Q1 2013, decrease of 40% u compared to the same period last year, mainly as result of lower EBITDA.

**Changes in working capital affected the operating cash flow negatively by HRK 882 million**, primarily due to:

- Increased value of inventories by HRK 632 million
- Increase in payables by HRK 313 million
- Increase in receivables by HRK 563 million

Taxes paid influenced the operating cash flow in the amount of HRK 31 million. All the above factors resulted in HRK 99 million net inflows from operating activities generated by INA d.d. in Q1 2013.

<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 31 March 2012 and 2013**  
**(HRK millions)**

Q4 2012	2012		Q1 2012	Q1 2013	%
		Sales revenue			
3,986	17,188	a) domestic	4,093	3,475	(15)
2,036	9,216	b) exports	1,798	2,251	25
<b>6,022</b>	<b>26,404</b>	<b>Total sales revenue</b>	<b>5,891</b>	<b>5,726</b>	<b>(3)</b>
(1)	2	Income from own consumption of products and services	2	-	n.a.
204	419	Other operating income	111	160	44
<b>6,225</b>	<b>26,825</b>	<b>Total operating income</b>	<b>6,004</b>	<b>5,886</b>	<b>(2)</b>
(102)	181	Changes in inventories of finished products and work in progress	811	369	(55)
(3,596)	(15,628)	Cost of raw materials and consumables	(3,521)	(3,979)	13
(509)	(1,835)	Depreciation and amortization	(585)	(376)	(36)
(378)	(1,536)	Other material costs	(408)	(326)	(20)
(319)	(1,204)	Service costs	(397)	(250)	(37)
(467)	(1,617)	Staff costs	(390)	(342)	(12)
(386)	(1,324)	Cost of other goods sold	(443)	(273)	(38)
(792)	(1,967)	Impairment and charges (net)	(65)	(382)	488
199	(132)	Provisions for charges and risks (net)	(97)	(16)	(84)
<b>(6,350)</b>	<b>(25,062)</b>	<b>Operating expenses</b>	<b>(5,095)</b>	<b>(5,575)</b>	<b>9</b>
<b>(125)</b>	<b>1,763</b>	<b>Profit from operations</b>	<b>909</b>	<b>311</b>	<b>(66)</b>
		Share in the profit of associated companies			
62	393	Finance income	249	126	(49)
(49)	(487)	Finance costs	(178)	(248)	39
<b>13</b>	<b>(94)</b>	<b>Net loss from financial activities</b>	<b>71</b>	<b>(122)</b>	<b>n.a.</b>
<b>(112)</b>	<b>1,669</b>	<b>Profit before tax</b>	<b>980</b>	<b>189</b>	<b>(81)</b>
(3)	(346)	Income tax expense	(185)	(34)	(82)
<b>(115)</b>	<b>1,323</b>	<b>Profit for the year</b>	<b>795</b>	<b>155</b>	<b>(81)</b>
		Attributable to			
(115)	1,323	Owners of the Company	795	155	(81)
-	-	Non-controlling interests	-	-	n.a.
<b>(115)</b>	<b>1,323</b>		<b>795</b>	<b>155</b>	<b>(81)</b>
		<b>Earnings per share</b>			
(11.5)	132.3	Basic and diluted earnings/(loss) per share (kunas per share)	79.5	15.5	(81)

**INA-INDUSTRIJA NAFTE, d.d.**  
**INA, d.d. Unconsolidated Statement of Financial Position**  
**At 31 March 2012 and 2013**  
**(HRK millions)**

	1 January 2013	31 March 2013	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	671	690	3
Property, plant and equipment	17,063	17,067	0
Goodwill	-	-	n.a.
Investments in subsidiaries	1,161	1,118	(4)
Investments in associates and joint ventures	34	34	(0)
Other investments	798	804	1
Long-term receivables	210	212	1
Derivative financial instruments	-	-	n.a.
Deferred tax	494	606	23
Available for sale assets	340	355	4
<b>Total non-current assets</b>	<b>20,771</b>	<b>20,886</b>	<b>1</b>
<b>Current assets</b>			
Inventories	2,485	3,098	25
Trade receivables net	1,103	1,500	36
Intercompany receivables	2,226	1,841	(17)
Other receivables	428	501	17
Derivative financial instruments	-	-	n.a.
Other current assets	83	82	(1)
Prepaid expenses and accrued income	79	218	176
Cash and cash equivalents	270	963	257
<b>Current assets</b>	<b>6,674</b>	<b>8,203</b>	<b>23</b>
Assets classified as held for sale	-	-	n.a.
<b>Total current assets</b>	<b>6,674</b>	<b>8,203</b>	<b>23</b>
<b>Total assets</b>	<b>27,445</b>	<b>29,089</b>	<b>6</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	9,000	9,000	0
Revaluation reserve	13	17	31
Other reserves	2,123	2,359	11
Retained earnings / (Deficit)	4,366	4,521	4
<b>Total equity</b>	<b>15,502</b>	<b>15,897</b>	<b>3</b>
Non-controlling interests	-	-	n.a.
<b>Total equity</b>	<b>15,502</b>	<b>15,897</b>	<b>3</b>
<b>Non-current liabilities</b>			
Long-term loans	1,053	941	(11)
Other non-current liabilities	71	69	(3)
Employee benefits obligation	67	78	16
Provisions	2,663	2,645	(1)
<b>Total non-current liabilities</b>	<b>3,854</b>	<b>3,733</b>	<b>(3)</b>
<b>Current liabilities</b>			
Bank loans and overdrafts	1,057	1,954	85
Current portion of long-term loans	4,648	4,717	1
Calculated derivative agreements	-	-	n.a.
Intercompany payables	383	288	(25)
Trade payables	964	1,249	30
Taxes and contributions	385	568	48
Other current liabilities	328	320	(2)
Accruals and deferred income	34	18	(47)
Employee benefits obligation	6	6	0
Provisions	284	339	19
<b>Current liabilities</b>	<b>8,089</b>	<b>9,459</b>	<b>17</b>
Liabilities directly associated with assets classified held for sale	-	-	n.a.
<b>Total current liabilities</b>	<b>8,089</b>	<b>9,459</b>	<b>17</b>
<b>Total liabilities</b>	<b>11,943</b>	<b>13,192</b>	<b>10</b>
<b>Total equity and liabilities</b>	<b>27,445</b>	<b>29,089</b>	<b>6</b>

**INA—INDUSTRIJA NAFTE d.d. ZAGREB**  
**INA, d.d. Unconsolidated Statement of Cash Flow**  
**For the period ended 31 March 2012 and 2013**  
**(HRK millions)**

Q4 2012	2012		Q1 2012	Q1 2013	%
(115)	1,323	<b>Profit/(loss) for the year</b>	<b>795</b>	<b>155</b>	<b>(81)</b>
		Adjustments for:			n.a.
509	1,835	Depreciation and amortisation	585	376	(36)
3	346	Income tax (benefit)/expenses recognized in (loss)/profit	185	34	(82)
846	2,156	Impairment charges	131	1,356	935
(54)	(189)	Reversal of impairment	(66)	(974)	1,376
1	(6)	Gain on sale of property, plant and equipment	(7)	(6)	(14)
(14)	(29)	Foreign exchange loss/(gain)	(140)	112	n.a.
54	(16)	Interest expense	(26)	(88)	238
(94)	(4)	Other financial expense recognised in profit	12	3	(75)
(344)	121	(Decrease)/increase in provisions	179	35	(80)
-	-	Merger of Proplin	-	-	n.a.
39	113	Decommissioning interests	24	8	(67)
(7)	3	Other non-cash items	8	1	(88)
<b>824</b>	<b>5,653</b>	<b>Operating cash flow before working capital changes</b>	<b>1,680</b>	<b>1,012</b>	<b>(40)</b>
		<b>Movements in working capital</b>			
754	413	(Increase)/decrease in inventories	(520)	(632)	22
883	(873)	(Increase)/decrease in receivables and prepayments	(702)	(563)	(20)
(2,014)	(247)	(Decrease)/increase in trade and other payables	(164)	313	n.a.
<b>447</b>	<b>4,946</b>	<b>Cash generated from operations</b>	<b>294</b>	<b>130</b>	<b>(56)</b>
(189)	(1,244)	Taxes paid	(48)	(31)	(35)
<b>258</b>	<b>3,702</b>	<b>Net cash inflow from operating activities</b>	<b>246</b>	<b>99</b>	<b>(60)</b>
		<b>Cash flows used in investing activities</b>			
(495)	(1,048)	Payments for property, plant and equipment	(82)	(150)	83
(44)	(147)	Payment for intangible assets	(60)	(10)	(83)
(1)	6	Proceeds from sale of non-current assets	-	6	n.a.
(2)	-	Proceeds from sale of investments	-	-	n.a.
2	(16)	Acquisition of investments in associates and joint ventures and other companies	(18)	-	n.a.
-	1	Dividends received from companies classified under available for sale and other companies	-	-	n.a.
-	33	Proceeds from profit of companies	1	35	3,400
(78)	-	Interest received and other financial income	-	-	n.a.
(49)	(43)	Investments and loans to third parties	322	(18)	n.a.
<b>(667)</b>	<b>(1,214)</b>	<b>Net cash (outflow) used for investing activities</b>	<b>163</b>	<b>(137)</b>	<b>n.a.</b>
		<b>Cash flows from financing activities</b>			
-	168	Additional long-term borrowings	-	-	n.a.
-	(1,808)	Repayment of long-term borrowings	(196)	(133)	(32)
3,850	14,894	Additional short-term borrowings	4,140	3,605	(13)
(3,711)	(15,612)	Repayment of short term borrowings	(3,926)	(2,764)	(30)
-	-	Payment dividends	-	-	n.a.
(17)	(82)	Interest paid on long-term loans	(24)	(17)	(29)
(29)	(36)	Other long-term liabilities	(2)	(2)	0
151	44	Interest paid on short term loans and other financing charges	(27)	48	n.a.
<b>244</b>	<b>(2,432)</b>	<b>Net cash from financing activities</b>	<b>(35)</b>	<b>737</b>	<b>n.a.</b>
(165)	56	Net (decrease)/increase in cash and cash equivalents	374	699	87
435	229	At the beginning of the period	229	270	18
-	(15)	Effect of foreign exchange rate changes	(9)	(6)	(33)
270	270	At the end of period	594	963	62

## Announcements in Q1 2013

April 12 2013	Contract on gas supply signed with Petrokemija d.d.
April 04 2013	Revolving credit facility agreement signed
March 29, 2013	Annual document of disclosed information
March 29, 2013	Disposal of shares
March 28, 2013	Supervisory Board Meeting held
January 15, 2013	Answer to Zagreb Stock Exchange Query

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

	31 Dec 06	31 Dec 07	31 Dec 08	31 Dec 09	31 Dec 10	31 Dec 11	31 Dec 12	31 Mar 13
MOL Plc.	2,500,001	2,500,001	4,715,538	4,715,538	4,715,538	4,725,620	4,908,207	4,908,207
Government of the Rep. of Croatia	5,180,367	4,484,918	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552
Private and institutional investors	2,319,632	3,015,081	800,91	800,91	800,91	790,828	608,241	608,241
<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>	<b>10,000,000</b>

Source: Central Clearing Depository Company.

## Changes in organization, Management Board or Supervisory Board

### Supervisory Board

During the first quarter there was no change in the Supervisory Board

### Management Board

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

### Board of Executive Directors

During the first quarter there was no change in the Board of Executive Directors.

## Management representation

INA Group's consolidated financial statements for Q1 2013 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