INDUSTRIJA NAFTE, d.d.

Q1 2015 – REPORT INA GROUP CONSOLIDATED

INA Group (ZB: INA-R-A; www.ina.hr) announced its Q1 2015 results today. This report contains unaudited consolidated financial statements for the period ending 31 March 2015 as prepared by the management in accordance with the International Financial Reporting Standards.

INA Group financial results (IFRS)

Q4 2014	2014	HRK mln.	Q1 2014*	Q1 2015	%
4,895	23,759	Net sales revenues	5,542	3,798	(31)
199	2,580	EBITDA [(1)]	836	707	(15)
320	**2,699**	**EBITDA excl. special items [(2)]**	**836**	**707**	**(15)**
741	**3,329**	**CCS EBITDA excl. special items**	**888**	**939**	**6**
(2,756)	(1,712)	Profit/(loss) from operations	395	318	(19)
(520)	**523**	**Operating profit excl. special items [(2)]**	**395**	**318**	**(19)**
(104)	**1,157**	**CCS Operating profit excl. special items**	**435**	**556**	**28**
(279)	(622)	Net financial expenses	(92)	(251)	173
(2,481)	(1,897)	Net profit/loss attributable to equity holder	241	50	(79)
(239)	**344**	**Net profit/loss for the period excl. special items [(2)]**	**241**	**50**	**(79)**
1,836	**3,859**	**Operating cash flow**	**461**	**(668)**	**n.a.**
		Earnings per share			
(248.1)	(189.7)	Basic and diluted/(loss) earnings per share (kunas per share)	24.1	5.0	(79)
2,991	2,991	Net debt	4,687	4,196	(10)
20.4	20.4	Net gearing	26.2	25.7	
595	**1,691**	**CAPEX total**	**280**	**236**	**(16)**
510	1,490	Domestic	282	189	(33)
86	201	International	(1)	47	n.a.

Q4 2014	2014	USD mln [(3)]	Q1 2014*	Q1 2015	%
799	4,133	Net sales revenues	993	557	(44)
32	449	EBITDA [(1)]	150	104	(31)
52	**469**	**EBITDA excl. special items [(2)]**	**150**	**104**	**(31)**
121	**579**	**CCS EBITDA excl. special items**	**159**	**138**	**(13)**
(450)	(298)	Profit/(loss) from operations	71	47	(34)
(85)	**91**	**Operating profit excl. special items [(2)]**	**71**	**47**	**(34)**
(17)	**201**	**CCS Operating profit excl. special items**	**78**	**82**	**5**
(46)	(108)	Net financial expenses	(16)	(37)	123
(405)	(330)	Net profit/loss attributable to equity holder	43	7	(83)
(39)	**60**	**Net profit/loss for the period excl. special items [(2)]**	**43**	**7**	**(83)**
300	**671**	**Operating cash flow**	**83**	**(98)**	**n.a.**
		Earnings per share			
(40.5)	(33.0)	Basic and diluted/(loss) earnings per share (kunas per share)	4.3	0.7	(83)
520	520	Net debt	840	615	(27)
97	**294**	**CAPEX total**	**50**	**35**	**(31)**
83	259	Domestic	50	28	(45)
14	35	International	(0)	7	n.a.

[(1)] EBITDA = EBIT + Depreciation + Impairment + Provisions
[(2)] No special items were recognized in Q1 2015.
[(3)] In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for Q4 2014 – 6.1287 HRK/USD; Q1-Q4 2014 – 5.7493 HRK/USD; Q1 2014 – 5.5811 HRK/USD; Q1 2015 – 6.8173
** Restatement of comparable previous periods was made – see on page 12*

INA Group's CCS EBITDA excluding special items in Q1 2015 amounted to HRK 939 million, a 6% increase compared to Q1 2014. This is a strong result considering that Brent prices halved and detrimental regulatory measures were put in place impacting foremost Upstream operations against the base period.

In spite of the adverse environment the Upstream segment recorded a 6% increase in hydrocarbon production, supported by an especially strong domestic crude production increase of 20% compared to Q1 2014, showing the effect of intensive workovers and production optimization activities. This result was also supported by strenghtening of USD compared to HRK. On the other hand the average realized hydrocarbon price decreased by 37%, which was driven by the collapsing oil price as well as the adverse regulatory changes. We need to point out that the negative effect of the reduction in the regulated gas price and the doubled royalty reached HRK 134 million of negative effect in Q1 2015 versus Q1 2014.

Downstream operations, although remaining in the negative, show an improvement on a clean CCS EBITDA basis. Refining operations were supported by sustained low oil prices. Retail performance improved, which was partly impacted by a stop in Retail sales decline and improved margins. This is driven mostly by the more favourable end-user prices and also by a slight shift towards the premium fuels. At the same time the Company continues with operations optimization with the development of new retail operating model that ensures more efficient operations.

Operating cash flow in Q1 2015 turned negative to HRK (668) million, mostly related to increased level of inventory due to different dynamics of refineries operations and timing of crude deliverables from domestic and imported sources, but in the same period operating cash flow before changes in working capital is only 17% lower.

Financial position of the Company stays strong with a further 10% reduction in net debt compared to Q1 2014. Investment level of HRK 236 million is 16% lower than in the same period 2014, but is mostly focused on the Croatian production activities and aimed at moderating and even temporarily reversing the natural decline of production of the Upstream segment.

- **Exploration and Production**: In Q1 2015, EBITDA reached HRK 870 million, which is lower by HRK 312 million than in the same period last year. Compared to Q1 2014, Brent drop had a significant negative effect on the result. Besides, the regulatory environment changed significantly which had an additional negative impact on Upstream business. Royalty rate was increased from 5% to 10% starting from 26 March 2014 and the regulated price of natural gas to households was reduced from 2.2 to 1.7 HRK/cm from April 2014, resulting in a much lower average realized hydrocarbon price. Additional reduction to 1.6 HRK/cm is in place, but will have an adverse effect from Q2 2015 onwards. These negative external environment effects were partly mitigated with the increased production of domestic and Angolan crude oil as well as offshore natural gas higher production in comparison with the base period. On the other hand natural gas sales volumes were lower due to lower demand.
- **Refining and Marketing (including Retail)**: In Q1 2015 the segment's reported clean CCS-based EBITDA amounted to HRK (53) million and was above Q1 2014 levels. The improvement derives from a better operating performance in retail operations and an improved Refining and Marketing sales structure combined with a positive effect of lower oil prices driving down the costs of own consumption and losses. Likewise, production at the Rijeka Refinery was positively influenced by more favourable refining margins.
- **Corporate and Other[1]: EBITDA** of the segment increased by HRK 33 million from HRK 18 million in Q1 2014 to HRK 51 million in Q1 2015 mainly because of higher Crosco contribution. Higher Crosco revenues are a result of better capacities utilization, higher well services and workover revenues.

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

INA increased Croatian oil production by a strong 20% in the first quarter of 2015 compared to the same period last year, supported by efforts on improving well performance and development projects initiated in the last few years. At the same time, results were burdened by drastically decreased crude prices and adverse regulatory changes on the domestic market affecting gas trading. Gas production in the same period shows a slight increase, while natural gas sales fell sharply due to lower demand and stronger competition.

Refining operations benefited moderately from the decreased oil price but remain still negative. CCS-based downstream EBITDA recorded considerable improvement, however, this far from the returns that other refiners have realized with more favourable asset and product structures, which – together with the deteriorated oil price environment – highlights the need for asset optimization and constant cost monitoring.

In Retail a slight volumetric increase (by 1%) and a shift towards the premium fuels arose from decreased fuel prices.

Financial position of the Company remains strong, which allows the Company to carry out its investment program as well as to pursue new business development opportunities.

CAPEX/ EBITDA ratio on the last 12 months amounts to 67%, broadly in line with the management's long-term plans.

Looking at the highly volatile hydrocarbon prices as well as vivid foreign exchange changes, 2015 will bring many challenges in front of the Company, but management stays committed to ensuring sustainable operations and new value creation for the shareholders.

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

INDUSTRIJA NAFTE, d.d.

Management discussion
*Exploration and Production**

Q4 2014	2014	Segment IFRS results (HRK mln)	Q1 2014**	Q1 2015	%
1,450	6,732	Net sales revenues	2,166	1,237	(43)
823	3,739	EBITDA	1,182	870	(26)
823	**3,739**	**EBITDA excl. special items*** **	**1,182**	**870**	**(26)**
(1,252)	961	Operating profit	994	701	(29)
353	**2,565**	**Operating profit excl. special items*** **	**994**	**701**	**(29)**
256	1,101	CAPEX with one-off	233	148	(36)

* Exploration and Production refers to the Upstream of INA, d.d. and following subsidiaries: INA Naftaplin IE&PL, Guernsey, Adriagas S.r.l. Milano, Prirodni plin d.o.o.
*** Restatement of comparable previous periods was made – see on page 12*
**** No special items were recognized in Q1 2015*

Q4 2014	2014	Hydrocarbon production	Q1 2014	Q1 2015	%
13,106	**12,142**	**Crude oil production (boe/d)**	**11,974**	**13,724**	**15**
9,895	8,931	Croatia	8,690	10,466	20
2,013	2,034	Egypt	2,191	2,051	(6)
1,197	1,177	Angola	1,093	1,207	10
25,421	**24,166**	**Natural gas production (boe/d)**	**25,281**	**26,007**	**3**
12,538	11,136	Croatia - offshore	11,178	12,988	16
12,882	13,030	Croatia - onshore	14,103	13,020	(8)
2,059	**2,097**	**Condensate (boe/d)**	**2,246**	**1,984**	**(12)**
40,585	**38,405**	**Total hydrocarbon production (boe/d)**	**39,500**	**41,715**	**6**
Q4 2014	**2014**	**Average realised hydrocarbon price***	**Q1 2014**	**Q1 2015**	**%**
62	69	Total hydrocarbon price (USD/boe)*	77	48	(37)
Q4 2014	**2014**	**Natural gas trading - mln cm**	**Q1 2014**	**Q1 2015**	**%**
353	1,718	Total natural gas sales - domestic market	528	288	(45)

* Calculated based on total external sales revenue including natural gas selling price as well.

Q1 2015 vs. Q1 2014

In Q1 2015, EBITDA reached HRK 870 million, which is 26% lower than last year. Realized hydrocarbon price decreased by 37%, prompted partly by a Brent price decreased of 50% with a negative impact on crude oil sales in the amount of HRK (494) million. Furthermore adverse changes in the regulatory environment through the reduction in the regulated gas price created a HRK (68) million difference compared to the base period and the effect of doubled royalty reached a negative impact of HRK (66) million, totalling HRK (134) million of negative effect in Q1 2015. The lower realized prices were partially mitigated with the 22% positive FX change (HRK/USD 5.58 in Q1 2014 vs. 6.81 in Q1 2015). Although overall production volumes increased by 6%, resulting from increased crude oil production (domestic and international) as well as offshore natural gas production, natural gas sales volumes were lower mainly due to lower demand from tariff customers (HEP households) and no sales to Petrokemija.

Operating profit decreased by 29% in Q1 2015 compared to 2014 as a result of decreased EBITDA and the impact of HRK 79 million released provision for ENI tax in 2014 that did not occur in 2015, which was slightly moderated by the HRK 43 million positive effect of lower depreciation (related to additional significant impairment of Syrian assets at the end of 2014 that decreased the base for 2015 depreciation calculation), reversal of Provisions for Incentives HRK 25 million and HRK 24 million value adjustment of natural gas inventories that did not occur in 2015.

Crude oil production increased in Q1 2015 by 15% compared to Q1 2014:

- Higher domestic crude oil production was a result of continuing well workovers, improving well performance and additional production from Hrastilnica.
- Egyptian oil production was lower due to natural decline on East Yidma and Ras Qattara Concessions which was partially offset with higher production on West Abu Gharadig and North Bahariya after sucessfull driling activities in 2014 and 2015.
- Angolan crude oil production showed a 10% increase as a result of better well performance after workovers on Block 3/05 and start up of new Block 3/05A.

Total **natural gas** production in Q1 2015 was 3% higher than in Q1 2014:

- Off-shore natural gas production increased mainly as a result of production from new offshore fields Ika SW (from November 2014) and Isabela start up (from July 2014) as well as higher INA share on NACA that completely compensated natural decline on other offshore fields.
- Onshore natural gas production was negatively impacted by natural decline partly compensated with higher associated gas production.

Lower domestic **condensate** production by 12% was a consequence of natural decline on main gas condensate fields.

Q1 2015 vs. Q4 2014 RESULTS

In Q1 2015, EBITDA increased by 6% compared to Q4 2014 reflecting primarily the increased production and favourable FX changes, while Brent continued to decrease (29% decrease compared to Q4 2014).
The increased production of 3% was mainly attributable to higher crude oil production as a result of well workover and optimization in Croatia together with higher offshore gas production resulted from the start up of Ika JZ in November. International production slightly increased as a result of production start up on new Block 3/05A in Angola and continued production from new development wells in Egypt.

EXPLORATION AND PRODUCTION CAPITAL EXPENDITURES

Exploration and Production segment's CAPEX in period Q1 2015 amounted to HRK 148 million. Capital investments in Croatia amounted HRK 106 million and capital investments abroad HRK 42 million. In comparison with Q1 2014 capital investments are lower in total for HRK 85 million or 36%. Decreased investments level is mainly result of large projects like EOR being in advanced phases as well as lower onshore exploration in Croatia due to decreased exploration possibilities.

E&P CAPEX Q1 2015 (HRK million)	Croatia	Egypt	Angola
Exploration	4.8		
Development	74.3	25.5	16.8
Exploration: 4.8 (3.2%) Development: 116.6 (78.7%) Other: 26.8 (18.1%)	**Exploration Onshore:** Hrastilnica-5: Drilling started on November 7th 2014, deviated well finalized on Jan 7th 2015. Based on obtained unfavourable drilling results, installation of cement plugs for liquidation was performed. Status: Plug and Abandon Kloštar-8, well test: Preparation activities for well testing started on March 18th. Well testing is in progress. 3D Seismic Legrad: Preparation activities for 3D seismic acquisition on-going. **Development Onshore:** EOR project - received approval from Ministry, trial exploitation of CO_2 injection system on oil field Ivanić started (12 wells) and is on-going. Workovers ongoing in production wells on Ivanić. Preparation workover for re-lining on injection wells Žutica south (2nd phase of the project). Međimurje project: Construction activities on-going. Drilling of injection well Mač-1R in progress. Drilling of Gola-10 well was terminated in July 2014 due to technical problems. In January 2015 drilling continued and ended in March 2015. Designed third deviated side-track was finished; the well was put in test production to the flare. Capital well workovers started mid-March, one workower performed, one is in progress. 4P Program (HF): Tender to service companies for Hydraulic Fracturing services, waiting for signing the contract with the selected bidder. Preparation of the wells for first fracturing campaign in progress. 3D Seismic Lipovljani/Kozarice - activities for 3D seismic acquisition finished in March, 2015. Data interpretation follow up. **Development Offshore:** Ika SW: Gas test production started on the 27th Nov 2014 and is in progress. Removal of technical shortcomings identified in gas test production in progress. Documentation preparation for issuing Operating license. Ivana A/K optimization: Detail engineering and procurement for process skid and booster unit installation is finished, units are set in final position, assembly and installation activities are in progress. Awaiting the approval for Construction Permit.	**Development:** **North Bahariya Concession** – drilling of one well was completed (well is put in production in February) while operations on the second well are on-going. Several workover operations were completed. **Ras Qattara Concession** – Faras GPG & network project was completed and built documentation is under preparation while Waste management contract for Contaminated Sand Treatment project is tendered out. Workover operations were successfully performed on five wells while operations on sixth well are on-going. **Sidi Rahman Concession –** work program for Sidi Rahman-5 well workover was completed and preparations for upcoming workover campaign are in progress.	**Development:** **Block 3/05**: Bufalo-113 Infill Well: well spud on March 20th 2015, drilling is on-going. **Block 3/05A**: Caco Gazela Development Area: Drilling of Gazela-101 well started on 28 July. Well put in production on Feb 25 2015. Punja Development Area: Final Investment Decision (FID) to be made by Partners during 2Q 2015.

Refining and Marketing, including Retail*

Q4 2014	2014	Segment IFRS results (HRK mln)	Q1 2014**	Q1 2015	%
3,674	18,222	Revenues	3,795	2,576	(32)
(706)	(1,303)	EBITDA	(320)	(285)	(11)
(587)	**(1,184)**	**EBITDA excl. special items*** **	**(320)**	**(285)**	**(11)**
(165)	(554)	CCS-based R&M EBITDA	(268)	(53)	(80)
(1,399)	(2,489)	Operating profit/(loss)	(491)	(435)	(11)
(835)	**(1,925)**	**Operating profit/(loss) excl. special items*** **	**(491)**	**(435)**	**(11)**
(419)	(1,291)	CCS-based R&M operating loss	(451)	(197)	(56)
227	474	CAPEX and investments (w/o acquisition)	46	38	(17)

*Refers to Refining & Marketing including Retail INA. d.d. and following subsidiaries: Maziva Zagreb, InterINA Ljubljana, INA BH Sarajevo, HoldINA Sarajevo, INA Hungary, INA Crna Gora, INA Beograd, INA Kosovo

*** Restatement of comparable previous periods was made – see on page 12*

**** No special items were recognized in Q1 2015*

Q4 2014	2014	Refinery processing (kt)	Q1 2014	Q1 2015	%
140	394	Domestic crude oil	93	75	(19)
344	1,880	Imported crude oil	355	268	(25)
27	102	Condensate	33	8	(77)
105	749	Other feedstock	199	183	(8)
616	**3,125**	**Total refinery throughput**	**680**	**534**	**(22)**
Q4 2014	**2014**	**Refinery production (kt)**	**Q1 2014**	**Q1 2015**	**%**
36	190	LPG	39	28	(28)
166	824	Motor gasoline	175	144	(18)
201	1,022	Diesel	208	139	(33)
23	107	Heating oil	33	28	(15)
19	107	Kerosene	13	11	(16)
7	33	Naphtha	9	10	12
62	358	Fuel oil	83	45	(45)
-	3	Bitumen	3	-	n.a.
24	86	Other products*	24	63	166
537	**2,728**	**Total**	**588**	**469**	**(20)**
6	22	Refinery loss	4	7	75
73	374	Own consumption	89	57	(35)
616	**3,125**	**Total refinery production**	**680**	**534**	**(22)**
Q4 2014	**2014**	**Refined product sales by country (kt)**	**Q1 2014**	**Q1 2015**	**%**
445	1,756	Croatia	371	362	(3)
131	510	B&H	111	112	0
13	151	Slovenia	17	11	(39)
131	867	Other markets	173	101	(42)
721	**3,284**	**Total**	**674**	**586**	**(13)**
Q4 2014	**2014**	**Refined product sales by product (kt)**	**Q1 2014**	**Q1 2015**	**%**
44	214	LPG	46	40	(14)
153	844	Motor gasoline	166	142	(15)
346	1,415	Diesel	291	274	(6)
49	146	Heating oil	39	49	25
21	128	Kerosene	12	14	12
6	37	Naphtha	12	6	(49)
62	366	Fuel oil	81	31	(62)
14	40	Bitumen	6	5	(15)
26	95	Other products*	21	26	24
721	**3,284**	**Total**	**674**	**586**	**(13)**
240	994	o/w Retail segment sales	196	197	1

*Other products = Benzene-rich cut, liquid sulphur, coke, motor oils. Industrial lubricants, base oils, spindle oil, waxes, blended gas oil “M”, atmosperic residue, intermediaries and other.

Q1 2015 vs. Q1 2014 RESULTS

In Q1 2015, the Refining and Marketing (including Retail) clean CCS-based EBITDA and EBITDA amounted to HRK (53) million and HRK (285) million respectively, both significantly improved over Q1 2014 level.

The positive result derives from Refining and Marketing (including Retail) operation due to (1) a 50% decrease in the price of Brent compared to Q1 2014 positively contributing to the results given the effect of lower cost of own consumption, combined with, (2) improved sales structure, i.e. motor fuel share increased and (3) lower share of own consumption and losses. Likewise retail operations achieved a (4) higher retail fuel unit margin. The more favourable external environment allowed for improved refinery margins at the Rijeka Refinery.

The result was also negatively affected by (1) lower motor fuel crack spreads, (2) lower sales volumes by 2% on captive market, mostly due to decreased demand in the neighbouring markets and lower sales on sea spot combined with (3) less favourable production yields due to different refinery operational dynamics, (4) less favourable Brent-Ural spread and (5) higher staff costs related to intra-business transfer of several activities to business segments.

RETAIL OPERATIONS

In Q1 2015, total sales volumes of Retail segment amounted to 197 kt, recording a 1% increase in comparison to the same period of the previous year which also resulted in increased throughput per site by 1%, mainly arising from higher demand related to more favourable fuel prices. The increase in total sales volumes compared to Q1 2014 was mostly influenced by higher sales of diesel and heating oil by 4% (6 kt) while sales of motor gasoline dropped by 7% (4kt). Sales of LPG remained stable. Analysis of the sales structure showed an increase in sales of premium fuels, both diesel and motor gasoline, compared to the Q1 2014, which can be attributed primarily to the decrease in fuel prices, whilst indicating customers' preferences towards higher quality of fuel.

On 31 March 2015, INA Group operated a network of 442 stations (391 in Croatia, 44 in Bosnia and Herzegovina, 6 in Slovenia and 1 in Montenegro), of which 26 filling stations in Croatia were involved in the Entrepreneurship model with the objective of ensuring more efficient operations. Compared to the same date previous year, three underperforming filling stations were closed (two in Bosnia and Herzegovina and one in Croatia).

Q1 2015 vs. Q4 2014 RESULTS

In Q1 2015 Refining and Marketing (including Retail) realized an improved result on clean CCS-based EBITDA level, in the amount of HRK (53) million, which was HRK 112 million higher result compared to the previous quarter. The main contributors to the positive difference were (1) a more favourable external environment, primarily driven by the further shrinking Brent prices and (2) different operational mode of production assets aligned with market needs and the changing external environment.

CAPITAL EXPENDITURES

Total capital expenditures amounted to HRK 38 million in Q1 2015, HRK 8 million lower compared to Q1 2014, where the decreased intensity of filling stations modernization is the main driver, having in mind that a large number of stations already underwent modernization in the past periods. Refining and Marketing capital expenditures in Q1 2015 amounted to HRK 27 million, while Retail segment expenditures reached HRK 11 million, being 8 HRK million below Q1 2014 realisation.

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Income Statement – INA-GROUP
For the period ended 31 March 2014 and 2015
(In HRK millions)

Q4 2014	2014		Note	Q1 2014	Q1 2015	%
		Sales revenue				
3,050	14,187	a) domestic		3,586	2,394	(33)
1,845	9,572	b) exports		1,956	1,404	(28)
4,895	**23,759**	**Total sales revenue**	1	**5,542**	**3,798**	**(31)**
133	459	Capitalised value of own performance		83	66	(20)
76	277	Other operating income		64	125	95
5,104	**24,495**	**Total operating income**		**5,689**	**3,989**	**(30)**
(424)	(935)	Changes in inventories of finished products and work in progress		(287)	318	n.a.
(1,835)	(11,353)	Cost of raw materials and consumables	2	(2,345)	(1,221)	(48)
(781)	(2,132)	Depreciation and amortization	4	(460)	(413)	(10)
(661)	(2,455)	Other material costs	4	(457)	(570)	25
(369)	(1,000)	Service costs	4	(256)	(181)	(29)
(650)	(2,467)	Staff costs	5	(560)	(593)	6
(964)	(3,705)	Cost of other goods sold	3	(948)	(1,035)	9
(1,957)	(2,052)	Impairment and charges (net)		(25)	(8)	(68)
(218)	(108)	Provisions for charges and risks (net)		44	32	(27)
(7,859)	**(26,207)**	**Operating expenses**		**(5,294)**	**(3,671)**	**(31)**
(2,756)	**(1,712)**	**Profit/(loss) from operations**		**395**	**318**	**(19)**
		Share in the profit of associated companies				
82	234	Finance income		61	414	579
(361)	(856)	Finance costs		(153)	(665)	335
(279)	**(622)**	**Net loss from financial activities**	7	**(92)**	**(251)**	**173**
(3,035)	**(2,334)**	**Profit/(loss) before tax**		**303**	**67**	**(78)**
554	437	Income tax expense	6	(62)	(17)	(73)
(2,481)	**(1,897)**	**Profit/(loss) for the year**		**241**	**50**	**(79)**
		Attributable to				
(2,481)	(1,897)	Owners of the Company		241	50	(79)
-	-	Non-controlling interests		0	0	200
(2,481)	**(1,897)**			**241**	**50**	**(79)**
		Earnings per share				
(248.1)	(189.7)	Basic and diluted earnings per share (kunas per share)		24.1	5.0	(79)

Condensed Consolidated Statement of Comprehensive Income – INA-GROUP
For the period ended 31 March 2014 and 2015
(in HRK million)

Q4 2014	2014		Q1 2014	Q1 2015	%
(2,481)	**(1,897)**	**Profit/(loss) for the year**	**241**	**50**	**(79)**
		Other comprehensive income, net of income tax:			
-	-	Remeasurement of defined benefit obligation	-	(10)	n.a.
190	567	Exchange differences on translating foreign operations	22	404	1,736
(38)	115	Gain/(loss) on available-for-sale financial assets	39	28	(28)
152	**682**	**Other comprehensive income/(loss), net of income tax**	**61**	**422**	**592**
(2,329)	**(1,215)**	**Total comprehensive income/(loss) for the period**	**302**	**472**	**56**
		Attributable to:			
(2,329)	(1,215)	Owners of the Company	302	472	56
-	-	Non-controlling interests	0	0	200

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Statement of Financial Position – INA-GROUP
At 31 March 2015
(in HRK millions)

	Note	31 Dec 2014	31 March 2015	%
Assets				
Non-current assets				
Intangible assets	9	457	499	9
Property, plant and equipment	10	14,038	14,220	1
Goodwill		183	183	0
Investments in associates and joint ventures		22	22	0
Other investments		23	12	(48)
Long-term receivables		170	242	42
Deferred tax		1,742	1,720	(1)
Available for sale assets		462	498	8
Total non-current assets		**17,097**	**17,396**	**2**
Current assets				
Inventories	12	1,924	2,509	30
Trade receivables net	13	1,998	2,147	7
Other receivables		181	393	117
Corporative income tax receivables		112	118	5
Other current assets		282	199	(29)
Prepaid expenses and accrued income		154	161	5
Cash and cash equivalents		467	282	(40)
Current assets		**5,118**	**5,809**	**14**
Total current assets		**5,118**	**5,809**	**13**
Total assets	**8**	**22,215**	**23,205**	**4**
Equity and liabilities				
Capital and reserves				
Share capital	11	9,000	9,000	0
Revaluation reserve		121	149	23
Other reserves		2,851	3,245	14
Retained earnings / (Deficit)		(311)	(261)	(16)
Equity attributable to equity holder of the parent		**11,661**	**12,133**	**4**
Non-controlling interests		(1)	(1)	0
Total equity		**11,660**	**12,132**	**4**
Non-current liabilities				
Long-term loans		628	1,560	148
Other non-current liabilities		64	56	(13)
Employee benefits obligation		172	179	4
Provisions		2,837	2,860	1
Deferred tax liability		9	10	11
Total non-current liabilities		**3,710**	**4,665**	**26**
Current liabilities				
Bank loans and overdrafts		2,631	2,768	5
Current portion of long-term debt		199	150	(25)
Trade payables	15	1,713	1,788	4
Taxes and contributions		1,054	670	(36)
Other current liabilities		554	420	(24)
Accruals and deferred income		114	59	(48)
Employee benefits obligation		12	9	(25)
Provisions		568	544	(4)
Current liabilities		**6,845**	**6,408**	**(6)**
Total current liabilities		**6,845**	**6,408**	**(6)**
Total liabilities	**14**	**10,555**	**11,073**	**5**
Total equity and liabilities		**22,215**	**23,205**	**4**

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Cash Flow Statement - INA GROUP
For the period ended 31 March 2014 and 2015
(in HRK millions)

Q4 2014	2014		Note	Q1 2014	Q1 2015	%
(2,481)	**(1,897)**	**Profit/(loss) for the year**		**241**	**50**	**(79)**
		Adjustments for:				
781	2,132	Depreciation and amortisation		460	413	(10)
(554)	(437)	Income tax (benefit)/expenses recognized in (loss)/profit		62	17	(73)
2,076	2,574	Impairment charges		25	8	(68)
(131)	(522)	Reversal of impairment		-	-	n.a.
(7)	(16)	Gain on sale of property, plant and equipment		(2)	(4)	100
83	249	Foreign exchange loss/(gain)		27	176	552
125	196	Interest expense (net)		32	15	(53)
47	87	Other financial expense recognised in profit		11	42	282
157	47	Increase in provisions		(44)	(32)	(27)
24	89	Decommissioning interests		23	18	(22)
10	5	Other non-cash items		(4)	(14)	250
129	**2,507**	**Operating cash flow before working capital changes**	**16**	**831**	**689**	**(17)**
		Movements in working capital	17			
967	1,201	(Increase)/decrease in inventories		458	(600)	n.a.
670	839	(Increase)/decrease in receivables and prepayments		560	(206)	n.a.
102	(534)	(Decrease)/increase in trade and other payables		(1,316)	(436)	(67)
1,868	**4,013**	**Cash generated from operations**		**533**	**(553)**	**n.a.**
(32)	(154)	Taxes paid		(72)	(115)	60
1,836	**3,859**	**Net cash inflow from operating activities**		**461**	**(668)**	**n.a.**
		Cash flows used in investing activities				
(339)	(1,292)	Payments for property, plant and equipment		(290)	(157)	(46)
(234)	(297)	Payment for intangible assets		(47)	(72)	53
14	34	Proceeds from sale of non-current assets		2	5	150
-	7	Dividends received from companies classified as available for sale and from other companies		-	-	n.a.
19	34	Interest received and other financial income		5	10	100
6	49	Investments and loans to third parties, net		45	14	(69)
(534)	**(1,465)**	**Net cash used for investing activities**	**18**	**(285)**	**(200)**	**(30)**
		Cash flows from financing activities				
(1)	2,202	Additional long-term borrowings		1,243	1,366	10
(149)	(3,706)	Repayment of long-term borrowings		(2,323)	(551)	(76)
2,073	14,715	Additional short-term borrowings		3,724	2,966	(20)
(2,855)	(15,258)	Repayment of short term borrowings		(2,845)	(2,930)	3
(9)	(45)	Interest paid on long-term loans		(16)	(6)	(63)
(155)	(209)	Interest paid on short term loans and other financing charges		(43)	(90)	109
(1,096)	**(2,301)**	**Net cash from financing activities**		**(260)**	**755**	**n.a.**
206	93	Net (decrease)/increase in cash and cash equivalents		(84)	(113)	35
288	402	At 1 January		402	467	16
(28)	(28)	Effect of foreign exchange rate changes		(4)	(72)	1,700
466	467	At the end of period		314	282	(10)

INDUSTRIJA NAFTE, d.d.

Condensed Consolidated Statement of Changes in Equity – INA-GROUP
For the period ended 31 March 2014 and 2015
(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 2014	**9,000**	**2,284**	**6**	**1,586**	**12,876**	**(1)**	**12,875**
Profit for the period	-	-	-	241	241	0	241
Other comprehensive profit net	-	22	39	-	61	-	61
Total comprehensive income, net	**-**	**22**	**39**	**241**	**302**	**0**	**302**
Balance as at 31 March 2014	**9,000**	**2,306**	**45**	**1,827**	**13,178**	**(1)**	**13,177**

Balance as at 1 January 2015	**9,000**	**2,851**	**121**	**(311)**	**11,661**	**(1)**	**11,660**
Profit for the period	-	-	-	50	50	0	50
Other comprehensive income net	-	394	28	-	422	-	422
Total comprehensive income for the year	**-**	**394**	**28**	**50**	**472**	**0**	**472**
Balance as at 31 March 2015	**9,000**	**3,245**	**149**	**(261)**	**12,133**	**(1)**	**12,132**

INDUSTRIJA NAFTE, d.d.

INA Group Summary Segmental Results of Operations

Q4 2014	2014	(HRK mln)	Q1 2014	Q1 2015	%
		Sales			
1,450	6,732	Exploration & Production	2,166	1,237	(43)
3,674	18,222	Refining & Marketing including Retail	3,795	2,576	(32)
758	2,665	Corporate and Other	494	672	36
(987)	(3,860)	Inter-segment revenue	(913)	(687)	(25)
4,895	**23,759**	**Sales**	**5,542**	**3,798**	**(31)**
		Operating expenses, net other income from operating activities			
(2,702)	(5,771)	Exploration & Production	(1,172)	(536)	(54)
(5,073)	(20,711)	Refining & Marketing including Retail	(4,286)	(3,011)	(30)
(857)	(2,849)	Corporate and Other	(581)	(684)	18
981	3,860	Inter-segment eliminations	892	751	(16)
(7,651)	**(25,471)**	**Expenses**	**(5,147)**	**(3,480)**	**(32)**
		Profit/(loss) from operations			
(1,252)	961	Exploration & Production	994	701	(29)
(1,399)	(2,489)	Refining & Marketing including Retail	(491)	(435)	(11)
(99)	(184)	Corporate and Other	(87)	(12)	(86)
(6)	-	Inter-segment eliminations	(21)	64	n.a.
(2,756)	**(1,712)**	**Profit/(loss) from operations**	**395**	**318**	**(19)**
		Share in the profit of associate companies			
(279)	**(622)**	**Net loss from financial activities**	**(92)**	**(251)**	**173**
(3,035)	**(2,334)**	**Profit/(loss) before taxation**	**303**	**67**	**(78)**
554	437	Income tax expense	(62)	(17)	(73)
(2,481)	**(1,897)**	**Profit/(loss) for the year**	**241**	**50**	**(79)**

Q4 2014	2014	Depreciation	Q1 2014	Q1 2015	%
567	1,344	Exploration & Production	267	224	(16)
156	570	Refining & Marketing including Retail	138	136	(1)
58	218	Corporate and Other	55	53	(4)
781	**2,132**	**Total**	**460**	**413**	**(10)**

Q4 2014	2014	EBITDA*	Q1 2014	Q1 2015	%
823	3,739	Exploration & Production	1,182	870	(26)
(705)	(1,303)	Refining & Marketing including Retail	(320)	(285)	(11)
48	165	Corporate and Other	18	51	183
35	(21)	Inter-segment eliminations	(44)	71	n.a.
201	**2,580**	**Total**	**836**	**707**	**(15)**

Q4 2014	2014	Operating Profit Excluding Special Items	Q1 2014	Q1 2015	%
353	2,565	Exploration & Production	994	701	(29)
(835)	(1,925)	Refining & Marketing including Retail	(491)	(435)	(11)
(32)	(117)	Corporate and Other	(87)	(12)	(86)
(6)	-	Inter-segment eliminations	(21)	64	n.a.
(520)	**523**	**Inter-segment eliminations**	**395**	**318**	**(19)**

* EBITDA = EBIT + Depreciation + Impairment + Provisions
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.

INDUSTRIJA NAFTE, d.d.

Financial overview and notes

INCOME STATEMENT

Notes

Q1 2015 RESULTS

1 **Total sales revenues** in Q1 2015 amounted to HRK 3,798 million and were 31% below the Q1 2014 level, primarily triggered by lower Exploration and production sales revenue due to lower Brent, lower average wholese and retail prices of oil derivatives and lower sea spot sales.

2 **Costs of raw materials and consumables** were 48% below Q1 2014 levels at HRK 1,221 million, resulting from lower prices and lower processing.

3 **Costs of goods sold** recorded a increase of 9% to HRK 1,035 million resulting from different sales structure.

4 Within other **operating costs** realized in Q1 2015

- Other material costs were higher by 25% and amounted to HRK 570 million resulting from: higher royalty costs due to increase in royalty fee from 5% in Q1 2014 to 10% in Q1 2015; subcontractors costs related to STSI project in Belarus.
- Service costs in the amount of HRK 181 million recorded an decrease of 29% mainly due to ENI tax posted in 2014 (cost related to 2013 for which provision was released in same amount) which did not occur in 2015 in such high amount.
- Depreciation in the amount of HRK 413 million was 10% lower compared to Q1 2014 mainly due to lower Syrian depreciation.
- Adjustments and provisions had a positive effect of HRK 5 million and was 26% lower compared to Q1 2014 resulting from reversal of provision for incentives and lower impairment of receivables and inventory.

5 **Staff costs** in the amount HRK 593 million were 6% higher compared to Q1 2014. Staff cost represents cost of net salaries in the amount of HRK 305 million, cost of tax and contributions for pension and health insurance in the amount of HRK 205 million, severance payments for employees whose employment contracts are terminated due to business reasons in amount of HRK 33 million and other payroll related costs in the amount of HRK 50 million for the year ended 31 March 2015.

For the year ended 31 March 2014 staff cost includes cost of net salaries in the amount of HRK 299 million, cost of tax and contributions for pension and health insurance in the amount HRK 196 million, severance payments for employees whose employment contracts are terminated due to business reasons in amount of HRK 5 million and other payroll related costs in the amount HRK 60 million.

6 **Income tax in** Q1 2015 amounted to HRK 17 million compared to HRK 62 million in Q1 2014.

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 periods ended 31 March 2014 and 31 March 2015.

7 **Net financial expenses** in the amount of HRK 251 million were recorded in 2015, compared to net financial expenses of HRK 92 million in 2014.

- Net foreign exchange loss was HRK 210 million in 2015, compared to HRK 21 million net foreign exchange loss recorded in 2014 resulting from siginficant increase of average HRK/USD exchange rate from 5.6 in Q1 2014 to 6.8 in Q1 2015.
- Interest payable amounted to HRK 41 million and interest received HRK 5 million in 2015, compared to interest payable of HRK 51 million and HRK 5 million interests received in 2014.
- Other financial net expenses amounted to HRK 5 mln, compared to other financial net expenses of HRK 25 mln in 2014.

Restatement

*A change has been made in recording of „Impairment of short term loans- financial cost" originally recorded in „Value Adj. and other Provisions Impairment charges (net)", which are now recorded in „Financial costs"; „Reversal of impairment befor insolvency deal" originally recorded in „Finance Costs", which are now recorded in „Value Adj. and other Provisions Impairment charges (net)"; "Book value of tangible & intangible assets sold" originally recorded in "Value Adj. and other Provisions Impairment charges (net)" are now recorded in „Other Operating Income"; "Interest - tax & contributions" originally recorded in "Service costs" are now recorded in „Finance expenses".

Special items

In addition to international accounting standards and international reporting standards and regulatory requests the company discloses special items to achieve higher level of transparency and to provide better understanding of the usual business operations. Business events not occurring regularly and having significant effect on operations and results are considered as special items. At the beginning of 2013 INA has adopted the materiality level for the special items in the amount of EUR 10 million or above. Furthermore, in accordance with adopted accounting policies and IFRS 36 – Impairment of Assets, INA performs impairment testing at the end of each reporting period if impairment indicators are assesed to be significant.

Intersegment eliminations

Intersegment elimination line within the operating results is used to provide segmental results as International Accounting Standards requests, guided with the transparency of presented information which needs to fulfill the highest requests of consistency and reliability. For this purpose and for purpose of having the segmental results presenting fair market relations between the segments, which are fully aligned with on demand operations of the Refining and Marketing including Retail segment, parity of internal transfer between Exploration and production and Refining and Marketing including Retail is based on delivered quantities. This line shows the effect on operating profit of the change in the amount of unrealized profit deferred in respect of transfers between segments. Unrealized profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the deliverer segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. Intersegment EBITDA effect on Exploration and production and Refining and marketing including Retail results in Q1 2015 is HRK 71 million which is better than compared to HRK -44 million in Q1 2014 due to different operational mode of Sisak refinery.

BALANCE SHEET

Notes

8 As at 31 March 2015 INA Group **total assets** amounted to HRK 23.205 million and were 4% higher compared to 31 December 2014.

9 At 31 March 2015 INA Group invested HRK 6 million in intangible assets. The effect of depreciation decreases the intangible assets for HRK 9 million. Foreign exchange revaluation of oil and gas fields increased value of intangible assets in amount of HRK 28 million. Additionally, the value of intangible assets is increased due to purchasing the emission quotas in amount of HRK 17 million.

10 In the period ended 31 March 2015, INA Group invested HRK 230 million in property, plant and equipment. Foreign exchange revaluation increased net book value in amount of HRK 360 million. The effect of depreciation reduced net book value of property, plant and equipment in amount of HRK 404 million. In the absence of parameters needed for unit-cost production depreciation calculation method due to Force Majeure, straight-line depreciation method for surface assets in Syria was applied starting from 1 January 2013 in order to fairly reflect the amortization of the equipment. Depreciation impact of surface assets in Syria was HRK 14 million in 2015. Impairment of assets in use reduced net book value in amount of HRK 3 million. Strategic inventories in amount of HRK 1 million are transferred from warehouses

11 **Issued capital** as at 31 March 2015 amounted to HRK 9,000 million. There was no movement in the issued capital of the Company in either the current or the prior financial reporting.

12 **Inventories** amounted to HRK 2,509 million, which is a increase of 30% compared to 31 December 2014 as a result mainly of higher crude oil inventories (both domestic and imported) and own produced finished products.

13 **Trade receivables** increased by 7% to the amount of HRK 2,147 million compared to opening balance, 31 December 2014.

14 As at 31 March 2015 **total liabilities** amounted to HRK 11,073 million, which is a increase of 5% compared to the 31 December 2014 level.
INA Group **net debt** increased for 40% and amounted to HRK 4,196 million compared to 31 December 2014 mostly resulting form increase in long term loans debt. **Gearing ratio**[2] increased from 20.4% as at 31 December 2014, to 25.7% as at 31 March 2015.

15 **Trade payables** increased for 4% to HRK 1,788 million, as a result of higher liabilities for imported crude oil.

CASH FLOW

Notes

16 The **operating cash-flow before changes in working capital** amounted to HRK 689 million in Q1 2015 representing a decrease of HRK 142 million, or 17%, compared to Q1 2014, mainly as a result of lower EBITDA.

17 **Changes in working capital** affected the operating cash flow negatively by HRK 1,242 million, primarily due to:
- Decrease in trade payables by HRK 436 mln
- Increase value of inventories by HRK 600 million and
- Increase in receivables by HRK 206 million.

18 **Net outflows in investing activities** amounted to HRK 200 million, in comparison with HRK 285 million of outflows in Q1 2014.

Subsequent events

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

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 are the credit risk and the liquidity risk.

a) Market risk

Commodity price risk management (price risk)
INA purchases crude oil on a spot market in USD, mostly using short-term credit facility arrangements. The required quantities of gas had been purchased in EUR based on spot prices. INA may use derivative instruments in managing its commodity exposure. As of 31 March 2015 INA, d.d. had opened short-term forward commodity swap transactions to hedge its exposure to changes in pricing periods and fixed price contracts.

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 exposure of operative cash flow position. The Group may use cross currency swaps to adjust the currency mix of the debt portfolio. As of 31 March 2015 there were no open cross currency swap transactions.

Interest rate risk management
INA Group companies use borrowed funds at both fixed and floating interest rates consequently the Group is exposed to the interest rate risk. The Group does not speculate on interest rate developments and primarily chooses floating rates. The Group may use interest rate swap to manage interest rate risk. As of 31 March 2015 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
Sales of goods and services with deferred payment create credit risk, a risk of non-payment and risk that the counterparty will default on its contractual obligations. According to existing “Customer Credit Management Procedure” creditworthiness and risk in dealing with customers is estimated based on internal credit assessment model as well as using the services of credit rating agencies. There is no significant credit risk exposure of INA Group that is not covered with payment security instruments, 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 minimize credit risk, INA is using credit risk insurance services. INA to a limited extent 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 by continuous monitoring of projected and actual cash flow and due dates for account receivables and payables.
As of 31 March 2015 INA Group had contracted short-term bank lines amounting to HRK 2.13 bn excluding overdrafts and trade financing credit lines established with the purpose to finance the purchase of crude oil and oil products, and long-term credit lines amounting to HRK 6.41 bn.

Related party transactions

INA Group 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 INA Group 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 INA, d.d. and its subsidiaries, which are related parties of the Company, have been eliminated on Group level consolidation.
During the 2015 and 2014, INA Group entered into the following trading transactions with the following related parties:

INA-Group	Sales of goods	Purchase of goods
HRK mln	31 March 2015	31 March 2015
Companies available for sale		
JANAF d.d. Zagreb	1	6
Strategic partner		
MOL Plc	91	266
Companies controlled by strategic partner		
Tifon d.o.o.	116	11
Energopetrol d.d.	55	-
Kalegran Ltd.	26	1
Mol Commodity Trading Kft.	-	13
MOL SLOVENIJA d.o.o.	11	14
Slovnaft, a.s.	-	58
TVK Ingatlankezelo Ktt.	3	-

During the period, INA Group entered into the following outstanding balances with the following related parties:

INA-Group	Amounts owed from related parties	Amounts owed to related parties
HRK mln	31 March 2015	31 March 2015
Companies available for sale		
JANAF d.d. Zagreb	1	3
Strategic partner		
MOL Plc	36	122
Companies controlled by strategic partner		
Tifon d.o.o.	66	1
Energopetrol d.d.	40	-
Kalegran Ltd.	15	-
MOL SLOVENIJA d.o.o.	5	7
Slovnaft, a.s.	-	15

Segmental Information

31 March 2015 Assets and liabilities	Exploration and production	Refining and marketing including Retail	Corporate and other	Intersegment transfers	Total
Property, plant and equipment	7,538	4,947	1,852	(117)	14,220
Intangible assets	346	37	116	-	499
Investments in associates and joint ventures	22	-	-	-	22
Inventories	152	2,315	312	(270)	2,509
Trade receivables, net	669	1,068	568	(158)	2,147
Not allocated assets					3,808
Total assets					**23,205**
Trade payables	342	1,244	360	(158)	1,788
Not allocated liabilities					9,285
Total liabilities					**11,073**
Other segment information					
Capital expenditure:	**148**	**38**	**56**	**(6)**	**236**
Property, plant and equipment	147	37	52	(6)	230
Intangible assets	1	1	4	-	6
Depreciation and amortisation	**224**	**136**	**53**	**-**	**413**
Impairment losses/(income) PP&E, net recognized in profit and loss	-	-	-	-	-
Other impairment losses/(income), net recognized in profit and loss	26	(25)	(2)	(7)	(8)
Total impairment losses/(income), net	**26**	**(25)**	**(2)**	**(7)**	**(8)**

31 December 2014 Assets and liabilities	Exploration and production	Refining and marketing including Retail	Corporate and other	Intersegment transfers	Total
Property, plant and equipment	7,270	5,107	1,774	(113)	14,038
Intangible assets	318	19	120	-	457
Investments in associates and joint ventures	22	-	-	-	22
Inventories	152	1,844	262	(334)	1,924
Trade receivables, net	630	983	701	(316)	1,998
Not allocated assets					3,776
Total assets					**22,215**
Trade payables	479	1,123	427	(316)	1,713
Not allocated liabilities					8,842
Total liabilities					**10,555**
Other segment information					
Capital expenditure:	**1,100**	**474**	**172**	**(57)**	**1,689**
Property, plant and equipment	1,092	471	143	(57)	1,649
Intangible assets	8	3	29	-	40
Depreciation and amortisation	**1,344**	**570**	**218**	**-**	**2,132**
Impairment losses/(income) PP&E,net recognized in profit and loss	1,214	387	17	-	1,618
Other impairment losses/(income),net recognized in profit and loss	265	180	10	(21)	434
Total impairment losses/(income), net	**1,479**	**567**	**27**	**(21)**	**2,052**

INDUSTRIJA NAFTE, d.d.

Main external parameters

Q4 2014	2014		Q1 2014	Q1 2015	%
76.3	99.0	Brent dtd (USD/bbl)	108.2	53.9	(50.2)
0.59	1.0	Brent-Ural spread	1.39	0.68	(51.1)
701.8	905.3	Premium unleaded gasoline 10 ppm (USD/t)*	961.2	544.7	(43.3)
687.6	850.5	Gas oil – ULSD 10 ppm (USD/t)*	919.4	498.9	(45.7)
399.5	526.1	Fuel oil 3,5% (USD/t)*	571.5	274.6	(51.9)
600.1	774.1	LPG (USD/t)*	889.9	516.1	(42.0)
63.7	59.0	Average crack spread	42.4	91.1	114.7
126.2	162.6	Crack spread – premium unleaded (USD/t)*	142.6	136.7	(4.1)
112.4	101.5	Crack spread – gas oil (USD/t)*	100.8	90.8	(9.9)
(176.8)	(220.3)	Crack spread - fuel oil 3,5% (USD/t)*	(247.1)	(133.4)	(46.0)
13.7	22.3	Crack spread - LPG (USD/t)*	71.3	108.1	51.6
6.13	5.75	HRK/USD average	5.58	6.82	22.2
6.30	6.30	HRK/USD closing	5.58	7.05	26.3
7.66	7.63	HRK/EUR average	7.65	7.68	0.4
7.66	7.66	HRK/EUR closing	7.66	7.64	(0.3)
0.24	0.23	3m USD LIBOR (%)	0.24	0.26	8.5
0.08	0.21	3m EURIBOR (%)	0.30	0.12	(58.5)

** FOB Mediterranean*

INDUSTRIJA NAFTE, d.d.

Announcements in Q1 2015

31 March 2015	Supervisory Board meeting held
31 March 2015	Code of Corporate Governance Questionnaire for 2014
13 March 2015	Regulated gas price decrease
24 February 2015	Revocation of exploration license
06 February 2015	Ruling from the Tax Administration
03 February 2015	Letter by MOL
21 January 2015	Verdict by the High Administrative Court
15 January 2015	Notice regarding inquiry of the Zagreb Stock Exchange

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

	31 Dec 2006	31 Dec 2007	31 Dec 2008 31 Dec 2009 31 Dec 2010	31 Dec 2011	31 Dec 2012 31 Dec 2013 31 Dec 2014	31 March 2015
MOL Plc.	2,500,001	2,500,001	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
Private and institutional investors	2,319,632	3,015,081	800,91	790,828	608,241	608,241
Total	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**

Source: Central Clearing Depositary 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 2015 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
Niko Dalić	Member
Gábor Horváth	Member
Ivan Krešić	Member
Davor Mayer	Member
Péter Ratatics	Member